

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

TUESDAY SEPTEMBER 11, 2018
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

None

6. PUBLIC COMMENT

Any member of the public may address the Council for a period not to exceed *three minutes*' total on any item of interest within the jurisdiction of this Council that is not on the agenda. The Council will listen to all communications; however, in compliance with the Brown Act, the Council cannot act on items not on the agenda. Comments should be directed to the Council as a whole and not to any individual Council Member. Slanderous, profane or personal remarks against any Council Member, staff member or member of the audience is not permitted.

7. COUNCIL COMMUNICATIONS & COMMITTEE REPORTS

Individual Council Members may comment on Council business, his or her Council activities, City operations, projects or other items of community interest. Council Members may also request staff to report back at a subsequent meeting on any matter or take action to direct staff to prepare a staff report for a future agenda.

8. STAFF COMMUNICATIONS

Comments presented by the City Manager, City Attorney or other staff on City business and/or announcements.

9. CONSENT AGENDA

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 Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion.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 Items withdrawn from the Consent Agenda may be considered by separate motions at the conclusion of the discussion of each item.

- A. Meeting Minutes of August 28, 2018 Council Meeting
Recommendation: approve and file.

- B. Consideration: Second Reading and Adoption of an Ordinance Related to a CEQA Determination and Temporary Use Permits / Special Event Permits Process
Recommendation: conduct the second reading, by title only, and adopt Ordinance No. 2018-766.

- C. Consideration: Award of Contract for Wastewater Rate Study
Recommendation: award and authorize the City Manager to execute a consultant services agreement to conduct a wastewater rate study with Bartle Wells Associates in the amount \$23,575.00 and authorize an additional \$5,000 for contingency expenses.

- D. Consideration: Cancellation of Regular Meeting on December 25, 2018
Recommendation: cancel the regularly scheduled meeting on December 25, 2018.

- E. Consideration: Side Letter of Agreements with Service Employees International Union Local 521 and King City Confidential Employees Association
Recommendation: 1) adopt a Resolution approving a Side Letter of Agreement with Service Employees International Union (SEIU) Local 521; and 2) adopt a resolution approving a Side Letter of Agreement with the King City Confidential Employees Association (KCCEA).

- F. Consideration: A Ballot Measures Informational Flyer
Recommendation: approve distribution of the attached information flyer on Measure K and Measure L.

10. PUBLIC HEARINGS

None

11. REGULAR BUSINESS

None

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.

None

13. ADJOURNMENT

**City Council Meeting
August 28, 2018**

1. CALL TO ORDER:

Regular Meeting called to order at 6:00pm by Mayor LeBarre.

2. FLAG SALUTE:

The flag salute was led by Council member Acosta

3. ROLL CALL:

City Manager Adams conducted roll call.

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

City Staff: City Manager Steven Adams; City Attorney Shannon Chaffin; Finance Director, Mike Howard; Community Development Director, Doreen Liberto; Admin. Asst./Deputy City Clerk, Erica Sonne.

4. CLOSED SESSION ANNOUNCEMENTS:

No recordable actions taken at the last meeting.

5. PRESENTATIONS:

- A. September National Addiction and Recovery Month Proclamation – Councilmember Acosta presented this proclamation to Sun Street Centers Bob Brunson, Clinical Director of Recovery Services. Mr. Brunson announced that on Friday September 7th is the Open House with a ribbon cutting at noon at their new King City facility. On Tuesday September 11th a Chamber Mixer will be happening at 5:00p.m. and at 6:00p.m. information workshop. November 10th King City Stomp Fundraiser BBQ and music.
- B. Jacob's Heart Proclamation- they asked for this proclamation to be mailed.

6. PUBLIC COMMUNICATIONS:

Mark Roland, Sussex Ct, feels that amplifiers should be banned from residential areas. He feels they are making night clubs in residential areas. Without the amplifiers there would not be a problem. The police went out and they quieted down for a half an hour and then they were back at it. He quoted code 7.25.030 (b) "device for the producing or reproducing of sound in such a manner as to disturb the peace, quiet and comfort of the neighboring inhabitants or at any time with louder volume than is necessary for convenient hearing for the person or persons who are in the room, yard area or chamber in which such machine or device is operating and who are voluntary listeners thereto. from the municipal code."

7. COUNCIL COMMUNICATIONS:

Council Member DeLeon stated he was part of the Community Expo at the Fort Hunter Liggett and it was a great experience.

Council Member Acosta stated nothing to report.

Mayor Pro Tem Victoria stated nothing to report.

Council Member Cullen stated Chamber is doing a Community Resource Fair on September 20th. Fall carnival starts on the 20th and goes thru the 23rd. He has been having initial discussion about an Ambassador program to do proactive outreach turn into a welcoming group for new businesses. Marc Bloom would like to be involved. Chamber of Commerce would like the City to donate a dollar amount, if the tax measure goes through for aerial fireworks. Salinas Valley Solid Waste Authority had an initial discussion on collaborating with Monterey Regional Waste Management District, the City of Salinas is pushing for Solid Waste Authority to go solely with Monterey Regional Waste Management. Council gave direction to the City Manager to let Rob continue to represent the city and not enter into an MOU. Barrel Racing this weekend at the Fairgrounds. Survey from the Police Department has the wrong date but we are still excepting them.

Mayor LeBarre stated that on the 21st the Mayor's Association appointed him to Consolidated Successor Agency Oversight committee and he is chair. He saw the tourism commercial he was very impressed, he felt like wow I want to go visit there. He attended the Salinas Rail Station groundbreaking. He and City staff met with the City of Lompoc regarding cannabis industry. West Coast Barrel Racers Asso. producer's dinner he will be attending. He went last year and is impressed with their riding.

8. CITY STAFF REPORTS AND COMMENTS:

City Manager Steven Adams stated Four Cities United is the one that put the citizen survey from the PD together was sent out with the wrong date to return. We want to get the word out for people to please respond on the survey. He had a meeting with ProYouth today and it is fully enrolled 440 children. Scheduled the block parties for October 4th, working on locations. Updating land leases at the Airport 100% up to date on the t-hangars.

City Attorney Chaffin reminded that his firm will be hosting an event at the League of California Cities.

9. CONSENT AGENDA

- A. Meeting Minutes of August 14, 2018 Council Meeting
- B. City August 2, 2018 Invoices Paid
- C. City August 10, 2018 Invoices Paid
- D. Successor Agency August 2, 2018 Invoices Paid
- E. Successor Agency August 10, 2018 Invoices Paid
- F. Consideration: Second Reading and Adoption of an Ordinance of the City Council of the City of King Amending Chapter 22 of the King City Municipal Code Governing Parking Regulations within the Boundaries of King City, Including Adoption of Class 1 CEQA Categorical Exemption
- G. Consideration: Resolution 2018-4659 Approving a Debt Management Policy and Disclosure Procedures for Public Debt Issuances and Related Disclosure Obligations
- H. Consideration: Use of Mesa Del Rey Airport for a Half Mile Shootout Speed Car Event, including Adoption of Class 1 and Class 23 CEQA Categorical Exemption
- I. Consideration: Consideration of Updated Master Street Tree List, Including Adoption of Class 8 CEQA Categorical Exemption
- J. Consideration: Consideration of Agreement for the King City Community Power Low-Income Single-Family Residential Rooftop Solar Program, Including Adoption of Class 1 CEQA Categorical Exemption

Karen Jernigan would like to address item I she feels that two trees should be added to the list Jacaranda tree and Madrone.

Representatives of GRID alternatives were here to state that they are happy to be working with the City and Community on the solar programs. They should be able to help around 24 families. Mayra Guzman is

the Outreach Coordinator who will be working with families for their solar. She is a King City resident as well.

City Attorney stated that Exhibit A for Item I was handed out and is available for community.

Action: Motion to approve consent agenda items by Victoria and seconded by Cullen.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

10. PUBLIC HEARINGS:

- A. Consideration: Introduction of an Ordinance of The City Council of The City of King to Establish and Regulate Temporary Use Permits and Special Event Permits by Repealing Chapter 5.32 Of Title 5, Amending Subsection (B) of Section 5.34.010 and Section 5.34.115 of Chapter 5.34, of Title 5, Adopting Section 7.29.015 to Chapter 7.29, of Title 7, Adopting Chapter 7.60 to Title 7; Amending Section 13.06.020 of Chapter 13.06, of Title 13, and Amending Subsection (3) of Section 17.48.030 of Chapter 17.48, of The King Municipal Code

Community Development Director Doreen Liberto introduced this item with a PowerPoint presentation. Filming uses with in the City would need a special event permit and that language will be added this evening.

Mayor LeBarre read the title into the record stating that the first reading is being waived.

Mayor LeBarre opened the public hearing, seeing no one come forward,

Mayor LeBarre closed the public hearing.

Action: Motion to open the public hearing, consider public testimony, introduce and conduct the first readings of the attached Ordinance, by title only, and set the second reading and adoption for the next regularly scheduled Council meeting on September 11, 2018 including the addition of the filming use by Cullen and seconded by DeLeon.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

11. REGULAR BUSINESS:

- A. Consideration: Amendment to Master Fee Schedule

City Manager Steve Adams, introduced this item.

Action: Motion adopt a Resolution amending the Master Fee Schedule by Victoria and seconded by Cullen.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

- B. Consideration: Resolution Authorizing the Issuance of City of King City (Monterey County, California) Taxable Wastewater Refunding Revenue Bonds, Series 2018, Approving the Form and Authorizing Execution of An Indenture of Trust, An Escrow Agreement and A Bond Purchase Agreement and Authorizing Actions Related Thereto

Finance Director Mike Howard introduced this item.

Action: Motion adopt the Resolution authorizing the issuance of City of King City (Monterey County, California) Taxable Wastewater Refunding Revenue Bonds, Series 2018, approving the form and authorizing execution of an Indenture of Trust, an Escrow Agreement and a Bond Purchase Agreement and Authorizing actions related thereto by DeLeon and seconded by Cullen.

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

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

ADJOURNMENT:

There being no further business to come before the City Council, Mayor LeBarre adjourned the regular at 7:06p.m.

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: SEPTEMBER 11, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: DOREEN LIBERTO, AICP, COMMUNITY DEVELOPMENT DIRECTOR

RE: CONSIDERATION OF ADOPTION OF AN ORDINANCE RELATED TO A CEQA DETERMINATION AND TEMPORARY USE PERMIT/SPECIAL EVENT PERMIT PROCESS

RECOMMENDATION:

It is recommended the City Council conduct the second reading by titles only and adopt Ordinance No. 2018-766.

BACKGROUND:

On August 28, 2018, the City Council approved the first reading and introduced Ordinance No. 2018-766. The Ordinance addresses Temporary Use Permits and Special Event Permits. The City Council added language to the Ordinance regarding commercial filming use.

DISCUSSION

Jurisdictions tailor the activities that require a TUP and SEP. The Ordinance comprehensively addresses short-term placement of activities and repeals scattered sections of the Municipal Code addressing specific activities, such as itinerant vendor. The purpose of this Ordinance is to put all the related requirements in one Municipal Code chapter. The Ordinance identifies the type of activities needing either a TUP or SEP and which City department has jurisdiction for review and approval. There are limitations on the number of times certain activities can occur within a time period and conditions to reduce potential health and safety, traffic, neighborhood compatibility and other issues. By providing these restrictions, it enables the City to establish more exemptions so activities can take place without a permit as long as they comply with the restrictions. This reduces staff workload and makes the process more user friendly.

Temporary Use Permit (TUP)

A TUP is needed for certain temporary uses. A temporary use means temporary use of property for a limited time that is not otherwise permitted by the Municipal Code. TUP activities are reviewed and approved by the community development director or designee. The proposed Ordinance requires a TUP for temporary assembly (e.g.,

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circuses, carnivals, rodeos, open air market). Temporary accessibility is limited to not more than fifteen (15) days, or three (3) weekends, in any one-hundred-eighty (180) day period. Issues that will be considered when reviewing the TUP include parking, pedestrian safety, noise, traffic, light and other incompatible impacts on residential neighborhoods. **(Reference Section 7.60.040.)**

There are several exemptions to TUP requirements. These include, but are not limited to, parking lot sales and displays on public and private property, promotional or seasonal sales, arts and crafts shows, temporary portable storage containers, and bounce houses. **(Reference Section 7.60.050.)**

Special Event Permit (SEP)

A special event means an activity sponsored by a person, entity, business or group located within a venue or public right-of-way and open to the public. SEP activities are reviewed and approved by the police chief, or designee. The proposed Ordinance requires a SEP for parades, event within a public park or public facility, event at which there are one-hundred (100) or more participants, entertainment event where there is an admission charge, sidewalk sales, rallies, and block parties. **(Reference Section 7.60.080.)**

Exemptions from the SEP requirement include, but are not limited to, events in private residences, members only facilities, and County fairground events (unless traffic control is needed). **(Reference Section 7.60.090.)**

On August 28th, the City Council added the following language to the Ordinance which addresses commercial filming uses.

“Section 7.60.020: Add the following definitions and update number accordingly:

“Commercial filming use” means and includes all activity attendant to staging or shooting commercial motion pictures, television programs, or commercials.

“Small photography shoot” means the act of taking photographs where: (1) three or fewer persons are engaged in the staging or shooting of photographs or operating the photography equipment, not including the subjects of the shoot; (2) the photographer uses no more than three (3) pieces of photography equipment; (3-) the photography equipment used is of a size and weight that each piece can be carried by one person; and (4) the entire production is finished in one calendar day.

Section 7.60.080 (i) Any person wishing to film, videotape or photograph scenes or actions for commercial filming use shall obtain a special use permit unless otherwise exempt.

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Section 7.60.090 (m) The following filming and videoing are exempt:

- A. Film amateurs making films and assisted by no more than one other person.
- B. Filming of news events.
- C. Filming activities conducted at studios.
- D. Filming activities conducted for use in a criminal investigation or civil or criminal court proceeding.
- E. Small Photography Shoot.”

ENVIRONMENTAL REVIEW:

In accordance with the California Environmental Quality Act (CEQA), and pursuant to both CEQA Guideline Sections 15378 and 15061(3), this activity is not a “project” subject to CEQA as it can be seen with certainty that there is no possibility that an activity may have a significant effect on the environment.

COST ANALYSIS:

A fee will be paid by applicants to process applications. Additionally, the applicant is responsible for paying the cost of extra police officers, other public safety personnel and traffic control, if needed. No significant cost impact is anticipated.

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Conduct the second reading of the Ordinance No. 201-766.
2. Request modifications to the Ordinance and continue the item for a second reading at a future City Council hearing.
3. Make a tentative motion to deny the Ordinance. If the City Council chooses this alternative, the reasons should be specified and the item continued to a future hearing so the appropriate findings of fact and a new Resolution can be prepared by staff.
4. Provide other direction to staff.

Exhibits:

1. Exhibit 1 – City Council Temporary Use Permit/Special Event Permit Ordinance
2. Exhibit 2 – Planning Commission Resolution

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Submitted by:



Doreen Liberto, AICP, Community Development Director

Approved by:



Steven Adams, City Manager

EXHIBIT 1

ORDINANCE NO. 2018-766

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING TO ESTABLISH AND REGULATE TEMPORARY USE PERMITS AND SPECIAL EVENT PERMITS BY REPEALING CHAPTER 5.32 OF TITLE 5, AMENDING SUBSECTION (B) OF SECTION 5.34.010 AND SECTION 5.34.115 OF CHAPTER 5.34, OF TITLE 5, ADOPTING SECTION 7.29.015 TO CHAPTER 7.29, OF TITLE 7, ADOPTING CHAPTER 7.60 TO TITLE 7; AMENDING SECTION 13.06.020 OF CHAPTER 13.06, OF TITLE 13, AND AMENDING SUBSECTION (3) OF SECTION 17.48.030 OF CHAPTER 17.48, OF THE KING MUNICIPAL CODE

WHEREAS, the City Council of the City of King (“Council”) initiated an amendment of the King City Municipal Code to establish and regulate certain temporary use and special event permits on August 28, 2018 ; and

WHEREAS, on August 7, 2018, the City of King Planning Commission (“Commission”) conducted a public hearing to consider both the proposed ordinance, and after considering public testimony, the staff report and all submitted evidence to support the applications, the Commission recommended the Council [deny/approve] the proposed ordinance; and

WHEREAS, the proposed ordinance is consistent with the General Plan and any applicable Specific Plan(s); and

WHEREAS, in accordance with the California Environmental Quality Act (“CEQA”), and pursuant to both CEQA Guideline Sections 15378 and 15061(3), this activity is not a “project” subject to CEQA as it can be seen with certainty that there is no possibility that an activity may have a significant effect on the environment; and

WHEREAS, on August 28, 2018, the Council conducted a public hearing to consider the Commission’s recommendation, and after considering public testimony, the staff report and all submitted evidence, the Council now desires to approve the proposed ordinance.

NOW THEREFORE, the people of the chartered City of King City do ordain as follows:

SECTION 1. The above recitals are incorporated are hereby by reference.

SECTION 2. The City Council has reviewed the proposed ordinance and hereby finds that is consistent with the General Plan and all applicable Specific Plans.

SECTION 3. The City Council, based upon its own independent judgement, finds that the proposed ordinance promotes and protects the health, safety, welfare and quality of life of City residents, including protections against nuisances.

SECTION 4. The proposed ordinance was assessed in accordance with the authority and criteria contained in CEQA, the State CEQA Guidelines (“CEQA Guidelines”), and the environmental regulations of the City. The City Council finds and determines that the proposed ordinance is not a “project” for the purposes of CEQA and consistent with CEQA Guidelines Section 15378, as it merely establishes or updates an existing administrative process and will not result in direct or indirect physical changes in the environment as compared to the current baseline. Additionally, the City Council finds and determines for the same reasons that even if the proposed ordinance were a project for the purposes of CEQA, there is no possibility that this project may have a significant effect on the environment pursuant to CEQA Guidelines, Section 15061(b)(3). Therefore, the proposed ordinance is not subject to CEQA.

SECTION 5. The King City Municipal Code is hereby amended to read as set forth in the attached Exhibit “A” and incorporated in full by reference, which:

- Repeals Chapter 5.32 of Title 5;
- Amends subsection (b) of Section 5.34.010 and Section 5.34.115 of Chapter 5.34, of Title 5;
- Adopts Section 7.29.015 of Chapter 7.29, of Title 7;
- Adopts Chapter 7.60, of Title 7;
- Amends Section 13.06.020 of Chapter 13.06, of Title 13; and
- Amends Subsection (3) of Section 17.48.030 of Chapter 17.48.

SECTION 6. If any provision(s) of this Ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any other provision or application, and to this end the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases, parts or portions thereof be declared invalid or unconstitutional.

SECTION 7: This Ordinance shall take effect and be in full force and effect from and after thirty (30) calendar days after its final passage and adoption. Within fifteen (15) calendar days after its adoption, the Ordinance, or a summary of the Ordinance, shall be published once in a newspaper of general circulation.

I HEREBY CERTIFY that the foregoing Ordinance was introduced by the City Council after waiving reading, except by Title, at a regular meeting thereof held on the 28th day of August, 2018, and adopted the Ordinance after the second reading at a regular meeting held on the 11th day of September, 2018, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST

STEVEN ADAMS, City Clerk

CITY OF KING

By: _____
MIKE LEBARRE, Mayor

APPROVED AS TO FORM:

By: _____
SHANNON L. CHAFFIN, City Attorney
Aleshire & Wynder, LLP

Attachment: Exhibit "A"

I, _____, City Clerk of the City of King, California, DO
HEREBY CERTIFY that the foregoing is a true and accurate copy of the Ordinance
passed and adopted by the City Council of the City of King on the date and by the vote
indicated herein.

EXHIBIT "A"

SECTION 1. Chapter 5.32 (Parades and Assemblies), of Title 5, of the King Municipal Code is repealed in its entirety.

SECTION 2. Subsection (b) of Section 5.34.010 of Chapter 5.34, of Title 5, of the King Municipal Code is amended in its entirety to read as follows:

5.34.010 Definitions.

- (b) "Itinerant vendor" means any person who sets up a temporary stand or place or uses a portable cart or motor vehicle as defined in the California Vehicle Code for the purpose of selling any goods, wares, merchandise, fruits or vegetables, or one who solicits orders for the sale of such goods, wares, merchandise, fruits or vegetables to be delivered at some future time or date. Itinerant vendor does not include a merchant having a fixed place of business within the city, or his or her employee, who sells or solicits orders for the sale of goods, wares, merchandise, services, fruits or vegetables, after a prior approval, either oral or written, from the vendee. Itinerant vendor does not include a merchant who sets up a temporary stand or place as part of an approved farmers market. Itinerant vendors who set up on private property must secure written permission from the property owner or person having control of said property and said written permission must be in the possession of the vendor.

SECTION 3. Section 5.34.115 of Chapter 5.34, of Title 5, of the King Municipal Code is amended in its entirety to read as follows:

5.34.115 Regulations concerning itinerant vendors.

The following regulations shall apply to itinerant vendors as defined in Section 5.34.010:

- (a) No itinerant vendor shall park or stand on a public sidewalk.
- (b) Itinerant vendors shall not stand or park in any parking lot of any public park or within three-hundred feet (300') feet of any public park within the City of King except as follows:
- (1) Obtain a park vendor permit, including payment an annual permit fee as established by resolution. The city manager, or designee, may limit the number of park vendor permits, and may establish a procedure for determining and issuing of the same.

- (2) Vendors with a park vendor permit shall only park adjacent to a public park in spaces designated by signage. The designations shall be made and posted from time to time by the city manager or designee, who may limit the number of spaces for itinerant vendors.
 - (3) Vendors with a park vendor permit shall be limited to six (6) hours a day no more than two (2) days a week for all parks except San Lorenzo Park. A vendor with a park vendor permit at San Lorenzo Park shall only stand or park adjacent to the San Lorenzo Park for no more than six (6) hours a day on Saturdays and Sundays only.
 - (4) No chairs or tables are allowed to be placed on the sidewalk.
 - (5) Vendors operating with a park vendor permit shall remove any debris from the sales, ensure a receptacle is available for the disposal of debris, and make sure that the area is kept clean.
- (c) School zones. No itinerant vendor shall stand or park within three hundred (300') feet of any school zone weekdays, Monday through Friday, from eight a.m. (8 a.m.) to four p.m. (4 p.m.) except for holidays and when school is not in session.
- (d) Public streets. Consistent with Section 10.22.050, no itinerant vendor shall stand or park on any street in a commercial zone any truck, trailer, wagon or push cart from which fruit, vegetables, ice cream or any other type of food or food product is sold or offered for sale, within three hundred feet (300') of any grocery store, convenience store, delicatessen, restaurant, or lunch counter.
- (e) Private property. Itinerant vendors shall be permitted on developed private property only in commercial, industrial and open space zoning districts. The area occupied by each itinerant vendor on private property shall not exceed nine hundred (900) square feet and shall be located on hard surface paving. Itinerant vendors are prohibited in residential zoning districts.

SECTION 4. Chapter 7.29, of Title 7, of the King Municipal Code amended to adopt Section 7.29.015 in its entirety to read as follows:

7.29.015 Interference with Demonstration, Rally, Picket Line, Parade or Assembly.

No person shall knowingly join or participate in any demonstration, rally, picket line, parade or assembly conducted under permit from the city, in violation of any of the terms of said permit, nor knowingly join or participate in any permitted demonstration, rally, picket line, parade or assembly without the consent of the permittee, nor in any manner interfere with its progress or orderly conduct.

SECTION 5. Chapter 7.60, of Title 7, of the King Municipal Code is adopted in its entirety to read as follows:

Chapter 7.60

TEMPORARY USE AND SPECIAL EVENT PERMITS

Section 7.60.010 Purpose and Intent.

The purpose of a Temporary Use Permit (TUP) or a Special Event Permit (SEP) is to regulate those uses and activities of a temporary nature that may affect the public peace, health, safety, and general welfare. Further, it is the purpose and intent of this Chapter to promote the health, safety, morals, and general welfare of the residents and businesses within the City by regulating temporary uses and special events.

Section 7.60.020 Definitions.

The following definitions shall apply to this chapter:

- (a) **“Applicant”** means any person, firm, association, corporation, organization, club or ad hoc committee who or which seeks a temporary use permit from the City through the community development director, or a special event permit from the City, through the chief of police, to conduct or sponsor events governed by this chapter. An applicant must be eighteen (18) years of age or older. The applicant shall be the individual who is directly responsible for organizing and/or conducting the temporary use or special event and/or the facility manager.
- (b) **“Assembly”** mean any meeting, demonstration, picket line, rally, gathering, or group of one hundred (100) or more persons, animals, or vehicles, or a combination thereof, having a common purpose, design, or goal, upon any public street, sidewalk, alley, park, or other public place, which assembly substantially inhibits the usual flow of pedestrian or vehicular travel or which occupies any public area, other than a parade, as defined in subsection (b) of this section.
- (c) **“Bounce House”** means temporary inflatable structures, buildings and similar items, such as inflatable trampolines, inflatable waterslides, bouncy houses, bouncy castles, moon bounce, and moonwalks.
- (d) **“Chief Building Official”** means the building and safety director or designee.
- (e) **“Chief of Police”** means the police chief or designee.
- (f) **“City Clerk”** means the city clerk of the city or designee.

- (g) **“City Manager”** means the city manager of the city or authorized deputy or designee.
- (h) **“Circus”** means any transient, travelling, or transportable show or exhibition where a variety of performances by acrobats, clowns, and/or trained animals and restricted animals is a substantial attraction or principle business.
- (i) **“Commercial filming use”** means and includes all activity attendant to staging or shooting commercial motion pictures, television programs, or commercials.
- (j) **“Community Development Director”** means the community development director or designee.
- (k) **“Entertainment”** means providing to the public food and/or beverages; live or recorded music; dancing; mechanical, animal or carnival rides; games of chance; performances and/or plays; animal or restricted animal performances; audiovisual presentations; amplified sound; competitive or sporting events; and/or promotional events.
- (l) **“Event”** means uses subject to either a temporary use permit or special event permit.
- (m) **“Event Sponsor”** means any person, entity, business, or group who operates or conducts, or shares in the revenue of, an event subject to this chapter.
- (n) **“Extraordinary Police Services”** means responsive police services which are in addition to and in excess of the normal police services provided to the facility or off-site as a direct result of the event at the facility.
- (o) **“Facility”** means the building, room, location or place where the special event is to take place.
- (p) **“Farmers Market”** or **“Seasonal Sale of Agricultural Goods”** means certified farmers’ markets as California agricultural point of sale locations for the purposes of California Food and Agricultural Code 47004(a) as may be amended. Generally, this is a multi-stall market location where certified California farmers sell fresh products that they have grown and harvested themselves directly to consumers who intend to consume the products. It may also include meat and dairy products.
- (q) **“Fee”** means the nonrefundable fee to be paid by the permit applicant at the time the application is filed for a temporary use permit or special event permit

per a fee schedule approved by the City Council addressing the actual costs of processing the applications.

- (r) **“Food Cart”** means a mobile kitchen that is set up on the street to facilitate the sale and marketing of street *food* to people from local pedestrian traffic.
- (s) **“Manufactured Home”** means a structure, transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when connected to the required utilities.
- (t) **“Open Air Market”** means any outdoor place, in an approved location, or for an approved activity where new or used goods or secondhand personal property is offered for sale or exchange to the general public by a multitude of individual licensed vendors, usually in compartmentalized spaces. The “open air market” is interchangeable with and applicable to: swap meet, flea markets, auctions, or other similarly named or labeled activities; but the term does not include farmers markets, supermarket or department store retail operations.
- (u) **“Open to the Public”** means an event not limited to invitees and otherwise open to any member of the public with or without an admission fee or charge.
- (v) **“Parade”** means any march, demonstration, procession, motorcade, or promenade consisting of persons, animals, or vehicles, or a combination thereof, having a common purpose, design, destination, or goal, upon any public place, which parade, march, demonstration, procession, motorcade, or promenade does not comply with normal and usual traffic regulations or control.
- (w) **“Public Benefit”** means if the non-profit provides a benefit to the public generally, or a sufficient section of the public, of a type acceptable to the City to promote public health, safety or welfare.
- (x) **“Push Cart”** means any of the various types of wheeled light cart to be pushed by hand, as one used by street vendors.
- (y) **“Recreational Vehicle”** means a vehicle which is: (1) built on a single chassis; (2) four hundred (400) square feet or less when measured at the largest horizontal projection; (3) designed to be self-propelled or permanently towable by a light-duty truck; and (4) designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.
- (z) **“Responsible Party”** means, for the purpose of determining liability for damage to City or public facilities as a result of a special event and liability for the cost of extraordinary police services, any person or entity (including those

who caused the damage, as well as those acting in a supervisory capacity or hosting the event including applicant(s), event sponsor(s), and/or promoter(s) and/or facility operator(s) and their respective designees) responsible for creating, causing, committing, or contributing to said damage.

- (aa) **“Restricted Animal”** shall mean those animals listed in Fish and Game Code Section 2119 and Title 14, California Code of Regulations Section 671 et seq.
- (bb) **“Security Officer”** means a state-licensed uniform security guard, or off-duty law enforcement.
- (cc) **“Sidewalk Sales”** means a retail event in which a group of four (4) or more merchants within a defined business district is allowed to display merchandise for sale outside of the merchants’ places of business during normal business hours.
- (dd) **“Small Photography Shoot”** means the act of taking photo where: (1) three or fewer persons are engaged in the staging or shooting of photographs or operating the photography equipment, not including the subjects of the shoot; (2) the photographer uses no more than three (3) pieces of photography equipment; (3-) the photography equipment used is of a size and weight that each piece can be carried by one person; and (4) the entire production is finished in one calendar day.
- (ee) **“Special Event”** means an event sponsored by any person, entity, business or group including at any special event venue or public right-of-way within the City and open to the public.
- (ff) **“Temporary Portable Storage Container”** means any temporary structure that is a reusable, enclosed, or open vessel, cargo container or truck trailer which is used for the storage of freight, articles, goods, solid waste, personal belongings, commodities, or similar uses, including metal cargo containers, steel cargo containers, shipping containers, freight containers, portable storage containers, ISO containers, cargo boxes or sea vans.
- (gg) **“Temporary Use”** means temporary utilization of property for a special, unique or limited duration not otherwise either authorized by this code or permits granted for uses normally operated on that property.

Section 7.60.030 Permits Required.

This Chapter governs the issuance of permits for temporary uses and special events. A temporary use permit and a special event permit shall be required to obtain any license otherwise required by this code or pay any other fee otherwise approved by the city council.

Section 7.60.040 Uses Requiring Temporary Use Permit.

- (a) Temporary Use Permit Required. A temporary use permit shall be required for any temporary use(s) not expressly exempt pursuant to this Chapter or which are specifically authorized by this code.
- (b) Temporary Assembly (e.g., Circuses, Carnivals, Rodeos, Open Air Market). Temporary assemblies shall require a temporary use permit. Those temporary assemblies that are traveling amusements shall be limited to not more than fifteen (15) days, or more than three (3) weekends, of operation in any one-hundred-eighty (180) day period. If adjacent to residential uses, issues such as noise and traffic shall be evaluated to determine incompatible impacts on a residential neighborhood. If incompatible impacts are identified which cannot be resolved, the application may be denied.

Adequate provisions for traffic circulation, off-street parking and pedestrian safety shall be provided to the satisfaction of the community development director including accommodations for deliveries and employee parking. Restroom facilities shall be provided.

All lighting for temporary assemblies shall be directed away from adjacent properties and public rights-of-way. Noise attenuation for generators and carnival rides shall be provided to the satisfaction of the community development director and be consistent with the City's noise standards. All food preparation areas shall be inspected by the Monterey County Health Department and obtain an active permit prior to operating the event.

Section 7.60.050 Exemptions

The following uses shall be exempt from obtaining a required temporary use permit. If a proposal does not meet the minimum required development standards, then either a special use permit, or conditional use permit, or both, shall be required.

- (a) Parking Lot Sales or Displays (public and private property). Parking lot sales or displays sales shall be exempt from obtaining the required temporary use permit if said sales meet the following requirements:
 - (1) Clearance Sale:
 - (A) An existing business wanting to conduct a parking lot sale for a clearance event or discount sale event within their parking lot shall be limited to one (1) weekend in any one-hundred eighty (180) day period. Adequate provisions for traffic circulation,

controlled ingress and egress, adequate parking and pedestrian safety shall be provided at all times.

(B) A business wanting to use a parking lot either not owned by the business conducting the clearance sale or which is not located at the business site for a clearance sale event shall be required to obtain a temporary use permit. Prior to issuance of a temporary use permit, an application for a temporary seller's permit shall file a business license with the State of California Board of Equalization and the applicant must state on the form that the sales will take place in the City of King.

(2) Christmas Tree or Pumpkin Sales Lots. All Christmas Tree and/or Pumpkin sales shall be limited to forty-five (45) days per calendar year. The project site shall be left in a clean and debris-free state. All lighting shall be directed away from adjacent properties and public rights-of-way. No enclosed tents or similar structures intended for use by the public shall be used unless approved by the fire chief or building inspector. Adequate provisions for traffic circulation, controlled ingress and egress, off-street parking and pedestrian safety shall be provided to the satisfaction of the community development department.

(3) Farmer's Markets or Seasonal Sale of Agricultural Goods. All such uses shall be limited to ninety (90) days per calendar year, not to exceed thirty (30) consecutive days at a time. The project site shall be left in a clean and debris-free state. All lighting shall be directed away from adjacent properties and public rights-of-way.

Adequate provisions for traffic circulation, controlled ingress and egress, off-street parking and pedestrian safety shall be provided to the satisfaction of the community development department.

(4) Outdoor Display of Merchandise (private property).

(b) Promotional or Seasonal Sales (including non-mobile flower and vendor stands). Promotional sales and retail sales shall be exempt from obtaining the required temporary use permit if the sale meets the following requirements:

(1) Items must not be typically sold from premises and shall be permitted not to exceed three (3) days per seasonal event, not to exceed nine (9) days in a calendar year.

(2) If the public sidewalk is being used for sale, no more than one (1) 6' x 30" table shall be permitted. Such uses using the public sidewalk shall obtain an encroachment permit from the public

works department. Additionally, a case deposit shall be required consistent with subsection b(3) of this section to ensure clean up.

- (3) If vendor is using a private parking lot, no more than two (2) 6' x 30" tables and a 10 x 10 canopy cover (e.g., canvas cover). Such use must be located upon developed commercial property with approval of property owner, and consistent with the use allowed for that zoned district. The stand and canopy on private parking lots shall not block driveways, path of travel or fire lines. Each vendor stand is required to obtain a business license.
- (c) Arts and Crafts Shows. Arts and Crafts shows shall be exempt from obtaining the required temporary use permit if said shows meet the following requirements: Such uses shall be limited to seven (7) days in any one-hundred-eighty (180) day period.
 - (d) Fundraising Events for Charitable and Not for Profit. Fundraising events shall be exempt from obtaining the required temporary use permit if said events meet the following requirements: Such uses shall be limited to two (2) days in any thirty (30) day period.
 - (e) Recreational Vehicles and Manufactured Homes. Recreational vehicles and manufactured homes shall be exempt from obtaining the required temporary use permit if the recreational vehicle or manufactured home meets the following requirements:
 - (1) All manufactured homes shall comply with the standards of Municipal Code Section 12.16.194, and all recreational vehicles shall comply with the standards of Municipal Code Section 12.16.195.
 - (2) A recreational vehicle or manufactured home may be used for security personnel, temporary storage, temporary office or other uses or for temporary residence of the subject property owner, when located on an active construction site. Installation of a trailer or RV may occur only after a valid building permit has been issued by the chief building official.
 - (3) A recreational vehicle or manufactured home may be used for any of the purposes specified in subdivision (1) above in any non-residential zone with the approval of the community development department.
 - (4) A temporary recreational vehicle or manufactured home may remain for a period of one (1) year of the construction project. A six (6) month extension may be granted by the community

development director. Under no circumstances shall a temporary trailer or RV remain for a period exceeding one and one-half (1.5) years.

(5) To qualify for an exception for a temporary use permit, the size of a recreational vehicle or manufactured home shall not exceed a maximum of six hundred fifty (650) square feet. Their location upon the site shall meet the approval of the community development department and meet all the standards (e.g., setbacks, parking) of the base zoning district. Recreational vehicles or manufactured homes must have valid vehicle licenses and shall meet all requirements and regulations of the county department of health services and the chief building official.

(f) Temporary Portable Storage Container. Temporary portable storage containers shall be exempt from obtaining a temporary use permit if all of the following requirements are met:

(1) Temporary portable storage containers shall comply with the King City Building Code and any applicable manufacturing regulations.

(i) There shall be no utility connections to the temporary portable storage containers.

(ii) Temporary portable storage containers may not be used to store flammable liquids or other hazardous materials as determined by the fire chief. Fireworks may be stored as determined by the fire chief.

(iii) Temporary portable storage container shall be located so as to provide adequate access as determined by the fire chief.

(iv) Temporary portable storage containers shall be incidental to the primary use on the site and/or shopping center. They are not permitted as an accessory use to a stand-alone parking lot.

(v) Temporary portable storage containers shall be kept in good condition and free of damage, rust, graffiti, signs, banners, etc. Repairs shall be made within forty-eight (48) hours of being damaged. Graffiti shall be removed within forty-eight (48) hours.

(2) For commercial, industrial and residentially zoned parcels or lots one (1) acre or less in size, a maximum of one (1) cargo/storage container is permitted. For commercial, industrial and residentially zoned parcels greater than one (1) acre in size, a maximum of three (3) cargo/storage containers shall be permitted.

- (3) For commercial and industrial zoned property, cargo/storage containers shall not be located on site for more than thirty (30) days within one (1) calendar year. A cargo/storage container shall be located within the backyard setback and predominately out of view from a public street. A cargo/storage container cannot be placed on parking spaces needed to accommodate the uses, pursuant to Municipal Code Chapter 17.52, or as approved by a discretionary permit such as a use permit.
 - (4) For a single family-residential use, cargo/storage containers shall be permitted only during the period of onsite construction or moving. Temporary portable storage containers used for construction purposes shall be removed upon occupancy of the building and/or expiration of the building permit, whichever occurs first. Temporary portable storage containers used for moving shall not be on site for more than ninety (90) days within one (1) calendar year. The permanent storage of a cargo/storage container is prohibited for single-family residential uses.
 - (5) Cargo/storage containers shall not be located within the public right-of-way unless an encroachment permit is obtained from the City.
 - (6) Non-profit institutions may be permitted to store one (1) portable storage container on-site. The container shall be screened from public view and located behind the building. The container shall be painted to match the colors of the existing building.
- (g) Bounce Houses. Bounce houses shall be exempt from obtaining the required temporary use permit if they meet any of the following requirements:
- (1) It is used during a private event at a single-family residence.
 - (2) It is used in conjunction with a promotional or seasonal sale that meets the requirements of Section 7.60.060(c).
 - (3) It is allowed in City parks when part of a parks and recreation department rental permit.

The height of any bounce house shall not exceed the height of the building in front of which it is displayed or used. Any bounce house which fails to meet any of the above requirements shall need to obtain a temporary use permit.

- (h) Non-profit Organizations. The city council may exempt a non-profit organization from the requirement of temporary use permit upon a determination of public benefit.

- (i) Other Uses. Any other temporary use which the community development director may determine to be of a similar nature to, or is listed as, a permitted or conditionally permitted use for the zone in which the temporary use would locate, or which is of a similar nature to other uses requiring a temporary use permit. The community development director may allow for a temporary use for a duration of one (1) year or less and may place conditions on the use to assure maintenance of the public health, safety and welfare.
- (j) Incidental Uses. The community development director may exempt a temporary use from the provisions of this Chapter when it is determined the temporary use is incidental in nature and will not create any adverse impacts.

Section 7.60.060 Regulations and Conditions on Temporary Use Permits for Circus Events.

- (a) To provide for the welfare of all animals and restricted animals and for the health and safety of the public, the community development director shall be authorized to implement additional conditions on a temporary use permit for circus events.
- (b) Violation of any additional reasonable regulations and/or conditions governing a circus event permit, shall constitute a violation of this Chapter.

Section 7.60.070 Special Event Permit.

Special event permits shall be granted at the sole discretion of the chief of police. The chief of police may approve, deny or impose additional permit conditions to protect the public from potential adverse impacts, and to provide for additional penalties and for the recoupment of extraordinary police services expended in enforcing permit requirements.

Section 7.60.080 Uses Requiring a Special Event Permit.

- (a) Parades.
- (b) Public Park/Facility. A special event permit shall be obtained for any event which is held in a city park and/or facility or on any property and/or facility which is open to the public, and not covered by a temporary use permit. The requirement for special event permit for events held in city parks and/or facilities shall be satisfied by obtaining from recreational coordinator a permit as required by Section 7.26.060 or Section 7.26.110 of this code.

- (c) Number of Participants. A special event permit shall be obtained for any event at which one-hundred (100) or more participants (including sponsors and guests) are present, and not covered by a temporary use permit.
- (d) Personal Entertainment. A special event permit shall be obtained for any event at which entertainment is provided by or for any person, and/or made available to any person, there is an admission charge, and not covered by a temporary use permit.
- (e) Rallies, Picket Lines, Demonstrations.
- (f) Block parties.
- (g) Sidewalk Sales (public property). The following is applicable:
 - (1) The business shall be allowed to place one (1) 6'x30" table for sale items along the sidewalk. Additional tables may be placed, if deemed appropriate by the public works department.
 - (2) If the chief of police determine that sidewalk sales at a particular location are resulting in debris, the applicant shall provide a cash deposit to the city manager's office of fifty percent (50%) of estimated amount of clean-up to ensure the property is returned to a clean and debris-free state. If the applicant fails to promptly return the property to a clean and debris-free state at the conclusion of the use, the city may utilize the deposit to restore the property. Applicant shall be entitled to a refund of any unused funds. If funds are inadequate to cover the city's costs, applicant shall provide additional funds to the city within seven (7) days of request. No further public sidewalk sales shall be permitted until said additional funds are provided by the applicant.
- (h) Any event in city with amplified music after 10 p.m. must receive approval from the city council.
- (i) Any person wishing to film, videotape or photograph scenes or actions for commercial filming use shall obtain a special use permit unless otherwise exempt.

Section 7.60.090 Exemptions.

The following uses shall be exempt from obtaining a required special event permit. If a proposal does not meet the minimum required development standards, then a special event permit may be required.

- (a) Events held in a private residence where no admission is charged, the event is not open or advertised to the public, and no extraordinary police

services are required. Nothing in this subsection shall modify or otherwise limit the requirements of Chapter 7.09 regarding social host liability.

- (b) Events held in a members-only facility at which the only participants are the members (and their invited nonpaying guests) and no extraordinary police services are required.
- (c) For-profit entertainment activities of persons, entities and businesses such as cabarets who or which are currently licensed to regularly provide specified entertainment activities at fixed locations in the City and no extraordinary police services are required.
- (d) Any entertainment for which other City permits have previously been obtained, such as, but not limited to, dance permits, short-term encroachment permits and City sponsored events, or other permits which are more appropriate for a particular event, as determined by the chief of police.
- (e) County Fairground Events. All events are exempt, unless traffic control is needed, as determined by the chief of police. For any event serving alcohol, a temporary Alcohol Beverage Control (ABC) permit is needed.
- (f) Non-Profits. An exemption may be granted by the city council for non-profit organizations demonstrating a public benefit.
- (g) Funeral processions.
- (h) Religious Institutions. All events held on the property of the institution are exempt, unless serving alcohol or traffic control is needed, as determined by the chief of police.
- (i) No Significant Impacts. Any event, series of events and/or specific type of event may be exempted at the discretion of the chief of police, based upon evidence that the event or events will not impact police services and will not affect public health, safety and welfare.
- (j) Assembly.
 - (1) assemblies occasioned by news or affairs coming into public knowledge within three (3) days of such parade or assembly; provided, that the organizers thereof give written notice to the city at least twenty-four (24) hours prior to such assembly. Such written notice shall contain all of the following information:

- (i) The name, address and telephone number of the person or persons seeking to conduct the assembly. This person or these persons shall be considered a permittee for the purposes of this chapter;
 - (ii) The name, address and telephone number of the headquarters of the organization, if any, and of the organizer or responsible head of such organization by whom or on whose behalf the assembly is proposed to be conducted;
 - (iii) The name, address and telephone number of the person who will chair assembly and who will be responsible for its conduct;
 - (iv) The location and date of the proposed assembly, including the assembly area, disbanding area, and the route to be traveled;
 - (v) An estimate of the approximate number of persons who will be participating in the assembly and an estimate of the approximate number of persons who will be observing the assembly;
 - (vi) The time at which the assembly will start and conclude; and
 - (vii) The type of security or other arrangements that will be provided to assure that participants are properly directed.
- (2) The city manager may deny permission to conduct the assembly within eighteen (18) hours of the submission of the notice pursuant to subsection (j) of this section if the city manager or the city manager's designee makes a finding requiring denial. Denial of permission shall be based on a finding of any of the following:
- (i) The information contained in the application is false or intentionally misleading;
 - (ii) The assembly is proposed for a time and location for which another assembly permit has been previously issued;
 - (iii) The proposed route or location of the assembly traverses a street or other public right-of-way that was scheduled for maintenance, construction or repair prior to the application for that assembly permit and the conduct of the assembly would interfere with such maintenance, construction or repair or the maintenance, construction or repair would represent a threat to the health or safety of the participants in the assembly;
 - (iv) The proposed area for the assembly or for the set-up or dispersal of an assembly could not physically accommodate the number of

participants expected to participate in the assembly, as reflected in the application completed and submitted pursuant to the requirements of this chapter; or

- (v) The assembly would result in a violation of any federal, state or local law or regulation.

If the city manager makes a finding requiring denial pursuant to that subsection, the city manager shall immediately provide notice of the denial, including the reason for the denial, by telephone to the permittee and shall also provide written notice of the denial including the reason for the denial. If the permittee provides an email or fax number for the purpose of receiving notices, the city manager shall provide written notice of the denial by email or fax immediately upon making the denial decision.

- (k) Not-for-profit fundraiser sales.
- (l) Educational institutions. All events held on the property of the institution are exempt, unless serving alcohol or traffic control is needed, as determined by the chief of police.
- (m) The following filming and videoing are exempt:
 1. Film amateurs making films and assisted by no more than one other person,
 2. Filming of news events.
 3. Filming activities conducted at studios.
 4. Filming activities conducted for use in a criminal investigation or civil or criminal court proceeding.
 5. Small Photography Shoot.

Section 7.60.100 Regulations and Conditions for Certain Special Event Permits.

The following prohibitions shall apply to all demonstrations, rallies, picket lines, parades and assemblies:

- (a) It shall be unlawful for any person to carry any sign, poster, plaque, or notice, unless such sign, poster, plaque, or notice is constructed solely of a cloth, paper, or cardboard material no greater than one-quarter inch in thickness.
- (b) It shall be unlawful for any person to carry, possess or wear any gas mask or similar device designed to filter all air breathed and that would protect the respiratory tract and face against irritating, noxious or poisonous gases.

- (c) It shall be unlawful for any person to fail to abide by the instructions of a traffic control officer given for the purpose of accommodating traffic, including emergency vehicles, through and across a parade route, demonstration, rally, picket line or assembly.

Nothing in this section shall prohibit a disabled person from carrying a cane, walker, or similar device necessary for providing mobility so that the person may participate in a demonstration, rally, picket line, parade or assembly.

Section 7.60.110 Temporary Use and Special Event Regulations.

- (a) **Applicability of Code.** All temporary uses and special events shall otherwise comply with the requirements of this code including Chapter 7.10 (Drug Free Zones), Chapter 7.24 (Sound Amplifying Equipment), Chapter 7.25 (Prohibited Noise Making Conduct), Chapter 7.26 (Public Parks Regulations), Chapter 7.29 (Use Of Certain Devices In Demonstrations, Rallies, Picket Lines And Public Assemblies Prohibited), and Chapter 12.04 (Construction Codes Adopted).
- (b) **Obstruction of Exits and Aisles.**
 - (1) No person shall block, impede, or obstruct any exit to a public way or any access to a building, structure or premises, in such a manner as to prevent or interfere with the use of such exits or access by any person who is exiting or entering said occupied building, structure, or premises.
 - (3) In every building other than single family dwellings, there shall be maintained at all times, one (1) unobstructed aisle which leads to each required exit. Each required aisle shall have a width equal to the minimum width shall be forty-four (44") inches.
 - (4) An exit walkway with a minimum width of forty-four (44") inches shall be maintained continuously to a public way.
 - (5) Whenever the chief of police determines that exit paths to a public way need to be clearly delineated to safeguard and preserve the exit paths. The chief of police may require the exit paths to be protected and identified by painted lines, railings, barrier posts, walks or other approved means.
 - (6) No person shall park any vehicle, or place any power truck, hand dolly, delivery rack, refuse or waste container, or any other object in an exit, or in any other manner so as to obstruct the exit.

- (6) No person shall store or maintain any hazardous material, or other material of any kind, adjacent to any exit in a manner which would obstruct the exit, elevator, or render egress hazardous in case of fire or any other emergency.

Section 7.60.120 Temporary Use and Special Event Permit Application Procedure and Fee.

- (a) A temporary use permit application shall be submitted to the community development department and a special event permit shall be submitted to the city hall. An application shall be submitted at least thirty (30) calendar days prior to the special event, unless otherwise waived by the community development department or the chief of police. The applicant must execute a written agreement in which applicant agrees to pay the costs of required city services.
- (b) Application forms submitted pursuant to subsection (a) of this section shall be fully and truthfully completed by the applicant. Failure to fully and truthfully complete the application form shall be grounds for denial or revocation.
- (c) If admission fees or donations are to be collected and/or food, liquid refreshments or physical articles are to be sold at the event, the applicant must present proof of federal and/or state tax exemption status or present a copy of a valid city business license and tax certificate and a food handling permit if applicable before the permit may be issued.
- (d) If music, dance or any other form of entertainment activity requiring sound amplification equipment is to be provided or allowed at the event, the applicant must so state on the application form and must provide assurance that the city's noise ordinance will not be violated as a result of the activity. Any event in the city with amplified music after 10 p.m. shall obtain approval by the city council.
- (e) Upon application, the applicant shall state the name and address of the facility, and identify the type of facility, where the event will take place. Before the permit may be issued, the applicant shall be required to present a photocopy of a valid city dance hall, cabaret, or other applicable permit or license which authorizes the use of the facility for this type of activity or event. Further, the applicant shall complete the portions of the application which require identification of any occupancy restrictions or other conditions for use imposed by the city on the designated facility.
- (f) Upon application, the applicant shall pay a fee as established by the City's Master Fee Schedule or as otherwise set by approved resolution of the city council. The city council shall have the discretion to waive fees.

Section 7.60.130 Contents of Application Form.

An application for a temporary use permit or special event permit shall provide the following information:

- (a) The name, address, telephone number, and date of birth of applicant and an alternative contact person. If a temporary use permit or special event permit is proposed to be sponsored by one or more organizations, the name, address and telephone number of the organizations, and the president(s) of the organization.
- (b) The name, address and telephone number of the person who will be present and in charge at the time of the special event.
- (c) The nature and purpose of the event, including hours and dates of operation.
- (d) The proposed date, location(s) and estimated starting and ending time of the event.
- (e) Estimated number of persons anticipated at the event.
- (f) Description of any sound amplification equipment which will be used at the event.
- (g) Whether any food or alcoholic and/or nonalcoholic beverages will be sold at the event.
- (h) Whether monitors or security persons will be utilized at the event.
- (i) Parking contingencies planned for the event.
- (j) If the event is to be conducted on private property, the applicant must submit with the application proof of the property owner's permission for the property to be used for that purpose.

Any supplementary information which either the community development director finds reasonable necessary for temporary use permit applications, or the chief of police shall find reasonably necessary special event permit to determine whether to approve or conditionally approve a permit.

Section 7.60.140 Required Additional Application Information.

- (a) Circuses. In addition to the other requirements, applicants seeking a permit for a circus event which includes any performance or entertainment by trained animals or restricted animals shall also provide:

- (1) An inventory of all the restricted and other animals, whether they are performing or not, that will be present in the city during the stated duration of the permit, and any restricted species permit issued under California Code of Regulations, Title 14, Section 671.1, along with a copy of the submitted California Department of Fish and Game Application Form FG1312 and "Restricted Species Nonresident Exhibiting Permit Itinerary".
 - (2) The names of the onsite manager, and all persons who are the primary handlers of each type of restricted and other animals that will be present in the city.
 - (3) Copies of most recent USDA inspection reports registration, and licenses for restricted animals.
 - (4) Other pertinent information which the community development director requests.
- (b) Parades and Assembly. In addition to the other requirements, applicants seeking a permit for a parade or assembly event shall also provide:
- (1) The location shall include the assembly area, disbanding area, and the route to be traveled;
 - (2) An estimate of the approximate number of persons who will be participating in the parade or assembly and an estimate of the approximate number of persons who will be observing the parade or assembly;
 - (3) The type of security or other arrangements that will be provided to assure that participants are properly directed;
 - (4) The minimum and maximum speeds that the parade is to travel, if applicable, and the maximum number of platoons or units, if any, in the parade or assembly and the maximum and minimum interval of space to be maintained between the units of such parade or assembly;
 - (5) The maximum length of such parade or assembly in miles or fractions thereof;
 - (6) The number and type of vehicles in the parade or assembly, if any;
 - (7) A road closure map, should the applicant wish to conduct the event within the public right-of-way; and
 - (8) Traffic control plan with proposed detour routes, if necessary.

Section 7.60.150 Action on Application.

- (a) The community development director shall approve, conditionally approve or deny a temporary use permit application based on the grounds specified in this chapter. The chief of police shall approve, conditionally approve, or deny the special event permit application based on the grounds specified in this chapter.

Such action shall be taken not later than fifteen (15) calendar days after the filing of a complete application. The applicant shall be notified of any conditions of approval pursuant to this chapter.

- (b) If the application is denied or conditionally approved, the applicant shall receive a written notice of the grounds for denial, or of the reason for the imposition of conditions.
- (c) Supplemental information considered to make a decision in addition to the information contained in the application shall be provided to the applicant at the time a written determination is finalized.

Section 7.60.160 Conditional Approval of Permits.

The community development director may impose additional conditions to a temporary use permit, and the chief of police may impose additional conditions to a special event permit in the exercise of the chief of police's reasonable discretion when conditionally granting a permit, including but not limited to:

- (a) Requiring the applicant or other responsible party to retain or hire one or more security officers to provide security at and during the event, said security officers present and on duty at all times during the event.
- (b) Requiring the applicant or other responsible party to be personally present at all times during the event.
- (c) Requiring the applicant or other responsible party to provide a working telephone where the applicant or responsible party can be reached directly at all times during the event.
- (d) Requiring the posting of the event permit at the event facility or location.
- (e) Requiring a refundable security deposit before issuance of the permit toward the costs of city services and/or cost of damages to public facilities that may be associated with such an event.

- (f) Requiring provision of medical services on-site on a case-by-case basis and/or in consideration of the applicant's previous history.
- (g) Requiring in the case of live performances the actual name and stage name of every act performing.
- (h) Requiring the submission of copies of all promotional materials simultaneously with the posting or distribution of said materials. All promotional materials must identify the promoter and must not be posted or affixed to or on City or public property.
- (i) Requiring proof of liability insurance in the amount required by the city, as may be set by council resolution. The applicant shall procure and maintain in full force and effect during the term of the permit a policy of insurance from a reliable insurance company authorized to do business in the state of California, which policy includes the city and/or the agency, its officers, agents, employees, attorneys, and authorized volunteers as named insureds or additional named insureds, and which provides coverage that the city manager or chief of police determines to be necessary under the circumstances as prescribed in regulations issued by the city manager. Proof of insurance shall be submitted to the city prior to the issuance of the temporary use permit or special event permit and maintenance of this insurance shall be a condition of the permit.
- (j) Requiring that prior to the issuance of the temporary use permit or special permit, the applicant must sign an agreement in a form approved by the city agreeing to the applicant to agree to indemnify, protect, defend and hold harmless the city and/or agency, its officers, employees, agents, attorneys and authorized volunteers against all claims, damages, expenses, loss, or liability of any kind or nature whatsoever resulting from the alleged willful or negligent acts or omissions of the applicant, its officers, agents, employees, responsible party, or third parties in connection with the event authorized by the temporary use permit or special event permit insofar as permitted by law.
- (k) Requiring such other additional conditions as are reasonably believed to be necessary to protect the public health, safety, welfare and order, as well as the health and welfare of restricted and other animals, and to minimize adverse impacts upon the surrounding neighborhood and the general community.
- (l.) Requiring advanced payment to the city for all costs related to delivery, set-up and removal or road closure and traffic control requirements.

Section 7.60.170 Grounds for Denial of Application.

Temporary use and special event permits may be denied based upon any of the following non-exclusive grounds:

- (a) Information contained in the application, or supplementary information requested from the applicant, is false in any material detail.
- (b) The applicant has failed to provide a complete application form after having been notified of the requirement of producing additional information or documents.
- (c) The applicant has not submitted a completed application form in the time provided pursuant to this Chapter.
- (d) The applicant has previously had a permit revoked, in the city or in another jurisdiction, for violation of permit conditions or for unlawful conduct relating thereto and it is reasonably believed that similar violations or unlawful conduct will again occur.
- (e) The granting of the permit will have an adverse impact upon the public health, safety, welfare or order.
- (f) The granting of the permit will result in substantial adverse impacts (including, but not limited to, noise, litter, traffic and congestion) upon the surrounding neighborhood or the community in general.
- (g) Another complete special event application has been previously filed for a different event at the same time and place requested by the applicant, or so close in time and place as to cause traffic congestion or a demand for law enforcement services which the police department determines it is unable to safely meet without potentially adversely impacting public health or safety.
- (h) The time, duration, or size of the event will unduly interrupt the safe and orderly movement of pedestrian or vehicular traffic in the immediate vicinity of the event, or unduly disrupt the use of a street at a time when it is usually subject to great traffic congestion.
- (i) The concentration of persons, animals and vehicles at the site of the event will prevent proper police, fire, ambulance, or other essential public services to areas contiguous to the event.
- (j) The size or duration of the event will require diversion of so great an amount of police services that providing for the minimum level of law enforcement services to other areas of the city is jeopardized.

- (k) The event will substantially interfere with construction or maintenance work scheduled to take place upon or along the city streets or a previously granted encroachment permit.
- (l) The event will occur at a time and place where the noise created by the activities of the event will substantially disturb or disrupt the activities of such institutions as schools and hospitals.
- (m) Responsible parties have failed to pay the city for previous temporary use permit or special event permit fees, costs, or actual damages caused to the city by the temporary use or special permit.
- (n) The community development director shall state, in writing, the reasons for the denial of a temporary use permit. The chief of police shall state, in writing, the reasons for the denial of a special event permit. An applicant shall have five (5) days, from the date of the issuance of the denial, to request reconsideration. The request for reconsideration must be submitted to the city clerk within five (5) days. The city clerk shall submit the request for reconsideration to the community development director for temporary use permit applications and to the chief of police for special event permit applications. The request for reconsideration shall be in writing and shall state any and all reasons of any nature why the denial should be reversed. Within a reasonable period of time, the applicant shall receive either (1) a written decision granting or denying the request or (2) a notice of hearing on the request for reconsideration.

Section 7.60.180 Revocation of Event Permit

A temporary use permit or special event permit may be revoked or suspended at any time, including during the event, by the community development or the chief of police as follows:

- (a) Grounds for suspension or revocation. Any of the following will constitute a basis for suspension or revocation of a temporary use permit or special event permit:
 - (1) Violation of any of the imposed permit conditions.
 - (2) Failure to obtain and post any permit required by the State Alcoholic Beverage Control Board to serve alcoholic beverages.
 - (3) The occurrence of unlawful or criminal activity during the event.
 - (4) The creation of a heightened risk to public health, safety or welfare, whether or not caused by the applicant in whole or in part.

- (5) Any grounds stated in this Chapter.
- (b) If, in the discretion of the enforcing official, there are no immediate health, safety or welfare risks/violations, the following steps shall be taken:
- (1) An oral warning with an opportunity to bring issue into compliance in a reasonable period of time as determined by the community development director for a temporary use permit application and the chief of police for a special event permit application. The applicant or other responsible party shall be informed that failure to timely comply may result in suspension or revocation of the temporary use permit or special use permit.
 - (2) If the violation is not resolved within the period of time required, a written notice revoking the event permit shall be sent or provided to the applicant or other responsible party. In the discretion of the enforcing official, the temporary use permit or special use permit may be temporarily suspended pending submission of a written request for reconsideration.
 - (3) The applicant or other responsible party shall have five (5) days to appeal the revocation by submitting a written request for reconsideration to the city clerk. The city manager shall conduct an administrative hearing and render a decision within a reasonable period of time of receiving the request for reconsideration.
- (c) If, in the discretion of the enforcing official, there are immediate health, safety or welfare risks/violations, the following steps shall be taken:
- (1) The event shall be shut down immediately based on an oral statement and citation in writing from the community development director for temporary use permits application and the chief of police for a special event permits application.
 - (2) The applicant or responsible party shall have five (5) days to appeal the decision and submit a request for reconsideration in writing to the city clerk. The city manager shall conduct an administrative hearing and render a decision within a reasonable period of time of receiving the request for reconsideration. If the decision to revoke is sustained by the city manager, revocation of the temporary use permit or special use permit shall become effective immediately.
- (d) Nothing in this Chapter shall limit the authority of the chief of police, fire chief, or any other official or regulatory body from exercise of its police powers or any other authority granted to it by law. All remedies and enforcement procedures set forth herein shall be in addition to, and not

limit or otherwise preclude, any other legal or equitable remedies provided by law.

Section 7.60.190 Penalties for Violation.

(a) Criminal Penalties and Enforcement.

Violations of the provisions of this Chapter, or the provisions of any Chapter adopted by reference within the King City Municipal Code for conduct that is not otherwise considered lawful under State law, shall be considered misdemeanors and are punishable in accordance with Section 1.04.010 of the King City Municipal Code. Each and every day, or portion thereof, a violation exists is a new and separate offense. The city may also pursue all applicable civil and administrative remedies, including but not limited to injunctive relief and administrative citations.

Should a court of competent jurisdiction subsequently determine that the criminal penalty provision renders the provisions of this Chapter, or the provisions of any Chapter adopted by reference within the King City Municipal Code unlawful, the city intends that the misdemeanor provision be severable from the remaining penalty provisions and the City will only pursue non-criminal remedies for violations of this Chapter.

In all cases where the same offense is made punishable or is created by different clauses or sections of the King City Municipal Code, the city attorney may elect under which to proceed.

(b) Administrative Penalties.

(1) The administrative citation penalty for all violations of this Chapter, within a rolling twelve (12) month period, deemed Misdemeanors under the King City Municipal Code shall be as follows:

(A) First administrative citation: two hundred fifty and no/100ths dollars (\$250.00) per violation;

(B) Second administrative citation: five hundred and no/100ths dollars (\$500.00) per violation;

(C) Third administrative citation: one thousand and no/100ths dollars (\$1,000.00) per violation; and

(D) One thousand and no/100ths dollars (\$1,000.00) per violation for each subsequent administrative citation.

(2) The administrative citation penalty for all violations of this Chapter, within a rolling twelve (12) month period, deemed Infractions under the King City Municipal Code shall be as follows:

(A) First administrative citation: one hundred and no/100ths dollars (\$100.00) per violation;

(B) Second administrative citation: two hundred and no/100ths dollars (\$200.00) per violation;

(C) Third administrative citation: five hundred and no/100ths dollars (\$500.00) per violation; and

(D) Five hundred and no/100ths dollars (\$500.00) per violation for each subsequent administrative citation.

Section 7.60.200 Denial of Future Permits Based on Past Violations.

In addition to any fine, penalty, or other enforcement action available under this Chapter, State law, or federal law, the community development director shall not issue a temporary use permit and the chief of police shall not issue a special event permit to an applicant who has committed a violation of this Chapter. The length of time that such an application must be denied will be no less than twelve (12) months for less serious violations, and no longer than sixty (60) months for the most serious violations, measured from the date the violation was committed.

Section 7.60.210 Extraordinary Costs and/or Traffic Control Fees.

(a) **Prepayment of Fees.** Before issuance of a temporary use permit or special event permit, the chief of police shall provide the applicant with a statement of the estimated cost of providing extra police officers or other public safety personnel for the event and additional traffic control fees, if needed. The applicant/responsible party shall be required to pay these fees at a minimum two (2) weeks in advance of the event.

(b) **Computing Extra Public Safety Services.** The extra law enforcement and other public safety services shall be computed by determining the number of public safety personnel who will be required for the event beyond that which would otherwise be required at that time, multiplied by the number of hours for which such additional service is rendered at the rate of the city's full cost of providing personnel on an hourly basis as established by the master fee schedule. Such personnel to perform the additional public safety services shall be determined by the chief of police in the number the chief of police determines is reasonably necessary for the event. Public safety personnel who are employees of the city are subject to the sole direction of the chief of police or other supervising official.

- (c) Refunds or Additional Charges. If the actual cost for extra public safety services on the date of the event is less than the estimated cost pursuant to subsection A of this Section, the applicant/responsible party will be promptly refunded the difference by the city from the general fund. If more service hours are required than originally charged, the applicant or responsible party will be billed the additional costs. Payment of additional costs shall be due within fifteen (15) days of the date the bill is deposited in the mail. If full payment is not received within the required time for payment, the applicant or responsible party is subject to interest charges at the maximum legal rate computed from the date the payment period expires. If the event is cancelled less than five (5) business days prior to the scheduled event, a cancellation fee will be assessed.
- (d) Failure to Reimburse for Additional Public Safety Services. The cost of any extra public safety services pursuant to subsection (c) of this Section shall be collected from the applicant or responsible party in any manner prescribed by law, including but not limited to placement of a lien on the applicant or responsible party's property and/or obtaining of a judgment in civil court. This remedy is in addition to all other civil and criminal remedies available to the city.
- (e) Cost Assessed. The costs assessed against an applicant or responsible party for the cost of extra public safety services pursuant to subsection (c) of this Section shall include the cost of:
 - (1) salaries (including overtime), benefits, and administrative overhead of the public safety personnel providing the services;
 - (2) medical treatment for public safety personnel injured while providing services;
 - (3) replacing or repairing city property damaged while providing the services; and
 - (4) making arrests while providing the services.
- (f) Requested Hearing. Any applicant or other responsible party billed for additional extraordinary law enforcement services pursuant to subsection (c) of this Section may request a hearing on the matter before the city council. In order to obtain a hearing, the applicant or responsible party shall file a written request with the city clerk within ten (10) days of the date the invoice was mailed by the city. The request shall state the grounds for appeal. When a written appeal is filed by the applicant, a city council hearing shall be set within ten (10) and not more than forty-five (45) days following the filing of the appeal. The applicant or responsible

party shall be notified of the date, time and place of the city council hearing.

- (g) Liability. The responsible parties are all and each severally liable for the cost of additional city services, and any damages sustained by the city arising from the temporary use permit or special use permit.

SECTION 6. Section 13.06.020 of Chapter 13.06, of Title 13, of the King Municipal Code is amended in its entirety to read as follows:

13.06.020 Displays of merchandise on sidewalks.

Except as authorized pursuant to Chapter 7.60, no person shall place any goods, wares or merchandise of any kind, for exhibition, display, advertisement, or sale, on any part of any sidewalk, and no person shall permit any such goods, wares, or merchandise to remain on the sidewalk in front of any lot or premises which he owns, occupies or controls, unless that person shall first have obtained a written permit from the city council stating the terms and conditions under which the display and sale of merchandise may be permitted.

SECTION 7. Subsection (3) of Section 17.48.030 of Chapter 17.48, of Title 17, of the King Municipal Code is amended in its entirety to read as follows:

17.48.030 Uses permitted subject to permit.

(3) Hazard occasioned by unusual volume or character of traffic or the congregating of a large number of people or vehicles. The uses referred to herein are as follows:

(a) Airports and landing fields,

(b) Cemeteries,

(c) Establishments or enterprises involving large assemblages of people or automobiles, unless the use qualifies for a temporary use permit under Section 7.60.050, as follows:

(i) Amusement parks and race tracks.

(ii) Circus or carnivals.

(iii) Public buildings, parks and other public recreational facilities.

(iv) Recreational facilities, privately operated.

(v) Privately owned and operated recreation facilities.

(vi) Hospitals and sanitariums

[END OF EXHIBIT "A"]

PC RESOLUTION NO. 2018-235

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF KING, CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE ESTABLISHING AND REGULATING TEMPORARY USE PERMITS AND SPECIAL EVENT PERMITS BY REPEALING CHAPTER 5.32 OF TITLE 5, AMENDING SUBSECTION (B) OF SECTION 5.34.010 AND SECTION 5.34.115 OF CHAPTER 5.34, OF TITLE 5, ADOPTING SECTION 7.29.015 TO CHAPTER 7.29, OF TITLE 7, ADOPTING CHAPTER 7.60 TO TITLE 7; AMENDING SECTION 13.06.020 OF CHAPTER 13.06, OF TITLE 13, AND AMENDING SUBSECTION (3) OF SECTION 17.48.030 OF CHAPTER 17.48, OF THE KING MUNICIPAL CODE

WHEREAS, in January of 2017, the City Council of the City of King ("Council") initiated an amendment of the King City Municipal Code to establish and regulate certain temporary use and special event permits; and

WHEREAS, the proposed ordinance is consistent with the General Plan and any applicable Specific Plan(s); and

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA"), and pursuant to both CEQA Guideline Sections 15378 and 15061(3), the ordinance is not a "project" subject to CEQA as it can be seen with certainty that there is no possibility that an activity may have a significant effect on the environment; and

WHEREAS, on August 7, 2018, the City of King Planning Commission ("Commission") conducted a public hearing to consider both the proposed ordinance, and after considering public testimony, the August 7, 2018 staff report, oral testimony from staff and the public, all submitted evidence to support the applications, and additional information submitted during the hearing, the Commission recommended the Council adopt the proposed ordinance.

NOW, THEREFORE, BE IT RESOLVED, FOUND AND DETERMINED by the Planning Commission of the City of King to recommend that the City Council adopt the Ordinance amending the King City Municipal Code to establish and regulate temporary use permits and special event permits by repealing Chapter 5.32 of Title 5, amending subsection (b) of Section 5.34.010 and Section 5.34.115 of Chapter 5.34, of Title 5, adopting Section 7.29.015 to Chapter 7.29, of Title 7, adopting Chapter 7.60 to Title 7; amending Section 13.06.020 of Chapter 13.06, of Title 13, and amending subsection (3) of Section 17.48.030 of Chapter 17.48, of the King City Municipal Code.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Planning Commission of the City of King, State of California, at a regular meeting of the Planning Commission held on this 7th day of August 2018 by the following vote:

PLANNING COMMISSION (PUBLIC HEARING)
TEMPORARY USE PERMIT/SPECIAL EVENT PERMIT ORDINANCE
AUGUST 7, 2018
PAGE 2 OF 2

AYES: Nuck, Mendez, Lee, Uribe

NOES:

ABSENT: Avalos



DAVID NUCK, CHAIRPERSON

ATTEST: 

ERICA SONNE DEPUTY CITY CLERK / PLANNING COMMISSION SECRETARY



Item No. 9(C)

REPORT TO THE CITY COUNCIL

DATE: SEPTEMBER 11, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GEOFF ENGLISH, PUBLIC WORKS SPECIAL PROJECT COORDINATOR

RE: CONSIDERATION OF AWARD OF CONTRACT FOR WASTEWATER RATE STUDY

RECOMMENDATION:

It is recommended City Council award and authorize the City Manager to execute a consultant services agreement to conduct a wastewater rate study to Bartle Wells Associates in the amount \$23,575.00 and authorize an additional \$5,000 for contingency expenses.

BACKGROUND:

The City provides sanitary sewer service to a population of approximately 12,900 within the City's incorporated boundaries. Sanitary sewer services provided by the City includes a collection system of gravity sewer pipelines, force mains sewer lift stations and the King City Wastewater Treatment Plant. The City collects wastewater from residential, commercial, institutional and industrial customers within the City's service area. Additionally, the City pays for staffing, contract services, utilities, equipment, materials and all other related costs to operate and maintain the sanitary sewer system. Fees and charges to customers, cover the cost to maintain and operate the sanitary sewer systems.

The current sewer rates and charges were established by Resolution No 09-4302 on September 8, 2009. (Attachment #1) This Resolution establish four rate adjustments from September 1, 2009 through September 1, 2012. Routine studies to determine any warranted rate adjustments are prudent and recommended so that the appropriate funding levels are available for necessary facility maintenance and improvements.

Additionally, the City Council adopted the Wastewater Treatment Facilities Plan and the Collection System Master Plan in September of 2017. These two

**CITY COUNCIL
 CONSIDERATION OF AWARD OF CONTRACT FOR WASTEWATER RATE
 STUDY
 SEPTEMBER 11, 2018
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documents outline future improvements including a significant capital improvement project to construct a new secondary treatment facility that will meet the water quality mandates of the Central Coast Regional Water Quality Control Board. The projected costs to the City for Phase I of the Master Plan include approximately \$32 million for construction and an annual increase of \$350,000 for maintenance. The Wastewater Collection System Master Plan recommends replacing deficient pipes on an ongoing annual basis for the next 20 years, which will result in an estimated \$240,000 annually.

A portion of this cost for the above-mentioned projects will be assumed to be funded from grants. However, other revenue will be necessary. The objective of the wastewater rate study will be to implement gradual increases over five years to reach the necessary revenue levels by the end of the 5-year period.

DISCUSSION:

On July 9, 2018, a request for proposal (RFP) was prepared and distributed to potential firms. By the due date of August 2, 2018, six (6) firms submitted proposals. (Attachment 1) A consultant selection team evaluated and ranked the submitted proposals based on criteria listed in the RFP.

FIRM NAME	RATING
Bartle Wells Associates	1.67
NBS	2.67
Tuckfield and Associates	3
Wildan Financial Services	3.67
Raftelis	4
HF&H Consultants, LLC.	6

Based on the proposal rating evaluation process, the three (3) top rated firms above were invited to in-person interviews conducted by the consultant selection team. Following the in-person interviews, the consultant selection determined that Bartle Wells Associates based in Berkeley, California is the best qualified consultant firm of the proposing firms for the King City Wastewater Rate Study.

	Bartle Wells	Tuckfield	NBS
Average Rating	40.5	30.5	32.75

It is recommended that the City Council award a consultant services agreement to Bartle Wells Associates in the amount of \$23,575.00 for preparation of the King City Wastewater Rate Study. (Attachment #3)

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SEPTEMBER 11, 2018
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The consultant will utilize the City's operational budget, Wastewater Treatment Facilities Plan and the Collection System Master Plan to determine the City's future revenue needs. They will then provide a software model to run a variety of scenarios on rates to meet the revenue needs and options of restructuring wastewater fees to help ensure they are as fair and equitable as possible. The process will include a public workshop and presentations at two Council meetings to respond to public feedback and questions. Consistent with the strategies presented to Council when the Facilities and Master Plans were approved, the objective will be to establish projected rate adjustments for the next five-year period so any changes and increases can be phased in on a gradual basis.

COST ANALYSIS:

Award of this contract will result in expenditures of \$23,575.00 from the sewer fund in Fiscal Year 2018/2019. An additional \$5,000 will be allocated to cover unanticipated expenses and potential outreach efforts, public meetings and related expenses. A majority of the costs will be paid from grant funds received for the recycled water study.

ENVIRONMENTAL REVIEW:

The Wastewater Rate Study is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as it will not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Approve staff's recommendation to award an agreement to Bartle Wells Associates;
- Do not approve staff's recommendation to award the contract and direct staff to revise and redistribute another RFP;
- Provide direction to staff.

EXHIBITS:

1. List of Firms submitting proposal by the RFP due date
2. Bartle Wells Associates Proposal
3. Consultant Services Agreement

**CITY COUNCIL
CONSIDERATION OF AWARD OF CONTRACT FOR WASTEWATER RATE
STUDY
SEPTEMBER 11, 2018
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Submitted by: 
Geoff English, Public Works Special Project Coordinator

Approved by: 
Steven Adams, City Manager

City of King
Wastewater Rate Study
Consultant proposals received

Proposals received by Thursday, August 2, 2018 at 5:00pm:

Bartle Wells Associates	'bwa@bartlewells.com'
FCS Group	'info@fcsgroup.com'
HF&H consultants	'info@hfh-consultants.com'
NBS	'ContactNBS@nbsgov.com'
Raftelis Financial Consultants	'dgeorge@raftelis.com'
The Reed Group, Inc.	'bob@thereedgroup.org'
Willdan Financial Services	'mrisco@willdan.com'
Clayton Tuckfield	'ctuckfield@tuckfieldassociates.com'
Hildebrand Consulting, LLC	'mhildebrand@hildco.com'
Robert D. Niehaus, Inc.	'Jack@rdniehaus.com'



Wastewater Rate Study

August 2, 2018



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue
Berkeley, CA 94703
T: 510-653-3399
www.bartlewells.com

August 2, 2018

Public Works Department
City of King
212 S Vanderhurst Avenue
King City, CA 93930

Attn: Geoff English

Re: Proposal for a Wastewater Rate Study

Bartle Wells Associates (BWA) is pleased to submit this proposal to develop a wastewater rate study for The City of King (the City). For more than 50 years, our firm has specialized in providing independent financial and utility rate consulting services to California water and wastewater agencies. We offer an unmatched level of financial planning expertise and are the only firm in California to provide both financial advisory services for project financing as well as utility rate consulting services.

Bartle Wells Associates has extensive experience providing rate and fee studies for central coast agencies. BWA conducted water and wastewater rate studies for the Cities of Solvang, Morro Bay, Monterey and Guadalupe, San Miguel CSD, Cambria CSD and a wastewater capacity fee study for the City of Paso Robles. We will bring our knowledge gained from working on these projects to our work for the City of King.

We have helped a number of agencies develop strategic financial plans to address escalating costs related to operating and long-term infrastructure needs. We have also assisted many agencies in modifying their existing rate structures to provide a better balance of revenue stability, customer equity, and to compliance with the evolving interpretations of Proposition 218. Our rate studies are based on a comprehensive analysis of each agency's costs, customer base characteristics, and demands to ensure rate structure recommendations reflect local needs and objectives.

Our proposal includes our project approach, scope of work, not to exceed project budget, schedule, and a description of our firm's qualifications including our background, staffing table, and resumes.

We are very interested in working with the City on this project and hope this proposal provides a suitable basis for our selection.

Sincerely,

Douglas Dove, PE, CIPMA
Principal/ President

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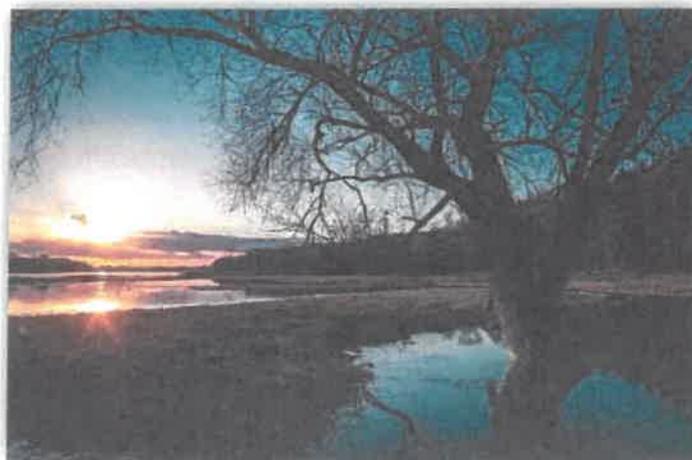
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KEY ISSUES

Based on our understanding of the City's current circumstances, BWA identified the following key issues to be addressed in the study:

- Revenue Sufficiency
 - Rates will need to ensure revenues are sufficient for operations, rate funded capital spending and additional financing. Rate revenues must be sufficient during the five-year adoption period and place the City in a strong financial position for the future. This is crucial due to the capital projects and the operating cost increases identified in the master plan.
- Legal Compliance
 - Rates must comply with all relevant regulations.
- Equitable, Cost-of-Service Rates
 - Rates should equitably recover costs from all customers within and between each customer class.
- Community Outreach
 - Clearly communicating to the City's customers why changes to the rates are necessary and how the changes will benefit them is essential for a successful outcome.

AREAS OF FOCUS

BWA has completed many studies of similar scope and complexity to the work requested by the City. Based on our recent experience, we propose to focus on the following items while engaged in this study:

Financial Plan: At the most fundamental level, the City's wastewater rates and charges need to recover the cost of providing service. Our strategy will be to phase in rate increases over time and demonstrate the value of the services to the ratepayers.

In addition to meeting basic operating costs, the City should plan for the eventual repair and replacement of aging infrastructure along with the projected expansion of the system to accommodate growth. Bartle Wells Associates' staff is composed of both rate analysts and independent public financial advisors. We have assisted public agencies in securing all types of financing including grants, low-interest state loans, commercial financing, bonds, and cash funded capital spending. We will work in close cooperation with the City to recommend an optimal capital funding strategy. BWA understands legal covenant requirements and how investors view public utility debt. As part of our scope of work, we will develop a financial plan for the utilities. BWA will work to maintain the City's good financial health.

Legal Review: As part of the water rate study, BWA will conduct a legal review of the City's existing cost of service allocation, rate model, resolutions and ordinances, and financial policies. Our rate recommendations will meet the City's financial needs backed up by a robust cost of service analysis. BWA's

final rate report will serve as the City's administrative record and provide narrative and tables explaining each step of the rate process.

BWA rate consultants are regularly engaged to provide peer review of work conducted by other rate consultants and to provide litigation support. We will bring our experience working with other water agencies to our work with the City.

Comprehensive Rate Studies: Evaluate existing rate structures and identify potential alternatives or modifications to improve rate equity or achieve other City objectives. Conduct a survey of rates. Evaluate City finances and historical billing data and develop updated cost allocations designed to equitably distribute the City's costs of providing service. Develop rates based on a cost-of-service approach. Final rate recommendations will be designed to a) fund long-term costs of providing service, b) be fair and equitable to all customers, c) provide a prudent balance of fixed and variable rates, d) be easy to understand and administer, and e) comply with the substantive legal requirements.

BWA will work closely with the City to understand the City's objectives and develop scenarios at all stages of the study (revenue requirement, cost of service allocation and rate design etc.) for the City to review. Some objectives can conflict with one another e.g. revenue stability and equity. It is important to work closely with the City to find the solution which strikes the best balance between objectives.

Building Consensus for Final Recommendations: BWA has a strong track record of building consensus and public acceptance for final recommendations. Rate and fee adjustments can be controversial. We have found that ratepayers are more accepting of rate increases when they both understand the need for the increases and believe they are being treated fairly. Our goal will be to build consensus and public acceptance of final recommendations.



Section 1: Detailed Work Plan



This section presents our methodology and proposed scope of services that we believe will form a sound basis for completing this assignment as well as a schedule to complete the scope. We will work with the City to finalize a scope of services that meets the objectives and schedule desired. Our completed study will provide a set of legally defensible documents that outline a comprehensive, reasonable financial plan attainable through sound, industry-standard recommendations for the City. Our proposal takes into account variable and fixed charges, different assumptions regarding future capital investments, recent court rulings, and Proposition 218 compliance. Assistance from the project team will be required to gather data and to provide feedback on rate recommendations at regularly scheduled progress calls.

Rate Study Process



TASK A. PROJECT INITIATION & DATA COLLECTION

1. Project Team Orientation

To initiate our work, hold a kickoff meeting with City staff and others as appropriate, to accomplish the following:

- Identify members of City staff, City Council members/subcommittees, engineering consultants, and other consultants/advisors who will participate in the project
- Determine the roles and responsibilities of all project participants
- Identify other parties who may have a significant interest in the project, such as community groups, business organizations, and large customers
- Establish project schedule and key milestone dates
- Confirm the key goals and expectations of the project team

2. Investigation and Data Collection

Assemble the information necessary to understand the wastewater system, finances, customers and usage, rate and fee structures, and legal agreements with other agencies. Assistance and cooperation of staff will be needed to assemble the relevant background information. The objectives of investigation and data collection are to develop a complete understanding of each utility and its costs, and to reach an agreement on basic assumptions to be used in the study. Information to be reviewed includes the following:

- Cost information: budgets, audits, financial statements, internal finance projections, capital improvement plans, and engineering master plans
- Revenue sources: schedule of fees and rates, interest earnings, grants and/or debt proceeds

Task A Deliverables Include:

- Project team contact list
- Information needs list
- Provide fee and charge recommendations
- Meeting #1: Kickoff Meeting at City



TASK B. LONG-RANGE FINANCIAL PLAN

1. Develop Forecasts and Projections

Based on evaluation of the data assembled and input provided by staff and other members of the project team, prepare forecasts and projections to be used in the development of financial projections for the City's enterprises. Develop projections for the following areas (and others as appropriate):

Capital Improvement Funding Needs: Identify latest capital improvement plan costs by year. Work with staff to identify key alternatives for financial evaluation. Based on input from City staff, determine a reasonable amount to include for future, ongoing capital repairs and replacements. BWA often recommends that agencies phase in funding for long-term system rehabilitation as rates are gradually increased.

Growth and Development/Redevelopment: Evaluate historical growth trends and develop appropriate and conservative assumption for future development and redevelopment that can be incorporated into the financial plan/rate model. Evaluate impact of faster and slower growth rates.

Cost Escalation Factors: Review historical cost trends and work with project team to develop reasonable cost escalation factors for both operating and capital expenditures. Work with staff to estimate potential new operating costs, such as new staffing projections and O&M costs related to planned capital improvements, or costs for complying with future permit requirements.

Review projections with City staff for agreements on assumptions, interpretation of data, and completeness of approach.

2. Evaluate Financing Alternatives for Capital Improvements

Evaluate options for financing proposed capital improvement projects. Our evaluation will:

- Estimate the amount and timing of any debt, if needed, to finance capital projects.
- Evaluate the alternative borrowing methods available including bonds, COPs, state and federal funding programs, bank loans and lines of credit, and other options.
- Recommend the appropriate type of debt and its term and structure (for financial planning purposes).

- Evaluate possible combinations of financing methods, such as prudent use of pay-as-you-go cash funding supplemented by debt financing, when appropriate

3. Review and Update Fund Reserve Targets

Evaluate the adequacy of the City’s current fund reserves. As warranted, identify alternatives and update minimum fund reserve targets based on updated operating and capital funding projections. Develop an implementation plan for achieving and maintaining the recommended reserve fund levels.

4. Develop Long-Range Cash Flow Projections

BWA will develop cash flow projections showing the financial position of the City over the next ten years. The cash flows will project fund balances, revenues, expenses, and debt service coverage, and will incorporate the forecasts developed with staff input, including funding needs for future repairs and replacements. After developing a base-case cash flow scenario, we can develop alternatives for additional evaluation such as capital project alternatives, project financing alternatives and the impacts of different levels of growth etc. During this phase, BWA will work closely with the project team to develop financial and rate projections under alternative scenarios. BWA typically recommends that rate increases be phased in over time to minimize the annual impact on ratepayers.



The 10-Year Financial Plan will serve as a financial roadmap for funding future operating and capital programs while supporting long-term financial stability.

5. Evaluate Financial Scenarios & Rate Increase Options

Based on the cash flow projections, determine the annual revenue requirements and project overall required rate increases. Evaluate the financial impact of various financial and rate adjustment alternatives, such as phasing in required rate increases over a number of years. If appropriate, develop a reduced rate alternative and evaluate impacts on the City’s ability to fund capital projects.

Task B Deliverables Include:

- Evaluation of financing alternatives for capital improvements
- Recommendation for minimum fund reserve targets
- Development of ten-year financial projections and alternatives
- Identification of alternative rate increase scenarios
- Progress call



TASK C. COST-OF-SERVICE ALLOCATION

Task C is the “meat” of the rate study that will provide the legal justification for the rates and charges of the City. BWA will allocate costs based on industry standard practice, guidance from recent court cases, and ease of implementation/practicality.

BWA will provide a detailed, functional cost allocation for operating, capital, debt service, fixed and variable costs. Functionalized cost categories may include collection, treatment, and customer costs. BWA will determine the units of service and assign costs to each unit of service. Typical units of service for the wastewater utilities are sewer flow and pollutant loading (BOD and TSS). We may want to include nitrogen, phosphorous, and ammonia in order to accurately allocate costs.

Task C Deliverables Include:

- Determine units of service
- Cost allocation analysis
- Progress call



TASK D. RATE DESIGN

1. Legal Review of the Existing Utility Rate Structures and Rate Models

Perform a legal review of the existing utility rate structures and discuss advantages and disadvantages compared to other rate approaches. Summarize and discuss finding with the project team. Review the existing rate models and most recent rate update. Evaluate the cost allocation and rate design included in the model for compatibility with BWA recommendations.

2. Conduct Rate Fee Survey of Comparable Utility Agencies

Review and summarize other regional and/or comparable agencies. Summarize results in easily understandable tables and/or charts.

3. Analyze Utility Consumption Data

Evaluate current and historical water usage, winter water consumption for sewer billed flow, utility billing data, and production data to determine reasonable and conservative estimates of demand to use in developing rate options. Ideally, we would prefer to analyze three years of utility billing data in order to determine slightly conservative demand projections.

4. Identify Utility Rate Structure Modifications and Alternatives

Identify alternative rate structures or modifications to the City's existing rates designed to improve equity and/or better achieve your objectives. Discuss pros and cons of different rate structure options and their general impacts on different types of customers. Rate structure options will be refined as the study progresses based on input from the study project team and will be evaluated to ensure that any modifications can be accommodated within the City's billing systems. Some potential rate structure modifications may include the following:

- Redesigning how much of the revenue is collected from fixed vs. variable charges.

- Establishing different wastewater rates for different customer classes with different effluent strength characteristics.

5. Evaluate Customer Equity

Review the fairness of each rate and charge across all customer groups. Confirm that all customers are charged for service proportional to how they use the utility systems. If desired, review options to aid in affordability for disadvantaged customers. Compare typical/sample bills from each customer class to the bills of other local public utilities. As needed, seek input from vocal customers such as business groups and developers.



Rates will be developed based on a cost-of-service approach designed to equitably recover the cost of providing service to all customers.

6. Develop Preliminary and Final Rate Recommendations

Based on the rate analysis and the financial plan update, develop draft rate recommendations. The recommendations include a multi-year phase in of both overall rate increases and proposed rate structure adjustments. Review preliminary recommendations and key alternatives with the project team and Council. Based on input received, develop final draft utility rate recommendations.

Final rate recommendations will be designed to a) fund the long-term costs of providing service, b) be fair and equitable to all customers, c) provide a prudent balance of fixed and variable rates, and d) comply with the substantive requirements of Proposition 218 and recent court cases. Based on input from staff, develop a plan for implementing any rate structure modifications and/or rate adjustments.

7. Evaluate Rate Impacts on Customers

Calculate the rate impacts of each rate alternative on a range of utility customers (e.g. different customer classes, customers with different levels of use, seasonal impacts etc.). Work with the project team to identify customer and usage profiles to use for calculating the rate impacts. Discuss additional rate structure adjustments that may reduce the impact on certain customers if warranted and/or requested by the project team.

Task D Deliverables Include:

- Legal review of rate design
- Rate survey
- Analysis of billing data
- Proposed rate alternatives and impacts on customers
- Progress call



TASK E. PRESENTATIONS & PUBLIC OUTREACH

1. Meetings

Meet with the project team to present findings, discuss alternatives and their impacts, gain ongoing input, and develop and hone recommendations. Meet with and present findings to City Council. Our proposal includes a total of four (4) trips to the City. The final schedule and number of meetings will be determined with input from the project team. A preliminary meeting/presentation schedule could include: one staff meeting, one community meeting, one workshop/presentation with the City Council/ public, and the Proposition 218 hearing. The meetings can be determined as needed by the City (e.g., a council workshop could be substituted for a project meeting). BWA will participate in conference calls as needed. Additional project meetings, meetings/workshops with committees and citizens groups, may also be included if warranted by staff. Meetings can also be combined, e.g. progress meetings can be scheduled on the same day as Council meetings, to reduce costs.

Presentations will provide brief background and study objectives, make a clear case why rate increases are needed, describe the rate structure (and potentially key alternatives) approved by the project team, show rate impacts on various customer profiles, present findings of the rate survey, and discuss related financial and policy recommendations. We have substantial experience in presenting our findings to both technical and governing boards and to audiences without a background in utility rates or finances.

2. Prepare Draft and Final Reports

Submit a draft summary report for project team review and feedback. The report will summarize key findings and recommendations and discuss key alternatives when applicable. Receive input on draft report from the project team and Council. Prepare final reports incorporating feedback received. We will provide copies of both the draft and final reports and electronic versions to the entities. The final report will specifically include but is not limited to:

- Executive summary highlighting the key points of the study
- Introduction with a brief description of the wastewater system and service area
- Overview of financial operations for the last five years,
- A description of the capital improvement program, including State and Federal requirements; a ten-year summary of proposed capital expenditures with a statement regarding operating needs, regulatory requirements, and reasonableness of cost estimates
- Ten-year revenue, expense and cashflow projections
- Customer characteristics overview
- Detailed explanation of the cost-of-service and rate design process
- Rate scenarios with an assessment of each scenario regarding customer equity, revenue stability, compliance with regulations, implementation difficulty, etc.
- Regional wastewater rate comparisons
- Assessment of other charges
- Schedule of rate increase for 5-year adoption and 10-year projections

3. Rate Model

BWA will provide a user-friendly model customized to the needs of the City. BWA prioritizes simplicity when developing models. BWA's philosophy is that models should flow in a way that is easy to understand, be reliable, and provide relevant outputs. The model BWA provides will have all relevant inputs and outputs as well as the capability to be able to handle "what-if" scenarios.

4. Compliance with Proposition 218

Proposition 218 establishes requirements for adopting or increasing property-related fees and charges. In July 2006, the California Supreme Court ruled that water rates are subject to Proposition 218 (Articles XIII C and XIII D of the State constitution). Proposition 218 requires that the City: 1) mail notification of proposed rate increases and the date, time, and place of public hearing to all affected property owners (and potentially ratepayers who are renters that pay water bills); 2) hold a public hearing not less than 45 days after the notices are mailed; and 3) subject the rate increases to majority protest; if more than 50% of property owners submit written protests, the proposed rate increases cannot be adopted.

BWA remains available to assist staff with drafting the Proposition 218 rate notice. BWA recommends the notice go beyond the minimum legal requirements and provide clear and concise explanation of the reasons for any rate adjustments. We have found that ratepayers are generally much more accepting of rate increases when they understand why they are being implemented.

5. Public Education and Consensus-Building

Rate and fee adjustments are often controversial. BWA has extensive experience developing clear presentations that facilitate public understanding of the need for rate increases. We understand the importance of building consensus and public acceptance for our recommendations and can assist staff in developing public education materials.

Task E Deliverables Include:

- Draft and Final Reports and Rate Model
- Proposition 218 public hearing notice
- Meeting #2: Rate Workshop with City Council
- Meeting #3: Community Outreach Meeting
- Meeting #4: Proposition 218 Public Hearing

Outreach &
Adoption



Section 2: QUALIFICATIONS AND PERSONNEL



BARTLE WELLS ASSOCIATES

Leaders in Water, Wastewater & Stormwater Rates and Finance

Bartle Wells Associates (BWA) is an independent financial advisory firm with expertise in the areas of water, wastewater, and stormwater finance. BWA was established in 1964 and has over 50 years of experience advising cities, special districts, and other agencies on the complexities and challenges in public finance. We have advised over 500 public agency clients throughout California and the western United States. We have a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best and most-practical solutions.

Bartle Wells Associates has a highly-qualified professional team. Our education and backgrounds include finance, civil engineering, business, public administration, public policy, and economics.

BWA specializes in three professional services: utility rate and fee studies, financial plans, and project financing. We are one of the few independent financial advisors providing *all three* of these interrelated services to public agencies.

BWA Key Services

- Rate & Fee Studies
- Financial Plans
- Project Financing

RATE AND FEE STUDIES Our rate studies employ a cost-of-service approach and are designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We develop practical recommendations that are easy to implement and often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing impact fees that equitably recover the costs of infrastructure required to serve new development. BWA has completed hundreds of utility rate and fee studies. We have helped communities implement a wide range of rate structures and are knowledgeable about the legal requirements governing rates and impact fees. We develop clear, effective presentations and have represented public agencies at hundreds of public hearings to build consensus for our recommendations.



Our offices are located in Berkeley, California in a circa 1900 Victorian Building.

FINANCIAL PLANS Our financial plans provide agencies with a flexible roadmap for funding long-term operating and capital needs. We evaluate the wide range of financing options available, develop a plan that recommends the best financing approach, and clearly identify the sources of revenue for funding projects and repaying any debt. We also help agencies develop prudent financial policies, such as fund reserve targets, to support sound financial management. BWA has developed over 2,000 utility enterprise financial plans to help public agencies fund their operating and capital programs, meet debt service requirements, and maintain long-term financial health.

PROJECT FINANCING Our project financing experience includes over 300 bond sales and numerous bank loans, lines of credit, and a range of state and federal grant and loan programs. We generally recommend issuing debt via a competitive sale process to achieve the lowest cost financing possible. To date, we have helped California agencies obtain over \$5 billion of financing via bonds, bank loans/private placements, lines of credit, low-rate State Revolving Fund Loans, and other funding programs. We work only for public agencies; we are independent financial advisors and do not buy, trade, or resell bonds. Our work is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.



NATIONAL ASSOCIATION OF MUNICIPAL ADVISORS

Bartle Wells Associates is a charter member of the *National Association of Municipal Advisors* (NAMA), which establishes strict criteria for independent advisory firms. All of our lead consultants are *Certified Independent Professional Municipal Advisors* and are Registered Municipal Advisors.



BWA has served over 500 public agencies throughout California and the western United States.

Bartle Wells Associates is committed to providing value and the best advice to our clients. Our strength is *quality*—the quality of advice, service, and work we do for all our clients.

EXPERIENCE BWA has extensive experience developing long-term financial plans, utility rates, and capacity fees for public agencies from all areas of California and the western U.S. In recent years, we have completed assignments for many agencies including:

Sample Water/Sewer/ Stormwater Districts

- * ■ San Miguel Community Services District
- Rio Linda/ Elverta Community Water District
- Monterey One Water
- Alameda County Water District
- Cambria Community Services District
- Sonoma County Water Agency
- Mid-Peninsula Water District
- Silicon Valley Clean Water
- Napa Sanitation District
- East Bay Municipal Utility District
- Sausalito-Marin City Sanitary District
- Union Sanitary District
- Novato Sanitary District
- Montara Water & Sanitary District
- West Valley Sanitation District
- Joshua Basin Water District
- Ramona Municipal Water District
- South San Luis Obispo County San District
- San Francisco Public Utilities Commission

Sample Cities

- City of Modesto
- * ■ City of Guadalupe
- City of Fresno
- City of Davis
- City of Santa Barbara
- City of Solvang
- * ■ City of Morro Bay
- City of Berkeley
- City of San Carlos
- * ■ City of Monterey
- City of Sunnyvale
- City of Millbrae
- City of Vacaville
- City of Santa Clara
- City of Glendale
- Town of Woodside
- City of Calistoga
- City of San Mateo
- City of Mountain View

PROJECT STAFFING

BWA uses a **team approach** for most projects, typically assigning two consultants to each assignment, including at least one principal consultant. Our general project approach is to work closely with staff and other members of the project team, identify objectives, set milestones, have frequent communication, and remain flexible to resolve unanticipated issues.

Doug Dove, a firm Principal and President, will serve as Project Manager for this assignment. Doug will oversee all work and be the City's day-to-day contact person. Mr. Dove will provide legal and methodological review for the study. Doug will offer a big picture review of legal, policy, and implementation considerations. Doug is President of BWA and a Principal Consultant with more than 28 years of professional experience, specializing in all areas of public finance, including utility rate setting, capacity fee implementation, strategic financial planning and bond marketing. Mr. Dove assists public agencies in conducting utility rate and development impact fee studies, evaluating financing alternatives for capital projects, and securing project financing.



Doug will be assisted by Erik Helgeson, Consultant for Bartle Wells Associates. Erik will conduct data gathering and will work with the financial model used to calculate the rates. Mr. Helgeson has conducted many water and wastewater rate studies including studies for San Miguel CSD, Sacramento County Water Authority, and the City of Carlsbad. His prior experience working as a senior analyst for a utility gives him a unique perspective on the internal challenges a utility faces when implementing a study's recommendations.



 Bartle Wells Associates	
Doug Dove, PE Project Manager <ul style="list-style-type: none">• Primary Contact• Primary Consultant for:<ul style="list-style-type: none">○ Methodology Review○ Legal Requirements○ Project Cost Control○ Project Quality Control	Erik Helgeson, MBA Lead Financial Analyst <ul style="list-style-type: none">• Data Collection• Modeling• Cost Allocation• Rate Calculation• Draft Tables• Draft and Final Reports

Bartle Wells Associates prides itself on its record of on time and under budget delivery of projects. We do not foresee the use of any subcontractors for this project. Our staff has availability to assist on this project as needed to ensure an on-time delivery for the City.

DOUGLAS R. DOVE

Principal Consultant



Douglas R. Dove is President of Bartle Wells Associates and directs the operation of the firm while maintaining a principal consultant's role. With over 28 years of consulting experience, he specializes in utility rate analysis, strategic financial planning and project financing. Mr. Dove has developed utility rate structures and financing plans for a wide variety of public infrastructure programs. He has managed the procurement of over \$1 billion in municipal debt and over \$300 million in state and federal grants and low-interest loans. Mr. Dove frequently shares his expertise and has given presentations at conferences including the Association of California Water Agencies (ACWA), the American Water Works Association (AWWA), the California Association of Sanitation Agencies (CASA), the California Municipal Rates Group (CMRG), the California Special District's Association (CSDA), the California Municipal Treasurers Association (CMTA), the California Water Environment Association (CWEA) and Water Reuse. By special request in July 2015, Mr. Dove made a presentation to the California Water Resources Control Board regarding water conservation pricing. Mr. Dove is also a published author of a water rate paper in the *Journal of the American Water Works Association (Implementing Consumption-Based Fixed Rates in Davis, Calif.)*.

Mr. Dove's expertise also includes assisting agencies in securing state and federal grants and loans and in issuing certificates of participation (COPs), revenue bonds, general obligation bonds, assessment district bonds, Marks-Roos revenue bonds, CFD (Mello-Roos) bonds, private placement loans and other types of debt.

Mr. Dove holds an MS in civil engineering from UC Berkeley and he is a registered Professional Engineer in California. He is also a Certified Independent Professional Municipal Advisor (CIPMA) and recently finished his term on the board of directors of the National Association of Municipal Advisors (NAMA).

Education

M.S., Civil Engineering - University of California, Berkeley

B.S., Civil Engineering -- Drexel University, Philadelphia, PA

Representative Projects

- **Del Paso Manor Water District:** Comprehensive water financial plan and rate study.
- **Rio Linda/ Elverta Community Water District:** Comprehensive water financial plan, connection fee and rate study.
- **East Bay Municipal Utility District:** Comprehensive water rate study and AB 1600 capacity fee review, Wastewater cost-of-service review and capacity fee review, various other financial studies
- **Napa-Berryessa Resort Improvement District:** Developed financing plan for water and wastewater public-private partnership (P3). Prepared assessment engineers report. Formed an assessment district and secured \$11.1 million in federal funding from US Department of Agriculture.
- **City of American Canyon:** Comprehensive, multi-year water and wastewater rate study.
- **City of Davis:** Comprehensive water rate study developed with a 15-member Water Advisory Committee. Currently completing a water capacity fee study for the City.
- **City of Modesto:** Provided rate expert litigation support in wastewater rate litigation. Developed water and wastewater cost of service and capacity fee studies.
- **Newhall County Water District:** Provided rate expert litigation support in water rate litigation.

- **City of Monterey:** Developed financing plan and rate study for \$20 million wastewater pipeline rehabilitation project.
- **City of Santa Clara:** Wastewater rate and capacity fee study
- **City of Hesperia:** Comprehensive water and wastewater financial plan and rate study.
- **City of Lemon Grove:** Water and wastewater rate studies and five-year financing plan.
- **City of Brawley:** Water and wastewater rate studies and financing plans.
- **City of Gilroy:** Water and wastewater rate studies.
- **City of Patterson:** Water and wastewater rate studies and five-year financing plans.
- **West Valley Sanitation District (Campbell, CA):** Wastewater rate study, financing plan and bond issuance.
- **City of Ontario/Ontario Redevelopment Agency:** financial advisor on \$134.3 million in development refunding and new money issues (2), which included financing for the Ontario Convention Center.
- **City of Calistoga:** Long range utility financial plan, water and wastewater rates, secured financing for WW treatment plant upgrade (\$6 million SRF loan, \$3 million Small Community Grant, \$3.5 million revenue bonds).
- **El Dorado Irrigation District:** Water and wastewater rate studies.
- **Lake Arrowhead Community Services District:** Financial master plan, \$28 million revenue bond refinancing and water and wastewater rate studies.
- **California Statewide Communities Development Authority:** Financial advisor for statewide pooled revenue bond program (over \$250 million issued for over 32 borrowers).
- **South Bay Water Recycling Program, Phases 1 & 2:** Financial plan and rate study for \$200+ million regional (San Jose area) wastewater recycling program.
- **City of Tulare:** Financial advisor to the city, sale of \$63 million in bonds (3 issues), water and wastewater rate studies.
- **City of Hanford:** Wastewater financial plan and rate study, bond and bank loan issues, procurement of California Infrastructure Bank SRF loan.
- **Big Bear Area Regional Wastewater Agency:** Regional wastewater rate study, sale of bonds (2 issues) and bank loans (2 loans).

Professional Memberships

- National Association of Municipal Advisors (former Board Member)
- League of California Cities
- American Water Works Association
- Association of California Water Agencies
- California Water Environment Association
- California Association of Sanitation Agencies
- California Special Districts Association
- Water Reuse Association

Certifications

Certified Independent Professional Municipal Advisor (CIPMA), Registered Professional Engineer (PE) in California (PE# 45642) and Municipal Advisor – Series 50 Exam

ERIK W. HELGESON



Consultant

Erik Helgeson is a finance and management consultant with Bartle Wells and Associates. His areas of expertise include the development of financial, ratemaking, and policy solutions for water, stormwater and wastewater utilities. He has eight years of utility finance experience- as a finance analyst at Denver Water and now as a consultant. Erik has extensive expertise in working with executive level staff and assisting in strategic decisions.

Education

M.B.A., Entrepreneurship – University of Colorado, Denver

B.A., Business Administration – Gonzaga University

Representative Projects

- **San Miguel Community Services District, CA:** Water and wastewater financial plans and rate studies
- **Castle Pines North Metropolitan District, CO:** Water and wastewater financial plans and rate studies
- **City of Imperial, CA:** Water and wastewater financial plans and rate studies
- **Madera County, CA:** Rate studies for ten of the county's service districts
- **City of Willits, CA:** Water and wastewater financial plans and rate studies
- **Humboldt Bay Municipal Water District, CA:** 10-year financial plan update
- **Marin Municipal Water District, Marin, CA:** Water financial plan and rate study
- **Sacramento County Water Authority, Sacramento, CA:** Water financial plan and rate study
- **The Cities of Pinole and Hercules, CA:** Assisted the cities with the co-financing of a wastewater project with SRF loans. This included the design of the payment and reimbursement process, the administration of the process, and navigating the State requirements.
- **Carlsbad, CA:** Created a supply-based cost allocation and supply layered, tiered, rate design.

Utility Experience

Denver Water, Denver, CO:

Senior Finance Analyst- Assisted with the annual cost of service study and financial plan, provided regular revenue reports, and oversaw the gathering and reporting of metrics to support Denver Water's organizational improvement initiatives. As the lead analyst on the initiative to change the rate design he facilitated research (customer survey and affordability study), performed rate design analysis, and assisted with stakeholder outreach (municipalities, customers, business representatives, non-profits, and Denver Water executives and Board) which led to the adoption of new rate structures. He coordinated the implementation efforts between various business units to ensure a successful rollout of the new rates and rate structures.

Contract Specialist- Responsible for developing contracts and facilitating bid selections.

Professional Memberships

American Water Works Association - Rates and Charges Committee

Certifications

Municipal Advisor -- Series 50 Exam



San Miguel Community Services District, CA

In 2016, the District retained Bartle Wells Associates to perform comprehensive water and wastewater rate studies. The District was in a critical financial position, facing many deferred capital projects and large operating deficits. Bartle Wells determined that the District needed to more-than double its rates to be financially sufficient. A Prop. 218 protest was organized to stop the proposed rate increases. The District and BWA held a series of community meetings to show that the increases would allow customers to receive a higher level of service at a lower cost than the alternatives of bankruptcy or privatization. The rate increase opposition caused the Board to request several detailed meetings to ensure sure they were making the right decision. The rates were eventually adopted, allowing the District to continue to provide service to the community. The key to the project's success was education and outreach, which allowed the District's Board and customers to understand why increasing their rates and retaining public control of their District was the best option.

Agency Contact:

Kelly Dodds, Director of Utilities
(805) 467-3388 Ext 206
kdodds@sanmiguelcsd.org





City of Guadalupe, CA

The City of Guadalupe is located at the Northwestern corner of Santa Barbara County, CA. The City provides water and wastewater utility service to a population of over 7,000 and local businesses. The City's largest water customer was a produce washing and packing operation. Bartle Wells Associates completed rate studies for the water and wastewater utilities in 2016.

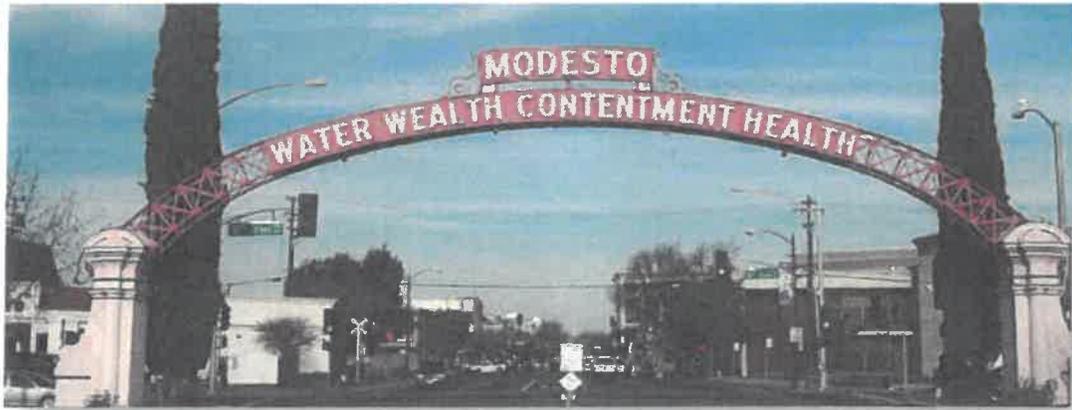
Bartle Wells Associates conducted a comprehensive analysis of the City's water rates. In light of the 2015 San Juan Capistrano court ruling, the City sought to ensure the legality of the rates. In reviewing the City's water sources and cost structure, BWA and City staff determined that a uniform-block water rate structure was most appropriate for the City. The City was facing \$3.5 million in water capital project funding needs so BWA recommended the City pursue State grants and Drinking Water State Revolving Fund (SRF) loans to fund the projects.

Bartle Wells Associates also conducted a comprehensive analysis of the City's wastewater rates. We recommended several scenarios that would increase rates in order to cover five years of capital project funding and operating revenue requirements. The City was facing \$7 million in wastewater capital funding needs and BWA recommended the City pursue State grants and Clean Water SRF loans to fund the projects.

Agency Contact:

Annette Munoz, Finance Director
City of Guadalupe
(805) 356-3895
amunoz@ci.guadalupe.ca.us





City of Modesto, CA

In 2015, BWA was retained to work with the City and the Industrial customers to develop a new wastewater rate structure based on the 2014 Tolling Agreement. Working closely with an accountant hired by the City's large industrial customers, BWA developed a separate large industrial wastewater rate structure and capacity fee schedule for cannery customers. BWA also developed new rates reflecting the City's tertiary treatment stream and secondary treatment "scalping." We met with stakeholder groups, the wastewater master planning engineering team, Finance Committee, and City Council on many occasions to vet our recommendations and gain consensus. Our rate study was implemented by City Council April 2016.

In 2015, the City retained BWA to conduct a comprehensive water rate study. The City had not raised rates since 2013 and experienced reduced revenue due to drought conditions. BWA developed drought surcharges and analyzed individualized rate structures for each of the City's outlying service areas. A Proposition 218 hearing to adopt proposed rates was successfully completed in Fall 2016.

Agency Contact:

William Wong, P.E., Sr. Engineer

(209) 571-5801

wwong@modestogov.com





Castle Pines North Metro District, CO

Castle Pines North Metropolitan District (CPNMD) was established in 1984. The Metro District provides water, wastewater and storm water services to the local community. The Metro District currently serves a population of nearly 10,000, and has more than 3,200 residential and business customers.

In 2016, the District retained Bartle Wells to update the District's financial plan and rates on an annual basis. Bartle Wells continues to provide this service to the District. In addition to the annual financial plan and rate updates, Bartle Wells proved support for the District's recent bond election.

Agency Contact:

Jim Nikkel, P.E., District Manager

(303) 688-8550

jim@cpnmd.org





City of Monterey, CA

In 2011, BWA developed a comprehensive financing plan and wastewater rate and fee study for the City. The study was in connection with a major sewer main rehabilitation program that the City is facing. The initial phase of the project involved a condition assessment update and project prioritization for the entire sewer system. This was performed by an engineering firm serving as a subconsultant to BWA. Working closely with the City, BWA recommended a phased rate increase strategy coupled with funding via State Revolving Fund Loans and Pay-As-You-Go. BWA also recommended that the City implement a new sewer capacity fee to help pay for main improvements. The recommended plan was presented at three public workshops to receive input before it was finalized and presented to the Council. BWA assisted the City in preparing the Prop. 218 notices. Council unanimously approved the financing plan and rate and fee increases in August 2011.

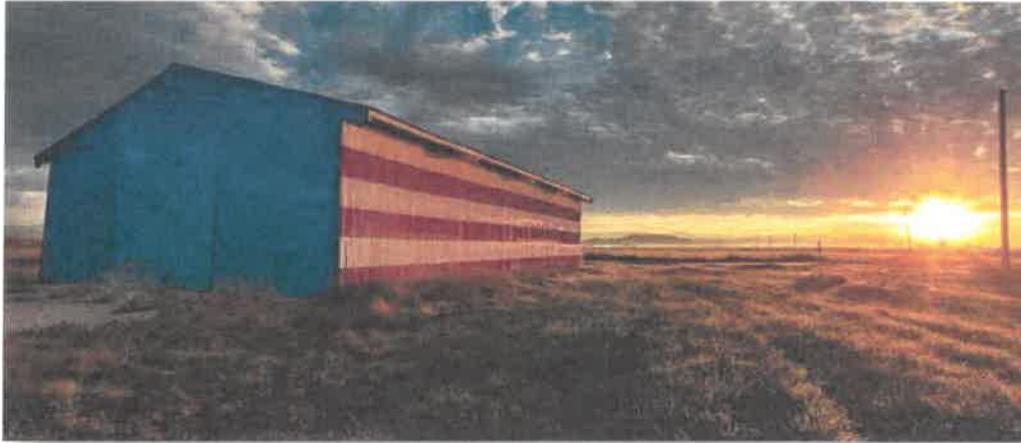
Agency Contact:

Jeff Krebs, Senior Engineer

(831) 646-3877

krebs@ci.monterey.ca.us





Madera County Special Districts, CA

Madera County is located in California's Central Valley. The County's primary industry is Agriculture. In 2016, the County retained Bartle Wells to perform comprehensive water and wastewater rate studies for its special service districts. Madera County has approximately forty-four water and sewer special service districts. The primary source of water for the districts is groundwater. State water quality requirements have had significant impacts on the treatment requirements for water in the Central Valley.

Many districts have not had rate increases for over five years. This has resulted in the districts operating at deficits, funded by growing debts to the County's general fund. Bartle Well's main objective is to make the districts self-sufficient, with enough revenue to pay back the debts county.

The districts have small populations making a Prop. 218 challenges more likely. The key to the project's success is outreach to district customers in order to help them understand why they need to increase their rates.

Agency Contact:

Andrea Saldate, Program Manager

Madera County Public Works

(559) 675-7811

Andrea.Saldate@co.madera.ca.gov



Additional References are Available Upon Request

Section 4: Study Schedule



Provided below is a draft timeframe for completion of the Project. BWA will work with the City to develop a final schedule designed to meet the City's objectives. BWA has the capacity to complete the projected on a compressed timeline if necessary.

Proposed Project Schedule

PROJECT TASK	AUG/SEP	OCT/NOV	DEC/JAN	FEB/MAR	APR/MAY
Project Initiation & Data Collection					
10-Year Financial Plans					
Cost Allocation					
Rate Design					
Kickoff & Project Team Meetings					
Draft, Revised, & Final Reports					
Council and Community Meetings					

*Note: Individual project milestones will be established based on consultation with the project team.
New rates to become effective starting May 1, 2019*

Section 5: Cost Proposal



Provided below is a draft breakdown of our budget by task. We remain available to work with the City to refine the scope and budget to meet the City's objectives and expectations.

TASK	Estimated Hours	D. Dove @ \$255/hr	E. Helgeson @ \$155/hr	Total Cost
TASK A. PROJECT INITIATION & DATA	10	3	7	\$1,850
TASK B. LONG-RANGE FINANCIAL PLAN	28	8	20	\$5,140
TASK C. COST ALLOCATION	20	5	15	\$3,600
TASK D. RATE DESIGN	20	5	15	\$3,600
TASK E. PRESENTATIONS and REPORT	47	12	35	\$8,485
SUBTOTAL HOURS	125	33	92	\$22,675
ESTIMATED NOT-TO-EXCEED EXPENSES				\$900
TOTAL PROJECT COSTS				\$23,575
Contingency/ additional meetings or analysis (optional)				\$5,000

AVAILABILITY & FEES



1. Bartle Wells Associates is prepared to begin work upon authorization to proceed.
2. During the project development period, Bartle Wells Associates will be available at all reasonable times and on reasonable notice for meetings and for consultation with staff, attorneys, consulting engineers, and others as necessary.
3. Bartle Wells Associates will perform all work related to the assignment. Douglas Dove, a firm principal and vice president, will be assigned as project manager on this assignment. He will serve as the lead contact person for BWA and will be involved with the project a day-to-day basis. Doug will be assisted by Erik Helgeson, project consultant. This project team may be assisted by other BWA analysts as needed.
4. The fees for services outlined in this proposal will not exceed \$22,675 plus direct expenses estimated not to exceed \$900. BWA also recommends inclusion of a contingency of \$5,000, which would only be used at the City's direction to account for additional analysis, meetings, presentations, and/or other related services if needed. With contingency and expenses, the total project cost will not exceed \$28,575. The fee is based on the following assumptions:
 - a. All necessary information will be provided by the City in a timely manner.
 - b. Development of a draft, final draft, and final versions of tables, presentations, and reports. Time and expenses involved in revising tables and assumptions may constitute additional services if not achievable within the budget.
 - c. Four trips to the City for meetings and/or presentations. Additional meetings or presentations may constitute additional services if not achievable within the budget.
5. Progress payments and direct expenses are payable monthly on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2018, which will remain in effect through the duration of this assignment.
6. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Certificate of Insurance attached.
7. If the project is terminated for any reason, we are to be reimbursed for professional services and direct expenses incurred up to the time we receive notification of such termination.
8. This proposal may be withdrawn or amended if not accepted within 90 days of its date.
9. We will not require a formal contract of employment and will consider a letter or e-mail from an appropriate official as sufficient authority to proceed.



BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2018
Rates Effective 1/1/2018

Professional Services

Financial Analyst I	\$105 per hour
Financial Analyst II	\$130 per hour
Consultant.....	\$155 per hour
Senior Consultant.....	\$185 per hour
Senior Project Manager	\$215 per hour
Principal Consultant	\$255 per hour

The hourly rates for professional services include all overhead and indirect expenses. Bartle Wells Associates does not charge for administrative support services. Expert witness, legal testimony, or other special limited assignments will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through December 31, 2018 at which time they will be subject to change.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Word processing and computer-assisted services related to official statement production are charged as direct expenses at \$75 per hour. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Printing and photocopying
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Graphic design and photography
- Special legal services
- Legal advertisements

Insurance

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

Payment

Fees are typically billed monthly for the preceding month, and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

MUNICIPAL ADVISOR DISCLOSURES



This section provides certain disclosures required by the Municipal Securities Rulemaking Board (MSRB) regarding our duties as a Municipal Advisor to the extent any such duties apply to this assignment.

* Bartle Wells Associates will provide advice and conduct activities with a “duty of care” and a “fiduciary duty” to the City of King. Our role and responsibilities during this engagement will continue through the completion of the project.

* Bartle Wells Associates is a registered Municipal Advisor with the Securities and Exchange Commission (SEC Registration No. 867-00740) and the Municipal Securities Rulemaking Board (MSRB ID K0414).

* Bartle Wells Associates has never been cited for any legal or disciplinary action regarding municipal advisory activities.

* Bartle Wells Associates has not and will not receive any compensation from any third party seeking to provide services, municipal securities transactions, or municipal financial products related to this transaction. BWA or any of its employees will not engage in any activities that would produce a direct or indirect financial gain for the firm other than compensation for our services identified in this proposal.

* Bartle Wells Associates is not aware of any conflicts of interest that would affect our ability to provide independent and objective advice and Municipal Advisory services in a manner consistent with the requirements of MSRB Rule G-42.

* The website address for the Municipal Securities Rulemaking Board (MSRB) is www.MSRB.org. The MSRB’s website provides a municipal advisory client brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority. The municipal advisory client brochure is accessible via a link on www.MSRB.org or can be downloaded from <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure>.

SCHEDULE OF INSURANCE



SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of the increase will be added to the contract price.

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ■ \$2,000,000 General Aggregate ■ \$2,000,000 Products Comp/Op Aggregate ■ \$2,000,000 Personal & Advertising Injury ■ \$1,000,000 Each Occurrence 	6/1/19
Excess/Umbrella Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ■ \$1,000,000 Aggregate ■ \$1,000,000 Each Occurrence 	6/1/19
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> ■ \$1,000,000 Combined Single Limit 	6/1/19
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	<p>Workers' Compensation: Statutory Limits for the State of California. Employers' Liability:</p> <ul style="list-style-type: none"> ■ Bodily Injury by Accident - \$1,000,000 each accident ■ Bodily Injury by Disease - \$1,000,000 each employee ■ Bodily Injury by Disease - \$1,000,000 policy limit 	6/1/19
Professional Liability	Chubb & Son, Inc. BINDO94045	<p>Solely in the performance of services as municipal financing consultants for others for a fee. Limit: \$2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses)</p>	6/1/19

**CITY OF KING
CONTRACT SERVICES AGREEMENT FOR
WASTEWATER RATE STUDY**

THIS PROFESSIONAL SERVICES AGREEMENT (herein "Agreement") is made and entered into this 11th day of September, 2018, by and between the CITY OF KING, a California municipal corporation ("City") and Bartle Wells Associates (herein "Consultant").

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Consultant warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

1.4 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of twenty-three thousand, five hundred, seventy-five dollars (\$23,575.00) ("Contract Sum").

2.2 Invoices. Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by the City of any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.3 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum but not exceeding a total contract amount of Five Thousand Dollars (\$5,000) or in the time to perform of up to ninety (90) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. No claim for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding thirty (30) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for

any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

4. COORDINATION OF WORK

4.1 Representative of Consultant. Erik Helgeson is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Consultant and any authorized agents shall be under the exclusive direction of the representative of Consultant. Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, and shall keep City informed of any changes.

4.2 Contract Officer. Public Works Special Project Coordinator [or such person as may be designated by the City Manager] is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Contract Officer").

4.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Consultant. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of City with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City, or that it is a member of a joint enterprise with City.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) Commercial General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used,

either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Consultant against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than either (i) bodily injury liability limits of \$250,000.00 per person and \$500,000.00 per occurrence and property damage liability limits of \$500,000.00 per occurrence or (ii) combined single limit liability of \$1,000,000.00. Said policy shall include coverage for owned, non-owned, leased, hired cars, and any other automobile.

(d) Professional Liability. Professional liability insurance appropriate to the Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional 5-year period, Consultant shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

(f) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. The insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer. No work or services under

this Agreement shall commence until the Consultant has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsement to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or other designee of the City due to unique circumstances.

5.3 Indemnification. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, except claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services and shall keep such records for a period of three years following completion of the services hereunder. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require.

6.3 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the

public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than the City without prior written authorization from the Contract Officer.

(b) Consultant shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives the City notice of such court order or subpoena.

(c) If Consultant provides any information or work product in violation of this Agreement, then the City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Consultant’s conduct.

(d) Consultant shall promptly notify the City should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. The City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by Consultant.

6.4 Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the “documents and materials”) prepared by Consultant in the performance of this Agreement shall be the property of the City and shall be delivered to the City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by the City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the City.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Monterey, State of California.

7.2 Disputes; Default. In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Consultant is in

default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article.

7.3 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue any legal action under this Agreement.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.4 Termination Prior to Expiration of Term. This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.5 Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

8. MISCELLANEOUS

8.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class

8.2 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount, which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Notice. Any notice, demand, request, document, consent, approval, or communication 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, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of King 212 S. Vanderhurst Avenue, King City, CA 93930 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

8.4 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.5 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.6 Waiver. No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party 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.

8.7 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this

Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.8 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.9 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

8.10 Warranty & Representation of Non-Collusion. No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials _____

8.11 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[Signatures on the following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF KING, a municipal corporation

Steven Adams, City Manager

ATTEST:

Erica Sonne, Deputy City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Shannon L. Chaffin, City Attorney

CONSULTANT:

By: _____
Name:
Title:

By: _____
Name:
Title:

Address: _____

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF MONTEREY

On _____, 2017 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
 - CORPORATE OFFICER
- _____
- TITLE(S)

TITLE OR TYPE OF DOCUMENT

- PARTNER(S) LIMITED
- GENERAL

NUMBER OF PAGES

- ATTORNEY-IN-FACT
 - TRUSTEE(S)
 - GUARDIAN/CONSERVATOR
 - OTHER _____
- _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”

SCOPE OF SERVICES

I. Consultant will perform the following services:

Section 1: Detailed Work Plan

This section presents our methodology and proposed scope of services that we believe will form a sound basis for completing this assignment as well as a schedule to complete the scope. We will work with the City to finalize a scope of services that meets the objectives and schedule desired. Our completed study will provide a set of legally defensible documents that outline a comprehensive, reasonable financial plan attainable through sound, industry-standard recommendations for the City. Our proposal takes into account variable and fixed charges, different assumptions regarding future capital investments, recent court rulings, and Proposition 218 compliance. Assistance from the project team will be required to gather data and to provide feedback on rate recommendations at regularly scheduled progress calls.

Rate Study Process



TASK A. PROJECT INITIATION & DATA COLLECTION

1. Project Team Orientation

To initiate our work, hold a kickoff meeting with City staff and others as appropriate, to accomplish the following:

- Identify members of City staff, City Council members/subcommittees, engineering consultants, and other consultants/advisors who will participate in the project
- Determine the roles and responsibilities of all project participants
- Identify other parties who may have a significant interest in the project, such as community groups, business organizations, and large customers
- Establish project schedule and key milestone dates
- Confirm the key goals and expectations of the project team

Bartle Wells Associates will perform all work related to the assignment. Douglas Dove and Alex Handlers, firm principals, will be assigned as project managers on this assignment and will serve as lead contacts for BWA and will be involved with the project a day-to-day basis. Erik Helgeson will serve as project consultant. This project team may be assisted by other BWA analysts as needed

2. Investigation and Data Collection

Assemble the information necessary to understand the wastewater system, finances, customers and usage, rate and fee structures, and legal agreements with other agencies. Assistance and cooperation of staff will be needed to assemble the relevant background information. The objectives of investigation and data collection are to develop a complete understanding of each utility and its costs, and to reach an agreement on basic assumptions to be used in the study. Information to be reviewed includes the following:

- Cost information: budgets, audits, financial statements, internal finance projections, capital improvement plans, and engineering master plans
- Revenue sources: schedule of fees and rates, interest earnings, grants and/or debt proceeds

Task A Deliverables Include:

- Project team contact list
- Information needs list
- Provide fee and charge recommendations
- Meeting #1: Kickoff Meeting at City



TASK B. LONG-RANGE FINANCIAL PLAN

1. Develop Forecasts and Projections

Based on evaluation of the data assembled and input provided by staff and other members of the project team, prepare forecasts and projections to be used in the development of financial projections for the City's enterprises. Develop projections for the following areas (and others as appropriate):

Capital Improvement Funding Needs: Identify latest capital improvement plan costs by year. Work with staff to identify key alternatives for financial evaluation. Based on input from City staff, determine a reasonable amount to include for future, ongoing capital repairs and replacements. BWA often recommends that agencies phase in funding for long-term system rehabilitation as rates are gradually increased.

Growth and Development/Redevelopment: Evaluate historical growth trends and develop appropriate and conservative assumption for future development and redevelopment that can be

incorporated into the financial plan/rate model. Evaluate impact of faster and slower growth rates.

Cost Escalation Factors: Review historical cost trends and work with project team to develop reasonable cost escalation factors for both operating and capital expenditures. Work with staff to estimate potential new operating costs, such as new staffing projections and O&M costs related to planned capital improvements, or costs for complying with future permit requirements.

Review projections with City staff for agreements on assumptions, interpretation of data, and completeness of approach.

2. Evaluate Financing Alternatives for Capital Improvements

Evaluate options for financing proposed capital improvement projects. Our evaluation will:

- Estimate the amount and timing of any debt, if needed, to finance capital projects.
- Evaluate the alternative borrowing methods available including bonds, COPs, state and federal funding programs, bank loans and lines of credit, and other options.
- Recommend the appropriate type of debt and its term and structure (for financial planning purposes).
- Evaluate possible combinations of financing methods, such as prudent use of pay-as-you-go cash funding supplemented by debt financing, when appropriate

3. Review and Update Fund Reserve Targets

Evaluate the adequacy of the City's current fund reserves. As warranted, identify alternatives and update minimum fund reserve targets based on updated operating and capital funding projections. Develop an implementation plan for achieving and maintaining the recommended reserve fund levels.

4. Develop Long-Range Cash Flow Projections

BWA will develop cash flow projections showing the financial position of the City over the next ten years. The cash flows will project fund balances, revenues, expenses, and debt service coverage, and will incorporate the forecasts developed with staff input, including funding needs for future repairs and replacements. After developing a base-case cash flow scenario, we can develop alternatives for additional evaluation such as capital project alternatives, project financing alternatives and the impacts of different levels of growth etc. During this phase, BWA will work closely with the project team to develop financial and rate projections under alternative scenarios. BWA typically recommends that rate increases be phased in over time to minimize the annual impact on ratepayers.

5. Evaluate Financial Scenarios & Rate Increase Options

Based on the cash flow projections, determine the annual revenue requirements and project overall required rate increases. Evaluate the financial impact of various financial and rate adjustment alternatives, such as phasing in required rate increases over a number of years. If appropriate, develop a reduced rate alternative and evaluate impacts on the City's ability to fund capital projects.

Task B Deliverables Include:

- Evaluation of financing alternatives for capital improvements
- Recommendation for minimum fund reserve targets
- Development of ten-year financial projections and alternatives
- Identification of alternative rate increase scenarios
- Progress call



TASK C. COST-OF-SERVICE ALLOCATION

Task C is the “meat” of the rate study that will provide the legal justification for the rates and charges of the City. BWA will allocate costs based on industry standard practice, guidance from recent court cases, and ease of implementation/practicality.

BWA will provide a detailed, functional cost allocation for operating, capital, debt service, fixed and variable costs. Functionalized cost categories may include collection, treatment, and customer costs. BWA will determine the units of service and assign costs to each unit of service. Typical units of service for the wastewater utilities are sewer flow and pollutant loading (BOD and TSS). We may want to include nitrogen, phosphorous, and ammonia in order to accurately allocate costs.

Task C Deliverables Include:

- Determine units of service
- Cost allocation analysis
- Progress call



TASK D. RATE DESIGN

1. Legal Review of the Existing Utility Rate Structures and Rate Models

Perform a legal review of the existing utility rate structures and discuss advantages and disadvantages compared to other rate approaches. Summarize and discuss finding with the project team. Review the existing rate models and most recent rate update. Evaluate the cost allocation and rate design included in the model for compatibility with BWA recommendations.

2. Conduct Rate Fee Survey of Comparable Utility Agencies

Review and summarize other regional and/or comparable agencies. Summarize results in easily understandable tables and/or charts.

3. Analyze Utility Consumption Data

Evaluate current and historical water usage, winter water consumption for sewer billed flow, utility billing data, and production data to determine reasonable and conservative estimates of demand to use in developing rate options. Ideally, we would prefer to analyze three years of utility billing data in order to determine slightly conservative demand projections.

4. Identify Utility Rate Structure Modifications and Alternatives

Identify alternative rate structures or modifications to the City's existing rates designed to improve equity and/or better achieve your objectives. Discuss pros and cons of different rate structure options and their general impacts on different types of customers. Rate structure options will be refined as the study progresses based on input from the study project team and will be evaluated to ensure that any modifications can be accommodated within the City's billing systems. Some potential rate structure modifications may include the following:

- Redesigning how much of the revenue is collected from fixed vs. variable charges.
- Establishing different wastewater rates for different customer classes with different effluent strength characteristics.

5. Evaluate Customer Equity

Review the fairness of each rate and charge across all customer groups. Confirm that all customers are charged for service proportional to how they use the utility systems. If desired, review options to aid in affordability for disadvantaged customers. Compare typical/sample bills from each customer class to the bills of other local public utilities. As needed, seek input from vocal customers such as business groups and developers.

6. Develop Preliminary and Final Rate Recommendations

Based on the rate analysis and the financial plan update, develop draft rate recommendations. The recommendations include a multi-year phase in of both overall rate increases and proposed rate structure adjustments. Review preliminary recommendations and key alternatives with the project team and Council. Based on input received, develop final draft utility rate recommendations.

Final rate recommendations will be designed to a) fund the long-term costs of providing service, b) be fair and equitable to all customers, c) provide a prudent balance of fixed and variable rates, and d) comply with the substantive requirements of Proposition 218 and recent court cases.

Based on input from staff, develop a plan for implementing any rate structure modifications and/or rate adjustments.

7. Evaluate Rate Impacts on Customers

Calculate the rate impacts of each rate alternative on a range of utility customers (e.g. different customer classes, customers with different levels of use, seasonal impacts etc.). Work with the project team to identify customer and usage profiles to use for calculating the rate impacts. Discuss additional rate structure adjustments that may reduce the impact on certain customers if warranted and/or requested by the project team.

Task D Deliverables Include:

- Legal review of rate design
- Rate survey
- Analysis of billing data
- Proposed rate alternatives and impacts on customers
- Progress call



TASK E. PRESENTATIONS & PUBLIC OUTREACH

1. Meetings

Meet with the project team to present findings, discuss alternatives and their impacts, gain ongoing input, and develop and hone recommendations. Meet with and present findings to City Council. Our proposal includes a total of four (4) trips to the City. The final schedule and number of meetings will be determined with input from the project team. A preliminary meeting/presentation schedule could include: one staff meeting, one community meeting, one workshop/presentation with the City Council/ public, and the Proposition 218 hearing. The meetings can be determined as needed by the City (e.g., a council workshop could be substituted for a project meeting). BWA will participate in conference calls as needed. Additional project meetings, meetings/workshops with committees and citizens groups, may also be included if warranted by staff. Meetings can also be combined, e.g. progress meetings can be scheduled on the same day as Council meetings, to reduce costs.

Presentations will provide brief background and study objectives, make a clear case why rate increases are needed, describe the rate structure (and potentially key alternatives) approved by the project team, show rate impacts on various customer profiles, present findings of the rate survey, and discuss related financial and policy recommendations. We have substantial experience in presenting our findings to both technical and governing boards and to audiences without a background in utility rates or finances.

2. Prepare Draft and Final Reports

Submit a draft summary report for project team review and feedback. The report will summarize key findings and recommendations and discuss key alternatives when applicable. Receive input on draft report from the project team and Council. Prepare final reports incorporating feedback received. We

will provide copies of both the draft and final reports and electronic versions to the entities. The final report will specifically include but is not limited to:

- Executive summary highlighting the key points of the study
- Introduction with a brief description of the wastewater system and service area
- Overview of financial operations for the last five years,
- A description of the capital improvement program, including State and Federal requirements; a ten-year summary of proposed capital expenditures with a statement regarding operating needs, regulatory requirements, and reasonableness of cost estimates
- Ten-year revenue, expense and cashflow projections
- Customer characteristics overview
- Detailed explanation of the cost-of-service and rate design process
- Rate scenarios with an assessment of each scenario regarding customer equity, revenue stability, compliance with regulations, implementation difficulty, etc.
- Regional wastewater rate comparisons
- Assessment of other charges
- Schedule of rate increase for 5-year adoption and 10-year projections

3. Rate Model

BWA will provide a user-friendly model customized to the needs of the City. BWA prioritizes simplicity when developing models. BWA's philosophy is that models should flow in a way that is easy to understand, be reliable, and provide relevant outputs. The model BWA provides will have all relevant inputs and outputs as well as the capability to able to handle "what-if" scenarios.

4. Compliance with Proposition 218

Proposition 218 establishes requirements for adopting or increasing property-related fees and charges. In July 2006, the California Supreme Court ruled that water rates are subject to Proposition 218 (Articles XIIC and XIID of the State constitution). Proposition 218 requires that the City: 1) mail notification of proposed rate increases and the date, time, and place of public hearing to all affected property owners (and potentially ratepayers who are renters that pay water bills); 2) hold a public hearing not less than 45 days after the notices are mailed; and 3) subject the rate increases to majority protest; if more than 50% of property owners submit written protests, the proposed rate increases cannot be adopted.

BWA remains available to assist staff with drafting the Proposition 218 rate notice. BWA recommends the notice go beyond the minimum legal requirements and provide clear and concise explanation of the reasons for any rate adjustments. We have found that ratepayers are generally much more accepting of rate increases when they understand why they are being implemented.

5. Public Education and Consensus-Building

Rate and fee adjustments are often controversial. BWA has extensive experience developing clear presentations that facilitate public understanding of the need for rate increases. We understand the importance of building consensus and public acceptance for our recommendations and can assist staff in developing public education materials.

Task E Deliverables Include:

- Draft and Final Reports and Rate Model
- Proposition 218 public hearing notice
- Meeting #2: Rate Workshop with City Council
- Meeting #3: Community Outreach Meeting
- Meeting #4: Proposition 218 Public Hearing



EXHIBIT "B"

SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

[If none, note "Not Applicable"]



EXHIBIT "C"

SCHEDULE OF COMPENSATION

- I. Consultant shall perform the following Services at the following rates:**
 - A. The fees for services outlined in this proposal will not exceed \$22,675 plus direct expenses estimated not to exceed \$900. A contingency amount of \$5,000, is to be used at the City's direction to account for additional analysis, meetings, presentations, and/or other related services as directed by the City.
 - B. Progress payments and direct expenses are payable monthly on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2018, which will remain in effect through the duration of this agreement.
- II. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 2.3.**
- III. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:**
 - A. Line items for all the work performed, the number of hours worked, and the hourly rate.
 - B. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
 - C. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.
- IV. The total compensation for the Services shall not exceed \$ 23,575.00, as provided in Section 2.1 of this Agreement, unless otherwise approved by the City.**
- V. Consultant's billing rates for all personnel are attached as Exhibit C-1.**

BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2018
Rates Effective 1/1/2018

Professional Services

Financial Analyst I.....	\$105 per hour
Financial Analyst II.....	\$130 per hour
Consultant	\$155 per hour
Senior Consultant.....	\$185 per hour
Senior Project Manager.....	\$215 per hour
Principal Consultant.....	\$255 per hour

The hourly rates for professional services include all overhead and indirect expenses. Bartle Wells Associates does not charge for administrative support services. Expert witness, legal testimony, or other special limited assignments will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through December 31, 2019 at which time they will be subject to change.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Word processing and computer-assisted services related to official statement production are charged as direct expenses at \$75 per hour. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Printing and photocopying
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Graphic design and photography
- Special legal services
- Legal advertisements

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

I. Consultant shall perform all services timely in accordance with the following schedule:

PROJECT TASK	AUG/SEP	OCT/NOV	DEC/JAN	FEB/MAR	APR/MAY
Project Initiation & Data Collection					
10-Year Financial Plans					
Cost Allocation					
Rate Design					
Kickoff & Project Team Meetings					
Draft, Revised, & Final Reports					
Council and Community Meetings					

II. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION TO CERTIFICATE HOLDER(S)

This policy is subject to the following additional Conditions:

- A. If this policy is cancelled by the Company, other than for non-payment of premium, notice of such cancellation will be provided at least thirty (30) days in advance of the cancellation effective date to the certificate holder(s) with mailing addresses on file with the agent of record or the Company.
- B. If this policy is cancelled by the company for non-payment of premium, or by the insured, notice of such cancellation will be provided within ten (10) days of the cancellation effective date to the certificate holder(s) with mailing addresses on file with the agent of record or the Company.
- If notice is mailed, proof of mailing to the last known mailing address of the certificate holder(s) on file with the agent of record or the Company will be sufficient proof of notice.
- Any notification rights provided by this endorsement apply only to active certificate holder(s) who were issued a certificate of insurance applicable to this policy's term.
- Failure to provide such notice to the certificate holder(s) will not amend or extend the date the cancellation becomes effective, nor will it negate cancellation of the policy. Failure to send notice shall impose no liability of any kind upon the Company or its agents or representatives.

57 This **Spectrum Policy** consists of the Declarations, Coverage Forms, Common Policy Conditions and any
68 other Forms and Endorsements issued to be a part of the Policy. This insurance is provided by the stock
PA insurance company of The Hartford Insurance Group shown below.
SBA

INSURER: SENTINEL INSURANCE COMPANY, LIMITED
ONE HARTFORD PLAZA, HARTFORD, CT 06155
COMPANY CODE: A



Policy Number: 35 SBA PA6857 DV

SPECTRUM POLICY DECLARATIONS

Named Insured and Mailing Address: BARTLE WELLS ASSOCIATES
(No., Street, Town, State, Zip Code)
1889 ALCATRAZ AVENUE
BERKELEY CA 94703

Policy Period: From 06/01/18 To 06/01/19 1 YEAR
12:01 a.m., Standard time at your mailing address shown above. **Exception:** 12 noon in New Hampshire.

Name of Agent/Broker: HUDSON & MUMA INC/PHS
Code: 354141

Previous Policy Number: 35 SBA PA6857

Package/General Liability Policy

Named Insured is: CORPORATION

Audit Period: NON-AUDITABLE

Type of Property Coverage: SPECIAL

Insurance Provided: In return for the payment of the premium and subject to all of the terms of this policy, we agree with you to provide insurance as stated in this policy.

Any notation or comment not part of original document, i.e. circling or highlighting, etc. does not constitute a legal opinion or an interpretation of the acceptability of the policy form as providing adequate coverage to satisfy any contract in place between insured and their customers. Notations are for informational purposes only. Annotations are for informational purposes only

Countersigned by *Suean S. Castaneda* 04/20/18
Authorized Representative Date

SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 35 SBA PA6857

**LOSS PAYEE: FORM SS 12 12
SEE FORM IH 12 00**

Form Numbers of Forms and Endorsements that apply:

SS 00 05 10 08	SS 00 07 07 05	SS 00 08 04 05	SS 00 45 12 06
SS 84 01 09 07	SS 01 21 07 08	SS 04 08 09 07	SS 04 19 04 09
SS 04 22 07 05	SS 04 30 07 05	SS 04 33 04 05	SS 04 39 07 05
SS 04 41 04 09	SS 04 42 09 07	SS 04 44 07 05	SS 04 45 07 05
SS 04 47 04 09	SS 04 80 03 00	SS 04 86 03 00	SS 40 18 07 05
SS 40 50 10 08	SS 40 93 07 05	SS 41 12 12 07	SS 41 51 10 09
SS 41 62 06 11	SS 41 63 06 11	IH 10 01 09 86	SS 05 09 07 00
SS 05 47 09 01	SS 12 12 03 92	SS 12 15 03 00	SS 50 19 03 12
IH 99 40 04 09	IH 99 41 04 09	SS 04 46 10 08	SS 38 25 12 07
SS 83 76 03 12			
IH 12 00 11 85	ADDITIONAL INSURED - PERSON-ORGANIZATION		
IH 12 00 11 85	WAIVER OF SUBROGATION		
IH 12 00 11 85	AMENDMENT TO ENDORSEMENT		
IH 12 00 11 85	ADDITIONAL INSUREDS		
IH 12 00 11 85	ADDITIONAL INSURED - PERSON/ORGANIZATION		
IH 12 00 11 85	ADDITIONAL INSURED-DESIGNATED PERSON/ORGANIZATION		
IH 12 00 11 85	ADDITIONAL INSURED - OWNER, LESSEES OR CONTRACTOR		
IH 12 00 11 85	ADDITIONAL INSURED - STATE/POLITICAL SUBDIVISION		
IH 12 00 11 85	ADDITIONAL INSURED- DESIGNATED PERSON OR ORGANIZATION		
IH 12 00 11 85	ADDITIONAL INSURED- DESIGNATED PERSON OR ORGANIZATION		

BUSINESS LIABILITY COVERAGE FORM

**QUICK REFERENCE
BUSINESS LIABILITY COVERAGE FORM
READ YOUR POLICY CAREFULLY**

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BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section C. - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. - Liability And Medical Expenses Definitions.

A. COVERAGES

1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D. - Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(b) The "bodily injury" or "property damage" occurs during the policy period; and

(c) Prior to the policy period, no insured listed under Paragraph 1. of Section C. - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section C. - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

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- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
 - (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
 - (b) You are not engaged in the business or occupation of providing such services.
- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. MEDICAL EXPENSES

Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

- a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:
 - (1) All expenses we incur.
 - (2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - (5) All costs taxed against the insured in the "suit".
 - (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the limits of insurance.

b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
 - (a) Agrees in writing to:
 - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
 - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (b) Provides us with written authorization to:
 - (i) Obtain records and other information related to the "suit"; and
 - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

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(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

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g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
 - (a) Body piercing (not including ear piercing);
 - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
 - (c) Similar services;
- (10) Services in the practice of pharmacy; and
- (11) Computer consulting, design or programming services, including web site design.

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. - Coverages.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section D. - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

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o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

- (a) Copyright;
- (b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

- (8) Arising out of an offense committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of web sites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. – Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

- (12) Arising out of:
 - (a) An "advertisement" for others on your web site;
 - (b) Placing a link to a web site of others on your web site;
 - (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or
 - (d) Computer code, software or programming used to enable:
 - (i) Your web site; or
 - (ii) The presentation or functionality of an "advertisement" or other content on your web site;

- (13) Arising out of a violation of any anti-trust law;
- (14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or
- (15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Asbestos

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:

- (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";
- (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or
- (c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning Or Explosion

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D. - Liability And Medical Expenses Limits Of Insurance.

BUSINESS LIABILITY COVERAGE FORM

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

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contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. – Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs (d) or (f); or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In connection with your premises; or
 - (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

 - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In the performance of your ongoing operations;
 - (b) In connection with your premises owned by or rented to you; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
 - (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

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- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to 2.a. or 2.b. above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**E. LIABILITY AND MEDICAL EXPENSES
GENERAL CONDITIONS**

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

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This Paragraph f. applies separately to you and any additional insured.

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. – Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. – Coverages.

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract agreement or permit that was executed prior to the injury or damage.

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision - Permits

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured – Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

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This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In the performance of your ongoing operations for the additional insured(s); or
- (2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

- a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
- b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.

- 7. "Electronic data" means information, facts or programs:
 - a. Stored as or on;
 - b. Created or used on; or
 - c. Transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
- b. Your fulfilling the terms of the contract or agreement.

12. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. – Liability and Medical Expenses Limits of Insurance.
- b. A sidetrack agreement;
- c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement; or
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

However, Paragraph f. does not include that part of any contract or agreement:

BUSINESS LIABILITY COVERAGE FORM

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
- (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral, written or electronic publication of material that violates a person's right of privacy;
 - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";
 - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or
 - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.
18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
19. "Products-completed operations hazard";
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
20. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.
- As used in this definition, "electronic data" is not tangible property.
21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
23. "Volunteer worker" means a person who:
- a. Is not your "employee";

BUSINESS LIABILITY COVERAGE FORM

- b. Donates his or her work;
 - c. Acts at the direction of and within the scope of duties determined by you; and
 - d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
24. "Your product":
- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
25. "Your work":
- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.

Auto Policy

This SPECIAL MULTI-FLEX POLICY is provided by the stock insurance company(s) of The Hartford Insurance Group, shown below.

COMMON POLICY DECLARATIONS



POLICY NUMBER: 35 UEC VU2842 DV
RENEWAL OF: 35 UEC VU2842

Named Insured and Mailing Address:
(No., Street, Town, State, Zip Code)

BARTLE WELLS ASSOCIATES
SEE IH1204
1889 ALCATRAZ AVE
BERKELEY , CA 94703
(ALAMEDA COUNTY)

Policy Period: **From** 06/01/18 **To** 06/01/19
12:01 A.M., Standard time at your mailing address shown above.

In return for the payment of the premium, and subject to all of the terms of this policy, we agree with you to provide insurance as stated in this policy. The Coverage Parts that are a part of this policy are listed below. The Advance Premium shown may be subject to adjustment.

Coverage Part and Insurance Company Summary

IN RECOGNITION OF THE MULTIPLE COVERAGES INSURED WITH THE HARTFORD, YOUR POLICY PREMIUM INCLUDES AN ACCOUNT CREDIT.

COMMERCIAL AUTO
SENTINEL INSURANCE COMPANY, LIMITED
ONE HARTFORD PLAZA
HARTFORD , CT 06155

Form Numbers of Coverage Parts, Forms and Endorsements that are a part of this policy and that are not listed in the Coverage Parts.

HM0001 HM00100107SD4 IL00171198 IH12040312 IH99400409 IH99410409
IL00210908 IL02700811 HA00250204

Agent/Broker Name: HUDSON & MUMA INC/PHS

Countersigned by
(Where required by law)

Suean S. Castaneda
Authorized Representative

04/20/2018
Date

**COMMERCIAL AUTOMOBILE
COVERAGE PART - DECLARATIONS
BUSINESS AUTO COVERAGE FORM**



POLICY NUMBER: 35 UEC VU2842

This COMMERCIAL AUTOMOBILE COVERAGE PART consists of:

- A. This Declarations Form;
- B. Business Auto Coverage Form; and
- C. Any Endorsements issued to be a part of this Coverage Form and listed below.

ITEM ONE - NAMED INSURED AND ADDRESS

The Named Insured is stated on the Common Policy Declarations.

AUDIT PERIOD:

ADVANCE PREMIUM: \$

Except in this Declarations, when we use the word "Declarations" in this Coverage Part, we mean this "Declarations" or the "Common Policy Declarations."

Form Numbers of Coverage Forms, Endorsements and Schedules that are part of this Coverage Part:

HA00040302	HA00121102T	CA00010310	HA21020611	CA04240406
CA21540909	CA01430507	CA03050297	CA20480299	CA99230310
HA00241290	HA99040187	HA99081290	HA99160312	IH12011185
IH12011185	IH12011185	IH12011185	IH12011185	IH12011185

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

1. BROAD FORM INSURED

A. Subsidiaries and Newly Acquired or Formed Organizations

The Named Insured shown in the Declarations is amended to include:

- (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
 - (a) That is a partnership or joint venture,
 - (b) That is an "insured" under any other policy,
 - (c) That has exhausted its Limit of Insurance under any other policy, or
 - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

B. Employees as Insureds

Paragraph A.1. - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

C. Lessors as Insureds

Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
 - (1) The agreement requires you to ~~provide direct primary~~ insurance for the lessor and
 - (2) The "auto" is leased without a driver.

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.

D. Additional Insured if Required by Contract

- (1) Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:
 - f. When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a. or b. of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto."

The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs:

- (1) During the policy period, and
- (2) Subsequent to the execution of such written contract, and
- (3) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured.

(2) How Limits Apply

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:

- (a) The limits of insurance specified in the written contract or written agreement; or
- (b) The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

(4) Duties in The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - OF SECTION IV - BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured.

E. Primary and Non-Contributory if Required by Contract

Only with respect to insurance provided to an additional insured in 1.D. - Additional Insured If Required by Contract, the following provisions apply:

(3) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5.d.

(4) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (3) and (4) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, by the method described in Other Insurance 5.d.

2. AUTOS RENTED BY EMPLOYEES

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

The OTHER INSURANCE Condition is amended by adding the following:

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

3. AMENDED FELLOW EMPLOYEE EXCLUSION

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

4. HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$100,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

5. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000.

6. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease.

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees; security deposits not returned by the lessor; costs for extended warranties, credit life Insurance, health, accident or disability insurance purchased with the loan or lease; and carry-over balances from previous loans or leases.

7. AIRBAG COVERAGE

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

8. ELECTRONIC EQUIPMENT - BROADENED COVERAGE

- a. The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto";
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto";
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above; or

- (4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

b. Section III – Version CA 00 01 03 10 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C.2 and Version CA 00 01 10 01 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C are each amended to add the following:

\$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment (other than equipment designed solely for the reproduction of sound, and accessories used with such equipment) that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2) Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
- (3) An integral part of such equipment.

c. For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or \$250, whichever deductible is less.

9. EXTRA EXPENSE - BROADENED COVERAGE

Under Paragraph A. - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

10. GLASS REPAIR - WAIVER OF DEDUCTIBLE

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

11. TWO OR MORE DEDUCTIBLES

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

If another Hartford Financial Services Group, Inc. company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies:

- (1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived;
- (2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The requirement in LOSS CONDITIONS 2.a. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

13. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure.

14. HIRED AUTO - COVERAGE TERRITORY

Paragraph e. of GENERAL CONDITIONS 7. - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following:

- e. For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

15. WAIVER OF SUBROGATION

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following:

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form.

16. RESULTANT MENTAL ANGUISH COVERAGE

The definition of "bodily injury" in SECTION V-DEFINITIONS is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these.

17. EXTENDED CANCELLATION CONDITION

Paragraph 2. of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

18. HYBRID, ELECTRIC, OR NATURAL GAS VEHICLE PAYMENT COVERAGE

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows:

a. If the auto is replaced with a "hybrid" auto or an auto powered solely by electricity or natural gas, we will pay an additional 10%, to a maximum of \$2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less,

b. The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss,"

c. Regardless of the number of autos deemed a total loss, the most we will pay under this Hybrid, Electric, or Natural Gas Vehicle Payment Coverage provision for any one "loss" is \$10,000.

For the purposes of the coverage provision,

a. A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto but does not include autos powered solely by electricity or natural gas.

b. A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors; and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto.

19. VEHICLE WRAP COVERAGE

In the event of a total loss to an "auto" for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended to add the following:

In addition to the actual cash value of the "auto", we will pay up to \$1,000 for vinyl vehicle wraps which are displayed on the covered "auto" at the time of total loss. Regardless of the number of autos deemed a total loss, the most we will pay under this Vehicle Wrap Coverage provision for any one "loss" is \$5,000. For purposes of this coverage provision, signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps.

58 (Policy Provisions: WC 00 00 00 B)

78

FG **INFORMATION PAGE**

WEC **WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY**

INSURER: HARTFORD ACCIDENT AND INDEMNITY COMPANY
ONE HARTFORD PLAZA, HARTFORD, CONNECTICUT 06155

NCCI Company Number:
Company Code: 5



Workers' Compensation

POLICY NUMBER:
Previous Policy Number:

Suffix
LARS RENEWAL

HOUSING CODE: DV

1. Named Insured and Mailing Address: BARTLE WELLS ASSOCIATES
(No., Street, Town, State, Zip Code)

FEIN Number: 941664409 1889 ALCATRAZ AVE
BERKELEY, CA 94703

State Identification Number(s):

The Named Insured is: CORPORATION
Business of Named Insured: CONSULTANT
Other workplaces not shown above: AS STATED AND ELSEWHERE IN CALIFORNIA

2. Policy Period: From 06/01/18 To 06/01/19
12:01 a.m., Standard time at the insured's mailing address.

Producer's Name: HUDSON & MUMA INC/PHS

Producer's Code: PO BOX 29611
CHARLOTTE, NC 28229
354141

Issuing Office: THE HARTFORD
8711 UNIVERSITY EAST DRIVE
CHARLOTTE NC 28213
(866) 467-8730

§

Audit Period: ANNUAL

Installment Term:

The policy is not binding unless countersigned by our authorized representative.

Countersigned by *Suzan J. Castaneda*
Authorized Representative

04/20/18
Date



EXTENSION OF THE INFORMATION PAGE - ITEM 3.D. - ENDORSEMENTS

Policy Number: 35 WEC FG7858

Endorsement Number:

Effective Date: 06/01/18 Effective hour is the same as stated on the Information Page of the policy.

Named Insured and Address: BARTLE WELLS ASSOCIATES

1889 ALCATRAZ AVE
BERKELEY, CA 94703

Item 3.D. of the Information Page is completed to include the following endorsements:

WC 04 04 22	WC 99 03 03B	WC 99 03 68
WC 04 03 01	WC 04 03 60A	WC 04 04 21
WC 04 06 01A	WC 99 03 56A	PN 04 99 01D
PN 04 99 02B	PN 04 99 04	PN 04 99 06



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

Policy Number: 35 WEC FG7858

Endorsement Number:

Effective Date: 06/01/16 Effective hour is the same as stated on the Information Page of the policy.

Named Insured and Address: BARTLE WELLS ASSOCIATES

1889 ALCATRAZ AVE
BERKELEY, CA 94703

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 3 % of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

Person or Organization

Job Description

BLANKET AS REQUIRED BY

BLANKET AS REQUIRED BY

WRITTEN CONTRACT

WRITTEN CONTRACT

Countersigned by Susan D. Castaneda
Authorized Representative



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WORKERS' COMPENSATION BROAD FORM ENDORSEMENT
EXTENDED OPTIONS**

Policy Number: 35 WEC FG7858

Endorsement Number:

Effective Date: 06/01/15 Effective hour is the same as stated on the Information Page of the policy.

Named Insured and Address: BARTLE WELLS ASSOCIATES

1889 ALCATRAZ AVE
BERKELEY, CA 94703

Section I of this endorsement expands coverage provided under WC 00 00 00.

Section II of this endorsement provides additional coverage usually only provided by endorsement.

Section III of this endorsement is a Schedule of Covered States.

You may use the index to locate these coverage features quickly:

<u>INDEX</u>			
<u>SUBJECT</u>	<u>PAGE</u>	<u>SUBJECT</u>	<u>PAGE</u>
SECTION I	2	B. Part One Does Not Apply	3
PARTS ONE and TWO	2	C. Application of Coverage	3
01 We Will Also Pay	2	D. Additional Exclusions	3
PART - THREE	2	E. West Virginia	3
02 How This Insurance Works	2	EXTENDED OPTIONS	4
PART - SIX	2	01 Employers' Liability Insurance	4
03 Transfer of Your Rights and Duties	2	02 Unintentional Failure to Disclose Hazards	4
04 Liberalization	2	03 Waiver of Our Right to Recover from Others	4
SECTION II	2	04 Foreign Voluntary Compensation	4
VOLUNTARY COMPENSATION INSURANCE	2	A. How This Reimbursement Applies	4
05 Voluntary Compensation Insurance	2	B. We Will Reimburse	4
A. How This Insurance Applies	2	C. Exclusions	4
B. We Will Pay	2	D. Before We Pay	5
C. Exclusions	3	E. Recovery From Others	5
D. Before We Pay	3	F. Reimbursement For Actual Loss Sustained	5
E. Recovery From Others	3	G. Repatriation	5
F. Employers' Liability Insurance	3	H. Endemic Disease	5
EMPLOYERS' LIABILITY STOP GAP ENDORSEMENT	3	05 Longshore and Harbor Workers' Compensation Act Coverage Endorsement	5
06 Employers' Liability Stop Gap Coverage	3	SECTION III	6
A. Stop Gap Coverage Limited to Montana, North Dakota, Ohio, Washington, West Virginia and Wyoming	3	01 Schedule of Covered States	6

SECTION I

PARTS ONE and TWO

1. WE WILL ALSO PAY

- D. We Will Also Pay of Part One (WORKERS' COMPENSATION INSURANCE); and**
- E. We Will Also Pay of Part Two (EMPLOYERS' LIABILITY INSURANCE) is replaced by the following:**

We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. reasonable expenses incurred at our request, **INCLUDING** loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this law; and
5. expenses we incur.

PART THREE

2. How This Insurance Applies

Paragraph 4. of **A. How This Insurance Applies** of **Part 3** (Other States Insurance) is replaced by the following:

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within **sixty** days.

PART SIX

3. Transfer Of Your Rights and Duties

C. Transfer Of Your Rights and Duties of Part 6 (Conditions) is replaced by the following:

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within **sixty** days after your death, we will cover your legal representative as insured.

4. Liberalization

If we adopt a change in this form that would broaden the coverage of this form without extra charge, the broader coverage will apply to this policy. It will apply when the change becomes effective in your state.

SECTION II

VOLUNTARY COMPENSATION AND EMPLOYERS' LIABILITY COVERAGE

5. Voluntary Compensation Insurance

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by any officer or employee not subject to the workers' compensation law of any state shown in Item 3.A. of the Information Page.
2. The bodily injury must arise out of and in the course of employment or incidental to work in a state shown in Item 3.A. of the Information Page.

3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen, or otherwise legal resident, and legally employed, in the United States or Canada and temporarily away from those places.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of the

officer's or employee's employment. The officer's or employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you as if you and your employees were subject to the workers' compensation law of any state shown in Item 3.A. of the Information Page. We will pay those amounts to the persons who would be entitled to them under the law.

C. Exclusion

This insurance does not cover:

1. any obligation imposed by workers' compensation or occupational disease law or any similar law.
2. bodily injury intentionally caused or aggravated by you.
3. officers or employees who have elected not to be subject to the state workers' compensation law.
4. partners or sole proprietors not covered under the Standard Sole Proprietors, Partners, Officers and Others Coverage Endorsement.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it.

If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

F. Employers' Liability Insurance

Part Two (Employers' Liability Insurance) applies to bodily injury covered by this endorsement as though the State of Employment was shown in Item 3.A. of the Information Page.

This provision 5. does not apply in New Jersey or Wisconsin.

EMPLOYERS' LIABILITY STOP GAP COVERAGE

6. Employers' Liability Stop Gap Coverage

- A. This coverage only applies in Montana, North Dakota, Ohio, Washington, West Virginia and Wyoming.
- B. Part One (Workers' Compensation Insurance) does not apply to work in states shown in Paragraph A above.
- C. Part Two (Employers' Liability Insurance) applies in the states, shown in Paragraph A., as though they were shown in Item 3.A. of the Information Page.
- D. Part Two, Section C. **Exclusions** is changed by adding these exclusions.

This insurance does not cover;

5. bodily injury intentionally caused or aggravated by you or in Ohio bodily injury resulting from an act which is determined by an Ohio court of law to have been committed by you with the belief that an injury is substantially certain to occur. However, the cost of defending such claims or suits in Ohio is covered.
 13. bodily injury sustained by any member of the flying crew of any aircraft.
 14. any claim for bodily injury with respect to which you are deprived of any defense or defenses or are otherwise subject to penalty because of default in premium under the provisions of the workers' compensation law or laws of a state shown in Paragraph A.
- E. This insurance applies to damages for which you are liable under West Virginia Code Annot. S 23-4-2.

EXTENDED OPTIONS

1. Employers' Liability Insurance

Item 3.B. of the Information Page is replaced by the following:

B. Employers' Liability Insurance:

1. **Part Two** of the policy applies to work in each state listed in Item 3.A.

The Limits of Liability under Part Two are the higher of:

Bodily Injury by Accident	\$500,000	Each Accident
Bodily Injury by Disease	\$500,000	Policy Limit
Bodily Injury by Disease	\$500,000	Each Employee

OR

2. The amount shown in the Information Page.

This provision 1 of **EXTENDED OPTIONS** does not apply in New York because the Limits Of Our Liability are unlimited.

In this provision the limits are changed from **\$500,000** to **\$1,000,000** in California.

2. Unintentional Failure to Disclose Hazards

If you unintentionally should fail to disclose all existing hazards at the inception date of your policy, we shall not deny coverage under this policy because of such failure.

3. Waiver of Our Right To Recover From Others

- A. We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against any person or organization for whom you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit anyone not named in the agreement.

- B. This provision 3. does not apply in the states of Pennsylvania and Utah.

4. Foreign Voluntary Compensation and Employers' Liability Reimbursement

A. How This Reimbursement Applies

This reimbursement provision applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an officer or employee.
2. The bodily injury must occur in the course of employment necessary or incidental to work in a country not listed in Exclusion C.1. of this provision.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The officer or employee's last exposure to those conditions of your employment must occur during the policy period.

B. We Will Reimburse

We will reimburse you for all amounts paid by you whether such amounts are:

1. voluntary payments for the benefits that would be required of you if you and your officers or employees were subject to any workers' compensation law of the state of hire of the individual employee.
2. sums to which Part Two (Employers' Liability Insurance) would apply if the Country of Employment were shown in Item 3.A. of the Information Page.

C. Exclusions

This insurance does not cover:

1. any occurrences in the United States, Canada, and any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America in effect as of the inception date of this policy.
2. any obligation imposed by a workers' compensation or occupational disease law, or similar law.
3. bodily injury intentionally caused or aggravated by you.

4. liability for any consequence, whether direct or indirect, of war, invasion, act of Foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power. No endorsement now or subsequently attached to this policy shall be construed as overriding or waiving this limitation unless specific reference is made thereto.

D. Before We Pay

Before we reimburse you for the benefits to the persons entitled to them, you must have them:

1. release you and us, in writing, of all responsibility for the injury or death,
2. transfer to us their right to recover from others who may be responsible for their injury or death,
3. cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits paid fail to do these things, our duty to reimburse ends at once. If they claim damages from us for the injury or death, our duty to reimburse ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we reimbursed. We will pay the balance to the persons entitled to it. If persons entitled to the benefits make a recovery from others, they must repay us for the amounts that we have reimbursed you.

F. Reimbursement for Actual Loss Sustained

This endorsement provides only for reimbursement for the loss you actually sustain. In order for you to recover loss or expenses under this reimbursement you must:

1. actually sustain and pay the loss or expense in money after trial, or
2. secure our consent for the payment of the loss or expense.

G. Repatriation

Our reimbursement includes the additional expenses of repatriation to the United States

of America necessarily incurred as a direct result of bodily injury.

Our reimbursement shall be limited as follows:

1. to the amount by which such expenses exceed the normal cost of returning the officer or employee if in good health, or
2. in the event of death, to the amount by which such expenses exceed the normal cost of returning the officer or employee if alive and in good health.

In no event shall our reimbursement exceed the bodily injury by accident limit shown in Item 3.B. of the Information Page as respects any one such officer or employee whether dead or alive.

H. Endemic Disease

The word "disease" includes any endemic diseases.

The coverage applies as if endemic diseases were included in the provisions of the workers' compensation law.

5. Longshore and Harbor Workers' Compensation Act Coverage

General Section C. Workers' Compensation Law is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the workers or workers' compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workers' compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers' Liability Insurance), C. Exclusions, exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This coverage does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.



EXTENSION OF THE INFORMATION PAGE - ITEM 3.D. - ENDORSEMENTS

Policy Number: 35 WEC FG7858

Endorsement Number:

Effective Date: 06/01/17 Effective hour is the same as stated on the Information Page of the policy.

Named Insured and Address: BARTLE WELLS ASSOCIATES

1889 ALCATRAZ AVE
BERKELEY, CA 94703

Item 3.D. of the Information Page is completed to include the following endorsements:

WC 04 04 22
WC 04 03 01
WC 04 06 01A
PN 04 99 02B

WC 99 03 03B
WC 04 03 60A
WC 99 03 56A
PN 04 99 04

WC 99 03 68
WC 04 04 21
PN 04 99 01D
PN 04 99 06

AUTOMOBILE LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISCELLANEOUS CHANGE ENDORSEMENT

POLICY NUMBER: 35 UEC VU2842 DV

CHANGE NUMBER: 00_



This endorsement modifies insurance provided under the following:

TRUCKERS COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below. (Premium adjustment, if any, for the addition, deletion or other change described in this endorsement is shown in the Premium Column below.)

Effective Date: 06/01/18

Named Insured: BARTLE WELLS ASSOCIATES
SEE IH1200

Producer's Name: HUDSON & MUMA, INC./PHS

Pro Rata Factor:

Description of Change:

ANY CHANGES IN YOUR PREMIUM WILL BE REFLECTED IN YOUR NEXT BILLING STATEMENT

THIS IS NOT A BILL

HARTFORD UNDERWRITERS INSURANCE COMPANY

FORMS REVISED

IH12011185 NAMED PERSON(S) OR ORGANIZATION(S)

Countersigned by
(Where required by law)

Authorized Representative

— Date

POLICY NUMBER: 35 UEC VU2842

CHANGE NUMBER: 00_



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

ADDITIONAL INSURED

COMMERCIAL AUTO COVERAGE PART

CITY OF KING
IT'S OFFICIALS, OFFICERS, AGENTS, VOLUNTEERS AND EMPLOYEES
212 S. VANDERHURST AVENUE
KING CITY CA 93930

02462

*0100035VU28420401



PACKAGE-GENERAL LIABILITY



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGE

This endorsement changes the policy effective on the Inception Date of the policy unless another date is indicated below:

Policy Number: 35 SBA PA6857 DV COPY

Named Insured and Mailing Address; BARTLE WELLS ASSOCIATES

1889 ALCATRAZ AVENUE
BERKELEY CA 94703

Policy Change Effective Date: 06/01/18 **Effective hour is the same as stated in the Declarations Page of the Policy.**

Policy Change Number: 00_

Agent Name: HUDSON & MUMA, INC./PHS

Code: 354141

POLICY CHANGES:

HARTFORD CASUALTY INSURANCE COMPANY

ANY CHANGES IN YOUR PREMIUM WILL BE REFLECTED IN YOUR NEXT BILLING STATEMENT.

THIS IS NOT A BILL.

NO PREMIUM DUE AS OF POLICY CHANGE EFFECTIVE DATE

FORM NUMBERS OF ENDORSEMENTS ADDED AT ENDORSEMENT ISSUE:

IH12001185 ADDITIONAL INSURED- DESIGNATED PERSON OR ORGANIZATION

PRO RATA FACTOR: 1.000

THIS ENDORSEMENT DOES NOT CHANGE THE POLICY EXCEPT AS SHOWN.

Form SS 12 11 04 05 T

Page 001

Process Date: _

Policy Effective Date: 06/01/18

Policy Expiration Date: 06/01/19

_ COPY

24816

*0100035PA68570210



POLICY NUMBER: 35 SBA PA6857



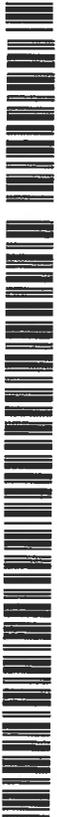
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED- DESIGNATED PERSON OR ORGANIZATION

CITY OF KING
IT'S OFFICIALS, OFFICERS, AGENTS, VOLUNTEERS AND EMPLOYEES
212 S. VANDERHURST AVENUE
KING CITY CA 93930

07603

*0100035PA68570310



ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/15/2018

PRODUCER Hudson & Muma, Inc. 4600 Coolidge Highway Royal Oak MI 48073	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURED Bartle Wells Associates 1889 Alcatraz Avenue Berkeley CA 94703	INSURERS AFFORDING COVERAGE
	INSURER A: Axis Surplus Insurance Company	26620
	INSURER B: Hartford Underwriters Ins. Co.	30104
	INSURER C: Hartford Fire Insurance Co.	19682
	INSURER D: Hartford Casualty Insurance Co	29424
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
D	Y	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	35SBAPA6857	06/01/2018	06/01/2019	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
B	Y	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	35UECVU2842	06/01/2018	06/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
D		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	35SBAPA6857	06/01/2018	06/01/2019	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$ \$
C		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	35WECFG7858	06/01/2018	06/01/2019	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A		OTHER Professional Liab.	ENN598338	06/01/2018	06/01/2019	\$2,000,000 occ /\$2,000,000 agg \$25,000 ded **following form (Claims Made)

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Those usual to the Insured's Operations. Certificate Holder and its officials, officers, employees, agents and volunteers, as applicable, shall be named as Additional Insured with respects to Business Liability, (form SS00080405) and Automobile liability (form IH12040312) . Waiver of Subrogation applies to General Liability(form SS00080405), Work Comp (Form WC 990303B), and Commerical Auto coverage (form HA99160312) on Blanket Basis. Coverage written on a Primary and Non-Contributory basis. The Am Best Rating of the insurance companies shown above is A+. Note: Actual endorsements are available and will be provided with this certificate.

CERTIFICATE HOLDER City of King 212 S. Vanderhurst Avenue King City CA 93930	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
--	--

IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTION OF OPERATIONS SECTION CONTINUED

DATE
08/15/2018

CERTIFICATE HOLDER:

City of King
212 S. Vanderhurst Avenue
King City CA 93930

INSURED:

Bartle Wells Associates
1889 Alcatraz Avenue
Berkeley CA 94703

DESCRIPTION OF OPERATIONS CONTINUED:

California Insurance Code, Division 1, Part 1, Chapter 4, Article 1, Section 384

"This certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions, and conditions of the policies."

CHANGES OF PHYSICAL ADDRESS, WITH NO CONTRACT MODIFICATION, WILL ONLY BE PROCESSED AT ANNIVERSARY DATE



Item No. 9(D)

REPORT TO THE CITY COUNCIL

DATE: SEPTEMBER 11, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

**RE: CONSIDERATION OF CANCELLATION OF REGULAR MEETING
ON DECEMBER 25, 2018**

RECOMMENDATION:

It is recommended that the City Council cancel the regularly scheduled meeting on December 25, 2018.

BACKGROUND:

The City Council has traditionally cancelled the second regularly scheduled meeting in December. This year, this meeting would fall on the 25th of December.

DISCUSSION:

The second meeting in December this year falls on Christmas Day, which is a City holiday. It is also proposed to close City Hall the week between the Christmas and New Year's Day holidays as has been done the last few years. Therefore, staff would not be available for the regularly scheduled meeting. Cancelling the meeting allows the Council and staff to enjoy the holidays with their families and friends.

COST ANALYSIS:

There is no cost impact from the recommended action.

**CITY COUNCIL
CONSIDERATION OF CANCELLATION OF REGULAR MEETING ON
DECEMBER 25, 2018
SEPTEMBER 11, 2018
PAGE 2 OF 2**

ENVIRONMENTAL REVIEW:

This item is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as it does not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

1. Cancel the December 26, 2017 regularly scheduled meeting;
2. Reschedule the meeting to an alternate date;
3. Do not cancel the meeting; or
4. Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager



Item No. 9(E)

REPORT TO THE CITY COUNCIL

DATE: SEPTEMBER 11, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF SIDE LETTER OF AGREEMENTS WITH SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 521 AND KING CITY CONFIDENTIAL EMPLOYEES ASSOCIATION

RECOMMENDATION:

It is recommended the City Council: 1) adopt a Resolution approving a Side Letter of Agreement with Service Employees International Union (SEIU) Local 521; and 2) adopt a Resolution approving a Side Letter of Agreement with the King City Confidential Employees Association (KCCEA).

BACKGROUND:

On January 9, 2018, the City Council adopted side letters of agreement with SEIU and KCCEA to extend the prior Memorandums of Understanding (MOUs) for one year. Provisions included a cost of living adjustment (COLA) and holiday schedule procedures. The side letters of agreement included errors in the holiday schedule where the year 2017 was included instead of 2018. Therefore, staff is recommending the language be corrected.

DISCUSSION:

The holiday schedule language specifies that the City will be closed the week between the Christmas and New Year's Day holidays. The City will not be closed on the Columbus Day holiday. In exchange, employees in these represented groups will receive credit for one day paid leave to be used on one of the days during the holiday week off. This is consistent with the practice the past several years. Therefore, there are no changes proposed. The purpose of this item is simply to correct the error in the language.

**CITY COUNCIL
CONSIDERATION OF SIDE LETTER OF AGREEMENTS WITH SERVICE
EMPLOYEES INTERNATIONAL UNION LOCAL 521 AND KING CITY
CONFIDENTIAL EMPLOYEES ASSOCIATION
SEPTEMBER 11, 2018
PAGE 2 OF 2**

COST ANALYSIS:

There is no cost associated with this item.

ENVIRONMENTAL REVIEW:

The labor agreements are not a "project" for the purposes of the California Environmental Quality Act (CEQA) as they do not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

1. Adopt the Resolutions;
2. Request staff to propose different provisions to the labor groups;
3. Do not adopt the Resolution; or
4. Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
APPROVING A SIDE LETTER OF AGREEMENT TO THE
SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 521
FY 2015/16 - FY 2018/19 MEMORANDUM OF UNDERSTANDING**

WHEREAS, the City Council of the City of King ("City") deems it in the best interest of the City to approve a Side Letter of Agreement amending the Service Employees International Union Local 521 ("SEIU") current Memorandum of Understanding, which includes modifications to salaries and classifications as hereinafter provided.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of King that:

1. An amendment to the Memorandum of Understanding ("MOU") with SEIU is hereby approved, a copy of said amendment entitled "Side Letter of Agreement, Modification to Memorandum of Understanding" is attached hereto, marked Exhibit "A", and incorporated herein by this reference.
2. This Resolution shall become effective upon execution by both parties.

This resolution was passed and adopted this 11th day of **September, 2018** 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

**SIDE LETTER OF AGREEMENT
MODIFICATON TO MEMORANDUM OF UNDERSTANDING**

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of King ("City") and the Service Employees International Union Local 521 ("SEIU") hereby agree to modify the current Memorandum of Understanding ("MOU") between the City and SEIU as follows:

1. **ARTICLE IV; SECTION 4 – HOLIDAY LEAVE** shall be amended as follows:

SECTION 4 - HOLIDAY LEAVE

4.1 The City shall provide employees holiday pay as stated herein.

4.2 The following days shall be approved City holidays:

January 1 (New Year's Day)

The third Monday in January (Dr. Martin Luther King, Jr.)

The third Monday in February (President's Day)

The last Monday in May (Memorial Day)

July 4 (Independence Day)

The first Monday in September (Labor Day)

Columbus Day (Celebrated in October consistent with Federal holiday)

November 11 (Veteran's Day)

Thanksgiving Day

Day after Thanksgiving

December 24 (Christmas Eve)

December 25 (Christmas)

4.3 Every day proclaimed by the President, Governor or Mayor of this City as a public holiday.

4.4 Under a 4/10 work schedule, when any day, granted as holiday, falls on a Friday, the preceding Thursday shall be considered the holiday; if the holiday falls on a Saturday or Sunday, the following Monday shall be considered the holiday.

4.3 Under a 9/80 work schedule, when any day, granted as holiday, falls on the Friday the employee would not be scheduled to work, the preceding Thursday shall be considered the holiday; if the holiday falls on a Saturday or Sunday, the following Monday shall be considered the holiday.

4.4 In order to be paid for a holiday, the employee must work the scheduled work period immediately before and after the holiday, unless the employee is absent from the scheduled work period immediately before and after as a result of authorized paid leave.

4.5 City operations shall be closed December 24 through December 28, 2018. December 24, 2018 and December 25, 2018 shall be paid holidays for Christmas Eve and Christmas Day. Columbus Day 2018 shall not be a paid holiday. December 26, 2018 shall be a paid holiday in lieu of the paid holiday normally taken on Columbus Day. Employees on a 9/80 work week that are not normally scheduled to work on the holiday that falls on Friday, November 23, 2018 shall instead receive that holiday on December 27, 2017. Employees will utilize vacation leave, compensatory time, and/or floating holidays during any other days the City is closed during that period.

2. All other provisions approved in side letters of agreement amending the existing MOU shall be incorporated herein and remain in effect through the extension of the MOU as provided by this side letter of agreement.

For City of King:

Steven Adams, City Manager

Date

For the Union:

Date

Date

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
APPROVING A SIDE LETTER OF AGREEMENT TO THE
KING CITY CONFIDENTIAL EMPLOYEES ASSOCIATION
FY 2015/16 - FY 2018/19 MEMORANDUM OF UNDERSTANDING**

WHEREAS, the City Council of the City of King ("City") deems it in the best interest of the City to approve a Side Letter of Agreement amending the King City Confidential Employees Association ("KCCEA") current Memorandum of Understanding, which includes modifications to work schedules and benefits, as hereinafter provided.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of King that:

1. An amendment to the Memorandum of Understanding ("MOU") with KCCEA is hereby approved, a copy of said amendment entitled "Side Letter of Agreement, Modification to Memorandum of Understanding" is attached hereto, marked Exhibit "A", and incorporated herein by this reference.
2. This Resolution shall become effective upon execution by both parties.

This resolution was passed and adopted this 11th day of **September, 2018** 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

**SIDE LETTER OF AGREEMENT
MODIFICATON TO MEMORANDUM OF UNDERSTANDING**

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of King ("City") and the King City Confidential Employees Association ("KCCEA") hereby agree to modify the current Memorandum of Understanding ("MOU") between the City and KCCEA as follows:

1. **ARTICLE IV; SECTION 4 – HOLIDAY LEAVE** shall be amended as follows:

SECTION 4 - HOLIDAY LEAVE

- 4.1 The City shall provide employees holiday pay as stated herein.
- 4.2 The following days shall be approved City holidays:
- January 1 (New Year's Day)
 - The third Monday in January (Dr. Martin Luther King, Jr.)
 - The third Monday in February (President's Day)
 - The last Monday in May (Memorial Day)
 - July 4 (Independence Day)
 - The first Monday in September (Labor Day)
 - Columbus Day (Celebrated in October consistent with Federal holiday)
 - November 11 (Veteran's Day)
 - Thanksgiving Day
 - Day after Thanksgiving
 - December 24 (Christmas Eve)
 - December 25 (Christmas)
- 4.3 Every day proclaimed by the President, Governor or Mayor of this City as a public holiday.
- 4.3 Under a 9/80 work schedule, when any day, granted as holiday, falls on the Friday the employee would not be scheduled to work, the preceding Thursday shall be considered the holiday; if the holiday falls on a Saturday or Sunday, the following Monday shall be considered the holiday.
- 4.4 In order to be paid for a holiday, the employee must work the scheduled work period immediately before and after the holiday, unless the employee is absent from the scheduled work period immediately before and after as a result of authorized paid leave.
- 4.5 City operations shall be closed December 24 through December 28, 2018. December 24, 2018 and December 25, 2018 shall be paid holidays for Christmas Eve and Christmas Day. Columbus Day 2018 shall not be a paid holiday. December 26, 2018 shall be a paid holiday in lieu of the paid

holiday normally taken on Columbus Day. Employees on a 9/80 work week that are not normally scheduled to work on the holiday that falls on Friday, November 23, 2018 shall instead receive that holiday on December 27, 2018. Employees will utilize vacation leave, compensatory time, and/or floating holidays during any other days the City is closed during that period.

2. All other provisions approved in side letters of agreement amending the existing MOU shall be incorporated herein and remain in effect through the extension of the MOU as provided by this side letter of agreement.

For City of King:

Steven Adams, City Manager

Date

For the Association

Date

Date



Item No. 9(F)

REPORT TO THE CITY COUNCIL

DATE: SEPTEMBER 11, 2018

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF A BALLOT MEASURES INFORMATIONAL FLYER

RECOMMENDATION:

It is recommended the City Council approve distribution of the attached information flyer on Measure K and Measure L.

BACKGROUND:

At the July 10, 2018 meeting, the City Council approved placing on the ballot of the November 6th election a measure to increase the City's local sales tax from .5% to 1% and an advisory measure regarding expenditure of the revenues. These will be Measures K and L on the ballot, respectively. The City is prohibited by State law to utilize any City financial or staff resources for advocacy of the measure. However, the City may distribute public education materials that do not advocate for or against. Staff recommends a public information flyer be distributed to each household to educate the public on the measures prior to the election.

DISCUSSION:

An informational flyer has been drafted for Council's consideration. The English version is attached. Prior to distribution, it will be translated and one side of the flyer will be in English and the other in Spanish. It has been reviewed by the City Attorney's office to confirm that it does not violate any restrictions for use of public funds.

COST ANALYSIS:

The cost estimate to print and mail the flyer is approximately \$1,500, which will be funded from existing printing and postage funds.

**CITY COUNCIL
CONSIDERATION OF A BALLOT MEASURE INFORMATIONAL FLYER
SEPTEMBER 11, 2018
PAGE 2 OF 2**

ENVIRONMENTAL REVIEW:

Public information efforts are not a "project" for the purposes of the California Environmental Quality Act (CEQA) as they do not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Approve staff's recommendations;
2. Direct staff to make changes to the flyer and approve;
3. Do not approve distributing the flyer; or
4. Provide staff other direction.

Exhibits:

1. Ballot Measures Information Flyer

Prepared and Approved by:



Steven Adams, City Manager



MEASURE K AND MEASURE L PUBLIC INFORMATION

The sole purpose of this mailer provided by the City of King is to educate the public on Measure K and Measure L. The following information is not intended to advocate a position for or against the measures.

- Voters in King City will be asked to vote “Yes” or “No” on Measure K and Measure L on November 6th.
- Each measure will be approved if a majority of voters vote "Yes".
- If approved, Measure K will extend the City's current one-half percent local sales tax and increase it to one percent.
- If Measure K is approved, the total sales tax charged in King City will be increased from 8.25% to 8.75%.
- The tax will expire in 10 years.
- All revenues from the tax will go to the City of King General Fund and can be used to fund City services and to pay off debt.
- Budgeted expenditures of the revenues will be reviewed by a local budget review committee prior to consideration by the City Council and will be part of the City's annual outside audit.

- The current local sales tax rates charged by each city in Monterey County are as follows:

Greenfield	1 ¾ cents	Monterey	1 cent
Del Rey Oaks	1 ½ cents	Pacific Grove	1 cent
Salinas	1 ½ cents	Sand City	1 cent
Seaside	1 ½ cents	Soledad	1 cent
Carmel	1 cent	Gonzales	½ cent
Marina	1 cent	King City	½ cent

- The language of Measure K is as follows:

Shall the measure increasing the City of King's current one-half percent sales tax to one percent to generate an estimated increase of \$800,000 annually for general city expenses, such as public safety and other essential services, street repairs, economic development efforts, and improving the City's overall financial solvency subject to citizen oversight, an annual audit, and expiration of the tax in 10 years be adopted?

- Measure L is an advisory measure, which is non-binding and provides the City Council input on how to spend the revenues if Measure K passes.

- The language of Measure L is as follows:

If the City of King General Sales Tax Measure L passes, should the revenues be used to balance the budget in order to maintain existing services; pay off General Fund debt and establish a financial reserve; fund public safety staffing, services and projects designed to eliminate youth violence; fund improvements to street and sidewalk infrastructure; and fund downtown public improvements and other economic development efforts designed to increase businesses, jobs and visitors to King City?

Please contact the City Hall at 385-3281 if you have questions or request additional information.