

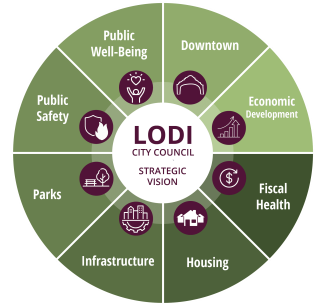


# LODI CITY COUNCIL

Carnegie Forum  
305 West Pine Street, Lodi

**AGENDA - Regular Meeting**  
Date: November 20, 2024  
Time: Closed Session 5:30 p.m.  
Regular Session: 7:00 p.m.

Mayor Lisa Craig  
Mayor Pro Tempore Cameron Bregman  
Councilmember Mikey Hothi  
Councilmember Alan Nakanishi  
Councilmember Ramon Yopez



**Notice Regarding Public Comments**  
Public Comment may be submitted in the following ways:

- In-person
- Email – [councilcomments@lodi.gov](mailto:councilcomments@lodi.gov)
  - > Received no later than two hours prior to the meeting
- Mail – City Clerk’s Office, P.O. Box 3006, Lodi, CA 95241
- Hand delivered to: City Clerk’s Office, 221 W. Pine Street, Lodi, CA 95240
  - > Received no later than two hours prior to the meeting

Public comment received via email, mail, or hand delivery will be provided to the City Council and included in the official minutes record of the meeting, but will not be read aloud at the meeting.

**C-1 Call to Order / Roll Call**

**C-2 Announcement of Closed Session**

- a) Conference on Labor Negotiations Regarding International Brotherhood of Electrical Workers, Lodi City Mid-Management Association, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, Lodi Police Dispatchers Association, Lodi Professional Firefighters, Lodi Fire Mid-Management, Confidential General Services, Confidential Mid-Managers, Executive Managers, and Appointed Employees, Pursuant to Government Code § 54957.6 (HR)
- b) Public Employee Performance Evaluation: Three Appointed Positions (Government Code § 54957) - Conference with Human Resources regarding annual evaluation procedures for the City Clerk, City Attorney, and City Manager. (HR)

**C-3 Adjourn to Closed Session**

**6:55 p.m. Invocation/Call to Civic Responsibility.**

Invocations/Calls may be offered by any of the various religious and non-religious organizations within and around the City of Lodi. These are voluntary offerings of private citizens, to and for the benefit of the Council. The views or beliefs expressed by the Speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the beliefs or views of any speaker.

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**NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.**

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**C-4 Return to Open Session / Disclosure of Action****A. Call to Order / Roll Call****B. Presentations****B.1** Proclamation Declaring November 30, 2024, as Small Business Saturday (ED)**B.2** Children's Grief Awareness Month Proclamation**C. Consent Calendar (Reading; Comments by the Public; Council Action)**

All matters listed on the consent calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion of these items. If a member of the public would like a consent calendar item pulled and discussed separately, refer to the Notice at the beginning of this agenda.

**C.1** Accept the Quarterly Report of Purchases between \$30,000 and \$60,000 (FIN)**C.2** Accept the Quarterly Investment Report as Required by the City of Lodi Investment Policy (FIN)**C.3** Receive the Third and Fourth Quarter Fiscal Year 2023/24 Water, Wastewater and Electric Utility Department Financial Reports (FIN)Res. **C.4** Adopt a Resolution Authorizing the Designation of Applicant's Agent Resolution for Non-State Agencies (FIN)Res. **C.5** Adopt a Resolution Declaring Intention to Reimburse Expenditures from the Proceeds of Obligations to be Issued by the City and Directing Certain Actions (FIN)Res. **C.6** Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement for Professional Services with California Capital Financial Development Corporation to Provide Additional Time to Perform Marketing, Underwriting and Administration of the Lodi Hometown Microloan Program (ED)Res. **C.7** Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Professional Services Agreement with Cen-Cal Fire Systems, Inc. to Extend Term to December 31, 2024 and Add an Option to Extend the Term Up to Six (6) Months (CD)Res. **C.8** Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Professional Services Agreement with Martin Elevators, a California Corporation, DBA Nationwide Lifts of Nor Cal, to Extend Term to December 31, 2024 and Add an Option to Extend the Term Up to Six (6) Months (CD)Res. **C.9** Adopt Resolution Authorizing City Manager to Execute Three-Year Professional Services Agreement for SCADA Software Support with Survalent Technology Inc. of Buffalo, NY (\$83,024)Res. **C.10** Adopt a Resolution Authorizing the City Manager to Accept a Donation and Ratify the Purchase of Upgraded Single Unit Resource Technology and Emotional Support Teddy Bears and Accept a Donation for the Purchase of Wildland Pants for Strike Team Members and Appropriate Funds (\$5,000) (FD)

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- Res. **C.11** Adopt a Resolution Authorizing Fire Chief to Execute a Memorandum of Understanding (MOU) with Manteca District Ambulance Service (MDAS) for Paramedic Accreditation Services (FD)
- C.12** Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Lake Park North Restroom Restoration Project (PRCS)
- Res. **C.13** Adopt a Resolution Authorizing the Lodi Police Department to Participate in the Department of Alcoholic Beverage Control (ABC)-Office of Traffic Safety (OTS) Grant Program Approving the Execution of the Grant Documents by the Chief of Police on Behalf of the City of Lodi and Appropriating Funds (\$39,800) (PD)
- Res. **C.14** Adopt a Resolution Awarding Contract for 2024 Sidewalk Grinding Program to Trip Hazard LLC, doing business as Trip Hazard, of Bay Point (\$97,560.00), Authorizing City Manager to Execute Change Orders (\$1,800), and Appropriate Funds (\$1,000) (PW)
- Res. **C.15** Adopt a Resolution Authorizing City Manager to Execute Professional Services Agreement with West Yost & Associates, Inc., of Davis, for Sewer System Management Plan Audit and Update and Appropriate Funds (\$67,298) (PW)
- Res. **C.16** Adopt a Resolution Authorizing City Manager to Execute Professional Service Agreement with waterTALENT, LLC., of Sherman Oaks, for Temporary Lab Technician at the White Slough Water Pollution Control Facility (\$132,000) (PW)
- Res. **C.17** Adopt a Resolution Authorizing City Manager to Execute SB 125 Fund Transfer Agreement between San Joaquin Council of Governments and City of Lodi for Fiscal Years 2024/25 and 2025/26 (\$3,779,100) (PW)
- C.18** Appoint Chris Young to the Measure L Citizens' Oversight Committee (CLK)
- C.19** Set a Public Hearing for December 4, 2024 to Consider Adopting a Resolution to Amend the General Plan to Adopt the Environmental Justice Element and Amend the Safety and Conservation Elements (CD)

**D. Comments by the Public on Non-Agenda Items**

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

If you wish to address the Council, please refer to the Notice at the beginning of this agenda. Individuals are limited to one appearance during this section of the Agenda.

**E. Comments by the City Council Members on Non-Agenda Items**

**F. Public Hearings**

Res. **F.1** Public Hearing to Consider Adopting a Resolution Setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees For 2025 (CD)

**G. Regular Calendar**

**G.1** Adopt a Resolution Approving Amendments to the Job Classifications of Electrical Engineer and Senior Power Engineer to Provide for Flexible Staffing (HR)

**H. Ordinances**

Ord. **H.1** Waive the Second Reading and Adopt an Urgency Ordinance No. 2027 to Repeal and Replace Lodi Municipal Code 2.08 City Councilmember Salaries In Its Entirety Pursuant to SB 329 and to Allow Salary Increases to Begin With the December 2024 Council Term (CLK)

**I. Adjournment**

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

\_\_\_\_\_  
Olivia Nashed  
City Clerk

*All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. Agendas and staff reports are also posted on the City’s website at [www.lodi.gov](http://www.lodi.gov). If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk’s Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Olivia Nashed at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Olivia Nashed (209) 333-6702.*

*Meetings of the Lodi City Council are telecast on SJTV, Channel 26. The City of Lodi provides live and archived webcasts of regular City Council meetings. The webcasts can be found on the City’s website at [www.lodi.gov](http://www.lodi.gov) by clicking the meeting webcasts link. Members of the public may view and listen to the open session of this meeting at [www.facebook.com/CityofLodi/](http://www.facebook.com/CityofLodi/).*



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**COUNCIL COMMUNICATION**

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**AGENDA TITLE:**

Proclamation Declaring November 30, 2024, as Small Business Saturday (ED)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Luis Aguilar, Economic Development Director

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**RECOMMENDED ACTION:**

Mayor Craig will present a proclamation declaring November 30, 2024 as Small Business Saturday.

**BACKGROUND INFORMATION:**

Mayor Craig will present a proclamation declaring November 30, 2024, as Small Business Saturday in Lodi. Celebrating its 15<sup>th</sup> year on November 30, 2024, Small Business Saturday has illuminated the significance of supporting small, independently owned businesses across the United States. Falling between Black Friday and Cyber Monday, the day is dedicated to supporting local small businesses that create jobs, boost the economy, provide needed goods and services, and keep communities thriving across the country.

Therefore, in recognition of Small Business Saturday, Mayor Craig, on behalf of the Lodi City Council, proclaims November 30, 2024, Small Business Saturday and urges Lodi residents, and communities across the country, to support small businesses and merchants on Small Business Saturday and Shop Small throughout the year.

**STRATEGIC VISION:**

Economic Development

**FISCAL IMPACT:**

Not applicable.

**FUNDING AVAILABLE:**

Not applicable.

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Scott R. Carney  
City Manager

## PROCLAMATION

### Small Business Saturday

WHEREAS, the City of Lodi, celebrates our local small businesses and the contributions they make to our local economy and community; and

WHEREAS, according to the United States Small Business Administration, there are more than 34 million small businesses in the United States, small businesses represent 99% of companies with paid employees, small businesses are responsible for 61% of net new jobs created since 1995, and small businesses employ 45% of the employees in the private sector throughout the United States; and

WHEREAS, for every \$100 spent at a small business in the United States, \$68 stays in the local community and every \$100 spent at small businesses creates an additional \$48 in local business activity as a result of employees and local businesses purchasing local goods and services; and

WHEREAS, 59% of U.S. consumers aware of Small Business Saturday shopped or dined at a small, independently owned retailer or restaurant on Small Business Saturday 2023; and

WHEREAS, the City of Lodi has more than 2,500 small businesses throughout the community and supports our local businesses that create jobs, boost our local economy, provide needed goods and services, and preserve our community; and

WHEREAS, advocacy groups, as well as public and private organizations, across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi hereby proclaims November 30, 2024 as Small Business Saturday and urge Lodi residents, and communities across the country, to support small businesses and merchants on Small Business Saturday – celebrating its 15th year in 2024 – and Shop Small throughout the year.

SIGNED this \_\_\_\_\_ day of November 2024



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**COUNCIL COMMUNICATION**

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**AGENDA TITLE:**

Children’s Grief Awareness Day Proclamation

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Kaylee Clayton, Senior Admin Clerk

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**RECOMMENDED ACTION:**

Mayor Craig will present a proclamation declaring November 21, 2024 as “Children’s Grief Awareness Day” in the City of Lodi.

**BACKGROUND INFORMATION:**

Mayor Craig will present a proclamation declaring November 21, 2024 as “Children’s Grief Awareness Day” in the City of Lodi.

Children’s Grief Awareness Day is observed annually to raise awareness of children grieving the death of a parent, sibling, grandparent, or caregiver and to bring attention to the fact that often support can make all the difference in the life of a grieving child. This day provides an opportunity for all to raise awareness of the painful impact that death of a loved one has in the life of a child.

**STRATEGIC VISION:**

Not applicable.

**FISCAL IMPACT:**

Not applicable.

**FUNDING AVAILABLE:**

Not applicable.

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Olivia Nashed  
City Clerk



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**COUNCIL COMMUNICATION**

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**AGENDA TITLE:**

Accept the Quarterly Report of Purchases between \$30,000 and \$60,000 (FIN)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Jennelle Baker-Bechthold, Budget Manager

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**RECOMMENDED ACTION:**

Accept the Quarterly Report of Purchases between \$30,000 and \$60,000

**BACKGROUND INFORMATION:**

Lodi Municipal Code Section 2.12.060 (T) requires the City Manager to prepare a quarterly report of contracts not less than \$30,000 nor greater than \$60,000. This report reflects the limits between \$30,000 and \$60,000 for the quarter ending September 30, 2024.

Attached are reports of purchases awarded during the third calendar quarter of 2024. The reports are separated into purchases awarded or made by purchase order, by Cal-Card, and by Contract including Change Orders and Amendments. In addition, we have added a category for Electric Utility Purchases made between \$30,000 and \$250,000. With this report, staff is providing Council with the full scope of purchasing activity under LMC Section 2.12.060 (T).

**STRATEGIC VISION:**

3A. Fiscal Health: Promote City's transparency & fiscal fluency.

**FISCAL IMPACT:**

There is no fiscal impact from the preparation of this report.

**FUNDING AVAILABLE:**

Adequate funding is available in the Fiscal Year 2024/25 budget for the items on this report.

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Andrew Keys  
Assistant City Manager

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Scott R. Carney  
City Manager



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# COUNCIL COMMUNICATION

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Quarterly Report of Purchases by Purchase Order – 2024, Q3

Purchase Order No.	Contractor	Description	Funding Source	Amount
The following purchases were made in accordance with Lodi Municipal Code Sections 3.20.070 - Bidding, 3.20.075 - Professional/technical services contracts, 3.20.077 – Electronic hardware and software, and 3.20.110 - Open market procedure.				
2250010	Sanborn Chevrolet Inc	2024 Chevy Silverado for PW Inspector	Public Works Eng - 505	46,140.01
2240226	Stommel Inc.	Battalion Chief Vehicle Lighting Package/Labor	Fire – 400	40,888.83
2240226	DC Frost Associates, Inc.	Primary Sedimentation Tank	Wastewater Utility - 530	40,698.44
2250034	Imprivata, Inc.	Securelink Enterprise Access License	Internal Services - 202	40,155.64
2250044	Rexel USA, Inc.	TechConnect Support Renewal SCADA	Wastewater Utility – 530	34,147.36
2250053	Magnet Forensics, LLC	GrayKey License-Advanced	Police -300	33,105.00
2250045	MuniQuip, LLC	Slough Backup Pump	Wastewater Utility – 530	32,376.38

Quarterly Report of Purchases by Cal-Card – 2024, Q3

Merchant / Vendor	Description	Funding Source	Amount
The following purchases were made in accordance with Lodi Municipal Code Sections 3.20.070 – Bidding, 3.20.077 – Electronic hardware and software, and 3.20.110 - Open market procedure.			

### Quarterly Report of Purchases by Contract – 2024, Q3

Contract No.	Contractor	Description	Department	Amount
The following purchases were made in accordance with Lodi Municipal Code Sections 3.20.070 - Bidding, 3.20.075 - Professional/technical services contracts.				
<a href="#">324167</a>	Waterproofing Associates, Inc.	Citywide Roof Repairs	(510) PW – Facilities Services	60,000.00
<a href="#">325003</a>	Contact Pest Control	Citywide Pest Control Service on City Facilities	(510) PW – Facilities Services	60,000.00
<a href="#">325004</a>	Infinity Technologies	On-Call GIS Technology Services	(505) PW – Engineering	60,000.00
<a href="#">325019</a>	Municipal Resource Group	On-Demand Human Resources Services	(100) General Funds – Human Resources	60,000.00
<a href="#">325031</a>	Terracon Consultants, Inc.	On-Call Construction Materials Testing & Inspect	(505) PW – Engineering	60,000.00
<a href="#">324147</a>	Life Extensions Clinics, Inc.	On-Site Physicals for the Fire Staff	(400) Fire Department	57,278.00
<a href="#">324164</a>	First Alarm Wellness	Counseling Services	(400) Fire Department	40,000.00
<a href="#">324176</a>	Mission Linen Supply	LPD Jail Laundry Linen Services	(300) Police Department	30,000.00
<a href="#">325018</a>	Pacific Storage Company	Records Destruction Services	(202) I/S – Financial Services	30,000.00
<a href="#">325023</a>	Kelli Perrault	Screen Printing	(700) Parks, Rec, & Cultural Services	30,000.00
<a href="#">325025</a>	Patrick Spencer Clark	Labor Negotiations	(600) Electric Utility	30,000.00

### Quarterly Report of Contract Amendments and Change Orders – 2024, Q3

Contract No	CO# or Amend#	Contractor	Original Contract	Amendment	Change Order	Previous Adds	Revised Total	Department	Signer Title
The following purchases were made in accordance with Lodi Municipal Code Sections 3.20.070 - Bidding, 3.20.075 - Professional/technical services contracts.									
320121	Amend	TextPower	14,351.00	10,000.00		20,000	44,351.00	EU	Engineering Manager

Quarterly Report of Electric Utility Purchases \$30,000 and \$250,000 – 2024, Q3

Purchase Order No.	Contractor	Description	Funding Source	Amount
The following purchases were made in accordance with Lodi Municipal Code Sections 3.20.070 - Bidding, 3.20.075 - Professional/technical services contracts, 3.20.077 – Electronic hardware and software, and 3.20.110 - Open market procedure.				
2250030	Stella-Jones Corporation	Inventory Items	Electric Utility – 500 Fund	110,466.82
2250035	Southern Electrical Equipment Co.	Inventory Items	Electric Utility – 500 Fund	68,569.38
2250054	Stella-Jones Corporation	Inventory Items	Electric Utility – 500 Fund	39,936.03
2250059	Anixter, Inc.	Inventory Items	Electric Utility – 500 Fund	35,921.41
2250033	Southern Electrical Equipment Co.	Inventory Items	Electric Utility – 500 Fund	34,589.24
2250073	Anixter, Inc.	Inventory Items	Electric Utility – 500 Fund	33,557.50
2250020	Anixter, Inc.	Inventory Items	Electric Utility – 500 Fund	30,052.37



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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Accept the Quarterly Investment Report as Required by the City of Lodi Investment Policy (FIN)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Jennelle Baker-Bechthold, Budget Manager

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**RECOMMENDED ACTION:**

Accept the quarterly investment report as required by the City of Lodi Investment Policy.

**BACKGROUND INFORMATION:**

Government Code Section 53646 prescribes suggested investment reporting requirements for California public agencies. The City Council adopted Resolution 2024-113 on June 20, 2024 approving FY 24/25 Investment Policy. The attached Treasurer’s Report for the quarter ending September 30, 2024 is in compliance with the State’s reporting recommendations and the City of Lodi’s Investment Policy and Internal Control Guidelines.

The City’s current investments meet the primary objectives outlined in the City of Lodi Investment Policy as follows. In priority order, those objectives and brief analyses are:

- 1) Safety. Of the total portfolio, 45.16% is invested in cash or cash equivalents. These investments have minimal principal risk. Remaining investments are purchased meeting minimum credit quality requirements outlined in the policy to provide for high probability of capital preservation in the portfolio.
- 2) Liquidity. The portfolio allows for sufficient liquidity to meet projected cash flow needs to comply with City reserve policies, and effectively manage City operations. The 45.16% of investments held in cash or equivalents can be quickly converted to cash if necessary.
- 3) Yield. The City will attempt to obtain the most reasonable yield possible when selecting an investment provided that the safety and liquidity objectives are met. For the July 1, 2024 through September 30, 2024, the City earned \$1,847,022.94 in interest on the portfolio. Note this does not include unrealized gains and losses from changes in investment market value.

To further limit market value erosion, it is the intent that all investments be purchased with the intent to hold until maturity. This policy ensures the City does not overreact to market conditions and instead maintains a long-term focus on investment success. Economic or market conditions may make it in the City’s best interest to sell or trade an investment prior to maturity. No investments were sold during this reporting period.

The City Council has authorized the Treasurer to make investments on behalf of the City. Investments are made using the Prudent Investment Standard, in compliance with State law and the City of Lodi’s Investment Policy.

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## COUNCIL COMMUNICATION

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The investment report, investment policy and historical investment reports can be accessed on the City website by following this link: [≤https://www.lodi.gov/875/Finance-Reports≥](https://www.lodi.gov/875/Finance-Reports)

### **STRATEGIC VISION:**

3A. Fiscal Health: Promote City's transparency & fiscal fluency.

### **FISCAL IMPACT:**

Not applicable.

### **FUNDING AVAILABLE:**

As per attached report.

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Andrew Keys  
Assistant City Manager

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Scott R. Carney  
City Manager

**CITY OF LODI**  
**SUMMARY OF CASH AND INVESTED FUNDS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

<b>TYPE OF INVESTMENT</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Par Value</b>	<b>Cost</b>	<b>Market Value</b>	<b>% of Portfolio</b>
<b><u>Cash and Equivalents</u></b>						
Farmers & Merchants Bank Main *		Due on Demand		16,123,556	16,123,556	7.29%
Farmers & Merchants Bank Payroll *		Due on Demand		41,406	41,406	0.02%
Local Agency Investment Fund		Due on Demand		39,429,008	39,429,008	17.82%
Farmer's & Merchants Bank Money Market *		Due on Demand		33,209,595	33,209,595	15.01%
Wells Fargo Bank Money Market *		Due on Demand		89,503	89,503	0.04%
<b>Total Demand Deposit Accounts</b>				<b>88,893,068</b>	<b>88,893,068</b>	<b>40.17%</b>
<b><u>Bond Mutual Fund</u></b>						
CAL TRUST Medium Term Fund		Due on Demand		11,043,320	11,043,320	4.99%
<b>Total Bond Mutual Funds</b>				<b>11,043,320</b>	<b>11,043,320</b>	<b>4.99%</b>
<b><u>Local Bank Certificates of Deposit</u></b>						
Farmers & Merchants Bank	5.00%	10/26/2024	2,000,000	2,000,000	2,000,000	0.90%
Farmers & Merchants Bank	4.50%	4/26/2025	750,000	750,000	750,000	0.34%
<b>Total Local Bank Certificates of Deposit</b>			<b>2,750,000</b>	<b>2,750,000</b>	<b>2,750,000</b>	<b>1.24%</b>
<b><u>Negotiable Certificates of Deposit</u></b>						
MORGAN STANLEY BANK	1.95%	11/29/2024	250,000	250,000	248,807	0.11%
MORGAN STANLEY PRIVATE BANK	1.90%	11/29/2024	250,000	250,000	248,788	0.11%
BMW BANK NORTH AMERICA	0.90%	12/10/2024	250,000	250,000	248,125	0.11%
CHARLES SCHWAB BANK SSB	5.05%	3/28/2025	250,000	250,000	250,690	0.11%
BANK OF NEW YORK MELLON	4.50%	4/4/2025	250,000	250,000	249,949	0.11%
TOYOTA FINANCIAL SGS BK	0.95%	7/29/2026	250,000	250,000	237,339	0.11%
ALLY BANK	3.30%	8/18/2026	250,000	250,000	247,561	0.11%
FIRST NATL BK OF AMERICA	1.25%	12/30/2026	250,000	250,000	236,273	0.11%
TEXAS EXCHANGE BANK SSB	1.25%	12/30/2026	250,000	250,000	236,542	0.11%
BANK HAPOALIM BM NY	1.50%	1/7/2027	250,000	250,000	237,535	0.11%
BEAL BANK - PLANO TX	2.00%	3/3/2027	250,000	250,000	239,654	0.11%
THREAD BANK ROGERSVILLE	4.50%	6/16/2027	250,000	250,000	254,501	0.11%
AMERICAN EXPRESS NATIONAL BANK	3.40%	6/29/2027	250,000	250,000	247,331	0.11%
DISCOVER BANK	3.35%	7/20/2027	250,000	250,000	246,925	0.11%
BELMONT BANK & TRUST CO	3.75%	2/15/2028	250,000	250,000	250,352	0.11%
VISION BANK	3.75%	2/17/2028	250,000	250,000	250,364	0.11%
CITY NATL BK - BEV HILLS	5.00%	3/31/2028	250,000	250,000	259,956	0.12%
MEDALLION BANK UTAH	4.40%	8/23/2028	250,000	250,000	257,489	0.12%
<b>Total Negotiable Certificates of Deposit</b>			<b>4,500,000</b>	<b>4,500,000</b>	<b>4,448,182</b>	<b>2.01%</b>
<b><u>Agency Securities</u></b>						
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.63%	10/15/2024	500,000	500,150	499,352	0.23%
FAMCA	5.08%	12/5/2024	750,000	750,000	750,137	0.34%
FEDERAL HOME LOAN BANK	2.75%	12/13/2024	500,000	502,250	498,106	0.23%
FEDERAL HOME LOAN MORTGAGE CO	3.00%	12/23/2024	400,000	399,960	398,317	0.18%
FEDERAL FARM CREDIT BANK SYSTEM	1.13%	1/6/2025	500,000	495,500	495,463	0.22%
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.63%	1/7/2025	500,000	496,700	495,974	0.22%
FEDERAL HOME LOAN MORTGAGE CO	5.00%	1/27/2025	275,000	274,780	274,738	0.12%
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5.25%	1/27/2025	750,000	750,000	749,397	0.34%
FEDERAL HOME LOAN BANK	1.25%	1/28/2025	500,000	500,000	494,011	0.22%
FEDERAL FARM CREDIT BANK SYSTEM	4.25%	2/10/2025	1,000,000	999,000	998,667	0.45%
FEDERAL HOME LOAN MORTGAGE CO	3.15%	3/27/2025	400,000	400,000	397,689	0.18%
FEDERAL HOME LOAN MORTGAGE CO	0.57%	9/24/2025	500,000	496,750	483,432	0.22%
FREDDIE MAC	0.60%	10/27/2025	500,000	499,450	483,535	0.22%
FAMCA	0.49%	12/18/2025	300,000	293,070	288,691	0.13%
FEDERAL HOME LOAN BANK	0.90%	12/26/2025	500,000	499,950	481,418	0.22%
FEDERAL FARM CREDIT BANK SYSTEM	4.92%	1/12/2026	500,000	500,000	499,418	0.23%
FEDERAL HOME LOAN BANK	0.55%	1/20/2026	500,000	487,550	478,914	0.22%
FEDERAL HOME LOAN MORTGAGE CO	5.05%	1/27/2026	1,000,000	1,000,000	999,151	0.45%
FEDERAL HOME LOAN BANK	0.85%	3/30/2026	400,000	399,960	382,350	0.17%
FEDERAL HOME LOAN BANK	1.20%	4/28/2026	500,000	500,000	477,900	0.22%
FEDERAL HOME LOAN BANK	1.00%	5/26/2026	500,000	500,000	476,857	0.22%
FEDERAL HOME LOAN BANK	1.88%	9/11/2026	400,000	406,880	386,325	0.17%
FEDERAL FARM CREDIT BANK SYSTEM	4.87%	9/28/2026	500,000	500,000	499,632	0.23%
FAMCA	1.05%	10/5/2026	500,000	500,000	474,581	0.21%
FEDERAL HOME LOAN MORTGAGE CO	0.80%	10/27/2026	500,000	495,500	470,467	0.21%
FEDERAL HOME LOAN BANK	5.00%	1/19/2027	500,000	500,000	500,123	0.23%
TVA	2.88%	2/1/2027	500,000	488,150	491,076	0.22%
FEDERAL HOME LOAN BANK	2.03%	2/25/2027	500,000	500,000	480,050	0.22%
FEDERAL HOME LOAN BANK	4.50%	3/12/2027	500,000	501,000	510,248	0.23%
FEDERAL HOME LOAN BANK	3.50%	4/26/2027	500,000	500,000	494,968	0.22%
FEDERAL HOME LOAN BANK	2.20%	4/27/2027	500,000	500,000	500,150	0.23%
FEDERAL FARM CREDIT BANK SYSTEM	3.45%	6/1/2027	500,000	500,000	492,254	0.22%

**CITY OF LODI**  
**SUMMARY OF CASH AND INVESTED FUNDS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

<b>TYPE OF INVESTMENT</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Par Value</b>	<b>Cost</b>	<b>Market Value</b>	<b>% of Portfolio</b>
<b>Agency Securities (cont.)</b>						
FIRST CAPITAL BK SC	3.50%	6/30/2027	250,000	250,000	248,045	0.11%
FEDERAL HOME LOAN BANK	4.38%	8/25/2027	500,000	500,000	499,699	0.23%
FEDERAL FARM CREDIT BANK SYSTEM	5.14%	1/18/2028	1,000,000	1,000,000	1,000,035	0.45%
FEDERAL HOME LOAN BANK	4.50%	3/10/2028	500,000	511,700	514,354	0.23%
FEDERAL FARM CREDIT BANK SYSTEM	5.35%	3/13/2028	750,000	751,275	752,041	0.34%
FEDERAL FARM CREDIT BANK SYSTEM **	5.30%	7/3/2028	1,000,000	1,000,000	1,005,828	0.45%
FEDERAL FARM CREDIT BANK SYSTEM	3.43%	12/6/2028	1,750,000	1,668,675	1,735,306	0.78%
FEDERAL HOME LOAN BANK	4.75%	12/8/2028	1,000,000	1,017,600	1,042,982	0.47%
FEDERAL FARM CREDIT BANK SYSTEM	4.25%	2/28/2029	750,000	747,675	769,241	0.35%
FEDERAL HOME LOAN BANK	4.50%	3/9/2029	1,500,000	1,502,325	1,552,903	0.70%
FEDERAL FARM CREDIT BANK SYSTEM	4.13%	3/20/2029	750,000	743,250	765,644	0.35%
FEDERAL HOME LOAN BANK	4.00%	3/28/2029	750,000	740,250	759,969	0.34%
FEDERAL FARM CREDIT BANK SYSTEM	4.38%	4/10/2029	1,000,000	987,500	1,031,442	0.47%
<b>Total Agency Securities</b>			<b>28,175,000</b>	<b>28,056,850</b>	<b>28,080,881</b>	<b>12.69%</b>

<b>US Treasury Notes</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Par Value</b>	<b>Cost</b>	<b>Market Value</b>	<b>% of Portfolio</b>
UNITED STATES TREASURY	1.00%	12/15/2024	250,000	249,925	248,164	0.11%
UNITED STATES TREASURY	0.50%	3/31/2025	250,000	249,125	245,275	0.11%
UNITED STATES TREASURY	0.25%	6/30/2025	250,000	248,125	242,906	0.11%
UNITED STATES TREASURY	0.25%	9/30/2025	250,000	247,400	241,172	0.11%
UNITED STATES TREASURY	0.38%	11/30/2025	350,000	348,670	336,123	0.15%
UNITED STATES TREASURY	0.38%	12/31/2025	250,000	246,975	239,512	0.11%
UNITED STATES TREASURY	0.38%	1/31/2026	350,000	348,355	334,510	0.15%
UNITED STATES TREASURY	0.75%	3/31/2026	750,000	747,050	717,407	0.32%
UNITED STATES TREASURY	0.75%	5/31/2026	500,000	499,850	476,211	0.22%
UNITED STATES TREASURY	0.88%	6/30/2026	250,000	247,600	238,154	0.11%
UNITED STATES TREASURY	0.88%	9/30/2026	250,000	247,150	236,768	0.11%
UNITED STATES TREASURY	1.25%	12/31/2026	250,000	248,850	237,344	0.11%
<b>Total US Treasury Notes</b>			<b>3,950,000</b>	<b>3,929,075</b>	<b>3,793,546</b>	<b>1.71%</b>

<b>Corporate Securities</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Par Value</b>	<b>Cost</b>	<b>Market Value</b>	<b>% of Portfolio</b>
SHELL INTERNATIONAL FIN	2.00%	11/7/2024	500,000	499,950	498,382	0.23%
CATERILLAR FINANCIAL SERVICE	3.25%	12/1/2024	500,000	501,050	498,298	0.23%
CON EDISON CO OF NY INC	3.30%	12/1/2024	310,000	310,341	308,870	0.14%
JOHNSON & JOHNSON	2.63%	1/15/2025	1,000,000	995,200	993,811	0.45%
APPLE INC	2.50%	2/9/2025	500,000	496,500	496,303	0.22%
TOYOTA MOTOR CREDIT CORP	1.80%	2/13/2025	300,000	300,000	296,792	0.13%
WESTPAC BANKING CORP	2.35%	2/19/2025	500,000	501,150	495,321	0.22%
FLORIDA POWER & LIGHT CO	2.85%	4/1/2025	500,000	499,900	495,435	0.22%
BMW US CAPITAL LLC	3.90%	4/9/2025	400,000	399,960	398,421	0.18%
YALE UNIVERSITY	0.87%	4/15/2025	1,075,000	1,073,835	1,055,837	0.48%
AMAZON.COM INC	0.80%	6/3/2025	500,000	499,600	488,300	0.22%
PEPSICO INC	3.50%	7/17/2025	500,000	495,900	496,684	0.22%
SUTTER HEALTH	1.32%	8/15/2025	750,000	748,275	727,340	0.33%
APPLE INC	0.55%	8/20/2025	500,000	498,400	484,585	0.22%
JOHNSON & JOHNSON	0.55%	9/1/2025	950,000	948,630	919,604	0.42%
WALMART INC	3.90%	9/9/2025	500,000	499,450	498,884	0.23%
NATIONAL RURAL UTIL COOP	1.00%	9/15/2025	500,000	499,850	481,718	0.22%
TOYOTA MOTOR CREDIT CORP	0.80%	10/16/2025	500,000	498,500	482,686	0.22%
TOYOTA MOTOR CREDIT CORP	0.80%	1/9/2026	500,000	499,650	479,673	0.22%
APPLE INC	0.70%	2/8/2026	500,000	497,750	479,295	0.22%
PUBLIC STORAGE	0.88%	2/15/2026	300,000	299,340	286,914	0.13%
MERCK & CO INC	0.75%	2/24/2026	400,000	399,600	382,828	0.17%
JOHNSON & JOHNSON	2.45%	3/1/2026	500,000	489,250	490,317	0.22%
BMW US CAPITAL LLC	2.80%	4/11/2026	500,000	498,400	489,940	0.22%
BMO HARRIS BANK NA	1.00%	4/13/2026	250,000	250,000	239,336	0.11%
AMAZON.COM INC	1.00%	5/12/2026	500,000	499,600	478,013	0.22%
CHARLES SCHWAB CORP	1.15%	5/13/2026	500,000	499,850	476,571	0.22%
BANK OF AMERICA CORP	1.25%	5/28/2026	500,000	500,000	473,684	0.21%
BANK OF AMERICA CORP	1.20%	6/25/2026	500,000	499,750	470,262	0.21%
MASS INSTITUTE OF TECH	3.31%	7/1/2026	500,000	513,200	492,662	0.22%
SOCIETE GENERALE	1.35%	7/30/2026	500,000	500,000	500,000	0.23%
BANK OF AMERICA CORP	1.15%	9/10/2026	250,000	249,275	233,946	0.11%
TEXAS INSTRUMENTS INC	1.13%	9/15/2026	400,000	396,720	379,344	0.17%
JPMORGAN CHASE & CO	2.95%	10/1/2026	500,000	513,100	489,987	0.22%
ENTERGY LOUISIANA LLC	2.40%	10/1/2026	400,000	387,640	386,897	0.17%
TSMC ARIZONA CORP	1.75%	10/25/2026	500,000	466,350	475,240	0.21%
DUKE ENERGY CAROLINAS	2.95%	12/1/2026	500,000	483,850	489,394	0.22%
PROCTER & GAMBLE CO/THE	1.90%	2/1/2027	350,000	348,670	335,606	0.15%



**CITY OF LODI**  
**SUMMARY OF CASH AND INVESTED FUNDS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

TYPE OF INVESTMENT	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
<b>Corporate Securities (cont.)</b>						
IBM CORP	2.20%	2/9/2027	500,000	487,350	478,745	0.22%
PROGRESSIVE CORP	2.50%	3/15/2027	500,000	494,250	481,945	0.22%
NIKE INC	2.75%	3/27/2027	1,000,000	976,000	974,219	0.44%
VISA INC	1.90%	4/15/2027	500,000	465,850	477,593	0.22%
MIDAMERICAN ENERGY CO	3.10%	5/1/2027	500,000	476,600	489,218	0.22%
UNILEVER CAPITAL CORP	2.90%	5/5/2027	300,000	293,340	292,856	0.13%
CHEVRON CORP	2.00%	5/11/2027	500,000	483,050	477,496	0.22%
INTEL CORP	3.15%	5/11/2027	500,000	478,150	483,206	0.22%
NSTAR ELECTRIC CO	3.20%	5/15/2027	400,000	393,400	390,899	0.18%
AMAZON.COM INC	1.20%	6/3/2027	500,000	472,550	467,037	0.21%
META PLATFORMS INC	3.50%	8/15/2027	500,000	475,900	495,692	0.22%
WALMART INC	3.95%	9/9/2027	500,000	496,550	503,301	0.23%
AMAZON.COM INC	4.55%	12/1/2027	500,000	505,450	510,219	0.23%
APPLE INC	1.20%	2/8/2028	750,000	675,150	690,372	0.31%
COMCAST CORP	3.15%	2/15/2028	500,000	480,150	485,351	0.22%
NESTLE HOLDINGS INC	5.00%	3/14/2028	500,000	512,700	514,716	0.23%
MARS INC	4.55%	4/20/2028	500,000	497,800	505,559	0.23%
AMAZON.COM INC	1.65%	5/12/2028	1,000,000	921,600	925,834	0.42%
SSM HEALTH CARE	4.89%	6/1/2028	500,000	495,950	508,751	0.23%
PACIFIC LIFE GF II	5.50%	7/18/2028	1,000,000	1,004,500	1,040,723	0.47%
<b>Total Corporate Securities</b>			<b>30,585,000</b>	<b>30,144,776</b>	<b>29,840,912</b>	<b>13.48%</b>

Municipal Securities	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
HAWAII ST-GB	0.80%	10/1/2024	125,000	125,000	125,000	0.06%
CARMICHAEL WATER DIST	2.17%	11/1/2024	1,295,000	1,295,130	1,292,684	0.58%
INDIO PUB FIN-B-TXBL	3.35%	11/1/2024	180,000	180,198	179,813	0.08%
VENTURA COUNTY CA PUBLIC	1.22%	11/1/2024	100,000	100,000	99,727	0.05%
SEMITROPIC IMP DIST-A	2.36%	12/1/2024	140,000	140,056	139,441	0.06%
CARSON -TXBL-REV	1.88%	1/15/2025	505,000	506,061	500,206	0.23%
SAN RAMON REDEV AGY	4.00%	2/1/2025	140,000	141,484	139,692	0.06%
CALIFORNIA ST MUNI FI	1.67%	2/1/2025	300,000	297,270	297,206	0.13%
NEW YORK-C-BABS	4.89%	3/1/2025	900,000	898,650	901,856	0.41%
CT ST-SER A	5.77%	3/15/2025	500,000	503,250	501,735	0.23%
TX ST-BABS-A	4.12%	4/1/2025	260,000	259,272	258,975	0.12%
CALIFORNIA-TXBL	3.38%	4/1/2025	315,000	317,615	313,561	0.14%
STANISLAUS CONSOL FIR	1.25%	4/1/2025	235,000	235,306	231,188	0.10%
SAN DIEGO CNTY CA REG	2.09%	4/1/2025	350,000	352,240	345,786	0.16%
BAY AREA CA TOLL AUTH	2.33%	4/1/2025	250,000	248,400	247,234	0.11%
MICHIGAN-A-TXBL	2.85%	5/15/2025	205,000	202,007	203,265	0.09%
UNIV OF CA-AS-TXBL	2.49%	5/15/2025	545,000	538,896	538,366	0.24%
MONTEREY PK TXBL	0.89%	6/1/2025	400,000	399,960	390,671	0.18%
GOLDEN ST TOBACCO -B	1.40%	6/1/2025	300,000	300,000	294,062	0.13%
LAKEPORT-REV-TXBL	1.18%	6/1/2025	155,000	155,047	151,371	0.07%
MONTEBELLO -REV -TXBL	2.50%	6/1/2025	1,000,000	981,500	987,072	0.45%
SANTA CRUZ CO CA-TXBL	0.79%	6/1/2025	315,000	307,283	307,157	0.14%
ANAHEIM PUBLIC FIN	0.94%	7/1/2025	250,000	249,875	243,786	0.11%
UNIV CA-AX-TXBL	3.06%	7/1/2025	1,150,000	1,162,920	1,140,497	0.52%
SAN RAMON-TXBL	1.20%	7/1/2025	500,000	499,400	488,356	0.22%
UT ST-BABS-B	3.54%	7/1/2025	750,000	146,801	146,666	0.07%
FOOTHILL DE ANZA-B	0.91%	8/1/2025	500,000	500,900	486,890	0.22%
SANTA ROSA ELEM SD	1.01%	8/1/2025	500,000	500,000	487,124	0.22%
W CONTRA COSTA SD-B	0.94%	8/1/2025	505,000	505,000	491,889	0.22%
CASTRO VLY UNIF SCH	1.20%	8/1/2025	500,000	500,600	488,080	0.22%
OAK GROVE SD -REF	0.87%	8/1/2025	240,000	240,000	233,631	0.11%
BELMONT-REDWOOD-A-	0.88%	8/1/2025	205,000	205,000	199,661	0.09%
BELMONT-REDWOOD-B-REF	0.88%	8/1/2025	200,000	200,000	194,791	0.09%
SAN BERNARDINO CCD	0.84%	8/1/2025	275,000	275,000	267,526	0.12%
BELLFLOWER -TXBL	1.32%	8/1/2025	500,000	500,000	487,191	0.22%
KLAMATH & TRINITY-B	1.83%	8/1/2025	250,000	250,000	245,012	0.11%
COVINA-VLY SD-TXBL	1.28%	8/1/2025	410,000	401,636	400,654	0.18%
RIO ESD CMNTY FACS DT	1.12%	9/1/2025	380,000	380,000	368,132	0.17%
ANAHEIM CA HSG & PUB-B	1.86%	10/1/2025	525,000	509,040	511,911	0.23%
PALM DESERT REDEV-B	3.25%	10/1/2025	500,000	493,300	493,776	0.22%
ILLINOIS ST- A- TXBL	5.50%	10/1/2025	750,000	751,575	759,818	0.34%
MA CMWLTH -E-TXBL-REF	0.70%	11/1/2025	220,000	219,560	212,470	0.10%
CALIFORNIA ST UNIV-B	0.86%	11/1/2025	100,000	100,000	96,448	0.04%
STHRN KERN UNIF SD-B	1.08%	11/1/2025	370,000	370,000	357,679	0.16%
VENTURA CNTY CA PUBLI	1.32%	11/1/2025	500,000	498,900	485,113	0.22%
GA ST-SER H	4.50%	11/1/2025	365,000	364,818	364,578	0.16%
TENNESSEE ST -B-REF	0.86%	11/1/2025	115,000	110,182	111,296	0.05%
SACRAMENTO CNTY CA-B	1.04%	12/1/2025	485,000	480,684	468,077	0.21%

**CITY OF LODI  
SUMMARY OF CASH AND INVESTED FUNDS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

<b>TYPE OF INVESTMENT</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Par Value</b>	<b>Cost</b>	<b>Market Value</b>	<b>% of Portfolio</b>
<b><u>Municipal Securities (cont.)</u></b>						
NEW YORK ST	2.26%	2/15/2026	500,000	484,550	489,875	0.22%
BAY AREA CA TOLL AUTH	2.43%	4/1/2026	230,000	234,845	224,577	0.10%
CALIFORNIA ST-TXBL-B	2.65%	4/1/2026	500,000	509,650	490,758	0.22%
WISCONSIN ST GEN FUND	3.05%	5/1/2026	300,000	309,660	295,922	0.13%
UNIV OF CALIFORNIA-BI	0.87%	5/15/2026	405,000	380,498	384,592	0.17%
NEW JERSEY ST-A-TXBL	2.25%	6/1/2026	660,000	646,470	642,335	0.29%
BEVERLY HILLS PUB FIN	2.36%	6/1/2026	690,000	666,885	671,543	0.30%
SAN FRANCISCO CA CITY	1.10%	6/15/2026	370,000	371,036	352,042	0.16%
RED BLUFF-TXBL	1.46%	7/15/2026	350,000	352,555	332,469	0.15%
BELMONT-REDWOOD-B-REF	1.10%	8/1/2026	205,000	205,000	195,187	0.09%
SAN BERNARDINO CCD	1.10%	8/1/2026	230,000	230,000	218,592	0.10%
BELLFLOWER -TXBL	1.60%	8/1/2026	465,000	464,396	443,692	0.20%
KLAMATH & TRINITY-B	2.08%	8/1/2026	130,000	130,000	125,563	0.06%
SAN FRANCISCO CO-TXBL	1.76%	9/1/2026	295,000	296,446	282,649	0.13%
RIVERSIDE UNIF SD FIN	1.65%	9/1/2026	750,000	746,475	715,817	0.32%
CUCAMONGA VLY WTR-B	3.55%	9/1/2026	250,000	243,750	248,618	0.11%
CALIFORNIA ST -TXBL	2.38%	10/1/2026	1,015,000	1,006,045	987,864	0.45%
TEXAS ST-REF-TXBL	3.42%	10/1/2026	990,000	1,032,768	981,734	0.44%
CA ST UNIV-D	1.14%	11/1/2026	375,000	372,600	354,016	0.16%
OREGON ST-H-REF	1.19%	11/1/2026	115,000	113,793	108,867	0.05%
CALIFORNIA ST UNIV-B	1.14%	11/1/2026	500,000	472,600	472,061	0.21%
LOS ANGELES MUNI-C	3.32%	11/1/2026	140,000	136,752	138,234	0.06%
RIVERSIDE CNTY CA INF	1.47%	11/1/2026	335,000	310,478	318,098	0.14%
CA ST DEPT OF WTR RES	1.05%	12/1/2026	500,000	493,350	471,470	0.21%
MANHATTAN BEACH -TXBL	1.57%	1/1/2027	375,000	350,550	356,209	0.16%
NEW YORK ST	2.36%	2/15/2027	800,000	804,790	776,169	0.35%
RIVERSIDE CO-TXBL-REV	2.96%	2/15/2027	205,000	205,533	200,401	0.09%
SAN JOSE-C-REF-REV	1.73%	3/1/2027	195,000	192,173	184,430	0.08%
BAY AREA CA TOLL AUTH	1.43%	4/1/2027	520,000	498,056	489,869	0.22%
SAN DIEGO CO REGL-A	1.40%	4/1/2027	425,000	405,663	400,089	0.18%
PORT OF OAKLAND CA	1.67%	5/1/2027	1,085,000	956,774	984,425	0.44%
WISCONSIN ST -A -REF	4.33%	5/1/2028	750,000	743,400	763,164	0.34%
LOS ANGELES DEPT ARPT	1.10%	5/15/2027	240,000	220,992	223,502	0.10%
UNIV OF CALIFORNIA-N	3.04%	5/15/2027	100,000	98,600	97,547	0.04%
UNIV OF CA-AG-TXBL	3.28%	5/15/2027	500,000	495,800	491,434	0.22%
UNIV OF CA-AS-TXBL	2.74%	5/15/2027	500,000	470,100	484,738	0.22%
MONTCLAIR CA PENSN OB	1.73%	6/1/2027	245,000	226,062	230,144	0.10%
PALM SPRINGS FIN AUTH	1.61%	6/1/2027	845,000	767,429	796,389	0.36%
STANFORD UNIVERSITY	1.29%	6/1/2027	900,000	831,120	840,378	0.38%
SANTA ROSA REGL RES	3.07%	8/1/2027	200,000	198,220	196,129	0.09%
MORGAN HILL CA REDEV	1.38%	9/1/2027	680,000	618,664	628,875	0.28%
DAVIS REDEV SUCCESSOR	2.20%	9/1/2027	375,000	344,888	355,171	0.16%
CALIFORNIA ST UNIV-B	1.36%	11/1/2027	380,000	342,874	351,888	0.16%
CALIFORNIA ST DEPT OF	1.16%	12/1/2027	865,000	786,112	803,524	0.36%
SEMITROPIC IMP DIST-A	2.69%	12/1/2027	250,000	236,150	241,131	0.11%
GEORGIA ST-F-QSCB	4.30%	2/1/2028	750,000	750,150	750,278	0.34%
HESPERIA USD-COPS	2.04%	2/1/2028	645,000	590,691	600,238	0.27%
SAN FRANCISCO MUNI TR	1.30%	3/1/2028	500,000	446,100	455,113	0.21%
EL CAJON CA-TXBL-A	1.90%	4/1/2028	400,000	366,600	370,307	0.17%
CORONA -REV-TXBL	1.86%	5/1/2028	500,000	456,000	464,642	0.21%
BUENA PK -REV -TXBL	1.58%	7/1/2028	405,000	360,774	369,187	0.17%
CA ST PUB WKS BRD-B	4.88%	4/1/2029	1,000,000	999,200	1,028,044	0.46%
UNIV OF CA-J-REF-TXBL	3.91%	5/15/2029	750,000	727,650	744,748	0.34%
MARYLAND ST-B-TXBL	4.44%	6/1/2029	1,000,000	998,700	1,028,428	0.46%
<b>Total Municipal Securities</b>			<b>46,245,000</b>	<b>44,600,223</b>	<b>44,330,287</b>	<b>20.03%</b>

<b>Supranational Securities</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Par Value</b>	<b>Cost</b>	<b>Market Value</b>	<b>% of Portfolio</b>
INTL FIN CORP	0.60%	2/28/2025	500,000	499,550	491,321	0.22%
INT BK RECON&D	2.05%	3/17/2025	750,000	748,425	741,262	0.33%
INT BK RECON&D	0.65%	2/24/2026	500,000	498,150	476,816	0.22%
INTERAMER DEV	0.82%	2/27/2026	500,000	500,450	479,637	0.22%
INTL FIN CORP	2.13%	4/7/2026	396,000	403,326	385,678	0.17%
INTERAMER DEV	0.80%	6/17/2026	500,000	498,850	474,934	0.21%
INTL BK RECON & DEVELOP	0.88%	7/15/2026	500,000	500,350	475,232	0.21%
INTL FIN CORP	0.82%	9/15/2026	400,000	398,680	377,810	0.17%
INTL FIN CORP	0.75%	10/8/2026	250,000	248,350	235,822	0.11%
INTERAMER DEV	1.50%	1/13/2027	1,000,000	998,100	952,959	0.43%
INTERAMER DEV	4.30%	6/15/2028	500,000	499,250	502,602	0.23%
INT BK RECON&D	4.50%	6/26/2028	500,000	500,000	501,778	0.23%
INTERAMER DEV	4.30%	7/3/2028	750,000	740,625	765,971	0.35%
INTERAMER DEV	4.13%	2/15/2029	1,250,000	1,230,825	1,274,003	0.58%
<b>Total Supranational Securities</b>			<b>8,296,000</b>	<b>8,264,931</b>	<b>8,135,824</b>	<b>3.68%</b>

CITY OF LODI  
SUMMARY OF CASH AND INVESTED FUNDS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

TYPE OF INVESTMENT	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
INVESTMENTS SUBTOTAL NOT INCLUDING CASH & EQUIVALENTS			124,501,000	122,245,855	121,379,631	54.84%
TOTAL ALL INVESTMENTS INCLUDING CASH & EQUIVALENTS				222,182,243	221,316,019	100.00%

\* End of month bank balances are reflected on this report.  
\*\* Investments purchased during this reporting period.

**CERTIFICATION**

I certify this report accurately reflects all city pooled investments and is in conformity with state law and the investment policy statement adopted by the City Council on June 20, 2024. The investment program herein shown provides sufficient cash liquidity to meet the next six months estimated expenditures. A copy of this report is available in the City Clerk's Office or online at <http://www.lodi.gov/finance/revenue.html>.

  
\_\_\_\_\_  
Andrew Keys, Treasurer/Director of Finance

  
\_\_\_\_\_  
Jennelle Baker-Bechthold, Budget Manager

11/4/2024  
\_\_\_\_\_  
Review Date

11/4/24  
\_\_\_\_\_  
Review Date

<u>IRS Section 115 Retirement Benefit Trust Funds</u>	<u>Market Value</u>
<b><u>Public Agency Retirement Services - Pension Stabilization Fund</u></b>	
Balanced Strategy Mutual Fund	\$ 27,609,584
<b>Total Pension Stabilization Fund</b>	<b>\$ 27,609,584</b>
<b><u>Public Agency Retirement Services - Other Post Employment Benefits</u></b>	
Balanced Strategy Mutual Fund	\$ 2,552,320
<b>Total Other Post Employment Benefits</b>	<b>\$ 2,552,320</b>
<b>Total Section 115 Retirement Benefit Trust Funds</b>	<b>\$ 30,161,904</b>

<u>Restricted Cash Accounts</u>	<u>Market Value</u>
<b><u>PCE/TCE Central Plume Remediation Fund</u></b>	
Farmers & Merchants Bank Money Market	\$ 163,308
<b>Total PCE/TCE Central Plume Account</b>	<b>\$ 163,308</b>
<b>Total Restriction Cash Accounts</b>	<b>\$ 163,308</b>



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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Receive the Third and Fourth Quarter Fiscal Year 2023/24 Water, Wastewater and Electric Utility Department Financial Reports (FIN)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Andrew Keys, Assistant City Manager

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**RECOMMENDED ACTION:**

Receive utility financial reports for the third and fourth quarters of Fiscal Year 2023/24.

**BACKGROUND INFORMATION:**

In accordance with the Lodi Municipal Code, quarterly financial reports are to be prepared for the Water, Wastewater, and Electric Utilities.

Quarterly update presentations included in this report, highlight activities and progress for each utility. Overall, the three utilities maintain a strong financial position, operated within budget constraints and remain well positioned to continue maintenance and operations efforts into Fiscal Year 2024/25.

**Electric Utility Financial Highlights**

- REVENUE ended the fiscal year at 97 percent of budget.
  - ✓ Sales revenue was 93 percent of budget. Sales revenue includes both base rate and Energy Cost Adjustment (ECA) revenue. ECA revenue came in less than forecasted due to lower than anticipated power supply costs - a result of favorable hydrological conditions.
  - ✓ Other revenue, including development impact fees, ended the year at 150 percent of budget due primarily to timing associated with reimbursement of expenses received from DWR for the natural gas power plant as well as increased auction proceeds from the consignment of freely allocated Greenhouse Gas allowances due to increasing clearing prices.
- EXPENSES ended the year at 87 percent of budget.
  - ✓ Non-power operating expenses ended the year at 84 percent of budget, primarily attributed to substation personnel vacancies during the fiscal year.
  - ✓ Power supply costs ended the year at 91 percent of budget.
  - ✓ Capital outlay expenses ended the year at 64 percent of budget. Unspent funds which will roll to Fiscal Year 2025 are primarily associated with DWR’s natural gas power plant, substation upgrade and capacity projects, as well as delays associated with long lead times on vehicles/equipment.
- RESERVES as of June 30, 2024 totaled approximately \$36.9 million or 131 percent of the

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## COUNCIL COMMUNICATION

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Council approved reserve target. These reserves are used to fund pay-as-you-go capital improvement and system maintenance projects and to maintain both Council approved operating reserve levels and meet debt service covenants for reserves.

- CAPITAL IMPROVEMENT PROJECTS includes over \$20 million for capital improvement efforts. The projects listed are included in the City's current Capital Improvement Program included in the adopted budget. The majority of capital improvement work in Fiscal Year 2024 focused on the purchase of a spare substation transformer, system maintenance, capacity upgrades, substation modernization and upgrades, and work to support DWR's natural gas power plant project.
- 5-YEAR FINANCIAL FORECAST indicates sufficient reserves through 2029 based on various assumptions. This includes revenue from a recently approved two-year rate adjustment approved by the City Council.

### Wastewater Utility Highlights

- REVENUE is stable and ended the fiscal year at 104 percent of budget.
  - ✓ Wastewater sales for fiscal year ended on target at 101 percent of budget.
  - ✓ Other revenue is tracking over budget due to interest earning which are not budgeted for.
- EXPENSES in total ended the fiscal year well below the budget at 51 percent.
  - ✓ Operating expenses for the fiscal year ended slightly over budget at 102 percent, mainly due to an increase in staff time in wastewater versus water activities.
  - ✓ Capital expenses for the fiscal year were below budget at 25 percent. Included in the capital budget is over \$14 million for the White Slough electrical building that begin construction in FY 2024 and will continue through FY 2025. Also included in the budget is \$2.9 million for the aeration diffuser replacement, \$2.6 million for the solids handling projects that also will continue through FY 2025.
- RESERVES as of June 30, 2024 totaled \$29.7 million which is 407 percent of the 180 days cash target recommended in the Water/Wastewater Rate study adopted by City Council on January 17, 2024. These reserves are used to fund pay-as-you-go capital improvement projects planned over the next several fiscal years. The City's Budget and Fiscal Policies set a minimum reserve target of 25% of operating expenses or a 90 days cash target. The reserves are at 813% of this level.
- CAPITAL IMPROVEMENT PROJECTS include \$41 million in planned projects over the next 5 years. The major projects include construction of the electrical building, solids handling, aeration diffuser replacement, Lodi Lake storm pump, White Slough irrigation improvements, pump replacements, primary treatment rehab and the storm drain trash handling systems to comply with state regulations. The projects listed are all in the fiscal year 25-29 Capital Improvement Program that was included in the adopted budget.
- 5-YEAR FINANCIAL FORECAST indicates a decline in reserves through fiscal year 2029, however, the reserve balance does not fall below the 180-day reserve target.

### Water Utility Highlights

- REVENUE is stable and ended the fiscal year at 110 percent of budget.
  - ✓ Water sales are on target and ended the fiscal year at 100 percent of budget.
  - ✓ Other revenue is tracking over budget due to interest earnings which are not budgeted for.
- EXPENSES in total ended the fiscal year well below the budget at 66 percent.
  - ✓ Operating expenses are on target and ended the fiscal year slightly lower than budget at 94 percent.

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## COUNCIL COMMUNICATION

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- ✓ Capital expenses ended the fiscal year well below budget at 15 percent. Included in the capital budget is \$2.1 million for the multi-family Water Meter Project and \$500,000 for the Surface Water Treatment Facility generator which will both be bid and awarded in FY 2025. Other projects awarded and will continue through FY 2025 are \$900,000 for Well GAC replacement and almost \$1 million for water well rehab.
- RESERVES as of June 30, 2024 totaled \$16.8 million which is 297 percent of the 180 days cash target recommended in the Water/Wastewater Rate study adopted by City Council on January 17, 2024. These reserves are used to fund pay-as-you-go capital improvement projects. The City's Budget and Fiscal Policies set a minimum reserve target of 25% of operating expenses or a 90 days cash target. The reserves are at 594% of this level.
- CAPITAL IMPROVEMENT PROJECTS include almost \$14 million in planned projects over the next five years. The major projects include water well rehab, Surface Water Treatment Facility membrane replacement and transmission line expansion. The projects listed are all in the fiscal year 25-29 Capital Improvement Program that was included in the adopted budget
- 5-YEAR FINANCIAL FORECAST indicates an increase in reserves through FY 2029 with the anticipation of a \$25 million Surface Water Treatment Facility capacity expansion project in FY 2030.

### **STRATEGIC VISION:**

3C. Fiscal Health: Ensure elected leaders & staff retain focus on fiscal priorities.

### **FISCAL IMPACT:**

There is no fiscal impact from the preparation of this report.

### **FUNDING AVAILABLE:**

Adequate funding is available in the Fiscal Year 2023/24 budget, as amended by Council action from time to time, for the items in this report. All data is presented as current as of the date(s) obtained from the City's financial reporting system. Final year-end audited data will be provided in the City's ACFR.

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Scott R. Carney  
City Manager



# Electric Utility Department

## **FY 24 Quarterly Update** (Ending June 30, 2024)

City Council Meeting  
November 20, 2024





## Electric Utility Fund Cash Flow Summary (June 30, 2024)

	Budget	Actual	% of Budget
<b>Revenue</b>			
Sales Revenues	91,829,640	85,780,477	93%
Development Impact Fees	233,000	327,594	141%
Other Revenues	5,570,130	8,419,543	151%
<b>Total Revenues</b>	<b>97,632,770</b>	<b>94,527,614</b>	<b>97%</b>
<b>Expenses</b>			
Purchased Power	57,918,890	52,721,277	91%
Non Power	20,538,090	17,249,997	84%
Capital Projects	13,998,052	9,015,790	64%
Debt Service	4,179,880	4,179,875	100%
Cost of Service	3,146,248	3,146,248	100%
PILOT (Transfer to General Fund)	7,636,350	7,636,350	100%
<b>Total Expenses</b>	<b>107,417,510</b>	<b>93,949,537</b>	<b>87%</b>

<b>Beginning Cash Balance (7/1/23)</b>		<b>40,402,563</b>
<b>Ending Cash Balance (6/30/24)*</b>		<b>36,950,098</b>
<b>Reserve Policy Target</b>		<b>28,190,044</b>
<b>% of Target</b>		<b>131%</b>

\*Preliminary unaudited



## Electric Utility Funds Cash Balances (June 30, 2024)

Operating / Capital Funds	\$ 18,477,460
Low Carbon Fuel Standard Fund (LCFS)*	\$ 94,452
Public Benefits Fund	\$ 7,850,705
Impact Fee Fund	\$ 901,162
Solar Surcharge Fund	\$ 349,738
Greenhouse Gas Fund	\$ 9,276,581
<b>Total</b>	<b>\$ 36,950,098</b>

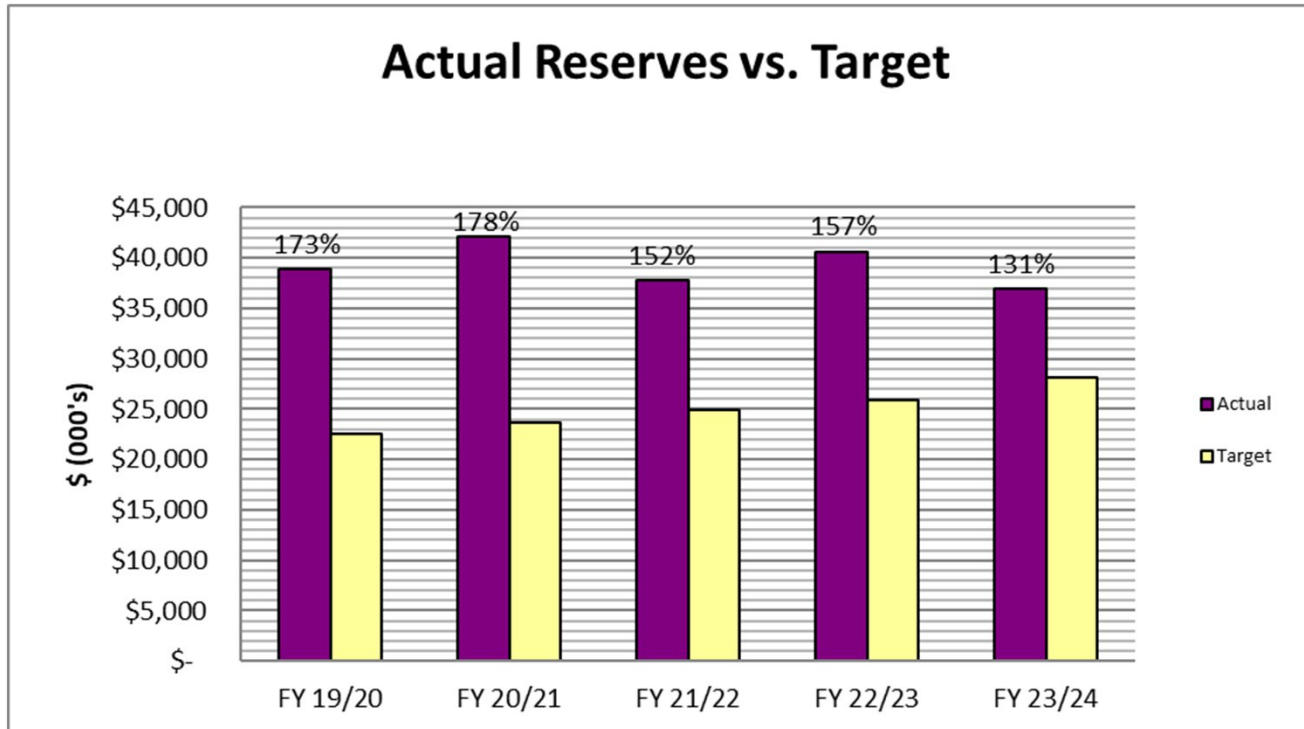


## Electric Utility Reserve Policy (June 30, 2024)

Purpose	Target*	Actual**
Operating Reserve	\$ 28,190,044	\$ 36,950,098

\*Includes change approved by Council to remove Capital Reserve Target and purchase spare transformer

\*\*Includes cash held locally and at NCPA



*Cash balances support City Council approved reserve requirements and provide funds for pay as you go Capital Improvement Projects.*



## Capital Improvement Project 5-Year Spending Plan

Project	FY 23-24 Actual*	FY 24-25 Approved Budget	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast
Distribution Capacity Program	\$721,661	\$230,000	\$0	\$0	\$0
Underground / Overhead Maint	\$1,560,055	\$835,000	\$835,000	\$835,000	\$835,000
Streetlight Maintenance / Repair	\$44,114	\$100,000	\$100,000	\$100,000	\$100,000
LED Streetlight Improvements	\$28,217	COMPLETE	COMPLETE	COMPLETE	COMPLETE
230 kV Interconnection Project**	\$13,745	\$1,525,000	\$25,000	\$25,000	\$25,000
Substation Maint / Improvements	\$2,491,099	\$405,000	\$370,000	\$100,000	\$100,000
Building/Security Improvements	\$6,999	\$100,000	\$0	\$0	\$0
Work for Others (includes State of CA Natural Gas Plant)	\$2,616,917	\$750,000	\$750,000	\$750,000	\$750,000
Vehicles & Equipment	\$1,532,983	\$0	\$713,000	\$500,000	\$260,000
<b>Total Projects</b>	<b>\$9,015,790</b>	<b>\$3,945,000</b>	<b>\$2,793,000</b>	<b>\$2,310,000</b>	<b>\$2,070,000</b>

\* Preliminary unaudited; rollover of unspent funds from FY 24 will be included in FY 25 Q1 report

\*\*Includes planning and design costs only – construction costs will be debt financed; FY 25 includes down payment for long lead time equipment



## 5-Year Financial Forecast Looking Ahead

	<b>FY 23-24 Actual</b>	<b>FY 24-25 Budget</b>	<b>FY 25-26 Forecast</b>	<b>FY 26-27 Forecast</b>	<b>FY 27-28 Forecast</b>
<b>Available Cash</b>	<b>\$36,950,098</b>	<b>\$38,328,918</b>	<b>\$39,189,371</b>	<b>\$40,065,371</b>	<b>\$40,928,657</b>
Days Cash	152	144	145	145	145
<b>Reserve Target</b>	<b>\$28,190,044</b>	<b>\$30,601,460</b>	<b>\$31,683,832</b>	<b>\$32,206,672</b>	<b>\$32,741,188</b>
<b>% of Target</b>	<b>131%</b>	<b>125%</b>	<b>124%</b>	<b>124%</b>	<b>125%</b>

- Forecast assumes funding of all budgeted full-time positions in future years
- Forecast will be updated after final FY 24 audit
- Includes 2023 and 2024 rate adjustments approved by Council



## Power Sales (June 30, 2024)

Power Sales (kWh)		
Customer Class	Budget	Actual
Residential	161,895,894	162,306,642
Small Commercial	161,927,733	164,070,893
Large Commercial/Small Industrial	49,485,468	44,194,575
Industrial	66,159,348	71,854,849
<b>Total</b>	<b>439,468,443</b>	<b>442,426,959</b>

Revenue (\$)			
Customer Class	Budget	Actual	Average Base Rate (w/ECA)
Residential	\$ 37,919,850	\$35,433,389	\$ 0.1809 (\$0.2183)
Small Commercial	\$ 35,484,660	\$32,263,749	\$ 0.1600 (\$0.1966)
Large Commercial/Small Industrial	\$ 9,179,360	\$ 8,034,049	\$ 0.1435 (\$0.1818)
Industrial	\$ 9,245,770	\$10,049,290	\$ 0.1040 (\$0.1399)
<b>Total</b>	<b>\$ 91,829,640</b>	<b>\$85,780,477</b>	<b>\$ 0.1570 (\$0.1939)</b>



## ECA Revenue (June 30, 2024)

Customer Class	Total (\$)
Residential	\$ 6,066,058
Small Commercial	\$ 6,007,147
Large Commercial / Small Industrial	\$ 1,691,115
Industrial	\$ 2,573,871
<b>Total Revenue</b>	<b>\$ 16,338,191</b>



## Electric Utility Fund Operating Results (June 30, 2024)

	Budget	Actual	% of Budget
Personnel	\$ 13,327,530	\$ 11,400,589	86%
Supplies, Materials, Services	\$ 5,496,060	\$ 4,641,969	85%
Other Payments	\$ 1,631,100	\$ 1,128,489	69%
Utilities	\$ 83,400	\$ 78,950	95%
<b>Total Operating Expenses</b>	<b>\$ 20,538,090</b>	<b>\$ 17,249,997</b>	<b>84%</b>



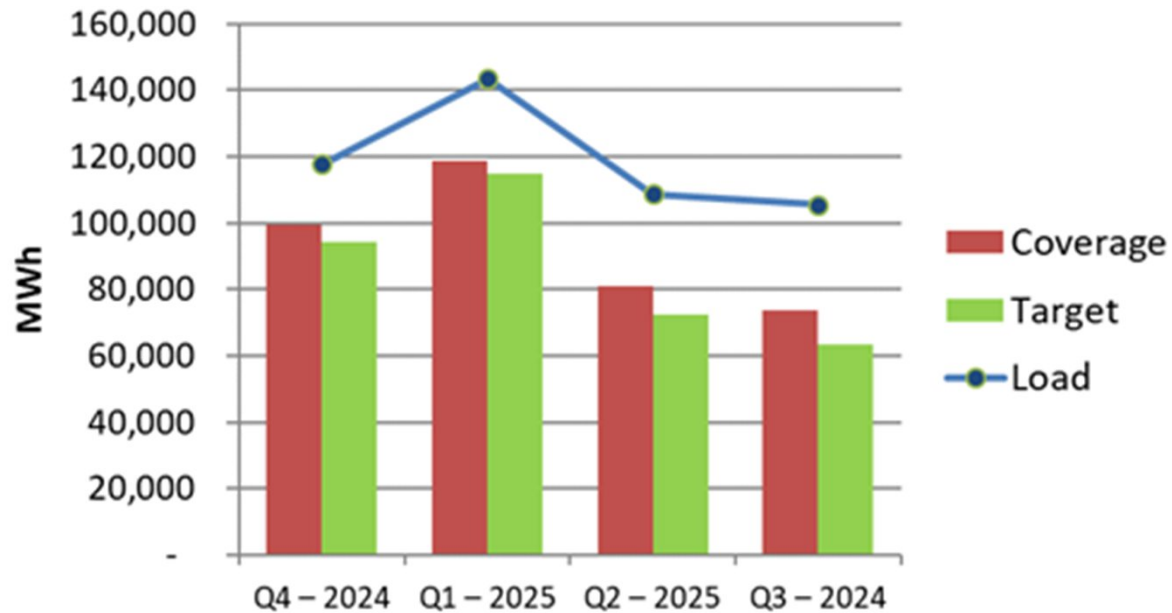


## Power Supply Costs (June 30, 2024)

	Budget	Actual	% of Budget
Generation	\$ 40,895,090	\$ 38,161,598	93%
Transmission	\$ 15,481,940	\$ 13,395,901	87%
Management Services	\$ 1,541,860	\$ 1,163,778	76%
<b>Total Power Supply Costs</b>	<b>\$ 57,918,890</b>	<b>\$ 52,721,277</b>	<b>91%</b>

# Load Coverage

	MWh Load	ROC Matrix Target	Load Coverage (Including Purchases)
Q4 – 2024	117,894	80.0%	84.3%
Q1 – 2025	143,428	80.0%	82.8%
Q2 – 2025	108,806	66.7%	74.6%
Q3 – 2024	105,647	60.0%	69.8%



- LEU continues to meet or exceed Risk Management targets



# Risk Oversight Committee (ROC) Report Highlights

- 5 ROC meetings held January – June 2024
  - Provided market conditions and hedging update
  - Discussed confidential Cap and Trade strategy and activities
  - Authorized sale of July 2024 Resource Adequacy (RA)
  - Approved forward energy and gas purchases 2024-2026
  - Recommended approval of NCPA Transmission Owner Rate Case Program Agreement
  - Approved Low Carbon Fuel Standard Credit sale
  - Completed annual review of Energy Risk Management Policy and approved non-substantive changes as authorized by City Attorney
  - Discussed revisions to Energy Procurement and Hedging Guidelines
  - Recommended approval of public electric vehicle pilot charging rate
  - Discussed confidential renewable energy procurement opportunities
  - Approved 2023 Power Source Disclosure Report
  - Approved 2023 Renewables Portfolio Standard (RPS) Report
  - Approved 2023 GHG Use of Allowance Proceeds Report



# Project Highlights

- Customer
  - Hosted annual Key Accounts Event and Lunch April 11, 2024
  - Provided energy efficiency and electric vehicle rebates totaling approximately \$250,000 January – June 2024
- Technology
  - Completed public outreach efforts associated with EV Charging Infrastructure Master Plan
  - Joined County delegation in Washington DC to advocate for Hydrogen Hub Project funding
- Reliability
  - Continued substation modernization and upgrade work
  - Completion of all generator testing for initial capacity associated with Peaker Plant Project
  - Implemented new electronic system for tracking distribution system inspections

## Project Highlights (cont'd)

- Financial
  - Implemented new charging fee for all City owned public EV charging stations
  - Approval of Transmission Owner Rate Case Agreement with NCPA to actively engage during rate setting process impacting member transmission costs
- Workforce Planning
  - Implementation of Phase I reorganization efforts to modernize and improve utility operations
    - Addition of Electric Utility Technician
    - Reclassification of Rates & Resources Manager to Assistant Director
    - Reclassification of Sr. Power Engineer to Engineering Operational Technology Supervisor
    - Reclassification of Sr. Power Engineer to Engineering Planning and Design Supervisor



# Public Works Department Water/Wastewater

## **FY 24 Quarterly Update** (Ending June 30, 2024)



## Wastewater Fund Cash Flow Summary

(Ending June 30, 2024)

	Budget	Actuals	% of Budget
<b>Revenue</b>			
Sales	17,630,520	17,888,688	101%
Development Impact Mitigation Fees	1,718,770	1,112,859	65%
Other (interest, septic, misc.)	100,000	1,258,057	126%
<b>Total Revenues</b>	<b>19,449,290</b>	<b>20,259,604</b>	<b>104%</b>
<b>Expenses</b>			
Operating	10,249,300	10,487,753	102%
Capital (budget includes 5-year CIP roll over funding)	27,971,797	7,019,508	25%
Debt Service	3,462,650	3,293,173	95%
Cost of Services Payment To General Fund	1,168,742	1,086,174	93%
<b>Total Expenses</b>	<b>42,852,489</b>	<b>21,886,608</b>	<b>51%</b>
Beginning Cash (Operations Only)		22,938,311	
Ending Cash (Operations Only)		29,729,297	
<b>Recommended Reserve Target (180 Days Cash on Hand)</b>		<b>7,311,689</b>	
Days Cash (Excluding Capital)		732	
% of Target – 180 Days Cash on Hand		407%	



# Wastewater Operating Results

(Ending June 3, 2024)

	Budget	Actuals	% of Budget
Personnel	\$ 5,157,030	\$ 5,859,107	114%
Supplies, Materials, Services	\$ 3,083,510	\$ 2,825,901	92%
Equipment, Land, Structures	\$ 285,000	\$ 209,765	74%
Other Payments	\$ 583,110	\$ 433,703	74%
Utilities	\$ 1,110,650	\$ 1,159,278	104%
Work for Others	\$ 30,000	-	0%
<b>Total Operating Expenses</b>	<b>\$ 10,249,300</b>	<b>\$ 10,487,753</b>	<b>102%</b>



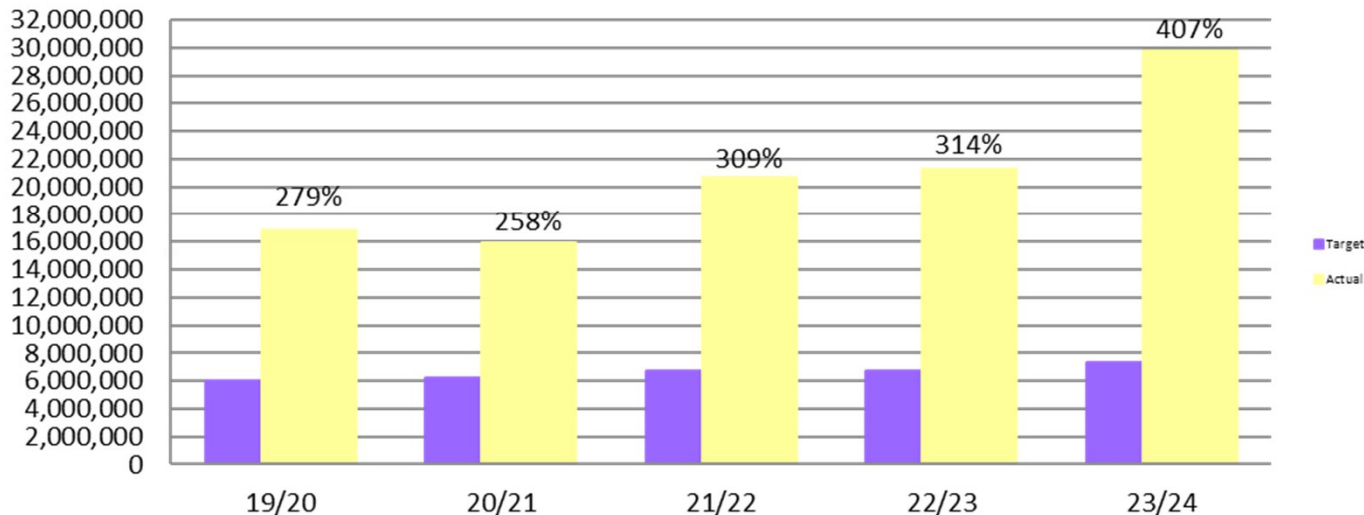


# Wastewater Funds Cash Balances

(Ending June 30, 2024)

Operating (530)	29,729,297
Utility Capital / Infrastructure Replacement (531),520,972	1,621,553
Capital Reserve (532) (Fund used to pay White Slough COP Debt Service)	(3,679,288)
Wastewater IMF (533)	474,879
Rate Stabilization Reserve (534)	500,000
Storm Drain IMF (535)	2,716,288
<b>Total</b>	<b>31,362,729</b>

**Actual Reserves vs. Target**



*Amounts above reserve target are held for scheduled capital maintenance*



# 5-Year Financial Forecast

	<b>FY 24-25 Forecast</b>	<b>FY 25-26 Forecast</b>	<b>FY 26-27 Forecast</b>	<b>FY 27-28 Forecast</b>	<b>FY 28-29 Forecast</b>
Available Cash	\$14,841,140	\$13,248,140	\$11,957,140	\$9,839,140	\$8,788,140
Days Cash (180 day target)	322	291	256	220	185
Minimum Reserve Target (25%)	\$4,151,000	\$4,155,500	\$4,257,000	\$4,080,500	\$4,325,500
Reserve Target (50%)	\$8,302,000	\$8,311,000	\$8,514,000	\$8,161,000	\$8,651,000
% of 180 Days Cash Target	179%	162%	142%	122%	103%



# Wastewater Planned Capital Projects

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Project Planning	\$3,309	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
MUS PW Building Roof	\$101,219					
Misc. System Relocations/Taps		\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Wastewater Main Replac./Lining Proj.	\$737,260		\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Storm Drain Trash Handling	\$291,044	\$350,000	\$350,000		\$750,000	\$750,000
Lodi Lake Storm Pump/Trash Handling		\$200,000		\$2,000,000		
Storm Water Pump Rehab	\$91,681			\$750,000	\$200,000	\$200,000
Storm Drain System Improvements	\$356,692	\$400,000	\$400,000	\$400,000		
Beckman Trash Handling					\$750,000	
Vehicles /Equipment	\$394,149	\$1,336,607	\$75,000	\$75,000	\$75,000	\$75,000
Irrigation Improvements			\$750,000		\$1,000,000	
Security Fencing, Cameras, Solar		\$300,000				
Upgrade Blowers					\$750,000	
Industrial/Domestic Pump Replacement		\$500,000	\$500,000			
Electrical Upgrades/SCADA Construction	\$2,554,984	\$12,078,505				
Dredge Pond 1 and EQ Pond 1	\$172		\$200,000			
DWP-H2 Replacement		\$15,000				
Cloth Filter Media Replacement		\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Primary Chain Flights			\$60,000		\$40,000	
UV Design/Replacement					\$250,000	\$2,000,000
Primary WW Treatment Rehab			\$500,000	\$500,000	\$500,000	
Aeration Diffuser Replacement	\$491,628	\$2,420,446				
Pump/Equipment Upgrades		\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Fan Press Replacement (Solids Handling)	\$1,997,371	\$567,412				
Unspecified Treatment Plant Rehab					\$1,000,000	\$1,000,000
<b>Total</b>	<b>\$7,019,508</b>	<b>\$18,697,971</b>	<b>\$5,215,000</b>	<b>\$5,105,000</b>	<b>\$6,895,000</b>	<b>\$5,405,000</b>



## Water Fund Cash Flow Summary

(Ending June 30, 2024)

	Budget	Actuals	% of Budget
<b>Revenue</b>			
Sales	14,026,980	14,087,324	100%
Development Impact Mitigation Fees	867,190	794,631	92%
Other (interest, tap fees, water meters, misc.)	390,000	1,959,996	503%
<b>Total Revenues</b>	<b>15,284,170</b>	<b>16,841,951</b>	<b>110%</b>
<b>Expenses</b>			
Operating	9,127,835	8,548,858	94%
Capital (budget includes 5-year CIP roll over funding)	6,696,481	977,595	15%
Debt Service	1,928,750	1,849,479	96%
Cost of Services Payment To General Fund	1,179,016	1,098,408	93%
<b>Total Expenses</b>	<b>18,932,082</b>	<b>12,474,340</b>	<b>66%</b>
Beginning Cash (Operations Only)		13,160,069	
Ending Cash (Operations Only)		16,786,876	
<b><i>Recommended Reserve Target (180 Days Cash on Hand)</i></b>		<b>5,654,137</b>	
Days Cash (Excluding Capital)		534	
% of Target – 180 Days Cash on Hand		297%	



# Water Operating Results

(Ending June 30, 2024)

	<b>Budget</b>	<b>Actuals</b>	<b>% of Budget</b>
Personnel	\$ 3,721,539	\$ 3,672,317	99%
Supplies, Materials, Services	\$ 2,147,166	\$ 1,870,512	87%
Equipment, Land, Structures	\$ 110,000	\$ 31,259	28%
Other Payments	\$ 1,828,020	\$ 1,893,215	104%
Utilities	\$ 1,212,260	\$ 972,705	80%
Work for Others	\$ 108,850	\$ 108,850	100%
<b>Total Operating Expenses</b>	<b>\$ 9,127,835</b>	<b>\$ 8,548,858</b>	<b>94%</b>

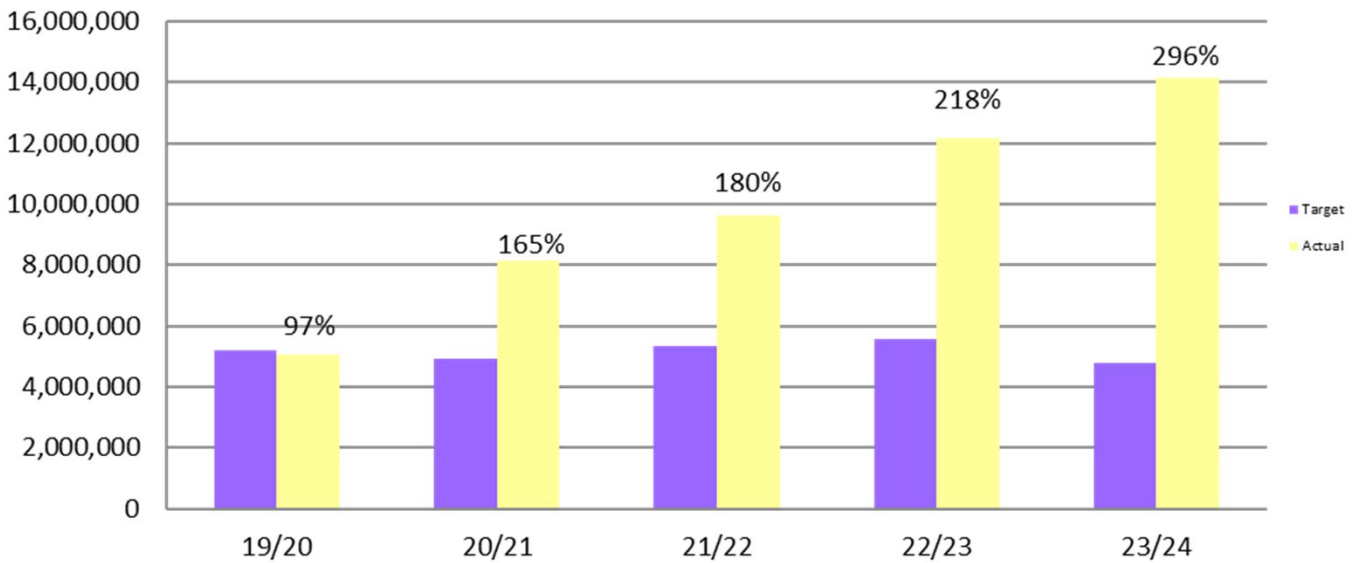


## Water Funds Cash Balances

(Ending June 30, 2024)

Operating (560)	16,786,876
Utility Capital / Infrastructure Replacement (561)	1,006,120
IMF (562)	5,905,180
PCE/TCE Settlements	7,981,885
PCE/TCE Rates (565)	3,330,498
<b>Total</b>	<b>35,010,559</b>

**Actual Reserves vs. Target**



*Amounts above reserve target are held for scheduled capital maintenance*



# 5-Year Financial Forecast

	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast
<b>Available Cash</b>	\$16,630,740	\$18,215,240	\$19,683,275	\$22,740,880	\$24,685,092
Days Cash (180 day target)	464	501	530	598	635
Minimum Reserve Target (25%)	\$3,227,000	\$3,319,000	\$3,392,000	\$3,468,000	\$3,545,000
Reserve Target (50%)	\$6,454,000	\$6,638,000	\$6,784,000	\$6,936,000	\$7,090,000
% of Days Cash Target	258%	278%	294%	332%	353%



## Water Planned Capital Projects

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Water Meter/Main Install. Project		\$2,100,000					
Water Taps/Mains	\$19,485	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Water Meter Replacement Program (1% per yr.)		\$75,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
GAC & Meter Repl (DBCP)	\$545,504	\$354,496	\$425,000	\$450,000	\$475,000	\$500,000	\$525,000
Raise Utilities to Grade		\$150,000					
MUS PW Admin Building Roof	\$101,219						
4R Water Tank Re-Coat					\$200,000		
SWTF PS Generator		\$1,100,000					
SWTF Membrane Replacement			\$1,250,000	\$1,125,000			
SWTF Transmission Line Expansion Design/Constr.					\$2,000,000		
SWTF Capacity Expansion							\$25,000,000
Well Site Generators				\$200,000		\$200,000	
Water Well Rehab	\$163,350	\$832,400	\$650,000	\$675,000	\$700,000	\$725,000	\$750,000
Vehicles/Equipment	\$139,987	\$60,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Project Planning	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
<b>Total</b>	<b>\$977,595</b>	<b>\$4,746,896</b>	<b>\$2,650,000</b>	<b>\$2,975,000</b>	<b>\$1,775,000</b>	<b>\$1,825,000</b>	<b>\$28,675,000</b>





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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Authorizing the Designation of Applicant's Agent Resolution for Non-State Agencies (FIN)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Andrew Keys, Assistant City Manager

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**RECOMMENDED ACTION:**

Adopt a Resolution Authorizing the Designation of Applicant's Agent Resolution for Non-State Agencies.

**BACKGROUND INFORMATION:**

The City Council previously approved the Cal OES Form 130 in 2020 which designates the Applicant's Agent Resolution for Non-State Agencies that is required of all Applicants to be eligible to receive federal disaster relief and certain grant funding.

A new resolution must be submitted if a previous resolution is older than three (3) years. The proposed resolution is a universal resolution that is effective for all open and future disasters or eligible grants declared for up to three (3) years following the date of approval.

Staff recommends that the Lodi City Council designate the City Manager, Assistant City Manager, and Accounting Manager positions as agents authorized to execute for and on behalf of the City documents necessary for the City to obtain federal financial assistance for disaster relief or grant programs as described in the attached Cal OES Form 130 Designation of Applicant's Agent Resolution for Non-State Agencies.

**STRATEGIC VISION:**

3A. Fiscal Health: Promote City's transparency & fiscal fluency.

**FISCAL IMPACT:**

Approving this resolution will ensure the City is prepared to receive funding in eligible disaster scenarios preserving valuable local resources for continued service delivery.

**FUNDING AVAILABLE:**

Not applicable

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Scott R. Carney  
City Manager



**DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE City Council OF THE City of Lodi  
 (Governing Body) (Name of Applicant)

THAT City Manager, OR  
 (Title of Authorized Agent)

Assistant City Manager, OR  
 (Title of Authorized Agent)

Accounting Manager  
 (Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the City of Lodi,  
 (Name of Applicant)

a public entity established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining federal financial assistance for any existing or future grant program, including, but not limited to any of the following:

- **Federally declared Disaster (DR), Fire Mitigation Assistance Grant (FMAG), California State Only Disaster (CDAA), Immediate Services Program (ISP), Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities (BRIC), Legislative Pre-Disaster Mitigation Program (LPDM)**, under
- Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.
- **Flood Mitigation Assistance Program (FMA)**, under Section 1366 of the National Flood Insurance Act of 1968.
- **National Earthquake Hazards Reduction Program (NEHRP)** 42 U.S. Code 7704 (b) ((2) (A) (ix) and 42 U.S. Code 7704 (b) (2) (B) National Earthquake Hazards Reduction Program, and also The Consolidated Appropriations Act, 2018, Div. F, Department of Homeland Security Appropriations Act, 2018, Pub. L. No. 115-141
- **California Early Earthquake Warning (CEEW)** under CA Gov Code – Gov, Title 2, Div. 1, Chapter 7, Article 5, Sections 8587.8, 8587.11, 8587.12

That the City of Lodi, a public entity established under the  
 (Name of Applicant)



laws of the State of California, hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

**Please check the appropriate box below**

- This is a universal resolution and is effective for all open and future disasters/grants declared up to three (3) years following the date of approval.
- This is a disaster/grant specific resolution and is effective for only disaster/grant number(s): \_\_\_\_\_

Passed and approved this 20<sup>th</sup> day of November, 2024

**Lisa Craig, Mayor**

\_\_\_\_\_  
 (Name and Title of Governing Body Representative)

**Cameron Bregman, Council Member**

\_\_\_\_\_  
 (Name and Title of Governing Body Representative)

**Alan Nakanishi, Council Member**

\_\_\_\_\_  
 (Name and Title of Governing Body Representative)

**Ramon Yopez, Council Member**

\_\_\_\_\_  
 (Name and Title of Governing Body Representative)

**Mikey Hothi, Council Member**

\_\_\_\_\_  
 (Name and Title of Governing Body Representative)

**CERTIFICATION**

I, Olivia Nashed, duly appointed and City Clerk of  
 \_\_\_\_\_  
 (Name) (Title)

City of Lodi, do hereby certify that the above is a true  
 \_\_\_\_\_  
 and (Name of Applicant)



correct copy of a resolution passed and approved by the City Council  
 (Governing Body)

of the City of Lodi on the **20<sup>th</sup>** day of November, 2024.  
 (Name of Applicant)

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

City Clerk  
 \_\_\_\_\_  
 (Title)



### Cal OES Form 130 Instructions

**A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted resolution is older than three (3) years from the last date of approval, is invalid, or has not been submitted.**

When completing the Cal OES Form 130, Applicants should fill in the blanks on pages 1 and 2. The blanks are to be filled in as follows:

#### **Resolution Section:**

**Governing Body:** This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

**Name of Applicant:** The public entity established under the laws of the State of California.

Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

**Authorized Agent:** These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the California Governor's Office of Emergency Services regarding grants for which they have applied. There are two ways of completing this section:

1. **Titles Only:** The titles of the Authorized Agents should be entered here, not their names. This allows the document to remain valid if an Authorized Agent leaves the position and is replaced by another individual. If "Titles Only" is the chosen method, this document must be accompanied by either a cover letter naming the Authorized Agents by name and title, or the Cal OES AA Names document. The supporting document can be completed by any authorized person within the Agency (e.g., administrative assistant, the Authorized Agent, secretary to the Director). It does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document, or their title changes.



**Checking Universal or Disaster-Specific Box:** A Universal resolution is effective for all past disasters and for those declared up to three (3) years following the date of approval. Upon expiration it is no longer effective for new disasters, but it remains in effect for disasters declared prior to expiration. It remains effective until the disaster goes through closeout unless it is superseded by a newer resolution.

**Governing Body Representative:** These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents. A minimum of three (3) approving board members must be listed. If less than three are present, meeting minutes must be attached in order to verify a quorum was met.

**Certification Section:**

**Name and Title:** This is the individual in attendance who recorded the creation and approval of this resolution.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member. If a person holds two positions (such as City Manager and Secretary to the Board) and the City Manager is to be listed as an Authorized Agent, then that person could sign the document as Secretary to the Board (not City Manager) to eliminate "Self-Certification."




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Declaring Intention to Reimburse Expenditures from the Proceeds of Obligations to be Issued by the City and Directing Certain Actions (FIN)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Andrew Keys, Assistant City Manager

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**RECOMMENDED ACTION:**

Adopt a Resolution Declaring Intention to Reimburse Expenditures from the Proceeds of Obligations to be Issued by the City and Directing Certain Actions

**BACKGROUND INFORMATION:**

The City will need to increase the capacity of the electric utility infrastructure to meet future growth demands. This resolution will provide the Lodi Electric Utility (LEU) the flexibility to reimburse capital expenditures from future debt issuance and facilitate necessary infrastructure improvements. The Lodi Electric Utility (LEU) currently operates a 60kV sub-transmission systems designed decades ago with the intent of serving forecasted electrical loads in the City based on then current historical growth and industry standards. Recent rapid growth in the community, state and federally mandated electrification requirements for vehicles and homes significantly impacted forecasted energy consumption and future infrastructure needs.

As a result, LEU forecasts additional load of 64 megawatts to be online by 2045 based on the need for vehicle electrification alone. This amounts to a 45 percent increase in the peak energy consumption for the City based on 2022 historical system peak data. Growth is anticipated primarily to the south, but also to the west and east of the current City limits. The current system is near limits and without more capacity to bring in power and to move power around more efficiently, LEU will be challenged to achieve City growth demands and electrification goals.

Two large projects are required to meet the forecasted load growth. First is the expansion of the existing 60kV system including two additional 60kV lines south of the existing Industrial Substation, proceeding west along the southern most boundary of any new annexed areas and eventually turning north to tie into LEU's future Westgate Substation site. Two new distribution substations, each of which will have two 35MVA distribution transformers, will be added along this route that will provide service capacity for the south and west sides of the City. This project will primarily benefit new development but will also serve existing development, improving efficiency, reliability and allowing for some measure of load growth in advance of the 230kV project's completion. The 60kV expansion project will need to be completed in advance of the buildout of new developments.

The City's existing 60kV system is a sub-transmission system. Currently, the only option for power to enter City limits is through sub-transmission system. Pacific Gas & Electric (PG&E) is currently developing the

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## COUNCIL COMMUNICATION

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Northern San Joaquin 230kV Transmission Project (230kV Project). The 230kV Project will allow the City to import additional power. Without the completion of the 230kV project, incoming capacity available from PG&E will not be sufficient to service forecasted load growth in the City. Completion of this project will substantially increase the City's ability to meet load growth on existing development required by mandated electrification goals as well as serve load growth from new development.

The City proposes to issue tax exempt debt to finance the construction of the 60kV Project and the 230kV Project (collectively, the Projects) and to use a portion of the debt proceeds to reimburse expenditures made for the Projects prior to debt issuance. The current supply chain requires down payments be placed on equipment necessary to complete the Projects. LEU anticipates placing down payments by end of 2024 or 1st quarter 2025. Tax exempt debt is subject to regulation by the Internal Revenue Service. United States Income Tax Regulation section 1.250-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure. This resolution declares the intention to reimburse the expenditures and allows any eligible expenditures from now to debt issuance to be reimbursed by the anticipated tax-exempt financing.

The resolution before Council provides flexibility for LEU to receive reimbursement to its capital funds from eventual debt issuance for any expenditures incurred from 60 days prior to adoption of the resolution, or September 21, 2024. The resolution does not obligate the City to any future debt issuance nor does it require that the City reimburse specific expenditures from any potential debt issuance. The purpose of the resolution is to provide maximum flexibility so that during future discussions on project financing, City staff can present all options to City Council for potential financing. A maximum not to exceed value for debt issuance is a required component of this resolution. Given financing and project construction is anticipated to occur over a number of years, the amount is set conservatively at \$120,000,000.

### **STRATEGIC VISION:**

5E. Infrastructure: Proactive infrastructure development for Sphere of influence & growth areas.

### **FISCAL IMPACT:**

There is no immediate fiscal impact from adopting the resolution. The resolution provides flexibility so that during future financing discussions, the City has options to ensure the most efficient outcome for ratepayers.

### **FUNDING AVAILABLE:**

LEU anticipates no negative impact to rate payers from this financing. Currently LEU pays both a 60kV low voltage Transmission Access Charge (TAC) and a 230-kV high voltage TAC charge to receive power. When the 230kV project is complete, the low voltage TAC charge will no longer be required. The debt service from bonds is anticipated to be less than the current low voltage TAC. In addition, due to phasing out of low voltage TAC's system wide, those costs are rapidly increasing. It is likely LEU realizes ongoing savings from completion of the Projects.

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Jeff Berkheimer  
Lodi Electric Utility Director

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Scott R. Carney  
City Manager



RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF OBLIGATIONS TO BE ISSUED BY THE CITY AND DIRECTING CERTAIN ACTIONS

=====

WHEREAS, the Lodi Electric Utility (“LEU”) 60kV sub-transmission system was designed and constructed decades ago with the intent of serving forecasted electrical loads in the City of Lodi (“City”) based on historical growth and industry standards at the time; and

WHEREAS, over the years, changes have occurred in the electric utility industry which have significantly impacted forecasted energy consumption and future infrastructure needs; key amongst these dramatic changes include vehicle and building electrification; and

WHEREAS, LEU forecasts that an additional 64 megawatts (“MWs”) of electrical load will be online by 2045 based on State and Federal requirements for vehicle electrification alone; this additional electric load accounts for a 45 percent increase in the peak energy consumption for the City based on 2022 historical system peak data; and

WHEREAS, in addition to the significant load growth forecast from electric vehicle adoption, the City is currently evaluating areas for annexation to the south, west and east of the existing City boundaries and LEU service territory, and this annexation and the anticipated new construction associated with the annexation is expected to add additional electrical load to an already stressed system; and

WHEREAS, based on these factors, as well as the need for building additional system redundancy and reliability into the existing infrastructure, LEU will need to undertake a significant expansion of its 60kV sub-transmission and distribution systems (“60kV Project”); and

WHEREAS, based on preliminary design, LEU anticipates needing to install two additional 60kV lines south out of the existing Industrial Substation, proceeding west along the southern most boundary of any new annexed areas, and eventually turning north to tie into the future LEU Westgate Substation site; these new 60kV lines will energize two new distribution substations, each of which will have two 35MVA distribution transformers and will provide service capacity to new developments in the south and on the west sides of the City; and

WHEREAS, the 60kV Project will need to occur prior to ultimate build out of these new developments and will also be dependent upon the construction of Pacific Gas & Electric Company’s (“PGE”) 230kV transmission system expansion into the City and LEU’s construction of a new 230kV bulk substation at LEU’s point of interconnection with PG&E at Industrial Substation – also known as the Northern San Joaquin 230 kV Transmission Project (“230 kV Project”); and

WHEREAS, until the 230kV Project is complete and online, incoming capacity available from PG&E will not be sufficient to service forecasted load growth in the City; and

WHEREAS, the City proposes to issue debt for the 60kV Project and the 230kV Project (collectively, "Projects") and to use a portion of the proceeds of such debt to reimburse expenditures made for the Projects prior to the issuance of the debt; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the City declares its official intent to reimburse the expenditures referenced herein.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi does hereby declare as follows:

Section 1. The City intends to issue tax-exempt obligations (the "Obligations") for the purpose of paying the costs of the Projects.

Section 2. The City hereby declares that it reasonably expects (i) to pay certain costs of the Projects prior to the date of issuance of the Obligations and (ii) to use a portion of the proceeds of the Obligations for reimbursement of expenditures for the Projects that are paid before the date of issuance of the Obligations.

Section 3. The maximum principal amount of the Obligations is \$120,000,000.

Dated: November 20, 2024

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I hereby certify that Resolution No. 2024-\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2024-\_\_\_\_




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement for Professional Services with California Capital Financial Development Corporation to Provide Additional Time to Perform Marketing, Underwriting and Administration of the Lodi Hometown Microloan Program (ED)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Luis Aguilar, Economic Development Director

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**RECOMMENDED ACTION:**

Adopt a resolution authorizing the City Manager to execute Amendment No. 1 to the Agreement for Professional Services with California Capital Financial Development Corporation to provide additional time to perform marketing, underwriting and administration of the Lodi Hometown Microloan Program.

**BACKGROUND INFORMATION:**

On November 15, 2023, by Resolution No. 2023-253, the Lodi City Council approved an Agreement for Professional Services with California Capital Financial Development Corporation for the underwriting and administration of the Lodi Hometown Microloan Program. The City Council also authorized an expenditure not to exceed \$450,000 to fund the program. The Agreement was for a one-year term commencing on November 29, 2023.

The Lodi Hometown Microloan Program provides business loans of up to \$50,000 to entrepreneurs and small business owners with ten or fewer employees who have experienced barriers to traditional sources of capital. These loans are available to applicants located within the Lodi City limits. The Lodi Hometown Microloan Program aligns with the City Council's Strategic Vision by providing economic growth opportunities to Lodi's small businesses.

There are two components to the Lodi Hometown Microloan Program; a fee-based approach and a leveraged capital approach. The fee-based approach provides \$340,000 in City-funded capital, with principal and interest payments contributing towards a revolving loan fund for future business loans. The leveraged capital approach provides \$250,000 in capital from California Capital Financial Development Corporation's sources.

To date, three loans have been approved to local businesses through the Lodi Hometown Microloan Program totaling \$97,500 in funding. In addition to the three funded loans, California Capital Financial Development Corporation is currently reviewing three more applications for potential funding. Marketing for the program is ongoing and includes promotion through City partners such as the Lodi Chamber of Commerce, Downtown Business Alliance and Small Business Development Center, as well business walks, social media and financial workshops. Currently there is a principal amount of \$242,500 remaining that is available for lending through the program.

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## COUNCIL COMMUNICATION

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Staff recommends execution of Amendment No. 1 with California Capital Financial Development Corporation and replacing Exhibit A, which was the approved City of Lodi Hometown Microloan Program guidelines as the original document in the contract, with Exhibit B, which is the revised City of Lodi Hometown Microloan Program guidelines, and extending the Agreement term. A key update to the program guidelines now clearly designates non-profit entities as eligible borrowers and promotes diversity within the applicant pool. In addition, refinancing of business debt is identified as an eligible activity under the loan policy. This will allow borrowers to reduce their liabilities with a lower interest rate and as result, have more working capital to inject back into their business. Finally, the loan term was updated to five years, making it consistent with the intent of the program as referenced throughout the guidelines.

### **STRATEGIC VISION:**

2B. Economic Development: Expand and diversify economic opportunities.

### **FISCAL IMPACT:**

Funds are available in the FY 2025 Community Program Fund operating budget.

### **FUNDING AVAILABLE:**

Account No. 36510102.75028

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Scott R. Carney  
City Manager

AMENDMENT NO. 1  
CALIFORNIA CAPITAL FINANCIAL DEVELOPMENT CORPORATION  
AGREEMENT FOR PROFESSIONAL SERVICES

THIS AMENDMENT NO. 1 TO AGREEMENT FOR PROFESSIONAL SERVICES ("Amendment No. 1"), is made and entered this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and CALIFORNIA CAPITAL FINANCIAL DEVELOPMENT CORPORATION, a California Public Benefit nonprofit corporation (hereinafter "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into an AGREEMENT FOR PROFESSIONAL SERVICES for the provision of turnkey underwriting and administration of the Hometown Microloan Program on November 29, 2023 ("Agreement"), as set forth in Exhibit 1, attached hereto and made part of; and

2. WHEREAS, CITY requests to amend the Agreement term to November 30, 2028, with an option to extend the Agreement an additional two years upon approval of both parties, to provide additional time to perform marketing, underwriting and administration of the CITY's Hometown Microloan Program; and

3. WHEREAS, CITY desires to replace Exhibit A of the Agreement to make minor modifications to the Hometown Microloan Program guidelines to provide additional clarification on eligibility and terms and replace with those shown in Exhibit 2; and

4. WHEREAS, CONTRACTOR agrees to said amendments.

NOW, THEREFORE, the parties agree to amend the Agreement as set forth above. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 1 on the date and year first above written.

CITY OF LODI, a municipal corporation

CALIFORNIA CAPITAL FINANCIAL  
DEVELOPMENT CORPORATION, a  
California Public Benefit nonprofit  
corporation

\_\_\_\_\_  
SCOTT R. CARNEY  
City Manager

\_\_\_\_\_  
DEBBIE MURAMOTO  
President/CEO

Attest:

Approved as to form:

\_\_\_\_\_  
OLIVIA NASHED, City Clerk

\_\_\_\_\_  
KATIE O. LUCCHESI, City Attorney



**AGREEMENT FOR PROFESSIONAL SERVICES**

**ARTICLE 1**  
**PARTIES AND PURPOSE**

**Section 1.1 Parties**

THIS AGREEMENT is entered into on November 29 2023, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and California Capital Small Business Financial Development Corporation, a California Public Benefit nonprofit corporation, DBA California Capital Financial Development Corporation (hereinafter "CONTRACTOR").

**Section 1.2 Purpose**

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for the provision of turnkey underwriting and administration of the Hometown Microloan Program (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

**ARTICLE 2**  
**SCOPE OF SERVICES**

**Section 2.1 Scope of Services**

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

**Section 2.2 Time For Commencement and Completion of Work**

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be

counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

**Section 2.3 Meetings**

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

**Section 2.4 Staffing**

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

**Section 2.5 Subcontracts**

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

**Section 2.6 Term**

The term of this Agreement commences on December 1, 2023 and terminates upon the completion of the Scope of Services or on November 30, 2024, whichever occurs first.

## **ARTICLE 3** **COMPENSATION**

### **Section 3.1 Compensation**

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

### **Section 3.2 Method of Payment**

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

### **Section 3.3 Costs**

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

### **Section 3.4 Auditing**

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.



**ARTICLE 4**  
**MISCELLANEOUS PROVISIONS**

**Section 4.1 Nondiscrimination**

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry age, or any other criteria prohibited by law.

**Section 4.2 ADA Compliance**

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

**Section 4.3 Indemnification and Responsibility for Damage**

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

**Section 4.4 No Personal Liability**

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

**Section 4.5 Responsibility of CITY**

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

**Section 4.6 Insurance Requirements for CONTRACTOR**

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

**Section 4.7 Successors and Assigns**

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

**Section 4.8 Notices**

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY:                   City of Lodi  
                                  221 West Pine Street  
                                  P.O. Box 3006  
                                  Lodi, CA 95241-1910  
                                  Attn: Business Development Manager

To CONTRACTOR:       California Capital Financial Development Corporation  
                                  1792 Tribute Road  
                                  Suite 270  
                                  Sacramento, CA 95815

**Section 4.9 Cooperation of CITY**

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

**Section 4.10 CONTRACTOR is Not an Employee of CITY**

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

**Section 4.11 Termination**

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

**Section 4.12 Confidentiality**

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

**Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees**

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

**Section 4.14 City Business License Requirement**

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

**Section 4.15 Captions**

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

**Section 4.16 Integration and Modification**

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

**Section 4.17 Contract Terms Prevail**

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

**Section 4.18 Severability**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**Section 4.19 Ownership of Documents**

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

**Section 4.20 Authority**

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

**Section 4.21 Federal Transit Funding Conditions**

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

**Section 4.22 Counterparts and Electronic Signatures**

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

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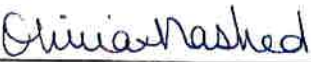
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IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:

CITY OF LODI, a municipal corporation

  
\_\_\_\_\_  
OLIVIA NASHED  
City Clerk

  
\_\_\_\_\_  
ANDREW C. KEYS  
Interim City Manager

APPROVED AS TO FORM:  
KATIE O. LUCCHESI, City Attorney

California Capital Small Business Financial  
Development Corporation, a California  
Public Benefit nonprofit corporation, DBA  
California Capital Financial Development  
Corporation

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

By:   
\_\_\_\_\_  
Name: Debbie Muramoto  
Title: President/CEO

Attachments:  
Exhibit A – Scope of Services  
Exhibit B – Fee Proposal  
Exhibit C – Insurance Requirements  
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 36510102.75C28  
(Business Unit & Account No.)

Doc ID:

CA: Rev.10.2023-CA

## EXHIBIT A



### THE CITY OF LODI HOMETOWN MICROLOAN PROGRAM

#### EXECUTIVE SUMMARY

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California Capital Financial Development Corporation (California Capital) proposes to administer the City of Lodi Hometown Microloan Program to provide loans to entrepreneurs and micro business owners in the City of Lodi. Aligned to the mission of California Capital, this program will prioritize borrowers who are low-income, minority, women, disabled and veteran small business owners, with the objective of helping these businesses thrive and building financial capacity to qualify for future capital needs. We wholeheartedly support the efforts of the City of Lodi to establish a revolving loan fund and to foster a local continuum of entrepreneurship and small business services to promote business growth, attraction, and retention. This proposal demonstrates our capacity, mission alignment, and ready-to-deploy capital programs that will help the City of Lodi achieve these goals.

#### A Hybrid Approach

California Capital will adopt a hybrid approach to administering the program as described in the Request for Proposal, with the objective of establishing a revolving loan fund for the City of Lodi while leveraging additional capital from our Lending Center to support the diverse needs of borrowers.

**Lodi Hometown Microloan Fund** - \$340,000 of the total City of Lodi budget will be used to establish the primary source of funds for the Microloan Program. From this pool of capital, California Capital use a fee-based approach to originate, underwrite, and administer the loans. Leveraging the criteria provided in the Hometown Microloan Policy and Administrative Procedures Manual, we anticipate approximately 16 loans with an average loan size of \$21,000. Repayment from these loans will revolve back to the City of Lodi along with interest, growing the Revolving Loan Fund over the 5-year repayment of the loans.

**Leveraged Capital** - California Capital will supplement the Lodi Microloan Hometown Fund with approximately \$250,000 in additional capital from our microloan and small business loan programs. Our loan policies closely match the City of Lodi's loan policies and we embrace partnerships which can help lower interest rates and fees for small businesses. Our Leveraged Capital programs will address borrowers who may need additional capital beyond the average amount of a loan under the Lodi Hometown Microloan Fund up to \$50,000 through packaging of Participation Loans, establish an additional reserve of capital to meet demand, and to lower the interest rate and fees for the borrower.



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The attached Lodi Hometown Microloan Program Budget provides an overview of the costs and estimates of fees and repayment based on an assumed average interest rate of 5.0% amortized over 5 years.

## 1. OUR HISTORY: CAPITAL AND CAPACITY TO SERVE COMMUNITIES

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California Capital FDC was founded in 1982 as a mission-based organization focused on delivering capacity building programs and access to capital, with a goal of creating asset and wealth development in low-to-moderate income and underinvested communities.

For 40 years, California Capital has participated in the **Small Business Loan Guarantee Program**, through which we provide credit enhancements through The California Infrastructure and Economic Development Bank (IBank) to businesses seeking bank loans of up to \$2.5 million.

Certified by the U.S. Department of Treasury as a **Community Development Financial Institution (CDFI)** since 2002, California Capital has continually offered financial education, business development services, and microloan programs as a means of fostering economic development in the communities we serve.

In 2019, with the support of the Economic Development Administration (EDA), Wells Fargo, and the CDFI Fund, we established **California Capital's Lending Center**, providing microloans of up to \$50,000 and small business loans of up to \$150,000. Since 2019, The Lending Center has provided \$3,990,441 in small business loans, helping 55 businesses start and grow. Most recently, we were designated as a SBA Intermediary Microlender to provide microloans of up to \$50,000 throughout 25 counties.

Funded in part by the Small Business Administration since 2012, **California Capital's Women's Business Center (WBC)** offers a continuum of entrepreneurial development programs and services based in Sacramento, Yolo, Yuba, Placer, El Dorado, and San Joaquin counties. Our WBC is closely aligned with California Capital's mission to offer a wide range of products and services to increase economic opportunities and access to capital for underserved communities and women-owned small businesses. The WBC also offers specialized programs for childcare businesses.

**California Capital's APEX Accelerator** (formerly known as PTAC) was established in 2014 through a cooperative agreement with the Department of Defense, and helps small businesses prepare for, pursue and perform on government contracts, providing one-on-one counseling tailored to the needs of individual businesses, training workshops and webinars from beginning to advanced level topics, and a customized Bid Match service. The APEX Accelerator serves 16 counties in Northern California.

The **Sacramento Valley Small Business Development Center (SBDC)** was established in 2022 and serves Sacramento, Yolo, Yuba, and Sutter counties. Part of the Northern California Network of Small Business Development Centers, the Sacramento Valley SBDC provides a wide breadth of business advising and training, and collaborates with other SBDCs to deliver effective client services.

Capacity-building is an important pillar of our community development strategy. California Capital provides a continuum of small business development services to support entrepreneurs and small business owners,





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and increase access to business networks and revenue-generating opportunities. Our business development services are provided at no cost to clients through three core business development centers.

## 2. LOAN FINANCIAL POLICIES

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City of Lodi and California Capital Loan Policies are generally consistent. Eligible activities stated in the City of Lodi agreement are eligible under California Capital's loan policies. Our maximum loan term is seven years, equity requirements are lower than City of Lodi's—20% for start-up and 10% for existing business. Collateral and debt service requirements are consistent.

### Eligible Borrowers:

1. Must be a micro business; defined as a business with 10 employees or less.
2. Must have legal right to remain in the United States
3. Must be in the service area of the jurisdictional limits of the City of Lodi; Loan proceeds must be deployed in Lodi
4. Be a start-up, newly established, or growing for profit micro business concern
5. To be eligible, a business must be appropriately structured as a corporation, limited liability corporation, partnerships, sole proprietorships or non-profit organization with a business purpose.

### Eligible Activities:

- Machinery/Equipment purchase
- Purchase of a business
- Inventory
- Tenant Improvements
- Life, health, safety improvements
- Soft project costs
- Working Capital

### Ineligible Activities:

- Refinancing of personal debt
- Land or real estate investment
- Businesses involved in gambling and in performance or products of a prurient sexual nature
- Smoke and vape shops
- Pyramid schemes
- Lines of credit

**Loan Term** - Up to 7 years, fully amortized. In general, the loan term will not exceed the average useful life of the assets being financed.

**Loan Fees** - Borrower will not incur any loan fees as identified in Exhibit B-Compensation.



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**Closing Costs** - The borrower will not incur any closing costs.

**Equity Requirements** - 10% of project costs for existing businesses and up to 20% for start-up businesses. Costs that the business owner have incurred prior to the loan request may be considered provided the applicant can provide paid receipts or invoices.

**Cash Flow Coverage** - The debt service coverage ratio is 1:1 for global and business

**Credit Score** - No minimum credit score. However, a borrower's credit history is a key component to understanding their "willingness" to repay. It is California Capital's policy to avoid making loans to borrowers whose credit report reflects any of the following derogatory items if such items can't be reasonably explained:

- Delinquencies
- Collections
- Charge-offs
- Restructured Credits
- Short Sales
- Deed in Lieu transactions
- Foreclosures
- Liens, Garnishments or Judgments
- Litigation
- Previous Bankruptcy

**Collateral** – Loans will be collateralized to the maximum extent possible to ensure an adequate secondary source of repayment.

Collateralized security may include, but not be limited to, machinery and equipment, furniture and fixtures, real estate, inventory and receivables. UCC-1 will be filed with the Secretary of State to secure equipment, fixtures, furniture, receivables, inventory and other non-real estate assets. Generally, collateral pledged through UCC-1 filings shall not be pledged to other lenders or for other obligations of a business. Real estate deeds of trust will be forwarded to the County for recording.

**Personal guarantee** – a guarantee will be required of any principal having a twenty percent (20%) or more ownership in the company. Owners of less than 20% and personnel who hold key management positions may also be asked to guarantee the loan if deemed necessary to ensure repayment.

**Insurance requirements** – General Liability, Hazard Insurance, Worker's Compensation (if there are employees shall be required

Key Person Life Insurance will be required depending on the size and nature of the transaction.

**Portfolio Diversification** - California Capital loan policy is to provide financing for start-up companies. Currently, the new businesses represent 59% of the loan outstanding amount of its loan portfolio. Due to high percentage of start-ups in the portfolio, California Capital is being more "selective" with this group.



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The City's high threshold of limiting any one business category to 65% of total outstanding is consistent with California Capital's policy.

### 3. FIXED INTEREST RATES BASED ON PRIME RATE

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Loans made by the Hometown Microloan Program funds are fixed-rate loans currently identified as five percent. At such time, the Federal Open Market Committee establishes a new target range which exceeds the target range in effect on September 21, 2023, this rate will remain in effect. In the event the target range in effect on this date increases, California Capital and the City of Lodi shall mutually agree to a new fixed interest rate. California Capital is responsible for monitoring the target Federal Funds rate.

California Capital loans are fixed-rate loans based on current prime interest. Therefore, California Capital proposes using the prime interest rate with a spread plus or minus based on desired interest rate. It should be noted that the prime rate has increased 5.25% over the last two years with additional increases to be expected. Based on your objective of providing borrower a lower interest rate, a floor and ceiling would seem appropriate.

Currently, California Capital's interest rate is based on the current prime interest rate plus 5% quoted in the Wall Street Journal (Prime Rate), up to a maximum of nine and three-quarter percent (9.75%) and fixed at the time of loan approval. Based on the requirements of our loan programs, the minimum interest rate is four percent (4%) or 75% below Prime Rate, or the maximum interest rate allowed under State law, whichever is lower, but in no event shall the interest rate be less than four percent (4%).

### 4. 60-DAY LOAN ADMINISTRATION

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In terms of underwriting, approving, and closing loans within a 60-day time period, California Capital uses a web-based on-line application portal called Lenderfit whereby borrowers upload the needed documents for each stage of the application process, from pre-qualification, application, closing and funding. Communication with the borrower regarding the status of these items is through the portal, with borrowers receiving reminders each Monday to upload the remaining items in each phase. Our Business Development Officer also calls applicants to follow up and assist when needed.

All Lodi-based applicants who are not loan-ready will be referred to the San Joaquin County Small Business Development Center for one on one small business consulting and practical financial education

The timing of the prequalification review, underwriting, and approval depends on how "loan ready" the applicant is. If the applicant is able to provide the application documents at each stage of the process, the prequalification can take place within 2 days; underwriting and approval within 2-3 weeks and closing and funding within 2-3 weeks (no more than 60 days). Total processing time is typically 35-45 days. Again, this timing depends on how "loan ready" the business is.



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## Loan Processing and Payments

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The following policies and procedures will be followed to process financial transactions for the Lodi Hometown Microloan Fund and California Capital's Leveraged Capital Fund as subject to this agreement.

### Lodi Hometown Microloan Fund

**Disbursement:** The City of Lodi will disburse the principal loan amount for each loan individually to California Capital within 30 days of the approval of a loan. Loan disbursements will be made by California Capital to the individual borrower no more than 30 days from receipt of the principal loan amount from City of Lodi.

**Loan Fees:** The City of Lodi will pay all loan fees associated with loans approved each month, based on the loan fee schedule in the Exhibit B, as a one-time payment within 30 days of an approved invoice submitted by California Capital. All fees are non-refundable.

**Loan Repayments:** Repayments of principal and interest will be deposited in California Capital's Business account in Comerica Bank once received on ACH pulls from borrower's accounts.

**Revolving Loan Fund:** Borrower principal and interest repayments to the Lodi Hometown Microloan Fund will be paid to California Capital; California Capital will issue payment for all principal and interest payments received from borrowers to the City of Lodi's Revolving Loan Fund account on a monthly basis.

**Late Fees:** Late fees on all borrower repayments will reside with California Capital.

**Non-repayment:** The City of Lodi will assume all risk of loss on all loans made through the Lodi Hometown Microloan Fund.

### California Capital's Leveraged Capital Fund

**Disbursement:** When a loan is approved, California Capital will deploy the funds within 30 days of the approval.

**Loan Fees:** The City of Lodi will pay all loan fees associated with loans approved each month, based on the loan fee schedule in the Exhibit B, as a one-time payment within 30 days of an approved invoice submitted by California Capital. All fees are non-refundable.

**Interest Buy-Down Payments:** Interest Buy-down payments will only be paid on Leveraged Capital Loans. The City of Lodi will pay the entire Interest Buy-Down as a one-time payment for each loan within 30 days of an approved invoice. California Capital will apply interest buy-down repayments from these funds to the loan with each borrower repayment. If a loan defaults, the remaining interest buy-down payments will be reimbursed to the City of Lodi.



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**Loan Repayments:** Repayments of principal and interest will be deposited in California Capital's Business account in Comerica Bank once received on ACH pulls from borrower's accounts. California Capital will concurrently run amortization schedules on closed loans for both 5% (borrower's rate) and California Capital's rate (9.75%) to assess the prepaid interest buy-down. If a loan is defaulted, the remaining interest buy-down amount will be reimbursed to the City of Lodi.

**Late Fees:** Late fees on all borrower repayments will reside with California Capital.

**Non-repayment:** California Capital will assume the risk of loss on all loans made through California Capital's Leveraged Capital Fund.

**Monthly Invoicing:** Monthly invoices will be submitted by California Capital to the City of Lodi within 30 days of the end of each month. Invoices will include charges for all Loan Fees and Interest Buydown payments associated with all loans approved during the month.

**Reporting:** California Capital will provide a monthly report accompanying invoices. The report will include:

- All loans approved and disbursed within the month being reported
- Current status of all loans including repayment history and outstanding principal and interest
- List of outreach activities conducted to promote the program
- List of TA referrals made to the San Joaquin SBDC. Total TA provided by California Capital per loan, i.e. post-loan TA appointments.

## 5. CLIENT-FOCUSED SERVICES

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At California Capital, our business advising, training, and lending services are built around the client experience. Recognizing each business as unique, we conduct intake and technical assistance assessments with every new client and borrower.

Applicants who are seeking financing start by registering on our website for assistance. Within 24 hours, our Business Development Officer contacts the applicant to assess their financing needs. If the client is not ready for financing, they are referred to appropriate resources. Applicants who meet basic criteria are then invited to our on-line web-based application portal, called Lenderfit.

The Loan application process is divided into four stages: Prequalification, Application, Closing and Funding. Each stage has a checklist of documents the applicant must complete or upload. Communication regarding these items are handled through Lenderfit, which the applicant can easily access via computer or their mobile phone. We have used the portal for two years and it has become an extremely efficient and



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user-friendly tool to receive application documents, process loan requests and communicate with our borrowers.

In our experience, many small business owners are not “loan ready” in terms of having their tax returns prepared and filed or financial statements prepared, whether year-end or year-to-date. Some need help with projections while others have had credit issues that need to be resolved.

In these cases, our Business Development Officer will connect the applicant with a business advisor. However, this assistance can often take several weeks to a month to provide, depending on the borrower’s responsiveness. We have found that the extent to which we can connect a borrower with a business advisor to assist with these matters, the more likely the borrower will qualify for and receive a loan.

## 6. LOAN UNDERWRITING

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All loan applications involve a review of business and personal tax returns, interim financial statements and/or cash flow projections in order to assess repayment ability, both from the business on its own and on a global basis. Loans are structured to meet the customer’s needs but terms will have to meet the risk and lending policy framework.

California Capital is a member of the Risk Management Association (RMA) and uses data from the RMA web-based portal to research a particular industry and its trends. With this data, we compare balance sheet ratios of the business to those in the industry to assess the viability and financial health of the business applicant.

Each loan review involves a site visit by our Director of Lending and Business Development Officer prior to the issuance of a Letter of Interest, and then, by our Credit Administrator during the underwriting stage and prior to presenting the loan to our Loan Approval Committee/Board.

All loans are risk rated at the time of application (and again on an annual basis) to assess overall risk relating to six criteria: repayment ability, industry experience, credit, collateral support, guarantor support and availability of working capital.

California Capital’s existing service delivery includes the Racial Equity Lens (REL) underwriting criteria and adopts an asset-framing approach, looking at additional factors that indicate a willingness and ability to repay outside of traditional underwriting criteria. In the calendar year 2022 we created our first loan loss reserve fund to ensure lending to underserved and underbanked communities with adverse credit risk.

Our current underwriting criteria reflects the key elements of a Racial Equity Lens (REL) underwriting criteria: Commitment, Character, Conditions, and Capacity. Our practices include: Pre- and post-funding technical assistance with vetted business advisors, who come from a diverse background and diverse business ownership experiences to offer culturally relevant coaching and empowerment; A holistic approach to credit evaluation that also includes a focus on credit reporting as opposed to credit scores

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used by banks; “Asset Framing,” looking at strengths, not only weaknesses of borrower; attending ongoing meetings with business advisors, including check-ins for financial statements; family/peer testimonials; flexible repayment structures to ensure the sustainability of the loan alongside technical assistance sessions or relationship building meeting at least once per quarter; and measuring the capacity of the business via historical business and personal tax returns (up to 3 years), financial statements and projections (if available), and / or monthly bank statements. Through the wrap-around continuum of business development resources, many of our borrowers have received pre-loan technical assistance, training, business counseling, connection to market opportunities, and post-loan follow-ups. With our current Racial Equity Lens underwriting criteria, we want to expand opportunity and innovative capacity for SEDI small business owners in, and be a hub for entrepreneurship and economic growth and development planning.

## 7. LOAN APPROVALS AND RISK RATING

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Loans are approved upon completion of a Credit Memorandum. Loans up to \$25,000 are approved by the Director of Lending. Loans between \$25,001 and \$50,000 are approved by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Loans over \$50,000 are approved by the Loan Approval Board (LAB). The LAB meets as needed and a meeting is typically scheduled within the week that the Credit Memorandum is complete.

Our current risk rating is on a 1 – 4 range, with above 3 indicating high default risk. This score is based on industry experience, credit score, collateral support, working capital, and guarantor support. Despite weaknesses, mitigating circumstances such as adequate global cash flow and/or liquidity exist to an extent where ongoing repayment ability is likely. These credits are then reviewed more regularly to determine if identified weaknesses/risks are improving or further deteriorating and provide outreach and technical service as needed.

Technical Assistance is offered to applicants who score a 3 or above, with prescribed interventions and best practices to improve upon client metrics used in our risk assessment. This helps clients take corrective measures to qualify for loans in the future. The Racial Equity Lens is another tool we use to underwrite high default risk for clients through non-traditional repayment ability and credit assessment.

During our underwriting, our Credit Analyst risk rates each loan using a risk rating matrix. The matrix uses the following attributes, which are each weighted:

- Repayment Ability
- Industry Experience
- Working Capital Levels
- Credit issues/FICO Score
- Collateral Support
- Guarantor Support



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As a Financial Development Corporation (FDC), we are able to partner with other FDCs to guarantee direct loans. Using this practice expedites capital infusion and improves the efficiency of our ability to service the loan. Applied strategically, this will allow California Capital to revolve loans more quickly and grow the loan fund to impact more businesses.

Risk rating reoccurs annually after the receipt of a borrower's financials. Loans with risk rating above 3 are placed on a Watch List. Loans on the watchlist are subject to monthly financial statement requirements and more comprehensive technical assistance requirements.

## 8. LOAN CLOSING AND DOCUMENTATION

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Once a loan has been approved, California Capital's Loan Closing Coordinator (LCC) collects the documents needed for closing through the Lenderfit portal and prepares loan documents. The LCC collects evidence of insurance, ACH payment information, invoices and receipts as needed, and/or vehicle registration information (i.e. in the case of a truck purchase). Once loan documents are prepared, the LCC forwards them to the borrower for review and sets up a closing date whereby the LCC and Business Development Officer meet with the borrower to review the loan documents and answer questions. Once the documents are signed, the LCC processes the loan disbursements and forwards them to our Chief Financial Officer for approval. Depending on the use of proceeds (whether funds are disbursed to a third-party vendor or to the borrower) funding takes place within 2-5 days after closing. Projects involving tenant improvements might take longer to fund since disbursements are made in stages as the work is completed.

## 9. LOAN SERVICING AND MONITORING

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California Capital has a full-time Loan Portfolio Manager (LPM) whose focus is overseeing loan payments, collecting financials and insurance certificates on an annual basis and managing requests for deferments or change in payment amounts, if needed. The LPM uses DownHome, a web-based portal to record payments and service our loans. Loan statements are generated by DownHome monthly and emailed to borrowers. Our LPM also handles all defaults when they occur, contacting borrowers to find out the reason for a non-payment and to work with them to assess whether business advising services are needed to assist with the issues causing the default.

We require all start-up businesses owners and particular borrowers who score at a 3 or higher to receive individualized post-loan technical assistance from our Women's Business Center, Small Business Development Centers or SCORE.

## 10. KEY STAFF AND LOAN APPROVALS

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Loans of \$50,000 and under, once approved by underwriting, are approved internally by the Director of Lending and CEO, creating a streamlined process for loan approvals.



### Key Staff

- Robert Gonzales is our Director of Lending, with extensive experience in Banking, Leadership, SBA Lending, and the CDC / CDFI Industry. Mr. Gonzales has a proven track record of excellence in management, corporate strategy, underwriting, and loan production.
- Brian Zscheile serves as our Business Development Officer, identifying potential borrowers, connecting them with business advisors, and assisting with the loan application process. Mr. Zscheile brings over 25 years of experience in lending, client relationship management, and business advising.
- Sunita Maharaj – Loan Portfolio Manager, has over 20 years of underwriting and SBA Loan experience. Sunita formerly served as the Director of Norcal SBDC Finance Center, and in addition to underwriting provides loan readiness training and assesses borrower needs for post-loan TA.
- Deborah Lowe Muramoto, President / CEO, provides oversight and strategic direction for the Director of Lending and California Capital’s Loan Funds. Mrs. Muramoto has worked for California Capital for 33 years, leading with innovation to expand services in the scope of California Capital’s mission.
- May Masunaga, Chief Financial Officer, is a Certified Public Accountant and is responsible for administering California Capital’s Loan Funds
- Mike Schremmer, Chief Operations Officer, is responsible for grant administration, reporting, and data systems administration.

### 11. CALIFORNIA CAPITAL LOAN FUNDS

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Please see the [Lending Program Matrix](#) attachment for details on our individual loan products.

### 12. TECHNICAL ASSISTANCE SERVICES

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We are committed to driving continuous improvements to make our loan products more accessible, build the creditworthiness of borrowers, and increase our client’s capacity to succeed. Through our programs and referrals to partner organizations, many of our borrowers will receive individualized technical assistance, training, business counseling, and connection to market opportunities.

Technical Assistance will be provided through California Capital’s Lending Center, Women’s Business Center, and through referral to the San Joaquin SBDC. A detailed description of our programs has been provided in Section 1 of this proposal.

This continuum of business development services extends to requirements for borrowers to receive post-loan technical assistance, mitigating risk and enabling us to lend to borrowers who may be excluded through traditional institutional channels.

### 13. HOMETOWN MICROLOAN PROGRAM MARKETING PLAN

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California Capital will perform a comprehensive, targeted marketing strategy for the City of Lodi Revolving Loan fund. This will be accomplished by:

- Utilize California Capital’s marketing department to develop digital and social marketing and print collateral to educate and promote the City of Lodi Hometown Loan Program.
- Provide outreach, assistance and marketing/sales to the local banking community with emphasis on Bank of Stockton, Farmers & Merchants Bank, and Valley Strong.
- Providing and participating in Access to Capital functions. Invite the San Joaquin SBDC to co-host a Capital Summit in Lodi, an event we have held in the past with our neighboring SBDCs.
- Work closely with local SBDC, Women’s Business, and the Chamber to establish a strong partnership and create referrals both ways.
- Feet on the Street - Our BDO, Brian Zscheile, will reach out to and visit businesses to create awareness for the Lodi small business community.
- California Capital will take part in local business events and promote the program.
- Establish a relationship with Navy Federal Credit Union to assist their veteran business members for financing



**California Capital**  
*Financial Development Corporation*

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## DIRECT LENDING POLICY

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*California Capital Financial Development Corporation  
1792 Tribute Road, Suite 270 | Sacramento, CA 95815  
(916) 442-1729*

[www.cacapital.org](http://www.cacapital.org)

*Adopted: December 1, 2020  
Revised September 16, 2021,  
August 18, 2022 & February 28, 2023*

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## **POLICY STATEMENT**

It is the policy of California Capital to grant credit in a way that complies with all applicable laws and regulations, the principles of sound risk management, and California Capital's mission of providing creative financing solutions to underserved small businesses throughout our lending footprint. California Capital only makes loans to borrowers whose credit history and financial capacity demonstrate the willingness and ability to repay.

Direct lending activities are critical to the success of California Capital as a mission-based non-profit. The purpose of this policy is to define the operating philosophy, standards and responsibilities governing California Capital's direct lending activities. Together with California Capital's credit procedures and guidelines, this policy serves as a framework and guide for the organization's lending personnel.

This Policy will be reviewed by management and the Loan Approval Board and approved by the Board of Directors at least annually in order to ensure that California Capital's lending activities reflect both the organization's strategic plan as well as ever-changing industry best practices.

California Capital evaluates the needs of the communities in its lending footprint and develops credit products and processes to address those needs. This includes products with flexible underwriting standards, credit applications and approval processes aimed at satisfying identified needs while preserving the safety and soundness of California Capital's operations. All extensions of credit and other activities that include credit risk must comply with all applicable government regulations, fair lending guidelines, and this Policy.

California Capital will obtain and analyze sufficient information to ensure that a loan purpose is lawful and that the borrower is willing and able to repay as promised. Credit will be structured consistent with supporting analysis and will be monitored as appropriate for adverse changes in borrower circumstances. When repayment is threatened, California Capital will take prompt action to protect its interests.

This Policy does not cover California Capital's indirect lending activities where California Capital facilitates the making of loans not carried on its books. Indirect lending activities include, but are not limited to, loans made through the Small Business Loan Guarantee Program, Disaster Relief Loan Guarantee Program, Jump Start Loan Program and RUST Loan Program. For policies relating to indirect lending activities, please refer to program documents published by each indirect lending program's sponsor/lender.

## **AUTHORITIES & RESPONSIBILITIES**

### **Management Responsibilities**

The **President/Chief Executive Officer ('CEO')** is responsible for managing the organization and overseeing its direct lending loan portfolio. The CEO accomplishes this

through delegation of responsibilities as appropriate and direct involvement in the Loan Administration Board as required.

The **Chief Financial Officer (“CFO”)**, although not a regular participant in direct lending activities, is responsible for ensuring that the organization’s loan portfolio is accurately accounted for in accordance with GAAP. The CFO is also responsible for ensuring the adequacy of the organization’s reserve for loan losses.

The **Director of Lending (DOL)** is responsible for the implementation of this Direct Lending Policy and the management, review, tracking, reporting and direct oversight of the organization’s direct lending portfolio. The DOL will ensure that procedures are developed and implemented which allow for the prudent management of credit. The DOL is also charged with developing new credit products and services which support the credit needs of California Capital’s customer base while ensuring the safety and soundness of the organization.

The **Operations Director (‘OD’)** is responsible for ensuring that California Capital meets all current regulatory requirements. The OD is to remain current on all regulatory requirements and to inform management when there are significant changes requiring a change in policy or procedures. In addition, the OD is to aid the DOL in developing new products or modifying old products within current regulatory rules and guidelines.

### **Board of Directors Responsibilities**

The **Board of Directors (‘Board’)** is responsible for:

- Appointing the President/CEO
- Adopting and annually approving this Direct Lending Policy
- Ensuring that the CEO and executive management team has the requisite experience and ability to manage the organization’s direct lending portfolio in accordance with applicable regulatory agency requirements and the principals of safe and sound lending practices

### **Loan Administration Board Responsibilities**

The **Loan Administration Board (‘LAB’)** is responsible for:

- Recommending the Direct Lending Policy for approval
- Approving Direct Lending Underwriting Guidelines
- Reporting to the Board on the organization’s current lending activities and condition of the loan portfolio
- Approving loans above the credit limit authorized by the Board for the CEO/President, CFO, and DOL
- Holding regular meetings as needed
- Advising and recommending legal remedies for loans in default
- Reviewing overall loan portfolio performance, including:
  - Review of monthly loan status reports

- Review of miscellaneous reports that may be periodically requested by Staff

The LAB shall be comprised of a maximum of eight members. The composition of the LAB shall be as follows:

- Up to three Commercial Bankers or Commercial Lending representatives
- California Capital President or his/her designee
- One Attorney with business experience or practice
- One Accountant or C.P.A
- A maximum of two representatives from the local business community, who may also be either the attorney or accountant representative
- A majority of the LAB members shall constitute a quorum; and
- Board members are recruited from the Service Area community to serve for two years prior to the renewal of the membership

### **Loan Officer/Underwriter Responsibilities**

**Loan Officers/Underwriters** are responsible for analyzing a credit request, preparing the appropriate underwriting memo, ensuring the appropriate information is available and, in the file, to determine and support the credit worthiness of the applicant, and make appropriate loan decisions or recommendations. Loan Officers/Underwriters ensure files are complete and in accordance with California Capital's underwriting and compliance standards and that the borrower has the ability and willingness to repay. They are tasked with suggesting appropriate loan structure(s) and ensuring that, when required, collateral appraisals or evaluations have been received and reviewed and support the credit as approved.

Once credit is approved, credit underwriters are responsible, with help from the Loan Closing Coordinator, to ensure that the appropriate loan documents are prepared and reviewed in a timely manner and that they reflect all requirements of the loan approval.

Once necessary signatures are obtained, the underwriter should ensure that the loan is successfully boarded onto the loan system.

Once a loan is booked, the credit underwriter is responsible for monitoring the credit for continued credit quality and timely reviews and renewals within California Capital's servicing guidelines. Any signs of credit deterioration must be promptly discussed with the DOL.

### **Loan Processing Coordinator Responsibilities**

The Loan Processing Coordinator ('LPC') is responsible for performing all administrative functions related to originating loans. Tasks include collecting application, financial and organizational documents from borrowers, entering borrower and financial data to the loan origination software package (Ventures+), reviewing all documents for



completeness and accuracy; analyzing credit obligations, debt, financial statements and projections; and providing Credit Underwriter with list of questions and synopsis of loan.

### **Loan Closing Coordinator Responsibilities**

The **Loan Closing Coordinator ('LCC')** is responsible for accurately documenting all approved loans. This includes not only developing and implementing standard loan documentation but also updating standard documentation as appropriate and maintaining it within California Capital's Policy, regulatory requirements and lending industry best practices. The LCC is also responsible for developing procedures to ensure that loans are consistently and prudently documented and booked.

### **Loan Portfolio Manager**

The **Loan Portfolio Manager (LPM)** is responsible for setting up payments in the servicing platform (Downhome), tracking and recording loan payments from borrowers, and maintaining updated payment information for funding agency reports. The Loan Portfolio Manager is also responsible for ensuring that booked loans are serviced in accordance with loan documentation and applicable regulations. The LPM is also responsible for maintaining a tracking system for loan covenants and requirements including items that are coming due, due, or delinquent. The LPM is also responsible for ensuring that loan collateral and related insurance is perfected and in place throughout the term of the loan.

**It is understood that the above positions could require additional tasks based on new programs and/or program changes.**

## **POLICY HIERARCHY & STRUCTURE**

There are three levels in California Capital's Credit Risk Policy hierarchy, including:

- Direct Lending Policy
- Underwriting Guidelines
- Direct Lending Procedures

### **Direct Lending Policy**

This Direct Lending Policy establishes the fundamental credit principles that guide California Capital's direct lending activities. This Policy, and any subsequent changes to it, is reviewed and recommended by the LAB and must be approved by the Board at least annually.

### **Underwriting Guidelines**

Underwriting Guidelines establish specific underwriting and documentation guidelines under which California Capital makes loans. Underwriting Guidelines are recommended by the DOL and must be approved by the LAB at least annually.

At a minimum, Underwriting Guidelines will establish acceptable standards for:

- Maximum loan to value ratios for secured loans
- Maximum loan term and amortization
- Minimum cash flow coverage ratios
- Requirements for guarantees and other credit enhancements
- Reporting requirements
- Documentation requirements

### **Direct Lending Procedures**

Direct Lending Procedures are the detailed procedures for analyzing, approving, documenting, funding, monitoring, and servicing loans in a way that adheres to California Capital's Direct Lending Policy and Underwriting Guidelines. Procedures are recommended by Management and must be approved by the DOL at least annually.

At a minimum, Direct Lending Procedures will address:

- Taking an Application
- Underwriting Format/Processes
- Approval Format/Processes
- Documentation Format/Processes
- File Format/Requirements
- Closing Processes
- Maintenance/Servicing Requirements
- Problem Loan/Special Assets Processes

### **Exception Approval and Reporting**

From time to time, California Capital may extend credit in a way that deviates from written policies, procedures and guidelines. Deviations from published Policy and Guidelines are considered "Policy Exceptions." Deviations from published procedures are known as "Procedure Exceptions." Exceptions must be approved as follows:

- Policy Exceptions – Must be approved by the LAB
- Procedure Exceptions – Must be approved by the DOL, CFO or OD

The DOL is responsible for tracking Policy Exceptions and reporting them to the Board at least quarterly. Below is a list of exceptions that California Capital will track.

### **Exception Types**

#### Policy Exceptions (reported to Board quarterly)

- DSCR
- LTV
- Loan Term
- Loan Amortization
- Guarantee

- Interest Rate
- Minimum Equity Injection

Procedure Exceptions (tracked internally by management)

- Financial Reporting
- Maintenance Covenants
- Required Closing Documents

**Policy Hierarchy & Approval Grid**

<b>Party Responsible to:</b>	<b>Direct Lending Policy</b>	<b>Underwriting Guidelines</b>	<b>Direct Lending Procedures</b>
<b>Recommend</b>	LAB	DOL	Management
<b>Approve</b>	Board	LAB	DOL
<b>Identify Exceptions</b>	DOL and Credit Team		
<b>Approve Exceptions</b>	LAB	DOL	DOL, CFO or OD
<b>Ensure Proper Exception Approval Prior to Documentation</b>	Closing Coordinator	Closing Coordinator	Closing Coordinator
<b>Track Exceptions</b>	DOL (or designee)		
<b>Report Exceptions to the Board</b>	DOL (or designee)		

**LOAN TYPES & STRUCTURE**

**Desirable Loan Types**

The following loan types are desirable to California Capital assuming that they are extended to Borrowers of sound character with well-identified sources of repayment:

- Revolving Lines of Credit (also known as Operating or Working Capital Lines of Credit) - These loans are made to support a borrower's cash-flow requirements during fluctuations of a business cycle. In general, RLOC's will be structured as follows:

<b>Term</b>	Up to 36 months
<b>Amortization</b>	N/A
<b>Payment Type</b>	Interest monthly, principal due at maturity
<b>Collateral</b>	UCC filing on business assets
<b>Interest Rate Type</b>	Variable

- **Term Loans** – Term loans are made for a variety of business reasons including but not limited to business acquisition, equipment purchase/refinance, or permanent working capital. In general, term loans will be structured as follows:

<b>Term</b>	Up to 7 years, not to exceed useful life of underlying collateral
<b>Amortization</b>	Equal to loan term (aka fully amortizing)
<b>Payment Type</b>	Monthly principal and interest
<b>Collateral</b>	UCC filing on business assets; specific filing/lien on equipment financed with loan; may also take lien on real estate as needed
<b>Interest Rate Type</b>	Variable or fixed

- **Commercial Real Estate Loans** – These loans are most commonly used to acquire or refinance real estate collateral. In general, CRE loans will be structured as follows:

<b>Term</b>	Up to 15 years, not to exceed useful life of underlying collateral
<b>Amortization</b>	Equal to loan term (aka fully amortizing)
<b>Payment Type</b>	Monthly principal and interest
<b>Collateral</b>	1 <sup>st</sup> or 2 <sup>nd</sup> D/T on real estate collateral
<b>Interest Rate Type</b>	Variable or fixed

- **Commercial Lines of Credit (CLOC)** – These loans are most commonly used to assist in the working capital which includes carrying accounts receivable and inventory. In general, CLCC loans will be structured as follows:

<b>Term</b>	12 months
<b>Amortization</b>	None
<b>Payment Type</b>	Monthly interest only with 30 day "clean up"
<b>Collateral</b>	UCC filing on business assets including accounts receivable and inventory
<b>Interest Rate Type</b>	Fixed for one year

### **Primary markets**

California Capital will focus its lending activities in geographical market areas defined as San Joaquin County north to the Oregon border, including coastal and inland counties.

While the majority of loans will be in this area, California Capital may choose to make loans outside of this market area when such loan(s) can be done in a prudent manner and for a purpose that aligns with California Capital's mission.

## **CREDIT STANDARDS**

It is California Capital's policy to ensure that all extensions of credit are prudently and consistently initiated, underwritten and monitored over time for signs of strain. Management is responsible for developing Procedures for the extension of credit in accordance with the organization's core credit standards, which are outlined below.

### **Taking an Application**

California Capital will document all credit applications in accordance with Procedures established by Management for the type of credit requested. California Capital defines a completed application as an application that it has received, which contains the information that California Capital regularly obtains and considers in evaluating applications for the amount and type of credit requested. This includes, but is not limited to, credit reports, financial statements and tax returns from parties on the loan, any additional information requested from the applicant, and any approvals or reports by governmental agencies or other persons that are necessary to guarantee, insure, or provide security for the credit or collateral.

### **Conflicts of Interest**

Lending staff will avoid making loans where other considerations may affect either the credit judgment exercised or the organization's ability to subsequently employ normal collection techniques. As an example, caution should be exercised in making loans to close relatives of employees since such loans can become embarrassing to handle given the personal relationships involved. Also, caution should be exercised on loans to a borrower for the purpose of financing the purchase of an automobile or other asset from an employee of the organization. Under no circumstances may lending staff make loans to their relatives, and loan applications from friends should be passed to another lending staff member for processing and approval.

### **Character/Credit**

A borrower's credit history is a key component to understanding their "willingness" to repay. It is California Capital's policy to avoid making loans to borrowers whose credit report reflects any of the following derogatory items if such items can't be reasonably explained:

- Delinquencies
- Collections
- Charge-offs
- Restructured Credits
- Short Sales
- Deed in Lieu transactions
- Foreclosures

- Liens, Garnishments or Judgments
- Litigation
- Previous Bankruptcy

Borrowers whose credit histories exhibit these characteristics should be carefully considered before granting credit and suitable explanations should be sought. Borrowers who cannot fully explain and mitigate credit flaws represent a high risk to California Capital and are discouraged.

### **Capacity**

A required compliment to a borrower's willingness to repay is his or her ability (aka "capacity") to repay an obligation. If a borrower cannot demonstrate income or assets to generate the necessary cash flow (primary source of repayment) to repay or does not possess the financial strength to weather unexpected challenges along the way, he or she may not have the capacity to repay in spite of their good character and credit rating. Therefore, it is California Capital's policy to appropriately determine a borrower's income, cash flow and financial strength prior to granting credit. The following borrower characteristics are key indicators of a borrower's capacity to repay their debts, depending upon the type of credit:

- For consumer and mortgage credit, sufficient income to repay the debt as witnessed by a debt-to-income ratio in line with industry standards
- For commercial credit, demonstrated cash flow in excess of debt service requirements (both stand-alone and global)
- Reasonable Leverage and Debt Levels
- Reasonable Liquidity to Satisfy Short Term Obligations
- History of Employment or Profitability

Borrowers lacking in characteristics demonstrating capacity based on the type of credit applied for should be carefully considered before granting credit. Borrowers exhibiting a lack of two or more of the required characteristics should be avoided.

### **Collateral/Secondary Source of Repayment**

Collateral, whether securing a loan or, in the case of unsecured credit, assets that are available and liquid, is fundamental to providing a strong secondary source of repayment. In spite of a borrower's willingness and ability at the inception of a loan, challenges during the term of a loan can diminish or eliminate capacity making it imperative that California Capital have a secondary source of repayment for its loan. It is the organization's policy to appropriately determine what collateral is available, its acceptability, value and salability, and ultimately what loan to value is appropriate given these characteristics.

Borrowers with minimal collateral or weak secondary sources of repayment should be carefully considered before granting credit. Borrowers with no collateral or secondary source of repayment should be avoided.

### **Guarantees**

California Capital generally requires the unlimited guarantee of any principal with 20% or greater ownership interest in the Borrowing entity.

Although guaranties may add support and mitigate an applicant's deficiencies (i.e., financial strength, collateral, or lack of credit history), they should not be used as a substitute for deficiencies in an applicant's character, poor credit history, or weak primary source of repayment.

No guarantees will be taken if they are prohibited under Regulation B (Equal Credit Opportunity Act). If the guarantee of a spouse is taken when that spouse does not meet any of the preceding criteria, the lending officer should document the reason(s) for obtaining a spousal guarantee in the credit file.

Personal guarantees are generally not required for non-profit entities, regardless of the legal structure of the entity, due to the lack of personal ownership and the difficulty in establishing legal consideration.

### **Matching Loan Purpose with Repayment Source**

It is California Capital's policy to understand loan purpose and analyze cash flow and sources and uses of cash before making a loan. The loan should then be structured so that it will be repaid on a schedule acceptable to California Capital from normal operating cash flows. In this manner, California Capital avoids financing unproductive or non-income producing assets and does not make loans which overburden the borrower's repayment ability.

### **Documentation**

The responsibility for proper documentation rests with the underwriter and the LPC. This includes ensuring that the documentation conforms to all requirements of the approval, is supported by appropriate entity documentation where required, and is properly signed and returned to California Capital prior to funding.

All extensions of credit must be evidenced by legally enforceable documents prepared by the organization's Loan Closing Coordinator, reviewed by the Underwriter and/or Director of Lending and when needed, the organization's legal counsel. Whenever possible, California Capital-approved forms should be utilized. Standard Documentation is to be reviewed and approved by California Capital's legal counsel at least annually.

## Reporting / Monitoring

Once a credit has been boarded, it must be monitored for compliance with any servicing requirements (e.g. required periodic financial statement and tax return submission and covenants), and for general performance within appropriate loan and credit agreement terms. In addition, California Capital will monitor credit performance both internally and externally through updated credit scores or other means available to California Capital. Monitoring is key to ensuring the safety and soundness of California Capital's direct loan portfolio.

All direct lending loans will be reviewed at least annually with an appropriate review memo to file. Loans with a higher risk profile (i.e. loans to borrowers with high leverage, minimal profitability, minimal working capital, weak cash flow) should be monitored at least quarterly or more often as necessary. Any disconcerting interim events or trends should be evaluated and reported to Management as necessary. All loans will be monitored at the portfolio level at least quarterly. Changes in portfolio activity, quality, concentrations, exceptions, will be reported by the DOL to the LAB at least quarterly.

## LOAN APPROVAL

Loans will be approved in accordance with authorities laid out in the following loan approval matrix:

### Loan Approval Authority Matrix

Credit Action	Approval Authority
Loans up to \$25,000*	Credit Underwriter and DOL
Loans Between \$25,001 - \$50,000	CEO and CFO
Loans over \$50,000	LAB
Troubled Debt Restructure	LAB
Non-accrual Designation	LAB and CFO
Liquidation	LAB

\*Loans up to \$25,000 shall be approved by the Credit Underwriter and the Director of Lending (DOL). When the Credit Underwriter has underwritten the loan, he/she shall present the loan to the DOL; If the DOL has underwritten the loan, then he/she shall



present the loan request to the Credit Underwriter. Both the Credit Underwriter and DOL must approve the loan request.

A newly hired Credit Underwriter must have six months experience underwriting loans for California Capital prior to having the authority to approve a loan. During the first six months of employment, the newly hired Credit Underwriter will present the loan to the Credit Underwriter and DOL, who shall have the authority to approve the loan request. After six months, the newly hired Credit Underwriter may present the loan directly to the DOL for approval.

If the DOL is not available to review and approve a loan presented by the Credit Underwriter, or the Credit Underwriter is not available to review and approve a loan presented by the DOL, then the CEO or CFO will provide the secondary approval.

### **Delegated Approval Authority**

From time to time, loans require certain structural changes after getting approved by the LAB. Such changes may result from competition, a changing project scope or otherwise. In order to allow California Capital to respond quickly to such changes without reconvening a LAB quorum, the DOL is granted delegated authority to approve the following changes to LAB-approved loans provided that such changes don't create any exceptions to California Capital's Direct Lending Policy:

- Increasing a loan commitment by up to 10%
- Decreasing an interest rate by up to 0.50%
- Changing collateral when, at the CLO's discretion, the change results in California Capital's security position being similar to the originally approved position
- Changing the Use of Proceeds of a Project
- For any changes other than those described above will be presented to the LAB for approval

Any changes approved through this delegated approval authority must be documented in a memo to the credit file, with the memo signed and dated by the DOL CLO. The memo should address the proposed change(s) and how it (they) impact(s) key underwriting metrics like DSCR, LTV, Current Ratio, Working Capital and Debt/Worth Ratio.

## **PORTFOLIO MANAGEMENT**

### **Risk Ratings and Standards**

An effective Risk Rating System is critical to Management's ability to assess the effectiveness of lending and underwriting staff, measure credit risk in the loan portfolio, and to ensure the adequacy of the organization's reserve for loan losses. Therefore, it

is California Capital's policy to use an effective Risk Rating System that consistently and accurately assesses credit risk to ensure informed decision making.

It is the responsibility of the Underwriter/Loan Officer and the DOL to properly rate and re-rate credits as necessary. The DOL shall establish procedures that ensure risk ratings are accurately assigned at loan inception and monitored over time for appropriateness based on changes to a loan's risk profile.

California Capital's Risk Rating System is outlined below:

<b>Risk Rating</b>	<b>Standard / Definition</b>
<p><b>1</b></p>	<p><b>PASS/ACCEPTABLE</b></p> <p>Credits with this rating should meet most if not all policy standards in regard to:</p> <ul style="list-style-type: none"> <li>• LTV</li> <li>• debt service coverage (DSC)</li> <li>• profitability</li> <li>• leverage</li> <li>• working capital</li> </ul> <p>The borrower should be in compliance with all loan covenants and loan agreement terms. Primary source of repayment may contain speculative features, but secondary support is clearly documented and acceptable.</p>
<p><b>2</b></p>	<p><b>PASS/WATCH</b></p> <p>Credits rated "2" are experiencing some sort of circumstance that requires a higher level of monitoring.</p> <p>Reasons for the increased scrutiny and monitoring may include but are not limited to:</p> <ul style="list-style-type: none"> <li>• deteriorated current cash flow and debt service coverage</li> <li>• deteriorating balance sheet or earnings trends</li> <li>• deterioration in industry or economic conditions</li> <li>• declining collateral values</li> <li>• increasing leverage</li> <li>• weak liquidity</li> <li>• failure to comply with some loan covenants and/or loan agreement terms</li> <li>• recent management changes which create an increased level of uncertainty</li> </ul> <p>Despite weaknesses, mitigating circumstances such as adequate global cash flow and/or liquidity exist to an extent where ongoing repayment ability is likely. These credits should be reviewed more regularly to determine if identified weaknesses/risks are improving or further deteriorating.</p>
<p><b>3</b></p>	<p><b>SPECIAL MENTION</b></p> <p>Credits rated "3" typically display many of the characteristics described for Risk Rating 2 – Pass/Watch loans above yet lack mitigating factors that would justify a Pass rating. If left unaddressed and uncorrected, these potential weaknesses may result in deterioration of the repayment prospects of the loan or may inadequately protect California Capital's position in the future. Although the global cash flow of the borrower may add support, it does not fully mitigate deterioration in the credit. These loans pose elevated risk but do not yet justify a substandard classification. Although a credit with this rating has a higher probability of default than a pass loan, its default is not imminent.</p>

**Risk  
Rating**

**Standard / Definition**

Characteristics of this type of credit are:

- loans where the obligor's balance sheet and/or cash flow is strained to a point where, if such strain is uncorrected, repayment of the loan according to terms is unlikely
- loans with strained cash flow where repayment is in part reliant upon global resources

A distinction between a Special Mention and Substandard is that a Special Mention Loan continues to pay as agreed and has identified weaknesses that, if not corrected, could result in the loan not being repaid according to terms. In the case of a Substandard loan, the loan may or may not be paying as agreed but the obligor lacks the viable plan and resources to ensure ongoing payment according to terms.

Special Mention should be used as a transition risk rating because, by definition, it denotes a loan with specific deficiencies that will either be sufficiently addressed before the borrower is unable to repay the loan according to terms (resulting in an upgrade) or continue to a point where ongoing payment according to terms is unlikely (resulting in a downgrade).

**4**

**SUBSTANDARD**

Credits rated "4" typically exhibit weaknesses that are well defined to the point where repayment is jeopardized. Loss potential is, however, not necessarily evident.

Current financial capacity is not sufficient to support the debt as currently structured. Financial condition, either through losses or balance sheet liquidity, indicates an inability to perform according to terms. While collateral may protect against loss, there is a strong probability that collateral liquidation outside the normal course of business, will be necessary to effect repayment.

Characteristics of this type of credit are:

- loans where the obligors are unable to generate enough cash flow for debt repayment
- interest payments and/or fees have been capitalized or deferred
- restructured credit with favorable terms to the existing borrower in a workout situation
- non-accrual loans adequately protected by the current market value of collateral
- borrower has filed bankruptcy
- loans past due for 90 days or more without extenuating circumstances approved by Credit Administration
- loans that are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any
- loans where future losses to California Capital are possible if the deficiencies in the assets are not corrected
- loans where the possibility of liquidation would not be timely even if there is little likelihood of total loss
- loans where the primary source of payment is gone and California Capital is relying on a secondary source for repayment
- loans where a loss does not seem likely, but enough problems have occurred causing California Capital's management to take measures to protect its position as to ensure a high probability of payment
- loans where collateral has deteriorated and may only marginally support full repayment of the loan
- classified Substandard by regulators or external/internal loan review

<b>Risk Rating</b>	<b>Standard / Definition</b>
<b>5</b>	<p data-bbox="341 325 487 346"><b>DOUBTFUL</b></p> <p data-bbox="341 367 1388 462">An asset classified doubtful has all the weaknesses inherent in a Substandard loan with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.</p> <p data-bbox="341 472 722 504">Characteristics of a doubtful loan:</p> <ul data-bbox="381 514 1380 903" style="list-style-type: none"> <li>• based upon review of collateral, credit information and/or current financial condition or borrower, collectability in full is considered doubtful</li> <li>• any non-accrual loan that is not considered adequately protected by current market value of collateral and which has not been written down or reserved. Accrued interest should be reversed.</li> <li>• loans where the possibility of a loss is high but, because of certain important and specific pending factors, which may strengthen the loan, its classification as an estimated loss is deferred until a more exact status can be determined. Pending factors include proposed merger, acquisition, or liquidation procedures, capital injection, perfection of liens on additional collateral or other financing plans</li> <li>• loans where a "Loss" classification would normally be warranted if pending events did not occur, and repayment was deferred to await new developments</li> <li>• classified doubtful by regulators or external/internal loan review</li> </ul> <p data-bbox="341 913 1380 1060">The entire credit should not be classified doubtful when collection of a specific portion of the loan balance appears highly probable. For example, if through proper valuation techniques it is determined that a loan is 30% to 50% collectible; the appropriate classification would be 30% substandard, 20% doubtful, and 50% loss. By definition, the only part that is doubtful is the 20% portion between the 30% and 50%.</p>
<b>6</b>	<p data-bbox="341 1081 414 1102"><b>LOSS</b></p> <p data-bbox="341 1134 1266 1186">A loan classified as Loss is considered uncollectible and of such little value that its continuance as a viable asset is not warranted.</p> <p data-bbox="341 1207 1372 1291">This classification does not mean that the loan has absolutely no recovery or salvage value, but rather that it is not practical or desirable to defer writing off the loan, even though some recovery may occur in the future.</p> <p data-bbox="341 1312 1372 1365">The portion of the loan that is graded loss should be charged off no later than the end of the quarter in which the loss is identified.</p> <p data-bbox="341 1386 836 1417">Other characteristics of this type of loan are:</p> <ul data-bbox="381 1428 1380 1512" style="list-style-type: none"> <li>• based upon review of collateral, credit information, and/or current financial condition of the borrower, full collectability is considered remote</li> <li>• classified loss by regulators or external/internal loan review</li> </ul>

**Special Assets**

It is California Capital's policy to manage problem loans back to performing status whenever possible or, when this is not possible, to manage such credits out of the organization. Managing special assets is the responsibility of the or his/her designee. California Capital monitors special assets in accordance with the following standards:

<b>Standard Impairment</b>	<b>Description</b>
<b>Past Due, Non-accrual &amp; Troubled Debt Restructured (TDR) Loans</b>	<p>California Capital considers a loan to be impaired if it falls into at least one of the following categories:</p> <ul style="list-style-type: none"> <li>• The loan is more than 90 days past due</li> <li>• The loan is in non-accrual status</li> <li>• The loan is or has been classified as a TDR</li> </ul> <p>If a loan is impaired, an impairment analysis must be performed to determine if a specific reserve or charge-off is required. The DOL or assignee must collect all of the appropriate collateral data and determine if California Capital's standard discount for that loan's collateral will result in an appropriate reserve. This reserve will then be included in the monthly calculation of California Capital's loan loss reserve. If a charge off is required, it should be processed as soon as possible but not later than the quarter in which it is determined necessary.</p> <p>This impairment process will compare California Capital's loan balance to either:</p> <ul style="list-style-type: none"> <li>• the net collateral value (where net collateral value is defined as the market value less priority liens and costs to sell) or</li> <li>• the present value of the anticipated cash flow stream or,</li> <li>• in rare instances, the market value of the loan (this assumes the loan can be sold and the market value can be determined)</li> </ul> <p>Any differences between the loan balance and the above will be carried as a specific reserve or, if applicable, charged off.</p>
<b>Charge-Offs</b>	<p>It is California Capital's policy to carry assets at realistic values and to be fully reserved against potential exposures to loss. This will be implemented through a proactive approach toward asset write-downs and/or the establishment of specific reserves against potential loss exposure as necessary.</p>
<b>Capitalization of Interest</b>	<p>The practice of converting interest due on a note into principal is known as capitalization of interest. California Capital policy does not generally allow for capitalization of interest.</p>
<b>Compromise Settlement / Forgiveness of Debt</b>	<p>A compromise settlement of an existing debt, which results in the forgiveness of any portion of that debt, may only be considered when all other reasonable efforts to collect have failed. A compromise settlement includes the taking or acceptance of an asset (other than liquid or readily marketable collateral held on account with California Capital) in lieu of loan repayment. The authority to make compromise settlements rests solely with the LAB.</p>
<b>Foreclosure / Repossession</b>	<p>It is California Capital's policy to require that foreclosures and repossessions be handled in a manner to minimize loss, maximize recovery, and limit company liability by ensuring the organization has pursued all reasonable alternatives for collection and repayment of loans prior to engaging in foreclosure or repossession. Foreclosures and repossessions require specialized knowledge therefore, only the DOL CLO will manage foreclosures and repossessions.</p>

Standard	Description
	California Capital must ensure foreclosures and repossessions are accounted for in conformance with generally accepted account principles (GAAP).
<b>Foreclosure / Sale Bid Approval Limits</b>	Foreclosure/Sale bid and request for bid checks must be approved by the LAB.
<b>Other Real Estate Owned (OREO)</b>	<p>It is California Capital's policy to manage its Other Real Estate Owned (OREO) and Other Assets in a manner to minimize loss, maximize recovery and limit company liability while mitigating the impact on surrounding property values. California Capital must also ensure OREO &amp; Other Assets are accounted for in conformance with generally accepted accounting principles (GAAP).</p> <p>Other Real Estate Owned (OREO) consists of real property held for reasons other than to conduct organization business. Other Assets consist of other property or an item with tangible value held for reasons other than to conduct organization business.</p>
<b>OREO Expense Approval Limits</b>	All expenses associated with the management, documentation, and collection of non-performing loans including those for litigation, repossession, and foreclosure as well as negotiation of any required documents, must be approved by the LAB.
<b>Regulation</b>	California Capital's loan work-out activities must at all times comply with all Local, State and Federal laws and regulations. It is especially important that California Capital not violate Consumer Collection law, rules and regulations including, but not limited to The Sailors and Soldier's Act; Federal Credit Reporting Act and Fair Debt Collections Practices Act.

### Loan Loss Reserve

California Capital provides a Loan Loss Reserve sufficient to account for probable loss inherent in the current loan portfolio. The adequacy of the Loan Loss Reserve will be reviewed by the CFO at least quarterly.

### Credit Files

It is the responsibility of each loan officer/underwriter and their management to ensure that credit files contain the information necessary to support the credit decisions made. The DOL is responsible for developing procedures regarding the establishment and maintenance of credit files that contain sufficient detail to allow proper evaluation of the soundness of the credit decision and the current status of the credit.

## California Capital Direct Lending Underwriting Grid

Loan Products	MICRO LOAN	MID RANGE LOAN	LARGE MICROLOAN
Maximum Amount	\$5,000-\$25,000	\$25,001-\$50,000	\$50,001-\$150,000
Term	Maximum Term up to 34 months	Maximum Term up to 84 months	Maximum Term up to 84 months
Interest Rate	WSJ Prime + up to 5%	WSJ Prime + up to 5%	WSJ Prime + up to 5%
Application Fee	\$100	\$100	\$100
Loan Fees	3% of loan amount + \$150 Doc Fee	3% of loan amount + \$150 Doc Fee	3% of loan amount + \$150 Doc Fee
Purpose of the Loan	Working capital, Business Equipment, Business Vehicles, Tenant Improvements, Inventory, Start-up expenses, Marketing		
<b>Cash Capacity Requirements</b>			
Business/Global Cash:Debt Service Ratio	Business DSCR at 1:1; Global DSCR at 1:1*		
If in business less than 12 months	Must have alternate source of income for personal household expenses		
Additional Guarantor	May be used to help borrower meet cash capacity requirement		
Bank Statements	2 NSF in past 3 months	1 NSF in past 3 months	0 NSF in past 3 months
<b>*Exceptions may be considered with mitigating factors</b>			
<b>Credit Requirements</b>			
FICO	No Minimum	No Minimum	No Minimum
Slow Pays*	Two in last six months	Two in last 12 months	None in last 12 months
Bankruptcy or Foreclosure	over 12 months ago	over 12 months ago	over 24 months ago
Collections*	No collections in past 12 months	No collections in past 12 months	No collections in past 24 months
Length of Credit History*	1 year of established credit	3 years established credit	5 years established credit
Loan Amount History	Past Loan of \$5,000	Past Loan of \$15,000	Past Loan of \$30,000
<b>*Except medical. Also, exceptions may be granted with letter of explanation</b>			
<b>Collateral Requirement</b>			
Collateral Value Requirement	General UCC Filing; UCC Filing on Specific equipment/machinery	General UCC Filing; UCC Filing on Specific equipment/machinery	General UCC Filing; UCC Filing on Specific equipment/machinery; 30% - 50% of loan amount
Type of Collateral Accepted	Vehicle, business equipment/inventory	Vehicle, business equipment/inventory	Vehicle, business equipment/inventory/2nd Deed of Trust (there must be \$75K of equity available)
<b>*At a minimum, a UCC-1 will be filed on all businesses</b>			
<b>Capital Requirements</b>			
Start Up Businesses (less than 2 years)	up to 20% of project	up to 20% of project	up to 20% of project
Existing Businesses	Up to 10% of project	Up to 10% of project	Up to 10% of project
<b>Character Requirements</b>			
Industry Experience	Required	Required	Required
Individual TA for projections	Required	If in business less than one year, pivoting or expanding	
Business planning course	Required	If in business less than one year, pivoting or expanding	

**RDL Guidelines**

<b>Personal Information Required</b>	Recent proof of all household income: 1 pay stub, Most recent proof of all verifiable source of income, last 3 months of bank statements , the most recent Individual Tax Return, copy of Utility Bill and ID or LexisNexis verification score of 40-50. If we are considering someone other than the Borrower's income to prove capacity we will need this person as co borrower on the note. We will require the same personal information from Coborrower(s)	Recent proof of all household income: 1 pay stub, Most recent proof of all verifiable source of income, last 3 months of bank statements , the most recent Individual Tax Return, copy of Utility Bill and ID or LexisNexis verification score of 40-50. If we are considering someone other than the Borrower's income to prove capacity we will need this person as co borrower on the note. We will require the same personal information from Coborrower(s)	Recent proof of all household income: 1 pay stub, Most recent proof of all verifiable source of income, last 3 months of bank statements , the two (s) most recent Individual Tax Return, copy of Utility Bill and ID or LexisNexis verification score of 40-50. If we are considering someone other than the Borrower's income to prove capacity we will need this person as co borrower on the note. We will require the same personal information from Coborrower(s)
<b>Business Information Required</b>	3 month of bank statements, or copies of receipts for the past three months, Most recent business tax return Business Utility Bill, Proof of Business Ownership.	3 months of bank statements, Profit & Loss, Balance Sheet, and 1 Business Tax Return.--Copy of Utility bill. Aging Schedules AR/AP	2 Business Tax Return, Year-to-date Profit & loss, Updated Balance Sheet, and Financial Projections. Form signed to get copies of tax returns from IRS.3 months of bank statements. Aging Schedules AR/AP.
<b>If Start Up Business</b>	Proof of Business Ownership and Informal Business Plan Required	Proof of Business Ownership, Formal Business Plan, Financial projections (including assumptions) and Start Up Balance Sheet Required	Proof of Business Ownership, Formal Business Plan, Financial projections (including assumptions) and Start Up Balance Sheet Required
<b>Personal Investment Required on start up business.</b>	Minimum Equity 10%**Proof of Equity required	Minimum Equity 20%**Proof of Equity required	Minimum Equity 20%**Proof of Equity required



California Capital Risk Matrix					
Company Name:	Loan Request Amount:	Date:	Notes	Performance Score	Score Justification
Weights	Category	Criteria	Notes		
10%	Industry Experience	Ranging from none to 5years+	Comments on ranking justification		1- 10+ years, 2- 5 to 10 years, 3- 3 to 5 years, 4- 1 to 3 years, 5 zero years
15%	Working Capital Levels	Measured based on the Borrower's performance relative to RMA industry averages or the number of months of operating reserves the Borrower has on its balance sheet			
15%	FICO/Credit Issues	e.g. prior BK, foreclosures w/in the last 5 years, active collections, charge offs, etc.	FICO:		1- above RMA upper quartile, 2- upper and mid, 3- mid to lower, 4- below RMA lower
5%	Collateral Support	Ranging from fully secured by tangible property and/ or cash to unsecured			1. FICO >740; 2. FICO >700; 3. FICO > 660; 4. FICO > 620; 5. FICO <619
50%	Repayment Ability	Global DSCR	2021 GDSC of		1. Fully secured tangible property (real estate or FF&E); 2. Loan 99% to 50% secured; 3. 49% to 25% secured, 4. Under 25%, 5. No Collateral
5%	Guarantor Support	Ranging from no guarantors and/ or weak guarantors to strong guarantors	Personal Guarantor w/NW at		1. Historic GDSC 1.1x+; 2. Historic GDSC 1.09 to .8; 3. Projected GDSC > 1.5; 4. Projected GDSC: 1.0-1.5
100%	Totals			0	1. Resources to fully repay loan (real estate equity and liquidity) 2. Resources to repay 100% to 50% of loan 3. Resources to repay 50% to 25% of loan 4. Less than 25%. 5. No resources.

## Risk Rating

### Standard / Definition

#### 1. PASS/ACCEPTABLE

Credits with this rating should meet most if not all policy standards in regard to:

- LTV
- debt service coverage (DSC)
- profitability
- leverage
- working capital

The borrower should be in compliance with all loan covenants and loan agreement terms. Primary source of repayment may contain speculative features, but secondary support is clearly documented and acceptable.

#### 2. PASS/WATCH

Credits rated "2" are experiencing some sort of circumstance that requires a higher level of monitoring. Reasons for the increased scrutiny and monitoring may include but are not limited to:

- deteriorated current cash flow and debt service coverage
- deteriorating balance sheet or earnings trends
- deterioration in industry or economic conditions
- declining collateral values
- increasing leverage
- weak liquidity
- failure to comply with some loan covenants and/or loan agreement terms
- recent management changes which create an increased level of uncertainty

Despite weaknesses, mitigating circumstances such as adequate global cash flow and/or liquidity exist to an extent where ongoing repayment ability is likely. These credits should be reviewed more regularly to determine if identified weaknesses/risks are improving or further deteriorating.

#### 3. SPECIAL MENTION

Credits rated "3" typically display many of the characteristics described for Risk Rating 2 -- Pass/Watch loans above yet lack mitigating factors that would justify a Pass rating. If left unaddressed and uncorrected, these potential weaknesses may result in deterioration of the repayment prospects of the loan or may inadequately protect California Capital's position in the future. Although the global cash flow of the borrower may add support, it does not fully mitigate deterioration in the credit. These loans pose elevated risk but do not yet justify a substandard classification. Although a credit with this rating has a higher probability of default than a pass loan, its default is not imminent.

Characteristics of this type of credit are:

- loans where the obligor's balance sheet and/or cash flow is strained to a point where, if such strain is uncorrected, repayment of the loan according to terms is unlikely
- loans with strained cash flow where repayment is in part reliant upon global resources

A distinction between a Special Mention and Substandard is that a Special Mention Loan continues to pay as agreed and has identified weaknesses that, if not corrected, could result in the loan not being repaid according to terms. In the case of a Substandard loan, the loan may or may not be paying as agreed but the obligor lacks the viable plan and resources to ensure ongoing payment according to terms.

Special Mention should be used as a transition risk rating because, by definition, it denotes a loan with specific deficiencies that will either be sufficiently addressed before the borrower is unable to repay the loan according to terms (resulting in an upgrade) or continue to a point where ongoing payment according to terms is unlikely (resulting in a downgrade).

#### 4. SUBSTANDARD

Credits rated "4" typically exhibit weaknesses that are well defined to the point where repayment is jeopardized. Loss potential is, however, not necessarily evident.

Current financial capacity is not sufficient to support the debt as currently structured. Financial condition, either through losses or balance sheet liquidity, indicates an inability to perform according to terms. While collateral may protect against loss, there is a strong probability that collateral liquidation outside the normal course of business, will be necessary to effect repayment.

Characteristics of this type of credit are:

- loans where the obligors are unable to generate enough cash flow for debt repayment
- interest payments and/or fees have been capitalized or deferred
- restructured credit with favorable terms to the existing borrower in a workout situation
- non-accrual loans adequately protected by the current market value of collateral
- borrower has filed bankruptcy
- loans past due for 90 days or more without extenuating circumstances approved by Credit Administration
- loans that are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any
- loans where future losses to California Capital are possible if the deficiencies in the assets are not corrected

- loans where the possibility of liquidation would not be timely even if there is little likelihood of total loss
- loans where the primary source of payment is gone and California Capital is relying on a secondary source for repayment

- loans where a loss does not seem likely, but enough problems have occurred causing California Capital's management to take measures to protect its position as to ensure a high probability of payment

- loans where collateral has deteriorated and may only marginally support full repayment of the loan
- classified Substandard by regulators or external/internal loan review

#### **5 DOUBTFUL**

An asset classified doubtful has all the weaknesses inherent in a Substandard loan with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Characteristics of a doubtful loan:

- based upon review of collateral, credit information and/or current financial condition or borrower, collectability in full is considered doubtful
- any non-accrual loan that is not considered adequately protected by current market value of collateral and which has not been written down or reserved. Accrued interest should be reversed.

- loans where the possibility of a loss is high but, because of certain important and specific pending factors, which may strengthen the loan, its classification as an estimated loss is deferred until a more exact status can be determined. Pending factors include proposed merger, acquisition, or liquidation procedures, capital injection, perfection of liens on additional collateral or other financing plans
- loans where a "Loss" classification would normally be warranted if pending events did not occur, and repayment was deferred to await new developments

- classified doubtful by regulators or external/internal loan review

The entire credit should not be classified doubtful when collection of a specific portion of the loan balance appears highly probable. For example, if through proper valuation techniques it is determined that a loan is 30% to 50% collectible; the appropriate classification would be 30% substandard, 20% doubtful, and 50% loss. By definition, the only part that is doubtful is the 20% portion between the 30% and 50%.

#### **6 LOSS**

A loan classified as Loss is considered uncollectible and of such little value that its continuance as a viable asset is not warranted.

This classification does not mean that the loan has absolutely no recovery or salvage value, but rather that it is not practical or desirable to defer writing off the loan, even though some recovery may occur in the future.

The portion of the loan that is graded loss should be charged off no later than the end of the quarter in which the loss is identified.

Other characteristics of this type of loan are:

- based upon review of collateral, credit information, and/or current financial condition of the borrower, full collectability is considered remote
- classified loss by regulators or external/internal loan review

## EXHIBIT B-Compensation

		Cost per loan	Loan Fund	
<b>City of Lodi Hometown Loan Fund</b>		<b>\$21,250.00</b>	<b>\$340,000.00</b>	
<i>Estimated Number of Loans</i>	5-year Term Loans @ 5% interest		16	
FEES	Origination	\$637.50	\$10,200.00	3%
	Underwriting	\$750.00	\$12,000.00	\$750 per loan
	Closing	\$500.00	\$8,000.00	\$500 per loan
	Servicing	\$1,062.50	\$17,000.00	5%
	Monitoring	\$212.50	\$3,400.00	1%
<b>Total Fees</b>		<b>\$3,162.50</b>	<b>\$50,600.00</b>	
Interest from Borrower Repayments		5.00%	\$ 2,722.31	\$ 43,556.96

		Cost per loan	Loan Fund	
<b>Leveraged Capital</b>		<b>\$50,000.00</b>	<b>\$250,000.00</b>	
<i>Estimated Number of Loans</i>	5-year Term Loans @ 5% interest		5	
FEES	Origination	\$1,500.00	\$7,500.00	3%
	Underwriting	\$750.00	\$3,750.00	\$750 per loan
	Closing	\$500.00	\$2,500.00	\$500 per loan
	Servicing	\$2,500.00	\$12,500.00	5%
	Monitoring	\$500.00	\$2,500.00	1%
<b>Total Fees</b>		<b>\$5,750.00</b>	<b>\$ 28,750.00</b>	
Interest Rate Buydown (Amortized)		4.75%	\$ 6,072.83	\$ 30,364.15
		<b>\$11,822.83</b>	<b>\$59,114.15</b>	
Interest from Borrower Repayments		5.0%	\$ 6,405.38	\$ 32,026.90

**Fee Summary:**

Hometown Microloan Fund-Loan Fees	\$50,600
Leveraged Capital- Loan Fees	\$28,750
Leveraged Capital-Interest Buydown	\$30,364
<b>Total Fees</b>	<b>\$109,714</b>



# EXHIBIT C

**NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically**

## Insurance Requirements for Professional Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

### **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant's profession, with limits not less than **\$1,000,000** per occurrence or claim, \$2,000,000 aggregate. May be waived by Risk Manager depending on the scope of services.

### **Other Insurance Provisions:**

- (a) **Additional Named Insured Status**  
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
- (b) **Primary and Non-Contributory Insurance Endorsement**  
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad as** ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- (c) **Waiver of Subrogation** Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer

**NOTE:** (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (d) **Severability of Interest Clause**  
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.
- (e) **Notice of Cancellation or Change in Coverage Endorsement**  
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

- (f) Continuity of Coverage  
 All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).
- (g) Failure to Comply  
 If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) Verification of Coverage  
 Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**
- (i) Self-Insured Retentions  
 Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- (j) Insurance Limits  
 The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.
- (k) Subcontractors  
 Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors
- (l) Claims Made Policies  
 If any of the required policies provide coverage on a claims-made basis:
  1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
  2. Insurance must be maintained and evidence of insurance must be provided for **at least** five (5) years after completion of the contract of work.
  3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- (m) Qualified Insurer(s)  
 All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

# EXHIBIT A

## AGREEMENT FOR PROFESSIONAL SERVICES

### ARTICLE 1 PARTIES AND PURPOSE

#### **Section 1.1 Parties**

THIS AGREEMENT is entered into on November 29, 2023, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and California Capital Small Business Financial Development Corporation, a California Public Benefit nonprofit corporation, DBA California Capital Financial Development Corporation (hereinafter "CONTRACTOR").

#### **Section 1.2 Purpose**

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for the provision of turnkey underwriting and administration of the Hometown Microloan Program (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

### ARTICLE 2 SCOPE OF SERVICES

#### **Section 2.1 Scope of Services**

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

#### **Section 2.2 Time For Commencement and Completion of Work**

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be

counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

**Section 2.3 Meetings**

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

**Section 2.4 Staffing**

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

**Section 2.5 Subcontracts**

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

**Section 2.6 Term**

The term of this Agreement commences on December 1, 2023 and terminates upon the completion of the Scope of Services or on November 30, 2024, whichever occurs first.



**ARTICLE 3**  
**COMPENSATION**

**Section 3.1 Compensation**

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

**Section 3.2 Method of Payment**

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

**Section 3.3 Costs**

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

**Section 3.4 Auditing**

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

**ARTICLE 4**  
**MISCELLANEOUS PROVISIONS**

**Section 4.1 Nondiscrimination**

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

**Section 4.2 ADA Compliance**

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

**Section 4.3 Indemnification and Responsibility for Damage**

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

**Section 4.4 No Personal Liability**

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

**Section 4.5 Responsibility of CITY**

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

**Section 4.6 Insurance Requirements for CONTRACTOR**

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

**Section 4.7 Successors and Assigns**

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

**Section 4.8 Notices**

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY:                      City of Lodi  
   221 West Pine Street  
   P.O. Box 3006  
   Lodi, CA 95241-1910  
   Attn: Business Development Manager

To CONTRACTOR: California Capital Financial Development Corporation  
                                 1792 Tribute Road  
                                 Suite 270  
                                 Sacramento, CA 95815

**Section 4.9 Cooperation of CITY**

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

**Section 4.10 CONTRACTOR is Not an Employee of CITY**

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

**Section 4.11 Termination**

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

**Section 4.12 Confidentiality**

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

**Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees**

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

**Section 4.14 City Business License Requirement**

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

**Section 4.15 Captions**

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

**Section 4.16 Integration and Modification**

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

**Section 4.17 Contract Terms Prevail**

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

**Section 4.18 Severability**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**Section 4.19 Ownership of Documents**

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

**Section 4.20 Authority**

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

**Section 4.21 Federal Transit Funding Conditions**

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

**Section 4.22 Counterparts and Electronic Signatures**

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

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IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:

CITY OF LODI, a municipal corporation



OLIVIA NASHED  
City Clerk



ANDREW C. KEYS  
Interim City Manager

APPROVED AS TO FORM:  
KATIE O. LUCCHESI, City Attorney

California Capital Small Business Financial  
Development Corporation, a California  
Public Benefit nonprofit corporation, DBA  
California Capital Financial Development  
Corporation

By: 

  
Deborah Lowe Muramoto (Rev. 17, 2023 12-45 P.51)

By: \_\_\_\_\_  
Name: Debbie Muramoto  
Title: President/CEO

**Attachments:**

**Exhibit A – Scope of Services**

**Exhibit B – Fee Proposal**

**Exhibit C – Insurance Requirements**

**Exhibit D – Federal Transit Funding Conditions (If applicable)**

**Funding Source: 36510102.75028**  
**(Business Unit & Account No.)**

Doc ID:

CA: Rev.10.2023-CA

## EXHIBIT A



### THE CITY OF LODI HOMETOWN MICROLOAN PROGRAM

#### EXECUTIVE SUMMARY

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California Capital Financial Development Corporation (California Capital) proposes to administer the City of Lodi Hometown Microloan Program to provide loans to entrepreneurs and micro business owners in the City of Lodi. Aligned to the mission of California Capital, this program will prioritize borrowers who are low-income, minority, women, disabled and veteran small business owners, with the objective of helping these businesses thrive and building financial capacity to qualify for future capital needs. We wholeheartedly support the efforts of the City of Lodi to establish a revolving loan fund and to foster a local continuum of entrepreneurship and small business services to promote business growth, attraction, and retention. This proposal demonstrates our capacity, mission alignment, and ready-to-deploy capital programs that will help the City of Lodi achieve these goals.

#### A Hybrid Approach

California Capital will adopt a hybrid approach to administering the program as described in the Request for Proposal, with the objective of establishing a revolving loan fund for the City of Lodi while leveraging additional capital from our Lending Center to support the diverse needs of borrowers.

**Lodi Hometown Microloan Fund** - \$340,000 of the total City of Lodi budget will be used to establish the primary source of funds for the Microloan Program. From this pool of capital, California Capital use a fee-based approach to originate, underwrite, and administer the loans. Leveraging the criteria provided in the Hometown Microloan Policy and Administrative Procedures Manual, we anticipate approximately 16 loans with an average loan size of \$21,000. Repayment from these loans will revolve back to the City of Lodi along with interest, growing the Revolving Loan Fund over the 5-year repayment of the loans.

**Leveraged Capital** - California Capital will supplement the Lodi Microloan Hometown Fund with approximately \$250,000 in additional capital from our microloan and small business loan programs. Our loan policies closely match the City of Lodi's loan policies and we embrace partnerships which can help lower interest rates and fees for small businesses. Our Leveraged Capital programs will address borrowers who may need additional capital beyond the average amount of a loan under the Lodi Hometown Microloan Fund up to \$50,000 through packaging of Participation Loans, establish an additional reserve of capital to meet demand, and to lower the interest rate and fees for the borrower.





*"Capital and Capacity to Serve Communities"*

The attached [Lodi Hometown Microloan Program Budget](#) provides an overview of the costs and estimates of fees and repayment based on an assumed average interest rate of 5.0% amortized over 5 years.

## **1. OUR HISTORY: CAPITAL AND CAPACITY TO SERVE COMMUNITIES**

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California Capital FDC was founded in 1982 as a mission-based organization focused on delivering capacity building programs and access to capital, with a goal of creating asset and wealth development in low-to-moderate income and underinvested communities.

For 40 years, California Capital has participated in the **Small Business Loan Guarantee Program**, through which we provide credit enhancements through The California Infrastructure and Economic Development Bank (IBank) to businesses seeking bank loans of up to \$2.5 million.

Certified by the U.S. Department of Treasury as a **Community Development Financial Institution (CDFI)** since 2002, California Capital has continually offered financial education, business development services, and microloan programs as a means of fostering economic development in the communities we serve.

In 2019, with the support of the Economic Development Administration (EDA), Wells Fargo, and the CDFI Fund, we established **California Capital's Lending Center**, providing microloans of up to \$50,000 and small business loans of up to \$150,000. Since 2019, The Lending Center has provided \$3,990,441 in small business loans, helping 55 businesses start and grow. Most recently, we were designated as a SBA Intermediary Microlender to provide microloans of up to \$50,000 throughout 25 counties.

Funded in part by the Small Business Administration since 2012, **California Capital's Women's Business Center (WBC)** offers a continuum of entrepreneurial development programs and services based in Sacramento, Yolo, Yuba, Placer, El Dorado, and San Joaquin counties. Our WBC is closely aligned with California Capital's mission to offer a wide range of products and services to increase economic opportunities and access to capital for underserved communities and women-owned small businesses. The WBC also offers specialized programs for childcare businesses,

**California Capital's APEX Accelerator** (formerly known as PTAC) was established in 2014 through a cooperative agreement with the Department of Defense, and helps small businesses prepare for, pursue and perform on government contracts, providing one-on-one counseling tailored to the needs of individual businesses, training workshops and webinars from beginning to advanced level topics, and a customized Bid Match service. The APEX Accelerator serves 16 counties in Northern California.

The **Sacramento Valley Small Business Development Center (SBDC)** was established in 2022 and serves Sacramento, Yolo, Yuba, and Sutter counties. Part of the Northern California Network of Small Business Development Centers, the Sacramento Valley SBDC provides a wide breadth of business advising and training, and collaborates with other SBDCs to deliver effective client services.

Capacity-building is an important pillar of our community development strategy. California Capital provides a continuum of small business development services to support entrepreneurs and small business owners,

and increase access to business networks and revenue-generating opportunities. Our business development services are provided at no cost to clients through three core business development centers.

## 2. LOAN FINANCIAL POLICIES

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City of Lodi and California Capital Loan Policies are generally consistent. Eligible activities stated in the City of Lodi agreement are eligible under California Capital's loan policies. Our maximum loan term is seven years, equity requirements are lower than City of Lodi's—20% for start-up and 10% for existing business. Collateral and debt service requirements are consistent.

### Eligible Borrowers:

1. Must be a micro business; defined as a business with 10 employees or less.
2. Must have legal right to remain in the United States
3. Must be in the service area of the jurisdictional limits of the City of Lodi; Loan proceeds must be deployed in Lodi
4. Be a start-up, newly established, or growing for profit micro business concern
5. To be eligible, a business must be appropriately structured as a corporation, limited liability corporation, partnerships, sole proprietorships or non-profit organization with a business purpose.

### Eligible Activities:

- Machinery/Equipment purchase
- Purchase of a business
- Inventory
- Tenant Improvements
- Life, health, safety improvements
- Soft project costs
- Working Capital

### Ineligible Activities:

- Refinancing of personal debt
- Land or real estate investment
- Businesses involved in gambling and in performance or products of a prurient sexual nature
- Smoke and vape shops
- Pyramid schemes
- Lines of credit

**Loan Term** - Up to 7 years, fully amortized. In general, the loan term will not exceed the average useful life of the assets being financed.

**Loan Fees** - Borrower will not incur any loan fees as identified in Exhibit B-Compensation.



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**Closing Costs** - The borrower will not incur any closing costs.

**Equity Requirements** - 10% of project costs for existing businesses and up to 20% for start-up businesses. Costs that the business owner have incurred prior to the loan request may be considered provided the applicant can provide paid receipts or invoices.

**Cash Flow Coverage** - The debt service coverage ratio is 1:1 for global and business

**Credit Score** - No minimum credit score. However, a borrower's credit history is a key component to understanding their "willingness" to repay. It is California Capital's policy to avoid making loans to borrowers whose credit report reflects any of the following derogatory items if such items can't be reasonably explained:

- Delinquencies
- Collections
- Charge-offs
- Restructured Credits
- Short Sales
- Deed in Lieu transactions
- Foreclosures
- Liens, Garnishments or Judgments
- Litigation
- Previous Bankruptcy

**Collateral** – Loans will be collateralized to the maximum extent possible to ensure an adequate secondary source of repayment.

Collateralized security may include, but not be limited to, machinery and equipment, furniture and fixtures, real estate, inventory and receivables. UCC-1 will be filed with the Secretary of State to secure equipment, fixtures, furniture, receivables, inventory and other non-real estate assets. Generally, collateral pledged through UCC-1 filings shall not be pledged to other lenders or for other obligations of a business. Real estate deeds of trust will be forwarded to the County for recording.

**Personal guarantee** – a guarantee will be required of any principal having a twenty percent (20%) or more ownership in the company. Owners of less than 20% and personnel who hold key management positions may also be asked to guarantee the loan if deemed necessary to ensure repayment.

**Insurance requirements** – General Liability, Hazard Insurance, Worker's Compensation (if there are employees shall be required

Key Person Life Insurance will be required depending on the size and nature of the transaction.

**Portfolio Diversification** - California Capital loan policy is to provide financing for start-up companies. Currently, the new businesses represent 59% of the loan outstanding amount of its loan portfolio. Due to high percentage of start-ups in the portfolio, California Capital is being more "selective" with this group.



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The City's high threshold of limiting any one business category to 65% of total outstanding is consistent with California Capital's policy.

### **3. FIXED INTEREST RATES BASED ON PRIME RATE**

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Loans made by the Hometown Microloan Program funds are fixed-rate loans currently identified as five percent. At such time, the Federal Open Market Committee establishes a new target range which exceeds the target range in effect on September 21, 2023, this rate will remain in effect. In the event the target range in effect on this date increases, California Capital and the City of Lodi shall mutually agree to a new fixed interest rate. California Capital is responsible for monitoring the target Federal Funds rate.

California Capital loans are fixed-rate loans based on current prime interest. Therefore, California Capital proposes using the prime interest rate with a spread plus or minus based on desired interest rate. It should be noted that the prime rate has increased 5.25% over the last two years with additional increases to be expected. Based on your objective of providing borrower a lower interest rate, a floor and ceiling would seem appropriate.

Currently, California Capital's interest rate is based on the current prime interest rate plus 5% quoted in the Wall Street Journal (Prime Rate), up to a maximum of nine and three-quarter percent (9.75%) and fixed at the time of loan approval. Based on the requirements of our loan programs, the minimum interest rate is four percent (4%) or 75% below Prime Rate, or the maximum interest rate allowed under State law, whichever is lower, but in no event shall the interest rate be less than four percent (4%).

### **4. 60-DAY LOAN ADMINISTRATION**

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In terms of underwriting, approving, and closing loans within a 60-day time period, California Capital uses a web-based on-line application portal called Lenderfit whereby borrowers upload the needed documents for each stage of the application process, from pre-qualification, application, closing and funding. Communication with the borrower regarding the status of these items is through the portal, with borrowers receiving reminders each Monday to upload the remaining items in each phase. Our Business Development Officer also calls applicants to follow up and assist when needed.

All Lodi-based applicants who are not loan-ready will be referred to the San Joaquin County Small Business Development Center for one on one small business consulting and practical financial education

The timing of the prequalification review, underwriting, and approval depends on how "loan ready" the applicant is. If the applicant is able to provide the application documents at each stage of the process, the prequalification can take place within 2 days; underwriting and approval within 2-3 weeks and closing and funding within 2-3 weeks (no more than 60 days). Total processing time is typically 35-45 days. Again, this timing depends on how "loan ready" the business is.



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## Loan Processing and Payments

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The following policies and procedures will be followed to process financial transactions for the Lodi Hometown Microloan Fund and California Capital's Leveraged Capital Fund as subject to this agreement.

### Lodi Hometown Microloan Fund

**Disbursement:** The City of Lodi will disburse the principal loan amount for each loan individually to California Capital within 30 days of the approval of a loan. Loan disbursements will be made by California Capital to the individual borrower no more than 30 days from receipt of the principal loan amount from City of Lodi.

**Loan Fees:** The City of Lodi will pay all loan fees associated with loans approved each month, based on the loan fee schedule in the Exhibit B, as a one-time payment within 30 days of an approved invoice submitted by California Capital. All fees are non-refundable.

**Loan Repayments:** Repayments of principal and interest will be deposited in California Capital's Business account in Comerica Bank once received on ACH pulls from borrower's accounts.

**Revolving Loan Fund:** Borrower principal and interest repayments to the Lodi Hometown Microloan Fund will be paid to California Capital; California Capital will issue payment for all principal and interest payments received from borrowers to the City of Lodi's Revolving Loan Fund account on a monthly basis.

**Late Fees:** Late fees on all borrower repayments will reside with California Capital.

**Non-repayment:** The City of Lodi will assume all risk of loss on all loans made through the Lodi Hometown Microloan Fund.

### California Capital's Leveraged Capital Fund

**Disbursement:** When a loan is approved, California Capital will deploy the funds within 30 days of the approval.

**Loan Fees:** The City of Lodi will pay all loan fees associated with loans approved each month, based on the loan fee schedule in the Exhibit B, as a one-time payment within 30 days of an approved invoice submitted by California Capital. All fees are non-refundable.

**Interest Buy-Down Payments:** Interest Buy-down payments will only be paid on Leveraged Capital Loans. The City of Lodi will pay the entire Interest Buy-Down as a one-time payment for each loan within 30 days of an approved invoice. California Capital will apply interest buy-down repayments from these funds to the loan with each borrower repayment. If a loan defaults, the remaining interest buy-down payments will be reimbursed to the City of Lodi.



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**Loan Repayments:** Repayments of principal and interest will be deposited in California Capital's Business account in Comerica Bank once received on ACH pulls from borrower's accounts. California Capital will concurrently run amortization schedules on closed loans for both 5% (borrower's rate) and California Capital's rate (9.75%) to assess the prepaid interest buy-down. If a loan is defaulted, the remaining interest buy-down amount will be reimbursed to the City of Lodi.

**Late Fees:** Late fees on all borrower repayments will reside with California Capital.

**Non-repayment:** California Capital will assume the risk of loss on all loans made through California Capital's Leveraged Capital Fund.

**Monthly Invoicing:** Monthly invoices will be submitted by California Capital to the City of Lodi within 30 days of the end of each month. Invoices will include charges for all Loan Fees and Interest Buydown payments associated with all loans approved during the month.

**Reporting:** California Capital will provide a monthly report accompanying invoices. The report will include:

- All loans approved and disbursed within the month being reported
- Current status of all loans including repayment history and outstanding principal and interest
- List of outreach activities conducted to promote the program
- List of TA referrals made to the San Joaquin SBDC. Total TA provided by California Capital per loan, i.e. post-loan TA appointments.

## 5. CLIENT-FOCUSED SERVICES

---

At California Capital, our business advising, training, and lending services are built around the client experience. Recognizing each business as unique, we conduct intake and technical assistance assessments with every new client and borrower.

Applicants who are seeking financing start by registering on our website for assistance. Within 24 hours, our Business Development Officer contacts the applicant to assess their financing needs. If the client is not ready for financing, they are referred to appropriate resources. Applicants who meet basic criteria are then invited to our on-line web-based application portal, called Lenderfit.

The Loan application process is divided into four stages: Prequalification, Application, Closing and Funding. Each stage has a checklist of documents the applicant must complete or upload. Communication regarding these items are handled through Lenderfit, which the applicant can easily access via computer their mobile phone. We have used the portal for two years and it has become an extremely efficient and



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user-friendly tool to receive application documents, process loan requests and communicate with our borrowers.

In our experience, many small business owners are not "loan ready" in terms of having their tax returns prepared and filed or financial statements prepared, whether year-end or year-to-date. Some need help with projections while others have had credit issues that need to be resolved.

In these cases, our Business Development Officer will connect the applicant with a business advisor. However, this assistance can often take several weeks to a month to provide, depending on the borrower's responsiveness. We have found that the extent to which we can connect a borrower with a business advisor to assist with these matters, the more likely the borrower will qualify for and receive a loan.

## 6. LOAN UNDERWRITING

---

All loan applications involve a review of business and personal tax returns, interim financial statements and/or cash flow projections in order to assess repayment ability, both from the business on its own and on a global basis. Loans are structured to meet the customer's needs but terms will have to meet the risk and lending policy framework.

California Capital is a member of the Risk Management Association (RMA) and uses data from the RMA web-based portal to research a particular industry and its trends. With this data, we compare balance sheet ratios of the business to those in the industry to assess the viability and financial health of the business applicant.

Each loan review involves a site visit by our Director of Lending and Business Development Officer prior to the issuance of a Letter of Interest, and then, by our Credit Administrator during the underwriting stage and prior to presenting the loan to our Loan Approval Committee/Board.

All loans are risk rated at the time of application (and again on an annual basis) to assess overall risk relating to six criteria: repayment ability, industry experience, credit, collateral support, guarantor support and availability of working capital.

California Capital's existing service delivery includes the Racial Equity Lens (REL) underwriting criteria and adopts an asset-framing approach, looking at additional factors that indicate a willingness and ability to repay outside of traditional underwriting criteria. In the calendar year 2022 we created our first loan loss reserve fund to ensure lending to underserved and underbanked communities with adverse credit risk.

Our current underwriting criteria reflects the key elements of a Racial Equity Lens (REL) underwriting criteria: Commitment, Character, Conditions, and Capacity. Our practices include: Pre- and post-funding technical assistance with vetted business advisors, who come from a diverse background and diverse business ownership experiences to offer culturally relevant coaching and empowerment; A holistic approach to credit evaluation that also includes a focus on credit reporting as opposed to credit scores

used by banks; "Asset Framing," looking at strengths, not only weaknesses of borrower; attending ongoing meetings with business advisors, including check-ins for financial statements; family/peer testimonials; flexible repayment structures to ensure the sustainability of the loan alongside technical assistance sessions or relationship building meeting at least once per quarter; and measuring the capacity of the business via historical business and personal tax returns (up to 3 years), financial statements and projections (if available), and / or monthly bank statements. Through the wrap-around continuum of business development resources, many of our borrowers have received pre-loan technical assistance, training, business counseling, connection to market opportunities, and post-loan follow-ups. With our current Racial Equity Lens underwriting criteria, we want to expand opportunity and innovative capacity for SEDI small business owners in, and be a hub for entrepreneurship and economic growth and development planning.

## 7. LOAN APPROVALS AND RISK RATING

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Loans are approved upon completion of a Credit Memorandum. Loans up to \$25,000 are approved by the Director of Lending. Loans between \$25,001 and \$50,000 are approved by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Loans over \$50,000 are approved by the Loan Approval Board (LAB). The LAB meets as needed and a meeting is typically scheduled within the week that the Credit Memorandum is complete.

Our current risk rating is on a 1 – 4 range, with above 3 indicating high default risk. This score is based on industry experience, credit score, collateral support, working capital, and guarantor support. Despite weaknesses, mitigating circumstances such as adequate global cash flow and/or liquidity exist to an extent where ongoing repayment ability is likely. These credits are then reviewed more regularly to determine if identified weaknesses/risks are improving or further deteriorating and provide outreach and technical service as needed.

Technical Assistance is offered to applicants who score a 3 or above, with prescribed interventions and best practices to improve upon client metrics used in our risk assessment. This helps clients take corrective measures to qualify for loans in the future. The Racial Equity Lens is another tool we use to underwrite high default risk for clients through non-traditional repayment ability and credit assessment.

During our underwriting, our Credit Analyst risk rates each loan using a risk rating matrix. The matrix uses the following attributes, which are each weighted:

- Repayment Ability
- Industry Experience
- Working Capital Levels
- Credit issues/FICO Score
- Collateral Support
- Guarantor Support





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As a Financial Development Corporation (FDC), we are able to partner with other FDCs to guarantee direct loans. Using this practice expedites capital infusion and improves the efficiency of our ability to service the loan. Applied strategically, this will allow California Capital to revolve loans more quickly and grow the loan fund to impact more businesses.

Risk rating reoccurs annually after the receipt of a borrower's financials. Loans with risk rating above 3 are placed on a Watch List. Loans on the watchlist are subject to monthly financial statement requirements and more comprehensive technical assistance requirements.

#### **8. LOAN CLOSING AND DOCUMENTATION**

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Once a loan has been approved, California Capital's Loan Closing Coordinator (LCC) collects the documents needed for closing through the Lenderfit portal and prepares loan documents. The LCC collects evidence of insurance, ACH payment information, invoices and receipts as needed, and/or vehicle registration information (i.e. in the case of a truck purchase). Once loan documents are prepared, the LCC forwards them to the borrower for review and sets up a closing date whereby the LCC and Business Development Officer meet with the borrower to review the loan documents and answer questions. Once the documents are signed, the LCC processes the loan disbursements and forwards them to our Chief Financial Officer for approval. Depending on the use of proceeds (whether funds are disbursed to a third-party vendor or to the borrower) funding takes place within 2-5 days after closing. Projects involving tenant improvements might take longer to fund since disbursements are made in stages as the work is completed.

#### **9. LOAN SERVICING AND MONITORING**

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California Capital has a full-time Loan Portfolio Manager (LPM) whose focus is overseeing loan payments, collecting financials and insurance certificates on an annual basis and managing requests for deferments or change in payment amounts, if needed. The LPM uses DownHome, a web-based portal to record payments and service our loans. Loan statements are generated by DownHome monthly and emailed to borrowers. Our LPM also handles all defaults when they occur, contacting borrowers to find out the reason for a non-payment and to work with them to assess whether business advising services are needed to assist with the issues causing the default.

We require all start-up businesses owners and particular borrowers who score at a 3 or higher to receive individualized post-loan technical assistance from our Women's Business Center, Small Business Development Centers or SCORE.

#### **10. KEY STAFF AND LOAN APPROVALS**

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Loans of \$50,000 and under, once approved by underwriting, are approved internally by the Director of Lending and CEO, creating a streamlined process for loan approvals.



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### Key Staff

- Robert Gonzales is our Director of Lending, with extensive experience in Banking, Leadership, SBA Lending, and the CDC / CDFI Industry. Mr. Gonzales has a proven track record of excellence in management, corporate strategy, underwriting, and loan production.
- Brian Zscheile serves as our Business Development Officer, identifying potential borrowers, connecting them with business advisors, and assisting with the loan application process. Mr. Zscheile brings over 25 years of experience in lending, client relationship management, and business advising.
- Sunita Maharaj – Loan Portfolio Manager, has over 20 years of underwriting and SBA Loan experience. Sunita formerly served as the Director of Norcal SBDC Finance Center, and in addition to underwriting provides loan readiness training and assesses borrower needs for post-loan TA.
- Deborah Lowe Muramoto, President / CEO, provides oversight and strategic direction for the Director of Lending and California Capital's Loan Funds. Mrs. Muramoto has worked for California Capital for 33 years, leading with innovation to expand services in the scope of California Capital's mission.
- May Masunaga, Chief Financial Officer, is a Certified Public Accountant and is responsible for administering California Capital's Loan Funds
- Mike Schremmer, Chief Operations Officer, is responsible for grant administration, reporting, and data systems administration.

### 11. CALIFORNIA CAPITAL LOAN FUNDS

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Please see the [Lending Program Matrix](#) attachment for details on our individual loan products.

### 12. TECHNICAL ASSISTANCE SERVICES

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We are committed to driving continuous improvements to make our loan products more accessible, build the creditworthiness of borrowers, and increase our client's capacity to succeed. Through our programs and referrals to partner organizations, many of our borrowers will receive individualized technical assistance, training, business counseling, and connection to market opportunities.

Technical Assistance will be provided through California Capital's Lending Center, Women's Business Center, and through referral to the San Joaquin SBDC. A detailed description of our programs has been provided in Section 1 of this proposal.

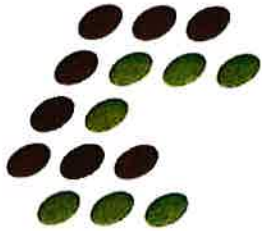
This continuum of business development services extends to requirements for borrowers to receive post-loan technical assistance, mitigating risk and enabling us to lend to borrowers who may be excluded through traditional institutional channels.

### 13. HOMETOWN MICROLOAN PROGRAM MARKETING PLAN

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California Capital will perform a comprehensive, targeted marketing strategy for the City of Lodi Revolving Loan fund. This will be accomplished by:

- Utilize California Capital's marketing department to develop digital and social marketing and print collateral to educate and promote the City of Lodi Hometown Loan Program.
- Provide outreach, assistance and marketing/sales to the local banking community with emphasis on Bank of Stockton, Farmers & Merchants Bank, and Valley Strong.
- Providing and participating in Access to Capital functions. Invite the San Joaquin SBDC to co-host a Capital Summit in Lodi, an event we have held in the past with our neighboring SBDCs.
- Work closely with local SBDC, Women's Business, and the Chamber to establish a strong partnership and create referrals both ways.
- Feet on the Street - Our BDO, Brian Zscheile, will reach out to and visit businesses to create awareness for the Lodi small business community.
- California Capital will take part in local business events and promote the program.
- Establish a relationship with Navy Federal Credit Union to assist their veteran business members for financing.



**CaliforniaCapital**  
*Financial Development Corporation*

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## DIRECT LENDING POLICY

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*California Capital Financial Development Corporation  
1792 Tribute Road, Suite 270 | Sacramento, CA 95815  
(916) 442-1729*

[www.cacapital.org](http://www.cacapital.org)

*Adopted: December 1, 2020  
Revised September 16, 2021,  
August 18, 2022 & February 28, 2023*

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## **POLICY STATEMENT**

It is the policy of California Capital to grant credit in a way that complies with all applicable laws and regulations, the principles of sound risk management, and California Capital's mission of providing creative financing solutions to underserved small businesses throughout our lending footprint. California Capital only makes loans to borrowers whose credit history and financial capacity demonstrate the willingness and ability to repay.

Direct lending activities are critical to the success of California Capital as a mission-based non-profit. The purpose of this policy is to define the operating philosophy, standards and responsibilities governing California Capital's direct lending activities. Together with California Capital's credit procedures and guidelines, this policy serves as a framework and guide for the organization's lending personnel.

This Policy will be reviewed by management and the Loan Approval Board and approved by the Board of Directors at least annually in order to ensure that California Capital's lending activities reflect both the organization's strategic plan as well as ever-changing industry best practices.

California Capital evaluates the needs of the communities in its lending footprint and develops credit products and processes to address those needs. This includes products with flexible underwriting standards, credit applications and approval processes aimed at satisfying identified needs while preserving the safety and soundness of California Capital's operations. All extensions of credit and other activities that include credit risk must comply with all applicable government regulations, fair lending guidelines, and this Policy.

California Capital will obtain and analyze sufficient information to ensure that a loan purpose is lawful and that the borrower is willing and able to repay as promised. Credit will be structured consistent with supporting analysis and will be monitored as appropriate for adverse changes in borrower circumstances. When repayment is threatened, California Capital will take prompt action to protect its interests.

This Policy does not cover California Capital's indirect lending activities where California Capital facilitates the making of loans not carried on its books. Indirect lending activities include, but are not limited to, loans made through the Small Business Loan Guarantee Program, Disaster Relief Loan Guarantee Program, Jump Start Loan Program and RUST Loan Program. For policies relating to indirect lending activities, please refer to program documents published by each indirect lending program's sponsor/lender.

## **AUTHORITIES & RESPONSIBILITIES**

### **Management Responsibilities**

The **President/Chief Executive Officer ('CEO')** is responsible for managing the organization and overseeing its direct lending loan portfolio. The CEO accomplishes this

through delegation of responsibilities as appropriate and direct involvement in the Loan Administration Board as required.

The **Chief Financial Officer (“CFO”)**, although not a regular participant in direct lending activities, is responsible for ensuring that the organization's loan portfolio is accurately accounted for in accordance with GAAP. The CFO is also responsible for ensuring the adequacy of the organization's reserve for loan losses.

The **Director of Lending (DOL)** is responsible for the implementation of this Direct Lending Policy and the management, review, tracking, reporting and direct oversight of the organization's direct lending portfolio. The DOL will ensure that procedures are developed and implemented which allow for the prudent management of credit. The DOL is also charged with developing new credit products and services which support the credit needs of California Capital's customer base while ensuring the safety and soundness of the organization.

The **Operations Director (‘OD’)** is responsible for ensuring that California Capital meets all current regulatory requirements. The OD is to remain current on all regulatory requirements and to inform management when there are significant changes requiring a change in policy or procedures. In addition, the OD is to aid the DOL in developing new products or modifying old products within current regulatory rules and guidelines.

### **Board of Directors Responsibilities**

The **Board of Directors (‘Board’)** is responsible for:

- Appointing the President/CEO
- Adopting and annually approving this Direct Lending Policy
- Ensuring that the CEO and executive management team has the requisite experience and ability to manage the organization's direct lending portfolio in accordance with applicable regulatory agency requirements and the principals of safe and sound lending practices

### **Loan Administration Board Responsibilities**

The **Loan Administration Board (‘LAB’)** is responsible for:

- Recommending the Direct Lending Policy for approval
- Approving Direct Lending Underwriting Guidelines
- Reporting to the Board on the organization's current lending activities and condition of the loan portfolio
- Approving loans above the credit limit authorized by the Board for the CEO/President, CFO, and DOL
- Holding regular meetings as needed
- Advising and recommending legal remedies for loans in default
- Reviewing overall loan portfolio performance, including:
  - Review of monthly loan status reports



- Review of miscellaneous reports that may be periodically requested by Staff

The LAB shall be comprised of a maximum of eight members. The composition of the LAB shall be as follows:

- Up to three Commercial Bankers or Commercial Lending representatives
- California Capital President or his/her designee
- One Attorney with business experience or practice
- One Accountant or C.P.A
- A maximum of two representatives from the local business community, who may also be either the attorney or accountant representative
- A majority of the LAB members shall constitute a quorum; and
- Board members are recruited from the Service Area community to serve for two years prior to the renewal of the membership

### **Loan Officer/Underwriter Responsibilities**

**Loan Officers/Underwriters** are responsible for analyzing a credit request, preparing the appropriate underwriting memo, ensuring the appropriate information is available and, in the file, to determine and support the credit worthiness of the applicant, and make appropriate loan decisions or recommendations. Loan Officers/Underwriters ensure files are complete and in accordance with California Capital's underwriting and compliance standards and that the borrower has the ability and willingness to repay. They are tasked with suggesting appropriate loan structure(s) and ensuring that, when required, collateral appraisals or evaluations have been received and reviewed and support the credit as approved.

Once credit is approved, credit underwriters are responsible, with help from the Loan Closing Coordinator, to ensure that the appropriate loan documents are prepared and reviewed in a timely manner and that they reflect all requirements of the loan approval.

Once necessary signatures are obtained, the underwriter should ensure that the loan is successfully boarded onto the loan system.

Once a loan is booked, the credit underwriter is responsible for monitoring the credit for continued credit quality and timely reviews and renewals within California Capital's servicing guidelines. Any signs of credit deterioration must be promptly discussed with the DOL.

### **Loan Processing Coordinator Responsibilities**

The Loan Processing Coordinator ('LPC') is responsible for performing all administrative functions related to originating loans. Tasks include collecting application, financial and organizational documents from borrowers, entering borrower and financial data to the loan origination software package (Ventures+), reviewing all documents for

completeness and accuracy; analyzing credit obligations, debt, financial statements and projections; and providing Credit Underwriter with list of questions and synopsis of loan.

### **Loan Closing Coordinator Responsibilities**

The **Loan Closing Coordinator** ('LCC') is responsible for accurately documenting all approved loans. This includes not only developing and implementing standard loan documentation but also updating standard documentation as appropriate and maintaining it within California Capital's Policy, regulatory requirements and lending industry best practices. The LCC is also responsible for developing procedures to ensure that loans are consistently and prudently documented and booked.

### **Loan Portfolio Manager**

The **Loan Portfolio Manager** (LPM) is responsible for setting up payments in the servicing platform (Downhome), tracking and recording loan payments from borrowers, and maintaining updated payment information for funding agency reports. The Loan Portfolio Manager is also responsible for ensuring that booked loans are serviced in accordance with loan documentation and applicable regulations. The LPM is also responsible for maintaining a tracking system for loan covenants and requirements including items that are coming due, due, or delinquent. The LPM is also responsible for ensuring that loan collateral and related insurance is perfected and in place throughout the term of the loan.

**It is understood that the above positions could require additional tasks based on new programs and/or program changes.**

## **POLICY HIERARCHY & STRUCTURE**

There are three levels in California Capital's Credit Risk Policy hierarchy, including:

- Direct Lending Policy
- Underwriting Guidelines
- Direct Lending Procedures

### **Direct Lending Policy**

This Direct Lending Policy establishes the fundamental credit principles that guide California Capital's direct lending activities. This Policy, and any subsequent changes to it, is reviewed and recommended by the LAB and must be approved by the Board at least annually.

### **Underwriting Guidelines**

Underwriting Guidelines establish specific underwriting and documentation guidelines under which California Capital makes loans. Underwriting Guidelines are recommended by the DOL and must be approved by the LAB at least annually.

At a minimum, Underwriting Guidelines will establish acceptable standards for:

- Maximum loan to value ratios for secured loans
- Maximum loan term and amortization
- Minimum cash flow coverage ratios
- Requirements for guarantees and other credit enhancements
- Reporting requirements
- Documentation requirements

### **Direct Lending Procedures**

Direct Lending Procedures are the detailed procedures for analyzing, approving, documenting, funding, monitoring, and servicing loans in a way that adheres to California Capital's Direct Lending Policy and Underwriting Guidelines. Procedures are recommended by Management and must be approved by the DOL at least annually.

At a minimum, Direct Lending Procedures will address:

- Taking an Application
- Underwriting Format/Processes
- Approval Format/Processes
- Documentation Format/Processes
- File Format/Requirements
- Closing Processes
- Maintenance/Servicing Requirements
- Problem Loan/Special Assets Processes

### **Exception Approval and Reporting**

From time to time, California Capital may extend credit in a way that deviates from written policies, procedures and guidelines. Deviations from published Policy and Guidelines are considered "Policy Exceptions." Deviations from published procedures are known as "Procedure Exceptions." Exceptions must be approved as follows:

- Policy Exceptions – Must be approved by the LAB
- Procedure Exceptions – Must be approved by the DOL, CFO or OD

The DOL is responsible for tracking Policy Exceptions and reporting them to the Board at least quarterly. Below is a list of exceptions that California Capital will track.

### **Exception Types**

#### Policy Exceptions (reported to Board quarterly)

- DSCR
- LTV
- Loan Term
- Loan Amortization
- Guarantee

- Interest Rate
- Minimum Equity Injection

Procedure Exceptions (tracked internally by management)

- Financial Reporting
- Maintenance Covenants
- Required Closing Documents

**Policy Hierarchy & Approval Grid**

<b>Party Responsible to:</b>	<b>Direct Lending Policy</b>	<b>Underwriting Guidelines</b>	<b>Direct Lending Procedures</b>
<b>Recommend</b>	LAB	DOL	Management
<b>Approve</b>	Board	LAB	DOL
<b>Identify Exceptions</b>	DOL and Credit Team		
<b>Approve Exceptions</b>	LAB	DOL	DOL, CFO or OD
<b>Ensure Proper Exception Approval Prior to Documentation</b>	Closing Coordinator	Closing Coordinator	Closing Coordinator
<b>Track Exceptions</b>	DOL (or designee)		
<b>Report Exceptions to the Board</b>	DOL (or designee)		

**LOAN TYPES & STRUCTURE**

**Desirable Loan Types**

The following loan types are desirable to California Capital assuming that they are extended to Borrowers of sound character with well-identified sources of repayment:

- Revolving Lines of Credit (also known as Operating or Working Capital Lines of Credit) - These loans are made to support a borrower's cash-flow requirements during fluctuations of a business cycle. In general, RLOC's will be structured as follows:

<b>Term</b>	Up to 36 months
<b>Amortization</b>	N/A
<b>Payment Type</b>	Interest monthly, principal due at maturity
<b>Collateral</b>	UCC filing on business assets
<b>Interest Rate Type</b>	Variable

- **Term Loans** – Term loans are made for a variety of business reasons including but not limited to business acquisition, equipment purchase/refinance, or permanent working capital. In general, term loans will be structured as follows:

<b>Term</b>	Up to 7 years, not to exceed useful life of underlying collateral
<b>Amortization</b>	Equal to loan term (aka fully amortizing)
<b>Payment Type</b>	Monthly principal and interest
<b>Collateral</b>	UCC filing on business assets; specific filing/lien on equipment financed with loan; may also take lien on real estate as needed
<b>Interest Rate Type</b>	Variable or fixed

- **Commercial Real Estate Loans** – These loans are most commonly used to acquire or refinance real estate collateral. In general, CRE loans will be structured as follows:

<b>Term</b>	Up to 15 years, not to exceed useful life of underlying collateral
<b>Amortization</b>	Equal to loan term (aka fully amortizing)
<b>Payment Type</b>	Monthly principal and interest
<b>Collateral</b>	1 <sup>st</sup> or 2 <sup>nd</sup> D/T on real estate collateral
<b>Interest Rate Type</b>	Variable or fixed

- **Commercial Lines of Credit (CLOC)** – These loans are most commonly used to assist in the working capital which includes carrying accounts receivable and inventory. In general, CLOC loans will be structured as follows:

<b>Term</b>	12 months
<b>Amortization</b>	None
<b>Payment Type</b>	Monthly interest only with 30 day “clean up”
<b>Collateral</b>	UCC filing on business assets including accounts receivable and inventory
<b>Interest Rate Type</b>	Fixed for one year

### **Primary markets**

California Capital will focus its lending activities in geographical market areas defined as San Joaquin County north to the Oregon border, including coastal and inland counties.

While the majority of loans will be in this area, California Capital may choose to make loans outside of this market area when such loan(s) can be done in a prudent manner and for a purpose that aligns with California Capital's mission.

## **CREDIT STANDARDS**

It is California Capital's policy to ensure that all extensions of credit are prudently and consistently initiated, underwritten and monitored over time for signs of strain. Management is responsible for developing Procedures for the extension of credit in accordance with the organization's core credit standards, which are outlined below.

### **Taking an Application**

California Capital will document all credit applications in accordance with Procedures established by Management for the type of credit requested. California Capital defines a completed application as an application that it has received, which contains the information that California Capital regularly obtains and considers in evaluating applications for the amount and type of credit requested. This includes, but is not limited to, credit reports, financial statements and tax returns from parties on the loan, any additional information requested from the applicant, and any approvals or reports by governmental agencies or other persons that are necessary to guarantee, insure, or provide security for the credit or collateral.

### **Conflicts of Interest**

Lending staff will avoid making loans where other considerations may affect either the credit judgment exercised or the organization's ability to subsequently employ normal collection techniques. As an example, caution should be exercised in making loans to close relatives of employees since such loans can become embarrassing to handle given the personal relationships involved. Also, caution should be exercised on loans to a borrower for the purpose of financing the purchase of an automobile or other asset from an employee of the organization. Under no circumstances may lending staff make loans to their relatives, and loan applications from friends should be passed to another lending staff member for processing and approval.

### **Character/Credit**

A borrower's credit history is a key component to understanding their "willingness" to repay. It is California Capital's policy to avoid making loans to borrowers whose credit report reflects any of the following derogatory items if such items can't be reasonably explained:

- Delinquencies
- Collections
- Charge-offs
- Restructured Credits
- Short Sales
- Deed in Lieu transactions
- Foreclosures

- Liens, Garnishments or Judgments
- Litigation
- Previous Bankruptcy

Borrowers whose credit histories exhibit these characteristics should be carefully considered before granting credit and suitable explanations should be sought. Borrowers who cannot fully explain and mitigate credit flaws represent a high risk to California Capital and are discouraged.

### **Capacity**

A required compliment to a borrower's willingness to repay is his or her ability (aka "capacity") to repay an obligation. If a borrower cannot demonstrate income or assets to generate the necessary cash flow (primary source of repayment) to repay or does not possess the financial strength to weather unexpected challenges along the way, he or she may not have the capacity to repay in spite of their good character and credit rating. Therefore, it is California Capital's policy to appropriately determine a borrower's income, cash flow and financial strength prior to granting credit. The following borrower characteristics are key indicators of a borrower's capacity to repay their debts, depending upon the type of credit:

- For consumer and mortgage credit, sufficient income to repay the debt as witnessed by a debt-to-income ratio in line with industry standards
- For commercial credit, demonstrated cash flow in excess of debt service requirements (both stand-alone and global)
- Reasonable Leverage and Debt Levels
- Reasonable Liquidity to Satisfy Short Term Obligations
- History of Employment or Profitability

Borrowers lacking in characteristics demonstrating capacity based on the type of credit applied for should be carefully considered before granting credit. Borrowers exhibiting a lack of two or more of the required characteristics should be avoided.

### **Collateral/Secondary Source of Repayment**

Collateral, whether securing a loan or, in the case of unsecured credit, assets that are available and liquid, is fundamental to providing a strong secondary source of repayment. In spite of a borrower's willingness and ability at the inception of a loan, challenges during the term of a loan can diminish or eliminate capacity making it imperative that California Capital have a secondary source of repayment for its loan. It is the organization's policy to appropriately determine what collateral is available, its acceptability, value and salability, and ultimately what loan to value is appropriate given these characteristics.

Borrowers with minimal collateral or weak secondary sources of repayment should be carefully considered before granting credit. Borrowers with no collateral or secondary source of repayment should be avoided.

### **Guarantees**

California Capital generally requires the unlimited guarantee of any principal with 20% or greater ownership interest in the Borrowing entity.

Although guaranties may add support and mitigate an applicant's deficiencies (i.e., financial strength, collateral, or lack of credit history), they should not be used as a substitute for deficiencies in an applicant's character, poor credit history, or weak primary source of repayment.

No guarantees will be taken if they are prohibited under Regulation B (Equal Credit Opportunity Act). If the guarantee of a spouse is taken when that spouse does not meet any of the preceding criteria, the lending officer should document the reason(s) for obtaining a spousal guarantee in the credit file.

Personal guarantees are generally not required for non-profit entities, regardless of the legal structure of the entity, due to the lack of personal ownership and the difficulty in establishing legal consideration.

### **Matching Loan Purpose with Repayment Source**

It is California Capital's policy to understand loan purpose and analyze cash flow and sources and uses of cash before making a loan. The loan should then be structured so that it will be repaid on a schedule acceptable to California Capital from normal operating cash flows. In this manner, California Capital avoids financing unproductive or non-income producing assets and does not make loans which overburden the borrower's repayment ability.

### **Documentation**

The responsibility for proper documentation rests with the underwriter and the LPC. This includes ensuring that the documentation conforms to all requirements of the approval, is supported by appropriate entity documentation where required, and is properly signed and returned to California Capital prior to funding.

All extensions of credit must be evidenced by legally enforceable documents prepared by the organization's Loan Closing Coordinator, reviewed by the Underwriter and/or Director of Lending and when needed, the organization's legal counsel. Whenever possible, California Capital-approved forms should be utilized. Standard Documentation is to be reviewed and approved by California Capital's legal counsel at least annually.



### Reporting / Monitoring

Once a credit has been boarded, it must be monitored for compliance with any servicing requirements (e.g. required periodic financial statement and tax return submission and covenants), and for general performance within appropriate loan and credit agreement terms. In addition, California Capital will monitor credit performance both internally and externally through updated credit scores or other means available to California Capital. Monitoring is key to ensuring the safety and soundness of California Capital's direct loan portfolio.

All direct lending loans will be reviewed at least annually with an appropriate review memo to file. Loans with a higher risk profile (i.e. loans to borrowers with high leverage, minimal profitability, minimal working capital, weak cash flow) should be monitored at least quarterly or more often as necessary. Any disconcerting interim events or trends should be evaluated and reported to Management as necessary. All loans will be monitored at the portfolio level at least quarterly. Changes in portfolio activity, quality, concentrations, exceptions, will be reported by the DOL to the LAB at least quarterly.

### LOAN APPROVAL

Loans will be approved in accordance with authorities laid out in the following loan approval matrix:

#### Loan Approval Authority Matrix

Credit Action	Approval Authority
Loans up to \$25,000*	Credit Underwriter and DOL
Loans Between \$25,001 - \$50,000	CEO and CFO
Loans over \$50,000	LAB
Troubled Debt Restructure	LAB
Non-accrual Designation	LAB and CFO
Liquidation	LAB

\*Loans up to \$25,000 shall be approved by the Credit Underwriter and the Director of Lending (DOL). When the Credit Underwriter has underwritten the loan, he/she shall present the loan to the DOL; If the DOL has underwritten the loan, then he/she shall

present the loan request to the Credit Underwriter. Both the Credit Underwriter and DOL must approve the loan request.

A newly hired Credit Underwriter must have six months experience underwriting loans for California Capital prior to having the authority to approve a loan. During the first six months of employment, the newly hired Credit Underwriter will present the loan to the Credit Underwriter and DOL, who shall have the authority to approve the loan request. After six months, the newly hired Credit Underwriter may present the loan directly to the DOL for approval.

If the DOL is not available to review and approve a loan presented by the Credit Underwriter, or the Credit Underwriter is not available to review and approve a loan presented by the DOL, then the CEO or CFO will provide the secondary approval.

### **Delegated Approval Authority**

From time to time, loans require certain structural changes after getting approved by the LAB. Such changes may result from competition, a changing project scope or otherwise. In order to allow California Capital to respond quickly to such changes without reconvening a LAB quorum, the DOL is granted delegated authority to approve the following changes to LAB-approved loans provided that such changes don't create any exceptions to California Capital's Direct Lending Policy:

- Increasing a loan commitment by up to 10%
- Decreasing an interest rate by up to 0.50%
- Changing collateral when, at the CLO's discretion, the change results in California Capital's security position being similar to the originally approved position
- Changing the Use of Proceeds of a Project
- For any changes other than those described above will be presented to the LAB for approval

Any changes approved through this delegated approval authority must be documented in a memo to the credit file, with the memo signed and dated by the DOL CLO. The memo should address the proposed change(s) and how it (they) impact(s) key underwriting metrics like DSCR, LTV, Current Ratio, Working Capital and Debt/Worth Ratio.

## **PORTFOLIO MANAGEMENT**

### **Risk Ratings and Standards**

An effective Risk Rating System is critical to Management's ability to assess the effectiveness of lending and underwriting staff, measure credit risk in the loan portfolio, and to ensure the adequacy of the organization's reserve for loan losses. Therefore, it

is California Capital's policy to use an effective Risk Rating System that consistently and accurately assesses credit risk to ensure informed decision making.

It is the responsibility of the Underwriter/Loan Officer and the DOL to properly rate and re-rate credits as necessary. The DOL shall establish procedures that ensure risk ratings are accurately assigned at loan inception and monitored over time for appropriateness based on changes to a loan's risk profile.

California Capital's Risk Rating System is outlined below:

<b>Risk Rating</b>	<b>Standard / Definition</b>
<p><b>1</b></p>	<p><b>PASS/ACCEPTABLE</b></p> <p>Credits with this rating should meet most if not all policy standards in regard to:</p> <ul style="list-style-type: none"> <li>• LTV</li> <li>• debt service coverage (DSC)</li> <li>• profitability</li> <li>• leverage</li> <li>• working capital</li> </ul> <p>The borrower should be in compliance with all loan covenants and loan agreement terms. Primary source of repayment may contain speculative features, but secondary support is clearly documented and acceptable.</p>
<p><b>2</b></p>	<p><b>PASS/WATCH</b></p> <p>Credits rated "2" are experiencing some sort of circumstance that requires a higher level of monitoring.</p> <p>Reasons for the increased scrutiny and monitoring may include but are not limited to:</p> <ul style="list-style-type: none"> <li>• deteriorated current cash flow and debt service coverage</li> <li>• deteriorating balance sheet or earnings trends</li> <li>• deterioration in industry or economic conditions</li> <li>• declining collateral values</li> <li>• increasing leverage</li> <li>• weak liquidity</li> <li>• failure to comply with some loan covenants and/or loan agreement terms</li> <li>• recent management changes which create an increased level of uncertainty</li> </ul> <p>Despite weaknesses, mitigating circumstances such as adequate global cash flow and/or liquidity exist to an extent where ongoing repayment ability is likely. These credits should be reviewed more regularly to determine if identified weaknesses/risks are improving or further deteriorating.</p>
<p><b>3</b></p>	<p><b>SPECIAL MENTION</b></p> <p>Credits rated "3" typically display many of the characteristics described for Risk Rating 2 – Pass/Watch loans above yet lack mitigating factors that would justify a Pass rating. If left unaddressed and uncorrected, these potential weaknesses may result in deterioration of the repayment prospects of the loan or may inadequately protect California Capital's position in the future. Although the global cash flow of the borrower may add support, it does not fully mitigate deterioration in the credit. These loans pose elevated risk but do not yet justify a substandard classification. Although a credit with this rating has a higher probability of default than a pass loan, its default is not imminent.</p>

Risk Rating	Standard / Definition
	<p>Characteristics of this type of credit are:</p> <ul style="list-style-type: none"> <li>• loans where the obligor's balance sheet and/or cash flow is strained to a point where, if such strain is uncorrected, repayment of the loan according to terms is unlikely</li> <li>• loans with strained cash flow where repayment is in part reliant upon global resources</li> </ul> <p>A distinction between a Special Mention and Substandard is that a Special Mention Loan continues to pay as agreed and has identified weaknesses that, if not corrected, could result in the loan not being repaid according to terms. In the case of a Substandard loan, the loan may or may not be paying as agreed but the obligor lacks the viable plan and resources to ensure ongoing payment according to terms.</p> <p>Special Mention should be used as a transition risk rating because, by definition, it denotes a loan with specific deficiencies that will either be sufficiently addressed before the borrower is unable to repay the loan according to terms (resulting in an upgrade) or continue to a point where ongoing payment according to terms is unlikely (resulting in a downgrade).</p>
4	<p><b>SUBSTANDARD</b></p> <p>Credits rated "4" typically exhibit weaknesses that are well defined to the point where repayment is jeopardized. Loss potential is, however, not necessarily evident.</p> <p>Current financial capacity is not sufficient to support the debt as currently structured. Financial condition, either through losses or balance sheet liquidity, indicates an inability to perform according to terms. While collateral may protect against loss, there is a strong probability that collateral liquidation outside the normal course of business, will be necessary to effect repayment.</p> <p>Characteristics of this type of credit are:</p> <ul style="list-style-type: none"> <li>• loans where the obligors are unable to generate enough cash flow for debt repayment</li> <li>• interest payments and/or fees have been capitalized or deferred</li> <li>• restructured credit with favorable terms to the existing borrower in a workout situation</li> <li>• non-accrual loans adequately protected by the current market value of collateral</li> <li>• borrower has filed bankruptcy</li> <li>• loans past due for 90 days or more without extenuating circumstances approved by Credit Administration</li> <li>• loans that are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any</li> <li>• loans where future losses to California Capital are possible if the deficiencies in the assets are not corrected</li> <li>• loans where the possibility of liquidation would not be timely even if there is little likelihood of total loss</li> <li>• loans where the primary source of payment is gone and California Capital is relying on a secondary source for repayment</li> <li>• loans where a loss does not seem likely, but enough problems have occurred causing California Capital's management to take measures to protect its position as to ensure a high probability of payment</li> <li>• loans where collateral has deteriorated and may only marginally support full repayment of the loan</li> <li>• classified Substandard by regulators or external/internal loan review</li> </ul>

Risk Rating	Standard / Definition
5	<p><b>DOUBTFUL</b></p> <p>An asset classified doubtful has all the weaknesses inherent in a Substandard loan with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.</p> <p>Characteristics of a doubtful loan:</p> <ul style="list-style-type: none"> <li>• based upon review of collateral, credit information and/or current financial condition or borrower, collectability in full is considered doubtful</li> <li>• any non-accrual loan that is not considered adequately protected by current market value of collateral and which has not been written down or reserved. Accrued interest should be reversed.</li> <li>• loans where the possibility of a loss is high but, because of certain important and specific pending factors, which may strengthen the loan, its classification as an estimated loss is deferred until a more exact status can be determined. Pending factors include proposed merger, acquisition, or liquidation procedures, capital injection, perfection of liens on additional collateral or other financing plans</li> <li>• loans where a "Loss" classification would normally be warranted if pending events did not occur, and repayment was deferred to await new developments</li> <li>• classified doubtful by regulators or external/internal loan review</li> </ul> <p>The entire credit should not be classified doubtful when collection of a specific portion of the loan balance appears highly probable. For example, if through proper valuation techniques it is determined that a loan is 30% to 50% collectible; the appropriate classification would be 30% substandard, 20% doubtful, and 50% loss. By definition, the only part that is doubtful is the 20% portion between the 30% and 50%.</p>
6	<p><b>LOSS</b></p> <p>A loan classified as Loss is considered uncollectible and of such little value that its continuance as a viable asset is not warranted.</p> <p>This classification does not mean that the loan has absolutely no recovery or salvage value, but rather that it is not practical or desirable to defer writing off the loan, even though some recovery may occur in the future.</p> <p>The portion of the loan that is graded loss should be charged off no later than the end of the quarter in which the loss is identified.</p> <p>Other characteristics of this type of loan are:</p> <ul style="list-style-type: none"> <li>• based upon review of collateral, credit information, and/or current financial condition of the borrower, full collectability is considered remote</li> <li>• classified loss by regulators or external/internal loan review</li> </ul>

**Special Assets**

It is California Capital's policy to manage problem loans back to performing status whenever possible or, when this is not possible, to manage such credits out of the organization. Managing special assets is the responsibility of the or his/her designee. California Capital monitors special assets in accordance with the following standards:

Standard	Description
<b>Impairment</b>	<p>California Capital considers a loan to be impaired if it falls into at least one of the following categories:</p> <ul style="list-style-type: none"> <li>• The loan is more than 90 days past due</li> <li>• The loan is in non-accrual status</li> <li>• The loan is or has been classified as a TDR</li> </ul> <p>If a loan is impaired, an impairment analysis must be performed to determine if a specific reserve or charge-off is required. The DOL or assignee must collect all of the appropriate collateral data and determine if California Capital's standard discount for that loan's collateral will result in an appropriate reserve. This reserve will then be included in the monthly calculation of California Capital's loan loss reserve. If a charge off is required, it should be processed as soon as possible but not later than the quarter in which it is determined necessary.</p> <p>This impairment process will compare California Capital's loan balance to either:</p> <ul style="list-style-type: none"> <li>• the net collateral value (where net collateral value is defined as the market value less priority liens and costs to sell) or</li> <li>• the present value of the anticipated cash flow stream or,</li> <li>• in rare instances, the market value of the loan (this assumes the loan can be sold and the market value can be determined)</li> </ul> <p>Any differences between the loan balance and the above will be carried as a specific reserve or, if applicable, charged off.</p>
<b>Past Due, Non-accrual &amp; Troubled Debt Restructured (TDR) Loans</b>	<p>It is California Capital's policy to follow FFIEC and generally accepted accounting principles (GAAP) with respect to past due, nonaccrual and trouble debt restructured (TDR) loans. All TDR and non-accrual recommendations require LAB approval.</p>
<b>Charge-Offs</b>	<p>It is California Capital's policy to carry assets at realistic values and to be fully reserved against potential exposures to loss. This will be implemented through a proactive approach toward asset write-downs and/or the establishment of specific reserves against potential loss exposure as necessary.</p>
<b>Capitalization of Interest</b>	<p>The practice of converting interest due on a note into principal is known as capitalization of interest. California Capital policy does not generally allow for capitalization of interest.</p>
<b>Compromise Settlement / Forgiveness of Debt</b>	<p>A compromise settlement of an existing debt, which results in the forgiveness of any portion of that debt, may only be considered when all other reasonable efforts to collect have failed. A compromise settlement includes the taking or acceptance of an asset (other than liquid or readily marketable collateral held on account with California Capital) in lieu of loan repayment. The authority to make compromise settlements rests solely with the LAB.</p>
<b>Foreclosure / Repossession</b>	<p>It is California Capital's policy to require that foreclosures and repossessions be handled in a manner to minimize loss, maximize recovery, and limit company liability by ensuring the organization has pursued all reasonable alternatives for collection and repayment of loans prior to engaging in foreclosure or repossession. Foreclosures and repossessions require specialized knowledge therefore, only the DOL CLO will manage foreclosures and repossessions.</p>

Standard	Description
	California Capital must ensure foreclosures and repossessions are accounted for in conformance with generally accepted account principles (GAAP).
<b>Foreclosure / Sale Bid Approval Limits</b>	Foreclosure/Sale bid and request for bid checks must be approved by the LAB.
<b>Other Real Estate Owned (OREO)</b>	<p>It is California Capital's polity to manage its Other Real Estate Owned (OREO) and Other Assets in a manner to minimize loss, maximize recovery and limit company liability while mitigating the impact on surrounding property values. California Capital must also ensure OREO &amp; Other Assets are accounted for in conformance with generally accepted accounting principles (GAAP).</p> <p>Other Real Estate Owned (OREO) consists of real property held for reasons other than to conduct organization business. Other Assets consist of other property or an item with tangible value held for reasons other than to conduct organization business.</p>
<b>OREO Expense Approval Limits</b>	All expenses associated with the management, documentation, and collection of non-performing loans including those for litigation, repossession, and foreclosure as well as negotiation of any required documents, must be approved by the LAB.
<b>Regulation</b>	California Capital's loan work-out activities must at all times comply with all Local, State and Federal laws and regulations. It is especially important that California Capital not violate Consumer Collection law, rules and regulations including, but not limited to The Sailors and Soldier's Act; Federal Credit Reporting Act and Fair Debt Collections Practices Act.

**Loan Loss Reserve**

California Capital provides a Loan Loss Reserve sufficient to account for probable loss inherent in the current loan portfolio. The adequacy of the Loan Loss Reserve will be reviewed by the CFO at least quarterly.

**Credit Files**

It is the responsibility of each loan officer/underwriter and their management to ensure that credit files contain the information necessary to support the credit decisions made. The DOL is responsible for developing procedures regarding the establishment and maintenance of credit files that contain sufficient detail to allow proper evaluation of the soundness of the credit decision and the current status of the credit.

## California Capital Direct Lending Underwriting Grid

Loan Products	MICRO LOAN	MID RANGE LOAN	LARGE MICROLOAN
Maximum Amount	\$5,000-\$25,000	\$25,001-\$50,000	\$50,001-\$150,000
Term	Maximum Term up to 84 months	Maximum Term up to 84 months	Maximum Term up to 84 months
Interest Rate	WSJ Prime + up to 5%	WSJ Prime + up to 5%	WSJ Prime + up to 5%
Application Fee	\$100	\$100	\$100
Loan Fees	3% of loan amount + \$150 Doc Fee	3% of loan amount + \$150 Doc Fee	3% of loan amount + \$150 Doc Fee
Purpose of the Loan	Working capital, Business Equipment, Business Vehicles, Tenant Improvements, Inventory, Start-up expenses, Marketing		

### Cash Capacity Requirements

Business/Global Cash:Debt Service Ratio	Business DSCR at 1:1; Global DSCR at 1:1*		
If in business less than 12 months	Must have alternate source of income for personal household expenses		
Additional Guarantor	May be used to help borrower meet cash capacity requirement		
Bank Statements	2 NSF in past 3 months	1 NSF in past 3 months	0 NSF in past 3 months

**\*Exceptions may be considered with mitigating factors**

### Credit Requirements

FICO	No Minimum	No Minimum	No Minimum
Slow Pays*	Two in last six months	Two in last 12 months	None in last 12 months
Bankruptcy or Foreclosure	over 12 months ago	over 12 months ago	over 24 months ago
Collections*	No collections in past 12 months	No collections in past 12 months	No collections in past 24 months
Length of Credit History*	1 year of established credit	3 years established credit	5 years established credit
Loan Amount History	Past Loan of \$5,000	Past Loan of \$15,000	Past Loan of \$30,000

**\*Except medical. Also, exceptions may be granted with letter of explanation**

### Collateral Requirement

Collateral Value Requirement	General UCC Filing; UCC Filing on Specific equipment/machinery	General UCC Filing; UCC Filing on Specific equipment/machinery	General UCC Filing; UCC Filing on Specific equipment/machinery; 30% - 50% of loan amount
Type of Collateral Accepted	Vehicle, business equipment/inventory	Vehicle, business equipment/inventory	Vehicle, business equipment/inventory/2nd Deed of Trust (there must be \$75K of equity available)

**\*At a minimum, a UCC-1 will be filed on all businesses**

### Capital Requirements

Start Up Businesses (less than 2 years)	up to 20% of project	up to 20% of project	up to 20% of project
Existing Businesses	Up to 10% of project	Up to 10% of project	Up to 10% of project

### Character Requirements

Industry Experience	Required	Required	Required
Individual TA for projections	Required	If in business less than one year, pivoting or expanding	
Business planning course	Required	If in business less than one year, pivoting or expanding	



<b>RDL Guidelines</b>	
<b>Personal Information Required</b>	<p>Recent proof of all household income: 1 pay stub, Most recent proof of all verifiable source of income, last 3 months of bank statements , the most recent Individual Tax Return, copy of Utility Bill and ID or LexisNexis verification score of 40-50. If we are considering someone other than the Borrower's income to prove capacity we will need this person as co borrower on the note. We will require the same personal information from Coborrower(s)</p> <p>Recent proof of all household income: 1 pay stub, Most recent proof of all verifiable source of income, last 3 months of bank statements , the most recent Individual Tax Return, copy of Utility Bill and ID or LexisNexis verification score of 40-50. If we are considering someone other than the Borrower's income to prove capacity we will need this person as co borrower on the note. We will require the same personal information from Coborrower(s)</p> <p>Recent proof of all household income: 1 pay stub, Most recent proof of all verifiable source of income, last 3 months of bank statements , the two (s) most recent Individual Tax Return, copy of Utility Bill and ID or LexisNexis verification score of 40-50. If we are considering someone other than the Borrower's income to prove capacity we will need this person as co borrower on the note. We will require the same personal information from Coborrower(s)</p>
<b>Business Information Required</b>	<p>3 month of bank statements, or copies of receipts for the past three months, Most recent business tax return Business Utility Bill, Proof of Business Ownership.</p> <p>3 months of bank statements, Profit &amp; Loss, Balance Sheet, and 1 Business Tax Return.--Copy of Utility bill. Aging Schedules AR/AP</p> <p>2 Business Tax Return, Year-to-date Profit &amp; loss, Updated Balance Sheet, and Financial Projections. Form signed to get copies of tax returns from IRS.3 months of bank statements. Aging Schedules AR/AP.</p>
<b>If Start Up Business</b>	<p>Proof of Business Ownership and Informal Business Plan Required</p> <p>Proof of Business Ownership, Formal Business Plan, Financial projections (including assumptions) and Start Up Balance Sheet Required</p>
<b>Personal Investment Required on start up business.</b>	<p>Minimum Equity 10%**Proof of Equity required</p> <p>Minimum Equity 20%**Proof of Equity required</p> <p>Minimum Equity 20%**Proof of Equity required</p>

California Capital Risk Matrix					
Company Name:	Loan Request Amount:	Date:	Notes	Performance Score	Score Justification
Weights	Category	Criteria	Notes		
10%	Industry Experience	Ranging from none to 5 years+	Comments on ranking justification		1- 10+ years, 2- 5 to 10 years, 3- 3 to 5 years, 4- 1 to 3 years, 5 zero years
15%	Working Capital Levels	Measured based on the Borrower's performance relative to RMA industry averages or the number of months of operating reserves the Borrower has on its balance sheet			1- above RMA upper quartile, 2- upper and mid, 3- mid to lower, 4- below RMA lower
15%	FICO/Credit Issues	e.g. prior BK, foreclosures w/in the last 5 years, active collections, charge offs, etc.	FICO:		1. FICO >740; 2. FICO >700; 3. FICO > 660; 4. FICO > 620; 5. FICO <619
5%	Collateral Support	Ranging from fully secured by tangible property and/ or cash to unsecured			1. Fully secured to tangible property (real estate or FF&E); 2. Loan 99% to 50% secured; 3. 49% to 25% secured, 4. Under 25%, 5. No Collateral
50%	Repayment Ability	Global DSCR	2021 GDSC of		1. Historic GDSC 1.1x+; 2. Historic GDSC 1.09 to .8; 3. Projected GDSC >1.5; 4. Projected GDSC: 1.0-1.5
5%	Guarantor Support	Ranging from no guarantors and/ or weak guarantors to strong guarantors	Personal Guarantor w/NW at		1. Resources to fully repay loan (real estate equity and liquidity) 2. Resources to repay 100% to 50% of loan 3. Resources to repay 50% to 25% of loan 4. Less than 25%. 5. No resources.
100%	Totals			0	

## Risk Rating

### Standard / Definition

#### 1 PASS/ACCEPTABLE

Credits with this rating should meet most if not all policy standards in regard to:

- LTV
- debt service coverage (DSC)
- profitability
- leverage
- working capital

The borrower should be in compliance with all loan covenants and loan agreement terms. Primary source of repayment may contain speculative features, but secondary support is clearly documented and acceptable.

#### 2 PASS/WATCH

Credits rated "2" are experiencing some sort of circumstance that requires a higher level of monitoring. Reasons for the increased scrutiny and monitoring may include but are not limited to:

- deteriorated current cash flow and debt service coverage
- deteriorating balance sheet or earnings trends
- deterioration in industry or economic conditions
- declining collateral values
- increasing leverage
- weak liquidity
- failure to comply with some loan covenants and/or loan agreement terms
- recent management changes which create an increased level of uncertainty

Despite weaknesses, mitigating circumstances such as adequate global cash flow and/or liquidity exist to an extent where ongoing repayment ability is likely. These credits should be reviewed more regularly to determine if identified weaknesses/risks are improving or further deteriorating.

#### 3 SPECIAL MENTION

Credits rated "3" typically display many of the characteristics described for Risk Rating 2 – Pass/Watch loans above yet lack mitigating factors that would justify a Pass rating. If left unaddressed and uncorrected, these potential weaknesses may result in deterioration of the repayment prospects of the loan or may inadequately protect California Capital's position in the future. Although the global cash flow of the borrower may add support, it does not fully mitigate deterioration in the credit. These loans pose elevated risk but do not yet justify a substandard classification. Although a credit with this rating has a higher probability of default than a pass loan, its default is not imminent.

Characteristics of this type of credit are:

- loans where the obligor's balance sheet and/or cash flow is strained to a point where, if such strain is uncorrected, repayment of the loan according to terms is unlikely
- loans with strained cash flow where repayment is in part reliant upon global resources

A distinction between a Special Mention and Substandard is that a Special Mention Loan continues to pay as agreed and has identified weaknesses that, if not corrected, could result in the loan not being repaid according to terms. In the case of a Substandard loan, the loan may or may not be paying as agreed but the obligor lacks the viable plan and resources to ensure ongoing payment according to terms.

Special Mention should be used as a transition risk rating because, by definition, it denotes a loan with specific deficiencies that will either be sufficiently addressed before the borrower is unable to repay the loan according to terms (resulting in an upgrade) or continue to a point where ongoing payment according to terms is unlikely (resulting in a downgrade).

#### 4 SUBSTANDARD

Credits rated "4" typically exhibit weaknesses that are well defined to the point where repayment is jeopardized. Loss potential is, however, not necessarily evident.

Current financial capacity is not sufficient to support the debt as currently structured. Financial condition, either through losses or balance sheet liquidity, indicates an inability to perform according to terms. While collateral may protect against loss, there is a strong probability that collateral liquidation outside the normal course of business, will be necessary to effect repayment.

Characteristics of this type of credit are:

- loans where the obligors are unable to generate enough cash flow for debt repayment
- interest payments and/or fees have been capitalized or deferred
- restructured credit with favorable terms to the existing borrower in a workout situation
- non-accrual loans adequately protected by the current market value of collateral
- borrower has filed bankruptcy
- loans past due for 90 days or more without extenuating circumstances approved by Credit Administration
- loans that are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any
- loans where future losses to California Capital are possible if the deficiencies in the assets are not corrected

- loans where the possibility of liquidation would not be timely even if there is little likelihood of total loss
- loans where the primary source of payment is gone and California Capital is relying on a secondary source for repayment

- loans where a loss does not seem likely, but enough problems have occurred causing California Capital's management to take measures to protect its position as to ensure a high probability of payment
- loans where collateral has deteriorated and may only marginally support full repayment of the loan
- classified Substandard by regulators or external/internal loan review

#### **6 DOUBTFUL**

An asset classified doubtful has all the weaknesses inherent in a Substandard loan with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Characteristics of a doubtful loan:

- based upon review of collateral, credit information and/or current financial condition or borrower, collectability in full is considered doubtful
- any non-accrual loan that is not considered adequately protected by current market value of collateral and which has not been written down or reserved. Accrued interest should be reversed.

- loans where the possibility of a loss is high but, because of certain important and specific pending factors, which may strengthen the loan, its classification as an estimated loss is deferred until a more exact status can be determined. Pending factors include proposed merger, acquisition, or liquidation procedures, capital injection, perfection of liens on additional collateral or other financing plans
- loans where a "Loss" classification would normally be warranted if pending events did not occur, and repayment was deferred to await new developments
- classified doubtful by regulators or external/internal loan review

The entire credit should not be classified doubtful when collection of a specific portion of the loan balance appears highly probable. For example, if through proper valuation techniques it is determined that a loan is 30% to 50% collectible, the appropriate classification would be 30% substandard, 20% doubtful, and 50% loss. By definition, the only part that is doubtful is the 20% portion between the 30% and 50%.

#### **6 LOSS**

A loan classified as Loss is considered uncollectible and of such little value that its continuance as a viable asset is not warranted.

This classification does not mean that the loan has absolutely no recovery or salvage value, but rather that it is not practical or desirable to defer writing off the loan, even though some recovery may occur in the future.

The portion of the loan that is graded loss should be charged off no later than the end of the quarter in which the loss is identified.

Other characteristics of this type of loan are:

- based upon review of collateral, credit information, and/or current financial condition of the borrower, full collectability is considered remote
- classified loss by regulators or external/internal loan review

## EXHIBIT B-Compensation

		Cost per loan	Loan Fund	
<b>City of Lodi Hometown Loan Fund</b>		<b>\$21,250.00</b>	<b>\$340,000.00</b>	
<i>Estimated Number of Loans</i>	5-year Term Loans @ 5% Interest		<b>16</b>	
FEES	Origination	\$637.50	\$10,200.00	3%
	Underwriting	\$750.00	\$12,000.00	<b>\$750 per loan</b>
	Closing	\$500.00	\$8,000.00	<b>\$500 per loan</b>
	Servicing	\$1,062.50	\$17,000.00	5%
	Monitoring	\$212.50	\$3,400.00	1%
	<b>Total Fees</b>		<b>\$3,162.50</b>	<b>\$50,600.00</b>
Interest from Borrower Repayments		<b>5.00%</b>	\$ 2,722.31	\$ 43,556.96

		Cost per loan	Loan Fund	
<b>Leveraged Capital</b>		<b>\$50,000.00</b>	<b>\$250,000.00</b>	
<i>Estimated Number of Loans</i>	5-year Term Loans @ 5% Interest		<b>5</b>	
FEES	Origination	\$1,500.00	\$7,500.00	3%
	Underwriting	\$750.00	\$3,750.00	<b>\$750 per loan</b>
	Closing	\$500.00	\$2,500.00	<b>\$500 per loan</b>
	Servicing	\$2,500.00	\$12,500.00	5%
	Monitoring	\$500.00	\$2,500.00	1%
	<b>Total Fees</b>		\$5,750.00	\$ 28,750.00
Interest Rate Buydown (Amortized)		<b>4.75%</b>	\$ 6,072.83	\$ 30,364.15
			<b>\$11,822.83</b>	<b>\$59,114.15</b>
Interest from Borrower Repayments		<b>5.0%</b>	\$ 6,405.38	\$ 32,026.90

**Fee Summary:**

Hometown Microloan Fund-Loan Fees	\$50,600
Leveraged Capital- Loan Fees	\$28,750
Leveraged Capital-Interest Buydown	\$30,364
<b>Total Fees</b>	<b>\$109,714</b>



## EXHIBIT C

**NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically**

### Insurance Requirements for Professional Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

#### **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions) Insurance** appropriate to the Consultant's profession, with limits not less than **\$1,000,000** per occurrence or claim, \$2,000,000 aggregate. May be waived by Risk Manager depending on the scope of services.

#### Other Insurance Provisions:

- (a) Additional Named Insured Status  
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
- (b) Primary and Non-Contributory Insurance Endorsement  
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad as** ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- (c) Waiver of Subrogation Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any Insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer

**NOTE:** (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (d) Severability of Interest Clause  
The term "Insured" is used severally and not collectively, but the inclusion herein of more than one Insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.
- (e) Notice of Cancellation or Change in Coverage Endorsement  
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

- (f) Continuity of Coverage  
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).
- (g) Failure to Comply  
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) Verification of Coverage  
Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**
- (i) Self-Insured Retentions  
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- (j) Insurance Limits  
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.
- (k) Subcontractors  
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors
- (l) Claims Made Policies  
If any of the required policies provide coverage on a claims-made basis:  
  1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
  2. Insurance must be maintained and evidence of insurance must be provided for **at least five (5) years** after completion of the contract of work.
  3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- (m) Qualified Insurer(s)  
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.







# California Capital Contract

Final Audit Report

2023-11-17

Created:	2023-11-16
By:	Claudia Almer (calmer@lodi.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAGOSxkO_NOIoOL3dgsVr55EGc_OPLhSVD

## "California Capital Contract" History

-  Document created by Claudia Almer (calmer@lodi.gov)  
2023-11-16 - 11:42:03 PM GMT- IP address: 209.23.214.254
-  Document emailed to dmuramoto@cacapital.org for signature  
2023-11-16 - 11:42:47 PM GMT
-  Email viewed by dmuramoto@cacapital.org  
2023-11-17 - 3:00:56 PM GMT- IP address: 104.220.39.122
-  Signer dmuramoto@cacapital.org entered name at signing as Deborah Lowe Muramoto  
2023-11-17 - 8:45:33 PM GMT- IP address: 73.41.89.71
-  Document e-signed by Deborah Lowe Muramoto (dmuramoto@cacapital.org)  
Signature Date: 2023-11-17 - 8:45:35 PM GMT - Time Source: server- IP address: 73.41.89.71
-  Agreement completed.  
2023-11-17 - 8:45:35 PM GMT



# California Capital

Overall Status: APPROVED



INFO	CONTRACT NUMBER	PROJECT NUMBER	PROJECT NAME	DEPARTMENT NAME	PROJECT STATUS
			Hometown Microloan Program	Lodi Administration	<span style="border: 1px solid green; border-radius: 10px; padding: 2px;">APPROVED</span> <input type="button" value="v"/>

Required Policies

General Liability Agent	10/12/2023 — 10/12/2024 Policy: 2023-41022 Insurer: <a href="#">MGK Risk and Insurance Services Inc.</a>	Each Occurrence: \$1,000,000 Fire Damage (any one fire): \$ Med exp (any one person): \$20,000 Personal/adv Injury: \$1,000,000 General (Aggregate): \$3,000,000 Products-comp/op Agg: \$3,000,000	<span style="border: 1px solid green; border-radius: 10px; padding: 2px;">APPROVED</span> <input type="button" value="v"/>
Automobile Liability Agent	10/12/2023 — 10/12/2024 Policy: 2023-41022 Insurer: <a href="#">MGK Risk and Insurance Services Inc.</a>	Combined Single Limit (Ea Accident): \$1,000,000 Bodily Injury (Per Person): \$ Bodily Injury (Per Accident): \$ Property: \$	<span style="border: 1px solid green; border-radius: 10px; padding: 2px;">APPROVED</span> <input type="button" value="v"/>
Excess	-	-	<span style="border: 1px solid orange; border-radius: 10px; padding: 2px;">WAIVED</span> <input type="button" value="v"/>
Workers Compensation Agent	10/12/2023 — 10/12/2024 Policy: EIG 4854025 02 Insurer: <a href="#">MGK Risk and Insurance Services Inc.</a>	E.L. Each Accident: \$1,000,000 E.L. Disease - Ea Employee: \$1,000,000 E.L. Disease - Policy Limit: \$1,000,000	<span style="border: 1px solid green; border-radius: 10px; padding: 2px;">APPROVED</span> <input type="button" value="v"/>
Professional/Liability Agent	10/12/2023 — 10/12/2024 Policy: 18590784 Insurer: <a href="#">MGK Risk and Insurance Services Inc.</a>	Limit: \$1,000,000	<span style="border: 1px solid green; border-radius: 10px; padding: 2px;">APPROVED</span> <input type="button" value="v"/>

Required Documents

User Uploaded Documents

Requirements Notes:

RESOLUTION NO. 2023-253

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CALIFORNIA CAPITAL SMALL BUSINESS FINANCIAL DEVELOPMENT CORPORATION, A CALIFORNIA PUBLIC BENEFIT NONPROFIT CORPORATION, DBA CALIFORNIA CAPITAL FINANCIAL DEVELOPMENT CORPORATION, TO IMPLEMENT UNDERWRITING AND ADMINISTRATION OF THE HOMETOWN MICROLOAN PROGRAM; AND FURTHER AUTHORIZING THE EXPENDITURE

=====

WHEREAS, the Lodi City Council has adopted economic development strategic initiative No. 2B to develop greater economic development opportunities for Lodi entrepreneurs and businesses; and

WHEREAS, the Lodi City Council expressed interest in the development of a Hometown Microloan Program to help create conditions of economic growth for persons and small businesses with ten or fewer employees and who have experienced barriers to traditional lending; and

WHEREAS, microlending is distinct from traditional lending in that it involves smaller loan amounts, shorter terms, less stringent underwriting requirements, and greater loan monitoring; and

WHEREAS, microloans are usually funded through a network of nonprofit, community-based organizations and are meant to provide funding to women, low-income, veteran, and minority entrepreneurs and small business owners who are unable to readily access capital in other ways; and

WHEREAS, while nonprofit microlenders are mission-based, microlender interest rates and fees must cover the cost of capital and support operating costs; and

WHEREAS, the Lodi City Council recognizes that providing loan capital, buying down interest rates, and paying loan fees to a nonprofit microlender will create affordable, low-interest-rate loans and reduced fees to benefitting Lodi-based businesses; and

WHEREAS, over eighty percent of all Lodi businesses have nine or fewer employees, and they would be able to utilize a microloan program.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with California Capital Small Business Financial Development Corporation, a California public benefit nonprofit corporation, dba California Capital Financial Development Corporation, to implement underwriting and administration of the Hometown Microloan Program; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the expenditure in an amount not to exceed \$450,000 from Account Number 36510102.75028.; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to

make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: November 15, 2023

=====

I hereby certify that Resolution No. 2023-253 was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 2023 by the following votes:

AYES: COUNCIL MEMBERS – Bregman, Craig, Nakanishi, and Mayor Hothi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Yopez

ABSTAIN: COUNCIL MEMBERS – None



OLIVIA NASHED  
City Clerk

**County of Sacramento**

**Department of Finance Tax Collection and**

**Business License Unit**

700 H Street, Room 1710, Sacramento, CA 95814

Phone (916) 874-6644 • fax (916) 874-8909 • www.finance.saccou

Original Statement FILED with Sacramento County Clerk  
**FBNF2019-08918 CALIFORNIA CAPITAL FINANCIAL**

**COPY**

**FICTITIOUS BUSIN**

FILED 10/28/2019

Expires: 10/27/2024

**THIS IS NOT A**

**TYPE OR PRINT CLEARLY – MUST BE LEGIBLE**


**INSTRUCTIONS ON REVERSE**

WHEN FILING BY MAIL, PROVIDE SELF ADDRESSED STAMPED ENVELOPE. ALL INFORMATION IS PUBLIC RECORD

<b>1</b>	Street Address, City, State, Zip of Principal Place of Business. (P.O. Box or PMB <u>not</u> acceptable)	County															
	1792 TRIBUTE ROAD, SUITE 270, SACRAMENTO, CA, 95815	SACRAMENTO															
<b>2</b>	Fictitious Business Name(s) to be Filed (Section 17900 B & P Code)																
	(a) CALIFORNIA CAPITAL FINANCIAL DEVELOPMENT CORPORATION	(b) CALIFORNIA CAPITAL FDC															
	(if more than 2 names, attach additional sheet)																
<b>3</b>	Full Name & Complete Residence Address of Each Business Owner (P.O. Box or PMB <u>not</u> acceptable), OR if a Corporation/LLC, Corporation/LLC name and address as registered with Secretary of State (include State where incorporated)																
	<table border="1"> <thead> <tr> <th>Full Name</th> <th>Street Address</th> <th>City</th> <th>State</th> <th>Zip</th> </tr> </thead> <tbody> <tr> <td>(a) CALIFORNIA CAPITAL SMALL BUSINESS FINANCIAL DEVELOPMENT CORPORATION</td> <td>1792 TRIBUTE ROAD, SUITE 270</td> <td>SACRAMENTO</td> <td>CA</td> <td>95815</td> </tr> <tr> <td>(b)</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Full Name	Street Address	City	State	Zip	(a) CALIFORNIA CAPITAL SMALL BUSINESS FINANCIAL DEVELOPMENT CORPORATION	1792 TRIBUTE ROAD, SUITE 270	SACRAMENTO	CA	95815	(b)				
Full Name	Street Address	City	State	Zip													
(a) CALIFORNIA CAPITAL SMALL BUSINESS FINANCIAL DEVELOPMENT CORPORATION	1792 TRIBUTE ROAD, SUITE 270	SACRAMENTO	CA	95815													
(b)																	
	(If more than 2 owners, attach additional sheet)																
<b>4</b>	This business conducted by:																
	<input type="checkbox"/> an Individual <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Married Couple <input type="checkbox"/> Co-Partners <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> State or local Registered Domestic Partners <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Joint Venture <input type="checkbox"/> Limited Liability Partnership <input type="checkbox"/> Unincorporated Association (other than a partnership)																
<b>5</b>	Date begun using business name <u>3/1/2012</u> (write "N/A" if you have not yet begun conducting business)																
	Describe the type of Activities/Business <u>NON PROFIT ORGANIZATION</u>																
<b>6</b>	I declare that all information in this statement is true and correct. (A registrant who declares as true information which they know to be false is guilty of a crime.)																
	Signed <u>[Signature]</u> (ORIGINAL/WET SIGNATURE REQUIRED)																
	Printed Name <u>May Masenaga</u> Phone Number <u>916-442-1729</u>																
	If a Corporation, Limited Liability Company (LLC), Limited Partnership (LP) or Limited Liability Partnership (LLP), the following must also be completed:																
	Corporation/LLC Name <u>California Capital Small Business Financial Development Corporation</u>																
	Officer Title Of Signer <u>CFO</u> (For a list of acceptable Officer Titles please see instructions (6b) on reverse)																

In accordance with Section 17920 (a), a Fictitious Business Name Statement generally expires five years from the date it was filed with the County Clerk, except as provided in Section 17920 (b), where it expires 40 days after any change in the facts set forth in the statement pursuant to Section 17913 other than a change in the residence address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration.

The filing of this Statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (Section 14411 et seq., of the Business and Professions Code).

	I hereby certify that this copy is a correct copy of the original Statement on file in my office.
	DONNA ALLRED, COUNTY CLERK BY: <u>[Signature]</u> Deputy County Clerk
	ID Checked <input type="checkbox"/>



# Secretary of State Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

**Entity Name:** CALIFORNIA CAPITAL SMALL BUSINESS FINANCIAL  
DEVELOPMENT CORPORATION  
**Entity No.:** 1130864  
**Registration Date:** 12/31/1982  
**Entity Type:** Nonprofit Corporation - CA - Public Benefit  
**Formed In:** CALIFORNIA  
**Status:** Active

The above referenced entity is active on the Secretary of State's records and is authorized to exercise all its powers, rights and privileges in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may impact status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.



**IN WITNESS WHEREOF**, I execute this certificate and affix the Great Seal of the State of California this day of August 31, 2023.

**SHIRLEY N. WEBER, PH.D.**  
Secretary of State

**Certificate No.:** 142017421

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at [bizfileOnline.sos.ca.gov](http://bizfileOnline.sos.ca.gov).

# Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Print or type.  
 See Specific Instructions on page 3.

<b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>California Capital Small Business Financial Development Corporation</b>	
<b>2</b> Business name/disregarded entity name, if different from above <b>DBA California Capital Financial Development Corporation</b>	
<b>3</b> Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ <small><b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small> <input type="checkbox"/> Other (see instructions) ▶	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) <u>5</u> Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
<b>5</b> Address (number, street, and apt. or suite no.) See instructions. <b>1792 TRIBUTE ROAD, STE 270</b>	Requester's name and address (optional)
<b>6</b> City, state, and ZIP code <b>SACRAMENTO, CA 95815</b>	
<b>7</b> List account number(s) here (optional)	

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>									
<b>or</b>									
<b>Employer identification number</b>									
9	4	-	2	8	6	1	6	3	1

## Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person ▶	Digitally signed by May Masunaga Date: 2023.08.25 12:35:28 -07'00' <b>Date ▶</b>
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)  
 Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.  
*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

## EXHIBIT B



### THE CITY OF LODI HOMETOWN MICROLOAN PROGRAM

(Revised November 20, 2024)

#### EXECUTIVE SUMMARY

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California Capital Financial Development Corporation (California Capital) proposes to administer the City of Lodi Hometown Microloan Program to provide loans to entrepreneurs and micro business owners in the City of Lodi. Aligned to the mission of California Capital, this program will prioritize borrowers who are low-income, minority, women, disabled and veteran small business owners, with the objective of helping these businesses thrive and building financial capacity to qualify for future capital needs. We wholeheartedly support the efforts of the City of Lodi to establish a revolving loan fund and to foster a local continuum of entrepreneurship and small business services to promote business growth, attraction, and retention. This proposal demonstrates our capacity, mission alignment, and ready-to-deploy capital programs that will help the City of Lodi achieve these goals.

#### **A Hybrid Approach**

California Capital will adopt a hybrid approach to administering the program as described in the Request for Proposal, with the objective of establishing a revolving loan fund for the City of Lodi while leveraging additional capital from our Lending Center to support the diverse needs of borrowers.

**Lodi Hometown Microloan Fund** - \$340,000 of the total City of Lodi budget will be used to establish the primary source of funds for the Microloan Program. From this pool of capital, California Capital uses a fee-based approach to originate, underwrite, and administer the loans. Leveraging the criteria provided in the Hometown Microloan Policy and Administrative Procedures Manual, we anticipate approximately 16 loans with an average loan size of \$21,000. Repayment from these loans will revolve back to the City of Lodi along with interest, growing the Revolving Loan Fund over the 5-year repayment of the loans.

**Leveraged Capital** - California Capital will supplement the Lodi Microloan Hometown Fund with approximately \$250,000 in additional capital from our microloan and small business loan programs. Our loan policies closely match the City of Lodi's loan policies and we embrace partnerships which can help lower interest rates and fees for small businesses. Our Leveraged Capital programs will address borrowers who may need additional capital beyond the average amount of a loan under the Lodi Hometown Microloan Fund up to \$50,000 through packaging of Participation Loans, establish an additional reserve of capital to meet demand, and to lower the interest rate and fees for the borrower.

The attached Lodi Hometown Microloan Program Budget provides an overview of the costs and estimates of fees and repayment ~~the~~ based on an assumed average interest rate of 5.0% amortized over 5 years.

## **1. OUR HISTORY: CAPITAL AND CAPACITY TO SERVE COMMUNITIES**

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California Capital FDC was founded in 1982 as a mission-based organization focused on delivering capacity building programs and access to capital, with a goal of creating asset and wealth development in low-to moderate income and underinvested communities.

For 40 years, California Capital has participated in the **Small Business Loan Guarantee Program**, through which we provide credit enhancements through The California Infrastructure and Economic Development Bank (IBank) to businesses seeking bank loans of up to \$2.5 million.

Certified by the U.S. Department of Treasury as a Community Development Financial Institution (CDFI) since 2002, California Capital has continually offered financial education, business development services, and microloan programs as a means of fostering economic development in the communities we serve.

In 2019, with the support of the Economic Development Administration (EDA), Wells Fargo, and the CDFI Fund, we established **California Capital's Lending Center**, providing microloans of up to \$50,000 and small business loans of up to \$150,000. Since 2019, The Lending Center has provided \$3,990,441 in small business loans, helping 55 businesses start and grow. Most recently, we were designated as a SBA Intermediary Microlender to provide microloans of up to \$50,000 throughout 25 counties.

Funded in part by the Small Business Administration since 2012, California Capital's **Women's Business Center** (WBC) offers continuum of entrepreneurial development programs and services based in Sacramento, Yolo, Yuba, Placer, El Dorado, and San Joaquin counties. Our WBC is closely aligned with California Capital's mission to offer a wide range of products and services to increase economic opportunities and access to capital for underserved communities and women-owned small businesses. The WBC also offers specialized programs for childcare businesses,

**California Capital's APEX Accelerator** (formerly known as PTAC) was established in 2014 through a cooperative agreement with the Department of Defense, and helps small businesses prepare for, pursue and perform on government contracts, providing one-on-one counseling tailored to the needs of individual businesses, training workshops and webinars from beginning to advanced level topics, and a customized Bid Match service. The APEX Accelerator serves 16 counties in Northern California.

The Sacramento Valley Small Business Development Center (SBDC) was established in 2022 and serves Sacramento, Yolo, Yuba, and Sutter counties. Part of the Northern California Network of Small Business Development Centers, the Sacramento Valley SBDC provides a wide breadth of business advising and training, and collaborates with other SBDCs to deliver effective client services.

Capacity-building is an important pillar of our community development strategy. California Capital provides a continuum of small business development services to support entrepreneurs and small business owners,

and increase access to business networks and revenue-generating opportunities. Our business development services are provided at no cost to clients through three core business development centers.




## 2. LOAN FINANCIAL POLICIES

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City of Lodi and California Capital Loan Policies are generally consistent. Eligible activities stated in the City of Lodi agreement are eligible under California Capital's loan policies. Our maximum loan term is seven years, equity requirements are lower than City of Lodi's: 20% for start-up and 10% for existing business. Collateral and debt service requirements are consistent.

### Eligible Borrowers

1. Must be a micro business; defined as a business with 10 employees or less.
2. Must have legal right to remain in the United States
3. Must be in the service area of the jurisdictional limits of the City of Lodi; Loan proceeds must be deployed in Lodi
4. Be a start-up, newly established, or growing for profit micro business concern or non-profit entity 
5. To be eligible, a business must be appropriately structured as a corporation, limited liability corporation, partnerships, sole proprietorships or non-profit organization with a business purpose.

### Eligible Activities:

- Machinery/Equipment purchase
- Purchase of a business
- Inventory
- Tenant Improvements
- Life, health, safety improvements
- Soft project costs
- Working Capital
- Refinancing of business debt 

### Ineligible Activities:

- Refinancing of personal debt
- Land or real estate investment
- Businesses involved in gambling and in performance or products of a prurient sexual nature
- Smoke and vape shops
- Pyramid schemes
- Lines of credit

**Loan Term** - Up to 7.5 years, fully amortized. In general, the loan term will not exceed the average useful life of the assets being financed.

**Loan Fees** - Borrower will not incur any loan fees as identified in Exhibit B-Compensation.

**Closing Costs** - The borrower will not incur any closing costs.

**Equity Requirements** - 10% of project costs for existing businesses and up to 20% for start-up businesses. Costs that the business owner have incurred prior to the loan request may be considered provided the applicant can provide paid receipts or invoices.

**Cash Flow Coverage** - The debt service coverage ratio is 1:1 for global and business

**Credit Score** - No minimum credit score. However, a borrower's credit history is a key component to understanding their "willingness" to repay. It is California Capital's policy to avoid making loans to borrowers whose credit report reflects any of the following derogatory items if such items can't be reasonably explained:

- Delinquencies
- Collections
- Charge-offs
- Restructured Credits
- Short Sales
- Deed in Lieu transactions
- Foreclosures
- Liens, Garnishments or Judgments
- Litigation
- Previous Bankruptcy

**Collateral** - Loans will be collateralized to the maximum extent possible to ensure an adequate secondary source of repayment.

Collateralized security may include, but not be limited to, machinery and equipment, furniture and fixtures, real estate, inventory and receivables. UCC-1 will be filed with the Secretary of State to secure equipment, fixtures, furniture, receivables, inventory and other non-real estate assets. Generally, collateral pledged through UCC-1 filings shall not be pledged to other lenders or for other obligations of a business. Real estate deeds of trust will be forwarded to the County for recording.

**Personal guarantee** - a guarantee will be required of any principal having a twenty percent {20%} or more ownership in the company. Owners of less than 20% and personnel who hold key management positions may also be asked to guarantee the loan if deemed necessary to ensure repayment.

**Insurance requirements** - General Liability, Hazard Insurance, Worker's Compensation (if there are employees) shall be required.

Key Person Life Insurance will be required depending on the size and nature of the transaction.

**Portfolio Diversification** - California Capital loan policy is to provide financing for start-up companies. Currently, the new businesses represent 59% of the loan outstanding amount of its loan portfolio. Due to high percentage of start-ups in the portfolio, California Capital is being more "selective" with this group.

The City's high threshold of limiting any one business category to 65% of total outstanding is consistent with California Capital's policy.

### 3. FIXED INTEREST RATES BASED ON PRIME RATE

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Loans made by the Hometown Microloan Program funds are fixed-rate loans currently identified as five percent. At such time, the Federal Open Market Committee establishes a new target range which exceeds the target range in effect on September 21, 2023, this rate will remain in effect. In the event the target range in effect on this date increases, California Capital and the City of Lodi shall mutually agree to a new fixed interest rate. California Capital is responsible for monitoring the target Federal Funds rate.

California Capital loans are fixed-rate loans based on current prime interest. Therefore, California Capital proposes using the prime interest rate with a spread plus or minus based on desired interest rate. It should be noted that the prime rate has increased 5.25% over the last two years with additional increases to be expected. Based on your objective of providing borrower a lower interest rate, a floor and ceiling would seem appropriate.

Currently, California Capital's interest rate is based on the current prime interest rate plus 5% quoted in the Wall Street Journal (Prime Rate), up to a maximum of nine and three-quarter percent (9.75%) and fixed at the time of loan approval. Based on the requirements of our loan programs, the minimum interest rate is four percent (4%) or 75% below Prime Rate, or the maximum interest rate allowed under State law, whichever is lower, but in no event shall the interest rate be less than four percent (4%).

### 4. 60-DAY LOAN ADMINISTRATION

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In terms of underwriting, approving, and closing loans within a 60-day time period, California Capital uses a web-based on-line application portal called Lenderfit whereby borrowers upload the needed documents for each stage of the application process, from pre-qualification, application, closing and funding. Communication with the borrower regarding the status of these items is through the portal, with borrowers receiving reminders each Monday to upload the remaining items in each phase. Our Business Development Officer also calls applicants to follow up and assist when needed.

All Lodi-based applicants who are either a new, start-up business or who is not loan-ready will be referred to the San Joaquin County Small Business Development Center for one-on-one small business consulting and practical financial education, which will be a requirement for future loan approval.



The timing of the prequalification review, underwriting, and approval depends on how "loan ready" the applicant is. If the applicant is able to provide the application documents at each stage of the process, the prequalification can take place within 2 days; underwriting and approval within 2-3 weeks and closing and funding within 2-3 weeks (no more than 60 days). Total processing time is typically 35-45 days. Again, this timing depends on how "loan ready" the business is.

## Loan Processing and Payments

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The following policies and procedures will be followed to process financial transactions for the Lodi Hometown Microloan Fund and California Capital's Leveraged Capital Fund as subject to this agreement.

### Lodi Hometown Microloan Fund

**Disbursement:** The City of Lodi will disburse the principal loan amount for each loan individually to California Capital within 30 days of the approval of a loan. Loan disbursements will be made by California Capital to the individual borrower no more than 30 days from receipt of the principal loan amount from City of Lodi.

**Loan Fees:** The City of Lodi will pay all loan fees associated with loans approved each month, based on the loan fee schedule in the Exhibit B, as a one-time payment within 30 days of an approved invoice submitted by California Capital. All fees are non-refundable.

**Loan Repayments:** Repayments of principal and interest will be deposited in California Capital's Business account in Comerica Bank once received on ACH pulls from borrower's accounts.

**Revolving Loan Fund:** Borrower principal and interest repayments to the Lodi Hometown Microloan Fund will be paid to California Capital; California Capital will issue payment for all principal and interest payments received from borrowers to the City of Lodi's Revolving Loan Fund account on a monthly basis.

**Late Fees:** Late fees on all borrower repayments will reside with California Capital.

**Non-repayment:** The City of Lodi will assume all risk of loss on all loans made through the Lodi Hometown Microloan Fund.

### California Capital's Leveraged Capital Fund

**Disbursement:** When a loan is approved, California Capital will deploy the funds within 30 days of the approval.

**Loan Fees:** The City of Lodi will pay all loan fees associated with loans approved each month, based on the loan fee schedule in the Exhibit B, as a one-time payment within 30 days of an approved invoice submitted by California Capital. All fees are non-refundable.

**Interest Buy-Down Payments:** Interest Buy-down payments will only be paid on Leveraged Capital Loans. The City of Lodi will pay the entire Interest Buy-Down as a one-time payment for each loan within 30 days of an approved invoice. California Capital will apply interest buy-down repayments from these funds to the loan with each borrower repayment. If a loan defaults, the remaining interest buy-down payments will be reimbursed to the City of Lodi.

**Loan Repayments:** Repayments of principal and interest will be deposited in California Capital's Business account in Comerica Bank once received on ACH pulls from borrower's accounts. California Capital will concurrently run amortization schedules on closed loans for both 5% (borrower's rate) and California Capital's rate (9.75%) to assess the prepaid interest buy-down. If a loan is defaulted, the remaining interest buy-down amount will be reimbursed to the City of Lodi.

**Late Fees:** Late fees on all borrower repayments will reside with California Capital.

**Non-repayment:** California Capital will assume the risk of loss on all loans made through California Capital's Leveraged Capital Fund.

**Monthly Invoicing:** Monthly invoices will be submitted by California Capital to the City of Lodi within 30 days of the end of each month. Invoices will include charges for all Loan Fees and Interest Buydown payments associated with all loans approved during the month.

**Reporting:** California Capital will provide a monthly report accompanying invoices. The report will include:

- All loans approved and disbursed within the month being reported
- Current status of all loans including repayment history and outstanding principal and interest
- List of outreach activities conducted to promote the program
- List of TA referrals made to the San Joaquin SBDC. Total TA provided by California Capital per loan, i.e., post-loan TA appointments.

## 5. CLIENT-FOCUSED SERVICES

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At California Capital, our business advising, training, and lending services are built around the client experience. Recognizing each business as unique, we conduct intake and technical assistance assessments with every new client and borrower.

Applicants who are seeking financing start by registering on our website for assistance. Within 24 hours, our Business Development Officer contacts the applicant to assess their financing needs. If the client is not ready for financing, they are referred to appropriate resources. Applicants who meet basic criteria are then invited to our on-line web-based application portal, called Lenderfit.

The Loan application process is divided into four stages: Prequalification, Application, Closing and Funding. Each stage has a checklist of documents the applicant must complete or upload. Communication regarding these items is handled through Lenderfit, which the applicant can easily access via computer and their mobile phone. We have used the portal for two years and it has become an extremely efficient and

user-friendly tool to receive application documents, process loan requests and communicate with our borrowers.

In our experience, many small business owners are not "loan ready" in terms of having their tax returns prepared and filed or financial statements prepared, whether year-end or year-to-date. Some need help with projections while others have had credit issues that need to be resolved.

In these cases, our Business Development Officer will connect the applicant with a business advisor. However, this assistance can often take several weeks to a month to provide, depending on the borrower's responsiveness. We have found that the extent to which we can connect a borrower with a business advisor to assist with these matters, the more likely the borrower will qualify for and receive a loan.

## **6. LOAN UNDERWRITING**

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All loan applications involve a review of business and personal tax returns, interim financial statements and/or cash flow projections in order to assess repayment ability, both from the business on its own and on a global basis. Loans are structured to meet the customer's needs but terms will have to meet the risk and lending policy framework.

California Capital is a member of the Risk Management Association (RMA) and uses data from the RMA web-based portal to research a particular industry and its trends. With this data, we compare balance sheet ratios of the business to those in the industry to assess the viability and financial health of the business applicant.

Each loan review involves a site visit by our Director of Lending and Business Development Officer prior to the issuance of a Letter of Interest, and then, by our Credit Administrator during the underwriting stage and prior to presenting the loan to our Loan Approval Committee/Board.

All loans are risk rated at the time of application (and again on an annual basis) to assess overall risk relating to six criteria: repayment ability, industry experience, credit, collateral support, guarantor support and availability of working capital.

California Capital's existing service delivery includes the Racial Equity Lens (REL) underwriting criteria and adopts an asset-framing approach, looking at additional factors that indicate a willingness and ability to repay outside of traditional underwriting criteria. In the calendar year 2022 we created our first loan loss reserve fund to ensure lending to underserved and underbanked communities with adverse credit risk.

Our current underwriting criteria reflects the key elements of a Racial Equity Lens (REL) underwriting criteria: Commitment, Character, Conditions, and Capacity. Our practices include: Pre- and post-funding technical assistance with vetted business advisors, who come from a diverse background and diverse business ownership experiences to offer culturally relevant coaching and empowerment; A holistic approach to credit evaluation that also includes a focus on credit reporting as opposed to credit scores

used by banks; "Asset Framing," looking at strengths, not only weaknesses of borrower; attending ongoing meetings with business advisors, including check-ins for financial statements; family/peer testimonials; flexible repayment structures to ensure the sustainability of the loan alongside technical assistance sessions or relationship building meeting at least once per quarter; and measuring the capacity of the business via historical business and personal tax returns (up to 3 years)), financial statements and projections (if available)), and/ or monthly bank statements. Through the wrap-around continuum of business development resources, many of our borrowers have received pre-loan technical assistance, training, business counseling, connection to market opportunities, and post-loan follow-ups. With our current Racial Equity Lens underwriting criteria, we want to expand opportunity and innovative capacity for SEDI small business owners in, and be a hub for entrepreneurship and economic growth and development planning.

## 7. LOAN APPROVALS AND RISK RATING

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Loans are approved upon completion of a Credit Memorandum. Loans up to \$25,000 are approved by the Director of Lending. Loans between \$25,001 and \$50,000 are approved by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Loans over \$50,000 are approved by the Loan Approval Board (LAB). The LAB meets as needed and a meeting is typically scheduled within the week that the Credit Memorandum is complete. All loans recommended for funding by California Capital must be submitted to the City of Lodi Economic Development Department for review prior to final loan approval.



Our current risk rating is on a 1–4 range, with above 3 indicating high default risk. This score is based on industry experience, credit score, collateral support, working capital, and guarantor support. Despite weaknesses, mitigating circumstances such as adequate global cash flow and/or liquidity exist to an extent where ongoing repayment ability is likely. These credits are then reviewed more regularly to determine if identified weaknesses/risks are improving or further deteriorating and provide outreach and technical service as needed.

Technical Assistance is offered to applicants who score a 3 or above, with prescribed interventions and best practices to improve upon client metrics used in our risk assessment. This helps clients take corrective measures to qualify for loans in the future. The Racial Equity Lens is another tool we use to underwrite high default risk for clients through non-traditional repayment ability and credit assessment.

During our underwriting, our Credit Analyst risk rates each loan using a risk rating matrix. The matrix uses the following attributes, which are each weighted:

- Repayment Ability
- Industry Experience
- Working Capital Levels
- Credit issues/FICO Score
- Collateral Support
- Guarantor Support

As a Financial Development Corporation (FDC), we are able to partner with other FDCs to guarantee direct loans. Using this practice expedites capital infusion and improves the efficiency of our ability to service the loan. Applied strategically, this will allow California Capital to revolve loans more quickly and grow the loan fund to impact more businesses.

Risk rating reoccurs annually after the receipt of a borrower's financials. Loans with risk rating above 3 are placed on a Watch List. Loans on the watchlist are subject to monthly financial statement requirements and more comprehensive technical assistance requirements.

## **8. LOAN CLOSING AND DOCUMENTATION**

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Once a loan has been approved, California Capital's Loan Closing Coordinator (LCC) collects the documents needed for closing through the Lenderfit portal and prepares loan documents. The LCC collects evidence of insurance, ACH payment information, invoices and receipts as needed, and/or vehicle registration information (i.e., in the case of a truck purchase). Once loan documents are prepared, the LCC forwards them to the borrower for review and sets up a closing date whereby the LCC and Business Development Officer meet with the borrower to review the loan documents and answer questions. Once the documents are signed, the LCC processes the loan disbursements and forwards them to our Chief Financial Officer for approval. Depending on the use of proceeds (whether funds are disbursed to a third party vendor or to the borrower) funding takes place within 2-5 days after closing. Projects involving tenant improvements might take longer to fund since disbursements are made in stages as the work is completed.

## **9. LOAN SERVICING AND MONITORING**

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California Capital has a full-time Loan Portfolio Manager (LPM) whose focus is overseeing loan payments, collecting financials and insurance certificates on an annual basis and managing requests for deferments or change in payment amounts, if needed. The LPM uses DownHome, a web-based portal to record payments and service our loans. Loan statements are generated by DownHome monthly and emailed to borrowers. Our LPM also handles all defaults when they occur, contacting borrowers to find out the reason for a non-payment and to work with them to assess whether business advising services are needed to assist with the issues causing the default.

We require all start-up businesses owners and particular borrowers who score at a 3 or higher to receive individualized post-loan technical assistance from our Women's Business Center, Small Business Development Centers or SCORE.

## **10. KEY STAFF AND LOAN APPROVALS**

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Loans of \$50,000 and under, once approved by underwriting, are approved internally by the Director of Lending and CEO, creating a streamlined process for loan approvals.



## Key Staff

- Robert Gonzales is our Director of Lending, with extensive experience in Banking, Leadership, SBA Lending, and the CDC/ CDFI Industry. Mr. Gonzales has a proven track record of excellence in management, corporate strategy, underwriting, and loan production.
- Brian Zscheile serves as our Business Development Officer, identifying potential borrowers, connecting them with business advisors, and assisting with the loan application process. Mr. Zscheile brings over 25 years of experience in lending, client relationship management, and business advising.
- Sunita Maharaj - Loan Portfolio Manager, has over 20 years of underwriting and SBA Loan experience. Sunita formerly served as the Director of NorCal SBDC Finance Center, and in addition to underwriting provides loan readiness training and assesses borrower needs for post loan TA.
- Deborah Lowe Muramoto, President/ CEO, provides oversight and strategic direction for the Director of Lending and California Capital's Loan Funds. Mrs. Muramoto has worked for California Capital for 33 years, leading with innovation to expand services in the scope of California Capital's mission.
- May Masunaga, Chief Financial Officer, is a Certified Public Accountant and is responsible for administering California Capital's Loan Funds
- Mike Schremmer, Chief Operations Officer, is responsible for grant administration, reporting, and data systems administration.

## 11. CALIFORNIA CAPITAL LOAN FUNDS

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Please see the [Lending Program Matrix](#) attachment for details on our individual loan products.

## 12. TECHNICAL ASSISTANCE SERVICES

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We are committed to driving continuous improvements to make our loan products more accessible, build the creditworthiness of borrowers, and increase our client's capacity to succeed. Through our programs and referrals to partner organizations, many of our borrowers will receive individualized technical assistance, training, business counseling, and connection to market opportunities.

Technical Assistance will be provided through California Capital's Lending Center, Women's Business Center, and through referral to the San Joaquin SBDC. A detailed description of our programs has been provided in Section 1 of this proposal.

This continuum of business development services extends to requirements for borrowers to receive post loan technical assistance, mitigating risk and enabling us to lend to borrowers who may be excluded through traditional institutional channels.

### 13. HOMETOWN MICROLOAN PROGRAM MARKETING PLAN

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California Capital will perform a comprehensive, targeted marketing strategy for the City of Lodi Revolving Loan fund. This will be accomplished by:

- o Utilize California Capital's marketing department to develop digital and social marketing and print collateral to educate and promote the City of Lodi Hometown Loan Program.
- o Provide outreach, assistance and marketing/sales to the local banking community with emphasis on Bank of Stockton, Farmers & Merchants Bank, and Valley Strong.
- o Providing and participating in Access to Capital functions. Invite the San Joaquin SBDC to co-host a Capital Summit in Lodi, an event we have held in the past with our neighboring SBDCs.
- o Work closely with local SBDC, Women's Business, and the Chamber to establish a strong partnership and create referrals both ways.
- o Feet on the Street - Our ~~BOOBDO~~, Brian Zscheile, will reach out to and visit businesses to create awareness for the Lodi small business community.
- o California Capital will take part in local business events and promote the program.
- o Establish a relationship with Navy Federal Credit Union to assist their veteran business members for financing

Approved as to Form:

KATIE O. LUCCHESI  
City Attorney



RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH CALIFORNIA CAPITAL SMALL BUSINESS FINANCIAL DEVELOPMENT CORPORATION, A CALIFORNIA PUBLIC BENEFIT NONPROFIT CORPORATION, DBA CALIFORNIA CAPITAL FINANCIAL DEVELOPMENT CORPORATION, FOR UNDERWRITING AND ADMINISTRATION OF THE LODI HOMETOWN MICROLOAN PROGRAM

=====

WHEREAS, the Lodi City Council has adopted economic development strategic initiative No. 2B to develop greater economic development opportunities for Lodi entrepreneurs and businesses; and

WHEREAS, the Lodi City Council expressed interest in the development of a Lodi Hometown Microloan Program to help create conditions of economic growth for persons and small businesses with ten or fewer employees and who have experienced barriers to traditional lending; and

WHEREAS, microlending is distinct from traditional lending in that it involves smaller loan amounts, shorter terms, less stringent underwriting requirements, and greater loan monitoring; and

WHEREAS, microloans are usually funded through a network of nonprofit, community-based organizations and are meant to provide funding to women, low-income, veteran, and minority entrepreneurs and small business owners who are unable to readily access capital in other ways; and

WHEREAS, the Lodi City Council recognizes that providing loan capital, buying down interest rates, and paying loan fees to a nonprofit microlender will create affordable, low-interest-rate loans and reduced fees to benefitting Lodi-based businesses; and

WHEREAS, over eighty percent of Lodi businesses have ten or fewer employees, and they would be able to utilize a microloan program; and

WHEREAS, on November 15, 2023 by Resolution No. 2023-253, the Lodi City Council authorized the City Manager to execute a Professional Services Agreement with California Capital Small Business Financial Development Corporation for underwriting and administration of the Lodi Hometown Microloan Program for a one-year term, which is set to expire on November 30, 2024; and

WHEREAS, the Lodi City Council authorized the expenditure in an amount not to exceed \$450,000 from Account Number 36510102.75028 on November 15, 2023 by Resolution No. 2023-253 to fund the Hometown Microloan Program.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute an Amendment to the Professional Services Agreement with California Capital Small Business Financial Development Corporation, a California public benefit nonprofit corporation, dba California Capital Financial Development Corporation, for underwriting and administration of the Lodi Hometown Microloan Program extending the term to November 30, 2028, with an option to extend the agreement an additional two years upon approval of both parties; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: November 20, 2024

=====

I hereby certify that Resolution No. 2024-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024 by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2024-\_\_\_\_\_



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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Professional Services Agreement with Cen-Cal Fire Systems, Inc. to Extend Term to December 31, 2024 and Add an Option to Extend the Term Up to Six (6) Months (CD)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Jennifer Rhyne, Neighborhood Services Manager

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**RECOMMENDED ACTION:**

Adopt a resolution authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Cen-Cal Fire Systems, Inc. to extend term to December 31, 2024 and add an option to extend the term up to six (6) months

**BACKGROUND INFORMATION:**

On August 2, 2023, City Council approved the execution of a Professional Services Agreement for the installation of Fire Sprinklers for the Main Street Transitional Housing Project. On August 21, 2024, Council approved Amendment No. 1. Due to bid process and construction delays, the term of the agreement now needs to be extended to ensure the work can be completed and the proper inspections can occur. No additional dollars are being requested at this time.

Staff recommends City Council adopt a resolution authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Cen-Cal Fire Systems, Inc. to extend term to December 31, 2024 and add an option to extend the term up to 6 months.

**STRATEGIC VISION:**

4C. Housing: Continued progress towards Regional Housing Needs Assessment goals.

**FISCAL IMPACT:**

Not applicable

**FUNDING AVAILABLE:**

HPSJ-23001.Contracts

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John Della Monica  
Community Development Director

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## COUNCIL COMMUNICATION

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Scott R. Carney  
City Manager

AMENDMENT NO. 2

22 SOUTH MAIN STREET FIRE SPRINKLER PROJECT CONTRACT

THIS AMENDMENT No. 2 to the 22 South Main Street Fire Sprinkler Project Contract is made and effective this \_\_\_\_ day of \_\_\_\_\_, 2024 ("Amendment No. 2"), by and between the CITY OF LODI, a municipal corporation (hereinafter called "CITY") and Cen-Cal Fire Systems, Inc., a California Corporation, (hereinafter called "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY, entered into a contract for design and installation of fire sprinklers at 22 South Main Street on December 13, 2023 and Amendment No. 1 on October 30, 2024 (collectively the "Agreement"), attached hereto as Attachment A and made a part hereof as though fully set forth herein; and
2. WHEREAS, CONTRACTOR and CITY now desire to extend the term of the Agreement until December 31, 2024 and add an option to extend the term up to 6 months; and
3. WHEREAS, all other terms and conditions of the Agreement remain unchanged.

NOW, THEREFORE, the parties agree to amend the Agreement as set forth above; all other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 2 on the date and year first above written.

CITY OF LODI, a municipal corporation

CEN-CAL FIRE SYSTEMS, INC., a California corporation

\_\_\_\_\_  
SCOTT R. CARNEY  
City Manager

\_\_\_\_\_  
By: BYRON WEISZ  
Title: President

Attest:

\_\_\_\_\_  
OLIVIA NASHED  
City Clerk

Approved as to Form:

\_\_\_\_\_  
KATIE O. LUCCHESI  
City Attorney

AMENDMENT NO. 1

22 SOUTH MAIN STREET FIRE SPRINKLER PROJECT CONTRACT

THIS AMENDMENT No. 1 to the 22 South Main Street Fire Sprinkler Project Contract is made and effective this 30<sup>th</sup> day of October, 2024 ("Amendment No. 1"), by and between the CITY OF LODI, a municipal corporation (hereinafter called "CITY") and Cen-Cal Fire Systems, Inc., a California Corporation, (hereinafter called "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY, entered into a contract for design and installation of fire sprinklers at 22 South Main Street on December 13, 2023 ("Agreement"), attached hereto as Exhibit A and made a part hereof as though fully set forth herein; and
2. WHEREAS, CONTRACTOR and CITY now desire to extend the term of the Agreement until October 31, 2024; and
3. WHEREAS, all other terms and conditions of the Agreement remain unchanged.

NOW, THEREFORE, the parties agree to amend the Agreement as set forth above; all other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 1 on the date and year first above written.

CITY OF LODI, a municipal corporation

CEN-CAL FIRE SYSTEMS, INC., a California corporation

Scott R. Carney  
City Manager

By: Byron Weisz  
Title: President

Attest:

OLIVIA NASHED  
City Clerk

Approved as to Form:

KATIE O. LUCCHESI  
City Attorney *BIG for Katie Lucchesi.*



**22 SOUTH MAIN STREET FIRE SPRINKLER PROJECT  
22 SOUTH STREET**

**CONTRACT**

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and Cen-Cal Fire Systems, Inc, a California Corporation, herein referred to as the "Contractor."

**WITNESSETH :**

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

- |                        |                                     |
|------------------------|-------------------------------------|
| Notice Inviting Bids   | The July 2018 Edition,              |
| Information to Bidders | Standard Specifications,            |
| General Provisions     | State of California,                |
| Special Provisions     | Business and Transportation Agency, |
| Bid Proposal           | Department of Transportation        |
| Contract               |                                     |
| Contract Bonds         |                                     |
| Plans                  |                                     |

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.300, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

The work includes design and installation of a fire sprinkler system meeting NFPA 13, and other related items of work, for the design shown on the plans and specifications for the project.

**CONTRACT ITEMS**

Item	Description	QTY	Unit	Price	Total
1	Design and installation of fire sprinklers	1	LS	\$ 195,400	\$ 195,400

**TOTAL: \$ 195,400**

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract within 7 calendar days after both parties have signed the contract, and permits submitted and approved, or as agreed-upon by the City and the Contractor in writing. Furthermore, the Contractor agrees to complete the work within **70 working days** and all invoicing is due by **March 1, 2024**. Upon submitting a bid, Contractor agrees that length of time of the contract is reasonable.

ARTICLE IX - State of California Senate Bill 854 requires the following:

- No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

- No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

ARTICLE X - Counterparts and Electronic Signatures

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below

CONTRACTOR:

CITY OF LODI, a municipal corporation

Gen-Cal Fire Systems, Inc

By Andrew C. Keys  
ANDREW KEYS  
Interim City Manager

By: [Signature]

Date: December 13, 2023

President  
Title

Attest:  
Olivia Nashed  
OLIVIA NASHED  
City Clerk

(CORPORATE SEAL)

Approved As To Form

[Signature]  
KATIE O LUCCHESI  
City Attorney

RESOLUTION NO. 2024-\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT CEN-CAL FIRE SYSTEMS, INC., TO EXTEND TERM TO DECEMBER 31, 2024 AND ADD AN OPTION TO EXTEND THE TERM UP TO SIX (6) MONTHS

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WHEREAS, On November 4, 2020, the City Council adopted the San Joaquin Community Response to Homelessness – 2020 San Joaquin Strategic Plan (Strategic Plan); and

WHEREAS, in accordance with the American Rescue Plan Act (ARPA) of 2021, Department of Health Care Services (DHCS) developed a Medi-Cal Home and Community-Based Services (HCBS) Spending Plan detailing a series of initiatives to enhance, expand and strengthen HCBS in California. The Housing and Homelessness Incentive Program (HHIP) is one of the HCBS Transition Initiatives and is intended to support the delivery and coordination of health and housing services for Medi-Cal members statewide. HHIP is intended to bolster housing and homelessness-focused efforts and investments at local levels, with the aim of building or expanding capacity and partnerships to connect Medi-Cal members to needed housing services and achieving progress in reducing and preventing homelessness; and

WHEREAS, DHCS established required submissions and deliverables for managed care plans in participating counties to identify current state, priorities, investments, and monitor progress for HHIP; and will be distributing incentives for plans to oversee and administer payment for HHIP project(s); and

WHEREAS, as part of efforts to meet HHIP program priorities and measures, Health Plan of San Joaquin (HPSJ) will partner with local organizations which deliver housing, or supportive services to Medi-Cal members who are homeless or at risk of homelessness; and

WHEREAS, the City of Lodi submitted a proposal for acquisition and renovation of a hotel at 22 S. Main St. for development of a transitional and supportive housing project to HPSJ; and

WHEREAS, HPSJ Board awarded \$3,000,000 on April 26, 2023, towards the project submitted; and

WHEREAS, the Lodi City Council, on August 2, 2023, approved the execution of a Professional Services Agreement for design and installation of fire sprinklers for the Main Street Transitional Housing Project, subsequently awarded to Cen-Cal Fire Systems, Inc.; and

WHEREAS, the Lodi City Council, on August 7, 2024, approved Amendment No. 1 to extend the term of the agreement to October 31, 2024; and

WHEREAS, due to bid process and construction delays, the term of the agreement now needs to be extended to ensure all the necessary work can be completed and the proper inspections can occur. No additional dollars are being requested at this time.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby adopt a resolution authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement Cen-Cal Fire Systems, Inc., to extend term to December 31, 2024 and add an option to extend the term up to 6 months.

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: November 20, 2024

=====

I hereby certify that Resolution No. 2024-\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024 by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

Olivia Nashed  
City Clerk

2024-\_\_\_\_\_




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Professional Services Agreement with Martin Elevators, a California Corporation, DBA Nationwide Lifts of Nor Cal, to Extend Term to December 31, 2024 and Add an Option to Extend the Term Up to Six (6) Months (CD)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Jennifer Rhyne, Neighborhood Services Manager

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**RECOMMENDED ACTION:**

Adopt a resolution authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Martin Elevators, a California Corporation, DBA Nationwide Lifts of Nor Cal, to extend term to December 31, 2024 and add an option to extend the term up to six (6) months

**BACKGROUND INFORMATION:**

On August 2, 2023, City Council approved the execution of a Professional Services Agreement for the purchase and installation of a three-stage LULA type elevator for the Main Street Transitional Housing Project. On June 5, 2024, Council approved Amendment No. 1 to extend the term to October 31, 2024. Due to bid process and construction delays, the term of the agreement now needs to be extended to ensure the installation of the elevator and proper inspections can occur. No additional dollars are being requested at this time.

Staff recommends City Council adopt a resolution authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Martin Elevators, a California Corporation, DBA Nationwide Lifts of Nor Cal, to extend term to December 31, 2024 and add an option to extend the term up to 6 months.

**STRATEGIC VISION:**

4C. Housing: Continued progress towards Regional Housing Needs Assessment goals.

**FISCAL IMPACT:**

Not applicable

**FUNDING AVAILABLE:**

HPSJ-23001.Contracts

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John Della Monica  
Community Development Director

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# COUNCIL COMMUNICATION

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Scott R. Carney  
City Manager



AMENDMENT NO. 2

MARTIN ELEVATORS, DBA NATIONWIDE LIFTS OF NOR CAL

THIS AMENDMENT No. 2 to the Professional Services Agreement for purchase and installation of a two-stage elevator at 22 South Main Street is made and effective this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between the CITY OF LODI, a municipal corporation (hereinafter called "CITY") and MARTIN ELEVATORS, a California corporation, DBA NATIONWIDE LIFTS of NOR CAL, (hereinafter called "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into an Agreement for Professional Services for purchase and installation of a two-stage elevator at 22 South Main Street on September 5, 2023, and Amendment No.1 on July 16, 2024 (collectively the "Agreement"), attached hereto as Attachment A and made a part hereof as though fully set forth herein; and
2. WHEREAS, CONTRACTOR and CITY now desire to extend the term of the Agreement until December 31, 2024 and add an option to extend the term up to 6 months; and
3. WHEREAS, all other terms and conditions of the Agreement will remain unchanged.

NOW, THEREFORE, the parties agree to amend the Agreement as set forth above; all other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 2 on the date and year first above written.

CITY OF LODI, a municipal corporation

MARTIN ELEVATORS, a California corporation DBA  
NATIONWIDE LIFTS of NOR CAL

\_\_\_\_\_  
SCOTT R. CARNEY  
City Manager

\_\_\_\_\_  
By: SONYA MARTIN  
Title: Finance Director

Attest:

\_\_\_\_\_  
OLIVIA NASHED  
City Clerk

Approved as to Form:

\_\_\_\_\_  
KATIE O. LUCCHESI  
City Attorney

AMENDMENT No. 1

Martin Elevators, DBA Nationwide Lifts of Nor Cal

THIS AMENDMENT No. 1 to the Professional Services Agreement for Purchase and Installation of a Two-stage Elevator at 22 South Main Street is made and effective this 16<sup>th</sup> day of July, 2024, by and between the CITY OF LODI, a municipal corporation (hereinafter called "CITY") and MARTIN ELEVATORS, a California Corporation, DBA NATIONWIDE LIFTS of Nor Cal., (hereinafter called "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY, entered into an Agreement for Professional Services for purchase and installation of a two-stage elevator at 22 South Main Street on September 5, 2023 (collectively the "Agreement"), attached hereto as Exhibit A and made a part hereof as though fully set forth herein.
2. WHEREAS, CONTRACTOR and CITY now desire to extend the term of the Agreement until October 31, 2024.
3. WHEREAS, all other terms and conditions of the Agreement will remain unchanged.


NOW, THEREFORE, the parties agree to amend the Agreement as set forth above; all other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 1 on the date and year first above written.

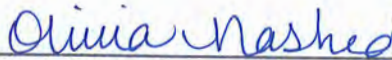
CITY OF LODI, a municipal corporation

MARTIN ELEVATORS, a California corporation DBA NATIONWIDE LIFTS of Nor Cal

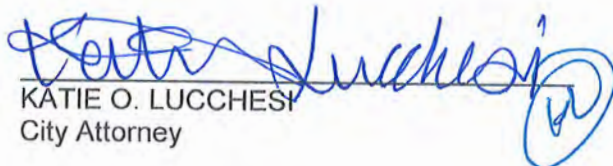
  
 \_\_\_\_\_  
 ANDREW C. KEYS  
 Interim City Manager

  
 \_\_\_\_\_  
 Sonya Martin (Jun 24, 2024 09:23 PDT)  
 By: SONYA MARTIN  
 Title: Finance Director

Attest:

  
 \_\_\_\_\_  
 OLIVIA NASHED  
 City Clerk

Approved as to Form:

  
 \_\_\_\_\_  
 KATIE O. LUCCHESI  
 City Attorney

## AGREEMENT FOR PROFESSIONAL SERVICES

### ARTICLE 1 PARTIES AND PURPOSE

#### **Section 1.1 Parties**

THIS AGREEMENT is entered into on September 5, 2023, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and MARTIN ELEATORS, DBA NATIONWIDE LIFTS of Nor Cal, a California Corporation (hereinafter "CONTRACTOR").

#### **Section 1.2 Purpose**

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for Purchase and installation of Two-Stage Elevator at 22 South Main Street (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

### ARTICLE 2 SCOPE OF SERVICES

#### **Section 2.1 Scope of Services**

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

#### **Section 2.2 Time For Commencement and Completion of Work**

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to

weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

**Section 2.3 Meetings**

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

**Section 2.4 Staffing**

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

**Section 2.5 Subcontracts**

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

**Section 2.6 Term**

The term of this Agreement commences on August 30, 2023 and terminates upon the completion of the Scope of Services or on March 31, 2024, whichever occurs first.

**ARTICLE 3**  
**COMPENSATION**

**Section 3.1 Compensation**

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

**Section 3.2 Method of Payment**

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

**Section 3.3 Costs**

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

**Section 3.4 Auditing**

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

**ARTICLE 4**  
**MISCELLANEOUS PROVISIONS**

**Section 4.1 Nondiscrimination**

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

**Section 4.2 ADA Compliance**

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

**Section 4.3 Indemnification and Responsibility for Damage**

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

**Section 4.4 No Personal Liability**

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

**Section 4.5 Responsibility of CITY**

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

**Section 4.6 Insurance Requirements for CONTRACTOR**

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

**Section 4.7 Successors and Assigns**

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

**Section 4.8 Notices**

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY:                      City of Lodi  
   221 West Pine Street  
   P.O. Box 3006  
   Lodi, CA 95241-1910  
   Attn: John R. Della Monica, Jr.

To CONTRACTOR:      Martin Elevators; DBA: Nationwide Lifts  
   4667 Golden Foothill PKWY Unit #108  
   El Dorado Hills, CA 95762  
   Attn: Sonya Martin

**Section 4.9 Cooperation of CITY**

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

**Section 4.10 CONTRACTOR is Not an Employee of CITY**

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

**Section 4.11 Termination**

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

**Section 4.12 Confidentiality**

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

**Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees**

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.



**Section 4.14 City Business License Requirement**

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

**Section 4.15 Captions**

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

**Section 4.16 Integration and Modification**

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

**Section 4.17 Contract Terms Prevail**

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

**Section 4.18 Severability**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**Section 4.19 Ownership of Documents**

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

**Section 4.20 Authority**

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

**Section 4.21 Federal Transit Funding Conditions**

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

**Section 4.22 Counterparts and Electronic Signatures**

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

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IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:

CITY OF LODI, a municipal corporation

Olivia Nashed  
Olivia Nashed (Sep 1, 2023 10:35 PDT)

[Signature]  
Stephen Schwabauer (Sep 1, 2023 10:33 PDT)

OLIVIA NASHED  
City Clerk

STEPHEN SCHWABAUER  
City Manager

APPROVED AS TO FORM:  
KATIE O. LUCCHESI, Interim City Attorney

MARTIN ELEVATORS; DBA NATIONWIDE LIFTS  
OF NORTH ~~WEST~~ CALIFORNIA, a California Corp.

By: [Signature]

By: Sonya Martin  
Sonya Martin (Aug 31, 2023 09:02 PDT)  
Name: SONYA MARTIN  
Title: Finance Director

- Attachments:**  
Exhibit A – Scope of Services  
Exhibit B – Fee Proposal  
Exhibit C – Insurance Requirements  
Exhibit D – Federal Transit Funding Conditions (if applicable)

**Funding Source:** 35599000-77020 - HPSJ-23001.Contracts  
(Business Unit & Account No.)

Doc ID:

CA: Rev.06.2023.LT

Nationwide Lifts  
 4667 Golden Foothill PKWY Unit  
 #108  
 El Dorado Hills, CA 95762  
 Phone: (916) 529-5965  
 Fax: (877) 825-6001



Quote: NWLJS07152023  
 Valid Until: Dec 31, 2023  
 Rep: John Schmeltz  
 Phone: (916) 529-5965  
 john@elevators.com

**EXHIBIT A & B**

Bill To: City of Lodi  
 221 W Pine Street  
 Lodi, California 95240  
 209-333-6700  
 john@njaarchitecture.com

Ship To: 22 S Main Street  
 Lodi, California 95240

Product Details	Qty	Unit Price	Total Price
FREEDOM COMMERCIAL - Hydraulic Operation	1	\$ 131,500.00	\$ 131,500.00
- Capacity: 1400 Pounds			
- Number of Levels: 2 (2 Stops)			
- Travel Distance: 153 inches			
- Cab Configuration: Enter/Exit Same Side			
- Cab Size: 48"W x 54"D x 84"T			
- Cab Finish: Stone Graphix - White			
- Fixtures: Stainless Steel			
- Phone: Built in COP			
- Cab Gate: 2 Speed Match Cab			
- Landing Doors: 2 Speed Primed Finish			
- Equipment Room: Adjacent to Hoistway			
- Pit: 14 Inches			
- Battery Backup: Lowering and Lighting Only			
- Warranty: 24 Months Limited Parts 12 Months Labor			
- Note: NO FIRE SERVICE - 240 Single Phase Power (see drawings) - California State Inspection Included - Prevailing Wage			
<b>Total:</b>			<b>\$ 131,500.00</b>

**Payment Terms:**

We propose to furnish and install the product(s) listed above.  
 The payment structure is listed to the right.

Production deposit:	\$ 65,750.00
Due upon delivery:	\$ 52,600.00
Due upon completion:	\$ 13,150.00

Initial:           DSS          

Possible upgrade of interior finish      \$18,500.00

**Total not to exceed amount      \$150,000.00**

**Acceptance of Proposal:** This proposal is submitted for acceptance within thirty (30) days of from date executed by us. This proposal, when accepted by the Purchaser and approved by a representative of Nationwide Lifts, shall constitute the contract between us, and all prior representations or agreements not incorporated herein are superseded. No changes in or additions to this contract will be recognized unless made in writing and properly executed by both parties. Should Purchaser's acceptance be in the form of a purchase order or other similar document, the provisions of this Agreement will govern in the event of a conflict.

**Site Preparatory Work:** A Site Preparation Agreement will be provided by Nationwide Lifts. The preparatory work must be completed by the Purchaser prior to installation of the equipment. Failure to complete preparatory work will result in fees as outlined in the Site Preparation Agreement.

**Warranty:** Nationwide Lifts warrants the equipment sold by it and all parts thereof to be free from defects in material and workmanship under normal use and service. Its obligation under this warranty shall be limited to repairing any part of said equipment which proves thus defective within the timeframe of the warranty and which its examination shall disclose to its satisfaction to be thus defective. This warranty is in lieu of all other warranties expressed or implied and of all obligations or liabilities on its part. It neither assumes nor authorizes any person to assume for it any other obligation of liability in connection with the sale of said equipment or any part thereof. This warranty shall not apply to any part, which has been subject to any accident, alteration, abuse or misuse. The labor warranty period is 12 months, beginning upon completion of the installation. Warranty calls are to be performed during regular working hours of regular working days unless required by an emergency condition, at the discretion of Nationwide Lifts. The equipment warranty period is identified on the 1st page of this document. The equipment warranty begins when the equipment ships from the factory. The equipment warranty is governed by the manufacturer. Like any piece of mechanical machinery, this equipment should be periodically inspected, lubricated and adjusted by competent personnel. This warranty is not intended to supplant such normal maintenance service.

**Terms and Conditions:** If the Purchaser does not take delivery of material within 30 days of manufacturing completion, Nationwide Lifts will store the equipment at the Purchaser's cost. The Purchaser is to pay insurance and storage charges not to exceed \$75 per week. Once Nationwide Lifts receives delivery of the equipment from the factory, the progress payment 'Due upon delivery' is due immediately. This progress payment is due regardless if the unit is placed into storage. All sales are final. The equipment is custom ordered to Purchaser's requirements. In the event of any default by Purchaser, the unpaid balance of the purchase price, less the cost of completing the work, as estimated by us, shall immediately become due. The machinery, implements and apparatus hereunder remain personal property of Nationwide Lifts. Therefore, Nationwide Lifts retains title thereto until final payment is made, with right to retake possession of them, or any part thereof, at the cost of the Purchaser if default is made in any of the payments irrespective of the manner of attachment to the realty, the acceptance of notes, or the sale, mortgage or lease of the premises. Nationwide Lifts shall not be held responsible nor shall it be liable under the terms of this agreement and Purchaser expressly releases, discharges, indemnifies and acquits Nationwide Lifts for any and all claims for loss, damage, delay, detention, death or injury of any nature whatsoever. Nothing in this contract shall be construed to mean that Nationwide Lifts assumes any liability on account of accidents to persons or property except those directly due to the negligent act of its workmen. Nationwide Lifts shall not be liable for any loss, damage or delay caused by acts of government, labor troubles, strikes, lockouts, fire, explosion, thefts, riots, floods, civil commotion, war, malicious mischief, acts of God or any cause beyond its control, and in no event shall Nationwide Lifts be liable for any damages, nor any consequential, special or contingent damages. This order, together with its terms and conditions as outlined herein are hereby expressly made a part of this order, when signed and accepted by the Purchaser and a representative of Nationwide Lifts shall constitute exclusively the contract between the parties and all prior representations or agreements whether written or verbal not incorporated herein, are superseded.

Purchaser: **City of Lodi**  
221 W Pine Street  
Lodi, California 95240

Supplier: **Nationwide Lifts**  
4667 Golden Foothill PKWY Unit #108  
El Dorado Hills, CA 95762

Printed: Stephen Schwabauer

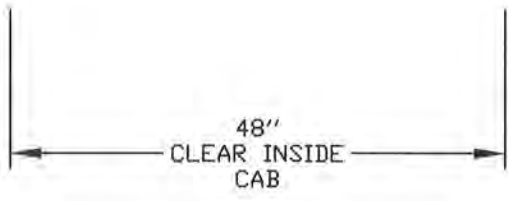
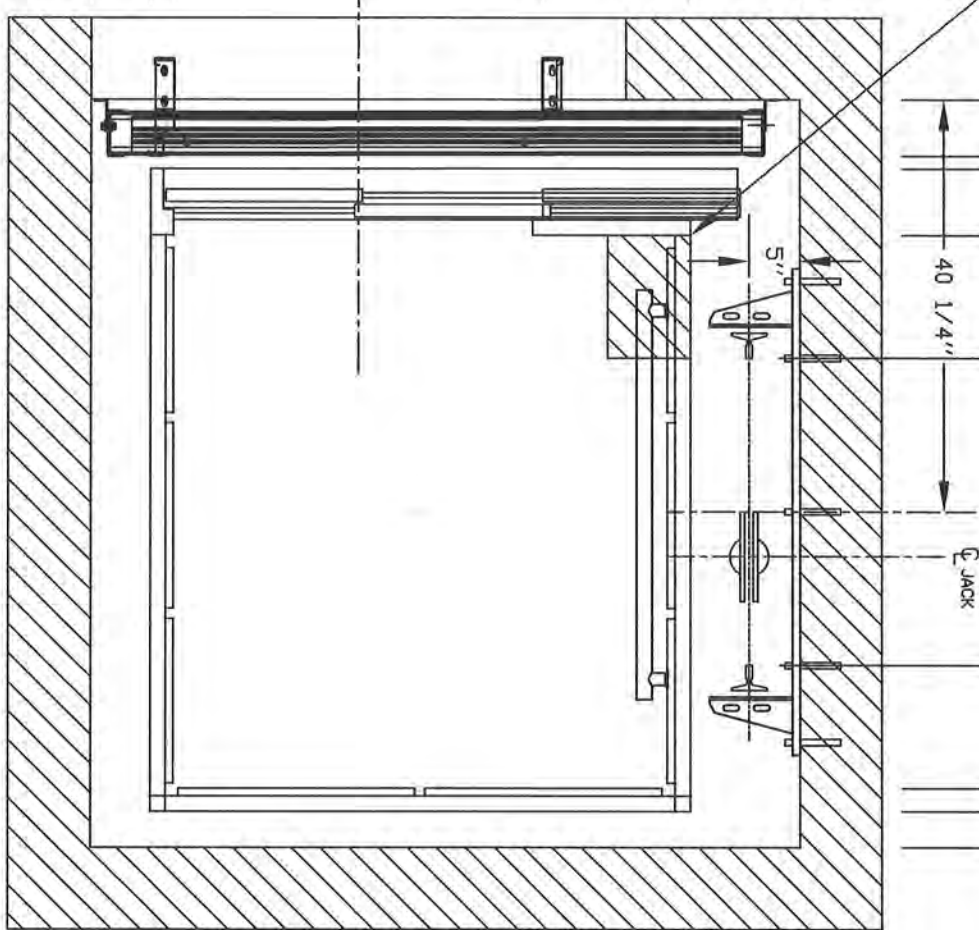
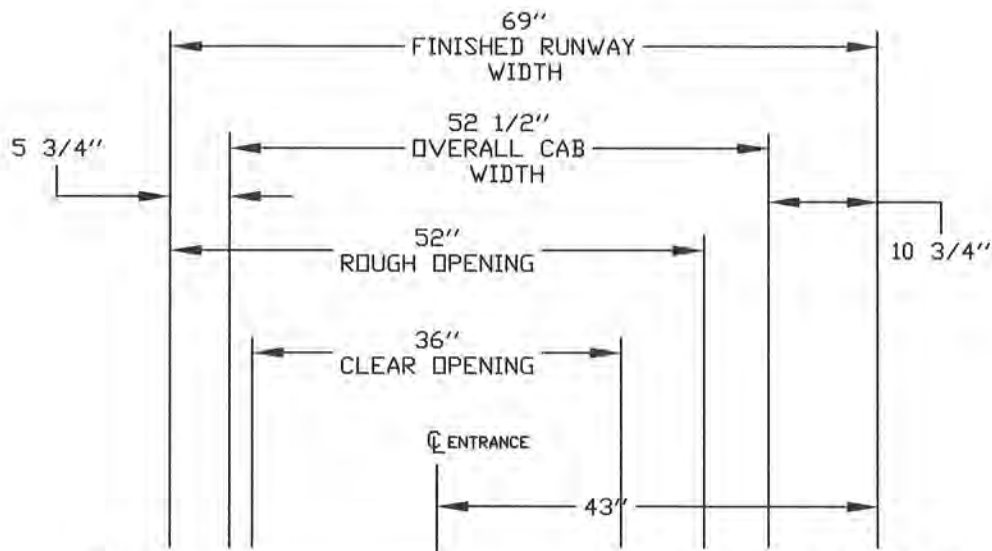
Printed: Sonya Martin

Signature:   
Steve Schwabauer (Sep 1, 2023 10:33 PDT)

Signature:   
Sonya Martin (Sep 4, 2023 10:06 PDT)

Date: September 1, 2023

Date: Sep 4, 2023

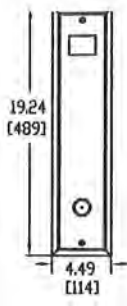
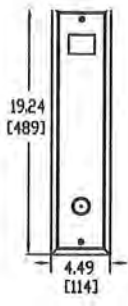


PLAN VIEW

CUSTOMER: **NATIONWIDE**

PROJECT: **ITE**

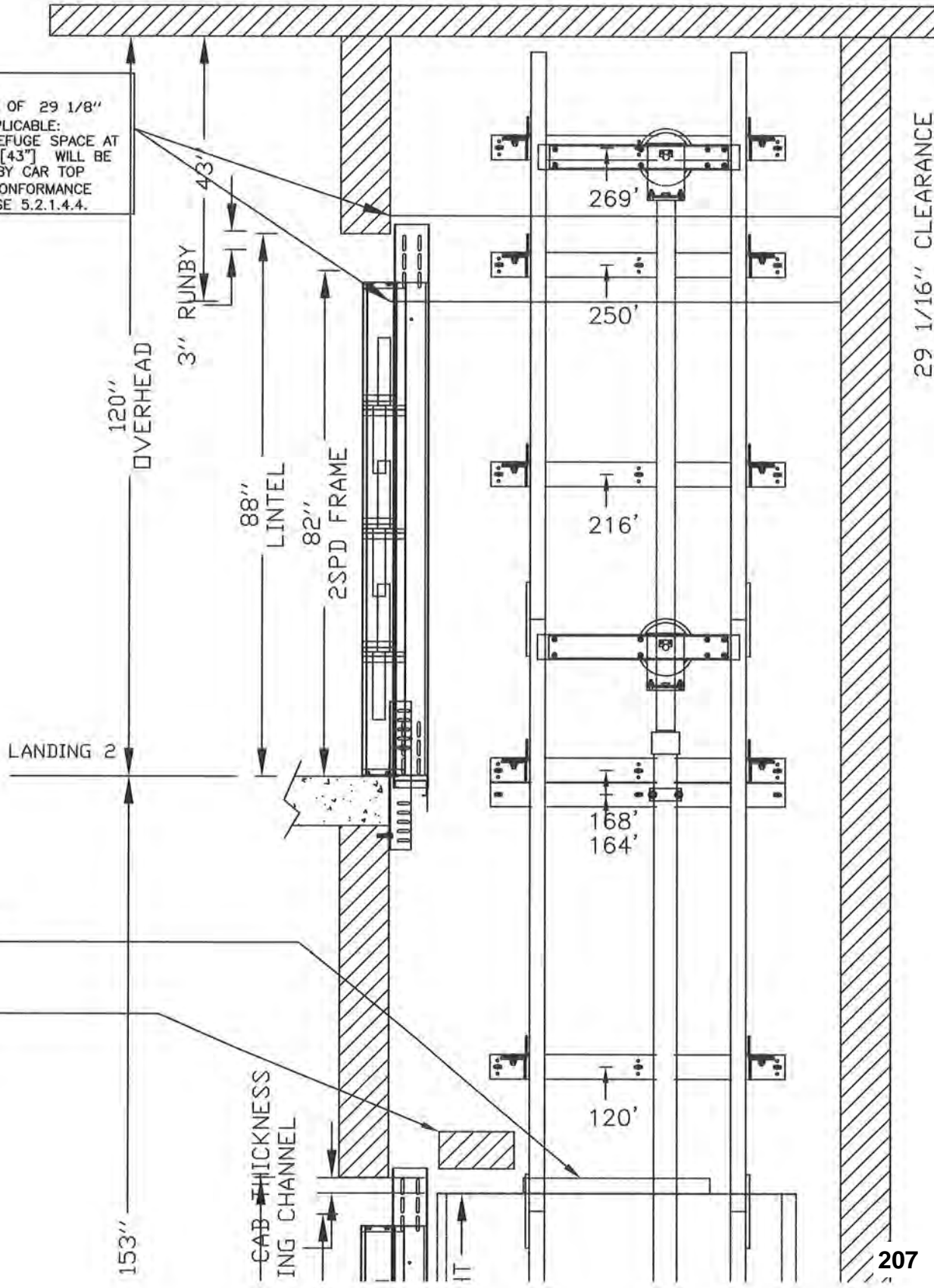
ADDRESS: **22 South**



CDP



**NOTE:**  
 CLEARANCE OF 29 1/8"  
 WHERE APPLICABLE:  
 MINIMUM REFUGE SPACE AT  
 1100 mm [43"] WILL BE  
 PROVIDED BY CAR TOP  
 PROP IN CONFORMANCE  
 WITH CLAUSE 5.2.1.4.4.



**JIMENSIONS-** DIMENSIONAL/CONSTRUCTION TO VERIFY ALL DIMENSIONS AND REPORT ANY DISCREPANCIES TO OUR OFFICE IMMEDIATELY.

**\*STRUCTURAL**

**FLOOR/SUPPORT WALL LOADS-** STRUCTURE TO ANCHOR A CRANK SHAFT AND SAFETY HARNES. WHERE APPLICABLE/NEEDED, TO BE PROVIDED BY CONTRACTOR. CONTRACTOR TO ASSURE THAT BUILDING AND SHAFT WILL SAFELY SUPPORT ALL LOADS IMPOSED BY THE LIFT EQUIPMENT. REFER TO THE TABLES ON THIS DRAWING FOR LOADS IMPOSED BY THE EQUIPMENT. WHERE DOORS ARE REQUIRED- SUITABLE LINTELS MUST BE PROVIDED BY OWNER/AGENT. DOOR FRAMES ARE NOT DESIGNED TO SUPPORT OVERHEAD WALL LOADS.

**\*MACHINE ROOM**

**LOCATION / ACCESS-** MACHINE ROOM LOCATED AT THE LOWEST LEVEL ADJACENT TO HOISTWAY, UNLESS SHOWN OTHERWISE ON THE LAYOUT DRAWINGS. FIELD ADJUSTMENT BY INSTALLER MAY BE NECESSARY TO MEET JOB SITE CONDITIONS OR REGULATIONS. MACHINE ROOM DOOR IS TO BE LOCKABLE AND IS TO MEET THE REQUIREMENTS OF THE AUTHORITY HAVING JURISDICTION.  
**SLEEVES FOR OIL & ELECTRIC LINES-** FROM MACHINE ROOM TO RUNWAY AS REQUIRED. (POSITION PER INSTALLERS INSTRUCTIONS). MINIMUM SCHEDULE 80 PIPING REQUIRED FOR OIL LINES.

MOTOR & EQUIP	DISCONNECT SIZE	TIME DELAY FUSE SIZE	VOLTS	PHASE	AMPERAGE
60 AMPS	15 AMPS	40 AMPS	240 volt	Single Phase	21 AMPS
CAB LIGHTS	15 AMPS	15 AMPS	115 V	1	

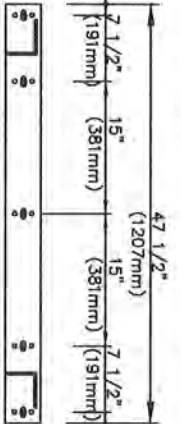
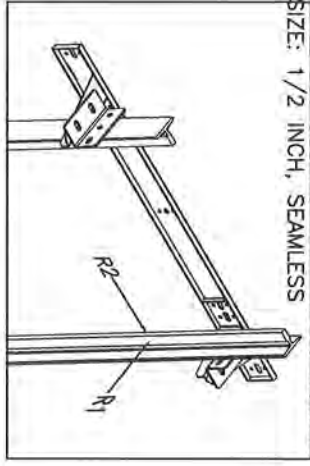
**\*ELECTRICAL**

**POWER SUPPLY-** (SEE SPECIFICATIONS) LOCKABLE FUSED DISCONNECT WITH AUXILIARY CONTACT TO BRAKE THE BATTERY FEED, OR CIRCUIT BREAKERS WITH A 3-POLE BREAKER FOR BATTERY FEED REQUIRED, IN COMPLIANCE WITH ELECTRICAL CODE, AS FOLLOWS: (LOCATED ON WALL ON DOCK JAMB SIDE OF MACHINE ROOM DOOR)  
**PERMANENT POWER-** BEFORE INSTALLATION CAN BEGIN, PERMANENT POWER MUST BE SUPPLIED.  
**LIGHTING-** THE ILLUMINATION SHALL BE NOT LESS THAN 200 LX (19 FC) AT THE FLOOR LEVEL IN ALL MACHINE ROOMS AND MACHINERY SPACES. INSURE AT LEAST 100 LX (10 FC) AMBIENT LIGHTING OVER LIFT AREA.  
**LIGHTING WITH SWITCH AND ELECTRICAL GFCI OUTLET IN HOISTWAY PIT.** ALL LIGHTING MUST BE SOURCED FROM THE LINE SIDE OF ANY GFCI.  
**PHONE-** NEED A PHONE LAND LINE (IF NOT VOIP) FOR THE PHONE. FOR VOIP PLEASE CONTACT SAVARIA.  
**SMOKE DETECTORS-** DETECTORS TO COMMUNICATE WITH THE ELEVATOR ARE REQUIRED BY OTHERS WHEN FIRE SERVICE IS REQUIRED ON ELEVATOR.  
**2019 CAMERA-** NEED POWER-OVER-ETHERNET (POE+) AND INHERENT CONNECTION FOR CAMERA SAVARIA LINK REMOTE MONITORING - NONE SELECTED  
 Not required

**\*ENTRANCES**

**FASCIA PANEL BELOW UPPER LEVEL ENTRANCE-** WHERE REQUIRED, FASCIA PANEL MUST BE FASTENED TO A SOLID WALL AND BE PERPENDICULAR TO THE FLOOR AND WALLS. HOISTWAY FASCIA IS NOT SELF-SUPPORTING FOR LANDING, CONTINUOUS RUNS VOID OF ENTRANCES. ADEQUATE SUPPORT FOR THE FASCIA MUST BE PROVIDED.  
**ENTRANCE ASSEMBLIES-** ENTRANCE ASSEMBLIES MUST BE ADJUSTED TO ALIGN WITH PLATFORM AND INTERLOCK EQUIPMENT. OTHERS TO ALLOW AN ADEQUATE ROUGH OPENING.  
**RETURN WALLS-** RETURN WALLS AT ENTRANCES MUST BE BUILT-IN BY OTHERS AFTER ENTRANCE ASSEMBLIES ARE IN PLACE. ENTRANCE ASSEMBLY MUST BE SECURELY FASTENED TO WALLS BY ELEVATOR CONTRACTOR.

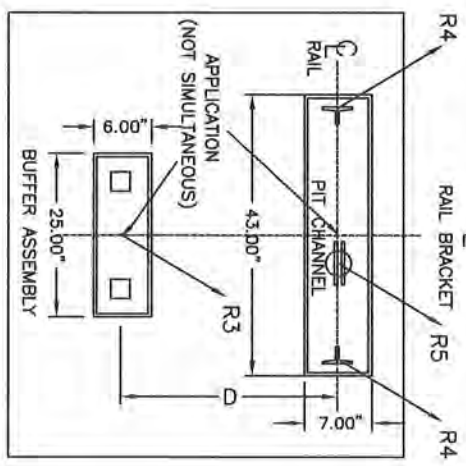
**PUMP MODEL:** WICKERS 4P  
**MOTOR:** 5.0 hp  
**VALVE MODEL NO.:** EPV - 7  
**VALVE COIL VOLTS:** 24 V DC  
**MAX WORKING PRESSURE:** 1500 psi  
**RELIEF VALVE SETTING:** MAX 25% ABOVE ACTUAL WORKING PRESSURE  
**RESERVOIR:** 15-16.5 gal/57-63 L  
**HOSE & SAFETY VALVE:** no  
**PIPING:** HARD PIPE USING SCHEDULE TYPE: 80, MEETING ASTM A106B NOMINAL SIZE: 1/2 INCH, SEAMLESS



**RAIL BRACKET**

PIT RE-ACTION FORCE	R3	R4	R5
8000 LBS	3000 LBS	9000 LBS	

RAIL FORCES	R1	R2
400 lbf	400 lbf	
RAIL WEIGHT :	8.0 lbs / ft	



CAB WIDTH	DIST (D)
42"	31.625"
48"	31.625"
51"	31.625"
54"	31.625"

**FIRST DOOR BY LANDING CHART**

DOOR TYPE	ENTRANCE SIDE	DOOR LATCH	LOCK TYPE	AUTO DOOR OPENER	HALL CALL KEY SWITCH	HOISTWAY ACCESS	FLOOR MARKING	MAIN EGRESS FLOOR
2 Speed Sliding Doors (Wtlur)	Right Hand	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2 Speed Sliding Doors	Right Hand	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**OPTIONS**

**FASTENERS:** By Others  
**FIREMAN'S SERVICE:** No  
**OVERSPEED GOV./VALVE:** No  
**CONDUCTOR CABLE:** 40' [12m] cable  
**DATA ACCESS TERMINAL:** Data Access Wifi Module  
**DUPLINE PROGRAMMING TOOL:** Programmer and Tool  
**TEMP. RUN BUTTON:** Temp Run Button not in Landing Signs  
**NO SMOKE AND DO NOT U**

FOR TOTAL PULL-OUT FORCE ON RAIL BRACKET, R1 MUST BE DOUBLED.  
 eq. 2 x 2400 = 4800 lbf  
 FOR LOCAL APPLICATION OF PIT LOAD.

SEE FIT CHANNEL/ BUFFER SKETCH.

**Data Sheet**

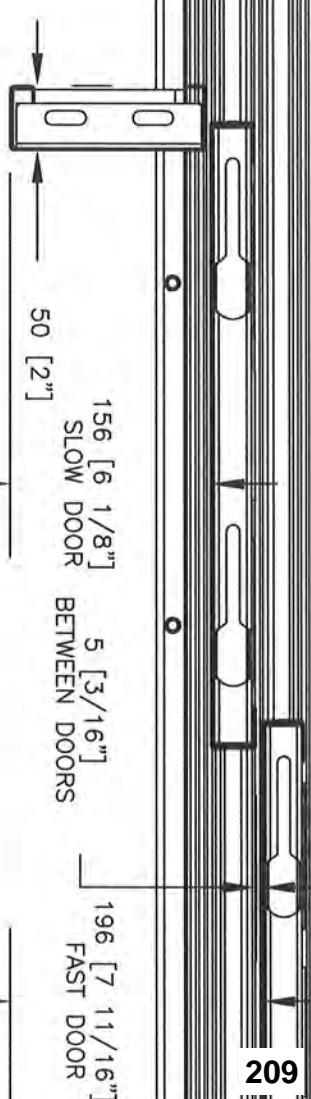
LIMITED USE LIMITED APPLICATION

PROJECT: **City**  
 ADDRESS: **22 South**

CUSTOMER: **NATIONWIDE 1**



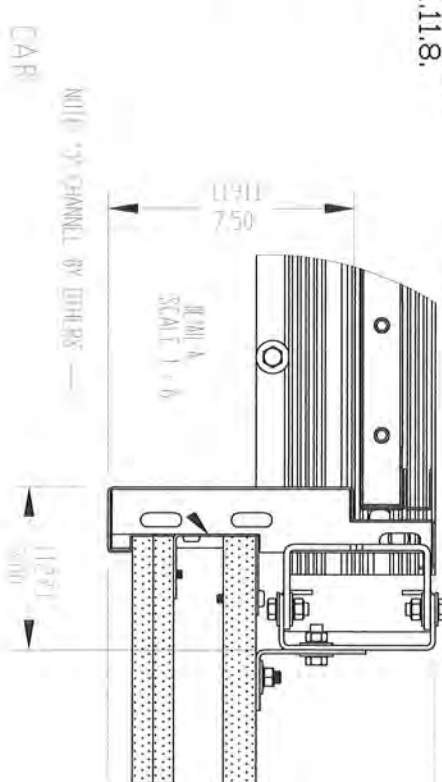
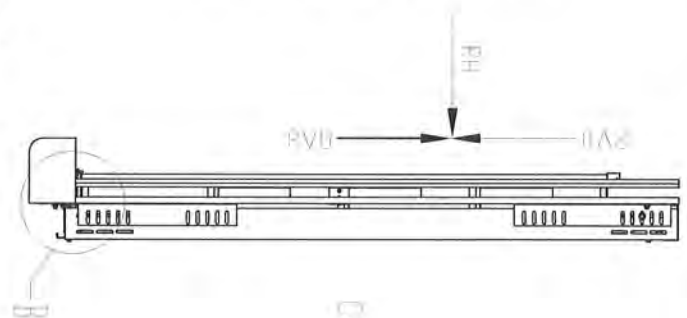
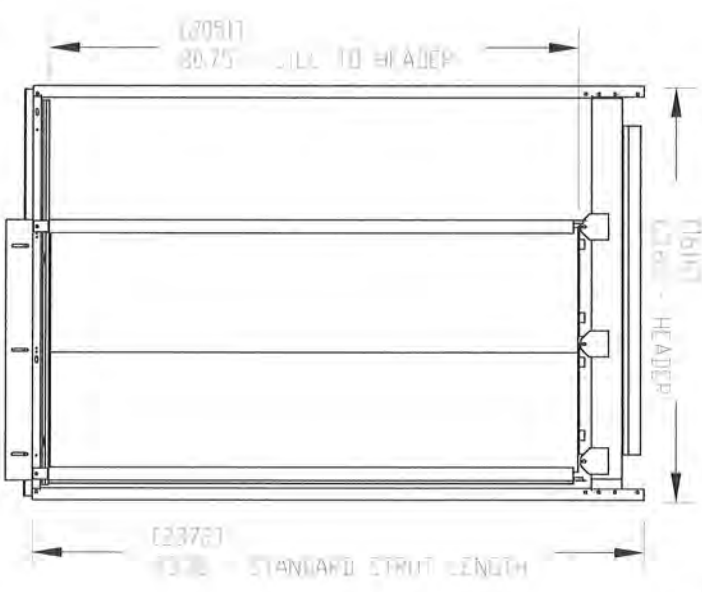
1391 [5 1/2"] REF ONLY  
MOUNTING ANGLE  
CAN BE REVERSE



ENTRANCE LOADS ON BUILDING  
RH = 5000 N (1125 lbf)  
RVD = 1550 N (350 lbf)  
RVU = 1000 N (225 lbf)  
PER SECTION 2.11.11.8.

NOTE: 4500' 2" HEIGHTS PER WALL CONSTRUCTION

NOTE: INTERACT WITH OTHER FRAME ASSEMBLY AND WALL STRUCTURE AS PER WALL DESIGN. NO. W-30/ FOR MIN. HEADING WALL INSTALLATION INSTRUCTIONS.



# RIGHT HAND SHOWN

LANDING 2 SP. DOOR ASSEMBLY  
DRYWALL CONSTRUCTION 36 X 80

CUSTOMER: NATIONWIDE 1  
PROJECT: ite  
ADDRESS: 22 South

SLING STILES  
 MATERIAL = C5 X 6.7 STEEL

SUSPENSION

TYPE & QTY.: \_\_\_\_\_ 1:2 Roped Hydraulics W/2 X 3/8" DIA. A\C CABLES  
 WEIGHT OF ROPE: \_\_\_\_\_ .243 LBS/FT.  
 TRAVEL CABLE WEIGHT: \_\_\_\_\_ .228 LBS/FT

PLANK

STEEL: \_\_\_\_\_ C5 X 13

STILES

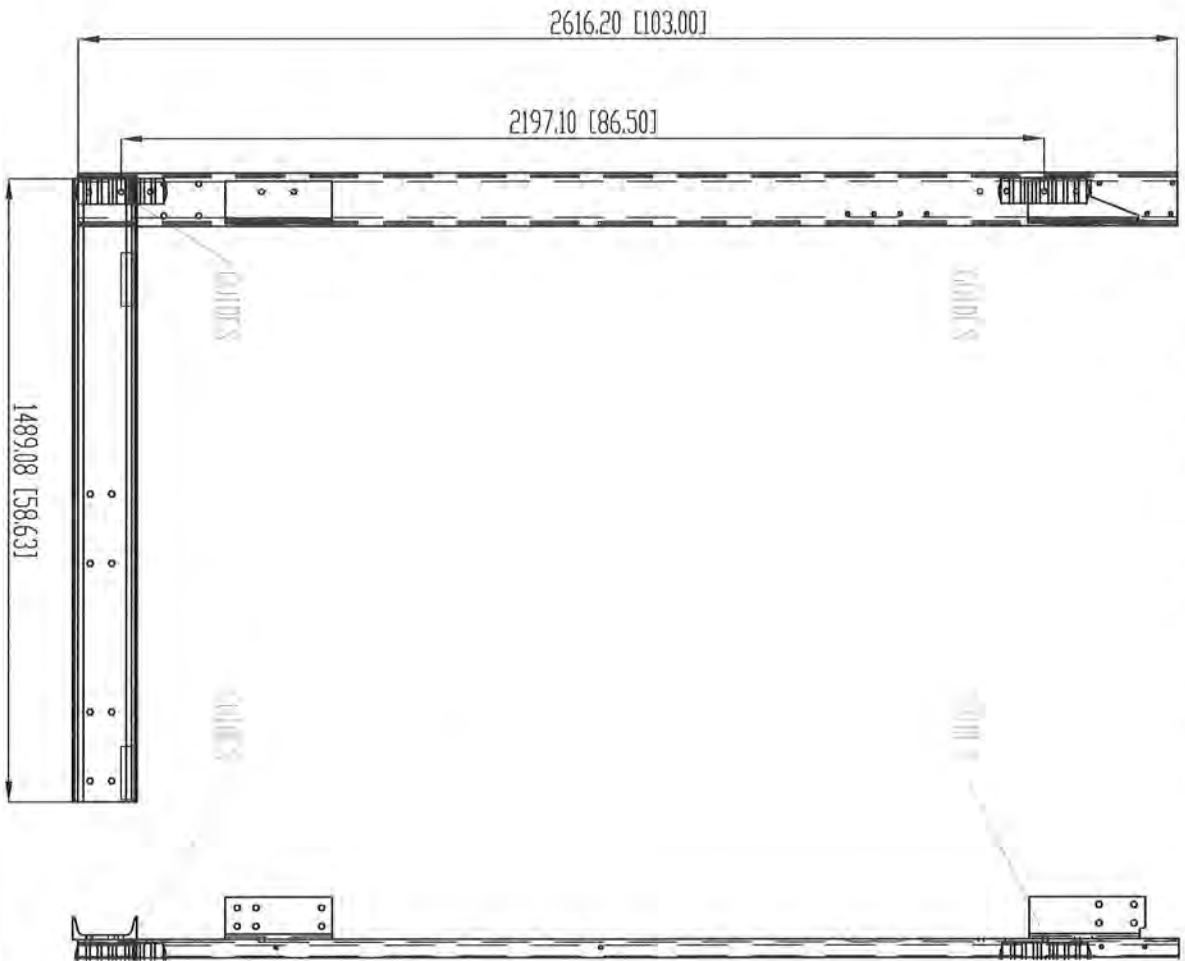
STEEL: \_\_\_\_\_ C5 X 6.7  
 SAFETIES: \_\_\_\_\_ TYPE "A" BROKEN ROPE-MDL# M5050 by Savaria  
 VERTICAL CENTER DISTANCE BETWEEN UPPER AND LOWER  
 GUIDE SHOE: \_\_\_\_\_ 7' 2.5"

RAILS

RAIL TYPE: \_\_\_\_\_ T - RAILS - 8 LBS / FT. Elongation--22% min.  
 RAIL STRESS: \_\_\_\_\_ BREAKING POINT--410-540 N/sq mm  
 YIELD POINT--275 N/sq mm

GENERAL

CAB WEIGHT: \_\_\_\_\_ 1100 lbs



MISC. INFO

CUSTOMER: \_\_\_\_\_  
 PROJECT: \_\_\_\_\_  
 ADDRESS: \_\_\_\_\_  
 22 South \_\_\_\_\_



## SITE PREPARATION COMMITMENT FREEDOM COMMERCIAL

**The customer must complete the following prior to Nationwide Lifts arrival for installation:**

- Permanent 220V, single phase, 50 ampere power to a lockable fused/cartridge type disconnect switch. This disconnect switch must be 3-pole. Disconnect switch must be mounted on machine room wall.
- 120V lighting supply single phase, 15 ampere power to a lockable fused/cartridge type disconnect switch. This should be run to a junction box near the 220V disconnect.
- Provide telephone jack next to the electrical disconnect. This MUST be a dedicated phone line!
- Hoist way built as directed by drawings. Note: All measurements are finished dimensions – after drywall has been installed.
- Wall blocking/supports as directed by drawings.
- Plumb and square hoistway with smooth surfaces. Hoistway must have drywall installed.
- Landing doorways must be framed with rough openings to match drawings provided. (No dry wall, please)
- Additional sheetrock work WILL be required after the installation of the elevator has occurred.
- 14” deep pit with substantially level floor slab. If pit depth exceeds 14” notify us before production.
- 120” for existing construction or 134” for new construction minimum overhead distance from upper floor level to the underside of the roof or finished ceiling.
- GFI outlet and light with guard in the hoist way.
- Flooring and access to/from the lift must be completed to pass State Inspection.
- Manufacturer’s letter stating that flooring in and around the elevator is fire retardant ASTM E 648 standards. Some inspectors ask for this.
- Letter from the Fire Department or Building department that the elevator does not have to be gurney accessible (gurney letter)
  - Site preparation that must be modified / repaired by Nationwide Lifts will be charged according to Time and Materials. The hourly rate will be \$150 /hr.
  - If the Nationwide Lifts employees cannot perform the work due to poor site preparation, and must leave the site, the customer will be charged for travel time and travel expenses. Travel rate will be \$100 /hr.
  - If the site is not prepared and the installation must be rescheduled, the new date will be subject to availability.

**Acceptance of Site Preparation Terms:** The above terms and conditions are satisfactory and are hereby accepted. The site will be prepared as outlined above.

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

Date of Acceptance: \_\_\_\_\_

9/1/2023



# EXHIBIT C

**NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically**

## Insurance Requirements for Construction Contracts

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

### **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$2,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Builder's Risk (Course of Construction)** insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
5. **Professional Liability** (if Design/Build), with limits no less than **\$2,000,000** per occurrence or claim.

### Other Insurance Provisions:

- (a) Additional Named Insured Status  
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
  - (b) Primary and Non-Contributory Insurance Endorsement  
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad** as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
  - (c) Waiver of Subrogation Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer
- NOTE:** (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.
- (d) Severability of Interest Clause  
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.

- (e) Notice of Cancellation or Change in Coverage Endorsement  
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.
- (f) Continuity of Coverage  
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).
- (g) Failure to Comply  
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) Verification of Coverage  
Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**
- (i) Self-Insured Retentions  
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- (j) Insurance Limits  
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.
- (k) Builder's Risk (Course of Construction) Insurance  
Contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.
- If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.
- (l) Subcontractors  
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors
- (m) Qualified Insurer(s)  
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.







# ElevatorPurchAndInstall\_2023 PSA\_signSent

Final Audit Report

2023-08-31

Created:	2023-08-30
By:	Kari Chadwick (kchadwick@lodi.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAspYDctnlmoPJsVahsW3U5s63-48blS6P

## "ElevatorPurchAndInstall\_2023 PSA\_signSent" History

-  Document created by Kari Chadwick (kchadwick@lodi.gov)  
2023-08-30 - 9:06:15 PM GMT - IP address: 209.23.214.254
-  Document emailed to sonya@elevators.com for signature  
2023-08-30 - 9:06:48 PM GMT
-  Email viewed by sonya@elevators.com  
2023-08-31 - 4:01:20 PM GMT - IP address: 99.73.89.137
-  Signer sonya@elevators.com entered name at signing as Sonya Martin  
2023-08-31 - 4:02:56 PM GMT - IP address: 99.73.89.137
-  Document e-signed by Sonya Martin (sonya@elevators.com)  
Signature Date: 2023-08-31 - 4:02:58 PM GMT - Time Source: server- IP address: 99.73.89.137
-  Agreement completed.  
2023-08-31 - 4:02:58 PM GMT










# Nationwide Lifts - 22 S. Main Street

Final Audit Report

2023-09-01

Created:	2023-09-01
By:	Linda Tremble (ltremble@lodi.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAa8zvcmmVbqWe7f7yz2mRLz6cMRGDaf7j

## "Nationwide Lifts - 22 S. Main Street" History

-  Document created by Linda Tremble (ltremble@lodi.gov)  
2023-09-01 - 4:51:42 PM GMT- IP address: 209.23.214.254
-  Document emailed to sschwabauer@lodi.gov for signature  
2023-09-01 - 4:53:49 PM GMT
-  Email viewed by sschwabauer@lodi.gov  
2023-09-01 - 5:33:13 PM GMT- IP address: 108.147.93.80
-  Signer sschwabauer@lodi.gov entered name at signing as Steve Schwabauer  
2023-09-01 - 5:33:48 PM GMT- IP address: 108.147.93.80
-  Document e-signed by Steve Schwabauer (sschwabauer@lodi.gov)  
Signature Date: 2023-09-01 - 5:33:50 PM GMT - Time Source: server- IP address: 108.147.93.80
-  Document emailed to Olivia Nashed (onashed@lodi.gov) for signature  
2023-09-01 - 5:33:51 PM GMT
-  Email viewed by Olivia Nashed (onashed@lodi.gov)  
2023-09-01 - 5:35:08 PM GMT- IP address: 24.23.37.222
-  Document e-signed by Olivia Nashed (onashed@lodi.gov)  
Signature Date: 2023-09-01 - 5:35:38 PM GMT - Time Source: server- IP address: 24.23.37.222
-  Agreement completed.  
2023-09-01 - 5:35:38 PM GMT







# ElevatorPurchAndInstall\_2023 PSA\_sent 090123

Final Audit Report

2023-09-04

Created:	2023-09-01
By:	Lorie Waters (lwaters@lodi.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAA_BPfn6PbLwFT73TWf6sy9mHCLFLSvBkp

## "ElevatorPurchAndInstall\_2023 PSA\_sent 090123" History

-  Document created by Lorie Waters (lwaters@lodi.gov)  
2023-09-01 - 8:44:37 PM GMT
-  Document emailed to sonya@elevators.com for signature  
2023-09-01 - 8:45:50 PM GMT
-  Email viewed by sonya@elevators.com  
2023-09-02 - 4:24:05 AM GMT
-  Signer sonya@elevators.com entered name at signing as Sonya Martin  
2023-09-04 - 5:06:09 PM GMT
-  Document e-signed by Sonya Martin (sonya@elevators.com)  
Signature Date: 2023-09-04 - 5:06:11 PM GMT - Time Source: server
-  Agreement completed.  
2023-09-04 - 5:06:11 PM GMT



# Elevator\_22 S main\_Amendment No. 1\_initialed

Final Audit Report

2024-06-24

Created:	2024-06-20
By:	Lorie Waters (lwaters@lodi.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAjZ9z6BOpiHkTesL9KE1Rx9aQotg8tYmK

## "Elevator\_22 S main\_Amendment No. 1\_initialed" History

-  Document created by Lorie Waters (lwaters@lodi.gov)  
2024-06-20 - 5:29:02 PM GMT
-  Document emailed to Sonya Martin (sonya@elevators.com) for signature  
2024-06-20 - 5:29:29 PM GMT
-  Email viewed by Sonya Martin (sonya@elevators.com)  
2024-06-20 - 6:26:41 PM GMT
-  Document e-signed by Sonya Martin (sonya@elevators.com)  
Signature Date: 2024-06-24 - 4:23:52 PM GMT - Time Source: server
-  Agreement completed.  
2024-06-24 - 4:23:52 PM GMT

RESOLUTION NO. 2024-\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH MARTIN ELEVATORS, A CALIFORNIA CORPORATION, DBA NATIONWIDE LIFTS OF NOR CAL, TO EXTEND TERM TO DECEMBER 31, 2024 AND ADD AN OPTION TO EXTEND THE TERM UP TO SIX (6) MONTHS

=====

WHEREAS, On November 4, 2020, the City Council adopted the San Joaquin Community Response to Homelessness – 2020 San Joaquin Strategic Plan (Strategic Plan); and

WHEREAS, in accordance with the American Rescue Plan Act (ARPA) of 2021, Department of Health Care Services (DHCS) developed a Medi-Cal Home and Community-Based Services (HCBS) Spending Plan detailing a series of initiatives to enhance, expand and strengthen HCBS in California. The Housing and Homelessness Incentive Program (HHIP) is one of the HCBS Transition Initiatives and is intended to support the delivery and coordination of health and housing services for Medi-Cal members statewide. HHIP is intended to bolster housing and homelessness-focused efforts and investments at local levels, with the aim of building or expanding capacity and partnerships to connect Medi-Cal members to needed housing services and achieving progress in reducing and preventing homelessness; and

WHEREAS, DHCS established required submissions and deliverables for managed care plans in participating counties to identify current state, priorities, investments, and monitor progress for HHIP, and will be distributing incentives for plans to oversee and administer payment for HHIP project(s); and

WHEREAS, as part of efforts to meet HHIP program priorities and measures, Health Plan of San Joaquin (HPSJ) will partner with local organizations which deliver housing, or supportive services to Medi-Cal members who are homeless or at risk of homelessness; and

WHEREAS, the City of Lodi submitted a proposal for acquisition and renovation of a hotel at 22 S. Main St. for development of a transitional and supportive housing project to HPSJ; and

WHEREAS, HPSJ Board awarded \$3,000,000 on April 26, 2023, towards the project; and

WHEREAS, the Lodi City Council, on August 2, 2023, approved the execution of a Professional Services Agreement for the purchase and installation of a three-stage LULA type elevator for the Main Street Transitional Housing Project, subsequently awarded to Martin Elevators, DBA Nationwide Lifts of Nor Cal; and

WHEREAS, the Lodi City Council, on June 5, 2024, approved Amendment No. 1 to extend the term of the agreement to October 31, 2024; and

WHEREAS, due to bid process and construction delays, the term of the agreement now needs to be extended to ensure the installation of the elevator and proper inspections can occur. No additional dollars are being requested at this time.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby adopt a resolution authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Martin Elevators, a California Corporation, DBA Nationwide Lifts of Nor Cal, to extend term to December 31, 2024 and add an option to extend the term up to 6 months; and

BE IT FURTHER RESOLVED, that the Lodi City Council does hereby authorize the City Manager to execute the optional extension of up to 6 months, if needed, for project completion; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: November 20, 2024

=====

I hereby certify that Resolution No. 2024-\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024 by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

Oliva Nashed  
City Clerk

2024-\_\_\_\_\_




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt Resolution Authorizing City Manager to Execute Three-Year Professional Services Agreement for SCADA Software Support with Survalent Technology Inc. of Buffalo, NY (\$83,024)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Hasan Shahriar, Engineering & Operations Manager

---

**RECOMMENDED ACTION:**

Adopt a resolution authorizing the City Manager to execute a Three-Year Professional Services Agreement for SCADA Software Support with Survalent Technology Inc. of Buffalo, NY in an amount not-to-exceed \$83,024.

**BACKGROUND INFORMATION:**

On February 6, 2008, the City Council adopted Resolution 2008-11, approving the replacement and upgrade to the Lodi Electric Utility (LEU) Supervisory Control and Data Acquisition (SCADA) system with Survalent Technology Inc. (Survalent) to remotely control and monitor LEU's distribution system equipment.

This selection and implementation of a new SCADA system with Survalent was completed as part of a competitively bid procurement process whereby Survalent was selected as the lowest responsible bidder following receipt of three bid proposals.

Since 2008, software support and upgrades for LEU's SCADA system have been provided solely by Survalent. The current three-year agreement expires December 15, 2024. The newly proposed agreement will provide the needed ongoing support, including any necessary software upgrades, for LEU's SCADA system, as well as provide training tools to assist staff with more effective use of the system in day-to-day operations, including emergency response.

Lodi Municipal Code, Section 3.20.070 allows the City Council to dispense with bidding procedures if it is in the best interest of the City to do so. It would be costly and infeasible to request bids for a new SCADA software system that is already working effectively for the utility. SCADA software is unique in its scripting languages, architectures and data handling methods. Introducing new software systems can affect system architecture which can impact system reliability or operation. In addition, a significant amount of time and resources have already been dedicated to the training of LEU staff on the current Survalent SCADA system. For these reasons, staff recommends the City Council determine it is in the best interest of the City to dispense with competitive bidding requirements and authorize the City Manager to execute the three-year Professional Services Agreement with Survalent Technology Inc.

**STRATEGIC VISION:**

5A. Infrastructure: Invest in innovative infrastructure with a high Return of Investment.

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## COUNCIL COMMUNICATION

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**FISCAL IMPACT:**

Not-to-exceed \$83,024 over three years, through December 15, 2027.

**FUNDING AVAILABLE:**

Included in FY 2024/25 Account No. 50061000.72499. Future year appropriations will be included as part of the annual budget planning process.

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Jeff Berkheimer  
Electric Utility Director

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Scott R. Carney  
City Manager

## **AGREEMENT FOR PROFESSIONAL SERVICES**

### **ARTICLE 1 PARTIES AND PURPOSE**

#### **Section 1.1 Parties**

THIS AGREEMENT is entered into on \_\_\_\_\_, 2024, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and SURVALENT TECHNOLOGY INC., a Delaware corporation authorized to do business in California (hereinafter "CONTRACTOR").

#### **Section 1.2 Purpose**

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for Three-Year Platinum SCADA Support Plan (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

### **ARTICLE 2 SCOPE OF SERVICES**

#### **Section 2.1 Scope of Services**

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

#### **Section 2.2 Time For Commencement and Completion of Work**

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to

weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

**Section 2.3 Meetings**

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

**Section 2.4 Staffing**

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

**Section 2.5 Subcontracts**

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

**Section 2.6 Term**

The term of this Agreement commences on December 16, 2024 and terminates upon the completion of the Scope of Services or on December 15, 2027, whichever occurs first.

## **ARTICLE 3 COMPENSATION**

### **Section 3.1 Compensation**

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

### **Section 3.2 Method of Payment**

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

### **Section 3.3 Costs**

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

### **Section 3.4 Auditing**

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.



**ARTICLE 4**  
**MISCELLANEOUS PROVISIONS**

**Section 4.1 Nondiscrimination**

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

**Section 4.2 ADA Compliance**

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

**Section 4.3 Indemnification and Responsibility for Damage**

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

**Section 4.4 No Personal Liability**

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

**Section 4.5 Responsibility of CITY**

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

**Section 4.6 Insurance Requirements for CONTRACTOR**

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

**Section 4.7 Successors and Assigns**

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

**Section 4.8 Notices**

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY:                      City of Lodi  
   221 West Pine Street  
   P.O. Box 3006  
   Lodi, CA 95241-1910  
   Attn: Electric Utility Director

To CONTRACTOR:      Survalent Technology Inc.  
   1967 Wehrle Drive, Suite 1 PMB 122  
   Buffalo, NY 14221  
   Attn: David Felice

**Section 4.9 Cooperation of CITY**

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

**Section 4.10 CONTRACTOR is Not an Employee of CITY**

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

**Section 4.11 Termination**

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

**Section 4.12 Confidentiality**

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

**Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees**

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

**Section 4.14 City Business License Requirement**

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

**Section 4.15 Captions**

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

**Section 4.16 Integration and Modification**

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

**Section 4.17 Contract Terms Prevail**

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

**Section 4.18 Severability**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**Section 4.19 Ownership of Documents**

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

**Section 4.20 Authority**

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

**Section 4.21 Federal Transit Funding Conditions**

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

**Section 4.22 Counterparts and Electronic Signatures**

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

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**IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.**

ATTEST:

CITY OF LODI, a municipal corporation

\_\_\_\_\_  
OLIVIA NASHED  
City Clerk

\_\_\_\_\_  
SCOTT R. CARNEY  
City Manager

APPROVED AS TO FORM:  
KATIE O. LUCCHESI, City Attorney

SURVALENT TECHNOLOGY INC., a Delaware corporation authorized to do business in California

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


By: \_\_\_\_\_  
Name: Young Ngo  
Title: Chief Technology Officer

**Attachments:**

**Exhibit A – Scope of Services**

**Exhibit B – Fee Proposal**

**Exhibit C – Insurance Requirements**

**Exhibit D – Federal Transit Funding Conditions (if applicable)**

**Funding Source: 50061000.72499  
(Business Unit & Account No.)**

Doc ID:

CA: Rev.06.2024-LT

Exhibit A/B

# Survalent.

Utiliverse™ ecosystem



## Quotation:

**Lodi Electric Utility**

ADMS Platinum Support Renewal 2024-12

Quotation No. M24\_8\_610489

September 4, 2024

*Attention: Jas Singh*

Item	Qty	Description	Price (USD)
<b>Survalent Professional Services</b>			
001	1	<b>Platinum SCADA Support Plan [3 Years]</b> Support Period [All Systems]: 16-Dec-2024 through 15-Dec-2027 The Platinum SCADA Support Plan provides the following: a) Access to the latest software releases of the delivered SurvalentONE software components, effectively providing an extended warranty on all software components and providing access to the latest product features. b) Access to the Survalent Support Portal which includes the ability to create and track support cases, and provides access to software downloads, product documentation, knowledge base articles, live chat, and support forums. c) 24x7 access to priority, telephone emergency support from the Survalent Support Team. Cases will be treated on a first-come, first serve basis. d) 3 Global User Conference training passes and conference passes per year. e) 25 hours (not more than 8 hours per day) per year of Remote Services. All services will be performed by Survalent staff from Survalent offices. Any hours not used during the support period will expire. f) Access to a Survalent System Engineer on-site for 2 days to provide technical assistance with software updates, assess system health and performance, perform system tuning, and any other technical assistance desired. Site visit is once per year, and must be used during the support period.	INCLUDED
<b>Total Price</b>			<b>\$83,024</b>

End User: Lodi Electric Utility

Shipping Terms: EXW Ontario, Canada

Shipment approximately 1 to 2 weeks from receipt of purchase order.

Please send purchase order to [stcorder@survalent.com](mailto:stcorder@survalent.com)

Unless otherwise noted, prices do not include applicable state, provincial, federal, withholding or other local taxes. Applicable taxes will be included in each invoice. Should the purchaser claim an exemption from any applicable state, provincial, federal, withholding or other local taxes, the purchaser shall provide such exemption information to Survalent.

This quote is valid for 110 days from the date of issue and is based on Survalent (a) Standard Terms and Conditions of Sale, (b) Software License Agreement, and (c) Support and Maintenance Terms and Conditions, as applicable.



# Survalent.

Survalent Technology Inc.  
1967 Wehrle Drive, Suite 1, PMB 122  
Buffalo, New York - USA 14221  
T +1-905-826-5000 • F +1-905-826-7144  
survalent.com

Item	Qty	Description	Price (USD)
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Note 1: Please ensure the end user client name is identified on the purchase order; purchase orders may be rejected if this information is missing.

Note 2: Includes free trial environment license; Customers who were previously at the platinum level of support will continue to be licensed for the test environment as long as they maintain their support at the platinum level.

Note 3: Standard payment terms are 100% will be invoiced on receipt of order.

This quotation is not valid unless signed by an authorized representative of Survalent.

Prepared By: Sara Haghighi  
Sara Haghighi, Proposal Specialist

Approved By: Rodrigo Pinetta  
Rodrigo Pinetta, Director, Proposals and Solution Engineering



Survalent Technology Inc.  
 1967 Wehrle Drive, Suite 1, PMB 122  
 Buffalo, New York • USA 14221  
 T +1-905-826-5000 • F +1-905-826-7144  
 survalent.com

**SurvalentONE SCADA License Summary for Lodi Electric Utility**

SurvalentONE SCADA License	Owned	Quote	Option	SurvalentONE SCADA Features	Owned	Quote	Option
SurvalentONE SCADA Server (Single)				Alarm Suppression	1		
SurvalentONE SCADA Server (Dual)	1			Command Sequencing	1		
SurvalentONE SCADA Server (Triple)				Data Logger			
SurvalentONE SCADA Server (Quad)				Disturbance Capture	1		
<b>SmartVu Licenses</b>	<b>Owned</b>	<b>Quote</b>	<b>Option</b>	Event Data Recording	1		
SmartVU Concurrent User Licenses	12			Event Archive			
COMTRADE Standard Viewer				Express DB Tool			
COMTRADE Universal Viewer				External Alarm Bell	1		
<b>Protocols</b>	<b>Owned</b>	<b>Quote</b>	<b>Option</b>	External Clock Interface			
Standard DNP3 Protocol	1			External Data Recording			
Secure DNP3 Protocol				Guarantees			
Standard IEC61850 Protocol				IED Control Panel	1		
Secure IEC61850 Protocol				IED Wizard	1		
IEC 60870-5-101 Protocol				Lightning Strike Interface			
IEC 60870-5-103 Protocol				Mapboard Driver			
IEC 60870-5-104 Protocol				Operations and Outage Accounting	1		
IEC 61850 Protocol				Remote Alarm Annunciation	1		
Harris 5000/6000 Protocol				Switching Orders			
Modbus RTU Protocol	1			Switching Orders with Guarantees			
OPC DA Client	1			Network Topology Processor	1		
OPC DA Server	2			Advanced SCADA Historian			
SNMP Protocol				<b>Interfaces</b>	<b>Owned</b>	<b>Quote</b>	<b>Option</b>
Subscription Protocol				CIM AMI Interface			
Tejas Series 3 & 5 Protocol				GIS Wizard			
Telegyr 8979 Protocol	1			MultiSpeak OA Interface			
Other Protocols				MultiSpeak EA Interface			
<b>Data Exchange Protocols</b>	<b>Owned</b>	<b>Quote</b>	<b>Option</b>	MultiSpeak Dynamic GIS Viewer			
DNP3 Protocol Server				MultiSpeak LM Interface			
Secure DNP3 Protocol Server				MultiSpeak GIS Connectivity Import			
IEC 60870-5-101 Protocol Server				MultiSpeak CIS Interface			
IEC 60870-5-104 Protocol Server				MultiSpeak AMI Interface			
Harris 5000/6000 Protocol Server				MultiSpeak IVR/TCS Interface			
Modbus RTU Protocol Server				MultiSpeak SCADA Server Interface			
QUIN Protocol Server				MultiSpeak AVL Interface			
<b>System Architecture</b>	<b>Owned</b>	<b>Quote</b>	<b>Option</b>	MultiSpeak WMS Interface			
Replicator & Archiver	2			MultiSpeak SMS Interface			
Archive Reporting				Other Load Management Interface			
WebSurv Portal	1			Other GIS Connectivity Import			
SurvCentral Concurrent Users				Other CIS Interface			
Data Forwarding				Other AMI Interface			
Operator Training Simulator (OTS)	1			Other Call Handling/IVR Interface			
Project Development System (PDS)				Other AVL Interface			
QA / Test Environment	1			Other Workforce Management Interface			
Study Mode/Playback Base Server				Network Data Access Interface (API)			
Study Mode/Playback Session				SCADA Add-in	1		
Live! SCADA Package				RAA-TextPower SMS Interface			
Live! Concurrent Users				OMS-MarketCloud SMS Interface			

## **Better Software. Better Decisions.**

With Survalent, you can control your critical network operations with confidence. We're the most trusted provider of advanced distribution management systems (ADMS) and substation automation for electric, water/wastewater, oil & gas, renewable energy, and transit utilities across the globe.

Over 700 utilities in 40 countries rely on the SurvalentONE platform to effectively operate, monitor, analyze, restore, and optimize operations. By supporting critical utility operations with a fully integrated solution, our customers have significantly improved operational efficiencies, customer satisfaction and network reliability. Our comprehensive substation automation solution, Survalent StationCentral, delivers advanced control and monitoring for enhanced network performance and protection.

Our unwavering commitment to excellence and to our customers has been the key to our success for over 60 years.

**100% Project Delivery. We Guarantee It. Ask Us How.**

# **Survalent.**

info@survalent.com • survalent.com • 905-826-5000

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# EXHIBIT C

**NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically**

## Insurance Requirements for IT Professional Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

### **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Technology Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant's profession, with limits not less than **\$2,000,000** per occurrence or claim, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

### Other Insurance Provisions:

- (a) Additional Named Insured Status  
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
- (b) Primary and Non-Contributory Insurance Endorsement  
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad** as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- (c) Waiver of Subrogation Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer

**NOTE:** (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (d) Severability of Interest Clause

The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.

(e) Notice of Cancellation or Change in Coverage Endorsement

This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

(f) Continuity of Coverage

All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

(g) Failure to Comply

If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(h) Verification of Coverage

Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**

(i) Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

(j) Insurance Limits

The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

(k) Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors

(l) Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for **at least** five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(m) Qualified Insurer(s)

All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.



# EXHIBIT C

**NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically**

## Insurance Requirements for IT Professional Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

### MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Technology Professional Liability (Errors and Omissions) Insurance** appropriate to the Consultant's profession, with limits not less than **\$2,000,000** per occurrence or claim, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

### Other Insurance Provisions:

- (a) Additional Named Insured Status  
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
- (b) Primary and Non-Contributory Insurance Endorsement  
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad** as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- (c) Waiver of Subrogation Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer

**NOTE:** (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (d) Severability of Interest Clause

The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractor's commercial general liability and automobile liability policies.

- (e) **Notice of Cancellation or Change in Coverage Endorsement**  
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.
- (f) **Continuity of Coverage**  
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).
- (g) **Failure to Comply**  
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) **Verification of Coverage**  
Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are **to be received and approved** by the City before work commences. **However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them.** The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**
- (i) **Self-Insured Retentions**  
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- (j) **Insurance Limits**  
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.
- (k) **Subcontractors**  
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors.
- (l) **Claims Made Policies**  
If any of the required policies provide coverage on a claims-made basis:  
1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.  
2. Insurance must be maintained and evidence of insurance must be provided for **at least** five (5) years after completion of the contract of work.  
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- (m) **Qualified Insurer(s)**  
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

RESOLUTION NO. 2024 - \_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING CITY MANAGER TO EXECUTE THREE-YEAR PROFESSIONAL SERVICES AGREEMENT FOR SCADA SOFTWARE SUPPORT WITH SURVALENT TECHNOLOGY INC. OF BUFFALO, NY IN AMOUNT NOT-TO-EXCEED \$83,024

=====

WHEREAS, on February 6, 2008, the City Council adopted Resolution 2008-11, approving the replacement and upgrade to the Lodi Electric Utility (LEU) Supervisory Control and Data Acquisition (SCADA) system with Survalent Technology Inc. (Survalent) to remotely control and monitor LEU's distribution system equipment; and

WHEREAS, this selection and implementation of a new SCADA system with Survalent was completed as part of a competitively bid procurement process whereby Survalent was selected as the lowest responsible bidder following receipt of three bid proposals; and

WHEREAS, since 2008, software support and upgrades for LEU's SCADA system have been provided solely by Survalent whose current three-year agreement expires December 15, 2024; and

WHEREAS, the newly proposed agreement will provide the needed ongoing support, including any necessary software upgrades, for LEU's SCADA system, as well as provide training tools to assist staff with more effective use of the system in day-to-day operations, including emergency response; and

WHEREAS, Lodi Municipal Code, Section 3.20.070 allows the City Council to dispense with bidding procedures if it is in the best interest of the City to do so; and

WHEREAS, it would be costly and infeasible to request bids for a new SCADA software system that is already working effectively for the utility as SCADA software is unique in its scripting languages, architectures and data handling methods and introducing new software systems can affect system architecture which can impact system reliability or operation; and

WHEREAS, a significant amount of time and resources have already been dedicated to the training of LEU staff on the current Survalent SCADA system; and

WHEREAS, for these reasons, staff recommends the City Council determine it is in the best interest of the City to dispense with competitive bidding requirements and authorize the City Manager to execute the three-year Professional Services Agreement with Survalent Technology Inc.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Three-Year Professional Services Agreement for SCADA Software Support with Survalent Technology Inc. of Buffalo, NY in an amount not-to-exceed \$83,024.

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.



Dated: November 20, 2024

=====  
I hereby certify that Resolution No. 2024-\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held on November 20, 2024 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

Olivia Nashed  
City Clerk

2024-




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Authorizing the City Manager to Accept a Donation and Ratify the Purchase of Upgraded Single Unit Resource Technology and Emotional Support Teddy Bears and Accept a Donation for the Purchase of Wildland Pants for Strike Team Members and Appropriate Funds (\$5,000) (FD)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Michelle Munoz, Management Analyst

---

**RECOMMENDED ACTION:**

Adopt a resolution authorizing the City Manager to accept the donation and ratify the purchase of upgraded Single Unit Resource technology and emotional support teddy bears and accept a donation for wildland pants for Strike Team members and appropriate funds from the Lodi Fire Foundation in the amount of \$5,000.

**BACKGROUND INFORMATION:**

The Lodi Fire Foundation's mission is to assist with supporting the unfunded needs of the Lodi Fire Department. Funding requests are approved at the department level to ensure the need is there and then presented to City Council to approve the acceptance of the donation.

Funds in the amount of \$2,390.73 were donated to purchase upgraded Single Unit Resource technology and emotional support teddy bears. These purchases have been completed. Funds in the amount of \$5,000 will be donated and appropriated to purchase Wildland Pants for Strike Team members.

The upgraded Single Unit Resource technology allows for better wi-fi connectivity when deployed in remote locations. This technology is installed on the Strike Team vehicles. This equipment improves communications and enhances safety on Strike Team deployments.

The emotional support teddy bears are handed out to children by fire personnel on scene. Typically, these bears are given out when kids have witnessed or experienced trauma. It gives them something soothing to hold in a stressful situation.

The single layer wildland pants align with personal protective equipment requirements set for by Cal Fire, California Office of Emergency Services, and other Federal Fire Agencies. The single layer pants allow for better mobility, stay cooler, and dry faster and are approved to be worn on Strike Teams. These pants will be provided for staff on the Strike Team list.

Donated funds in the amount of \$5,000 will be deposited into 10040001.57702 and the expense will be appropriated to account number 10041000.72306.

**STRATEGIC VISION:**

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## COUNCIL COMMUNICATION

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7A. Public Safety: Reach and maintain full staffing.

**FISCAL IMPACT:**

There will be no fiscal impact. All items will be funded by the Lodi Fire Foundation.

**FUNDING AVAILABLE:**

10041000.72306

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Ken Johnson  
Fire Chief

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Scott R. Carney  
City Manager



LODI FIRE  
FOUNDATION

Lodi Fire Department  
210 W Elm St  
Lodi, CA 95240

October 21, 2024

**Re: Donation for Single Unit Resource Technology, Emotional Support Teddy Bears, and Wildland Pants for Strike Team Members**

The Lodi Fire Foundation has issued checks to the City of Lodi in the amount of \$2,390.73 for the purchase of emotional support teddy bears and upgraded Single Unit Resource Technology. The Lodi Fire Foundation will also be issuing a check in the amount of \$5,000 for the purchase of the Wildland Pants for Strike Team members. There will be no cost to the City of Lodi.

Sincerely,

*Jeremy Lenser*  
Jeremy Lenser (Oct 21, 2024 10:37 PDT)

Jeremy Lenser  
Lodi Fire Foundation Chairman






# Date

Final Audit Report

2024-10-21

Created:	2024-10-21
By:	Julie Rusch (jrusch@lodi.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAtKtPl_Gqqie8DgA4PQXf8jgJQT0PcyUk

## "Date" History

-  Document created by Julie Rusch (jrusch@lodi.gov)  
2024-10-21 - 5:36:49 PM GMT
-  Document emailed to Jeremy Lenser (jeremy.lenser@edwardjones.com) for signature  
2024-10-21 - 5:36:54 PM GMT
-  Email viewed by Jeremy Lenser (jeremy.lenser@edwardjones.com)  
2024-10-21 - 5:37:38 PM GMT
-  Document e-signed by Jeremy Lenser (jeremy.lenser@edwardjones.com)  
Signature Date: 2024-10-21 - 5:37:56 PM GMT - Time Source: server
-  Agreement completed.  
2024-10-21 - 5:37:56 PM GMT

RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION AUTHORIZING CITY MANAGER TO ACCEPT A DONATION FROM THE LODI FIRE FOUNDATION IN THE AMOUNT OF \$2,390.73 AND RATIFY THE PURCHASE OF SINGLE UNIT RESOURCE TECHNOLOGY FOR STRIKE TEAM DEPLOYMENTS AND, EMOTIONAL SUPPORT TEDDY BEARS, AND ACCEPT A DONATION AND APPROPRIATE FUNDS IN THE AMOUNT OF \$5,000

=====
WHEREAS, the Lodi Fire Foundation’s mission is to assist with supporting the unfunded needs of the Lodi Fire Department; and

WHEREAS, funding requests are approved at the department level to ensure the need is there and then presented to City Council to approve the acceptance of the donation; and

WHEREAS, \$2,390.73 was donated to fund upgraded single unit resource technology for Strike Team deployments and emotional support teddy bears; and

WHEREAS, funds in the amount of \$5,000 will be donated by the Lodi Fire Foundation for the purchase single layer wildland pants for Strike Team members and appropriated as follows: Revenue 10040001.57702 \$5,000 and Expense 10041000.72306 \$5,000; and

WHEREAS, staff recommends authorizing City Manager to accept the donation from the Lodi Fire Foundation in the amount of \$2,390.73 and ratify the corresponding purchases, accept a donation in the amount of \$5000 from the Lodi Fire Foundation and appropriate those funds.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize City Manager to accept the donation of \$2,390.73 and ratify the purchase of the corresponding single unit resource technology for Strike Team deployments and emotional support teddy bears, and accept the donation of \$5000 from the Lodi Fire Foundation and appropriates those funds.

Dated: November 20, 2024

=====
I hereby certify that Resolution No. 2024-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024, by the following vote:

- AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2024-\_\_\_\_\_



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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Authorizing Fire Chief to Execute a Memorandum of Understanding (MOU) with Manteca District Ambulance Service (MDAS) for Paramedic Accreditation Services (FD)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Michelle Munoz, Management Analyst

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**RECOMMENDED ACTION:**

Adopt a resolution authorizing Fire Chief to execute a Memorandum of Understanding (MOU) with Manteca District Ambulance Service (MDAS) for Paramedic Accreditation Services.

**BACKGROUND INFORMATION:**

On September 21, 2022, the City Council adopted Resolution 2022-215 authorizing City Manager to accept the 2021 Assistance to Firefighter Grant award to send Lodi Fire personnel to paramedic school in an effort to transition the Lodi Fire Department (LFD) from Basic Life Support (BLS) services to Advanced Life Support (ALS) services.

Currently, there are eight members of the LFD attending paramedic school and four additional department personnel that need to fulfill a designated number of supervised ALS contacts (10-Call Accreditation). MDAS has agreed to enter into an MOU with the City of Lodi to provide these services to the Lodi Fire Department free of cost. LFD personnel will be able to ride with MDAS to fulfill this requirement to complete their 10-Call Accreditation.

**STRATEGIC VISION:**

7C. Public Safety: Institute the Advance Life Support Program.

**FISCAL IMPACT:**

MDAS is providing the service at no cost to the City.

**FUNDING AVAILABLE:**

Not applicable.

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Ken Johnson  
Fire Chief

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## COUNCIL COMMUNICATION

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Scott R. Carney  
City Manager



**Memorandum of Understanding**  
**Between the City of Lodi (“COL”) and Manteca District Ambulance Service (“MDAS”)**  
**For Paramedic Accreditation Services**

**RECITALS**

**WHEREAS**, the City of Lodi has an agreement with the San Joaquin County Emergency Medical Services Agency as a Paramedic services provider; and

**WHEREAS**, the City of Lodi has paramedic licensed employees that are authorized to perform paramedic accreditation services in San Joaquin County; and

**WHEREAS**, Manteca District Ambulance Service has a signed paramedic provider services agreement with the San Joaquin County Emergency Medical Services Agency; and

**WHEREAS**, both entities have agreed to waive any costs associated with providing or participating in accreditation evaluation for COL personnel.

**NOW THEREFORE**, COL and the MDAS hereby enter into the following understanding:

**Mutual Understanding**

1. Term.
  - 1.1. This Memorandum of Understanding (“MOU”) shall become effective when signed by all of the parties (“Effective Date”).
  - 1.2. This MOU may be terminated by either party, with or without cause, upon thirty (30) days written notice to the other party as provided herein.
2. Services
  - 2.1. The MDAS will provide qualified paramedic preceptors or accreditation officers capable of providing accreditation evaluations for licensed paramedic employees of the COL.
  - 2.2. COL understands that only licensed California paramedics that are employed by MDA will participate in the accreditation evaluations.
  - 2.3. COL employee participants will have completed forms as outlined in EMS Policy 2540 and passed the county’s paramedic accreditation orientation course before starting supervised field evaluations at COL.
  - 2.4. MDAS paramedic preceptors or accreditation officers will document those skills being evaluated on county form(s) 2540A/B and will be authorized to provide accreditation services under the protocols and procedures identified by the San Joaquin County Emergency Medical Services Agency.
  - 2.5. COL will have their Continuous Quality Improvement (“CQI”) Coordinator review, validate, and sign the appropriate forms along with MDAS CQI coordinator. The CQI coordinator at the MDAS will provide a copy of all signed forms to COL for approval and submittal.
3. Fees
  - 3.1. Neither party will seek payment or reimbursement of any applicable fees under this MOU.

4. Mutual Indemnification. Each Party shall indemnify, defend, protect, hold harmless, and release the other, its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any act, omission, or negligence of such indemnifying party or its agents, employees, contractors, subcontractors, or invitees, related to the actions and obligations described in this MOU. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts. This indemnity provision survives the MOU.
  
5. Defense Obligation. In any action in which one party is obligated to provide the other party with a defense, the defending party shall at its cost and expense, fully and diligently defend the other party against any claims brought, investigations undertaken, or actions filed which concern claims for which Contractor is entitled to indemnification under paragraph 4 above.

CITY OF LODI, a municipal corporation

MANTECA DISTRICT AMBULANCE SERVICE

\_\_\_\_\_  
KEN JOHNSON, Fire Chief

\_\_\_\_\_  
JONATHAN ANDREWS, MDA General Manager

ATTEST:

\_\_\_\_\_  
OLIVIA NASHED  
City Clerk

APPROVED AS TO FORM:  
KATIE O. LUCCHESI, City Attorney

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


RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING FIRE CHIEF TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH MANTECA DISTRICT AMBULANCE SERVICE (MDAS) FOR PARAMEDIC ACCREDITATION SERVICES

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WHEREAS, the City of Lodi is a public agency located in the County of San Joaquin, State of California; and

WHEREAS, on September 21, 2022, City Council adopted Resolution 2022-215 authorizing City Manager to accept the 2021 Assistance to Firefighter Grant award to send Lodi Fire personnel to paramedic school in an effort to transition the Lodi Fire Department (LFD) from Basic Life Support (BLS) services to Advanced Life Support (ALS) services; and

WHEREAS, there are eight members of the LFD attending paramedic school and four additional department personnel that need to fulfill a designated number of supervised ALS contacts (10-Call Accreditation); and

WHEREAS, Manteca District Ambulance Service (MDAS) has agreed to enter into an MOU with the City of Lodi to provide these services to the Lodi Fire Department at no cost.

NOW, THEREFORE BE IT RESOLVED, staff recommends adopting a resolution authorizing Fire Chief to execute an MOU with MDAS; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (Res. No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: November 20, 2024

=====

I hereby certify that Resolution No. 2024-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024 by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2024-\_\_\_\_\_




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Lake Park North Restroom Restoration Project (PRCS)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Steve Virrey, Parks and Facilities Superintendent

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**RECOMMENDED ACTION:**

Approve plans and specifications and authorize advertisement for bids for Lodi Lake Park North Restroom Restoration Project

**BACKGROUND INFORMATION:**

The Lodi Lake North Restroom was damaged by an arson fire on June 4, 2023. At the October 18, 2023, City Council meeting, Council approved a contract with WMB Architects of Stockton to perform the design services. The design services included investigation, construction documents, permitting, bidding assistance and construction support associated Americans With Disabilities Act Improvements (ADA). City staff worked with WMB Architects to complete the design, permit and bid documents.

This project includes architecture, structural engineering, mechanical engineering, electrical engineering and ADA Code requirements.

The plans and specifications are on file in the Public Works Department. The planned bid opening date is February 12, 2025. The total project estimate is \$800,000.

**STRATEGIC VISION:**

6B. Parks: Expand, develop, and maintain Lodi Lake to meet or exceed industry standards.

**FISCAL IMPACT:**

This project will replace the fire damaged structures and bring the facility to current ADA code Compliance.

**FUNDING AVAILABLE:**

The City has a self-insured retention (SIR) of \$250,000 per incident for property damage. This requires the City to fund the first \$250,000 of project costs. The SIR was allocated on July 19, 2023, under Resolution 2023-154 as part of the excess reserve one-time funds. An additional \$800,000 was appropriated during the 2024-25 fiscal year budget from the Property Insurance fund which will be reimbursed with insurance payments. \$84,117.10 has been spent towards project design, plan duplication and permit fees. \$965,882.90 remains allocated towards future project costs.

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## COUNCIL COMMUNICATION

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Property Insurance (66125200.7020) PKCP-24002.MiscS&S

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Christina Jaromay  
Parks, Recreation and Cultural Services Director

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Scott R. Carney  
City Manager

# Capital Improvement Plan

## FY 2024-2025

<b>Project Title:</b>	Lodi Lake North Restroom	<b>Munis Project Code:</b>	PKCP-24002	#290					
<b>Section I: Description</b>	<b>District Nos:</b>	1	<b>Project Length</b>	<b>Priority</b>					
Prior planned work: The existing tile roof needs repairs and maintenance before the roof starts to fail. Restore public restroom on the north side of Lodi Lake									
<b>Justification/factor driving project</b>									
Revision to scope due to arson fire on June 4, 2023. The entire restroom was destroyed and will need to be rebuilt; which includes the roof.									
<b>Additional Information</b>									
FY 24 Council action 7/19/23; Reso 2023-154 Property Insurance account (66125200.77020)									
<b>Section II: Estimated Project Costs</b>									
<b>Expenditure</b>	<b>Prior Years</b>	<b>FY 23/24 Estimate</b>	<b>FY 24/25 Budget</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>FY 28/29</b>	<b>Future Yrs</b>	<b>Total</b>
Miscellaneous		\$ 250,000	\$ 800,000						\$ 1,050,000
<b>Total Capital Costs</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ 800,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,050,000</b>
<b>Section III: Funding Sources/Methods of Financing</b>									
<b>Funding Source(s)</b>	<b>Prior Years</b>	<b>FY 23/24 Estimate</b>	<b>FY 24/25 Budget</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>FY 28/29</b>	<b>Future Yrs</b>	<b>Total</b>
661 - Property Insurance		\$ 250,000	\$ 800,000						\$ 1,050,000
<b>Total Project Financing</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ 800,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,050,000</b>



**COUNCIL COMMUNICATION**

**AGENDA TITLE:**

Adopt a Resolution Authorizing the Lodi Police Department to Participate in the Department of Alcoholic Beverage Control (ABC)-Office of Traffic Safety (OTS) Grant Program Approving the Execution of the Grant Documents by the Chief of Police on Behalf of the City of Lodi and Appropriating Funds (\$39,800) (PD)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Candice Alaniz, Management Analyst

**RECOMMENDED ACTION:**

Adopt a resolution authorizing the Lodi Police Department to participate in the Department of Alcoholic Beverage Control’s Alcoholic Beverage Control (ABC)-Office of Traffic Safety (OTS) grant program funded by the Office of Traffic Safety through the National Highway Traffic Safety Administration and authorize the Chief of Police to execute the grant documents on behalf of the City, and appropriate funds in the amount of \$39,800.

**BACKGROUND INFORMATION:**

The Department of Alcoholic Beverage Control (ABC) Grant Assistance Program solicited applications in September 2024 for alcohol-related enforcements and educational programs. On September 26, 2024, the Lodi Police Department received an acceptance letter securing grant funds in the amount of \$39,800 for Fiscal Year 2024/25.

The funds will be used for Minor Decoy and Shoulder Tap operations to reduce youth access to alcohol, Informed Merchants Preventing Alcohol-related Crime Tendencies (IMPACT) inspections, as well as enforcement during the holidays. These programs increase safety on our public roadways by addressing alcohol-related harm in the community.

Consistent with the grant timeline, October 1, 2024 through September 30, 2025, staff further requests that unspent appropriations at the end of Fiscal Year 2024-25 roll to Fiscal Year 2025-26.

**STRATEGIC VISION:**

7H. Public Safety: Address strategic safety problem areas in the community.

**FISCAL IMPACT:**

Funds in the amount of \$39,800 be appropriated as follows:

ABC Grant	\$ 39,800.00	21900000.5640 1	Revenue
ABC Grant Overtime	\$ 39,000.00	21999000.7100 2	Expense

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## COUNCIL COMMUNICATION

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ABC Grant Medicare	\$ 700.00	21999000.7101 5	Expense
ABC Grant Spc Dept Materials	\$ 100.00	21999000.7235 2	Expense

**FUNDING AVAILABLE:**

Not applicable.

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Ricardo Garcia  
Police Chief

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Scott R. Carney  
City Manager



STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

25-OTS113

PURCHASING AUTHORITY NUMBER (If Applicable)

ABC-2100

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Alcoholic Beverage Control

CONTRACTOR NAME

City of Lodi through the Lodi Police Department

2. The term of this Agreement is:

START DATE

October 1, 2024

THROUGH END DATE

August 31, 2025

3. The maximum amount of this Agreement is:

\$39,800.00 Thirty nine thousand eight hundred dollars and no cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	3
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C *	General Terms and Conditions	4
Exhibit D	Special Terms and Conditions	1

Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

City of Lodi through the Lodi Police Department

CONTRACTOR BUSINESS ADDRESS

215 W. Elm Street

CITY

Lodi

STATE

CA

ZIP

95240

PRINTED NAME OF PERSON SIGNING

Ricardo Garcia

TITLE

Chief of Police

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

Department of Alcoholic Beverage Control

CONTRACTING AGENCY ADDRESS

3927 Lennane Drive

CITY

Sacramento

STATE

CA

ZIP

95834

PRINTED NAME OF PERSON SIGNING

Patty Baker

TITLE

Chief, Business Management Branch

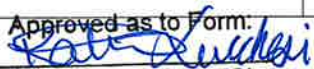
CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

Approved as to Form:

  
KATIE O. LUCCHESI  
City Attorney

## EXHIBIT A SCOPE OF WORK

### Purpose and Description of Services

Contractor agrees to implement the Department of Alcoholic Beverage Control programs as listed:

- Minor Decoy operations – designed to educate and deter licensed locations from selling/furnishing alcohol to minors and shall be conducted at both “On-Sale” and “Off-Sale” licensed establishments within the operations period of the grant.
- Shoulder Tap operations – used to detect and deter adult furnishers outside of a licensed business and shall be performed at “Off-Sale” licensed locations to apprehend adults that are unaffiliated with the licensed businesses who are purchasing alcohol for minors outside of the stores within the operation period of the grant.
- Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) Inspections – primary goal is to educate licensees on alcohol related laws to help reduce alcohol-related crime in and around licensed premises. Contractor agrees to conduct visits and inspections of licensed premises identifying areas of non-compliance at “On-Sale” and “Off-Sale” licensed locations within the operation period of the grant.
- Holiday Enforcement – This program consists of working general undercover and high-profile enforcement targeting underage drinking, sales/furnishing to minors, sales to obviously intoxicated patrons, and other related violations.

Holidays would be defined as:

- Halloween (Oct. 31)
- Thanksgiving (Nov. 27 – Dec. 1)
- New Year’s Eve (Dec. 31)
- St. Patrick’s Day (Mar. 14 – Mar 17)
- Cinco de Mayo (May 2 – May 5)
- Memorial Day Weekend (May 23 – May 26)
- 4<sup>th</sup> of July (July 3 – July 6)

The project is targeted to reduce underage drinking and the resultant DUI driving injuries and fatalities, and/or property damages, reduce youth access to alcoholic beverages through the education of licensee, enforcement intervention and the impressions of omnipresence of law enforcement.

In addition, contractor agrees to the following goals:

- Raise public awareness that selling, serving and/or furnishing alcoholic beverages to individuals under twenty-one years old is a criminal violation that will be prosecuted by local city and district attorneys.
- Establish and implement a coordinated effort between contractor and ABC, and acknowledges no operations will be conducted until after the contractor’s representative has completed training conducted by ABC.
- Issue press releases as follows:
  - To announce the start of the program

- At the conclusion of each Minor Decoy Operation held (to announce the number of licensed premises who sold to the minor decoy).
- At the conclusion of each Shoulder Tap Operation held (to announce the number of adults arrested for purchasing alcoholic beverages for the decoy).
- At the conclusion of each IMPACT operation held.
- Email each press release to the Department's Public Information Office, [pio@abc.ca.gov](mailto:pio@abc.ca.gov) as soon as it is released.
- In all press releases, in addition to any credits the agency wishes to give, will include the following statement: "This project is part of the Department of Alcoholic Beverage Control's Minor Decoy/Shoulder Tap Grant Project, funded by the California Office of Traffic Safety through the National Highway Traffic Safety Administration."
- Complete and submit bi-monthly reports, in a format designed by ABC due no later than the following:
  - On or before January 15, 2025 (with results of operations October, November & December 2024)
  - On or before March 15, 2025 (with results of operations January & February 2025)
  - On or before May 15, 2025 (with results of operations March & April 2025)
  - On or before July 15, 2025 (with results of operations May & June 2025)
  - On or before September 15, 2025 (With results of operations July & August 2025)
- Submit an Executive Summary as part of the final report due on or before September 15, 2025. The summary shall contain the following:
  - An evaluation statement concerning the end product and cost benefits; and a listing of recommended and/or adopted policy or procedure changes, if any, occurring as a result of the project.
  - Project personnel identifying the key personnel who worked on the project, together with their job classification, and a brief description of their contribution.
  - Problems – describe any operational or cost problems that were encountered in project implementation. If known, state alternative methods that would have avoided the problem and increased the effectiveness of the project.
  - Results – describe the results of the project in terms of meeting the original objectives as stated in the project agreement. Also, describe the results in terms of how they will be specifically applied for future improvement of the agency's continuing activities relating to alcohol problem prevention and enforcement. Where possible, describe estimated savings resulting from implementing project results.
  - Disclaimer – The final report shall include the following: "The opinions, findings, and conclusions expressed in this publication are those of the authors and not necessarily those of the State of California, Business, Consumer Services and Housing Agency, or the Department of Alcoholic Beverage Control."
  - Documentation – Attach any relevant documents developed. Examples are new or revised forms, diagrams, management reports, photos, coding manuals, instructional manuals, etc.

### **Contract Term**

The operation period of the grant is October 1, 2024 through August 31, 2025.

**Project Representatives**

The project representatives during the term of this agreement will be:

Lodi Police Department	Alcoholic Beverage Control
Chris Delgado	Diana Fouts-Guter, Grant Coordinator
215 W. Elm Street	3927 Lennane Drive, Suite 100
Lodi, CA 95240	Sacramento, CA 95834
(209) 269-4764	(916) 928-9807
<a href="mailto:cdelgado@lodi.gov">cdelgado@lodi.gov</a>	<a href="mailto:Diana.fouts-guter@abc.ca.gov">Diana.fouts-guter@abc.ca.gov</a>

Lodi Police Department	Alcoholic Beverage Control
Candice Alaniz	Kristine Okino, Grant Fiscal Analyst
215 W. Elm Street	3927 Lennane Drive, Suite 100
Lodi, CA 95240	Sacramento, CA 95834
(209) 269-4430	<a href="mailto:Kristine.okino@abc.ca.gov">Kristine.okino@abc.ca.gov</a>
<a href="mailto:calaniz@lodi.gov">calaniz@lodi.gov</a>	

## **EXHIBIT B BUDGET DETAIL AND PAYMENT PROVISIONS**

### **INVOICING AND PAYMENT**

- For services satisfactorily rendered, and upon receipt and approval of services, Alcoholic Beverage Control agrees to compensate for approved reimbursable costs of personnel overtime and benefits (actual cost) and travel.
- Invoices shall clearly reference the agreement number 25-OTS113 and must not exceed the total authorized contract amount of \$39,800.00. Invoices shall be submitted on a bi-monthly basis, on the prescribed form designed by ABC.

Submit to: Department of Alcoholic Beverage Control  
Attn: Kristine Okino, Grants Fiscal Analyst  
3927 Lennane Drive, Suite 100  
Sacramento, CA 95834

- This grant is only for overtime compensation and travel for training held on October 15, 2024 only.
- In accordance with State of CA travel policy, agencies are eligible to receive reimbursement for travel expenses incurred for training on October 15, 2024.  
<https://hrmanual.calhr.ca.gov/Home/ManualItem/1/2203>
- Payment shall be made in arrears within 45 days from the receipt of an undisputed invoice.
- Contractor understands in order to be eligible for reimbursement; cost must be incurred on or after the effective date of the project, October 1, 2024 and on or before the project termination date, August 31, 2025.
- Contractor understands any other costs incurred by contractor, other than attendance at initial training and/or personnel overtime and benefits as authorized above, in the performance of this agreement are the sole responsibility of contractor.

### **BUDGET CONTINGENCY CLAUSE**

- It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this agreement does not appropriate sufficient funds for the program, this agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to contractor or to furnish any other considerations under this agreement and contractor shall not be obligated to perform any provisions of this agreement.
- If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this agreement with no liability occurring to the State, or offer an agreement amendment to contractor to reflect the reduced amount.

### **PROMPT PAYMENT CLAUSE**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

## EXHIBIT C GENERAL TERMS AND CONDITIONS

1. APPROVAL: This agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the agreement is binding on any of the parties.
3. ASSIGNMENT: This agreement is not assignable by the contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by contractor in the performance of this agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this agreement and be relieved of any payments should the contractor fail to perform the requirements of this agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the contractor under this agreement and the balance, if any, shall be paid to the contractor upon demand.
8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of contractor, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. RECYCLING CERTIFICATION: The contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section

12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE: During the performance of this agreement, contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this agreement by this reference as if attached hereto.
12. TIMELINESS: Time is of the essence in this agreement.
13. COMPENSATION: The consideration to be paid contractor, as provided herein, shall be in compensation for all of contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS: The contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the contractor shall comply with the requirements of the Government Codes Sections set out below.
- a) The Government Code Chapter on Antitrust claims contains the following definitions:
    - i. "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code
    - ii. "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

- b) In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
- c) If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
- d) Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

- a) The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b) The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this contract includes services in excess of \$200,000, the contractor shall give priority consideration in filling vacancies in positions funded by the contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

- a) If for this contract contractor made a commitment to achieve small business participation, then contractor must within 60 days of receiving final payment under this contract (or within such other time period as may be specified elsewhere in this



contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

- b) If for this contract contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then contractor must within 60 days of receiving final payment under this contract (or within such other time period as may be specified elsewhere in this contract) certify in a report to the awarding department: (1) the total amount the prime contractor received under the contract; (2) the name and address of the DVBE(s) that participated in the performance of the contract; (3) the amount each DVBE received from the prime contractor; (4) that all payments under the contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

## EXHIBIT D SPECIAL TERMS AND CONDITIONS

**Disputes:** Any disputes concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Director, Department of Alcoholic Beverage Control, or designee, who shall reduce his decision in writing and mail or otherwise furnish a copy thereof to the contractor. The decision of the Department shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the contractor mails or otherwise furnishes to the State a written appeal addressed to the Director of the Department of Alcoholic Beverage Control. The decision of the Director of Alcoholic Beverage Control or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, contractor shall proceed diligently with the performance of the contract and in accordance with the decision of the State.

**Cancellation/Termination:** This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements. No penalty shall accrue to either party because of contract termination.

**Contractor Certifications:** By signing this agreement, contractor certifies compliance with the provisions of CCC 04/2017, Standard Contractor Certification Clauses. This document may be viewed at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>

If the State determines that the grant project is not achieving its goals and objectives on schedule, funding may be reduced by the State to reflect this lower level of project activity.

RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE LODI POLICE DEPARTMENT TO PARTICIPATE IN THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL'S ALCOHOLIC BEVERAGE CONTROL (ABC)-OFFICE OF TRAFFIC SAFETY (OTS) GRANT PROGRAM FUNDED BY THE OFFICE OF TRAFFIC SAFETY THROUGH THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, APPROVING THE EXECUTION OF THE GRANT DOCUMENTS BY THE CHIEF OF POLICE ON BEHALF OF THE CITY OF LODI AND APPROPRIATING FUNDS \$39,800

=====

WHEREAS, the Department of Alcoholic Beverage Control (ABC) Grant Assistance Program solicited applications in September 2024 for alcohol-related enforcements and educational programs; and

WHEREAS, On September 26, 2024, the Lodi Police Department received an acceptance letter securing grant funds in the amount of \$39,800 for Fiscal Year 2024/25; and

WHEREAS, with the City Council's approval, the City of Lodi will receive grant funding from ABC to reduce the availability of alcohol to minors and reduce alcohol-related crime through multiple enforcement, education, and prevention programs by funding personnel costs.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council does hereby authorize the Lodi Police Department to participate in the ABC-OTS grant program funded by the Office of Traffic Safety through the National Highway Traffic Safety; and

BE IT FURTHER RESOLVED, that the Lodi City Council does hereby authorize the Chief of Police to accept the funding from the Department of Alcoholic Beverage Control and execute the grant documents on behalf of the City of Lodi; and

BE IT FURTHER RESOLVED that funds in the amount of \$39,800 be appropriated in the 2024/25 fiscal year for the grant and purchases as follows:

ABC Grant	\$ 39,800.00	21900000.56401	Revenue
ABC Grant Overtime	\$ 39,000.00	21999000.71002	Expense
ABC Grant Medicare	\$ 700.00	21999000.71015	Expense
ABC Grant Spc Dept Materials	\$ 100.00	21999000.72352	Expense

BE IT FURTHER RESOLVED, funds not expended or received in FY 2024-25 will roll to Fiscal Year 2025-26; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (Res. No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: November 20, 2024

=====

I hereby certify that Resolution No. 2024-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2024-\_\_\_\_\_



**COUNCIL COMMUNICATION**

**AGENDA TITLE:**

Adopt a Resolution Awarding Contract for 2024 Sidewalk Grinding Program to Trip Hazard LLC, doing business as Trip Hazard, of Bay Point (\$97,560.00), Authorizing City Manager to Execute Change Orders (\$1,800), and Appropriate Funds (\$1,000) (PW)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Public Works Director

**RECOMMENDED ACTION:**

Adopt a resolution awarding contract for 2024 Sidewalk Grinding Program to Trip Hazard LLC, doing business as Trip Hazard, of Bay Point, in the amount of \$97,560.00, authorizing City Manager to execute change orders in an amount not-to-exceed \$1,800, and appropriate funds in the amount of \$1,000.

**BACKGROUND INFORMATION:**

There are approximately 400 miles of sidewalk within the City of Lodi. The State of California Streets and Highways code establishes that it is a property owner’s responsibility to maintain the abutting sidewalk in a condition that will not endanger persons or property nor interfere with public use.

On October 5, 2005, Council adopted a Sidewalk Maintenance Policy (Resolution 2005-218) which identifies certain sidewalk defects that will be remedied by the City at no cost to the adjacent property owner. The sidewalk defects remedied by the City primarily include offsets that range between 3/4” to 1 1/2” or minor irregularities. The overarching goals of the policy are to encourage walking and improve safety by reducing the number of defects in the sidewalk, improve the sidewalk system for persons with disabilities and reduce the City’s liability exposure.

This project consists of grinding approximately 9,000 total lineal feet of 5-Ft. wide sidewalk to address 1,600 offsets at various locations throughout the City. While additional offsets are identified in the latest sidewalk survey, the project scope was limited to funding availability.

On August 7, 2024, Council approved the specifications and authorized advertisement for bids. The City received the following three bids for this project on September 11, 2024:

Bidder	Location	Bid Engineer’s	Above/(Below) Estimate
<i>Engineer’s Estimate</i>		\$90,000.00	
Trip Hazard LLC	Bay Point	\$97,560.00	\$7,560
BPR, Inc.	Port Hueneme	\$157,500.00	\$67,500
345 Builders LLC	Galt	\$344,970.00*	\$254,970

\*Corrected Figure

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## COUNCIL COMMUNICATION

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Staff recommends awarding contract for 2024 Sidewalk Grinding Program to Trip Hazard LLC, doing business as Trip Hazard, of Bay Point, in the amount of \$97,560.00, and authorizing City Manager to execute change orders in an amount not-to-exceed \$1,800.

**STRATEGIC VISION:**

5C. Infrastructure: Address deferred maintenance.

**FISCAL IMPACT:**

This contract will reduce the risk of liability associated with potential claims caused by tripping on uneven sidewalk and does not impact the General Fund.

**FUNDING AVAILABLE:**

Funding will be from Measure K (30399000.77020) PWST-20003.

Requested Appropriation:

Measure K (30399000.77020) PWST-20003	\$1,000
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Charles E. Swimley  
Public Works Director

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Scott R. Carney  
City Manager

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CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and TRIP HAZARD LLC, a California Limited Liability Company, doing business as TRIP HAZARD, herein referred to as the "Contractor."

WITNESSETH:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Notice Inviting Bids	The 2018 Edition,
Information to Bidders	Standard Specifications,
General Provisions	State of California,
Special Provisions	Business and Transportation Agency,
Bid Proposal	Department of Transportation
Contract	City of Lodi Construction Specifications
Contract Bonds	
Addenda	

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation,

travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

Perform the work necessary to grinding sidewalk or curb offsets in various locations throughout the City and other incidental and related work, all as described in the specifications for the project.

See Section 6-07 "Description of Bid Items" for additional information.

**CONTRACT ITEMS**

<b>Item</b>	<b>Description</b>	<b>Unit</b>	<b>Estimated Quantity</b>	<b>Unit Price</b>	<b>Total</b>
1	Grind Concrete Sidewalk or Curb	LF	9,000	\$ 10.84	\$ 97,560.00

**TOTAL \$ 97,560.00**

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The length of the contract will be nine (9) months, starting October 1, 2024 and ending June 30, 2025. The contract may be extended if agreed upon by the Contractor and the City.



ARTICLE IX - State of California Senate Bill 854 requires the following:

- No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

ARTICLE X - Counterparts and Electronic Signatures

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:

CITY OF LODI, a municipal corporation

\_\_\_\_\_

By: \_\_\_\_\_  
SCOTT R. CARNEY  
City Manager

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

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

\_\_\_\_\_

Title

Attest:

\_\_\_\_\_  
OLIVIA NASHED  
City Clerk

(CORPORATE SEAL)

Approved As To Form:

\_\_\_\_\_  
KATIE O. LUCCHESI  
City Attorney



# Capital Improvement Program - Maintenance

## FY 2024-2025

<b>Maintenance Project Title:</b> 2020 Sidewalk Grinding		<b>Munis Project Code:</b> PWST-20003		#34					
<b>Section I: Description</b>		<b>District Nos:</b> Citywide	<b>Project Length</b>	<b>Priority</b>	Normal				
Repair off-set concrete sidewalk with concrete grinding This is a citywide contract.									
<b>Justification/factor driving project</b>									
Repairing off-set sidewalk will prevent tripping hazards for pedestrians.									
<b>Additional Information</b>									
<b>Section II</b>		<b>Estimated Project Costs</b>							
<b>Expenditure</b>	<b>Prior Years</b>	<b>FY 23/24 Estimate</b>	<b>FY 24/25 Budget</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>FY 28/29</b>	<b>Future Yrs</b>	<b>Total</b>
Contracts	\$ 91,618	\$ 90,382	\$ 1,000						\$ 183,000
Internal Staff	\$ 9,000	\$ 9,000							\$ 18,000
<b>Total Capital Costs</b>	<b>\$ 100,618</b>	<b>\$ 99,382</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 201,000</b>
<b>Section III</b>		<b>Funding Sources/Methods of Financing</b>							
<b>Funding Source(s)</b>	<b>Prior Years</b>	<b>FY 23/24 Estimate</b>	<b>FY 24/25 Budget</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>FY 28/29</b>	<b>Future Yrs</b>	<b>Total</b>
303 - Measure K Fund	\$ 100,618	\$ 99,382	\$ 1,000						\$ 201,000
<b>Total Project Financing</b>	<b>\$ 100,618</b>	<b>\$ 99,382</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 201,000</b>

RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING CONTRACT FOR 2024 SIDEWALK GRINDING PROGRAM TO TRIP HAZARD LLC, DOING BUSINESS AS TRIP HAZARD, OF BAY POINT, AUTHORIZING CITY MANAGER TO EXECUTE CHANGE ORDERS, AND APPROPRIATE FUNDS

WHEREAS, on October 5, 2005, Council adopted a Sidewalk Maintenance Policy that establishes certain sidewalk defects that will be remedied by the City at no cost to the adjacent property owner; and

WHEREAS, this project consists of grinding approximately 9,000 sidewalk offsets (between 3/4" and 1 1/2") at various locations throughout the City for Fiscal Year 2024/2025 to eliminate tripping hazards; and

WHEREAS, specifications for this project were approved on August 7, 2024. On September 11, 2024, the City received the following three bids:

<b>Bidder</b>	<b>Location</b>	<b>Bid</b>	<b>Above/(Below) Engineer's Estimate</b>
<i>Engineer's Estimate</i>		\$90,000.00	
Trip Hazard LLC	Bay Point	\$97,560.00	\$7,560
BPR, Inc.	Port Hueneme	\$157,500.00	\$67,500
345 Builders LLC	Galt	\$344,970.00*	\$254,970

\*Corrected Figure

WHEREAS, staff recommends awarding the contract for 2024 Sidewalk Grinding Program to Trip Hazard LLC, doing business as Trip Hazard, of Bay Point, in the amount of \$97,560.00, and authorizing City Manager to execute change orders in an amount not-to-exceed \$1,800; and

WHEREAS, staff further recommends appropriating funds in the amount of \$1,000 to Measure K Fund PWST-20003 (30399000.77020).

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for 2024 Sidewalk Grinding Program to Trip Hazard LLC, doing business as Trip Hazard, of Bay Point, in the amount of \$97,560.00, and authorizing City Manager to execute change orders in an amount not-to-exceed \$1,800; and

BE IT FURTHER RESOLVED, that the Lodi City Council does hereby appropriate funds in the amount of \$1,000 to Measure K Fund PWST-20003 (30399000.77020); and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (Res. No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

DATED: November 20, 2024

=====

I hereby certify that Resolution No. 2024-\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2024-\_\_\_\_\_




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Authorizing City Manager to Execute Professional Services Agreement with West Yost & Associates, Inc., of Davis, for Sewer System Management Plan Audit and Update and Appropriate Funds (\$67,298) (PW)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Public Works Director

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**RECOMMENDED ACTION:**

Adopt a Resolution Authorizing City Manager to Execute Professional Services Agreement with West Yost & Associates, Inc., of Davis, for Sewer System Management Plan Audit and Update, and appropriate funds in the amount of \$67,298.

**BACKGROUND INFORMATION:**

The State Water Resources Control Board (SWRCB) adopted the Statewide General Waste Discharge Requirements (WDR) per Order No. 2006-0003-DWQ on May 2, 2006. The purpose of the Order is to protect the State's water from wastewater discharges associated with periodic failures. The Order requires all agencies who own or operate a sanitary sewer system greater than 1-mile in length to prepare a Sewer System Management Plan (SSMP) and perform regular updates and audits of the SSMP. The purpose of the plan is to assure proper funding and management of sanitary systems statewide. On December 6, 2022, the SWRCB adopted Statewide General Order WQ 2022-0103-DWQ (Attachment 1). The City currently has until May 2025 to conduct the SSMP audit and make all the required updates to the SSMP.

The City has performed audits and updates to the SSMP in-house since it was initially developed and adopted by Council on August 5, 2009. The most recent update was adopted by Council on December 18, 2019 and most recent audit was completed in 2021. Under the re-issued Order, the frequency of the updates and audits has changed and will now be required every 6-years and 3-years respectfully. With considerable changes to the WDR, staff recommends a consultant be retained to conduct the audit and update our SSMP to meet the new requirements and deadlines. City Council will be asked to adopt the updated SSMP upon completion of this task which is anticipated in April 2025, one month prior to the state deadline.

The proposed amount of \$67,298 will cover SSMP review and audit, SSMP update kickoff and workshop, data collection and review, an update to SSMP and supporting documents, training, and project management.

On August 28, 2024, staff issued a Request for Proposal to four engineering firms that perform these types of services and received proposals from West Yost Associates, Inc. and Holmes International, Inc. After careful consideration and reference checks, staff recommends authorizing the City Manager to execute Professional Services Agreement with West Yost & Associates, Inc., of Davis for the Sewer System Management Plan Audit and Update and appropriate funds in the amount of \$67,298.

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## COUNCIL COMMUNICATION

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### **STRATEGIC VISION:**

5A. Infrastructure: Invest in innovative infrastructure with a high Return of Investment.

### **FISCAL IMPACT:**

Compliance with waste discharge requirements limits the City's risk of incurring fines from the Regional Board. The SSMP, as implemented over time, will continually identify operational and capital needs to minimize sanitary sewer overflows. It is anticipated that these needs will be addressed through future budget processes. This agreement does not impact the General Fund.

### **FUNDING AVAILABLE:**

Appropriation Request:

Wastewater Misc. Professional Services (53053001.72450) \$67,298

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Charles E. Swimley  
Public Works Director

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Scott R. Carney  
City Manager

**STATE WATER RESOURCES CONTROL BOARD  
1001 I Street, Sacramento, California 95814  
ORDER WQ 2022-0103-DWQ  
STATEWIDE WASTE DISCHARGE REQUIREMENTS  
GENERAL ORDER FOR SANITARY SEWER SYSTEMS**

This Order was adopted by the State Water Resources Control Board on December 6, 2022.

This Order shall become effective **180 days after the Adoption Date of this General Order**, on June 5, 2023.

The Enrollee shall comply with the requirements of this Order upon the Effective Date of this General Order.

This General Order does not convey any property rights of any sort or any exclusive privileges. The requirements prescribed herein do not authorize the commission of any act causing injury to persons or property, protect the Enrollee from liability under federal, state, or local laws, nor create a vested right for the Enrollee to continue the discharge of waste.

**CERTIFICATION**

I, Jeanine Townsend, Clerk to the Board, do hereby certify that this Order with all attachments is a full, true, and correct copy of the Order adopted by the State Water Board on December 6, 2022.

AYE: Chair E. Joaquin Esquivel  
Vice Chair Dorene D'Adamo  
Board Member Sean Maguire  
Board Member Laurel Firestone  
Board Member Nichole Morgan

NAY: None

ABSENT: None

ABSTAIN: None

 for  
\_\_\_\_\_  
Jeanine Townsend  
Clerk to the Board



STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

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# STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

## 1. INTRODUCTION

This General Order regulates sanitary sewer systems designed to convey sewage. For the purpose of this Order, a sanitary sewer system includes, but is not limited to, pipes, valves, pump stations, manholes, siphons, wet wells, diversion structures and/or other pertinent infrastructure, upstream of a wastewater treatment plant headworks. A sanitary sewer system includes:

- Laterals owned and/or operated by the Enrollee;
- Satellite sewer systems; and/or
- Temporary conveyance and storage facilities, including but not limited to temporary piping, vaults, construction trenches, wet wells, impoundments, tanks and diversion structures.

Sewage is untreated or partially treated domestic, municipal, commercial and/or industrial waste (including sewage sludge), and any mixture of these wastes with inflow or infiltration of stormwater or groundwater, conveyed in a sanitary sewer system. Sewage contains high levels of suspended solids, non-digested organic waste, pathogenic bacteria, viruses, toxic pollutants, nutrients, oxygen-demanding organic compounds, oils, grease, pharmaceuticals, and other harmful pollutants.

For the purpose of this General Order, a spill is a discharge of sewage from any portion of a sanitary sewer system due to a sanitary sewer system overflow, operational failure, and/or infrastructure failure. Sewage and its associated wastewater spilled from a sanitary sewer system may threaten public health, beneficial uses of waters of the State, and the environment.

This General Order serves as statewide waste discharge requirements and supersedes the previous State Water Resources Control Board (State Water Board) Order 2006-0003-DWQ and amendments thereafter. All sections and attachments of this General Order are enforceable by the State Water Board and Regional Water Quality Control Boards (Regional Water Boards). Through this General Order, the State Water Board requires an Enrollee to:

- Comply with federal and state prohibitions of discharge of sewage to waters of the State, including federal waters of the United States;
- Comply with specifications, and notification, monitoring, reporting and recordkeeping requirements in this General Order that implement the federal Clean Water Act, the California Water Code (Water Code), water quality control plans (including Regional Water Board Basin Plans) and policies;
- Proactively operate and maintain resilient sanitary sewer systems to prevent spills;
- Eliminate discharges of sewage to waters of the State through effective implementation of a Sewer System Management Plan;
- Monitor, track, and analyze spills for ongoing system-specific performance improvements; and
- Report noncompliance with this General Order per reporting requirements.

## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

An Enrollee is a public, private, or other non-governmental entity that has obtained approval for regulatory coverage under this General Order, including:

- A state agency, municipality, special district, or other public entity that owns and/or operates one or more sanitary sewer systems:
  - greater than one (1) mile in length (each individual sanitary sewer system);
  - one (1) mile or less in length where the State Water Board or a Regional Water Board requires regulatory coverage under this Order; or
- A federal agency, private company, or other non-governmental entity that owns and/or operates a sanitary sewer system of any size where the State Water Board or a Regional Water Board requires regulatory coverage under this Order in response to a history of spills, proximity to surface water, or other factors supporting regulatory coverage.

For the purpose of this Order, a sanitary sewer system includes only systems owned and/or operated by the Enrollee.

## 2. REGULATORY COVERAGE AND APPLICATION REQUIREMENTS

### 2.1. Requirements for Continuation of Existing Regulatory Coverage

To continue regulatory coverage from previous Order 2006-0003-DWQ under this General Order, **within the 60-days-prior-to the Effective Date of this General Order**, the Legally Responsible Official of an existing Enrollee shall electronically certify the Continuation of Existing Regulatory Coverage form in the online California Integrated Water Quality System (CIWQS) Sanitary Sewer System Database. The Legally Responsible Official will receive an automated CIWQS-issued Notice of Applicability email, confirming continuation of regulatory coverage under this General Order. All regulatory coverage under previous Order 2006-0003-DWQ will cease on the Effective Date of this Order.

An Enrollee continuing existing regulatory coverage is not required to submit a new application package or pay an application fee for enrollment under this General Order. The annual fee due date for continued regulatory coverage from previous Order 2006-0003-DWQ to this General Order remains unchanged.

A previous Enrollee of Order 2006-0003-DWQ that fails to certify the Continuation of Existing Regulatory Coverage form in the online CIWQS database by the Effective Date of this Order is considered a New Applicant, and will not have regulatory coverage for its sanitary sewer system(s) until:

- A new application package for system(s) enrollment is submitted per section 2.2 (Requirements for New Regulatory Coverage) below; and
- The new application package is approved per section 2.2.2 (Approval of Application Package (For New Applicants Only)).

### 2.2. Requirements for New Regulatory Coverage

No later than 60 days prior to commencing and/or assuming operation and maintenance responsibilities of a sanitary sewer system, a duly authorized representative that

## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

maintains legal authority over the public or private sanitary sewer system is required to enroll under this General Order by submitting a complete application package as specified below and as provided in Attachment B (Application for Enrollment Form) of this General Order.

Unless required by a Regional Water Board, a public agency that owns a combined sewer system subject to the Combined Sewer Overflow Control Policy (33 U.S. Code § 1342(q)), is not required to enroll, under this Order, the portions of its sanitary sewer system(s) that collects combined sanitary wastewater and stormwater.

### 2.2.1. Application Package Requirements

The Application for Enrollment package for new applicants must include the following items:

- **Application for Enrollment Form.** The form in Attachment B of this General Order must be completed, signed, and certified by a Legally Responsible Official, in accordance with section 5.1 (Designation of a Legally Responsible Official) of this General Order. If an electronic Application for Enrollment form is available at the time of application, a new applicant shall submit its application form electronically; and
- **Application Fee.** A fee payable to the “State Water Resources Control Board” in accordance with the Fee Schedule in the California Code of Regulations, Title 23, section 2200, or subsequent fee regulations updates.

The application fee for this General Order is based on the sanitary sewer system’s threat to water quality and complexity designations of category 2C or 3C, which is assigned based on the population served by the system. The current Fee Schedule for sanitary sewer systems is listed under subdivision (a)(2) at the following website: [Fee Schedule](https://www.waterboards.ca.gov/resources/fees/water_quality/) ([https://www.waterboards.ca.gov/resources/fees/water\\_quality/](https://www.waterboards.ca.gov/resources/fees/water_quality/)).

### 2.2.2. Approval of Application Package (For New Applicants Only)

The Deputy Director of the State Water Board, Division of Water Quality (Deputy Director) will consider approval of each complete Application for Enrollment package. The Deputy Director will issue a Notice of Applicability letter which serves as approved regulatory coverage for the new Enrollee.

If the submitted application package is not complete in accordance with section 2.2.1 (Application Package Requirements) of this General Order, the Deputy Director will send a response letter to the applicant outlining the application deficiencies. The applicant will have 60 days from the date of the response letter to correct the application deficiencies and submit the identified items necessary to complete the application package to the State Water Board.

### 2.2.3. Electronic Reporting Account for New Enrollee

**Within 30 days after the date of the Approval of Complete Application Package for System Enrollment**, a duly authorized representative for the Enrollee shall obtain a CIWQS Sanitary Sewer System Database user account by clicking the “User Registration” button and following the directions on the [CIWQS Login Page](#)

## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

(<https://ciwqs.waterboards.ca.gov>). If additional assistance is needed to establish an online CIWQS user account, contact State Water Board staff by email at [CIWQS@waterboards.ca.gov](mailto:CIWQS@waterboards.ca.gov). The online user account will provide the Enrollee secure access to the online CIWQS database for electronic reporting.

### 2.3. Regulatory Coverage Transfer

Regulatory coverage under this General Order is not transferable to any person or party except after an existing Enrollee submits a written request for a regulatory coverage transfer to the Deputy Director, at least 60 days in advance of any proposed system ownership transfer. The written request must include a written agreement between the existing Enrollee and the new Enrollee containing:

- Acknowledgement that the transfer of ownership is solely of an existing system with an existing waste discharge identification (WDID) number;
- The specific ownership transfer date in which the responsibility and regulatory coverage transfer between the existing Enrollee and the new Enrollee becomes effective; and
- Acknowledgement that the existing Enrollee is liable for violations occurring up to the ownership transfer date and that the new Enrollee is liable for violations occurring on and after the ownership transfer date.

The Deputy Director will consider approval of the written request. If approved, the Deputy Director will issue a Notice of Applicability letter which serves as an approved transfer of regulatory coverage to the new Enrollee.

## 3. FINDINGS

### 3.1. Legal Authorities

#### 3.1.1. Federal and State Regulatory Authority

The objective of the Clean Water Act is to restore and maintain the chemical, physical, and biological integrity of the waters of the United States (33 U.S.C. 1251). The Water Code authorizes the State Water Board to implement the Clean Water Act in the State and to protect the quality of all waters of the State (Water Code sections 13000 and 13160).

#### 3.1.2. Discharge of Sewage

A discharge of untreated or partially treated sewage is a discharge of waste as defined in Water Code section 13050(d) that could affect the quality of waters of the State and is subject to regulation by waste discharge requirements issued pursuant to Water Code section 13263 and Chapter 9, Division 3, Title 23 of the California Code of Regulations. A discharge of sewage may pollute and alter the quality of the waters of the State to a degree that unreasonably affects the beneficial uses of the receiving water body or facilities that serve those beneficial uses (Water Code section 13050(l)(1)).

### **3.1.3 Water Boards Authority to Require Technical Reports, Monitoring, and Reporting**

Water Code sections 13267 and 13383 authorize the Regional Water Boards and the State Water Board to establish monitoring, inspection, entry, reporting, and recordkeeping requirements. Water Code section 13267(b), authorizes the Regional Water Boards to “require any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region... or is suspected of having discharged or discharging, or who proposes to discharge, waste outside of its region that could affect the quality of water within its region shall furnish, under penalty of perjury, technical or monitoring reports which the regional board requires...In requiring those reports, the regional board shall provide the person with a written explanation with regard to the need for the reports and shall identify the evidence that supports requiring that person to provide the reports.” Water Code section 13267(f) authorizes the State Water Board to require this information if it consults with the Regional Water Boards and determines that it will not duplicate the efforts of the Regional Water Boards. The State Water Board has consulted with the Regional Water Boards and made this determination.

The technical and monitoring reports required by this General Order and Attachment E (Notification, Monitoring, Reporting and Recordkeeping Requirements) are necessary to evaluate and ensure compliance with this General Order. The effort to develop required technical reports will vary depending on the system size and complexity and the needs of the specific technical report. The burden and cost of these reports are reasonable and consistent with the interest of the state in protecting water quality, which is the primary purpose of requiring the reports.

Water Code section 13383(a) authorizes the Water Boards to “establish monitoring, inspection, entry, reporting, and recordkeeping requirements... for any person who discharges, or proposes to discharge, to navigable waters, any person who introduces pollutants into a publicly owned treatment works, any person who owns or operates, or proposes to own or operate, a publicly owned treatment works or other treatment works treating domestic sewage, or any person who uses or disposes, or proposes to use or dispose, of sewage sludge.” Section 13383(b) continues, “the state board or the regional boards may require any person subject to this section to establish and maintain monitoring equipment or methods, including, where appropriate, biological monitoring methods, sample effluent as prescribed, and provide other information as may be reasonably required.”

Reporting of spills from privately owned sewer laterals and systems pursuant to section 5.15 (Voluntary Reporting of Spills from Privately-Owned Sewer Laterals and/or Private Sanitary Sewer Systems) of this General Order is authorized by Water Code section 13225(c) and encouraged by the State Water Board, wherein a local agency may investigate and report on any technical factors involved in water quality control provided the burden including costs of such reports bears a reasonable relationship to the need for the report and the benefits to be obtained therefrom. The burden of reporting private spills under section 5.15 (Voluntary Reporting of Spills from Privately-Owned Sewer Laterals and/or Private Sanitary Sewer Systems) is minimal and is outweighed by the benefit of providing Regional Water Boards an opportunity to respond to these spills

## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

when an Enrollee, which in many cases has a contractual relationship with the owner of the private system, has knowledge of the spills.

### **3.1.4. Water Board Authority to Prescribe General Waste Discharge Requirements**

Water Code section 13263(i) provides that the State Water Board may prescribe general waste discharge requirements for a category of discharges if the State Water Board finds or determines that:

- The discharges are produced by the same or similar operations;
- The discharges involve the same or similar types of waste;
- The discharges require the same or similar treatment standards; and
- The discharges are more appropriately regulated under general waste discharge requirements than individual waste discharge requirements.

Since 2006, the State Water Board has been regulating over 1,100 publicly owned sanitary sewer systems (See section 3.1.5 (Previous Statewide General Waste Discharge Requirements) of this General Order). California also has a large unknown number of unregulated privately owned sanitary sewer systems. All waste conveyed in publicly owned and privately owned sanitary sewer systems (as defined in this General Order) is comprised of untreated or partially treated domestic waste and/or industrial waste. Generally, sanitary sewer systems are designed and operated to convey waste by gravity or under pressure; system-specific design elements and system-specific operations do not change the common nature of the waste, the common threat to public health, or the common impacts on water quality. Spills of waste from a sanitary sewer system prior to reaching the ultimate downstream treatment facility are unauthorized and enforceable by the State Water Board and/or a Regional Water Board. Therefore, spills from sanitary sewer systems are more appropriately regulated under general waste discharge requirements.

As specified in Water Code sections 13263(a) and 13241, the implementation of requirements set forth in this Order is for the reasonable protection of past, present, and probable future beneficial uses of water and the prevention of nuisance. The requirements implement the water quality control plans (Basin Plans) for each Regional Water Board and take into account the environmental characteristics of sewer service areas and hydrographic units within the state. Additionally, the State Water Board has considered water quality conditions that could reasonably be achieved through the coordinated control of all factors that affect water quality, costs associated with compliance with these requirements, the need for developing housing within California, and the need to protect sources of drinking water and other water supplies.

### **3.1.5. Previous Statewide General Waste Discharge Requirements**

On May 2, 2006, the State Water Board adopted Order 2006-0003-DWQ serving as Waste Discharge Requirements pursuant to Article 4, Chapter 4, Division 7 of the Water Code (commencing with section 13260) for inadvertent discharges to waters of the State. Order 2006-0003-DWQ prohibited discharges of untreated or partially treated sewage. Order 2006-0003-DWQ also required system-specific management, operation, and maintenance of publicly owned sewer systems greater than one mile in length.



## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

To decrease the impacts on human health and the environment caused by sewage spills, the previous Order required enrollees to develop a rehabilitation and replacement plan that identifies system deficiencies and prioritizes short-term and long-term rehabilitation actions. The previous Order also required enrollees to:

1. Maintain information that can be used to establish and prioritize appropriate Sewer System Management Plan activities; and
2. Implement a proactive approach to reduce spills.

The previous Order required Sewer System Management Plan elements for “the proper and efficient management, operation, and maintenance of sanitary sewer systems, while taking into consideration risk management.”

On July 30, 2013, the State Water Board amended General Order 2006-0003-DWQ with Order WQ 2013-0058-EXEC, Amending Monitoring and Reporting Program for Statewide General Waste Discharge Requirements for Sanitary Sewer Systems.

Many enrollees of Order 2006-0003-DWQ have already implemented proactive measures to reduce sewage spills. Other enrollees, however, still need technical assistance and funding to improve sanitary sewer system operation and maintenance for the reduction of sewage spills.

### **3.1.6. Existing Memorandum of Agreement with California Water Environment Association**

The California Water Environment Association is a nonprofit organization dedicated to providing water industry certifications, training, and networking opportunities. The Association’s Technical Certification Program provides accredited sanitary sewer system operator certification for collection system operators and maintenance workers.

On February 10, 2016, the State Water Board entered into a collaborative agreement with the Association titled *Memorandum of Agreement Between the California State Water Resources Control Board and the California Water Environment Association - Training Regarding Requirements Set Forth in Statewide General Waste Discharge Requirements for Sanitary Sewer Systems*. The Memorandum sets forth collaborative training necessary for regulated sanitary sewer system personnel to operate and maintain a well operating system and ensure full compliance with statewide sewer system regulations.

On March 15, 2018, the State Water Board and the California Water Environment Association amended the existing Memorandum of Agreement to include collaborative outreach and expand training needs associated with further updates to Water Board regulations for sanitary sewer systems. The State Water Board encourages further Agreement updates as necessary to support improved sewer system operations and the professionalism of collection system operators.

# STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

## 3.2. General

### 3.2.1. Waters of the State

Waters of the State include any surface water or groundwater, including saline waters, within the boundaries of the state as defined in Water Code section 13050(e), and are inclusive of waters of the United States.

### 3.2.2. Sanitary Sewer System Spill Threats to Public Health and Beneficial Uses

Sewage contains high levels of suspended solids, pathogenic organisms, toxic pollutants, nutrients, oxygen-demanding organic compounds, oil and grease and other pollutants. Sewage spills may cause a public nuisance, particularly when sewage is discharged to areas with high public exposure such as streets and surface waters used for drinking, irrigation, fishing, recreation, or other public consumption or contact uses.

More specifically, sanitary sewer spills may:

- Adversely affect aquatic life and/or threaten water quality when reaching receiving waters;
- Inadvertently release trash, including plastics;
- Impair the recreational use and aesthetic enjoyment of surface waters by polluting surface water or groundwater;
- Threaten public health through direct public exposure to bacteria, viruses, intestinal parasites, and other microorganisms that can cause serious illness such as gastroenteritis, hepatitis, cryptosporidiosis, and giardiasis;
- Negatively impact ecological receptors and biota within surface waters; and
- Cause nuisance including odors, closure of beaches and recreational areas, and property damage.

Sanitary sewer system spills may pollute receiving waters and threaten beneficial uses of surface water and groundwater. Potentially threatened beneficial uses include, but are not limited to the following (with associated acronym representations as included in statewide water quality control plans and Regional Water Boards' Basin Plans):

- Municipal and Domestic Supply (MUN)
- Water Contact Recreation (REC-1) and Non-Contact Water Recreation (REC-2)
- Cold Freshwater Habitat (COLD)
- Warm Freshwater Habitat (WARM)
- Native American Culture (CUL)
- Wildlife Habitat (WILD)
- Rare, Threatened, or Endangered Species (RARE)
- Spawning, Reproduction, and/or Early Development (SPWN)
- Wetland Habitat (WET)
- Agricultural Supply (AGR)
- Estuarine Habitat (EST)

## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

- Commercial and Sport Fishing (COMM)
- Subsistence Fishing (SUB)
- Tribal Tradition and Culture (CUL)
- Tribal Subsistence Fishing (T-SUB)
- Aquaculture (AQUA)
- Marine Habitat (MAR)
- Preservation of Biological Habitats of Special Significance (BIOL)
- Migration of Aquatic Organisms (MIGR)
- Shellfish Harvesting (SHELL)
- Industrial Process Supply (PROC)
- Industrial Service Supply (IND)
- Hydropower Generation (POW)
- Navigation (NAV)
- Flood Peak Attenuation/Flood Water Storage (FLD)
- Water Quality Enhancement (WQE)
- Fresh Water Replenishment (FRSH)
- Groundwater Recharge (GWR)
- Inland Saline Water Habitat (SAL)

### 3.2.3. Proactive Sanitary Sewer System Management to Eliminate Spill Causes

Finding 3 of the previous Order, 2006-0003-DWQ, states: “Sanitary sewer systems experience periodic failures resulting in discharges that may affect waters of the state. There are many factors (including factors related to geology, design, construction methods and materials, age of the system, population growth, and system operation and maintenance), which affect the likelihood of an SSO [sanitary sewer overflow]. A proactive approach that requires Enrollees to ensure a system-wide operation, maintenance, and management plan is in place will reduce the number and frequency of SSOs within the state. This approach will in turn decrease the risk to human health and the environment caused by SSOs.”

Many spills are preventable through proactive attention on sanitary sewer system management using the best practices and technologies available to address major causes of spills, including but not limited to:

- Blockages from sources including but not limited to:
  - Fats, oils and grease;
  - Tree roots;
  - Rags, wipes and other paper, cloth and plastic products; and
  - Sediment and debris.
- Sewer system damage and exceedance of sewer system hydraulic capacity from identified system-specific environmental, and climate-change impacts, including but not limited to:

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- Sea level rise impacts including flooding, coastal erosion, seawater intrusion, tidal inundation and submerged lands;
- Increased surface water flows due to higher intensity rain events;
- Flooding;
- Wildfires and wildfire induced impacts;
- Earthquake induced damage;
- Landslides; and
- Subsidence.
- Infrastructure deficiencies and failures, including but not limited to:
  - Pump station mechanical failures;
  - System age;
  - Construction material failures;
  - Manhole cover failures;
  - Structural failures; and
  - Lack of proper operation and maintenance.
- Insufficient system capacity (temporary or sustained), due to factors including but not limited to:
  - Excessive and/or increased storm or groundwater inflow/infiltration;
  - Insufficient capacity due to population increase and/or new connections from industrial, commercial and other system users; and
  - Stormwater capture projects utilizing a sanitary sewer system to convey stormwater to treatment facilities for reuse.
- Community impacts, including but not limited to:
  - Power outages;
  - Vandalism; and
  - Contractor-caused or other third party-caused damages.

### 3.2.4. Underground Sanitary Sewer System Leakage

Portions of some sanitary sewer systems may leak, causing underground exfiltration (exiting) of sewage from the system. Exfiltrated sewage that remains in the underground infrastructure trench and/or the soil matrix, and that does not discharge into waters of the State (surface water or groundwater) may not threaten beneficial uses.

Underground exfiltrated sewage may threaten beneficial uses if discharged to waters of the State. Exfiltrated sewage that discharges to groundwater may impact beneficial uses of groundwater and pollute groundwater supply. Additionally, if in close proximity, exfiltrated sewage may enter into a compromised underground drainage conveyance system that discharges into a water of the United States, or into groundwater that is hydrologically connected to (feeds into) a water of the United States, thus potentially causing: (1) a Clean Water Act violation, (2) threat and impact to beneficial uses, and/or (3) surface water pollution.

### **3.2.5. Proactive Sanitary Sewer System Management to Reduce Inflow and Infiltration**

Excessive inflow (stormwater entering) and infiltration (groundwater seepage entering) to sanitary sewer systems is preventable through proactive sewer system management using the best practices and technologies available. The efficiency of the downstream wastewater treatment processes is dependent on the performance of the sanitary sewer system. When the structural integrity of a sanitary sewer system deteriorates, high volumes of inflow and infiltration can enter the sewer system. High levels of inflow and infiltration increase the hydraulic load on the downstream treatment plant, which can reduce treatment efficiency, lead to bypassing a portion of the treatment process, cause illegal discharge of partially treated effluent, or in extreme situations make biological treatment facilities inoperable (e.g., wash out the biological organisms that treat the waste).

### **3.3. Water Quality Control Plans, Policies and Resolutions**

The nine Regional Water Boards have adopted region-specific water quality control plans (commonly referred to as Basin Plans) that designate beneficial uses, establish water quality objectives, and contain implementation programs and policies to achieve those objectives. The State Water Board has adopted statewide water quality control plans, policies and resolutions establishing statewide water quality objectives, implementation programs and initiatives.

#### **3.3.1. State Water Board Antidegradation Policy**

On October 28, 1968, the State Water Board adopted Resolution 68-16, titled Statement of Policy with Respect to Maintaining High Quality of Waters in California, which incorporates the federal antidegradation policy. Resolution 68-16 requires that existing water quality be maintained unless degradation is justified based on specific findings.

The continued prohibition of sewage discharges from sanitary sewer systems into waters of the State aligns with Resolution 68-16. A sewage discharge from sanitary sewers to waters of the State is prohibited by this Order. Therefore, this Order does not allow degradation of waters of the State. In addition, this Order: (1) further expands the existing prohibition of sewage discharges to include waters of the State, in addition to waters of the United States as provided in previous Order 2006-0003-DWQ, and (2) enhances the ability for Water Board enforcement of violations of the established prohibitions.

#### **3.3.2. State Water Board Sources of Drinking Water Policy**

On May 19, 1988, the State Water Board adopted Resolution 88-63 (amended on February 1, 2006), titled Sources of Drinking Water, establishing state policy that all waters of the State, with certain exceptions, are suitable or potentially suitable for municipal or domestic supply.

#### **3.3.3. State Water Board Cost of Compliance Resolution**

On September 24, 2013, the State Water Board adopted Resolution 2013-0029, titled Directing Actions in Response to Efforts by Stakeholders on Reducing Costs of

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Compliance While Maintaining Water Quality Protection. Through this resolution, the State Water Board committed to continued stakeholder engagement in identifying and implementing measures to reduce costs of compliance with regulatory orders while maintaining water quality protection and improving regulatory program outcomes.

### 3.3.4. State Water Board Human Right to Water Resolution

On February 16, 2016, the State Water Board adopted Resolution 2016-0010, titled Adopting the Human Right to Water as a Core Value and Directing its Implementation in Water Board Programs and Activities, addressing the human right to water as a core value and directing Water Board programs to implement requirements to support safe drinking water for all Californians.

On November 16, 2021, the State Water Board adopted Resolution 2021-0050 titled Condemning Racism, Xenophobia, Bigotry, and Racial Injustice, and Strengthening Commitment to Racial Equity, Diversity, Inclusion, Access, and Anti-racism. Among other actions, through Resolution 2021-0050, the State Water Board, in summary as corresponding to this General Order, reaffirms its commitment to its Human Right to Water resolution, upholding that every human being in California deserves safe, clean, affordable, and accessible water for human consumption, cooking, and sanitation purposes. Resolution 2021-0050 provides the State Water Board commitment to:

- Protect public health and beneficial uses of waterbodies in all communities, including communities disproportionately burdened by wastes discharge of waste to land and surface water;
- Restore impaired surface waterbodies and degraded aquifers; and
- Promote multi-benefit water quality projects.

Through Resolution 2021-0050, the State Water Board also commits to expanding implementation of its Climate Change Resolution to address the disproportionate effects of extreme hydrologic conditions and sea-level rise on Black, Indigenous, and people of color communities, prioritizing:

- The right to safe, clean, affordable, and accessible drinking water and sanitation;
- Sustainable management and protection of local groundwater resources;
- Healthy watersheds; and
- Access to surface waterbodies that support subsistence fishing.

On June 7, 2022, the State Water Board adopted a Resolution, titled Authorizing the Executive Director or Designee to Enter into One or More Multi-Year Contracts Up to a Combined Sum of \$4,000,000 for a Statewide Wastewater Needs Assessment, supporting the equitable access to sanitation for all Californians and implementation of Resolutions 2016-0010 and 2021-0050.

This General Order supports the State Water Board priority in collecting a comprehensive set of data for California's wastewater systems, including sanitary sewer systems. Data reported per the requirements of this Order will be used with data from other Water Boards' programs, to further develop criteria and create a statewide risk

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framework to prioritize critical funding and infrastructure investments for California's most vulnerable populations, including disadvantaged or severely disadvantaged communities with inadequate or failing sanitation systems and threatened access to healthy drinking water supplies.

### **3.3.5. State Water Board Open Data Resolution**

On July 10, 2018, the State Water Board adopted Resolution 2018-0032, titled Adopting Principles of Open Data as a Core Value and Directing Programs and Activities to Implement Strategic Actions to Improve Data Accessibility and Associated Innovation, directing regulatory programs to assure all monitoring and reporting requirements support the State Water Boards' Open Data Initiative.

### **3.3.6. State Water Board Response to Climate Change**

On March 7, 2017, the State Water Board adopted Resolution 2017-0012, titled Comprehensive Response to Climate Change, requiring a proactive response to climate change in all California Water Board actions, with the intent to embed climate change consideration into all programs and activities.

### **3.4. California Environmental Quality Act**

The adoption of this Order is an action to reissue general waste discharge requirements that is exempt from the California Environmental Quality Act (Public Resources Code section 21000 et seq.) because it is an action taken by a regulatory agency to assure the protection of the environment and the regulatory process involves procedures for protection of the environment (Cal. Code Regs., Title 14, section 15308). In addition, the action to adopt this Order is exempt from CEQA pursuant to Cal. Code Regs., Title 14, section 15301, to the extent that it applies to existing sanitary sewer collection systems that constitute "existing facilities" as that term is used in sections 15301 and 15302, to the extent that it results in the repair or replacement of existing systems involving negligible or no expansion of capacity.

### **3.5. State Water Board Funding Assistance for Compliance with Water Board Water Quality Orders**

The State Water Board, Division of Financial Assistance administers the implementation of the State Water Board financial assistance programs, per Board-adopted funding policies. Among other funding areas, the Division administers loan and grant funding for the planning and construction of wastewater and water recycling facilities per funding program-specific policies and guidelines. Applicants may apply for Clean Water State Revolving Fund low-interest loan, Small Community Wastewater grant funding assistance, and other funding available at the time of application, for some of the costs associated with complying with this General Order.

Funding applicants may obtain further information regarding current funding opportunities, and Division of Financial Assistance staff contact information at the following website: [Financial Assistance Funding - Grants and Loans | California State Water Resources Control Board](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/).

([https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/))

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Section 13477.6 of the Water Code authorizes the Small Community Grant Fund. The Small Community Grant Fund allows the State Water Board to provide grant funding assistance to small, disadvantaged communities and small severely disadvantaged communities that may not otherwise be able to afford a loan or similar financing for projects to comply with requirements of this General Order. The State Water Board also considers loan forgiveness on a disadvantaged community-specific basis.

For disadvantaged communities' wastewater needs, the State Water Board places priority on the funding of projects that address:

- Public health;
- Violations of waste discharge requirements and National Pollutant Discharge Elimination System (NPDES) permits;
- Providing sewer system service to existing septic tank owners; and
- High priority public health and water quality concerns identified by a Regional Water Board.

### 3.6. Notification to Interested Parties

On January 31, 2022, the State Water Board notified interested parties and persons of its intent to reissue Sanitary Sewer Systems General Order 2006-0003-DWQ by issuing a draft General Order for a 60-day public comment period. State Water Board staff conducted extensive stakeholder outreach and encouraged public participation in the adoption process for this General Order. On March 15, 2022, the State Water Board held a public meeting to hear and consider oral public comments. The State Water Board considered all public comments prior to adopting this General Order.

**THEREFORE, IT IS HEREBY ORDERED**, that pursuant to Water Code sections 13263, 13267, and 13383 this General Order supersedes Order 2006-0003-DWQ, Order WQ 2013-0058-EXEC, and any amendments made to these Orders thereafter, except for enforcement purposes and to meet the provisions contained in Division 7 of the Water Code (commencing with section 13000) and regulations adopted thereunder, and the provisions of the Clean Water Act and regulations and guidelines adopted thereunder, the Enrollee shall comply with the requirements in this Order.

## 4. PROHIBITIONS

### 4.1 Discharge of Sewage from a Sanitary Sewer System

Any discharge from a sanitary sewer system that has the potential to discharge to surface waters of the State is prohibited unless it is promptly cleaned up and reported as required in this General Order.

### 4.2 Discharge of Sewage to Waters of the State

Any discharge from a sanitary sewer system, discharged directly or indirectly through a drainage conveyance system or other route, to waters of the State is prohibited.



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### 4.3. Discharge of Sewage Creating a Nuisance

Any discharge from a sanitary sewer system that creates a nuisance or condition of pollution as defined in Water Code section 13050(m) is prohibited.

## 5. SPECIFICATIONS

### 5.1. Designation of a Legally Responsible Official

The Enrollee shall designate a Legally Responsible Official that has authority to ensure the enrolled sanitary sewer system(s) complies with this Order, and is authorized to serve as a duly authorized representative. The Legally Responsible Official must have responsibility over management of the Enrollee's entire sanitary sewer system, and must be authorized to make managerial decisions that govern the operation of the sanitary sewer system, including having the explicit or implicit duty of making major capital improvement recommendations to ensure long-term environmental compliance. The Legally Responsible Official must have or have direct authority over individuals that:

- Possess a recognized degree or certificate related to operations and maintenance of sanitary sewer systems, and/or
- Have professional training and experience related to the management of sanitary sewer systems, demonstrated through extensive knowledge, training and experience.

For example, a sewer system superintendent or manager, an operations manager, a public utilities manager or director, or a district engineer may be designated as a Legally Responsible Official.

The Legally Responsible Official shall complete the electronic [CIWQS "User Registration" form](https://ciwqs.waterboards.ca.gov/ciwqs/newUser.jsp) (<https://ciwqs.waterboards.ca.gov/ciwqs/newUser.jsp>). A Legally Responsible Official that represents multiple enrolled systems shall complete the electronic CIWQS "User Registration" form for each system.

The Enrollee shall submit any change to its Legally Responsible Official, and/or change in contact information, to the State Water Board within 30 calendar days of the change by emailing [ciwqs@waterboards.ca.gov](mailto:ciwqs@waterboards.ca.gov) and copying the appropriate Regional Water Board as provided in Attachment F (Regional Water Quality Control Board Contact Information) of this General Order.

### 5.2. Sewer System Management Plan Development and Implementation

To facilitate adequate local funding and management of its sanitary sewer system(s), the Enrollee shall develop and implement an updated Sewer System Management Plan. The scale and complexity of the Sewer System Management Plan, and specific elements of the Plan, must match the size, scale and complexity of the Enrollee's sanitary sewer system(s). The Sewer System Management Plan must address, at minimum, the required Plan elements in Attachment D (Sewer System Management Plan – Required Elements) of this General Order. To be effective, the Sewer System Management Plan must include procedures for the management, operation, and maintenance of the sanitary sewer system(s). The procedures must: (1) incorporate the

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prioritization of system repairs and maintenance to proactively prevent spills, and (2) address the implementation of current standard industry practices through available equipment, technologies, and strategies.

For an existing Enrollee under Order 2006-0003-DWQ that has certified its Continuation of Existing Regulatory Coverage, per section 2.1 (Requirements for Continuation of Existing Regulatory Coverage) of this General Order:

### **Within six (6) months of the Adoption Date of this General Order:**

- The Legally Responsible Official shall upload the Enrollee's existing Sewer System Management Plan to the online CIWQS Sanitary Sewer System Database.

For a new Enrollee:

### **Within twelve (12) months of the Application for Enrollment approval date:**

- The governing entity of the new Enrollee shall approve its Sewer System Management Plan; and
- The Legally Responsible Official shall certify and upload its Sewer System Management Plan to the online CIWQS Sanitary Sewer System Database.

### **5.3. Certification of Sewer System Management Plan and Plan Updates**

The Legally Responsible Official shall certify and upload its Sewer System Management Plan and all subsequent updates to the online CIWQS Sanitary Sewer System Database.

### **5.4. Sewer System Management Plan Audits**

The Enrollee shall conduct an internal audit of its Sewer System Management Plan, and implementation of its Plan, at a minimum frequency of once every three years. The audit must be conducted for the period after the end of the Enrollee's last required audit period. **Within six months after the end of the required 3-year audit period**, the Legally Responsible Official shall submit an audit report into the online CIWQS Sanitary Sewer System Database per the requirements in section 3.10 (Sewer System Management Plan Audit Reporting Requirements) of Attachment E1 of this General Order.

Audit reports submitted to the CIWQS Sanitary Sewer System Database will be viewable only to Water Boards staff.

The internal audit shall be appropriately scaled to the size of the system(s) and the number of spills. The Enrollee's sewer system operators must be involved in completing the audit. At minimum, the audit must:

- Evaluate the implementation and effectiveness of the Enrollee's Sewer System Management Plan in preventing spills;
- Evaluate the Enrollee's compliance with this General Order;
- Identify Sewer System Management Plan deficiencies in addressing ongoing spills and discharges to waters of the State; and

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- Identify necessary modifications to the Sewer System Management Plan to correct deficiencies.

The Enrollee shall submit a complete audit report that includes:

- Audit findings and recommended corrective actions;
- A statement that sewer system operators’ input on the audit findings has been considered; and
- A proposed schedule for the Enrollee to address the identified deficiencies.

A new Enrollee of this General Order (that did not have a sanitary sewer system enrolled in the previous State Water Board Order 2006-0003-DWQ) shall conduct its first internal Sewer System Management Plan audit for the time period between the date of submittal of its certified Sewer System Management Plan and the third subsequent December 31<sup>st</sup> date. The audit report must be submitted into the online CIWQS Sanitary Sewer System Database **by July 1 of the following calendar year.**

See the following tables for clarification:

**Initial Audit Period and Audit Due Date for New Enrollees**

	Audit Period	Audit Due Date
New Enrollee	Certified Sewer System Management Plan Submittal Date through the third subsequent December 31 <sup>st</sup> date	July 1 <sup>st</sup> date after audit period
<i>Example</i>	<i>Certified Sewer System Management Plan Submittal Date of August 2, 2025 Audit Period of August 2, 2025 through December 31, 2027</i>	<i>July 1, 2028</i>

**Initial Audit Period for Transition from 2-Year Audit Required in Previous Order 2006-0003-DWQ to 3-Year Audit Required in this General Order**

	Audit Period	Audit Due Date
An Enrollee previously regulated by Order 2006-003-DWQ	A 3-year period starting from the end of last required 2-year Audit Period	Within six months after end of 3-year Audit Period
<i>Example</i>	<i>Last required Audit Period start date of August 2, 2021; Audit Period of August 2, 2021 through August 1, 2024</i>	<i>February 1, 2025</i>

**Three-Year Ongoing Audit Period**

	Audit Period	Audit Due Date
Each Enrollee	A 3-year period starting from the end of last required Audit Period	Within six months after end of 3-year Audit Period

**5.5. Six-Year Sewer System Management Plan Update**

At a minimum, the Enrollee shall update its Sewer System Management Plan every six (6) years after the date of its last Plan Update due date. (For an Enrollee previously regulated by Order 2006-0003-DWQ, the six-year period shall commence on the due date identified in section 3.11 of Attachment E1 (Notification, Monitoring, Reporting and Recordkeeping Requirements) of this Order. The Updated Sewer System Management Plan must include:

- Elements required in Attachment D (Sewer System Management Plan – Required Elements) of this Order;
- Summary of revisions included in the Plan update based on internal audit findings; and
- Other sewer system management-related changes.

The Enrollee’s governing entity shall approve the updated Plan. The Legally Responsible Official shall upload and certify the approved updated Plan in the online CIWQS Sanitary Sewer System Database in accordance with section 3.11 (Sewer System Management Plan Reporting Requirements) of Attachment E1 (Notification, Monitoring, Reporting and Recordkeeping Requirements) of this General Order. During the time period in between Plan updates, the Enrollee shall continuously document changes to its Sewer System Management Plan in a change log attached to the Plan.

## 5.6. System Resilience

The Enrollee shall include and implement system-specific procedures in its Sewer System Management Plan to proactively prioritize: (1) operation and maintenance, (2) condition assessments, and (3) repair and rehabilitation, to address ongoing system resilience, as specified in Attachment D (Sewer System Management Plan – Required Elements) of this General Order.

## 5.7. Allocation of Resources

The Enrollee shall:

- Establish and maintain a means to manage all necessary revenues and expenditures related to the sanitary sewer system; and
- Allocate the necessary resources to its sewer system management program for:
  - Compliance with this General Order,
  - Full implementation of its updated Sewer System Management Plan,
  - System operation, maintenance, and repair, and
  - Spill responses.

## 5.8. Designation of Data Submitters

The Legally Responsible Official may designate one or more individuals as a Data Submitter for reporting of spill data. The Legally Responsible Official shall authorize the designation of Data Submitter(s) through the online [CIWQS database](https://ciwqs.waterboards.ca.gov) (<https://ciwqs.waterboards.ca.gov>) prior to the individuals establishing a [CIWQS user account](https://ciwqs.waterboards.ca.gov/ciwqs/newUser.jsp) (<https://ciwqs.waterboards.ca.gov/ciwqs/newUser.jsp>) and entering spill data into the online CIWQS Sanitary Sewer System Database.

The Legally Responsible Official shall submit any change to its Data Submitter(s), and/or change in Data Submitter contact information, to the State Water Board within 30 calendar days of the change, by emailing [ciwqs@waterboards.ca.gov](mailto:ciwqs@waterboards.ca.gov) and copying the appropriate Regional Water Board as provided in Attachment F (Regional Water Quality Control Board Contact Information) of this General Order.

## 5.9. Reporting Certification

The Legally Responsible Official shall electronically certify, on the Enrollee's behalf, all applications, reports, the Sewer System Management Plan(s) and corresponding updates, and other information submitted electronically into the online CIWQS Sanitary Sewer System Database, as follows:

*"I certify under penalty of perjury under the laws of the State of California that the electronically submitted information was prepared under my direction or supervision. Based on my inquiry of the person(s) directly responsible for gathering the information, to the best of my knowledge and belief, the information submitted is true, accurate, and complete, and complies with the Statewide Sanitary Sewer Systems General Order. I am aware that there are significant penalties for submitting false information."*

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Hardcopy submittals to the State Water Board must be accompanied by the above certification statement.

### 5.10. System Capacity

The Enrollee shall maintain the system capacity necessary to convey: (1) base flows during dry weather conditions, and (2) wet weather peak flows consistent with designated local historic storms. Design storms must take into account system-specific stormwater contributions via inflow and infiltration, and location-specific depth of groundwater and storm frequencies. The Enrollee shall implement capital improvements to provide adequate hydraulic capacity to:

- Meet or exceed the design criteria as defined in the Enrollee's System Evaluation and Capacity Assurance element of its Sewer System Management Plan; and
- Prevent system capacity-related spills, and adverse impacts to the treatment efficiency of downstream wastewater treatment facilities.

### 5.11. System Performance Analysis

The Enrollee shall include a running 10-year system performance analysis in its Annual Report. The analysis must include two CIWQS-generated graphs presenting the following information:

#### **Graph 1 – Total Spill Volume per Year:**

X axis: A 10-year period which includes the current calendar year and the nine previous calendar years;

Y axis: The total spill volume, per Spill Category, for each calendar year.

#### **Graph 2 – Total Number of Spills per Year:**

X axis: A 10-year period which includes the current calendar year and the nine previous calendar years;

Y axis: The total number of spills, per Spill Category, for each calendar year.

The current calendar year is the calendar year covered in the Annual Report.

The Enrollee shall generate the graphs in CIWQS, using the existing data in the online CIWQS Sanitary Sewer System Database at the following graph generation link: ([https://ciwqs.waterboards.ca.gov/ciwqs/readOnly/PublicReportSSOServlet?reportAction=criteria&reportId=sso\\_operation\\_report](https://ciwqs.waterboards.ca.gov/ciwqs/readOnly/PublicReportSSOServlet?reportAction=criteria&reportId=sso_operation_report)).

### 5.12. Spill Emergency Response Plan and Remedial Actions

For Existing Enrollees (with regulatory coverage under Order 2006-0003-DWQ):

**Within six (6) months of the Adoption Date of this General Order**, the Enrollee shall update and implement its Spill Emergency Response Plan, per Attachment D, section 6 (Spill Emergency Response Plan) of this General Order.

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### For New Enrollees:

**Within six (6) months of the Application for Enrollment approval date**, the Enrollee shall develop and implement a Spill Emergency Response Plan, per Attachment D, section 6 (Spill Emergency Response Plan) of this General Order.

The Enrollee shall certify, in its Annual Report, that its Spill Emergency Response Plan is up to date.

The Spill Emergency Response Plan shall include measures to protect public health and the environment. The Enrollee shall respond to spills from its system(s) in a timely manner that minimizes water quality impacts and nuisance by:

- Immediately stopping the spill and preventing/minimizing a discharge to waters of the State;
- Intercepting sewage flows to prevent/minimize spill volume discharged into waters of the State;
- Thoroughly recovering, cleaning up and disposing of sewage and wash down water; and
- Cleaning publicly accessible areas while preventing toxic discharges to waters of the State.

### **5.13. Notification, Monitoring, Reporting and Recordkeeping Requirements**

The Enrollee shall comply with notification, monitoring, reporting, and recordkeeping requirements in Attachment E1 of this General Order.

#### **5.13.1. Spill Categories**

Individual spill notification, monitoring and reporting must be in accordance with the following spill categories:

- **Category 1 Spill**

A Category 1 spill is a spill of any volume of sewage from or caused by a sanitary sewer system regulated under this General Order that results in a discharge to:

- A surface water, including a surface water body that contains no flow or volume of water; or
- A drainage conveyance system that discharges to surface waters when the sewage is not fully captured and returned to the sanitary sewer system or disposed of properly.

Any spill volume not recovered from a drainage conveyance system is considered a discharge to surface water, unless the drainage conveyance system discharges to a dedicated stormwater infiltration basin or facility.

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A spill from an Enrollee-owned and/or operated lateral that discharges to a surface water is a Category 1 spill; the Enrollee shall report all Category 1 spills per section 3.1 of Attachment E1 (Notification, Monitoring, Reporting and Recordkeeping Requirements) of this General Order.

- **Category 2 Spill**

A Category 2 spill is a spill of 1,000 gallons or greater, from or caused by a sanitary sewer system regulated under this General Order that does not discharge to a surface water.

A spill of 1,000 gallons or greater that spills out of a lateral and is caused by a failure or blockage in the sanitary sewer system, is a Category 2 spill.

- **Category 3 Spill**

A Category 3 spill is a spill of equal to or greater than 50 gallons and less than 1,000 gallons, from or caused by a sanitary sewer system regulated under this General Order that does not discharge to a surface water.

A spill of equal to or greater than 50 gallons and less than 1,000 gallons, that spills out of a lateral and is caused by a failure or blockage in the sanitary sewer system is a Category 3 spill.

- **Category 4 Spill**

A Category 4 spill is a spill of less than 50 gallons, from or caused by a sanitary sewer system regulated under this General Order that does not discharge to a surface water.

A spill of less than 50 gallons that spills out of a lateral and is caused by a failure or blockage in the sanitary sewer system is a Category 4 spill.

### 5.13.2. Annual Report

The Enrollee shall submit an Annual Report (previously termed as Collection System Questionnaire in Order 2006-0003-DWQ) as specified in section 3.9 (Annual Report) of Attachment E1 (Notification, Monitoring, Reporting and Recordkeeping Requirements) of this General Order.

**For new Enrollees: Within 30 days of obtaining a CIWQS account,** a new Enrollee shall submit its initial Annual Report, as specified in section 3.9 (Annual Report) of Attachment E1 (Notification, Monitoring, Reporting and Recordkeeping Requirements) of this General Order.



**5.14. Electronic Sanitary Sewer System Service Area Boundary Map**

**For continuing enrollees, starting on July 1, 2025, and no later than December 31, 2025:**

**For new enrollees – no earlier than July 1, 2025, or within 12 months of the Application for Enrollment approval date, whichever date is later:**

The Legally Responsible Official shall submit, to the State Water Board, geospatial data detailing the locations of the Enrollee’s sanitary sewer system service area boundary, per the required content and specifications in section 3.8 (Electronic Sanitary Sewer System Service Area Boundary Map) of Attachment E1 of this General Order, for each system identified by a WDID number.

An Enrollee of a disadvantaged community that may need assistance developing an electronic map to comply with this requirement, may contact State Water Board staff for assistance at [SanitarySewer@waterboards.ca.gov](mailto:SanitarySewer@waterboards.ca.gov).

**5.15. Voluntary Reporting of Spills from Privately-Owned Sewer Laterals and/or Private Sanitary Sewer Systems**

Within 24 hours of becoming aware of a spill (as described below) from a private sewer lateral or private sanitary sewer system that is not owned/operated by the Enrollee, the Enrollee is encouraged to report the following observations to the online CIWQS Sanitary Sewer System Database at the following link:

<https://ciwqs.waterboards.ca.gov>:

- A spill equal or greater than 1,000 gallons that discharges (or has a potential to discharge) to a water of the State, or a drainage conveyance system that discharges to waters of the State; **or**
- Any volume of sewage that discharges (or has a potential to discharge) to surface waters.

In the CIWQS module, the Enrollee is encouraged to identify:

- Time of observation;
- Description of general spill location (for example, street name and cross street names);
- Estimated volume of spill;
- If known, general description of spill destination (for example, flowing into drainage channel, flowing directly into a creek, etc.); and
- If known, name of private system owner/operator.

The CIWQS database will make the name and contact information of the entity voluntarily reporting a private spill, accessible to State and Regional Water Board staff only. The CIWQS database will only make information regarding the actual spill, accessible to the public.

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### **5.16. Voluntary Notification of Spills from Privately-Owned Laterals and/or Systems to the California Office of Emergency Services**

Upon observing or acquiring knowledge of any of the following from a private sewer lateral or private sanitary sewer system that is not owned/operated by the Enrollee, the Enrollee is encouraged to notify the California Office of Emergency Services (as provided by Health and Safety Code section 5410 et. seq. and Water Code section 13271), or inform the responsible party that State law requires such notification to the Office of Emergency Services by any person that causes or allows a sewage discharge to waters of the State:

- A spill equal to 1,000 gallons or more that discharges (or has a potential to discharge) to waters of the State, or a drainage conveyance system that discharges to waters of the State; or
- A spill of any volume to surface waters.

### **5.17. Unintended Failure to Report**

If an Enrollee becomes aware that they unintentionally failed to submit relevant facts in any report required in this General Order, the Enrollee shall promptly notify Regional Water Board and State Water Board staff. Regional Water Board contact information is included in Attachment F of this Order. State Water Board staff shall be contacted by email at [SanitarySewer@waterboards.ca.gov](mailto:SanitarySewer@waterboards.ca.gov) for assistance in formally amending the corresponding report(s) in the online CIWQS Sanitary Sewer System Database.

### **5.18. Duty to Report to Water Boards**

In accordance with Water Code section 13267 and/or section 13383, upon request by the State Water Board Executive Director (or designee) or a Regional Water Board Executive Officer (or designee), the Enrollee shall provide the requested information which the State or Regional Water Board deems necessary to determine compliance with this General Order.

### **5.19. Operation and Maintenance**

To prevent discharges to the environment, the Enrollee shall maintain in good working order, and operate as designed, any facility or treatment and control system designed to contain sewage and convey it to a treatment plant.

## **6. PROVISIONS**

### **6.1. Enforcement Provisions**

The following enforcement provisions are based on existing federal and state regulations, laws and policies, including the federal Clean Water Act, the state Water Code and the State Water Board Enforcement Policy.

#### **6.1.1. Enforceability of Clean Water Act and Water Code Violations**

Noncompliance with requirements of this General Order or discharging sewage without enrolling in this General Order constitutes a violation of the Water Code and a potential

## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

violation of the Clean Water Act and is grounds for an enforcement action by the State Water Board or the applicable Regional Water Board. Failure to comply with the notification, monitoring, inspection, entry, reporting, and recordkeeping requirements may subject the Enrollee to administrative civil liabilities of up to \$10,000 a day per violation pursuant to Water Code section 13385; up to \$1,000 a day per violation pursuant to Water Code section 13268; or referral to the Attorney General for judicial civil enforcement. Discharging waste not in compliance with the requirements of this General Order or the Clean Water Act may subject the Enrollee to administrative civil liabilities up to \$10,000 a day per violation and additional liability up to \$10 per gallon of discharge not cleaned up after the first 1,000 gallons of discharge; up to \$5,000 a day per violation pursuant to Water Code section 13350 or up to \$20 per gallon of waste discharged; or referral to the Attorney General for judicial civil enforcement.

### **6.1.2. Monetary Penalties**

The Water Code provides the State and Regional Water Boards the authority to pursue formal enforcement actions, including imposing administrative liability and civil monetary penalties, for non-compliance with the requirements of this General Order and violations of the Clean Water Act.

### **6.1.3. Falsifying or Failure to Report**

The Water Code provides that any person failing or refusing to furnish technical or monitoring program reports, as required under this General Order, or falsifying any information provided in the technical or monitoring reports is subject to administrative liability and civil monetary penalties. Any person who knowingly fails or refuses to furnish technical or monitoring program reports or falsifies any information provided in reports required by this General Order is subject to criminal penalties.

### **6.1.4. Severability of General Order**

The provisions of this General Order are severable; if any provision of this Order, or the application of any provision of this Order to any circumstance, is held invalid, the application of such provision to other circumstances and the remainder of this Order shall not be affected thereby.

### **6.1.5. Indirect Discharges**

In the event that a spill enters into a drainage conveyance system, the Enrollee shall take all feasible steps to prevent discharge of sewage into waters of the State by blocking or redirecting the flow in the drainage conveyance system, removing the sewage from the drainage conveyance system, and cleaning the system in a manner that does not inadvertently impact beneficial uses of the receiving water body.

### **6.1.6. Water Boards' Considerations for Discretionary Enforcement**

Consistent with the State Water Board Enforcement Policy, when considering Water Code section 13327 factors, the State Water Board or a Regional Water Board may consider the Enrollee's efforts to contain, control, clean up, and mitigate spills. In assessing the factors, the State Water Board or the applicable Regional Water Board will consider:

## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

- The Enrollee's compliance with this General Order with a focus on compliance with reporting requirements;
- The Enrollee's provision of adequate funding to implement the requirements of this General Order;
- The Enrollee's compliance with providing a complete and updated Sewer System Management Plan;
- The Enrollee's compliance with implementing its Sewer System Management Plan;
- The overall effectiveness of the Enrollee's Sewer System Management Plan with respect to:
  - System management, operation, and maintenance,
  - Adequate treatment facilities, sanitary sewer system facilities, and/or components with an appropriate design capacity, to reasonably prevent spills (e.g. adequately enlarging treatment or collection facilities to accommodate growth, infiltration and inflow, etc.),
  - Preventive maintenance (including cleaning, root grinding, and fats, oils, and grease control) and source control measures,
  - Implementation of backup equipment,
  - Inflow and infiltration prevention and control,
  - Appropriate sanitary sewer system capacity to prevent spills, and
  - The Enrollee's responsiveness to stop and mitigate the impact of the discharge;
- The Enrollee's compliance with identifying the cause of the spill;
- The Enrollee's use of available information and observations to accurately estimate the spill volume and identify the affected or potentially affected receiving waters;
- The Enrollee's thoroughness of cleaning up sewage in drainage conveyance systems after the spill(s);
- The Enrollee's use of water quality and biological monitoring and assessment to determine the short-term and long-term impacts to beneficial uses and the environment;
- The Enrollee's follow up actions to improve system performance;
- The Enrollee's implementation of feasible alternatives to prevent spills, such as:
  - Use of temporary storage or waste retention,
  - Reduction of system inflow and infiltration,
  - Collection and hauling of waste to a treatment facility,
  - Prevention of and/ or containment of spills due to a design storm event identified in the Enrollee's Sewer System Management Plan,

## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

- Implementation of available equipment, technologies, strategies, and recommended industry practices for maintaining and managing sewer systems to prevent spills, and contain and eliminate discharges to waters of the State; and
- The spill duration and factors beyond the reasonable control of the Enrollee causing the event.

### 6.1.7. Enforcement Discretion Based on Reporting Compliance

Consistent with the State Water Board Enforcement Policy, the State Water Board or a Regional Water Board may consider the Enrollee's efforts to comply with spill reporting requirements when determining compliance with Water Code section 13267 and section 13383. When assessing Water Code section 13227 factors, the State Water Board or the applicable Regional Water Board will consider:

- The Enrollee's diligence to comply with all reporting requirements in this General Order;
- The use of best available information for the Enrollee's reporting of spill start date and start time in which the release of sewage from the sanitary sewer system initiated;
- The Enrollee's reporting of spill end date, and end time to be the date and time in which the release of sewage from the sanitary sewer system was stopped;
- The Enrollee's diligence to accurately estimate and report spill volumes;
- The Enrollee's subsequent verification and/or updates to initial Draft Spill Reports in accordance with this General Order; and
- The Enrollee's timely certification of required spill reports.

Consistent with Water Code section 13267 and section 13383, the State Water Board or a Regional Water Board may require an Enrollee to report the results of a condition assessment of a specified portion of the Enrollee's sanitary sewer system.

### 6.2. Other Regional Water Board Orders

It is the intent of the State Water Board that sanitary sewer systems be regulated in a manner consistent with federal and state regulations. This Order will not be interpreted or applied:

- In a manner inconsistent with the federal Clean Water Act;
- To authorize a spill or discharge that is illegal under either the Clean Water Act, the Water Code, and/or an applicable Basin Plan prohibition or water quality standard;
- To prohibit a Regional Water Board from issuing an individual National Pollutant Discharge Elimination System (NPDES) permit or individual waste discharge requirements superseding an Enrollee's regulatory coverage under this General Order for a sanitary sewer system authorized under the Clean Water Act or Water Code;

## STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER

- To supersede any more specific or more stringent waste discharge requirements or enforcement orders issued by a Regional Water Board; or
- To supersede any more specific or more stringent state or federal requirements in existing regulation, an administrative/judicial order, or Consent Decree.

### **6.3. Sewer System Management Plan Availability**

The Enrollee's updated Sewer System Management Plan must be maintained for public inspection at the Enrollee's offices and facilities and must be available to the public through CIWQS and/or on the Enrollee's website, in accordance with section 3.8 (Sewer System Management Plan Reporting Requirements) of Attachment E1 (Notification, Monitoring, Reporting and Recordkeeping Requirements) of this General Order.

### **6.4. Entry and Inspection**

#### **6.4.1. Entry and Availability of Information**

The Enrollee shall allow State and Regional Water Board staff, upon presentation of credentials and other documents as may be required by law, to:

- Enter upon the Enrollee's premises where a regulated facility or activity is located or conducted, or where records are kept under the requirements of this General Order;
- Have access to and reproduce any records required to be maintained by this General Order;
- Inspect any facility and/or equipment (including monitoring and control equipment), practices, or operations required in this General Order; and
- Sample or monitor substances or parameters for assuring compliance with this General Order, or as otherwise authorized by the Water Code.

#### **6.4.2. Pre-Inspection Questionnaire**

The Enrollee shall provide pre-inspection information to State and Regional Water Board staff through the completion of a Pre-Inspection Questionnaire provided by Water Board staff.

## **ATTACHMENT A - DEFINITIONS**

### **Annual Report**

An Annual Report (previously termed as Collection System Questionnaire in Order 2006-0003-DWQ) is a mandatory report in which the Enrollee provides a calendar-year update of its efforts to prevent spills.

### **Basin Plan**

A Basin Plan is a water quality control plan specific to a Regional Water Quality Control Board (Regional Water Board), that serves as regulations to: (1) define and designate beneficial uses of surface and groundwaters, (2) establish water quality objectives for protection of beneficial uses, and (3) provide implementation measures.

### **Beneficial Uses**

The term “Beneficial Uses” is a Water Code term, defined as the uses of the waters of the State that may be protected against water quality degradation. Examples of beneficial uses include but are not limited to, municipal, domestic, agricultural and industrial supply; power generation; recreation; aesthetic enjoyment; navigation; and preservation and enhancement of fish, wildlife, and other aquatic resources or preserves.

### **California Integrated Water Quality System (CIWQS)**

CIWQS is the statewide database that provides for mandatory electronic reporting as required in State and Regional Water Board-issued waste discharge requirements.

### **Data Submitter**

A Data Submitter is an individual designated and authorized by the Enrollee’s Legally Responsible Official to enter spill data into the online CIWQS Sanitary Sewer System Database. A Data Submitter does not have the authority of a Legally Responsible Official to certify reporting entered into the online CIWQS Sanitary Sewer System Database.

### **Disadvantaged Community**

A disadvantaged community is a community with a median household income of less than eighty percent (80%) of the statewide annual median household income.

For the purpose of this General Order, there is no differentiation between a small and large disadvantaged community.

### **Drainage Conveyance System**

A drainage conveyance system is a publicly- or privately-owned separate storm sewer system, including but not limited to drainage canals, channels, pipelines, pump stations, detention basins, infiltration basins/facilities, or other facilities constructed to transport stormwater and non-stormwater flows.

## Enrollee

An Enrollee is a public, private, or other non-governmental entity that has obtained approval for regulatory coverage under this General Order, including:

- A state agency, municipality, special district, or other public entity that owns and/or operates one or more sanitary sewer systems:
  - greater than one (1) mile in length (each individual sanitary sewer system);
  - one mile or less in length where the State Water Resources Control Board or a Regional Water Quality Control Board requires regulatory coverage under this Order, or
- A federal agency, private company, or other non-governmental entity that owns and/or operates a sanitary sewer system of any size where the State Water Resources Control Board or a Regional Water Quality Control Board requires regulatory coverage under this Order in response to a history of spills, proximity to surface water, or other factors supporting regulatory coverage.

## Environmentally Sensitive Area

An environmentally sensitive area is a designated agricultural and/or wildlife area identified to need special natural landscape protection due to its wildlife or historical value.

## Exfiltration

Exfiltration is the underground exiting of sewage from a sanitary sewer system through cracks, offset or separated joints, or failed infrastructure due to corrosion or other factors.

## Flood Control Channel

A flood control channel is a channel used to convey stormwater and non-stormwater flows through and from areas for flood management purposes.

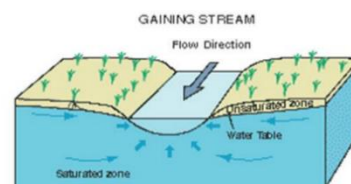
## Governing Entity

A governing entity includes but is not limited to the following:

- A publicly elected governing board, council, or commission of a municipal agency;
- A Department or Division director of a federal or state agency that is not governed by a board;
- A governing board or commission of an organization or association; and
- A private system owner/manager that is not governed by a board.

## Hydrologically Connected

Two waterbodies are hydrologically connected when one waterbody flows, or has the potential to flow, into the other waterbody. For the purpose of this General Order, groundwater is hydrologically connected to a surface water when the groundwater feeds into the surface water. (The surface waterbody in this example is termed a gaining stream as it gains flow from surrounding groundwater.)





### **Lateral (including Lower and Upper Lateral)**

A lateral is an underground segment of smaller diameter pipe that transports sewage from a customer's building or property (residential, commercial, or industrial) to the Enrollee's main sewer line in a street or easement. Upper and lower lateral boundary definitions are subject to local jurisdictional codes and ordinances, or private system ownership.

A lower lateral is the portion of the lateral located between the sanitary sewer system main, and either the property line, sewer clean out, curb line, established utility easement boundary, or other jurisdictional locations.

An upper lateral is the portion of the lateral from the property line, sewer clean out, curb line, established utility easement boundary, or other jurisdictional locations, to the building or property.

### **Legally Responsible Official**

A Legally Responsible Official is an official representative, designated by the Enrollee, with authority to sign and certify submitted information and documents required by this General Order.

### **Nuisance**

For the purpose of this General Order, a nuisance, as defined in Water Code section 13050(m), is anything that meets all of the following requirements:

- Is injurious to health, or is indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property;
- Affects at the same time an entire community or neighborhood, or any considerable number of persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal; and
- Occurs during, or as a result of, the treatment or disposal of wastes.

### **Private Sewer Lateral**

A private sewer lateral is the privately-owned lateral that transports sewage from private property(ies) into a sanitary sewer system.

### **Private Sanitary Sewer System**

A private sanitary sewer system is a sanitary sewer system of any size that is owned and/or operated by a private individual, company, corporation, or organization. A private sanitary sewer system may or may not connect into a publicly owned sanitary sewer system.

### **Potential to Discharge, Potential Discharge**

Potential to Discharge, or Potential Discharge, means any exiting of sewage from a sanitary sewer system which can reasonably be expected to discharge into a water of the State based on the size of the sewage spill, proximity to a drainage conveyance system, and the nature of the surrounding environment.

### **Receiving Water**

A receiving water is a water of the State that receives a discharge of waste.

### **Resilience**

Resilience is the ability to recover from or adjust to adversity or change, and grow from disruptions. Resilience can be built through planning, preparing for, mitigating, and adapting to changing conditions.

### **Sanitary Sewer System**

A sanitary sewer system is a system that is designed to convey sewage, including but not limited to, pipes, manholes, pump stations, siphons, wet wells, diversion structures and/or other pertinent infrastructure, upstream of a wastewater treatment plant headworks, including:

- Laterals owned and/or operated by the Enrollee;
- Satellite sewer systems; and/or
- Temporary conveyance and storage facilities, including but not limited to temporary piping, vaults, construction trenches, wet wells, impoundments, tanks and diversion structures.

For purpose of this Order, sanitary sewer systems include only systems owned and/or operated by the Enrollee.

### **Satellite Sewer System**

A satellite sewer system is a portion of a sanitary sewer system owned or operated by a different owner than the owner of the downstream wastewater treatment facility ultimately treating the sewage.

### **Sewer System Management Plan**

A sewer system management plan is a living document an Enrollee develops and implements to effectively manage its sanitary sewer system(s) in accordance with this General Order.

### **Sewage**

Sewage, and its associated wastewater, is untreated or partially treated domestic, municipal, commercial and/or industrial waste (including sewage sludge), and any mixture of these wastes with inflow or infiltration of stormwater or groundwater, conveyed in a sanitary sewer system.

### **Spill**

A spill is a discharge of sewage from any portion of a sanitary sewer system due to a sanitary sewer system overflow, operational failure, and/or infrastructure failure. Exfiltration of sewage is not considered to be a spill under this General Order if the exfiltrated sewage remains in the subsurface and does not reach a surface water of the State.

### **Training**

Training is in-house or external education and guidance needed that provides the knowledge, skills, and abilities to comply with this General Order.

**Wash Down Water**

Wash down water is water used to clean a spill area.

**Waste**

Waste, as defined in Water Code section 13050(d), includes sewage and any and all other waste substances, liquid, solid, gaseous, or radioactive, associated with human habitation, or of human or animal origin, or from any producing, manufacturing, or processing operation, including waste placed within containers of whatever nature prior to, and for purposes of, disposal.

**Waste Discharge Identification Number (WDID)**

A waste discharge identification number (WDID) identifies each individual sanitary sewer system enrolled under this General Order. A WDID number is assigned to each enrolled system upon an Enrollee's approved regulatory coverage.

**Waters of the State**

Waters of the State are surface waters or groundwater within boundaries of the state as defined in Water Code section 13050(e), in which the State and Regional Water Boards have authority to protect beneficial uses. Waters of the State include, but are not limited to, groundwater aquifers, surface waters, saline waters, natural washes and pools, wetlands, sloughs, and estuaries, regardless of flow or whether water exists during dry conditions. Waters of the State include waters of the United States.

**Waters of the United States**

Waters of the United States are surface waters or waterbodies that are subject to federal jurisdiction in accordance with the Clean Water Act.

**Water Quality Objective**

A water quality objective is the limit or maximum amount of pollutant, waste constituent or characteristic, or parameter level established in statewide water quality control plans and Regional Water Boards' Basin Plans, for the reasonable protection of beneficial uses of surface waters and groundwater and the prevention of nuisance.

**ATTACHMENT B – APPLICATION FOR ENROLLMENT**

**1. Enrollment Status:** (Mark only one item)

- New Enrollee
- New Enrollee with previous regulatory coverage under Order 2006-0003-DWQ  
(that failed to certify continuation of coverage in CIWQS per Order 2022-XXXX-DWQ)  
Existing WDID Number: \_\_\_\_\_

**2. Applicant Information:**

Legally Responsible Official Submitting Application

First and Last Name: \_\_\_\_\_

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

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

System Owner/Operator Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

County: \_\_\_\_\_

Sanitary Sewer System Name: \_\_\_\_\_

Regional Water Quality Control Board(s): \_\_\_\_\_

Signature and Date: \_\_\_\_\_

**3. Applicant Type (Check one):**

- City     County     State     Federal     Special District
- Government Combination     Private     Other Non-governmental Entity

**4. Wastewater Treatment Plant Receiving Sanitary Sewer System Waste:**

Wastewater Treatment Plant Permittee: \_\_\_\_\_

WDID No.: \_\_\_\_\_

**5. Billing Information**

Billing Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Billing Contact Person and Title: \_\_\_\_\_

Phone and Email Address: \_\_\_\_\_

**6. Application Fee:**

The application fee, as required by Water Code section 13260, is based on the daily population served by the sanitary sewer system. See updated [Fee Schedule](https://www.waterboards.ca.gov/resources/fees/water_quality/).  
([https://www.waterboards.ca.gov/resources/fees/water\\_quality/](https://www.waterboards.ca.gov/resources/fees/water_quality/))

Check one of the following and enter fee amount:

Population Served < 50,000 – Total Fee submitted: \$ \_\_\_\_\_

Population Served ≥ 50,000 – Total Fee submitted: \$ \_\_\_\_\_

Make the fee payment payable to the State Water Resources Control Board and mail the complete application package to:

State Water Resources Control Board, Accounting Office  
P. O. Box 1888  
Sacramento, CA 95812-1888

Attention: Statewide Sanitary Sewer System Program

**7. Application Submittal Certification**

*I certify under penalty of perjury under the laws of the State of California that to the best of my knowledge and belief, the information in the submitted application package is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.*

Print Name: \_\_\_\_\_

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

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

**ATTACHMENT C - NOTICE OF TERMINATION**

**1. Enrollee Information**

Enrollee Name: \_\_\_\_\_

WDID No: \_\_\_\_\_

Legally Responsible Official Requesting Termination of Coverage: \_\_\_\_\_

First and Last Name: \_\_\_\_\_

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

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

County: \_\_\_\_\_

Sanitary Sewer System Name(s) or Unique Identifier(s): \_\_\_\_\_

Regional Water Quality Control Board(s): \_\_\_\_\_

Signature and Date: \_\_\_\_\_

**2. Basis of Termination**

Explanation of termination, including subsequent regulatory coverage and subsequent owner/operator of enrolled sanitary sewer system, as applicable:

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**3. Regulatory Coverage Termination Certification**

*I certify under penalty of perjury under the laws of the State of California that to the best of my knowledge: 1) the sanitary sewer system I officially represent is not required to be regulated under the Statewide Waste Discharge Requirements for Sanitary Sewer Systems Order 2022-XXXX-DWQ, and 2) the information submitted in this Notice of Termination is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment. Additionally, I understand that the submittal of this Notice of Termination does not release sanitary sewer system agencies from liability for any violations of the Clean Water Act.*

Print Name: \_\_\_\_\_

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

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

**For State Water Board Use Only**

Approved for Termination

Denied and Returned to Enrollee

Deputy Director of Water Quality Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Notice of Termination Effective Date: \_\_\_\_\_

**ATTACHMENT D – SEWER SYSTEM MANAGEMENT PLAN – REQUIRED ELEMENTS**

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**ATTACHMENT D – SEWER SYSTEM MANAGEMENT PLAN – REQUIRED ELEMENTS**

A Sewer System Management Plan (Plan) is a living planning document that documents ongoing local sewer system management program activities, procedures, and decision-making – at the scale necessary to address the size and complexity of the subject sanitary sewer system(s). This Plan may incorporate other programs and other plans by reference, to address short-term and long-term system resilience through:

- Proactive planning and decision-making;
- Local government ordinances;
- Updated operations and maintenance activities and procedures;
- Implementation of capital improvements;
- Sufficient local budget to support staff resources, contractors, equipment, and training; and
- Updated training of staff and contractors.

The Enrollee’s development, update, and implementation of a Sewer System Management Plan addressing the requirements of this Attachment is an enforceable component of this General Order. As specified in Provision 6.1 (Enforcement Provisions) of this General Order, consistent with the Water Code and the State Water Board Enforcement Policy, the State Water Board or a Regional Water Board may consider the Enrollee’s efforts in implementing an effective Sewer System Management Plan to prevent, contain, control, and mitigate spills when considering Water Code section 13327 factors to determine necessary enforcement of this General Order.

This Attachment includes the following required elements that the Enrollee shall address in its Plan and subsequent updates. The Enrollee shall identify any requirement in this Attachment that is not applicable to the Enrollee’s sewer system and shall explain in its Plan why the requirement is not applicable.

**1. SEWER SYSTEM MANAGEMENT PLAN GOAL AND INTRODUCTION**

The goal of the Sewer System Management Plan (Plan) is to provide a plan and schedule to: (1) properly manage, operate, and maintain all parts of the Enrollee’s sanitary sewer system(s), (2) reduce and prevent spills, and (3) contain and mitigate spills that do occur.

The Plan must include a narrative Introduction section that discusses the following items:

**1.1. Regulatory Context**

The Plan Introduction section must provide a general description of the local sewer system management program and discuss Plan implementation and updates.

**1.2. Sewer System Management Plan Update Schedule**

The Plan Introduction section must include a schedule for the Enrollee to update the Plan, including the schedule for conducting internal audits. The schedule must include milestones for incorporation of activities addressing prevention of sewer spills.

**1.3. Sewer System Asset Overview**

The Plan Introduction section must provide a description of the Enrollee-owned assets and service area, including but not limited to:

- Location, including county(ies);
- Service area boundary;
- Population and community served;
- System size, including total length in miles, length of gravity mainlines, length of pressurized (force) mains, and number of pump stations and siphons;
- Structures diverting stormwater to the sewer system;
- Data management systems;
- Sewer system ownership and operation responsibilities between Enrollee and private entities for upper and lower sewer laterals;
- Estimated number or percent of residential, commercial, and industrial service connections; and
- Unique service boundary conditions and challenge(s).

Additionally, the Plan Introduction section must provide reference to the Enrollee’s up-to-date map of its sanitary sewer system, as required in section 4.1 (Updated Map of Sanitary Sewer System) of this Attachment.

**2. ORGANIZATION**

The Plan must identify organizational staffing responsible and integral for implementing the local Sewer System Management Plan through an organization chart or similar narrative documentation that includes:

- The name of the Legally Responsible Official as required in section 5.1 (Designation of a Legally Responsible Official) of this General Order;
- The position titles, telephone numbers, and email addresses for management, administrative, and maintenance positions responsible for implementing specific Sewer System Management Plan elements;
- Organizational lines of authority; and
- Chain of communication for reporting spills from receipt of complaint or other information, including the person responsible for reporting spills to the State and Regional Water Boards and other agencies, as applicable. (For example, county

health officer, county environmental health agency, and State Office of Emergency Services.)

### **3. LEGAL AUTHORITY**

The Plan must include copies or an electronic link to the Enrollee's current sewer system use ordinances, service agreements and/or other legally binding procedures to demonstrate the Enrollee possesses the necessary legal authority to:

- Prevent illicit discharges into its sanitary sewer system from inflow and infiltration (I&I); unauthorized stormwater; chemical dumping; unauthorized debris; roots; fats, oils, and grease; and trash, including rags and other debris that may cause blockages;
- Collaborate with storm sewer agencies to coordinate emergency spill responses, ensure access to storm sewer systems during spill events, and prevent unintentional cross connections of sanitary sewer infrastructure to storm sewer infrastructure;
- Require that sewer system components and connections be properly designed and constructed;
- Ensure access for maintenance, inspection, and/or repairs for portions of the service lateral owned and/or operated by the Enrollee;
- Enforce any violation of its sewer ordinances, service agreements, or other legally binding procedures; and
- Obtain easement accessibility agreements for locations requiring sewer system operations and maintenance, as applicable.

### **4. OPERATION AND MAINTENANCE PROGRAM**

The Plan must include the items listed below that are appropriate and applicable to the Enrollee's system.

#### **4.1. Updated Map of Sanitary Sewer System**

An up-to-date map(s) of the sanitary sewer system, and procedures for maintaining and providing State and Regional Water Board staff access to the map(s). The map(s) must show gravity line segments and manholes, pumping facilities, pressure pipes and valves, and applicable stormwater conveyance facilities within the sewer system service area boundaries.

#### **4.2. Preventive Operation and Maintenance Activities**

A scheduling system and a data collection system for preventive operation and maintenance activities conducted by staff and contractors.

The scheduling system must include:

- Inspection and maintenance activities;

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- Higher-frequency inspections and maintenance of known problem areas, including areas with tree root problems;
- Regular visual and closed-circuit television (CCTV) inspections of manholes and sewer pipes.

The data collection system must document data from system inspection and maintenance activities, including system areas/components prone to root-intrusion potentially resulting in system backup and/or failure.

### **4.3. Training**

In-house and external training provided on a regular basis for sanitary sewer system operations and maintenance staff and contractors. The training must cover:

- The requirements of this General Order;
- The Enrollee's Spill Emergency Response Plan procedures and practice drills;
- Skilled estimation of spill volume for field operators; and
- Electronic CIWQS reporting procedures for staff submitting data.

### **4.4. Equipment Inventory**

An inventory of sewer system equipment, including the identification of critical replacement and spare parts.

## **5. DESIGN AND PERFORMANCE PROVISIONS**

The Plan must include the following items as appropriate and applicable to the Enrollee's system:

### **5.1. Updated Design Criteria and Construction Standards and Specifications**

Updated design criteria, and construction standards and specifications, for the construction, installation, repair, and rehabilitation of existing and proposed system infrastructure components, including but not limited to pipelines, pump stations, and other system appurtenances. If existing design criteria and construction standards are deficient to address the necessary component-specific hydraulic capacity as specified in section 8 (System Evaluation, Capacity Assurance and Capital Improvements) of this Attachment, the procedures must include component-specific evaluation of the design criteria.

### **5.2. Procedures and Standards**

Procedures, and standards for the inspection and testing of newly constructed, newly installed, repaired, and rehabilitated system pipelines, pumps, and other equipment and appurtenances.

**6. SPILL EMERGENCY RESPONSE PLAN**

The Plan must include an up to date Spill Emergency Response Plan to ensure prompt detection and response to spills to reduce spill volumes and collect information for prevention of future spills. The Spill Emergency Response Plan must include procedures to:

- Notify primary responders, appropriate local officials, and appropriate regulatory agencies of a spill in a timely manner;
- Notify other potentially affected entities (for example, health agencies, water suppliers, etc.) of spills that potentially affect public health or reach waters of the State;
- Comply with the notification, monitoring and reporting requirements of this General Order, State law and regulations, and applicable Regional Water Board Orders;
- Ensure that appropriate staff and contractors implement the Spill Emergency Response Plan and are appropriately trained;
- Address emergency system operations, traffic control and other necessary response activities;
- Contain a spill and prevent/minimize discharge to waters of the State or any drainage conveyance system;
- Minimize and remediate public health impacts and adverse impacts on beneficial uses of waters of the State;
- Remove sewage from the drainage conveyance system;
- Clean the spill area and drainage conveyance system in a manner that does not inadvertently impact beneficial uses in the receiving waters;
- Implement technologies, practices, equipment, and interagency coordination to expedite spill containment and recovery;
- Implement pre-planned coordination and collaboration with storm drain agencies and other utility agencies/departments prior, during, and after a spill event;
- Conduct post-spill assessments of spill response activities;
- Document and report spill events as required in this General Order; and
- Annually, review and assess effectiveness of the Spill Emergency Response Plan, and update the Plan as needed.

## **7. SEWER PIPE BLOCKAGE CONTROL PROGRAM**

The Sewer System Management Plan must include procedures for the evaluation of the Enrollee's service area to determine whether a sewer pipe blockage control program is needed to control fats, oils, grease, rags and debris. If the Enrollee determines that a program is not needed, the Enrollee shall provide justification in its Plan for why a program is not needed.

The procedures must include, at minimum:

- An implementation plan and schedule for a public education and outreach program that promotes proper disposal of pipe-blocking substances;
- A plan and schedule for the disposal of pipe-blocking substances generated within the sanitary sewer system service area. This may include a list of acceptable disposal facilities and/or additional facilities needed to adequately dispose of substances generated within a sanitary sewer system service area;
- The legal authority to prohibit discharges to the system and identify measures to prevent spills and blockages;
- Requirements to install grease removal devices (such as traps or interceptors), design standards for the removal devices, maintenance requirements, best management practices requirements, recordkeeping and reporting requirements;
- Authority to inspect grease producing facilities, enforcement authorities, and whether the Enrollee has sufficient staff to inspect and enforce the fats, oils, and grease ordinance;
- An identification of sanitary sewer system sections subject to fats, oils, and grease blockages and establishment of a cleaning schedule for each section; and
- Implementation of source control measures for all sources of fats, oils, and grease reaching the sanitary sewer system for each section identified above.

## **8. SYSTEM EVALUATION, CAPACITY ASSURANCE AND CAPITAL IMPROVEMENTS**

The Plan must include procedures and activities for:

- Routine evaluation and assessment of system conditions;
- Capacity assessment and design criteria;
- Prioritization of corrective actions; and
- A capital improvement plan.

### **8.1 System Evaluation and Condition Assessment**

The Plan must include procedures to:

- Evaluate the sanitary sewer system assets utilizing the best practices and technologies available;

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- Identify and justify the amount (percentage) of its system for its condition to be assessed each year;
- Prioritize the condition assessment of system areas that:
  - Hold a high level of environmental consequences if vulnerable to collapse, failure, blockage, capacity issues, or other system deficiencies;
  - Are located in or within the vicinity of surface waters, steep terrain, high groundwater elevations, and environmentally sensitive areas;
  - Are within the vicinity of a receiving water with a bacterial-related impairment on the most current Clean Water Act section 303(d) List;
- Assess the system conditions using visual observations, video surveillance and/or other comparable system inspection methods;
- Utilize observations/evidence of system conditions that may contribute to exiting of sewage from the system which can reasonably be expected to discharge into a water of the State;
- Maintain documents and recordkeeping of system evaluation and condition assessment inspections and activities; and
- Identify system assets vulnerable to direct and indirect impacts of climate change, including but not limited to: sea level rise; flooding and/or erosion due to increased storm volumes, frequency, and/or intensity; wildfires; and increased power disruptions.

### **8.2. Capacity Assessment and Design Criteria**

The Plan must include procedures to identify system components that are experiencing or contributing to spills caused by hydraulic deficiency and/or limited capacity, including procedures to identify the appropriate hydraulic capacity of key system elements for:

- Dry-weather peak flow conditions that cause or contributes to spill events;
- The appropriate design storm(s) or wet weather events that causes or contributes to spill events;
- The capacity of key system components; and
- Identify the major sources that contribute to the peak flows associated with sewer spills.

The capacity assessment must consider:

- Data from existing system condition assessments, system inspections, system audits, spill history, and other available information;
- Capacity of flood-prone systems subject to increased infiltration and inflow, under normal local and regional storm conditions;

- Capacity of systems subject to increased infiltration and inflow due to larger and/or higher-intensity storm events as a result of climate change;
- Increases of erosive forces in canyons and streams near underground and above-ground system components due to larger and/or higher-intensity storm events;
- Capacity of major system elements to accommodate dry weather peak flow conditions, and updated design storm and wet weather events; and
- Necessary redundancy in pumping and storage capacities.

### **8.3. Prioritization of Corrective Action**

The findings of the condition assessments and capacity assessments must be used to prioritize corrective actions. Prioritization must consider the severity of the consequences of potential spills.

### **8.4. Capital Improvement Plan**

The capital improvement plan must include the following items:

- Project schedules including completion dates for all portions of the capital improvement program;
- Internal and external project funding sources for each project; and
- Joint coordination between operation and maintenance staff, and engineering staff/consultants during planning, design, and construction of capital improvement projects; and Interagency coordination with other impacted utility agencies.

## **9. MONITORING, MEASUREMENT AND PROGRAM MODIFICATIONS**

The Plan must include an Adaptive Management section that addresses Plan-implementation effectiveness and the steps for necessary Plan improvement, including:

- Maintaining relevant information, including audit findings, to establish and prioritize appropriate Plan activities;
- Monitoring the implementation and measuring the effectiveness of each Plan Element;
- Assessing the success of the preventive operation and maintenance activities;
- Updating Plan procedures and activities, as appropriate, based on results of monitoring and performance evaluations; and
- Identifying and illustrating spill trends, including spill frequency, locations and estimated volumes.



**10. INTERNAL AUDITS**

The Plan shall include internal audit procedures, appropriate to the size and performance of the system, for the Enrollee to comply with section 5.4 (Sewer System Management Plan Audits) of this General Order.

**11. COMMUNICATION PROGRAM**

The Plan must include procedures for the Enrollee to communicate with:

- The public for:
  - Spills and discharges resulting in closures of public areas, or that enter a source of drinking water, and
  - The development, implementation, and update of its Plan, including opportunities for public input to Plan implementation and updates.
- Owners/operators of systems that connect into the Enrollee’s system, including satellite systems, for:
  - System operation, maintenance, and capital improvement-related activities.

**ATTACHMENT E1 – NOTIFICATION, MONITORING, REPORTING AND RECORDKEEPING REQUIREMENTS**

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## **ATTACHMENT E1– NOTIFICATION, MONITORING, REPORTING AND RECORDKEEPING REQUIREMENTS**

The Notification Requirements (section 1), Spill-specific Monitoring Requirements (section 2), Reporting Requirements (section 3) and Recordkeeping Requirements (section 4) in this Attachment are pursuant to Water Code section 13267 and section 13383, and are an enforceable component of this General Order. For the purpose of this General Order, the term:

- Notification means the notifying of appropriate parties of a spill event or other activity.
- Spill-specific Monitoring means the gathering of information and data for a specific spill event to be reported or kept as records.
- Reporting means the reporting of information and data into the online California Integrated Water Quality System (CIWQS) Sanitary Sewer System Database.
- Recordkeeping means the maintaining of information and data in an official records storage system.

Failure to comply with the notification, monitoring, reporting and recordkeeping requirements in this General Order may subject the Enrollee to civil liabilities of up to \$10,000 a day per violation pursuant to Water Code section 13385; up to \$1,000 a day per violation pursuant to Water Code section 13268; or referral to the Attorney General for judicial civil enforcement.

Water Code section 13193 et seq. requires the Regional Water Quality Control Boards (Regional Water Boards) and the State Water Resources Control Board (State Water Board) to collect sanitary sewer spill information for each spill event and make this information available to the public. Sanitary sewer spill information for each spill event includes but is not limited to: Enrollee contact information for each spill event, spill cause, estimated spill volume and factors used for estimation, location, date, time, duration, amount discharged to waters of the State, response and corrective action(s) taken.

### **1. NOTIFICATION REQUIREMENTS**

#### **1.1. Notification of Spills of 1,000 Gallons or Greater to the California Office of Emergency Services**

Per Water Code section 13271, for a spill that discharges in or on any waters of the State, or discharges or is deposited where it is, or probably will be, discharged in or on any waters of the State, the Enrollee shall notify the California Office of Emergency Services and obtain a California Office of Emergency Services Control Number as soon as possible **but no later than two (2) hours** after:

- The Enrollee has knowledge of the spill; and
- Notification can be provided without substantially impeding cleanup or other emergency measures.

The notification requirements in this section apply to individual spills of 1,000 gallons or greater, from an Enrollee-owned and/or operated laterals, to a water of the State.

## 1.2. Spill Notification Information

The Enrollee shall provide the following spill information to the California Office of Emergency Services before receiving a Control Number, as applicable:

- Name and phone number of the person notifying the California Office of Emergency Services;
- Estimated spill volume (gallons);
- Estimated spill rate from the system (gallons per minute);
- Estimated discharge rate (gallons per minute) directly into waters of the State or indirectly into a drainage conveyance system;
- Spill incident description:
  - Brief narrative of the spill event, and
  - Spill incident location (address, city, and zip code) and closest cross streets and/or landmarks;
- Name and phone number of contact person on-scene;
- Date and time the Enrollee was informed of the spill event;
- Name of sanitary sewer system causing the spill;
- Spill cause or suspected cause (if known);
- Amount of spill contained;
- Name of receiving water body receiving or potentially receiving discharge; and
- Description of water body impact and/ or potential impact to beneficial uses.

## 1.3. Notification of Spill Report Updates

Following the initial notification to the California Office of Emergency Services and until such time that the Enrollee certifies the spill report in the online CIWQS Sanitary Sewer System Database, the Enrollee shall provide updates to the California Office of Emergency Services regarding substantial changes to:

- Estimated spill volume (increase or decrease in gallons initially estimated);
- Estimated discharge volume discharged directly into waters of the State or indirectly into a drainage conveyance system (increase or decrease in gallons initially estimated); and
- Additional impact(s) to the receiving water(s) and beneficial uses.

## **2. SPILL-SPECIFIC MONITORING REQUIREMENTS**

### **2.1 Spill Location and Spread**

The Enrollee shall visually assess the spill location(s) and spread using photography, global positioning system (GPS), and other best available tools. The Enrollee shall document the critical spill locations, including:

- Photography and GPS coordinates for:
  - The system location where spill originated.  
For multiple appearance points of a single spill event, the points closest to the spill origin.
- Photography for:
  - Drainage conveyance system entry locations,
  - The location(s) of discharge into surface waters, as applicable,
  - Extent of spill spread, and
  - The location(s) of clean up.

### **2.2 Spill Volume Estimation**

To assess the approximate spill magnitude and spread, the Enrollee shall estimate the total spill volume using updated volume estimation techniques, calculations, and documentation for electronic reporting. The Enrollee shall update its notification and reporting of estimated spill volume (which includes spill volume recovered) as further information is gathered during and after a spill event.

### **2.3. Receiving Water Monitoring**

#### **2.3.1. Receiving Water Visual Observations**

Through visual observations and use of best available spill volume-estimating techniques and field calculation techniques, the Enrollee shall gather and document the following information for spills discharging to surface waters:

- Estimated spill travel time to the receiving water;
- For spills entering a drainage conveyance system, estimated spill travel time from the point of entry into the drainage conveyance system to the point of discharge into the receiving water;
- Estimated spill volume entering the receiving water; and
- Photography of:
  - Waterbody bank erosion,
  - Floating matter,
  - Water surface sheen (potentially from oil and grease),

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- Discoloration of receiving water, and
- Impact to the receiving water.

### 2.3.2. Receiving Water – Water Quality Sampling and Analysis

For sewage spills in which an estimated 50,000 gallons or greater are discharged into a surface water, the Enrollee shall conduct the following water quality sampling no later than **18 hours** after the Enrollee's knowledge of a potential discharge to a surface water:

- Collect one water sample, each day of the duration of the spill, at:
  - The DCS-001 location as described in section 2.3.4 (Receiving Water Sampling Locations) of this Attachment, if sewage discharges to a surface water via a drainage conveyance system; and/or
  - Each of the three receiving water sampling locations in section 2.3.4 (Receiving Water Sampling Locations) of this Attachment;

If the receiving water has no flow during the duration of the spill, the Enrollee must report "No Sampling Due To No Flow" for its receiving water sampling locations.

The Enrollee shall analyze the collected receiving water samples for the following constituents per section 2.3.3 (Water Quality Analysis Specifications) of this Attachment:

- Ammonia, and
- Appropriate bacterial indicator(s) per the applicable Basin Plan water quality objectives, including one or more of the following, unless directed otherwise by the Regional Water Board:
  - Total Coliform Bacteria
  - Fecal Coliform Bacteria
  - *E-coli*
  - Enterococcus

Dependent on the receiving water(s), sampling of bacterial indicators shall be sufficient to determine post-spill (after the spill) compliance with the water quality objectives and bacterial standards of the California Ocean Plan or the California Inland Surface Water Enclosed Bays, and Estuaries Plan, including the frequency and/or number of post-spill receiving water samples as may be specified in the applicable plans.

The Enrollee shall collect and analyze additional samples as required by the applicable Regional Water Board Executive Officer or designee.

**2.3.3. Water Quality Analysis Specifications**

Spill monitoring must be representative of the monitored activity (40 Code of Federal Regulations section 122.41(j)(1)).

Sufficiently Sensitive Methods

Sample analysis must be conducted according to sufficiently sensitive test methods approved under 40 Code of Federal Regulations Part 136 for the sample analysis of pollutants. For the purposes of this General Order, a method is sufficiently sensitive when the minimum level of the analytical method approved under 40 Code of Federal Regulations Part 136 is at or below the receiving water pollutant criteria.

Environmental Laboratory Accreditation Program-Accredited Laboratories

The analysis of water quality samples required per this General Order must be performed by a laboratory that has accreditation pursuant to Article 3 (commencing with section 100825) of Chapter 4 of Part 1 of Division 101 of the Health and Safety Code. (Water Code section 13176(a).) The State Water Board accredits laboratories through its Environmental Laboratory Accreditation Program (ELAP).

**2.3.4. Receiving Water Sampling Locations**

The Enrollee shall collect receiving water samples at the following locations.

**Sampling of Flow in Drainage Conveyance System (DCS) Prior to Discharge**

Sampling Location	Sampling Location Description
DCS-001	A point in a drainage conveyance system before the drainage conveyance system flow discharges into a receiving water.

**Receiving Surface Water Sampling (RSW)<sup>1</sup>**

Sampling Location	Sampling Location Description
RSW-001 Point of Discharge	A point in the receiving water where sewage initially enters the receiving water.
RSW-001U: Upstream of Point of Discharge	A point in the receiving water, upstream of the point of sewage discharge, to capture ambient conditions absent of sewage discharge impacts.



Sampling Location	Sampling Location Description
RSW-001D: Downstream of Point of Discharge	A point in the receiving water, downstream of the point of sewage discharge, where the spill material is fully mixed with the receiving water.

<sup>1</sup> The Enrollee must use its best professional judgment to determine the upstream and downstream distances based on receiving water flow, accessibility to upstream/downstream waterbody banks, and size of visible sewage plume.

**2.4. Safety and Access Exceptions**

If the Enrollee encounters access restrictions or unsafe conditions that prevents its compliance with spill response requirements or monitoring requirements in this General Order, the Enrollee shall provide documentation of access restrictions and/or safety hazards in the corresponding required report.

**3. REPORTING REQUIREMENTS**

All reporting required in this General Order must be submitted electronically to the online [CIWQS Sanitary Sewer System Database](https://ciwqs.waterboards.ca.gov) (https://ciwqs.waterboards.ca.gov), unless specified otherwise in this General Order. Electronic reporting may solely be conducted by a Legally Responsible Official or Data Submitter(s) previously designated by the Legally Responsible Official, as required in section 5.8 (Designation of Data Submitters) of this General Order.

The Enrollee shall report any information that is protected by the Homeland Security Act, by email to [SanitarySewer@waterboards.ca.gov](mailto:SanitarySewer@waterboards.ca.gov), with a brief explanation of the protection provided by the Homeland Security Act for the subject report to be protected from unauthorized disclosure and/or public access, and for official Water Board regulatory purposes only.

**3.1. Reporting Requirements for Individual Category 1 Spill Reporting**

**3.1.1. Draft Spill Report for Category 1 Spills**

**Within three (3) business days** of the Enrollee’s knowledge of a Category 1 spill, the Enrollee shall submit a Draft Spill Report to the online CIWQS Sanitary Sewer System Database.

The Draft Spill Report must, at minimum, include the following items:

1. Contact information: Name and telephone number of Enrollee contact person to respond to spill-specific questions;
2. Spill location name;
3. Date and time the Enrollee was notified of, or self-discovered, the spill;
4. Operator arrival time;

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5. Estimated spill start date and time;
6. Date and time the Enrollee notified the California Office of Emergency Services, and the assigned control number;
7. Description, photographs, and GPS coordinates of the system location where the spill originated;
  - If a single spill event results in multiple appearance points, provide GPS coordinates for the appearance point closest to the failure point and describe each additional appearance point in the spill appearance point explanation field;
8. Estimated total spill volume exiting the system;
9. Description and photographs of the extent of the spill and spill boundaries;
10. Did the spill reach a drainage conveyance system? If Yes:
  - Description of the drainage conveyance system transporting the spill;
  - Photographs of the drainage conveyance system entry location(s);
  - Estimated spill volume fully recovered from the drainage conveyance system;
  - Estimated spill volume remaining within the drainage conveyance system;
11. Description and photographs of all discharge point(s) into the surface water;
12. Estimated spill volume that discharged to surface waters; and
13. Estimated total spill volume recovered.

### 3.1.2. Certified Spill Report for Category 1 Spills

**Within 15 calendar days** of the spill end date, the Enrollee shall submit a Certified Spill Report for Category 1 spills, to the online CIWQS Sanitary Sewer System Database. Upon completion of the Certified Spill Report, the online CIWQS Sanitary Sewer System Database will issue a final spill event identification number.

The Certified Spill Report must, at minimum, include the following mandatory information in addition to all information in the Draft Spill Report per section 3.1.1 (Draft Spill Report for Category 1 Spills) above:

1. Description of the spill event destination(s), including GPS coordinates if available, that represent the full spread and reach of the spill;
2. Spill end date and time;
3. Description of how the spill volume estimations were calculated, including at a minimum:
  - The methodology, assumptions and type of data relied upon, such as supervisory control and data acquisition (SCADA) records, flow monitoring or other telemetry information used to estimate the volume of the spill discharged, and the volume of the spill recovered (if any volume of the spill was recovered), and
  - The methodology(ies), assumptions and type of data relied upon for estimations of the spill start time and the spill end time;

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4. Spill cause(s) (for example, root intrusion, grease deposition, etc.);
5. System failure location (for example, main, lateral, pump station, etc.);
6. Description of the pipe material, and estimated age of the pipe material, at the failure location;
7. Description of the impact of the spill;
8. Whether or not the spill was associated with a storm event;
9. Description of spill response activities including description of immediate spill containment and cleanup efforts;
10. Description of spill corrective action, including steps planned or taken to reduce, eliminate, and prevent reoccurrence of the spill, and a schedule of major milestones for those steps;
11. Spill response completion date;
12. Detailed narrative of investigation and investigation findings of cause of spill;
13. Reasons for an ongoing investigation (as applicable) and the expected date of completion;
14. Name and type of receiving water body(s);
15. Description of the water body(s), including but not limited to:
  - Observed impacts on aquatic life,
  - Public closure, restricted public access, temporary restricted use, and/or posted health warnings due to spill,
  - Responsible entity for closing/restricting use of water body, and
  - Number of days closed/restricted as a result of the spill.
16. Whether or not the spill was located within 1,000 feet of a municipal surface water intake; and
17. If water quality samples were collected, identify sample locations and the parameters the water quality samples were analyzed for. If no samples were taken, Not Applicable shall be selected.

### **3.1.3. Spill Technical Report for Individual Category 1 Spill in which 50,000 Gallons or Greater Discharged into a Surface Water**

For any spill in which 50,000 gallons or greater discharged into a surface water, **within 45 calendar days** of the spill end date, the Enrollee shall submit a Spill Technical Report to the online CIWQS Sanitary Sewer System Database. The Spill Technical Report, at minimum, must include the following information:

1. Spill causes and circumstances, including at minimum:
  - Complete and detailed explanation of how and when the spill was discovered;

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- Photographs illustrating the spill origin, the extent and reach of the spill, drainage conveyance system entrance and exit, receiving water, and post-cleanup site conditions;
  - Diagram showing the spill failure point, appearance point(s), the spill flow path, and ultimate destinations;
  - Detailed description of the methodology employed, and available data used to calculate the discharge volume and, if applicable, the recovered spill volume;
  - Detailed description of the spill cause(s);
  - Description of the pipe material, and estimated age of the pipe material, at the failure location;
  - Description of the impact of the spill;
  - Copy of original field crew records used to document the spill; and
  - Historical maintenance records for the failure location.
2. Enrollee's response to the spill:
- Chronological narrative description of all actions taken by the Enrollee to terminate the spill;
  - Explanation of how the Sewer System Management Plan Spill Emergency Response Plan was implemented to respond to and mitigate the spill; and
  - Final corrective action(s) completed and a schedule for planned corrective actions, including:
    - Local regulatory enforcement action taken against an illicit discharge in response to this spill, as applicable,
    - Identifiable system modifications, and operation and maintenance program modifications needed to prevent repeated spill occurrences, and
    - Necessary modifications to the Emergency Spill Response Plan to incorporate lessons learned in responding to and mitigating the spill.
3. Water Quality Monitoring, including at minimum:
- Description of all water quality sampling activities conducted;
  - List of pollutant and parameters monitored, sampled and analyzed; as required in section 2.3 (Receiving Water Monitoring) of this Attachment;
  - Laboratory results, including laboratory reports;
  - Detailed location map illustrating all water quality sampling points; and
  - Other regulatory agencies receiving sample results (if applicable).
4. Evaluation of spill impact(s), including a description of short-term and long-term impact(s) to beneficial uses of the surface water.

### 3.1.4. Amended Certified Spill Reports for Individual Category 1 Spills

The Enrollee shall update or add additional information to a Certified Spill Report within **90 calendar days** of the spill end date by amending the report or by adding an attachment to the Spill Report in the online CIWQS Sanitary Sewer System Database. The Enrollee shall certify the amended report.

After **90 calendar days**, the Enrollee shall contact the State Water Board at [SanitarySewer@waterboards.ca.gov](mailto:SanitarySewer@waterboards.ca.gov) to request to amend a Spill Report. The Legally Responsible Official shall submit justification for why the additional information was not reported within the Amended Spill Report due date.

## 3.2. Reporting Requirements for Individual Category 2 Spill Reporting

### 3.2.1. Draft Spill Report for Category 2 Spills

**Within three (3) business days** of the Enrollee's knowledge of a Category 2 spill, the Enrollee shall submit a Draft Spill Report to the online CIWQS Sanitary Sewer System Database.

The Draft Spill Report must, at minimum, include the following items:

1. Contact information: Name and telephone number of Enrollee contact person to respond to spill-specific questions;
2. Spill location name;
3. Date and time the Enrollee was notified of, or self-discovered, the spill;
4. Operator arrival time;
5. Estimated spill start date and time;
6. Date and time the Enrollee notified the California Office of Emergency Services, and the assigned control number;
7. Description, photographs, and GPS coordinates of the system location where the spill originated;

If a single spill event results in multiple appearance points, provide GPS coordinates for the appearance point closest to the failure point and describe each additional appearance point in the spill appearance point explanation field;

8. Estimated total spill volume exiting the system;
9. Description and photographs of the extent of the spill and spill boundaries;
10. Did the spill reach a drainage conveyance system? If Yes:
  - Description of the drainage conveyance system transporting the spill;
  - Photographs of the drainage conveyance system entry location(s);
  - Estimated spill volume fully recovered from the drainage conveyance system;
  - Estimated spill volume remaining within the drainage conveyance system;

- Estimated spill volume discharged to a groundwater infiltration basin or facility, if applicable; and

11. Estimated total spill volume recovered.

### 3.2.2. Certified Spill Report for Category 2 Spills

**Within 15 calendar days** of the spill end date, the Enrollee shall submit a Certified Spill Report for the Category 2 spill, to the online [CIWQS Sanitary Sewer System Database](https://ciwqs.waterboards.ca.gov) (<https://ciwqs.waterboards.ca.gov>). Upon completion of the Certified Spill Report, the online CIWQS Sanitary Sewer System Database will issue a final spill event identification number.

The Certified Spill Report must, at minimum, include the following mandatory information in addition to all information in the Draft Spill Report per section 3.2.1 (Draft Spill Report for Category 2 Spills) above:

1. Description of the spill event destination(s), including GPS coordinates if available, that represent the full spread and reach of the spill;
2. Spill end date and time;
3. Description of how the spill volume estimations were calculated, including at a minimum:
  - The methodology, assumptions and type of data relied upon, such as supervisory control and data acquisition (SCADA) records, flow monitoring or other telemetry information used to estimate the volume of the spill discharged, and the volume of the spill recovered (if any volume of the spill was recovered), and
  - The methodology(ies), assumptions and type of data relied upon for estimations of the spill start time and the spill end time;
4. Spill cause(s) (for example, root intrusion, grease deposition, etc.);
5. System failure location (for example, main, pump station, etc.);
6. Description of the pipe/infrastructure material, and estimated age of the pipe material, at the failure location;
7. Description of the impact of the spill;
8. Whether or not the spill was associated with a storm event;
9. Description of spill response activities including description of immediate spill containment and cleanup efforts;
10. Description of spill corrective action, including steps planned or taken to reduce, eliminate, and prevent reoccurrence of the spill, and a schedule of major milestones for those steps;
11. Spill response completion date;
12. Detailed narrative of investigation and investigation findings of cause of spill;
13. Reasons for an ongoing investigation (as applicable) and the expected date of completion; and

14. Whether or not the spill was located within 1,000 feet of a municipal surface water intake.

### 3.2.3. Amended Certified Spill Reports for Individual Category 2 Spills

The Enrollee shall update or add additional information to a Certified Spill Report within **90 calendar days** of the spill end date by amending the report or by adding an attachment to the Spill Report in the online CIWQS Sanitary Sewer System Database. The Enrollee shall certify the amended report.

After **90 calendar days**, the Enrollee shall contact the State Water Board at [SanitarySewer@waterboards.ca.gov](mailto:SanitarySewer@waterboards.ca.gov) to request to amend a Spill Report. The Legally Responsible Official shall submit justification for why the additional information was not reported within the Amended Spill Report due date.

### 3.3. Monthly Certified Spill Reporting for Category 3 Spills

The Enrollee shall report and certify all Category 3 spills to the online CIWQS Sanitary Sewer System Database within 30 calendar days after the end of the month in which the spills occurred. (For example, all Category 3 spills occurring in the month of February shall be reported and certified by March 30<sup>th</sup>). After the Legally Responsible Official certifies the spills, the online CIWQS Sanitary Sewer System Database will issue a spill event identification number for each spill.

The monthly reporting of all Category 3 spills must include the following items for each spill:

1. Contact information: Name and telephone number of Enrollee contact person to respond to spill-specific questions;
2. Spill location name;
3. Date and time the Enrollee was notified of, or self-discovered, the spill;
4. Operator arrival time;
5. Estimated spill start date and time;
6. Description, photographs, and GPS coordinates where the spill originated:
  - If a single spill event results in multiple appearance points, provide GPS coordinates for the appearance point closest to the failure point and describe each additional appearance point in the spill appearance point explanation field;
7. Estimated total spill volume exiting the system;
8. Description and photographs of the extent of the spill and spill boundaries;
9. Did the spill reach a drainage conveyance system? If Yes:
  - Description of the drainage conveyance system transporting the spill;
  - Photographs of the drainage conveyance system entry locations(s);
  - Estimated spill volume fully recovered from the drainage conveyance system; and

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- Estimated spill volume discharged to a groundwater infiltration basis or facility, if applicable.
- 10. Estimated total spill volume recovered;
- 11. Description of the spill event destination(s), including GPS coordinates, if available, that represent the full spread and reaches of the spill;
- 12. Spill end date and time;
- 13. Description of how the spill volume estimations were calculated, including, at minimum:
  - The methodology and type of data relied upon, including supervisory control and data acquisition (SCADA) records, flow monitoring or other telemetry information used to estimate the volume of the spill discharged, and the volume of the spill recovered (if any volume of the spill was recovered), and
  - The methodology and type of data relied upon to estimate the spill start time, on-going spill rate at time of arrival (if applicable), and the spill end time;
- 14. Spill cause(s) (for example, root intrusion, grease deposition, etc.);
- 15. System failure location (for example, main, pump station, etc.);
- 16. Description of the pipe/infrastructure material, and estimated age of the pipe/infrastructure material, at the failure location;
- 17. Description of the impact of the spill;
- 18. Whether or not the spill was associated with a storm event;
- 19. Description of spill response activities including description of immediate spill containment and cleanup efforts;
- 20. Description of spill corrective actions, including steps planned or taken to reduce, eliminate, and prevent reoccurrence of the spill, and a schedule of the major milestones for those steps; including, at minimum:
  - Local regulatory enforcement action taken against an illicit discharge in response to this spill, as applicable, and
  - Identifiable system modifications, and operation and maintenance program modifications needed to prevent repeated spill occurrences at the same spill event location, including:
    - Adjusted schedule/method of preventive maintenance,
    - Planned rehabilitation or replacement of sanitary sewer asset,
    - Inspected, repaired asset(s), or replaced defective asset(s),
    - Capital improvements,
    - Documentation verifying immediately implemented system modifications and operating/maintenance modifications,
    - Description of spill response activities,



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- Spill response completion date, and
- Ongoing investigation efforts, and expected completion date of investigation to determine the full cause of spill;

21. Detailed narrative of investigation and investigation findings of cause of spill.

### 3.4. Monthly Certified Spill Reporting for Category 4 Spills

The Enrollee shall report and certify the estimated total spill volume exiting the sanitary sewer system, and the total number of all Category 4 spills to the online CIWQS Sanitary Sewer System Database, within 30 calendar days after the end of the month in which the spills occurred.

### 3.5. Amended Certified Spill Reports for Category 3 Spills

**Within 90 calendar days of the certified Spill Report due date**, the Enrollee may update or add additional information to a certified Spill Report by amending the report or by adding an attachment to the Spill Report in the online CIWQS Sanitary Sewer System Database. The Enrollee shall certify the amended report.

**After 90 calendar days**, the Legally Responsible Official shall contact the State Water Board at [SanitarySewer@waterboards.ca.gov](mailto:SanitarySewer@waterboards.ca.gov) to request to amend a certified Spill Report. The Legally Responsible Official shall submit justification for why the additional information was not reported within the 90-day timeframe for amending the certified Spill Report, as provided above.

### 3.6. Annual Certified Spill Reporting of Category 4 and/or Lateral Spills

For all Category 4 spills and spills from its owned and/or operated laterals that are caused by a failure or blockage in the lateral and that do not discharge to a surface water, the Enrollee shall:

- Maintain records per section 4.4. of this Attachment;  
The Enrollee shall provide records upon request by State Water Board or Regional Water Board staff.
- Annually upload and certify a report, in an appropriate digital format, of all recordkeeping of spills to the online CIWQS Sanitary Sewer System Database, by February 1st after the end of the calendar year in which the spills occurred.

A spill from an Enrollee-owned and/or operated lateral that discharges to a surface water is a Category 1 spill; the Enrollee shall report all Category 1 spills per section 3.1 of Attachment E1 (Notification, Monitoring, Reporting and Recordkeeping Requirements) of this General Order.

### 3.7. Monthly Certification of “No-Spills” or “Category 4 Spills” and/or “Non-Category 1 Lateral Spills”

If either (1) no spills occur during a calendar month or (2) only Category 4, and/or Enrollee-owned and/or operated lateral spills (that do not discharge to a surface water) occur during a calendar month, the Enrollee shall certify, within 30 calendar days after

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the end of each calendar month, either a “No-Spill” certification statement, or a “Category 4 Spills” and/or “Non-Category 1 Lateral Spills” certification statement, in the online CIWQS Sanitary Sewer System Database, certifying that there were either no spills, or Category 4 and/or Non-Category 1 Lateral Spills that will be reported annually (per section 3.6 of this Attachment) for the designated month.

If a spill starts in one calendar month and ends in a subsequent calendar month, and the Enrollee has no further spills of any category, in the subsequent calendar month, the Enrollee shall certify “no-spills” for the subsequent calendar month.

If the Enrollee has no spills from its systems during a calendar month, but the Enrollee voluntarily reported a spill from a private lateral or a private system, the Enrollee shall certify “no-spills” for that calendar month.

If the Enrollee has spills from its owned and/or operated laterals during a calendar month, the Enrollee shall not certify “no spills” for that calendar month.

### 3.8. **Electronic Sanitary Sewer System Service Area Boundary Map**

The Legally Responsible Official shall submit, to the State Water Board, an up-to-date electronic spatial map of its sewer system service area boundaries. The map must be in accordance with section 5.14 (Electronic Sanitary Sewer System Service Area Boundary Map) of this General Order and the specification provided on the statewide Sanitary Sewer Systems program website. The map must include the location of wastewater treatment facility(ies) that treats the sewer system waste, if in the same sewer service boundary.

By the Effective Date of this General Order, specifications for the electronic sanitary sewer service area boundary map format will be provided on the statewide Sanitary Sewer Systems Order program website.

### 3.9. **Annual Report (Previously termed as Collection System Questionnaire in General Order 2006-0003-DWQ)**

A new Enrollee shall complete and submit its first certified Annual Report into the online CIWQS Sanitary Sewer System Database, **within 30 days of obtaining a CIWQS account**; Subsequent Annual Reports are due by April 1 of each year.

All enrollees shall update their previous year’s Annual Report, **by April 1 of each year after the Effective Date of this General Order**, for each calendar year (January 1 through December 31).

The Annual Report must be entered directly into the online CIWQS Sanitary Sewer System Database. The Enrollee’s Legally Responsible Official shall certify the Annual Report as instructed in CIWQS;

The Annual Report must address, and update as applicable, the following items:

- Population served;

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- Updated sewer system service area boundary map, if service area boundary has changed from original map submitted per section 5.14 (Electronic Sanitary Sewer System Service Area Boundary Map) of this General Order;
- Number of system operation and maintenance staff:
  - Entry level (less than two years of experience),
  - Journey level (greater than two years of experience),
  - Supervisory level, and
  - Managerial level;
- Number of operation and maintenance staff certified as a certified collection system operator by the California Water Environmental Association (CWEA), with:
  - Corresponding number of certified collection system operator grade levels (Grade I, II, III, IV, and V);
- System information:
  - Miles of system gravity and force mains,
  - Number of upper and lower service laterals connected to system,
  - Estimated number of upper and lower laterals owned and/or operated by the Enrollee,
  - Portion of laterals that is Enrollee's responsibility,
  - Average age the major components of system infrastructure,
  - Number and age of pump stations, and
  - Estimated total miles of the system pipeline not accessible for maintenance;
- Name and location of the treatment plant(s) receiving sanitary sewer system's waste;
- Name of satellite sewer system tributaries;
- Number of system's gravity sewer above or underground crossings of water bodies throughout system;
- Number of force main (pressurized pipe) above or underground crossings of water bodies throughout system;
- Number of siphons used to convey waste throughout the sewer system;
- Miles of sewer system cleaned;
- Miles of sewer system video inspected, or comparable (i.e., video closed-circuit television or alternative inspection methods);
- System Performance Evaluation as specified in section 5.11 (System Performance Analysis) of this General Order;
- Major spill causes (for example, root intrusion, grease deposition);

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- System infrastructure failure points (for example, main, pump station, lateral, etc.);
- Ongoing spill investigations; and
- Actions taken to address system deficiencies.

### 3.10. Sewer System Management Plan Audit Reporting Requirements

The Enrollee shall submit its Sewer System Management Plan Audit and other pertinent audit information, in accordance with section 5.4 (Sewer System Management Plan Audits) of this General Order, to the online CIWQS Sanitary Sewer System Database **by six (6) months after the end of the 3-year audit period.**

If a Sewer System Management Plan Audit is not conducted as required: the Enrollee shall:

- Update the online CIWQS Sanitary Sewer System Database and select the justification for not conducting the Audit; and
- Notify its corresponding Regional Water Board (see Attachment F (Regional Water Quality Control Board Contact Information)) of the justification for the lapsed requirements.

The Enrollee's reporting of a justification for not conducting a timely Audit does not justify non-compliance with this General Order. The Enrollee shall:

- Submit the late Audit as required in this General Order; and
- Comply with subsequent Audit requirements and due dates corresponding with the original audit cycle.

### 3.11. Sewer System Management Plan Reporting Requirements

For an Existing Enrollee previously regulated by Order 2006-0003-DWQ: **Within every six (6) years after the required due date of its last Plan Update**, the Legally Responsible Official shall upload and certify a local governing entity-approved Sewer System Management Plan Update to the online CIWQS Sanitary Sewer System Database. If the electronic document format or size capacity prevents the electronic upload of the Plan, the Legally Responsible Official shall report an electronic link to its updated Sewer System Management Plan posted on its own website.

Order 2006-0003-DWQ required each enrollee to develop its initial Sewer System Management Plan per the following schedule, with required Plan updates at a frequency of 5-years thereafter:

Systems serving populations: Greater than 100,000: May 2, 2009

Between 100,000 and 10,000: August 2, 2009

Between 10,000 and 2,500: May 2, 2010

Less than 2,500: August 2, 2010

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This Order carries forth the previously-required Plan Update schedule per Order 2006-0003-DWQ. Per the six-year Plan Update frequency required in this Order, the Enrollee shall upload and certify its first Plan Update, to the online CIWQS Sanitary Sewer System Database by the following due dates, with subsequent Plan Updates at the frequency of six years thereafter:

Systems serving populations: Greater than 100,000: May 2, 2025

Between 100,000 and 10,000: August 2, 2025

Between 10,000 and 2,500: May 2, 2026

Less than 2,500: August 2, 2026

For a New Enrollee: **Within twelve (12) months of its Application for Enrollment Approval date**, the Legally Responsible Official of a new Enrollee shall upload and certify a local governing entity-approved Sewer System Management Plan to the online CIWQS Sanitary Sewer System Database. If electronic document format or size capacity prevents the electronic upload of the Plan, the Legally Responsible Official shall report an electronic link to its Sewer System Management Plan posted on its own website. The due date for subsequent 6-year Plan updates, is six (6) years from the submittal due date of the new Enrollee's first Sewer System Management Plan.

### 4. RECORDKEEPING REQUIREMENTS

The Enrollee shall maintain records to document compliance with the provisions of this General Order, and previous General Order 2006-0003-DWQ as applicable, for each sanitary sewer system owned, including any required records generated by an Enrollee's contractor(s).

#### 4.1. Recordkeeping Time Period

The Enrollee shall maintain records of documents required in this Attachment, including records collected for compliance with this General Order, and records collected in accordance with previous General Order 2006-0003-DWQ, for five (5) years.

#### 4.2. Availability of Documents

The Enrollee shall make the records required in this General Order readily available, either electronic or hard copies, for review by Water Board staff during onsite inspections or through an information request.

#### 4.3. Spill Reports

The Enrollee shall maintain records for each of the following spill-related events and activities:

- Spill event complaint, including but not limited to records documenting how the Enrollee responded to notifications of spills. Each complaint record must, at a minimum, include the following information:
  - Date, time, and method of notification,

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- Date and time the complainant first noticed the spill, if available,
- Narrative description of the complaint, including any information the caller provided regarding whether the spill has reached surface waters or a drainage conveyance system, if available,
- Complainant's contact information, if available, and
- Final resolution of the complaint;
- Records documenting the steps and/or remedial action(s) undertaken by the Enrollee, using all available information, to comply with this General Order, and previous General Order 2006-0003-DWQ as applicable;
- Records documenting how estimate(s) of volume(s) and, if applicable, volume(s) of spill recovered were calculated;
- All California Office of Emergency Services notification records, as applicable; and
- Records, in accordance with the Monitoring Requirements in this Attachment.

### **4.4. Recordkeeping of Category 4 Spills and Non-Category 1 Lateral Spills**

An Enrollee must maintain the following records for each individual Category 4 spill and for each individual non-Category 1 Enrollee-owned and/or operated lateral spill, and report in accordance to section 3.6 (Annual Certified Spill Reporting of Category 4 and/or Lateral Spills) of this Attachment.

#### **Recordkeeping of Individual Category 4 Spill Information:**

1. Contact information: Name and telephone number of Enrollee contact person to respond to spill-specific questions;
2. Spill location name;
3. Description and GPS coordinates for the system location where the spill originated;
4. Did the spill reach a drainage conveyance system? If Yes:
  - Description of drainage conveyance system location,
  - Estimated spill volume fully recovered within the drainage conveyance system, and
  - Estimated spill volume remaining within the drainage conveyance system;
5. Estimated total spill volume exiting the sanitary sewer system;
6. Spill date and start time;
7. Spill cause(s) (for example, root intrusion, grease deposition, etc.);
8. System failure location (for example, main, pump station, etc.);
9. Description of spill response activities including description of immediate spill containment and cleanup efforts;
10. Description of how the volume estimation was calculated, including, at minimum:

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- The methodology and type of data relied upon, including supervisory control and data acquisition (SCADA) records, flow monitoring or other telemetry information used to estimate the volume of the spill discharged, and the volume of the spill recovered (if any volume of the spill was recovered), and
- The methodology and type of data relied upon to estimate the spill start time, on-going spill rate at time of arrival (if applicable), and the spill end time;

11. Description of implemented system modifications and operating/maintenance modifications.

### **Recordkeeping of Individual Lateral Spill Information:**

1. Date and time the Enrollee was notified of, or self-discovered, the spill;
2. Location of individual spill;
3. Estimated individual spill volume;
4. Spill cause(s) (for example, root intrusion, grease deposition, etc.); and
5. Description of how the volume estimations were calculated.

### **Total Annual Spill Information:**

1. Estimated total annual spill volume;
2. Description of spill corrective actions, including at minimum:
  - Local regulatory enforcement action taken against the sewer lateral owner in response to a spill, as applicable, and
  - System operation, maintenance and program modifications implemented to prevent repeated spill occurrences at the same spill location.

## **4.5. Sewer System Telemetry Records**

The Enrollee shall maintain the following sewer system telemetry records if used to document compliance with this General Order, and previous General Order 2006-0003-DWQ as applicable, including spill volume estimates:

- Supervisory control and data acquisition (SCADA) system(s);
- Alarm system(s);
- Flow monitoring device(s) or other instrument(s) used to estimate sewage flow rates, and/or volumes;
- Computerized maintenance management system records; and
- Asset management-related records.

## **4.6. Sewer System Management Plan Implementation Records**

The Enrollee shall maintain records documenting the Enrollee's implementation of its Sewer System Management Plan, including documents supporting its Sewer System Management Plan audits, corrections, modifications, and updates to the Sewer System Management Plan.

**4.7. Audit Records**

The Enrollee shall maintain, at minimum, the following records pertaining to its Sewer System Management Plan audits, and other internal audits:

- Completed audit documents and findings;
- Name and contact information of staff and/or consultants that conducted or involved in the audit; and
- Follow-up actions based on audit findings.

**4.8. Equipment Records**

The Enrollee shall maintain a log of all owned and leased sewer system cleaning, operational, maintenance, construction, and rehabilitation equipment.

**4.9. Work Orders**

The Enrollee shall maintain record of work orders for operations and maintenance projects.



**ATTACHMENT E2 – SUMMARY OF NOTIFICATION, MONITORING AND REPORTING REQUIREMENTS**

This Attachment provides a summary of notification, monitoring and reporting requirements, by spill category, and for Enrollee-owned and/or operated laterals as required in Attachment E1 of this General Order, for quick reference purposes only.

**Table E2-1**

**Spill Category 1: Spills to Surface Waters**

Spill Requirement	Due	Method
Notification	<p><b>Within two (2) hours</b> of the Enrollee’s knowledge of a Category 1 spill of 1,000 gallons or greater, discharging or threatening to discharge to surface waters:</p> <p>Notify the California Office of Emergency Services and obtain a notification control number.</p>	<p>California Office of Emergency Services at: (800) 852-7550  (Section 1 of Attachment E1)</p>
Monitoring	<ul style="list-style-type: none"> <li>• Conduct spill-specific monitoring;</li> <li>• Conduct water quality sampling of the receiving water within <b>18 hours</b> of initial knowledge of spill of 50,000 gallons or greater to surface waters.</li> </ul>	<p>(Section 2 of Attachment E1)</p>
Reporting	<ul style="list-style-type: none"> <li>• Submit Draft Spill Report <b>within three (3) business days</b> of the Enrollee’s knowledge of the spill;</li> <li>• Submit Certified Spill Report <b>within 15 calendar days</b> of the spill end date;</li> <li>• Submit Technical Report <b>within 45 calendar days</b> after the spill end date for a Category 1 spill in which <b>50,000 gallons or greater</b> discharged to surface waters; and</li> <li>• Submit Amended Spill Report <b>within 90 calendar days</b> after the spill end date.</li> </ul>	<p>(Section 3.1 of Attachment E1)</p>

**Table E2-2**

**Spill Category 2: Spills of 1,000 Gallons or Greater That Do Not Discharge to Surface Waters**

<b>Spill Requirements</b>	<b>Due</b>	<b>Method</b>
Notification	<p><b>Within two (2) hours</b> of the Enrollee’s knowledge of a Category 2 spill of 1,000 gallons or greater, discharging or threatening to discharge to waters of the State:</p> <p>Notify California Office of Emergency Services and obtain a notification control number.</p>	<p>California Office of Emergency Services at: (800) 852-7550</p> <p>(Section 1 of Attachment E1)</p>
Monitoring	Conduct spill-specific monitoring.	(Section 2 of Attachment E1)
Reporting	<ul style="list-style-type: none"> <li>• Submit Draft Spill Report <b>within three (3) business days</b> of the Enrollee’s knowledge of the spill;</li> <li>• Submit Certified Spill Report <b>within 15 calendar days</b> of the spill end date; and</li> <li>• Submit Amended Spill Report <b>within 90 calendar days</b> after the spill end date.</li> </ul>	(Section 3.2 of Attachment E1)

**Table E2-3**

**Spill Category 3: Spills of Equal or Greater than 50 Gallons and Less than 1,000 Gallons That Does Not Discharge to Surface Waters**

<b>Spill Requirements</b>	<b>Due</b>	<b>Method</b>
Notification	Not Applicable	Not Applicable
Monitoring	Conduct spill-specific monitoring.	(Section 2 of Attachment E1)
Reporting	<ul style="list-style-type: none"> <li>Submit monthly Certified Spill Report to the online CIWQS Sanitary Sewer System Database within <b>30 calendars days</b> after the end of the month in which the spills occur; and</li> <li>Submit Amended Spill Reports <b>within 90 calendar days</b> after the Certified Spill Report due date.</li> </ul>	(Section 3.3 and 3.5 of Attachment E1)

**Table E2-4**

**Spill Category 4: Spills Less Than 50 Gallons That Do Not Discharge to Surface Waters**

<b>Spill Requirements</b>	<b>Due</b>	<b>Method</b>
Notification	Not Applicable	Not Applicable
Monitoring	Conduct spill-specific monitoring.	(Section 2 of Attachment E1)
Reporting	<ul style="list-style-type: none"> <li>If, during any calendar month, Category 4 spills occur, certify monthly, the estimated total spill volume exiting the sanitary sewer system, and the total number of all Category 4 spills into the online CIWQS Sanitary Sewer System Database, within 30 days after the end of the calendar month in which the spills occurred.</li> <li>Upload and certify a report, in an acceptable digital format, of all Category 4 spills to the online CIWQS Sanitary Sewer System Database, by February 1<sup>st</sup> after the end of the calendar year in which the spills occur.</li> </ul>	(Section 3.4, 3.6, 3.7 and 4.4 of Attachment E1)

**Table E2-5**

**Enrollee Owned and/or Operated Lateral Spills That Do Not Discharge to Surface Waters**

<b>Spill Requirements</b>	<b>Due</b>	<b>Method</b>
Notification	<p><b>Within two (2) hours</b> of the Enrollee’s knowledge of a spill of 1,000 gallons or greater, from an enrollee-owned and/or operated lateral, discharging or threatening to discharge to waters of the State:</p> <p>Notify California Office of Emergency Services and obtain a notification control number.</p> <p>Not applicable to a spill of less than 1,000 gallons.</p>	<p>California Office of Emergency Services at: (800) 852-7550</p> <p>(Section 1 of Attachment E1)</p>
Monitoring	<p>Conduct visual monitoring.</p>	<p>(Section 2 of Attachment E1)</p>
Reporting	<ul style="list-style-type: none"> <li>• Upload and certify a report, in an acceptable digital format, of all lateral spills (that do not discharge to a surface water) to the online CIWQS Sanitary Sewer System Database, by February 1<sup>st</sup> after the end of the calendar year in which the spills occur.</li> <li>• Report a lateral spill of any volume that discharges to a surface water as a Category 1 spill.</li> </ul>	<p>(Sections 3.6, 3.7 and 4.4 of Attachment E1)</p>

## ATTACHMENT F – REGIONAL WATER QUALITY CONTROL BOARD CONTACT INFORMATION

This Attachment provides a map, list of counties, and contact information to assist the Enrollee in identifying the corresponding Regional Water Quality Control Board office, for all Regional Water Board notification requirements in this General Order.



### **Region 1 -- North Coast Regional Water Quality Control Board:**

Del Norte, Glenn, Humboldt, Lake, Marin, Mendocino, Modoc, Siskiyou, Sonoma, and Trinity counties.

RB1SpillReporting@waterboards.ca.gov or (707) 576-2220

### **Region 2 -- San Francisco Bay Regional Water Quality Control Board:**

Alameda, Contra Costa, San Francisco, Santa Clara (Northern most part of Morgan Hill), San Mateo, Marin, Sonoma, Napa, Solano counties.

RB2SpillReports@waterboards.ca.gov or (510) 622-2369

### **Region 3 -- Central Coast Regional Water Quality Control Board:**

Santa Clara (most of Morgan Hill), San Mateo (Southern portion), Santa Cruz, San Benito, Monterey, Kern (small portions), San Luis Obispo, Santa Barbara, Ventura (Northern portion) counties.

CentralCoast@waterboards.ca.gov or (805) 549-3147

### **Region 4 -- Los Angeles Regional Water Quality Control Board:**

Los Angeles, Ventura counties (small portions of Kern and Santa Barbara counties).

rb4-ssswdr@waterboards.ca.gov or (213) 576-6600

STATEWIDE SANITARY SEWER SYSTEMS GENERAL ORDER 2022-0103-DWQ

**Region 5 -- Central Valley Regional Water Quality Control Board:**

**Rancho Cordova (Sacramento) Office:** Colusa, Lake, Sutter, Yuba, Sierra, Nevada, Placer, Yolo, Napa, (North East), Solano (West), Sacramento, El Dorado, Amador, Calaveras, San Joaquin, Contra Costa (East), Stanislaus, Tuolumne counties.

RB5sSpillReporting@waterboards.ca.gov or (916) 464-3291

**Fresno Office:** Fresno, Kern, Kings, Madera, Mariposa, Merced, and Tulare counties, and small portions of San Benito and San Luis Obispo counties.

RB5fSpillReporting@waterboards.ca.gov or (559) 445-5116

**Redding Office:** Butte, Glen, Lassen, Modoc, Plumas, Shasta, Siskiyou, and Tehama counties.

RB5rSpillReporting@waterboards.ca.gov or (530) 224-4845

**Region 6 -- Lahontan Regional Water Quality Control Board:**

**Lake Tahoe Office:** Alpine, Modoc (East), Lassen (East side and Eagle Lake), Sierra, Nevada, Placer, El Dorado counties.

RB6sSpillReporting@waterboards.ca.gov or (530) 542-5400

**Victorville Office:** Mono, Inyo, Kern (East), San Bernardino, Los Angeles (North East corner) counties.

RB6vSpillReporting@waterboards.ca.gov or (760) 241-6583

**Region 7 -- Colorado River Basin Regional Water Quality Control Board:**

Imperial county and portions of San Bernardino, Riverside, San Diego counties.

RB7SpillReporting@waterboards.ca.gov or (760) 346-7491

**Region 8 -- Santa Ana Regional Water Quality Control Board:**

Orange, Riverside, San Bernardino counties.

RB8SpillReporting@waterboards.ca.gov or (951) 782-4130

**Region 9 -- San Diego Regional Water Quality Control Board:**

San Diego county and portions of Orange and Riverside counties.

RB9Spill\_Report@waterboards.ca.gov or (619) 516-1990

**End of Order 2022-0103-DWQ**

**AGREEMENT FOR PROFESSIONAL SERVICES**

**ARTICLE 1  
PARTIES AND PURPOSE**

**Section 1.1 Parties**

THIS AGREEMENT is entered into on \_\_\_\_\_, 2024, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and WEST YOST & ASSOCIATES, INC., a California corporation (hereinafter "CONTRACTOR").

**Section 1.2 Purpose**

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for sewer system management plan audit and update (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

**ARTICLE 2  
SCOPE OF SERVICES**

**Section 2.1 Scope of Services**

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

**Section 2.2 Time For Commencement and Completion of Work**

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall

weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

**Section 2.3 Meetings**

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

**Section 2.4 Staffing**

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

**Section 2.5 Subcontracts**

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

**Section 2.6 Term**

The term of this Agreement commences on November 30, 2024 and terminates upon the completion of the Scope of Services or on October 31, 2025, whichever occurs first.



**ARTICLE 3**  
**COMPENSATION**

**Section 3.1 Compensation**

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

**Section 3.2 Method of Payment**

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

**Section 3.3 Costs**

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

**Section 3.4 Auditing**

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

**ARTICLE 4**  
**MISCELLANEOUS PROVISIONS**

**Section 4.1 Nondiscrimination**

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

**Section 4.2 ADA Compliance**

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

**Section 4.3 Indemnification and Responsibility for Damage**

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

**Section 4.4 No Personal Liability**

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

**Section 4.5 Responsibility of CITY**

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

**Section 4.6 Insurance Requirements for CONTRACTOR**

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

**Section 4.7 Successors and Assigns**

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

**Section 4.8 Notices**

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY:                      City of Lodi  
   221 West Pine Street  
   P.O. Box 3006  
   Lodi, CA 95241-1910  
   Attn: Andrew Richle

To CONTRACTOR: West Yost & Associates, INC.  
   2020 Research Park Drive, Suite 100  
   Davis, California 95618  
   Attn: Anne Girtz, PE

**Section 4.9 Cooperation of CITY**

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

**Section 4.10 CONTRACTOR is Not an Employee of CITY**

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

**Section 4.11 Termination**

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

**Section 4.12 Confidentiality**

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

**Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees**

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

**Section 4.14 City Business License Requirement**

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

**Section 4.15 Captions**

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

**Section 4.16 Integration and Modification**

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

**Section 4.17 Contract Terms Prevail**

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

**Section 4.18 Severability**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**Section 4.19 Ownership of Documents**

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

**Section 4.20 Authority**

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

**Section 4.21 Federal Transit Funding Conditions**

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

**Section 4.22 Counterparts and Electronic Signatures**

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

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**IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.**

ATTEST:

CITY OF LODI, a municipal corporation

\_\_\_\_\_  
OLIVIA NASHED  
City Clerk

\_\_\_\_\_  
SCOTT R. CARNEY  
City Manager

APPROVED AS TO FORM:  
KATIE O. LUCCHESI, City Attorney

WEST YOST & ASSOCIATES, INC.  
a California corporation

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


By: \_\_\_\_\_  
Name: ANNE GIRTZ, PE  
Title: Senior Engineer

- Attachments:**  
**Exhibit A – Scope of Services**  
**Exhibit B – Fee Proposal**  
**Exhibit C – Insurance Requirements**  
**Exhibit D – Federal Transit Funding Conditions (if applicable)**

**Funding Source: 53053001.72450**  
**(Business Unit & Account No.)**

Doc ID: \\PWADC02\msc\$\GROUP\ADMIN\Council\2024\11-20-2024\West Yost PSA

CA: Rev.06.2024-LT



2020 Research Park Drive  
Suite 100  
Davis CA 95618

530.756.5905 phone  
530.756.5991 fax  
westyost.com

September 13, 2024

SENT VIA: EMAIL

Andrew Richle  
Utilities Superintendent  
City of Lodi  
Lodi, CA 95240

**SUBJECT: Proposal for Sewer System Management Plan Audit and Update**

Dear Andrew:

West Yost is pleased to provide this letter proposal to the City of Lodi (City) for sewer system regulatory support, specifically, to prepare a Sewer System Management Plan (SSMP) Audit and Update.

**BACKGROUND**

The Statewide Waste Discharge Requirements, General Order for Sanitary Sewer Systems (WDR or Order) requires agencies who own or operate a sanitary sewer system greater than 1-mile in length to prepare a Sewer System Management Plan (SSMP) and perform regular updates and audits of the SSMP.

The City has performed updates and audits to their SSMP in-house since it was initially developed in 2007. The most recent update was in 2019 and most recent audit was in 2021.

Under the re-issued Order (effective June 5, 2023), the frequency of the updates and audits has changed. Based on the State Water Board's lookup feature<sup>1</sup>, the City's next SSMP update deadline is August 2025, and the next audit deadline is February 2025 (based on an audit period ending August 2024).

With changes to the WDR, the City desires to retain a consultant to audit and update their SSMP to meet the requirements of the WDR. Results from the audit are expected to be used to move directly into SSMP updates.

Presented below is West Yost's proposed scope of services, budget, and schedule to perform an audit and update to the City's SSMP.

**SCOPE OF SERVICES**

The following is a list of tasks necessary to perform the proposed scope of services, each further described below:

- Task 1. SSMP Review and Audit
- Task 2. SSMP Update Kickoff and Workshop

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<sup>1</sup> [SSMP Audit & Updates Lookup | California State Water Quality Control Board](#), WDID 5SSO011084



- Task 3. Data Collection and Review
- Task 4. Update SSMP and Supporting Documents
- Task 5. SSMP Training
- Task 6. Project Management and Quality Control

## **Task 1. SSMP Review and Audit**

Perform an overall audit of the current SSMP (2019) utilizing West Yost's gap analysis tool. Review will focus on both compliance with the Order and effectiveness of the SSMP. Identify any deficiencies or recommendations for SSMP elements that could be updated or revised to better serve City staff.

Prepare a 2024 Draft SSMP Audit Report to summarize the audit process and provide to the City for review. Prepare a Final Report based on City comments. The Audit Report sections will include:

- Summary of Audit Process
- Audit Checklist/Gap Analysis and Recommendations
- Evaluation of Effectiveness of SSMP, including Sanitary Sewer Overflow (SSO) data from 2014-2024 from CIWQS.
- Overall Performance of the System (with input from City)

### **Task 1 Deliverables**

- Audit Report (Draft and Final), in Word and PDF format

## **Task 2. SSMP Update Kickoff and Workshop**

Hold a virtual workshop with the City staff to kick off the 2024 SSMP update process. The workshop will introduce staff to the SSMP, review the reissued WDR requirements, clarify the goals of the SSMP update, review the results of the audit, and outline the SSMP update process. During the workshop, identify staff who will assist with data gathering for each SSMP element.

## **Task 3. Data Collection and Review**

Develop a data request log that includes a list of data required to update the SSMP (including asset inventories, work order history, studies, reports, budgets, operational data, etc.). Review available materials provided by the City and update the data request log to highlight any outstanding items remaining.

## **Task 4. Update SSMP and Supporting Documents**

Update each SSMP element in accordance with the recommendations developed in the 2024 audit (Task 1). Revise the existing SSMP document to reflect current City standards and practices and to reference the appropriate supporting documents that describe and document collection system procedures.

The SSMP document references numerous stand-alone documents that describe, document, and track collection system management procedures. These supporting documents are referenced as appendices

in the SSMP. These documents will be updated to correspond to current City practices, to be compliant with applicable regulations, and to correspond to Best Management Practices, as necessary.

As discussed with City staff, we understand the Overflow Emergency Response Program (Appendix F) has been updated to meet the requirements of the new WDR and will need to be included in the final SSMP but will not need to be updated. It is expected the contents of the following Appendices will require updates:

- Appendix A – SSMP Development Plan and Schedule
- Appendix B – Organization Documents
- Appendix D – O&M Program Documents
- Appendix G – FOG Control Program Documents
- Appendix H – SECAP Plan Documents (H-6 Wastewater Rehabilitation Maps only)
- Appendix I – Monitoring, Measurement, and Program Modification Documents
- Appendix J – SSMP Program Audit Documents

Prepare and submit the revised 2024 Draft SSMP document for staff review and comment. Receive one consolidated set of comments and meet with the City to discuss the comments. Revise and submit the Final SSMP.

#### **Task 4 Deliverables**

- SSMP Document (Draft and Final), in Word and PDF format

#### **Task 5. SSMP Training**

Prepare two SSMP training PowerPoint presentations, based on the updated Final SSMP. Conduct one virtual, two-hour training class on the SSMP elements and SSMP effectiveness, for collection system employees; and one virtual one-hour training class for engineers, managers, and related administrative staff. The training classes will be scheduled to allow the highest number of collection system employees to attend. Materials from the SSMP training will be provided to the District to use for future in-house trainings.

#### **Task 5 Deliverables**

- SSMP Training Presentations, PowerPoint

#### **Task 6. Project Management and Quality Control**

Provide overall project management activities to keep project on schedule and within budget, and internal QA/QC of all work products prior to submitting to the City. Monthly invoices with project progress reports will be created to provide a summary of the project's progress.

#### **Task 6 Deliverables**

- Monthly invoices with progress reports

## PROJECT BUDGET

West Yost’s proposed level of effort and budget for each of the tasks described above is shown in Table 1. West Yost will perform the Scope of Services described above on a time-and-expenses basis, at the billing rates set forth in West Yost’s attached Billing Rate Schedule, with a not-to-exceed budget of **\$67,298**. Any additional services not included in this Scope of Services will be performed only after receiving written authorization and a corresponding budget augmentation.

<b>Table 1. Estimated Project Hours and Budget</b>		
<b>Task</b>	<b>Level of Effort, hours</b>	<b>Estimated Budget, dollars</b>
Task 1. SSMP Review and Audit	60	\$13,656
Task 2. SSMP Update Kickoff and Workshop	18	\$4,338
Task 3. Data Collection and Review	42	\$9,420
Task 4. Update SSMP and Supporting Documents	129	\$29,565
Task 5. SSMP Training	26	\$6,134
Task 6. Project Management and Quality Control	15	\$4,185
<b>Total Project Hours and Budget</b>	<b>290</b>	<b>\$67,298</b>

## SCHEDULE

West Yost is ready to assist the City as soon as possible, with the target of completing the SSMP audit by December 20, 2024, and the SSMP update by March 31, 2025. Please let us know if you have questions on our proposal.

Sincerely,  
WEST YOST ASSOCIATES



Anne Girtz, PE  
Project Manager  
RCE #91396

Attachment(s): West Yost 2024 Billing Rate Schedule

## 2024 Billing Rate Schedule

(Effective January 1, 2024, through December 31, 2024)\*

POSITIONS	LABOR CHARGES (DOLLARS PER HOUR)
<b>ENGINEERING</b>	
Principal/Vice President	\$355
Engineer/Scientist/Geologist Manager I / II	\$335 / \$351
Principal Engineer/Scientist/Geologist I / II	\$302 / \$322
Senior Engineer/Scientist/Geologist I / II	\$272 / \$286
Associate Engineer/Scientist/Geologist I / II	\$226 / \$243
Engineer/Scientist/Geologist I / II	\$176 / \$205
Engineering Aide	\$106
Field Monitoring Services	\$131
Administrative I / II / III / IV	\$97 / \$121 / \$145 / \$160
<b>ENGINEERING TECHNOLOGY</b>	
Engineering Tech Manager I / II	\$349 / \$351
Principal Tech Specialist I / II	\$320 / \$331
Senior Tech Specialist I / II	\$293 / \$306
Senior GIS Analyst	\$265
GIS Analyst	\$251
Technical Specialist I / II / III / IV	\$187 / \$213 / \$239 / \$267
Technical Analyst I / II	\$134 / \$160
Technical Analyst Intern	\$108
Cross-Connection Control Specialist I / II / III / IV	\$140 / \$151 / \$170 / \$189
CAD Manager	\$211
CAD Designer I / II	\$164 / \$185
<b>CONSTRUCTION MANAGEMENT</b>	
Senior Construction Manager	\$338
Construction Manager I / II / III / IV	\$201 / \$215 / \$228 / \$289
Resident Inspector (Prevailing Wage Groups 4 / 3 / 2 / 1)	\$181 / \$201 / \$224 / \$232
Apprentice Inspector	\$164
CM Administrative I / II	\$87 / \$118
Field Services	\$232

- Hourly rates include charges for technology and communication, such as general and CAD computer software, telephone calls, routine in-house copies/prints, postage, miscellaneous supplies, and other incidental project expenses.
- Outside services, such as vendor reproductions, prints, and shipping; major West Yost reproduction efforts; as well as engineering supplies, etc., will be billed at the actual cost plus 15%.
- The Federal Mileage Rate will be used for mileage charges and will be based on the Federal Mileage Rate applicable to when the mileage costs were incurred. Travel other than mileage will be billed at cost.
- Subconsultants will be billed at actual cost plus 10%.
- Expert witness services, research, technical review, analysis, preparation, and meetings will be billed at 150% of standard hourly rates. Expert witness testimony and depositions will be billed at 200% of standard hourly rates.
- A finance charge of 1.5% per month (an annual rate of 18%) on the unpaid balance will be added to invoice amounts if not paid within 45 days from the date of the invoice.

\* This schedule is updated annually



# EXHIBIT C

**NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically**

## Insurance Requirements for Professional Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

### **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant's profession, with limits not less than **\$1,000,000** per occurrence or claim, \$2,000,000 aggregate. May be waived by Risk Manager depending on the scope of services.

### Other Insurance Provisions:

- (a) Additional Named Insured Status  
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
  - (b) Primary and Non-Contributory Insurance Endorsement  
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad** as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
  - (c) Waiver of Subrogation Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer
- NOTE:** (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.
- (d) Severability of Interest Clause  
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.
  - (e) Notice of Cancellation or Change in Coverage Endorsement  
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

- (f) Continuity of Coverage  
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).
- (g) Failure to Comply  
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) Verification of Coverage  
Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**
- (i) Self-Insured Retentions  
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- (j) Insurance Limits  
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.
- (k) Subcontractors  
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors
- (l) Claims Made Policies  
If any of the required policies provide coverage on a claims-made basis:  
1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.  
2. Insurance must be maintained and evidence of insurance must be provided for **at least five (5) years** after completion of the contract of work.  
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- (m) Qualified Insurer(s)  
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING CITY  
MANAGER TO EXECUTE PROFESSIONAL SERVICES AGREEMENT WITH  
WEST YOST & ASSOCIATES, INC., OF DAVIS, FOR SEWER SYSTEM  
MANAGEMENT PLAN AUDIT AND UPDATE, AND APPROPRIATING FUNDS

WHEREAS, the State Water Resources Control Board (SWRCB) adopted the Statewide General Waste Discharge Requirements per Order No. 2006-0003-DWQ on May 2, 2006 for the purpose of protecting the State’s water from wastewater discharges associated with periodic failures and requires all agencies who own or operate a sanitary sewer system greater than 1-mile in length to prepare a Sewer System Management Plan (SSMP) and perform regular updates and audits of the SSMP; and

WHEREAS, on December 6, 2022, the SWRCB adopted Statewide General Order WQ 2022-0103-DWQ and the City currently has until May 2025 to conduct the SSMP audit and make all the required updates to the SSMP; and

WHEREAS, on August 28, 2024, staff issued a Request for Proposal to four engineering firms that perform these types of services and received proposals from West Yost Associates, Inc. and Holmes International, Inc; and

WHEREAS, staff recommends authorizing City Manager to execute a Professional Services Agreement with West Yost & Associates, Inc., of Davis for the Sewer System Management Plan Audit and Update, in the amount of \$67,298; and

WHEREAS, staff further recommends appropriating funds in the amount of \$67,298 to the Wastewater Fund Misc. Professional Services (53053001.72450).

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize City Manager to execute a Professional Services Agreement with West Yost & Associates, Inc., of Davis for the Sewer System Management Plan Audit and Update, in the amount of \$67,298; and

BE IT FURTHER RESOLVED, that the Lodi City Council does hereby appropriate funds in the amount of \$67,298 to the Wastewater Fund Misc. Professional Services (53053001.72450); and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (Res. No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

DATED: November 20, 2024

I hereby certify that Resolution No. 2024-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2024-\_\_\_\_\_






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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Authorizing City Manager to Execute Professional Service Agreement with waterTALENT, LLC., of Sherman Oaks, for Temporary Lab Technician at the White Slough Water Pollution Control Facility (\$132,000) (PW)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Public Works Director

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**RECOMMENDED ACTION:**

Adopt a Resolution Authorizing City Manager to Execute Professional Service Agreement with waterTALENT, LLC., of Sherman Oaks, for Temporary Lab Technician at the White Slough Water Pollution Control Facility in the amount of \$132,000.

**BACKGROUND INFORMATION:**

The Environmental Laboratory Accreditation Program (ELAP) ensures the quality of environmental and public health data generated by laboratories in California. The City's laboratory at White Slough Water Pollution Control Facility is regulated by ELAP. On May 5, 2020, the California State Water Resources Control Board adopted new, more comprehensive regulations for the Environmental Laboratory Accreditation Program. These additional regulations include more quality control of sampling methods and equipment, more comprehensive tracking of samples and more frequent internal audits.

On May 1, 2024 the White Slough Water Pollution Control Facility was audited by International Accreditation Service, a laboratory auditing firm that works on behalf of the State of California to audit laboratories that are ELAP certified. The report findings suggested that additional staffing may be required to accommodate the more extensive regulations associated with new ELAP requirements.

To address the findings, Staff recommends engaging an outside firm to obtain part-time lab assistant services for one-year. The addition of an onsite temporary part time lab assistant will assist in distributing technician workload to conform with the new regulations and provide time to further assess staffing needs and/or modifications to the organizational structure of the laboratory in preparation of the FY 25/26 budget year.

Procurement of waterTALENT, LLC., for part-time lab assistant services was performed in accordance with Lodi Municipal Code Section 3.20.075 (6) Safety, Environmental, or hazardous materials consultants. Per this section, these services are specifically exempt from advertising and bidding requirements. waterTALENT, LLC performs similar temporary lab assistant services for other local agencies and were recommended via reference check. Staff also received a quote from Operational Technical Services, LLC (OTS) that was a higher cost than waterTALENT's quote and OTS was unsure whether they would be able to provide a qualified temporary employee at this time to meet the City's needs.

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## COUNCIL COMMUNICATION

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Staff recommends authorizing City Manager to execute a one-year PSA, with waterTALENT LLC, of Sherman Oaks, for a Temporary Lab Technician at the White Slough Water Pollution Control Facility, in an amount not-to-exceed \$132,000.

**STRATEGIC VISION:**

5E. Infrastructure: Proactive infrastructure development for Sphere of influence & growth areas.

**FISCAL IMPACT:**

This contract does not impact the General Fund.

**FUNDING AVAILABLE:**

Wastewater Operations (53053003.72450) \$132,000

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Charles E. Swimley  
Public Works Director

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Scott R. Carney  
City Manager

## **AGREEMENT FOR PROFESSIONAL SERVICES**

### **ARTICLE 1 PARTIES AND PURPOSE**

#### **Section 1.1 Parties**

THIS AGREEMENT is entered into on \_\_\_\_\_, 2024, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and WATERTALENT, LLC, a California limited liability company, (hereinafter "CONTRACTOR").

#### **Section 1.2 Purpose**

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for temporary laboratory technician (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

### **ARTICLE 2 SCOPE OF SERVICES**

#### **Section 2.1 Scope of Services**

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

#### **Section 2.2 Time for Commencement and Completion of Work**

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall

remain in contact with reviewing agencies and make all efforts to review and return all comments.

**Section 2.3 Meetings**

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

**Section 2.4 Staffing**

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

**Section 2.5 Subcontracts**

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

**Section 2.6 Term**

The term of this Agreement commences on November 30, 2024 and terminates upon the completion of the Scope of Services or on October 31, 2025, whichever occurs first.

**Section 2.7 Option to Extend Term of Agreement**

At its option, CITY may extend the terms of this Agreement for an additional two (2) one (1) year extension(s); provided, CITY gives CONTRACTOR no less than thirty

(30) days written notice of its intent prior to expiration of the existing term. In the event CITY exercises any option under this paragraph, all other terms and conditions of this Agreement continue and remain in full force and effect.

The total duration of this Agreement, including the exercise of any option under this paragraph, shall not exceed 3 year(s).

### **ARTICLE 3 COMPENSATION**

#### **Section 3.1 Compensation**

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

#### **Section 3.2 Method of Payment**

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

#### **Section 3.3 Costs**

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

#### **Section 3.4 Auditing**

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and

inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

**ARTICLE 4**  
**MISCELLANEOUS PROVISIONS**

**Section 4.1 Nondiscrimination**

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

**Section 4.2 ADA Compliance**

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

**Section 4.3 Mutual Indemnification**

Mutual Indemnification. Each Party shall indemnify, defend, protect, hold harmless, and release the other, its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any act, omission, or negligence of such indemnifying party or its agents, employees, contractors, subcontractors, or invitees, related to the actions and obligations described in this Agreement. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts. This indemnity provision survives the Agreement.

**Section 4.4 No Personal Liability**

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

**Section 4.5 Responsibility of CITY**

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

**Section 4.6 Insurance Requirements for CONTRACTOR**

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

**Section 4.7 Successors and Assigns**

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

**Section 4.8 Notices**

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY:                      City of Lodi  
   221 West Pine Street  
   P.O. Box 3006  
   Lodi, CA 95241-1910  
   Attn: Lance Roberts

To CONTRACTOR:      waterTalent, LLC.  
   15233 Ventura Blvd  
   Suite 615  
   Sherman Oaks, CA 91403

**Section 4.9 Cooperation of CITY**

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

**Section 4.10 CONTRACTOR is Not an Employee of CITY**

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

**Section 4.11 Termination**

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

**Section 4.12 Confidentiality**

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

**Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees**

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

**Section 4.14 City Business License Requirement**

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to



secure such license and pay the appropriate fees prior to performing any work hereunder.

**Section 4.15 Captions**

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

**Section 4.16 Integration and Modification**

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

**Section 4.17 Contract Terms Prevail**

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

**Section 4.18 Severability**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**Section 4.19 Ownership of Documents**

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

**Section 4.20 Authority**

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

**Section 4.21 Federal Transit Funding Conditions**

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

**Section 4.22 Counterparts and Electronic Signatures**

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (.pdf) or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

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**IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.**

ATTEST:

CITY OF LODI, a municipal corporation

\_\_\_\_\_  
OLIVIA NASHED  
City Clerk

\_\_\_\_\_  
SCOTT R. CARNEY  
City Manager

APPROVED AS TO FORM:

WATERTALENT, LLC  
a California limited liability company

By: \_\_\_\_\_  
KATIE O. LUCCHESI  
City Attorney



By: \_\_\_\_\_  
Name: Tyler Reifert  
Title: President

**Attachments:**

**Exhibit A/B – Scope of Services & Fee Proposal**

**Exhibit C – Insurance Requirements**

**Exhibit – Federal Transit Funding Conditions (if applicable)**

**Funding Source: 53053003.72450  
(Business Unit & Account No.)**

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CA: Rev.07.2024-VS (CA Formatted)



**TASK ORDER**

**TASK ORDER NO. # 001**

**JOB NAME: Temporary Lab Tech**

**waterTALENT INFORMATION**

NAME: waterTALENT LLC  
ADDRESS: 15233 Ventura Blvd.  
Suite 615  
Sherman Oaks, CA 91403

CONTACT: Tyler Reifert, President  
PHONE: (424) 832-7217  
EMAIL: treifert@watertalent.net

THIS TASK ORDER is issued pursuant to that certain Agreement for Temporary Services by Independent On-Call Contract between The City of Lodi ("Client") and waterTALENT, LLC ("waterTALENT") dated **INSERT DATE PSA WAS EXECUTED.**

1. Project Name or Description: Temporary Lab Tech
2. Premises: The Client's business premises is located at 12751 North Thornton Rd., Lodi, CA 95242 and shall be defined as the "Premises"
3. Reporting Supervisor Name/Role: Sandy Nord, Lab Services Supervisor
4. Duration of Services:  
Start Date: TBD, ASAP  
End Date: ~1 year after start date  
Work Schedule: Flexible, part-time ~24 hrs/wk
5. Scope of Services:

Client seeks to obtain the services of waterTALENT's Temporary Lab Tech. This specific part-time position, although encompassing of the below scope of work, is not intended to have a veteran-level laboratory operator fill this temporary position. This position is considered supplemental to existing city lab operations. This Operator is expected to perform the following services:

- Perform a variety of technical work related to the chemical, physical and bacteriological laboratory analysis in support of water supply and wastewater treatment operations;
- Perform a variety of technical work related to the chemical, physical and bacteriological laboratory analysis of process samples in wastewater: assure compliance with standard testing methods, procedures, regulations and certification requirements
- Evaluate and interpret effluent quality; utilize manual and automatic samplers to collect samples; utilize a variety of field equipment probes, meters, such as pH, conductivity, spectrophotometer, turbidimeter, dissolved oxygen probes and others
- Interpret lab data and determine appropriate corrective action; recalibrate equipment to facilitate proper chemical, physical and bacteriological levels; notify proper authority of potential permit violations as appropriate

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- Operate and maintain a variety of test and laboratory equipment, such as a pH probe, incubator, autoclave, ion-analyzer, spectrophotometer, balance, scale, oven, electrode, burette, pipetter, hot plate, centrifuge, water bath, microscope, muffle furnace, calculator and others
  - Assist in the preparation of mandated and requested reports related to quality control and results of laboratory tests according to compliance and certification requirements, including discharge monitoring, quality control and assurance reports, laboratory analysis worksheets, equipment maintenance and calibration records, inventory and others; submit reports to appropriate agency or personnel as required
  - Performs other duties related to the operation of the department and the City including additional duties that enable the department and City to meet the diverse needs of its community
6. Break Requirement:  
California law requires that within an 8 hour shift the Operator is entitled to a 30 minute break. This lunch break may be waived by mutual consent of both the Client and the Operator. If the Operator works over 10 hours in one day they are entitled to a second lunch break of 30 min. The second meal period may not be waived if the first period is waived, however either meal period can be counted as work hours and compensated for at the normal hourly rate.

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**FEE SCHEDULE**

**Included Insurance**

- \$5M Minimum Unencumbered General Liability
- \$1M Commercial Auto Insurance; Non-Owner Vehicle
- \$5M Professional Liability
- \$5M Pollution Liability
- \$1M Worker’s Compensation Insurance
- \$1M Excess Liability Umbrella Insurance

**Included Services**

- Payroll and compliance services
- Cell phone for real-time tracking and payroll
- Travel

**Table 1 – waterTALENT Fee Schedule**

Operator	Regular Rate
waterTALENT Temporary Lab Tech– Candidate 1	\$105/hr

**Overtime:**

Workweeks are defined as 5 days @ 8 hours per day, Monday – Sunday. Overtime hours, according to the State of California, are defined as any work in excess of eight (8) hours in one normal workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek. These overtime hours shall be billed at the rate of no less than 1.5x times the regular rate. If Operator works more than 12 hours in any workday, or works any time in excess of eight hours on the seventh consecutive day of work in a workweek, hours shall be billed at a rate of 2.0x times the regular rate. If Operator is expected to work on a federally declared/observed holiday, Operator’s hours shall be billed at a rate of 1.5x for all standard hours worked up to 8 in a single day or 40 in a week, as well as 2.0x for any hours worked over 8 in a single day or over 40 hours in a week, as well as over eight hours on the seventh consecutive day of work in a workweek.

**On-Call Support:**

If an Operator is expected to provide On-Call support the following billing shall take place:

- **Standby On-Call:** if waterTALENT Operator is expected to remain in the vicinity of the Client system and in a ready-to-respond status during off hours on a day where they have already worked a shift, this time shall be billed as one (1) regular hour of time. On days where they have not worked a shift and are expected to remain in a ready-to-respond status (off days), time shall be billed as two (2) regular hours of time. Note: standby billable hours do not accrue towards overtime.
- **Activated On-Call:** if waterTALENT Operator is called out to respond to a system alarm or emergency after hours to Client system, then this time shall be billed at a minimum of two (2) hours or for the total duration of time from departure from domicile to return to domicile, whichever is greater. Standard labor laws shall apply if Operator happens to have accrued the appropriate amount of hours to constitute overtime.

**NOT TO EXCEED \$132,000.00**

CONFIDENTIAL

424.832.7217 • [info@watertalent.net](mailto:info@watertalent.net) • [watertalent.net](http://watertalent.net) • 15233 Ventura Blvd. Suite 615, Sherman Oaks, CA 91403



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

**waterTALENT, LLC**

**City of Lodi**

**For waterTALENT:**

**For Client:**

Tyler Reifert  
\_\_\_\_\_  
Printed Name

**CLICK TO ENTER NAME**  
\_\_\_\_\_  
Printed Name

President  
\_\_\_\_\_  
Title

**CLICK TO ENTER TITLE**  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

**INSERT SIGNATURE**  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**CLICK TO ENTER DATE**  
\_\_\_\_\_  
Date

CONFIDENTIAL

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# EXHIBIT C

**NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically**

## Insurance Requirements for Professional Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

### **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions) Insurance** appropriate to the Consultant's profession, with limits not less than **\$1,000,000** per occurrence or claim, \$2,000,000 aggregate. May be waived by Risk Manager depending on the scope of services.

### Other Insurance Provisions:

- (a) Additional Named Insured Status  
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
  - (b) Primary and Non-Contributory Insurance Endorsement  
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad as** ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
  - (c) Waiver of Subrogation Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer
- NOTE:** (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.
- (d) Severability of Interest Clause  
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.
  - (e) Notice of Cancellation or Change in Coverage Endorsement  
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.



- (f) Continuity of Coverage  
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).
- (g) Failure to Comply  
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) Verification of Coverage  
Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**
- (i) Self-Insured Retentions  
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- (j) Insurance Limits  
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.
- (k) Subcontractors  
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors
- (l) Claims Made Policies  
If any of the required policies provide coverage on a claims-made basis:  
1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.  
2. Insurance must be maintained and evidence of insurance must be provided for **at least** five (5) years after completion of the contract of work.  
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- (m) Qualified Insurer(s)  
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING CITY MANAGER TO EXECUTE PROFESSIONAL SERVICES AGREEMENT WITH WATERTALENT, LLC., OF SHERMAN OAKS, FOR TEMPORARY LAB TECHNICIAN AT THE WHITE SLOUGH WATER POLLUTION CONTROL FACILITY

WHEREAS, the City’s laboratory at White Slough Water Pollution Control Facility (WSWPCF) is regulated by the Environmental Laboratory Accreditation Program (ELAP) which ensures the quality of environmental and public health data generated by laboratories in California; and

WHEREAS, on May 1, 2024 the WSWPCF was audited by International Accreditation Service, a laboratory auditing firm that works on behalf of the State of California to audit laboratories that are ELAP certified and the report findings suggested that additional staffing may be required to accommodate the more extensive regulations associated with new ELAP requirements; and

WHEREAS, to address the findings, Staff recommends engaging an outside firm to obtain part-time lab assistant services for one-year to further assess staffing needs and/or modifications to the organizational structure of the laboratory in preparation of the FY 25/26 budget year; and

WHEREAS, procurement of waterTALENT, LLC., for part-time lab assistant services was performed in accordance with Lodi Municipal Code Section 3.20.075(6) Safety, Environmental, or hazardous materials consultants and is exempt from advertising and bidding requirements; and

WHEREAS, waterTALENT, LLC performs similar temporary lab assistant services for other local agencies and were recommended via reference check; and

WHEREAS, staff also received a quote from Operational Technical Services, LLC (OTS) that was a higher cost than waterTALENT’s quote and OTS was unsure whether they would be able to provide a qualified temporary employee at this time to meet the City’s needs; and

WHEREAS, staff recommends authorizing City Manager to execute a Professional Services Agreement with waterTALENT LLC, of Sherman Oaks, for a Temporary Lab Technician at the White Slough Water Pollution Control Facility, in an amount not-to-exceed \$132,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize City Manager to execute a Professional Services Agreement with waterTALENT LLC, of Sherman Oaks, for a Temporary Lab Technician at the White Slough Water Pollution Control Facility, in an amount not-to-exceed \$132,000; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (Res. No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

DATED: November 20, 2024

I hereby certify that Resolution No. 2024-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2024-\_\_\_\_\_




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Authorizing City Manager to Execute SB 125 Fund Transfer Agreement between San Joaquin Council of Governments and City of Lodi for Fiscal Years 2024/25 and 2025/26 (\$3,779,100) (PW)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Public Works Director

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**RECOMMENDED ACTION:**

Adopt a Resolution Authorizing City Manager to Execute Senate Bill 125 Fund Transfer Agreement between San Joaquin Council of Governments and City of Lodi (\$3,779,100).

**BACKGROUND INFORMATION:**

The California State Transportation Agency (CalSTA), through Senate Bill (SB) 125, has issued funding to San Joaquin Council of Governments (SJCOG) to be distributed to transit agencies within San Joaquin County for transit projects. The funding will specifically be made available to transit agencies through the Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP). The SB 125 funding is for a four (4)-year period, but only two (2) years of funding have been announced as “unfrozen” and available for disbursement by the State of California. These funding allocation years are Year 1 (FY23/24) and Year 2 (FY24/25). The total of SB 125 funding in San Joaquin (SJ) County for Years 1 and 2 is approximately \$68 million.

On February 22, 2024, the SJCOG Board of Directors approved a formula distribution of SB 125 funds for Year 1 and Year 2 funding allocations, on the condition that these funds are used only by existing transit operators to address their operational cost shortfalls associated with the COVID-19 pandemic. Funds not spent by transit operators specifically for this purpose are subject to the intercept clause in the agreement which requires the City to repay the funds to SJCOG and SJCOG to withhold future payments to the City for other purposes. On August 22, 2024, the SJCOG Board of Directors authorized the SJCOG Executive Director to enter into fund transfer agreements with transit operators in SJ County to ensure the timely distribution of SB 125 funds.

While the City’s Transit system continues to operate in a fiscally responsible and sustainable manner, operating costs have risen across the Transit industry, particularly in relation to residual impacts associated with the COVID-19 pandemic, which include vehicle and liability insurance premiums, transit operations contractor expenses, and costs to perform facility, equipment and vehicle maintenance. The SB 125 funds disbursed to Lodi will ensure that the City is able to maintain its high level of service for transit passengers and properly maintain City transit facilities, equipment and vehicles. Additionally, these SB 125 funds will give the City more certainty that it can deliver planned improvements on time, as outlined in the Short-Range Transit Plan Update.

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## COUNCIL COMMUNICATION

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### STRATEGIC VISION:

3. Create a fiscal structure to accomplish City Council Strategic Priorities
5. Develop and maintain a robust infrastructure to support a world-class city.
8. Public Well-Being: Be a recognized leader in generating and happy, healthy, high quality of life for all.

### FISCAL IMPACT:

Without approval of the Senate Bill 125 Fund Transfer Agreement between SJCOG and City of Lodi, the City would not receive its allocation of SB 125 funding for transit operations. This could reduce the amount of Federal and state funds available for capital projects. There is no impact to the General Fund.

### FUNDING AVAILABLE:

Not Applicable.

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Charles E. Swimley  
Public Works Director

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Scott R. Carney  
City Manager

## SENATE BILL 125 FUND TRANSFER AGREEMENT BETWEEN SJCOG AND THE CITY OF LODI (C-25-019)

This Fund Transfer Agreement (“**Agreement**”), effective as of the date set forth below, is by and between City of Lodi, a California municipal corporation (“**TRANSIT AGENCY**”) and the San Joaquin Council of Governments, a California joint powers authority (“**SJCOG**”). SJCOG and TRANSIT AGENCY may herein be referred to individually as a “Party” or collectively as “the Parties.”

### RECITALS

WHEREAS, the California State Transportation Agency (“**CalSTA**”), through Senate Bill (SB) 125, has issued funding to SJCOG to distribute to transit agencies within San Joaquin County for transit projects via the Transit and Intercity Rail Capital Program (“**TIRCP**”) and the Zero-Emission Transit Capital Program (“**ZETCP**”); and

WHEREAS, SB 125 requires Regional Transit Planning Agencies (“**RTPAs**”) like SJCOG to submit annual reports to CalSTA documenting the activities and progress made toward implementation of the projects and operating expenditures; and

WHEREAS, SB 125 also imposes recordkeeping and reporting requirements that will apply through the life of the projects; and

WHEREAS, the State of California has the right to review project documents and conduct audits during project implementation over the life of any project funded by SB 125; and

NOW, THEREFORE, in consideration of the mutual promises stated herein, the Parties agree as follows:

#### 1. **Fund Transfer Agreement.**

- a. TRANSIT AGENCY and SJCOG agree to comply with the CalSTA “*Budget Act of 2023 SB 125 Formula-Based Transit and Intercity Rail Capital Program & Zero Emission Transit Capital Program Final Guidelines*” (“**Guidelines**”) in the performance of each party’s obligations under this Agreement.
- b. TRANSIT AGENCY agrees to utilize all Funds (as defined below) to address operational cost shortfalls attributable to the COVID-19 pandemic and restore TRANSIT AGENCY’s services to those that existed during the 2021-2022 fiscal year.
- c. TRANSIT AGENCY shall be responsible for the complete performance of any work funded by this Agreement. All such work shall be accomplished in accordance with applicable provisions of State and Federal law.
- d. Upon TRANSIT AGENCY’s full and continued performance of its obligations stated herein, SJCOG agrees to disburse TIRCP and ZETCP funds to TRANSIT AGENCY, in quarterly reimbursements as expenses are incurred, which, in aggregate, shall not exceed the amounts attributed to TRANSIT AGENCY in the

"SB 125 Formula Distribution for Years 1(23/24) and 2(24/25)" table attached hereto as "Exhibit A" and incorporated herein ("**Funds**").

2. **Disbursement Procedures and Requests for Reimbursement.** TRANSIT AGENCY agrees to submit to SJCOG, no later than thirty (30) calendar days after the close of each fiscal quarter, a Request for Reimbursement that includes a detailed description of all expenses incurred by TRANSIT AGENCY during the preceding quarter that are eligible for reimbursement pursuant to this Agreement and the Guidelines. TRANSIT AGENCY shall, to SJCOG's satisfaction, itemize all reimbursable expenses, and provide a narrative explaining (a) the expenses and how they accomplish the purposes of this Agreement, (b) how TRANSIT AGENCY's progress in addressing operational cost shortfalls from previous fiscal years, and (c) the remaining funding TRANSIT AGENCY anticipates needing to restore its services to those that existed during the 2021-2022 fiscal year.
3. **Conditions Precedent to Fund Disbursement.** SJCOG shall issue quarterly distributions of Funds to TRANSIT AGENCY only if all of the following conditions are met:
  - a. SJCOG shall have available Funds from CalSTA to disburse;
  - b. CalSTA shall not have taken any enforcement or disciplinary action against SJCOG or TRANSIT OPERATOR due to TRANSIT OPERATOR's failure or alleged failure to comply with the Guidelines;
  - c. TRANSIT OPERATOR has not utilized Funds in violation of the Guidelines, this Agreement, or any other provision of State or Federal law;
  - d. SJCOG has found TRANSIT OPERATOR's Request for Reimbursement to be in compliance with the terms of the Guidelines and this Agreement.
4. **Audit Authority and Cooperation.** To facilitate SJCOG's effort to comply with the reporting and audit requirements imposed by the Guidelines, and to accomplish SB 125's purposes as articulated in the Guidelines, and to accomplish SJCOG's purposes of directing Funds to address operational cost shortfalls attributable to the COVID-19 pandemic and restore TRANSIT AGENCY's services to those that existed during the 2021-2022 fiscal year, TRANSIT AGENCY agrees to permit SJCOG to review any of TRANSIT AGENCY's financial documents pertaining to its expenditure of Funds and conduct audits of TRANSIT AGENCY's records, expenditures, and activities, from any fiscal year, during the entire term of this Agreement, to ensure Funds are being expended for the purposes stated herein. TRANSIT AGENCY agrees to promptly provide any additional documentation requested by SJCOG related to any Request for Reimbursement or audit conducted pursuant to the terms of this Agreement.
5. **Intercept Clause.** Costs for which TRANSIT AGENCY receives reimbursement payment that are determined by a subsequent audit or other review by either SJCOG, CalSTA, or any other State agency to be unpermitted by the Guidelines, this Agreement, or any other provision of law are to be repaid to SJCOG by TRANSIT AGENCY within thirty (30) days of TRANSIT AGENCY receiving notice of the audit findings. Should TRANSIT AGENCY fail to reimburse moneys due to SJCOG within

thirty (30) days of discovery or demand, or within such other period as may be agreed in writing between the parties hereto, SJCOG is authorized to intercept and withhold future payments, apportionments or revenues due to TRANSIT AGENCY from SJCOG or any third-party source, including, but not limited to future State or Federal grant funds, or local sales tax revenues that would otherwise be distributed to TRANSIT AGENCY via SJCOG. Any unpermitted costs or Funds recovered by SJCOG pursuant to the provisions of this Section shall be handled in accordance with the Guidelines. Notwithstanding any provision of this Agreement or of State or Federal law to the contrary, the provisions of this Section shall survive for the same amount of time as CalSTA retains the authority to audit and/or require SJCOG to return monies for failure to adhere to the Guidelines.

6. **Indemnification and Hold Harmless.** Neither SJCOG nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by TRANSIT AGENCY under or in connection with any work, authority or jurisdiction delegated to TRANSIT AGENCY under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, TRANSIT AGENCY shall fully defend, indemnify and save harmless SJCOG and its officers and employees from all claims, suits or actions of every name, kind and description occurring by reason of anything done or omitted to be done by TRANSIT AGENCY under or in connection with any work, authority or jurisdiction delegated to TRANSIT AGENCY under this Agreement.

Neither TRANSIT AGENCY nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by SJCOG under or in connection with any work, authority or jurisdiction delegated to SJCOG under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, SJCOG shall fully defend, indemnify and save harmless TRANSIT AGENCY and its officers and employees from all claims, suits or actions of every name, kind and description occurring by reason of anything done or omitted to be done by SJCOG under or in connection with any work, authority or jurisdiction delegated to SJCOG under this Agreement.

7. **Default.** In the event that TRANSIT AGENCY (a) fails to comply with the Guidelines or any other applicable Federal and State laws and regulations; (b) fails to timely submit Requests for Reimbursement subject to the terms of this Agreement and/or the Guidelines; (c) fails to cooperate with SJCOG in any request for documents or any other action to audit TRANSIT AGENCY's use of Funds; or (d) otherwise materially violates the terms and conditions of this Agreement, SJCOG reserves the right to terminate all funding for that invoice, or any portion thereof, in SJCOG's sole discretion. Any such termination shall be accomplished by delivery to TRANSIT AGENCY of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the extent to which funding of work under this Agreement is terminated, and the date upon which such termination becomes effective. During the period before the termination date becomes effective, TRANSIT AGENCY and SJCOG shall meet to try to resolve any



dispute. No such termination shall become effective if, (a) TRANSIT AGENCY timely submits an appeal of the Notice of Termination pursuant to Section 8 or (b) within the thirty (30) day period after receipt of the Notice of Termination, TRANSIT AGENCY cures the default.

8. **Adjudication of Disputes – Administrative Proceedings.** TRANSIT AGENCY agrees to exhaust the administrative remedy contained herein prior to resorting to legal remedies for any disputes pertaining to this Agreement. In case of a dispute with SJCOG, TRANSIT AGENCY shall submit to the SJCOG Executive Director, or his or her designee, a written demand for a decision regarding the disposition of any dispute arising under this Agreement. The Executive Director shall make a written decision regarding the dispute and will provide it to TRANSIT AGENCY.

TRANSIT AGENCY shall have an opportunity to challenge the Executive Director's determination, but must make that challenge in writing, within ten (10) business days to SJCOG's Executive Committee, or its designee. If the challenge is not made by TRANSIT AGENCY within the ten (10) day period, the Executive Director's decision shall become the final decision of SJCOG. If such a challenge is made, the Executive Director and TRANSIT AGENCY shall submit written, factual information and date in support of their respective positions to the Executive Committee within a timeframe established by SJCOG at the time of challenge. The decision of the Executive Committee or its designee shall be final, conclusive, and binding regarding the dispute, unless TRANSIT AGENCY commences an action in court of competent jurisdiction to contest the decision in accordance with state law.

9. **Termination.** Unless superseded or terminated in conformance with Section 7 herein, this Agreement shall remain in full force and effect until TRANSIT AGENCY satisfactorily completes all post-transit operating obligations and delivers required transit operating invoice documents, with concurrence of SJCOG, or on June 30, 2026, whichever occurs earlier. All indemnification, document retention, audit, intercept, claims, and legal challenge articles shall remain in effect until terminated or modified in writing by mutual agreement or expiry by statute of limitations.
10. **Integration.** This Agreement and any exhibits attached hereto supersedes all prior agreements, understandings, and communications between the Parties, whether written or oral, express or implied, relating to the subject matter of this Agreement and is intended as a complete and final expression of the terms of the parties' agreement and shall not be changed or subject to change orally. This Agreement may be amended only in writing signed by all Parties thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 22<sup>nd</sup> day of October, 2024.

**“SJCOG”**

SAN JOAQUIN COUNCIL OF  
GOVERNMENTS  
a California Joint Powers Authority

DocuSigned by:  
*Diane Nguyen*  
By: \_\_\_\_\_  
DIANE NGUYEN, AICP  
Executive Director

ATTEST:

DocuSigned by:  
*Grace Orosco*  
By: \_\_\_\_\_  
GRACE OROSCO  
Interim Deputy Director of Finance &  
Administration

APPROVED AS TO FORM:

Signed by:  
*Thomas H. Terpstra, Jr.*  
By: \_\_\_\_\_  
THOMAS H. TERPSTRA  
General Counsel

**“TRANSIT AGENCY”**

CITY OF LODI  
a political subdivision of the State of  
California

By: \_\_\_\_\_  
SCOTT CARNEY  
City Manager

APPROVED AS TO FORM:

By: \_\_\_\_\_  
KATIE O. LUCCHESI  
City Attorney 

**EXHIBIT A**

**SB 125 Formula Distribution for Years 1 and 2**

<b>Jurisdiction</b>	<b>SJCOG Board Formula Distribution</b>
Tracy	\$3,853,856
RTD	\$43,347,911
Escalon	\$88,025
ACE	\$14,390,995
Manteca	\$1,644,096
Lodi	\$3,779,100
Ripon	\$25,919
SJCOG	\$678,080
<b>Total</b>	<b>\$67,807,984</b>

RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING CITY MANAGER TO EXECUTE SENATE BILL 125 FUND TRANSFER AGREEMENT BETWEEN SAN JOAQUIN COUNCIL OF GOVERNMENTS AND CITY OF LODI

WHEREAS, The California State Transportation Agency (CalSTA), through Senate Bill (SB) 125, has issued funding to San Joaquin Council of Governments (SJCOG) to be distributed to transit agencies within San Joaquin County for transit projects; and

WHEREAS, on February 22, 2024, the SJCOG Board of Directors approved a formula distribution of SB 125 funds for Year 1 and Year 2 funding allocations, on the condition that these funds are used only by existing transit operators to address their operational cost shortfalls associated with the COVID-19 pandemic; and

WHEREAS, on August 22, 2024, the SJCOG Board of Directors authorized the SJCOG Executive Director to enter into fund transfer agreements with transit operators in SJ County to ensure the timely distribution of SB 125 funds; and

WHEREAS, staff recommends authorizing City Manager to Execute Senate Bill 125 Fund Transfer Agreement between San Joaquin Council of Governments and City of Lodi in the amount of \$3,779,100.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize City Manager to Execute Senate Bill 125 Fund Transfer Agreement between San Joaquin Council of Governments and City of Lodi in the amount of \$3,779,100; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (Res. No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

DATED: November 20, 2024

I hereby certify that Resolution No. 2024-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2024-\_\_\_\_\_



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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Appoint Chris Young to the Measure L Citizens’ Oversight Committee (CLK)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Maria Ditmore, Deputy City Clerk

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**RECOMMENDED ACTION:**

Appoint Chris Young to the Measure L Citizens’ Oversight Committee.

**BACKGROUND INFORMATION:**

The City Council directed the City Clerk to post for vacancies on the Measure L Citizens’ Oversight Committee on May 15, 2024.

Per Ordinance No. 1953 of the Measure L Citizens’ Oversight Committee, Councilmembers may recommend eligible applicants to represent their respective districts for appointment to the committee.

**APPOINTMENTS:**

**Measure L Citizens’ Oversight Committee**

Chris Young Term to expire: July 1, 2027

**STRATEGIC VISION:**

Not applicable.

**FISCAL IMPACT:**

Not applicable.

**FUNDING AVAILABLE:**

Not applicable.

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Olivia Nashed  
City Clerk

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# COUNCIL COMMUNICATION

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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Set a Public Hearing for December 4, 2024 to Consider Adopting a Resolution to Amend the General Plan to Adopt the Environmental Justice Element and Amend the Safety and Conservation Elements (CD)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Cynthia Marsh, Deputy Director of Community Development / City Planner

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**RECOMMENDED ACTION:**

Set a Public Hearing for December 4, 2024 to consider adopting a resolution to amend the General Plan to adopt the Environmental Justice Element and Amend the Safety and Conservation Elements.

**BACKGROUND INFORMATION:**

In April 2024, the City of Lodi was one of a few jurisdictions to have its 6<sup>th</sup> Cycle Housing Element certified by the State within the statutory review period. With the Housing Element update complete, California law requires that the Safety and Conservation Elements of a General Plan be updated as well. State law also requires cities with disadvantaged communities, like Lodi, to identify environmental justice policies whenever two or more elements are adopted or updated concurrently. Since the City of Lodi has updated its Housing Element, triggering Safety Element and Conservation Element updates as part of the Housing Element update process, the City is also adopting a new Environmental Justice Element to be in compliance with State law.

In accordance with State Law, Lodi may change each element of its General Plan four times during each calendar year. The three proposed amendments will be counted as one of the four allowable amendments for the 2024 calendar year.

**SAFETY ELEMENT**

The Safety Element is one of the required elements of the General Plan. The purpose of the Safety Element is to reduce the risk of death, injuries, property damage, and economic and social dislocation resulting from fires, floods, drought, earthquakes, landslides, climate change, and other potential hazards in the community. The Safety Element identifies potential risks to community safety and establishes policies and programs to protect the community from those risks. Topics addressed in the Safety Element include evacuation routes, flood and fire hazards, emergency shelters, emergency response services, and emergency communication programs.

**CONSERVATION ELEMENT**

The Conservation Element establishes goals and policies for the preservation, enhancement, and management of a jurisdiction's natural resources. Lodi's Conservation Element addresses agricultural and soil resources, biological resources, cultural and historic resources, hydrology and water quality, energy and climate change, and air quality.

**ENVIRONMENTAL JUSTICE ELEMENT**

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## COUNCIL COMMUNICATION

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Environmental justice is the response to the tendency of low-income and racial minority communities bearing a disproportionate burden of hazardous or degraded environments (e.g., freeways, landfills, hazardous waste facilities, poor working conditions) than the general population. Historically, this is due to a lack of meaningful opportunities for these communities to participate in the planning process, sometimes leading to discriminatory practices, such as redlining, that have segregated communities and pushed low-income and racial minority populations to areas with poor air quality, pollution, and other health hazards. Environmental justice policies and programs work to overcome these trends and undo the effects of discrimination in land use decisions.

In 2016, the California Legislature passed Senate Bill (SB) 1000 requiring cities and counties that have disadvantaged communities to incorporate environmental justice goals, policies, and objectives into their general plans. The purpose of this legislation is to address the “unique or compounded health risks” in disadvantaged communities by decreasing pollution exposure, increasing community assets, and improving overall health. State law requires general plans to address the following topics in disadvantaged communities:

- Pollution exposure (including air quality)
- Public facility access
- Food access
- Safe and sanitary housing
- Physical activity and recreational opportunities
- Unique compounded health risks
- Community engagement in the public-decision making process

Cities and counties can incorporate environmental justice policies into their General Plans either in a standalone Environmental Justice Element or by including relevant environmental justice policies into existing General Plan Elements. As part of the Housing Element and General Plan Updates, the City of Lodi has drafted a standalone Environmental Justice Element.

The location, quality, and affordability of housing play an important role in addressing environmental justice goals and policies and promoting positive health outcomes for disadvantaged communities. Through the Housing Element Update the City has an opportunity to plan housing near transit, public facilities, and recreation, and work to overcome concentrations of lower income populations in areas with hazardous or degraded environmental conditions. Additionally, the Housing Element can address issues faced by disadvantaged communities, such as substandard housing, displacement, and homelessness, through policies and programs that promote safe, secure, and affordable housing for all residents throughout the community.

### **PUBLIC OUTREACH**

Along with the Housing Element update effort, City planning staff worked with the consultants to develop a robust community engagement program tailored to ensure the community and other stakeholders were engaged in the process and given ample opportunities to provide input. The key objective of the community engagement program was to maximize opportunities for everyone interested in the effort to participate. The engagement program included branding, a project website, newsletters and e-blasts, announcements on the City website and social media, community workshops, a survey, Farmer’s Market booths, and Planning Commission and City Council study sessions. The documents were also routed and reviewed by relevant City departments and referred to outside agencies.

The public review draft of the Environmental Justice, Safety, and Conservation Elements were posted on [www.planlodi.com](http://www.planlodi.com) [≤http://www.planlodi.com≥](http://www.planlodi.com) in late September 2024. Comments may be submitted via the website comment portal or to the Community Development Department’s Planning Division through October 2024.

### **STRATEGIC VISION:**



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## COUNCIL COMMUNICATION

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4C. Housing: Continued progress towards Regional Housing Needs Assessment goals.

**FISCAL IMPACT:**

Not applicable.

**FUNDING AVAILABLE:**

Not applicable.

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John Della Monica  
Community Development Director

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Scott R. Carney  
City Manager




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Public Hearing to Consider Adopting a Resolution Setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees For 2025 (CD)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Cynthia Marsh, Deputy Director / City Planner

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**RECOMMENDED ACTION:**

Adopt a resolution setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan development fees for 2025.

**BACKGROUND INFORMATION:**

On February 21, 2001, the City of Lodi adopted the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). The Plan includes a schedule of fees to be paid by property owners who propose to develop their property with non-agricultural uses. These fees are used to mitigate for the cumulative impacts of new development on habitat lands within Lodi and San Joaquin County. It is necessary for all jurisdictions covered by the Plan to approve the Habitat Conservation Plan (HCP) fees for the jurisdiction to continue to participate in the Plan. The fees are reviewed on an annual basis.

The proposed 2025 SJMSCP development fees were adjusted using the recommended 2020 SJMSCP Five-Year Financial Model Update for the respective categories and are compared to the 2024 SJMSCP Development fees (Table 2) in the most common habitat categories under the plan. The change is an overall decrease of 7.5% in the most impacted categories of Agricultural and Natural habitat classifications from the prior year. The decrease is due primarily to a decline in the land acquisition component (Category A) for agricultural land price values of comparable sales even though there was a rise in the reported Consumer Price Index (CPI) for Categories B and C.

The San Joaquin Council of Governments Board approved the HCP fee schedule for 2025 during their August 2024 board meeting. The Board coordinates the review of land costs to ensure that the current land mitigation costs will satisfy habitat conservation and purchases. All local jurisdictions are requested to approve the new fee schedule that will take effect on January 1, 2025.

**STRATEGIC VISION:**

5F. Infrastructure: Funding for the maintenance of future development project is sustainable and self-supporting.

**FISCAL IMPACT:**

Not applicable.

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## COUNCIL COMMUNICATION

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**FUNDING AVAILABLE:**

Not applicable.

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John Della Monica  
Community Development Director

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Scott R. Carney  
City Manager

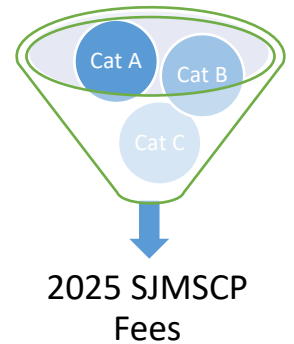
# STAFF REPORT

**SUBJECT:** 2025 SJMSCP Development Fee Annual Adjustment

**RECOMMENDED ACTION:** Motion to Approve the 2025 SJMSCP Development Fees as Adjusted Pursuant to the Financial Analysis Model

**SUMMARY:**

Using the adopted five-year financial analysis model to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) the SJCOG Inc. staff, Habitat Technical Advisory Committee (HTAC) Financial Subcommittee members (Table 1) and consultants undertook the annual analysis in summer 2024. The goal of the annual analysis is to establish the next year’s habitat plan fees paid by individual development projects. The fees are for impacts under the countywide SJMSCP permits as defined in the three fee model categories (Category A – Acquisition; Category B - Assessment and Enhancement; and Category C - Land Management and Administration).



**Table 1 – HTAC Financial Subcommittee Members:**

*John Beckman, BIA*                      *Matt Diaz, Stockton*                      *Zachery Kearns, CDFW*  
*Dan Gifford, Conservation*      *Alisa Goulart, SJ County*

The proposed 2025 SJMSCP development fees were adjusted using the recommended 2020 SJMSCP Five-Year Financial Model Update for the respective categories and are compared to the 2024 SJMSCP Development fees (Table 2) in the most common habitat categories under the plan. The change is an overall decrease of **7.5%** in the most impacted categories of Agricultural and Natural habitat classifications from the prior year. The decrease is due primarily to a decline in the land acquisition component (Category A) for agricultural land price values of comparable sales even though there was a rise in the reported Consumer Price Index (CPI) for Categories B and C.



**Table 2- Compared 2025 & 2024 SJMSCP Development Fees – Most Common Fee Habitat Types**

	<b>2025 Fee - Proposed</b>	<i>2024 Fee - Adopted</i>	<b>Difference</b>	<b>Percent Change</b>
<b>Agricultural/Natural</b>	<b>\$16,492</b>	<i>\$17,833</i>	<b>-\$1,341</b>	<b>-7.5%</b>

Table 3 illustrates the history of the SJMSCP development fees over the current 5-year fee model cycle. The fees can fluctuate primarily based on the Category A – acquisition component of the fee formula over time.

**Table 3- History and Annual Percentage Change for SJMSCP Development Fees**

<b>Fee Category</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Multi-Purpose Open Space	\$6,412	\$8,682	\$9,781	\$9,629	\$8,918
Agriculture/Natural	\$12,822	\$17,363	\$19,561	\$19,255	\$17,833
Vernal Pools	\$100,788 (wetted)	\$161,286 (wetted)	\$174,040 (wetted)	\$176,878 (wetted)	\$177,724 (wetted)
	\$52,833 (upland)	\$71,544 (upland)	\$80,453 (upland)	\$75,320 (upland)	\$69,408 (upland)
<i>Percentage of Change Yearly</i>	<b>-4.3%</b>	<i>35.4%</i>	<i>12.7%</i>	<b>-1.6%</b>	<b>-7.4%</b>

Projects participating under the SJMSCP benefit from a predetermined streamlined processing of the project rather than navigating through a potentially very long, cumbersome and expensive regulatory process outside the habitat plan. By opting for participation, the project proponent can choose any number of ways to provide mitigation for the impacts of the project through the plan and even control much of the mitigation costs if desired. The options are:

1. Pay a fee.
2. Redesign the project to avoid/minimize impacts.
3. Provide land in lieu of the SJMSCP fee, which the project proponent will negotiate the easement/fee title costs (Category A component).
4. Any combination of the above options.

And if those options are not sufficient, the project proponent can choose to not participate in the plan (opt out) and fulfill mitigation requirements on their own with state and federal permitting agencies independently.

**RECOMMENDATION:**

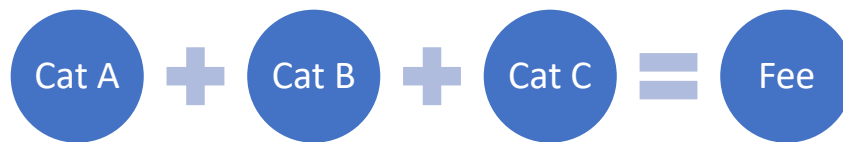
Staff recommends the SJCOG, Inc. Board approve the 2025 SJMSCP development fees as adjusted pursuant to the financial analysis model.

**FISCAL IMPACT:**

Development fees provide funding for SJCOG Inc. to mitigate project impacts covered under the SJMSCP permits for the subsequent calendar year beginning January 1.

**BACKGROUND:**

Annually, the SJMSCP development fees are reviewed and calculated using a formula method adopted under the habitat plan. The three components of the formula are adjusted based on the individual components and the most current supporting data. The development fees established must be adopted by each of the jurisdictions and would become effective on January 1 of the subsequent year for projects using the SJMSCP.



**Category A (Acquisition) – *Comparable Land Sales***



This category is directly related to land valuation based on comparable land sales in San Joaquin County in specific zones of the plan area (Central Zone, Central Southwest Transition Zone and Delta Zone) over an established two-year period meeting the established criteria used for comparable land sales (Attachment 1). Cost estimates for this category will continue to be evaluated on a yearly basis by taking all qualified fee title comparable sales in each zone to set a weighted cost per acre.

The fee model analysis update results in a **12.7% decrease** in the Agricultural/Natural Habitat types of Category A (Acquisition) component to \$9,608. The reason for the decrease is the decline in overall comparable fee title land sale values from prior year values.

**Category B (Assessment and Enhancement) – Refined Cost Factors with Consumer Price Index and Model Data Update**



The Category B component of the fee is adjusted using several factors including the California Consumer Price Index (CPI), as reported by the California Department of Finance for the preceding 12-month fiscal year (June 2023 – June 2024) and from the updated model numbers completed annually based on the SJMSCP Annual Report.

The unit cost factors (per acre or per year for some items) are adjusted only by the CPI (the California CPI calculation was an increase of 3.2%). But the total cost for Category B is also a function of the SJMSCP Annual Report data updated annually (acres remaining to be acquired and the number of years remaining in the permit term; the fee per acre is a function of those total calculated costs and the land conversion acres remaining). These parts all feed into the fee model.

The fee model update results in a 0.5% increase in the Agricultural/Natural Habitat types of Category B (Assessment and Enhancement) component to \$6,066.

**Category C (Management, Monitoring and Administration) – Refined Cost Factors/Long Term Investment with Consumer Price Index**

Annual cost updates use the California Consumer Price Index (CPI), as reported by the California Department of Finance, for the preceding 12-month fiscal year (June 2023 – June 2024) to keep up with inflation on an annual basis.

The fee model update results in a 3.2% increase in the Agricultural/Natural Habitat types of Category C (Management, Monitoring and Administration) component from prior years to \$817.

In summary, the SJMSCP fees are calculated using the SJMSCP Financial Analysis formula model shown in the final proposed fee table 4 below and Attachment 2 (SJMSCP Cost and Fee Analysis 2025 Update). The overall result in the fee analysis is a **7.5%** decrease in the most impacted Agricultural and Natural Habitat Classifications fees for 2025.

**Table 4 - 2025 SJMSCP Development Fees - Proposed**

Habitat Type	Category A	Category B	Category C	Total Fee	Rounded Fee
<b>Other Open Space</b>	\$4,804	\$3,033.00	\$409.47	\$8,246.47	<b>\$8,246</b>
<b>Natural/Ag Lands</b>	\$9,608.00	\$6,066.00	\$817.74	\$16,491.74	<b>\$16,492</b>
<b>Vernal Pool Grasslands</b>	\$48,084.00	\$15,386.00	\$2,019.72	\$65,489.72	<b>\$65,490</b>
<b>Vernal Pool Wetted</b>	\$48,270.00	\$127,031.00	\$1,980.10	\$177,281.10	<b>\$177,281</b>

**NEXT STEPS:**

Should the staff and HTAC recommendation be approved by the SJCOG, Inc. Board at the August 22<sup>nd</sup> Board meeting, the item will be taken out to each jurisdiction for adoption in the coming months for implementation starting January 1, 2025.

**COMMITTEE ACTIONS:**

- Habitat Technical Advisory Committee: Recommended Approval
- Management & Finance Committee: Action Item (*Has not met by time of mail out*)
- Executive Committee: Recommended Approval
- SJCOG, Inc. Board – Action Required

**ATTACHMENTS:**

1. 2025 Fee Study Property List
2. SJMSCP Cost and Fee Analysis 2025 Update

*Prepared by: Steven Mayo, Program Manager*



DRAFT MATERIAL ONLY

Attachment 1 - SMLCST Compatible Land Sites

Table A. Central Zone Properties

Parcel ID	Address	APN	Zone	Sale Date	Price	Acres	Price/Acre	Hab Type	Appraised Price	Appraised Price/Acre
PH04 C11790 12	12729 Midway Rd, Fremont, CA	02122034	Cent	9/19/2022	\$725,000.00	41.48	\$17,478.38	CS2105	\$617,296.23	\$16,101.88
PH04 C11790 12A	7280 Commercial Rd, Fremont, CA	02508022 810334	Cent	10/17/2022	\$485,500.00	88.60	\$5,480.81	CS2105	\$6,126,625.00	\$69,130.08
PH04 C11790 12B	14531 Campbell Rd, Fremont, CA	20122021 8121	Cent	11/01/2022	\$359,723.00	285.71	\$1,259.14	CS2105	\$3,348,900.00	\$29,928.28
PH04 C11790 14	3523 Wiggan Rd, Fremont, CA	21720202	Cent	11/27/2022	\$171,750.00	100.21	\$1,717.50	CS2105	\$1,718,008.73	\$17,092.22
PH04 C11790 15A	2125 Wilson Rd, Fremont, CA	24150024	Cent	1/7/2023	\$135,000.00	574.85	\$231.56	CS2105	\$9,330,625.00	\$17,107.15
PH04 C11790 15B	2301 Woodridge Rd, Fremont, CA	02122024 02121007	Cent	1/5/2023	\$2,400,000.00	329.02	\$7,264.52	CS2105	\$9,246,092.00	\$27,861.72
PH04 C11790 15	13501 Lake Blvd, Fremont, CA	02514024 811314	Cent	1/5/2023	\$2,353,000.00	159.10	\$14,846.23	CS2105	\$9,245,146.23	\$57,846.52
PH04 C11790 10	13501 Lake Blvd, Fremont, CA	02972010	Cent	2/17/2023	\$1,600,000.00	126.53	\$12,642.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 11	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 14	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13A	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13B	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13C	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13D	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13E	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13F	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13G	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13H	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13I	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13J	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13K	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13L	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13M	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13N	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13O	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13P	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13Q	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13R	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13S	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13T	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13U	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13V	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13W	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13X	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13Y	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
PH04 C11790 13Z	13501 Lake Blvd, Fremont, CA	02514024	Cent	2/17/2023	\$1,646,000.00	126.53	\$12,962.82	CS2105	\$1,517,000.00	\$11,987.00
TOTAL					\$52,111,780.50	2626.20	\$19,857.53		\$48,351,666.82	\$18,386.56

Table B. Delta Properties

Parcel ID	Address	APN	Zone	Sale Date	Price	Acres	Price/Acre	Hab Type	Appraised Price	Appraised Price/Acre
PH04 C11790 13 41 B	7901 Contra del Sol, CA	02509030 0506025110 01 05	Delta	5/29/2023	\$3,839,000.00	428.00	\$8,981.78	CS2105	\$3,076,280.50	\$7,188.74
PH04 C11790 13 41 A	4300 Urdinola Rd, Stockton, CA	18107024 252629	Delta	6/19/2024	\$5,813,975.00	300.86	\$19,021.61	CS2105	\$5,419,275.00	\$17,992.61
PH04 C11790 13 41 C	14321 Walnut Ave, Stockton, CA	18812016	Delta	6/19/2024	\$1,300,000.00	51.98	\$25,009.82	CS2105	\$1,300,000.00	\$25,009.82
PH04 C11790 127	13555 Panama Rd, Fremont, CA	20910019	SW	4/19/2023	\$550,000.00	1.60	\$343.75	CS2105	\$54,848.25	\$33,653.91
PH04 C11790 127 B	13555 Panama Rd, Fremont, CA	20910019	SW	4/19/2023	\$83,000.00	597	\$139.03	CS2105	\$54,848.25	\$91.88
PH04 C11790 127 B	13555 Panama Rd, Fremont, CA	20910019	SW	4/19/2023	\$383,000.00	597	\$633.00	CS2105	\$54,848.25	\$91.88
PH04 C11790 15	13515 W Covell Blvd, Fremont, CA	20313803	SW	11/19/2023	\$50,000.00	80.25	\$623.05	CS2105	\$46,000.00	\$573.05
TOTAL					\$53,701,000.00	2152.25	\$24,848.25		\$48,514,904.75	\$22,544.44

10 comparables required for study

4.52% Indoor Fee Title - Central and Southwest Transition Zone  
 -10.29% Indoor Fee Title - Delta Zone

Attachment 1 – 2025 Fee Study Property List - Properties 24 Month

**Attachment 2 – SJMSCP Cost and Fee Analysis 2025 Update**

<b>Table of Contents</b>	List of worksheet tabs and contents
<b>Notes to User</b>	Model overview and instructions for annual updates
<b>Fee Summary Comparison</b>	Table showing calculated fee amounts by habitat type and category; comparison to adopted fees; linked from other sheets; includes California CPI factor for Category C annual update
<b>A1 PerAcreCostFactorsbyZone</b>	Per acre easement cost factors by zone based on input from comparables and appraisal analysis
<b>A2 PerAcreAcquisitionCost</b>	Weighted acquisition cost factors by habitat type based on distribution of preserves by zone; adds transaction costs
<b>A3 AcquisitionCostHabitatType</b>	Total acquisition cost by habitat type, for preserves remaining to be acquired
<b>A4 AcquisitionFEE</b>	Category A fee by habitat type, based on remaining land conversion
<b>B1 PreserveEnhancementCost</b>	Weighted enhancement cost factors by habitat type based on estimate of acres enhanced and detailed per acre enhancement cost factors
<b>B2 AssessmentEnhancementCost</b>	All assessment and enhancement cost factors by habitat type, for preserves remaining to be acquired
<b>B3 AssessEnhancementCostAllocation</b>	Total assessment and enhancement cost by habitat type, remainder of permit term, for preserves remaining to be acquired
<b>B4 AssessmentEnhancementFEE</b>	Category B fee by habitat type, based on remaining land conversion
<b>C MonitoringAdminFEE</b>	Category C fee by habitat type, based on remaining land conversion; links to summary comparison for annual update
<b>For 5-Year Update Only =&gt;</b>	Workbook break: the following tabs for Category C are only used in the 5-year economic analysis update
<b>C1 MonitoringCost</b>	Monitoring cost factors by habitat type, including post-permit annual cost; costs for remainder of permit term, all preserve acres
<b>C2 PMAdminCost</b>	Project management and administrative cost factors, including post-permit annual cost; costs for remainder of permit term, all preserve acres
<b>C3 Permit Term Cost Adjustments</b>	Category C fund balance deducted from Category C costs remainder of permit term to calculate net cost for cost allocation and fee
<b>C4 Endowment</b>	Endowment cash flow, return assumptions, and total in year 51 to support post-permit annual cost
<b>C5 MonitoringAdminCostAlloc</b>	Total monitoring, management, and administrative cost by habitat type, remainder of permit term and endowment for post permit cost
<b>C6 MonitoringAdminFEE</b>	Category C fee by habitat type, based on remaining land conversion
<b>Source for update acres =&gt;</b>	Workbook break: the following tabs are updated annually and every 5 years for acres inputs
<b>1 SJMSCP Acres 6_4_2015</b>	Land conversion and preserve acres by habitat type for the 50-year permit term (source table)
<b>2.1 RemainingPreservetoAcquire</b>	Preserve Acres, Total and Remaining to be Acquired (from Table 1 and Annual Report updates)
<b>2.2 Preserves_Habitat_Zone_2019</b>	Detail on preserve acquisition by habitat type and zone for use in monitoring cost estimates (not used in annual updates)
<b>3 Cumulative Take_Remaining</b>	Allowed and Remaining Incidental Take Acreage (from Table 1 and Annual Report updates)
<b>4 PreserveAcquisitionSchedule</b>	Preserve Acquisition Schedule, All Habitat Types, by Index Zone, Remaining Permit Term (from Table 2.1 and 2.2)
<b>Fund Balance Analysis =&gt;</b>	Workbook break: the following tabs are updated every 5 years for Category C cost analysis
<b>5 FundBalanceAllocation</b>	Allocation of Fund Balance to Category B and Category C (permit term) and post-permit endowment
<b>B1 ExistingPreserveEnhanceCost</b>	Estimate of enhancement costs on existing preserves with updated cost factors, to allocate fund balance to Category B

This workbook of linked worksheets calculates SJMSCP Impact Fees for Categories A, B, and C. The workbook contains all of the elements needed for annual updates as well as the framework for the more complex 5-year economic analysis updates.

*Action items for annual updates indicated in red italics.*

**Category A** and **Category B** are fees for **one-time costs** for land acquisition, enhancement, restoration and associated site assessments and planning.

These fees will be updated annually by updating the per-acre cost factors **and** updating the *acres remaining to be acquired* and the *remaining acres of land conversion* based on data from SJMSCP Annual Reports.

- Category A per-acre cost factors updated by annual comparables analysis, as established in past practice, and evaluation of easement cost percent of fee title based on SJMSCP appraisals
- Category B per-acre and annual cost factors updated by applying California CPI to unit cost factors
- The total costs in Category A and Category B for each annual update will reflect the *acres remaining to be acquired* and the fees for each annual update will reflect the *remaining acres of land conversion* from SJMSCP Annual Reports.

**Category C** is a fee for **on-going annual costs** for the remainder of the permit term and post-permit in perpetuity. practice.

- Incorporating Annual Report data in the annual updates of **on-going** permit term and post-permit costs adds unnecessary complexity to the annual update of this component of the SJMSCP fees. the endowment cash flow analysis required to estimate post-permit costs, are more complex work efforts not justified to generally keep Category C fees in line with annual cost inflation. Moreover, because management and administration costs are not sensitive to habitat type, it is not as important to account for the annual variation in preserve acquisition and land conversion captured in the annual updates to Categories A and B.

### **Components of the workbook:**

1. The Fee Summary Comparison worksheet compares calculated updated fees to fees currently in effect and includes the California CPI for Category C updates.
2. Category A tabs A1 - A4 calculate the fees for Category A Acquisition.
3. Category B tabs B1 - B4 calculate the fees for Category B Assessment and Enhancement.

4. Category C Fee tab shows the fees by habitat type calculated in the 2020 Economic Analysis Update, the basis for the *UPDATE ONLY* the SJMSCP Annual Report; Table 4 showing the preserve monitoring schedule by habitat type and zone is used only in the 5-year update.
7. Tables 5 and B1 ExistingPreserveEnhanceCost provide the fund balance analysis completed every five years as part of the Category C update.

## Fee Summary Comparison

Calculates new annual fees and compares to prior year adopted fees.

- 1. Paste values of prior year adopted fees in cells C11:E14.*
- 2. Insert updated annual California CPI factor in cell F1.*
3. Updated fees for Category A show in cells C5:C8 and updated fees for Category B show in cells D5:D8. The fees are linked.
4. Formulas in cells E5:E8 calculate Category C fee update amounts based on prior year adopted fee amounts in cells E11:E14 and the California CPI.

## Category A Acquisition

### A.1 Category A Per-Acre Acquisition Cost Factors by Zone

*Delta.*

- 2. Update SJCOG, Inc. appraisal list each year and calculate weighted average percent by dividing cumulative total easement value (cost) by cumulative total before value (fee title value).*
3. Value of Southwest Zone easement cost remains unchanged until experience indicates it should be updated.

### A.2 Per-Acre Acquisition Cost Factors by Preserve/Habitat Type

No annual input needed. Links and formulas calculate total cost factors per acre for each habitat type.

1. Easement cost factor input linked from A.1.
2. Distribution by preserve type is not changed from 1996 Economic Analysis.
3. Transaction cost and VP acquisition assumptions not changed.

### A.3 Total Acquisition Costs by Habitat Type, Remainder of Permit Term

No annual input needed. Links and formulas calculate total cost for each habitat type.

1. Land acquisition cost factors linked from A.2.
2. Preserve acres remaining to be acquired linked from Table 2.1 (updated annually based on SJMSCP Annual Report).

### A.4 Fee Calculations

No annual input needed. Links and formulas calculate fee for each habitat type.

1. Cost by habitat type linked from A.3.
2. Land conversion remaining linked from Table 3 (updated annually based on SJMSCP Annual Report).

## Category B Assessment and Enhancement

B.1 SJMSCP Preserve land by habitat type, enhancement analysis, and enhancement cost factors per preserve acre refined, and update of costs for enhancements and restoration. 2020 Analysis included further cost updates based on actual SJCOG, Inc. experience and other relevant cost updates. Table calculates weighted average cost per preserve acre for agricultural lands, non-vernal pool natural lands, and vernal pool preserves. Update enhancement cost analysis every five years.

*formula. Formula references updated annual California CPI factor in cell E1. Formulas calculate updated weighted average cost per preserve acre.*

*3. Insert updated annual California CPI factor in cell E1.*

B.2 Category B Assessment, Planning, Restoration and Enhancement Cost Factors

*1. Update remaining years in permit term.*

*enhancement plans in the formula. Formula references updated annual California CPI factor in cell C1. Formulas calculate updated annual costs.*

*3. Insert updated annual California CPI factor in cell C1.*

4. Enhancement and restoration cost factors linked from B.1.

B.3 Category B Assessment, Planning, Restoration, and Enhancement Cost Allocation by Habitat Type

No annual input needed. Links and formulas calculate total cost for each habitat type factors in B.2.

2. Preserve acres remaining to be acquired linked from Table 2.1 (updated annually based on SJMSCP Annual Report).

B.4 Fee Calculations

No annual input needed. Links and formulas calculate fee for each habitat type.

1. Cost by habitat type linked from B.3.

2. Land conversion remaining linked from Table 3 (updated annually based on SJMSCP Annual Report).

## Category C Monitoring, Management, and Administration

C.5 Fee Calculations - Annual Update Only

No input needed. Cost and land conversion values frozen based on 2020 Economic Analysis.

1. For 2020 update, Category C fee amounts by habitat type linked to Fee Summary Comparison table.

2. Update annually by applying California CPI factor to prior year Category C fee amounts, as in past practice.

*Note: this is done in the Fee Summary Comparison worksheet.*



## **Category C Monitoring, Management, and Administration - INSTRUCTIONS FOR FIVE-YEAR UPDATE**

### **C.1 Category C (part) Compliance and Effectiveness Monitoring Cost Assumptions**

1. Remaining years in permit term linked from Table 4 Preserve Monitoring Schedule.
2. Update monitoring cost factors (annual costs and annual costs per acre).
3. Total costs by type of monitoring for the remainder of the permit term calculated by worksheet formula. With links to Table 4 Preserve Monitoring Schedule.
4. Post permit cost updates by worksheet formula based on updates to detail in rows above. Acres input linked from Table 4 Preserve Monitoring Schedule.

### **C.2 Category C (part) Project Management and Administrative Cost Assumptions**

1. Remaining years in permit term linked from Table 4 Preserve Monitoring Schedule.
2. Update annual management and administrative staff cost and cost allocation, Habitat Plan Environmental Consulting, and Land Manager Coordination costs from analysis of Cumulative Schedule of Receipts and Disbursements in SJMSCP Annual Report, supplemented as needed by cost code detail provided by SJCOG, Inc. staff.
3. Update Financial Plan Five-Year Review and Update cost based on contracts.
4. Post permit cost updates by worksheet formula based on updates to detail in rows above.

### **C.3 Adjustments for Remaining Fund Balance**

No input needed. Links and formulas calculate net Category C cost for remainder of permit term.

1. Costs for the remainder of the permit term by cost category linked from Table C.1 and C.2.
2. Category C fund balance as of prior year end for costs on existing preserves linked from Table 5.

### **C.4 SJMSCP Endowment Fund Cash Flow**

This table uses estimates of annual post permit costs, existing fund balance allocated to post-permit costs (based on cumulative take to date as a share of total take), and interest earnings assumptions to estimate the endowment needed at the end of the permit term to fund annual costs in perpetuity.

This analysis is to be updated at each 5-year economic analysis review. The worksheet solves for fund balance amount in year 51 that generates the annual income to fully fund annual post permit costs. The worksheet calculates the annual fee revenue required over the remainder of the permit term to achieve that fund balance when added to the existing fund balance for management and administrative costs post permit and interest earnings over the remainder of the permit term. That amount is the total cost to be allocated by habitat type remaining to be acquired and links to

**C.5 Category C Monitoring and Project Management/Administration, including endowment for post-permit costs, Cost Allocation**

No input needed. Links and formulas calculate cost for each habitat type.

costs by habitat type.

2. Preserve acres remaining to be acquired linked from Table 2 (updated based on SJMSCP Annual Report).

**C.6 Fee Calculations**

No input needed. Links and formulas calculate fee for each habitat type.

1. Cost by habitat type linked from C.5.

2. Land conversion remaining linked from Table 3 (updated based on SJMSCP Annual Report).

## Tables 1 - 5 (Source Tables)

### Table 1 Land Conversion and Preserve Acres by Habitat Type for the 50-year permit term

This table was finalized on June 4, 2015 as part of the Economic Analysis update. This table provides the source data by detailed habitat type for the 50-year permit term totals.

### Table 2.1 Preserve Acres, Total and Remaining to be Acquired

1. Total Preserve Acres by habitat type linked from Table 1.

*2. Annually, update Total Preserve Acres Acquired through 12/31 from the SJMSCP Annual Report. Note that as of the 2020 update and going forward, grassland acquired to mitigate agricultural land impacts has a new line item in Table 2.1. This amount is deducted from total grassland acquired in cell E11.*

worksheets.

### Table 2.2 Preserves\_Habitat\_Zone\_2019 (new in 2020 update) - ONLY USED ON 5-YEAR UPDATE

Monitoring Schedule.

preserve to a habitat type and zone. Note that the habitat type represents the type of habitat acquired regardless of the type of impacts mitigated, i.e, grassland preserves acquired to mitigate agricultural impacts are categorized as grassland preserves in this table.

### Table 3 Allowed and Remaining Incidental Take Acreage

1 and Table 4.2-2.

*2. Annually, update the Cumulative Acres of Take through 12/31 from the SJMSCP Annual Report.*

3. Remaining Acres of Land Conversion calculated by worksheet formula; links to cost and fee calculation worksheets.

### UPDATE

This table is used in Table C.1 Monitoring Cost All Acres to calculate monitoring costs for the remainder of the permit term for all preserve acres, assuming future acquisition at an average annual pace calculated by dividing the number of acres remaining to be acquired by the number of years remaining in the permit term.

1. Preserve acres remaining to be acquired by zone linked from Table 2.1 (updated based on SJMSCP Annual Report) and Table 2.2 (updated every 5 years).

Column C.

3. At five-year update, double check the formula count of years remaining in permit term in cell C42. This is used as the denominator of the cell formulas for the monitoring schedule above.

**Table 5 Fund Balance Allocation - ONLY USED IN 5-YEAR UPDATE**

This table is used in Table C.3 Permit Term Cost Adjustments to calculate the net Category C costs for the remainder of the permit term. Category B and Category C fund balance is allocated to permit term and post-permit needs.

1. Every 5 years, update the beginning fund balance from the 12/31 year-end statement.
2. Calculate Category B Fund Balance for Category B Enhancements (remaining enhancement cost for existing preserves) based on Table B.1 ExistingPreserveEnhanceCost (five-year update cost factors applied to existing preserves by type) and subtracting expenditures through the prior year-end on preserve enhancement.
3. Fund Balance for Post-Permit Costs on Existing Preserves is linked from Table C.4 Endowment. This fund balance adjustment is only required for the 2020 five-year update and will not be necessary in subsequent years once the separate post-permit endowment account is established.
4. The table subtracts the Fund Balance for Category B Enhancements and the Fund Balance for Post-Permit Costs on Existing Preserves from the year-end statement balance to generate Remaining Fund Balance for Permit Term Category C Costs on Existing Preserves. This result links to Table C.3 Permit Term Cost Adjustments.

	Category A	Category B	Category C		
2025 Fees - Proposed	Acquisition	Assessment & Enhancement	Monitoring, Management & Administration, & Post-permit Endowment	Total	Total Rounded
Other Open Space	\$4,804.00	\$3,033.00	\$409.47	\$8,246.47	\$8,246
Natural/Ag Lands	\$9,608.00	\$6,066.00	\$817.74	\$16,491.74	\$16,492
Vernal Pool Grasslands	\$48,084.00	\$15,386.00	\$2,019.72	\$65,489.72	\$65,490
Vernal Pool Wetted	\$48,270.00	\$127,031.00	\$1,980.10	\$177,281.10	\$177,281
	Category A	Category B	Category C		
2024 Fees - Adopted	Acquisition	Assessment & Enhancement	Monitoring, Management & Administration, & Post-permit Endowment	Total	Total Rounded
Other Open Space	\$5,502.00	\$3,019.00	\$396.66	\$8,917.66	\$8,918
Natural/Ag Lands	\$11,003.00	\$6,038.00	\$792.15	\$17,833.15	\$17,833
Vernal Pool Grasslands	\$52,545.00	\$14,906.00	\$1,956.53	\$69,407.53	\$69,408
Vernal Pool Wetted	\$52,748.00	\$123,058.00	\$1,918.14	\$177,724.14	\$177,724

Difference Per Acre (\$)	Acquisition	Assessment & Enhancement	Monitoring, Management & Administration, & Post-permit Endowment	Total	Total Rounded
Other Open Space	(\$698)	\$14	\$13	(\$671)	(\$671)
Natural/Ag Lands	(\$1,395)	\$28	\$26	(\$1,341)	(\$1,341)
Vernal Pool Grasslands	(\$4,461)	\$480	\$63	(\$3,918)	(\$3,918)
Vernal Pool Wetted	(\$4,478)	\$3,973	\$62	(\$443)	(\$443)

Percent Difference	Acquisition	Assessment & Enhancement	Monitoring, Management & Administration, & Post-permit Endowment	Total	Total Rounded
Other Open Space	-12.7%	0.5%	3.2%	-7.5%	-7.5%
Natural/Ag Lands	-12.7%	0.5%	3.2%	-7.5%	-7.5%
Vernal Pool Grasslands	-8.5%	3.2%	3.2%	-5.6%	-5.6%
Vernal Pool Wetted	-8.5%	3.2%	3.2%	-0.2%	-0.2%

TABLE A.1

2020 Five-Year Economic Analysis and Fee Update

SJMSCP Fee Update - 2024 (for 2025 SJMSCP Development Fee Cycle)

Category A Per-Acre Acquisition Cost Factors by Zone (2024 dollars)

		Central Zone	Primary Zone of the Delta	Southwest Zone <sup>3</sup>
Fee title value <sup>1</sup>	a	\$18,799	\$12,555	na
Easement percent of fee title value <sup>2</sup>	b	55%	55%	na
Easement costs	a × b	\$10,339	\$6,905	\$1,000

1. SJCOG, Inc. Fee Study Property List, Table A and Table B

2. SJCOG, Inc. Appraisals as of June 2024

3. Based on standard easement cost in Southwest Zone of \$1,000/acre.

**TABLE A.2**  
**2020 Five-Year Economic Analysis and Fee Update**  
**SJMSCP Fee Update - 2024 (for 2025 SJMSCP Development Fee Cycle)**  
**Per Acre Acquisition Cost by Preserve/Habitat Type (2024 dollars)**

Preserve/Habitat Type		SJMSCP Zone			Total Weighted Acquisition Cost	Transaction Costs <sup>5</sup>	Total Land Acquisition Costs Per Acre
		Central Zone	Primary Zone of the Delta	Southwest Zone			
		A	B	C	A + B + C = D	D × 5% = E	D + E
Easement cost by zone <sup>1</sup>	d	\$10,339	\$6,905	\$1,000			
<b>Agricultural Lands</b>							
Percent in zone <sup>2</sup>	e	98%	2%	0%			
Weighted costs <sup>3</sup>	d × e	\$10,152	\$125	\$0	<b>\$10,277</b>	\$514	<b>\$10,791</b>
<b>Natural Lands</b>							
Non-vernal pool natural lands							
Percent in zone <sup>2</sup>	f	77%	4%	18%			
Weighted costs <sup>3</sup>	d × f	\$7,988	\$307	\$183	<b>\$8,478</b>	\$424	<b>\$8,902</b>
Vernal pool grasslands <sup>4</sup>		n/a	n/a	n/a	<b>\$15,039</b>	\$752	<b>\$15,791</b>
Vernal pool wetted <sup>4</sup>		n/a	n/a	n/a	<b>\$15,039</b>	\$752	<b>\$15,791</b>

1. See Table A.1.
2. Percent of total lands in each category assumed to be in a given zone. Based on 1996 Economic Analysis.
3. Weighted average cost based on generalized proportion of total preserve land in each zone. Assumes easement acquisition for lands categorized as agriculture and all natural lands except vernal pool habitat.
4. Assumes fee title acquisition for vernal pool lands. Vernal pool habitat fee title land costs assumed to be about 80% of average Central Zone fee title costs.
5. Transaction costs include biological baseline reporting, appraisal, escrow, and survey costs. Costs are estimated at 5 percent of acquisition cost.



TABLE A.3

2020 Five-Year Economic Analysis and Fee Update

SJMSCP Fee Update - 2024 (for 2025 SJMSCP Development Fee Cycle)

Total Acquisition Costs by Habitat Type, Remainder of Permit Term (2024 dollars)

Preserves by Habitat Type	Land Acquisition Cost Per Acre	Preserve Acres Remaining to be Acquired	Total Costs of Acquisition
Agricultural lands	\$10,791	36,531.45	\$394,210,888
Natural lands			
Non-vernal pool natural lands	\$8,902	23,605.84	\$210,139,188
<b>Total for Non-vernal pool Natural /Ag Land</b>	\$10,050	60,137.29	<b>\$604,350,076</b>
Vernal pool grasslands	\$15,791	15,720.66	\$248,244,863
Vernal pool wetted	\$15,791	2,115.00	\$33,397,965

Sources: SJCOG, Inc., SJMSCP 2023 Annual Report, and Hausrath Economics Group.

**TABLE A.4**  
**2020 Five-Year Economic Analysis and Fee Update**  
**SJMSCP Fee Update - 2024 (for 2025 SJMSCP Development Fee Cycle)**  
**Category A Acquisition**  
**Fee Calculations (2024 dollars)**

Habitat Type	Preserve Land Acquisition
Costs associated with non-vernal pool natural/agricultural lands conversion	\$604,350,076
Natural (non vernal pool)/Agricultural land conversion (acres) , remaining	45,955.30
Multi-purpose open space conversion (acres), remaining <sup>1</sup>	33,896.57
Multiplier for natural/agricultural land conversion	1
Multiplier for multi-ourpose open space conversion <sup>1</sup>	0.5
<b>Acquisition Component of Natural (non vernal pool)/Agricultural Lands</b>	<b>\$9,608</b>
<b>Acquisition Component of Multi-Purpose Open Space Fee<sup>1</sup></b>	<b>\$4,804</b>
Costs associated with vernal pool grasslands	\$248,244,863
Vernal pool grassland conversion (acres), remaining	5,162.74
<b>Acquisition Component of Vernal Pool Grasslands Fee</b>	<b>\$48,084</b>
Costs associated with vernal pool wetted	\$33,397,965
Vernal pool wetted conversion (acres), remaining	691.90
<b>Acquisition Component of Vernal Pool Wetted Fee</b>	<b>\$48,270</b>

1. As described in SJMSCP Section 7.4.1.2, the fee calculation allocates the costs associated with agricultural habitat and non-vernal pool natural lands preserves to conversion of both those high value lands (agricultural land and non-vernal pool natural land) and lower value multi-purpose open space. In other words, the SJMSCP does not enhance multi-purpose open space lands but allocates some of the costs of enhancements on agricultural and natural lands preserves to the conversion of multi-purpose open space lands to assist with the financing of those enhancements.

Sources: SJCOG, Inc., [SJMSCP 2022 Annual Report](#), and Hausrath Economics Group.

TABLE B.1

2020 Five-Year Economic Analysis and Fee Update

SJMSCP Fee Update - 2024 (for 2025 SJMSCP Development Fee Cycle)

Category B Assessment, Planning, Restoration and Enhancement

SJMSCP Preserve land by habitat type, enhancement analysis, and enhancement cost per preserve acre (2024 dollars)

Habitat Type	Total Preserve Acres (including neighboring lands preserves)	Percent of Preserve Acres Enhanced <sup>1</sup>	Acres Benefiting from Enhancements	Hedgerow or Other Linear Habitat Feature (acres) <sup>2</sup>	Enhancement Cost per Acre <sup>3</sup>	Total Enhancement Cost	Enhancement Cost per Preserve Acre
	1	2	3	4	5	6	7
<b>Agricultural Habitat Lands<sup>4</sup></b>	<b>57,935</b>	<b>10%</b>	<b>5,794</b>	<b>776</b>	<b>\$85,256</b>	<b>\$66,158,340</b>	<b>\$1,142</b>
<b>Natural Lands</b>							
Ditches	378	33%	126		\$372,243	\$46,902,650	
Grasslands	14,559	33%	4,853		\$23,534	\$114,212,324	
Oak woodlands	858	33%	286		\$34,823	\$9,959,257	
Riparian	2,725	33%	908		\$102,067	\$92,710,493	
Submerged aquatic in the Delta	10	100%	10		\$70,846	\$708,457	
<i>Subtotal</i>	<i>18,530</i>		<i>6,183</i>		<i>\$42,775</i>	<i>\$264,493,180</i>	
Other natural lands <sup>5</sup>	6,445	33%	2,148		\$42,775	\$91,895,339	
<b>Subtotal Non VP Natural</b>	<b>24,975</b>					<b>\$356,388,520</b>	<b>\$14,270</b>
Vernal pool wetted	2,121	33%	707		\$124,522	\$88,037,209	\$41,507
Vernal pool grasslands	15,811	33%	5,270		\$15,010	\$79,105,817	\$5,003
<b>Subtotal All Natural Lands</b>	<b>42,907</b>		<b>14,309</b>			<b>\$523,531,546</b>	
<b>Total</b>	<b>100,842</b>		<b>20,103</b>			<b>\$589,689,886</b>	

1. Enhancement criteria derived from the SJMSCP, Section 5.4.6.

2. Unlike most other habitat types, agricultural lands are enhanced by treating linear features that run along the edge of or through fields--features such as roads or drainage ditches. In these cases, the land area of direct enhancement activity is substantially less than that area benefiting from the enhancement. This has the advantage of minimizing impacts to agricultural land production. Installing pollinator hedgerows at the edges of fields and grassland borders along irrigation and drainage ditches, and planting nest trees and associated shrubs and grasses, are enhancements used in the cost analysis to represent the range of types of agricultural land enhancements outlined in the SJMSCP. In addition to benefits to species, these linear features offer benefits of preventing soil erosion and reducing costs for weed control and linear water conveyance infrastructure maintenance. They also enhance the entire field they are associated with, meeting the 10 percent enhancement criterion while also minimizing loss of productive agricultural land. The enhancement cost estimate for agricultural lands is therefore based on the acres of hedgerow or other linear feature multiplied by the cost per acre to install hedgerows and similar linear features.

3. The enhancement cost applies to the acres where construction and/or installation actually takes place. In the case of hedgerows or other linear features, this is only the relatively small area of activity, not the total area that is thereby enhanced. Enhancement cost includes costs for materials, construction labor, and equipment. In addition to the installation activity, the cost per enhanced acre also includes a cost for project oversight and contract administration and three years of maintenance and monitoring. For vernal pool wetted restoration, the cost includes 5 monitoring years during a 10 year post-restoration monitoring period.

4. For agricultural habitat lands, a SJMSCP describes a broad range of enhancement activities and a generalized target of 10 percent enhancement; providing benefits to species without substantially reducing the amount of agricultural land in production. This can be achieved by implementing the linear features described in footnote 2. Pollinator hedgerows or similar linear features enhance the entire field that they are associated with, thereby counting toward the 10 percent enhancement criteria while taking substantially less land out of production.

5. Estimated based on the weighted average cost for all other non-vernal pool natural lands.

Sources: Table A.1, SJCOG, Inc., ICF, and Hausrath Economics Group

TABLE B.2

2020 Five-Year Economic Analysis and Fee Update

SJMSCP Fee Update - 2024 (for 2025 SJMSCP Development Fee Cycle)

Category B Assessment, Planning, Restoration and Enhancement Cost Factors (2024 dollars)

Remainder of Permit Term

Remaining years in permit term 27 used in formulae below to calculate costs for the remainder of the permit

**Biological Site Assessment**

Number of site visits per year 8 assumes 6 hours per visit

Annual cost \$8,005

**Total Site Assessment cost remainder of permit term** \$216,148

**Preserve Management Plan Preparation**

Number of management plans per year 12 assumes 40 hours per plan

Annual cost \$80,053

**Total Preserve Management Plan cost remainder of permit term** \$2,161,426

**Preserve Enhancement Plan Preparation**

Average cost per enhancement plan \$4,670 assumes 28 hours per plan for each enhancement project

Average acres per project 240

Average cost per preserve acre \$19

**Preserve Enhancements on Agricultural Lands**

Enhancement cost per preserve acre \$1,142 from Table B1

**Preserve Enhancements on Non-Vernal Pool Natural Lands**

Enhancement cost per preserve acre \$14,270 from Table B1

**Vernal Pool Creation/Enhancement**

Enhancement cost per preserve acre \$41,507 from Table B1

**Vernal Pool Upland Grassland Enhancement**

Enhancement cost per preserve acre \$5,003 from Table B1

Sources: SJCOG, Inc., [SJMSCP 2023 Annual Report](#), ICF, and Hausrath Economics Group.

**TABLE B.3**  
**2020 Five-Year Economic Analysis and Fee Update**  
**SJMSCP Fee Update - 2024 (for 2025SJMSCP Development Fee Cycle)**  
**Category B Assessment, Planning, Restoration and Enhancement (2024 dollars)**  
**Cost Allocation by Habitat Type**  
**Remainder of Permit Term**

Preserves by Habitat Type	Acres Remaining to be Acquired <sup>1</sup>	Percent of Total	Costs - Remainder of Permit Term				
			Total cost allocated by preserve type percent of total preserve acres remaining to be acquired <sup>2</sup>		multiplied by preserve acres remaining to be acquired	Cost per acre multiplied by preserve acres remaining to be acquired	
			Biological Site Assessment	Preserve Management Plans	Preserve Enhancement Plans	Preserve Enhancements	Vernal Pool Restoration
Agricultural lands	36,531.45	47%	\$101,268	\$1,012,659	\$694,098	\$41,716,754	na
Non-vernal pool natural lands	23,605.84	30%	65,438	654,359	448,511	\$336,850,866	na
Vernal pool grasslands	15,720.66	20%	43,579	435,780	298,692	\$78,653,801	na
Vernal pool wetted	2,115.00	3%	5,863	58,628	40,185	na	\$87,788,165
	<b>77,972.95</b>	<b>100%</b>	<b>\$216,148</b>	<b>\$2,161,426</b>	<b>\$1,481,486</b>	<b>\$457,221,421</b>	<b>\$87,788,165</b>

1. Includes 600 acres of neighboring lands preserves.

2. SJCOG, Inc. spending through 12/31/19 on site visits and preserve management plans totals at least \$400,000; assume all of these types of costs for existing preserves are included in spe

Sources: SJCOG, Inc., [SJMSCP 2023 Annual Report](#), ICF, and Hausrath Economics Group.

**TABLE B.4**  
**2020 Five-Year Economic Analysis and Fee Update**  
**SJMSCP Fee Update - 2024 (for 2025 SJMSCP Development Fee Cycle)**  
**Category B Assessment, Planning, Restoration and Enhancement**  
**Fee Calculations (2024 dollars)**  
**Remainder of Permit Term**

Habitat Type	Biological Site Assessment	Preserve Management Plans	Preserve Enhancement Plans	Agricultural and Non VP Natural Land Enhancement	Total for Agricultural and Non VP Natural Land (incl. assessment and plans)	Vernal Pool Restoration / Enhancement	Total for Vernal Pool (incl. assessment and plans)
Costs associated with non-vernal pool natural/agricultural lands conversion	\$166,706	\$1,667,018	\$1,142,609	\$378,567,620	<b>\$381,543,953</b>		
Natural (non vernal pool)/Agricultural land conversion (acres), remaining	45,955.30	45,955.30	45,955.30	45,955.30	45,955.30		
Multi-purpose open space conversion (acres), remaining <sup>1</sup>	33,896.57	33,896.57	33,896.57	33,896.57	33,896.57		
Multiplier for natural/agricultural land conversion	1	1	1	1	1		
Multiplier for multi-purpose open space conversion <sup>1</sup>	0.5	0.5	0.5	0.5	0.5		
<b>Assessment &amp; Enhancement Component of Natural (non-vernal pool)/Agricultural Lands Fee</b>	<b>\$3</b>	<b>\$27</b>	<b>\$18</b>	<b>\$6,018</b>	<b>\$6,066</b>		
<b>Assessment &amp; Enhancement Component of Multi-Purpose Open Space</b>	<b>\$2</b>	<b>\$14</b>	<b>\$9</b>	<b>\$3,009</b>	<b>\$3,033</b>		
Costs associated with vernal pool grasslands	\$43,579	\$435,780	\$298,692			\$78,653,801	<b>\$79,431,852</b>
Vernal pool grassland conversion (acres), remaining	5,162.74	5,162.74	5,162.74			5,162.74	5,162.7
<b>Assessment &amp; Enhancement Component of Vernal Pool Grasslands Fee</b>	<b>\$8</b>	<b>\$84</b>	<b>\$58</b>			<b>\$15,235</b>	<b>\$15,386</b>
Costs associated with vernal pool wetted	\$5,863	\$58,628	\$40,185			\$87,788,165	<b>\$87,892,841</b>
Vernal pool wetted conversion (acres), remaining	691.90	691.90	691.90			691.90	691.9
<b>Assessment &amp; Enhancement Component of Vernal Pool Wetted Fee</b>	<b>\$8</b>	<b>\$85</b>	<b>\$58</b>			<b>\$126,880</b>	<b>\$127,031</b>

1. As described in SJMSCP Section 7.4.1.2, the fee calculation allocates the costs associated with agricultural habitat and non-vernal pool natural lands preserves to conversion of both those high value lands (agricultural land and non-vernal pool natural land) and lower value multi-purpose open space. In other words, the SJMSCP does not enhance multi-purpose open space lands but allocates some of the costs of enhancements on agricultural and natural lands preserves to the conversion of multi-purpose open space lands to assist with the financing of those enhancements.

Sources: SJCOG, Inc., SJMSCP 2023 Annual Report, ICF, and Hausrath Economics Group.

TABLE C.5 for Annual Update

2020 Five-Year Economic Analysis and Fee Update

SJMSCP Fee Update - 2024 (for 2025 SJMSCP Development Fee Cycle)

Category C Monitoring and Program Management/Administration, including endowment for post-permit costs

Fee Calculations (2024 dollars)

Habitat Type	Remainder of			Post Permit
	Permit Term	Post permit	Total	% of Total Fee
Costs associated with non-vernal pool natural/agricultural lands conversion	\$38,737,435	\$6,809,704	<b>\$45,547,139</b>	
Non-vernal pool Natural/Agricultural land conversion (acres), remaining	49,654.31	49,654.31	49,654.31	
Multi-purpose open space conversion (acres), remaining <sup>1</sup>	34,494.82	34,494.82	34,494.82	
Multiplier for natural/agricultural land conversion	1	1	1	
Multiplier for multi-purpose open space conversion <sup>1</sup>	0.5	0.5	0.5	
<b>Monitoring &amp; Administration Component of Natural (non-vernal pool)/Agricultural Lands Fee</b>	<b>\$579</b>	<b>\$102</b>	<b>\$681</b>	15%
<b>Monitoring &amp; Administration Component of Multi-Purpose Open Space Fee</b>	<b>\$290</b>	<b>\$51</b>	<b>\$341</b>	15%
Costs associated with vernal pool grasslands	\$7,387,258	\$1,298,616	<b>\$8,685,874</b>	
Vernal pool grassland conversion (acres), remaining	5,163.08	5,163.08	5,163.08	
<b>Monitoring &amp; Administration Component of Vernal Pool Grasslands Fee</b>	<b>\$1,431</b>	<b>\$252</b>	<b>\$1,682</b>	15%
Costs associated with vernal pool wetted	\$990,979	\$174,206	<b>\$1,165,185</b>	
Vernal pool wetted conversion (acres), remaining	706.75	706.75	706.75	
<b>Monitoring &amp; Administration Component of Vernal Pool Wetted Fee</b>	<b>\$1,402</b>	<b>\$246</b>	<b>\$1,649</b>	15%

Note: Net of existing fund balance allocated to Category C permit-term and post-permit costs.

1. The fee calculation allocates the costs associated with agricultural habitat and non-vernal pool natural lands preserves to conversion of both those high value lands (agricultural land and non-vernal pool natural land) and lower value multi-purpose open space, thereby assisting with the financing of management and monitoring on agricultural and natural lands preserves.

Sources: SJCOG, Inc., [SJMSCP 2024 Annual Report](#), ICF, Urban Economics, and Hausrath Economics Group.

- C MonitorAdminFEE -

TABLE 1

2020 Five-Year Economic Analysis and Fee Update

Land Conversion and Preserve Acres by Habitat Type for the 50-year Permit Term

Habitat Type	Land Conversion <sup>1</sup>	Number of Preserve Acres to Land Conversion Acres	Total Preserve Acres for Compensation	Neighboring Land Protection Preserves	Total All Preserve Acres	Percent Total Acres
<b>Agricultural lands<sup>2</sup></b>	<b>57,635</b>	1.00	<b>57,635</b>	<b>300</b>	<b>57,935</b>	<b>57%</b>
<b>Natural Lands</b>						
Ditches <sup>3</sup>	126	3.00	378		<b>378</b>	0.37%
Grasslands <sup>4</sup>	4,853	3.00	14,559		<b>14,559</b>	14.44%
Oak woodlands <sup>5</sup>	286	3.00	858		<b>858</b>	0.85%
Riparian <sup>6</sup>	900	3.00	2,700	25	<b>2,725</b>	2.70%
Submerged aquatic in the Delta Zone	3	3.00	10		<b>10</b>	0.01%
Vernal pool grasslands <sup>7</sup>						
VP - wetted surface area	707	3.00	2,121		<b>2,121</b>	2.10%
VP - upland grassland	5,187	3.00	15,561		<b>15,561</b>	15.43%
VP - Neighboring Land Protection preserves <sup>8</sup>		na		250	<b>250</b>	0.25%
Other natural lands <sup>9</sup>	2,140	3.00	6,420	25	<b>6,445</b>	6.39%
<b>Subtotal Natural Lands</b>	<b>14,202</b>		<b>42,607</b>	<b>300</b>	<b>42,907</b>	<b>42.55%</b>
<b>Total</b>	<b>71,837</b>		<b>100,242</b>	<b>600</b>	<b>100,842</b>	<b>100.00%</b>

NOTE: In the following footnotes, "type" refers to the mapped habitat unit identified in the SJMSCP Biological Analysis (Chapter 2). The following footnotes provide summaries only and the reader should refer to the Biological Analysis for a detailed description of each habitat type.

1. Land conversion includes results of Tier 1 and Tier 2 analyses. Agricultural land conversion includes 9,720 acres from Tier 2 Analysis and Natural Lands conversion includes 5,000 acres from Tier 2 Analysis of vernal pool conversion to orchards and vineyards and 744 acres of other natural lands conversion.
2. Neighboring Land Protection Preserves consist of ditched agricultural lands providing habitat for giant garter snake and pond turtle and other lands as needed for compensation to other covered species associated with agricultural land preserves.
3. Drainage ditches (unlined) generally found in agricultural fields (D types).
4. Valley grasslands (G types) and Foothill grasslands (G2 types).
5. Blue Oak woodlands, savanna and forests (BL types), Blue Oak Conifer woodlands, savanna and forests (BCN types), Valley Oak Woodland, savanna and forests (V types), and Mixed Oak Woodlands, savanna and forests (O types).
6. This category includes those portions of rivers and major streams located outside the Primary Zone of the Delta (Mokelumne, Calaveras, Stanislaus, and San Joaquin Rivers). These were originally included in a separate "Riparian Zone" during the SJMSCP planning process (i.e., "Riparian" refers to a zone rather than to the "Riparian" habitat type. The Riparian Zone was "absorbed" or combined into its surrounding zone (i.e., Central/Central-Southwest) in the final SJMSCP. It generally included River and Deep water channel (W), Tributary Streams (W2), Creeks-intermittent and perennial (W3, W3-i, W3-p), Dead-end sloughs (W-4) and their associated riparian habitats (Great Valley Riparian - R, R2, R3, R5, R4, S, S2). This category includes 25 acres of Neighboring Lands Protection Preserves for Valley elderberry longhorn beetle habitat.
7. Vernal pool grasslands (G3 type) .
8. The vernal pool preserves for Neighboring Land Protection consist of existing vernal pools (no creation requirement). Enhancements will benefit the tiger salamander.
9. This category includes all natural land types **except for Vernal Pools**. **Cost estimates in this category are an average of the costs of acquiring, restoring, enhancing the Natural Land categories specified in the preceding categories excluding Vernal Pools**. This category also includes natural lands not included in other categories: All Water Features (W types), Channel islands (I types), tule island and mudflat (I2) marsh, and Diablan sage scrub (S3 types) and all other types of Natural Lands.



**TABLE 2.1**  
**2020 Five-Year Economic Analysis and Fee Update**  
**Preserve Acres, Total and Remaining to be Acquired<sup>1</sup>**

<b>Preserve/Habitat Type</b>	<b>Total Preserve Acres - 50-year Permit</b>	<b>Total Preserve Acres Acquired through 12/31/2023<sup>2</sup></b>	<b>Total Preserve Acres Remaining to Be Acquired (links to A.3, B.3. and C.4)</b>
Agricultural lands	57,935	13,360.549	36,531.45
Grasslands mitigating agricultural land impacts		8,043	
Natural lands			
Ditches	378	-	378.00
Grasslands	14,559	1,266.510	13,292.49
Oak woodlands	858	-	858.00
Riparian	2,725	49.850	2,675.15
Submerged aquatic in the Delta	10	-	10.00
Other natural lands	6,445	52.800	6,392.20
Subtotal non-vp natural lands	24,975	1,369.160	23,605.84
<b>Total Non VP Natural/Ag Lands</b>	<b>82,910</b>	<b>22,772.709</b>	<b>60,137.29</b>
Vernal pool wetted	2,121	6.000	2,115.00
Vernal pool grasslands	15,811	90.345	15,720.66
<b>Total</b>	<b>100,842</b>	<b>22,869.054</b>	<b>77,972.95</b>

Notes:

1. Includes six acres of vernal pool jumpstart.

2. The Mizuno Preserve (row and field crop agricultural land preserve) is recorded at 181.449 acres (3 decimals). All other preserve acres recorded at 2 decimals or less.

Sources: Table 1 in this workbook, Table 6 from Annual Reports through 2023, and SJCOG Inc. staff.

**Table 2.2**  
**2020 Five-Year Economic Analysis and Fee Update**

**A. Preserves Acquired by Habitat Type and Zone as of 12/31/2023**

Habitat Type	SJMSCP Index Zone				
	Central	Delta	Southwest	Vernal Pool	Total
Agricultural lands	6,327.299	4,347.850			10,675.149
Natural lands					
Ditches					
Grasslands	243.250		7,121.280		7,364.530
Oak woodlands					
Riparian	44.050				
Submerged aquatic in the Delta					
Other natural lands	30.600				
<i>Subtotal non-vp natural lands</i>	<i>317.900</i>	<i>-</i>	<i>7,121.280</i>	<i>-</i>	<i>7,439.180</i>
<b>Total Non VP Natural/Ag Lands</b>	<b>6,645.199</b>	<b>4,347.850</b>	<b>7,121.280</b>	<b>-</b>	<b>18,114.329</b>
Vernal pool wetted				6.000	6.000
Vernal pool grasslands (upland)	71.760			18.585	90.345
<b>Total</b>	<b>6,716.959</b>	<b>4,347.850</b>	<b>7,121.280</b>	<b>24.585</b>	<b>18,210.674</b>

Source: SJMSCP 2022 Annual Report , Table 6 and Table 12

**B. Preserves Acquired by Summary Habitat Type and Zone as of 12/31/2022**

Habitat Type	SJMSCP Index Zone				
	Central	Delta	Southwest	Vernal Pool	Total
Agricultural Land	6,327.299	4,347.850	-	-	10,675.149
Natural Land	389.66	-	7,121.280	24.585	7,535.525
<b>Total</b>	<b>6,716.959</b>	<b>4,347.850</b>	<b>7,121.280</b>	<b>24.585</b>	<b>18,210.674</b>

Source: SJMSCP 2022 Annual Report , Table 6 and Table 12

**C. Estimate of Future Southwest Zone Preserves, July 2020**

2,500
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Source: SJCOG, Inc. staff.

**TABLE 3**  
**2020 Five-Year Economic Analysis and Fee Update**  
**Allowed and Remaining Incidental Take Acreage**

Preserve/Habitat Type	Take Authorizations - 50-year Permit (including multi-purpose open space) <sup>1</sup>	Cumulative Acres of Take through <b>12/31/2023</b>	Remaining Acres of Land Conversion ( <a href="#">links to A.4, B.4. and C.5</a> )
Agriculture	57,635	19,244.12	38,390.88
Multi-purpose (other open space)	37,465	3,568.43	33,896.57
Natural lands			
Vernal pool wetted	707	15.10	691.90
Vernal pool upland grassland	5,187	24.26	5,162.74
All other natural lands	8,308	743.91	7,564.42
<b>Total</b>	<b>109,302</b>	<b>23,595.82</b>	<b>85,706.51</b>

Notes:  
 1. Land conversion includes results of both Tier 1 and Tier 2 analysis. See Table 1 note 1.

Sources: Table 1 in this workbook, SJMSCP Table 1-1 and Table 4.2-2; SJCOG, Inc., 2023 Annual Report Table 4

RESOLUTION NO. 2024-

A RESOLUTION OF THE LODI CITY COUNCIL ADOPTING THE 2025 SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN (SJMSCP) FEE

=====

WHEREAS, the City Council of the City of Lodi adopted an Ordinance (Lodi Municipal Code Chapter 15.68) establishing the authority for collection of a Development Fee for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) for all new developments pursuant to the SJMSCP within the City of Lodi; and

WHEREAS, a “Fee Study” dated July 16, 2001, was prepared which analyzed and identified the costs, funding, and cost-benefit of the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan; and

WHEREAS, the purpose of the SJMSCP Development Fee is to finance the goals and objectives of the SJMSCP that include, but are not limited to preserve land acquisition, preserve enhancement, land management, and administration that compensate for such lands lost as a result of future development in the City of Lodi and in San Joaquin County; and

WHEREAS, after considering the Fee Study and the testimony received at the public hearing, the Lodi City Council approved said report; and further found that the future development in the City of Lodi will need to compensate cumulative impacts to threatened, endangered, rare and unlisted SJMSCP Covered Species and other wildlife and compensation for some non-wildlife related impacts to recreation, agriculture, scenic values and other beneficial Open Space uses; and

WHEREAS, an “Updated Fee Study” was prepared in 2006, 2011, 2016, and 2020 which analyzed and identified the costs and funding of the SJMSCP; and

WHEREAS, the SJMSCP Development Fees are divided into three categories: Category A – Acquisition; Category B – Enhancement; and Category C – Land Management/Administration; and

WHEREAS, the 2025 SJMSCP Development Fees will be as shown in the following table:

**2025 SJMSCP Development Fees**

Habitat Type	Fee Per Acre
Open Space	\$8,246
AG/Natural	\$16,492
Vernal Pool (uplands)	\$65,490
Vernal Pool (wetted)	\$177,281

WHEREAS, to ensure that the SJMSCP development fees keep pace with inflation, annual adjustments are made to the fees based on the method previously adopted by the Lodi City Council; and

WHEREAS, the method of annual adjustments was modified in 2011, 2016, and again in 2020; and

WHEREAS, the 2020 adjustment resulted in a minor change to category “A” with an adjustment to the easement to fee title percentage used in the fee model and category “C” with pivoting to a more robust diversified endowment investment for higher return on investment.

NOW, THEREFORE, BE IT RESOLVED that City Council of the City of Lodi as follows:

1. The City Council finds and declares that the purposes and uses of the Development Fee, and the determination of the reasonable relationship between the fees’ uses and the type of development project on which the fees are imposed, are all established in Lodi Municipal Code Chapter 15.68, and remain valid, and the City Council therefore adopts such determinations.
2. The 2024 Development Fee shall be as set forth in the following table and will be effective January 1, 2025 – December 31, 2025.

**2025 SJMSCP Development Fees**

Habitat Type	Category A	Category B	Category C	Total Fee	Rounded Fee
<b>Open Space</b>	\$4,804.00	\$3,033.00	\$409.47	\$8,246.47	<b>\$8,246</b>
<b>AG/Natural</b>	\$9,608.00	\$6,066.00	\$817.74	\$16,491.74	<b>\$16,492</b>
<b>Vernal Pool (grasslands)</b>	\$48,084.00	\$15,386.00	\$2,019.72	\$65,489.72	<b>\$65,490</b>
<b>Vernal Pool (wetted)</b>	\$48,270.00	\$127,031.00	\$1,980.10	\$177,281.10	<b>\$177,281</b>

3. The Fee provided in this resolution shall be effective sixty (60) days after the adoption of this resolution.

Dated: November 20, 2024

=====

I hereby certify that Resolution No. 2024-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2024, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

Olivia Nashed  
City Clerk

2024-\_\_\_\_\_




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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Adopt a Resolution Approving Amendments to the Job Classifications of Electrical Engineer and Senior Power Engineer to Provide for Flexible Staffing (HR)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Cristina Gonzales, Interim Human Resources Manager

---

**RECOMMENDED ACTION:**

Adopt a resolution approving amendments to the job classifications of Electrical Engineer and Senior Power Engineer to provide for flexible staffing.

**BACKGROUND INFORMATION:**

The job classifications of Electrical Engineer and Senior Power Engineer are used within the Electric Utility Department exclusively. Currently, employees must participate in a competitive examination to promote from the position of Electrical Engineer to Senior Power Engineer. Flexibly staffed positions allow employees to progress within a series of positions without participation in a competitive examination, enabling employees to advance from one position into a higher-level position after obtaining the necessary knowledge, skills and experience. The City of Lodi Rules for Personnel Administration define Flexibly Staffed as:

*Flexibly Staffed. The procedure by which an employee may be promoted to the next level of staffing within a job series without a competitive recruitment process.*

The City has several series of flexibly staffed positions which provide opportunities for internal staff to promote within their departments, maintaining continuity of job knowledge. Flexibly staffed positions provide for succession planning and salary advancement, which is beneficial to both the employee for career growth and the Electric Utility Department to retain qualified and high performing employees. Additionally, having flexibly staffed classifications is a recruitment tool in a competitive market.

This flexibility feature allows for in-house promotional opportunities and career ladder progression. Currently, when the more junior employee grows in experience and knowledge the Utility has to undertake a Council action to reclassify the more junior position into the senior role or conduct a competitive examination process to promote the employee. This creates additional administrative burdens as well as lengthy delays. As a flexibly staffed series, the Electric Utility Director as Department Head would have the authority to approve the promotion without the reclassification or recruitment process if the employee is meeting performance standards and minimum qualifications for the new job classification.

To qualify for a flexible promotion, the Electrical Engineer would need to possess seven years of qualified experience with increasing complexity and responsibility, must demonstrate a higher level of knowledge and skill, and demonstrate the ability and aptitude to handle a substantial amount of work autonomously.

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## COUNCIL COMMUNICATION

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Registration as a Professional Engineer is desirable but not required. Additionally, the Electrical Engineer must have satisfactory performance.

City staff met and conferred with representatives from Lodi City Mid-Management Association (“LCMMA”) and they are in agreement with the proposed move to flexible staffing of the Electrical Engineer and Senior Power Engineer classifications.

It is recommended that City Council approve the change in job classifications to allow flexible staffing between the Electrical Engineer and the Senior Power Engineer.

### **STRATEGIC VISION:**

All

Having an organizational structure that better promotes retention of qualified employees will allow the Electric Utility to better execute its role in accomplishing specific Council Strategic Vision objectives.

### **FISCAL IMPACT:**

There is a ten percent (10%) differential between the top-step of an Electrical Engineer to Senior Power Engineer. Pursuant to the City of Lodi’s Salary Policy, employees who promote into a higher classification are eligible for a minimum increase of five percent (5%), not to exceed the top salary step of the position into which they are promoting.

### **FUNDING AVAILABLE:**

Funding available in the Electric Utility Department’s budget.

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Andrew Keys  
Assistant City Manager

---

Scott R. Carney  
City Manager

## **ELECTRICAL ENGINEER**

### **DEFINITION**

Performs a variety of professional office and field engineering work relating to planning, design, construction and maintenance of electric utility systems and projects within the Engineering and Operations Division of the Electric Utility Department and performs related work as required.

### **SUPERVISION EXERCISED AND RECEIVED**

Receives general direction from the assigned supervisor. May provide supervision or lead direction to lower-level classifications of this division.

### **DISTINGUISHING CHARACTERISTICS**

This is a flexibly staffed class series in that the Electrical Engineer may reasonably expect to progress to the Senior Power Engineer with training, satisfactory performance and management approval.

### **EXAMPLES OF DUTIES**

Duties may include, but are not limited to the following:

Assists in performing complex professional engineering work in the design, construction and maintenance of City's electrical and communication facilities, including system modeling and planning, engineering studies, material specification, cost and scheduling estimates and written reports and presentations;

Assists in developing material and equipment standards and specification, and operating and maintenance procedures for the electric utility;

Assists in preparing reports and presentations for load forecasts and analyses, system expansion studies and other power system studies, analyses and calculations;

Prepares bid specifications and Council communications, reviews bids and proposals, recommends awards of contracts and monitors progress of capital improvement projects and professional services contracts;

Prepares plans, specifications, and cost estimates for electric utility construction projects, makes feasibility and economic studies of alternative plans;

Coordinates Electric Utility Department activities with other city departments and outside agencies;

Performs engineering assignments for a wide range of utility, commercial and residential electric systems, including substations, overhead and underground electric distribution, transmission, generation, metering, grounding systems, protective fuse and relay systems, and various street lighting systems;



Assists in the training of utility personnel;

Provides technical guidance as directed for lower level engineering division staff;

Assists and provides guidance for the utilities' customers for the efficient use of electric energy, in establishing utilities service requirements, fault current protection, load management and demand control, power factor correction, and systems safety and protections schemes;

Assists in the preparation of the division budget, capital improvement programs and reports as required;

Assists in the performance of long and short term system planning studies for transmission, substation and distribution systems modifications, improvements and additions to serve existing and new loads;

Assists in monitoring system performance and efficiency and recommends corrective measures as required;

Assists in performing load studies and preparing forecasts as required for the utility's distribution system planning and budget preparation;

Performs other related duties as required.

### **MINIMUM QUALIFICATIONS**

#### **Knowledge of:**

Electrical theory, design parameters and applicable codes and regulations as applied to electrical utility distribution, transmission and generation facilities;

Methods, materials and techniques used in the construction of electric transmission, distribution and substation projects;

Use and application of computer aided design software and geographical information systems;

Principles and practices of applicable codes and standards;

Principles of supervision and training; principles of budget preparation and administration;

Principles and practices of safety.

#### **Ability to:**

Prepare complex engineering plans, specifications, engineering computations and studies;

Check designs and supervise the preparation of engineering plans, studies and reports;

Communicate clearly and concisely, both orally and in writing;

Use and operate centralized telephone equipment, personal computer, related software and peripheral equipment;

Establish and maintain cooperative and effective relationships with those contacted during the course of work.

**EDUCATION AND EXPERIENCE:**

Any combination of experience and education that would likely produce the qualifying knowledge and ability. A typical combination is:

**Education:**

Possession of a Bachelor's degree from an accredited college or university with major coursework in electrical engineering or a related field.

**Experience:**

Three (3) years of responsible electric utility engineering experience.

**LICENSES AND CERTIFICATES**

Possession of the appropriate valid Driver's License from the California Department of Motor Vehicles.

Registration as a Professional Electrical Engineer is preferred.

**WORKING CONDITIONS**

Environmental Conditions: Exposure to safety hazards including, fumes or odors, dust or gases, chemicals, toxic materials, oil, and a variety of mechanical machinery.

Physical conditions: Essential functions may require maintaining physical condition necessary to see well enough to read, write and make observations; hear well enough to converse on the radio, telephone and in person; bodily mobility to occasionally walk, bend, kneel, reach, stand, crouch or climb; operate assigned equipment and vehicles; operate office equipment requiring repetitive hand movement and fine coordination including use of a computer keyboard; to verbally communicate to exchange information; and intermittently sit while preparing reports and operating vehicles and equipment.

\*FLSA Status: EXEMPT

## **SENIOR POWER ENGINEER**

### **DEFINITION**

Performs a variety of professional office and field engineering work relating to planning, design, construction and maintenance of electric utility systems and projects within the Engineering and Operations Division of the Electric Utility Department and performs related work as required.

### **SUPERVISION EXERCISED AND RECEIVED**

Receives general direction from the Manager, Engineering and Operations. May provide supervision or lead direction to lower-level engineers, electrical estimators and technicians.

### **DISTINGUISHING CHARACTERISTICS**

This is a flexibly staffed class series in that the Electrical Engineer may reasonably expect to progress to the Senior Power Engineer with training, satisfactory performance and management approval.

### **EXAMPLES OF DUTIES**

Duties may include, but are not limited to the following:

Performs complex professional engineering work in the design, construction and maintenance of City's electrical and communication facilities, including system modeling and planning, engineering studies, material specification, cost and scheduling estimates and written reports and presentations;

Develops material and equipment standards and specification, and operating and maintenance procedures for the electric utility;

Prepares reports and presentations for load forecasts and analyses, system expansion studies and other power system studies, analyses and calculations;

Prepares bid specifications and Council communications, reviews bids and proposals, recommends awards of contracts and monitors progress of capital improvement projects and professional services contracts;

Prepares plans, specification, and cost estimates for electric utility construction projects, makes feasibility and economic studies of alternative plans;

Coordinates Electric department activities with other city departments and outside agencies;

Performs engineering assignments for a wide range of utility, commercial and residential electric systems, including substations, overhead and underground electric

distribution, transmission, generation, metering, grounding systems, protective fuse and relay systems, and sports and street lighting systems;

Assists in the training of utility personnel;

Provides technical guidance and work supervision for engineering division staff;  
Assists and provides guidance for the utilities' customers for the efficient use of electric energy, in establishing utilities service requirements, fault current protection, load management and demand control, power factor correction, and systems safety and protections schemes;

Prepares division budget and assists in the preparation of the utility's annual budget, capital improvement programs and reports as required;

Performs long and short term system planning studies for transmission, substation and distribution systems modifications, improvements and additions to serve existing and new loads;

Monitor system performance and efficiency and recommends corrective measures as required;

Performs load studies and prepares forecasts as required for the utility's distribution system planning and budget preparation;

Performs other related duties as required.

### **MINIMUM QUALIFICATIONS**

#### **Knowledge of:**

Electrical theory, design parameters and applicable codes and regulations as applied to electrical utility distribution, transmission and generation facilities;

Methods, materials and techniques used in the construction of electric transmission, distribution and substation projects;

Principles and practices of applicable codes and standards;

Principles of supervision and training; principles of budget preparation and administration;

Principles and practices of safety;

#### **Ability to:**

Prepare complex engineering plans, specifications, engineering computations and studies; check design and supervise the preparation of engineering plans, studies and reports;

Supervise, train and evaluate assigned staff;

Communicate clearly and concisely, both orally and in writing;

Use and operate centralized telephone equipment, personal computer, related software and peripheral equipment;

Establish and maintain cooperative and effective relationships with those contacted during the course of work.

**EDUCATION AND EXPERIENCE:**

Any combination of experience and education that would likely produce the qualifying knowledge and ability. A typical combination is:

**Education:**

Equivalent to a Bachelor's degree from an accredited college or university with major coursework in electrical engineering or a related field.

**Experience:**

Four (4) years of responsible professional electrical engineering experience. One (1) year of which was in a supervisory or lead capacity.

**LICENSES AND CERTIFICATES**

Possession of the appropriate valid Driver's License from the California Department of Motor Vehicles.

Professional registration as a Professional Electrical Engineer, in the State of California is desirable.

FLSA Status: EXEMPT

RESOLUTION NO. 2024-\_\_

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING AMENDMENTS TO THE JOB CLASSIFICATIONS OF ELECTRICAL ENGINEER AND SENIOR POWER ENGINEER TO PROVIDE FLEXIBLE STAFFING

WHEREAS, the City has several series of flexibly staffed positions which provide opportunities for internal staff to promote within their departments, maintaining continuity of job knowledge; and

WHEREAS, flexibly staffed positions provide for succession planning and salary advancement, which is beneficial to both the employee for career growth and the Electric Utility Department to retain qualified and high performing employees, as well as allow for in-house promotional opportunities and career ladder progression; and

WHEREAS, to qualify for a flexible promotion, the Electrical Engineer would need to possess seven years of qualified experience with increasing complexity and responsibility, must demonstrate a higher level of knowledge and skill, and demonstrate the ability and aptitude to handle a substantial amount of work autonomously.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve amendments to the job classifications of Electrical Engineer and Senior Power Engineer to provide flexible staffing.

Dated: November 20, 2024

I hereby certify that Resolution No. 2024-\_\_ was passed and adopted by the Lodi City Council in a regular meeting held November 20, 2024 by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2024-\_\_



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## COUNCIL COMMUNICATION

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**AGENDA TITLE:**

Waive the Second Reading and Adopt an Urgency Ordinance No. 2027 to Repeal and Replace Lodi Municipal Code 2.08 City Councilmember Salaries In Its Entirety Pursuant to SB 329 and to Allow Salary Increases to Begin With the December 2024 Council Term (CLK)

**MEETING DATE:**

November 20, 2024

**PREPARED BY:**

Olivia Nashed, City Clerk

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**RECOMMENDED ACTION:**

Waive the second reading and adopt an urgency ordinance to repeal and replace Lodi Municipal Code 2.08 City Councilmember salaries in its entirety pursuant to SB 329 and to allow salary increases to begin at the December 2024 Council term.

**BACKGROUND INFORMATION:**

Waive the second reading and adopt ordinance No. 2027 “An urgency ordinance repealing and replacing Lodi Municipal Code 2.08 City Councilmember Salaries In Its Entirety Pursuant to SB 329 and to allow salary increases to begin with the December 2024 Council Term” was introduced at the regular City Council meeting of November 6, 2024.

**ADOPTION:** With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. However, SB 329 requires two readings - one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. **Cal. Gov’t Code § 36934.**

Due to Ordinance No. 2027 being an urgency ordinance, it shall take effect immediately after its final passage. This ordinance has been approved as to form by the City Attorney.

**STRATEGIC VISION:**

All.

**FISCAL IMPACT:**

Council also participates in the various benefits set forth in Resolution 2021-12 attached as Exhibit A which include accidental death and dismemberment insurance, chiropractic coverage, a deferred compensation, dental insurance, life insurance, medical insurance or a buyout option, PERS retirement, technology, travel insurance, vision coverage and worker’s compensation insurance. The current salary for a Council Member is \$860 per month or \$10,360 per year. Depending on the benefits selected and received, a Council Member’s maximum current total annual compensation can be up to \$37,211. If the City Council increases compensation to \$1,600 per month or \$19,200 per year, the total compensation amount would be up to \$47,299. The salary

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## COUNCIL COMMUNICATION

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increase is estimated to cost an additional \$29,290 for the remainder of Fiscal Year 2024-25.

### **FUNDING AVAILABLE:**

Funding is available in the General Fund contingency budget. The contingency budget was set at \$55,000 for Fiscal Year 2024-25.

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Olivia Nashed  
City Clerk

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Katie O. Lucchesi  
City Attorney



RESOLUTION NO. 2021-12

A RESOLUTION OF THE LODI CITY COUNCIL  
 RESCINDING RESOLUTION NO. 2018-254 AND  
 APPROVING BENEFIT MODIFICATIONS FOR  
 COUNCIL MEMBERS

=====

WHEREAS, the Lodi City Council is amending the benefits provided to its City Council Members; and

WHEREAS, the following Schedule of Benefits represents a listing of those benefits:

<b>Benefit</b>	<b>Amount</b>
Accidental Death & Dismemberment Insurance	\$10,000; City pays full premium
Chiropractic Coverage	Access to coverage through City plan; City pays full premium
Deferred Compensation	Participation in any of the plans offered by the City (No City match provided)
Dental Coverage	Access to coverage through City plan; City pays full premium
Employee Assistance Program (EAP)	Access to coverage through City plan; City pays full premium
Flexible Spending Account (Section 125)	Participation in City provided plan
Life Insurance	\$10,000; City pays full premium
Lodi City Employee's Association (LCEA)	Membership in LCEA is available at the Council Member's cost
Medical Insurance	Access to available plans through CalPERS - City contribution capped at \$690.20 for Employee only; \$1,380.39 for Employee +1; and, \$1,794.51 for Employee +Family
Medical Insurance Opt-Out	If City offered coverage is declined and proof of other group coverage is provided, Council Member is eligible for payment of \$305.22 for Employee only, \$532.92 for Employee + 1; and \$692.81 for Employee + Family coverage
PERS Retirement	Optional for Council Members. 2% at 55 for 'Classic' employees; 2% at 62 for 'New' employees; Council Member pays the full employee share
Technology	Each Council member shall be issued a new iPad or equivalent device at the beginning of each 4-year term for official City of Lodi business use only. At the completion of the term, the iPad shall be returned to the Information Technology

	Manager to be wiped at which time the Council member may keep the wiped iPad for personal use.
Travel Insurance-Accidental Death	\$100,000; City pays full premium
Vision Coverage	Access to coverage through City plan; City pays full premium
Worker's Compensation	Covered by California Worker's Compensation program; City pays full premium

NOW, THEREFORE, BE IT RESOLVED, by the City Council that it does hereby rescind Resolution No. 2018-254 and approve the benefit modifications for Council Members.

Date: January 6, 2021

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I hereby certify that Resolution No. 2021-12 was passed and adopted by the Lodi City Council in a regular meeting held January 6, 2021, by the following vote:

- AYES: COUNCIL MEMBERS – Chandler, Kuehne, Khan, Hothi, and Mayor Nakanishi
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None

  
 JENNIFER CUSMIR  
 City Clerk

ORDINANCE NO. \_\_\_\_\_

AN URGENCY ORDINANCE OF THE LODI CITY COUNCIL REPEALING AND REPLACING LODI MUNICIPAL CODE CHAPTER 2.08, "CITY COUNCIL SALARIES" IN ITS ENTIRETY TO INCREASE COUNCIL SALARIES PURSUANT TO SB 329 AND TO ALLOW SALARY INCREASES TO BEGIN WITH THE DECEMBER 2024 COUNCIL TERM

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BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Purpose. The purpose of this Urgency Ordinance is to repeal and replace Lodi Municipal Code Chapter 2.08 in its entirety to increase Councilmember salaries to account for the significant rise in the cost of living since last adopted in 2008, and to encourage more public participation on the City Council that is representative of all City residents in accordance with revisions to California Government Code Section 36516.

SECTION 2. Findings. This Urgency Ordinance is adopted as an urgency ordinance pursuant to Government Code Section 36937(b). The City Council makes the following findings supporting the adoption of this Urgency Ordinance:

- A. Under California Government Code Section 36516, cities may adjust councilmember compensation up to a specified maximum based on the city's population. Prior to the revisions in Senate Bill 329, which took effect January 1, 2024 ("SB 329"), the maximum Councilmember salary had not been increased since 1984. Senator Bill Dodd from Napa, author of SB 329, provided the following justifications in support of the need to raise Council salaries:
  - i. "low levels of pay make it much harder for [councilmembers] to balance their careers and personal obligations with the calling to serve their community. It's time those amounts caught up to the present economic reality, especially with the rapid increase in inflation we've seen recently."
  - ii. SB 329 was intended to "remove barriers to achieving more equitable representation in local government by making it easier for public servants to balance careers and personal obligations."
  - iii. "[r]aising the pay will also make it easier for members of marginalized communities to serve. City Councils should be reflective of the communities they represent and I believe raising their compensation is an important step to achieving that equitable outcome."
- B. Similarly, Lodi Councilmember salaries have not been increased since 2008, and such salaries have not kept pace with the rising cost of living and inflation, which have increased significantly in recent years.
- C. The responsibilities of City Councilmembers have also increased significantly over the years, driven by factors such as population growth, expanding municipal services, increased legislative mandates, and the growing complexity of issues that local governments now face. This increase in workload requires Councilmembers to dedicate more time to City business, making an updated salary structure necessary to compensate their service more equitably.
- D. Adjusting salaries in line with these economic realities ensures Councilmembers are fairly compensated without diminishing their standard of living and allowing for their full participation in civic duties.

- E. City Council has taken a series of actions to better represent Lodi's diverse community:
  - i. The City completed its last round of redistricting in 2021, which focused on public outreach and engaging all City communities in the redistricting process.
  - ii. In May 2023, Council adopted its Strategic Vision and eight initiatives to serve as the City Council's vision for the future of the City. Council initiatives, such as: economic development, housing, and public well-being, all state the desire to engage diverse cultures and gather perspectives from residents to identify new ideas and strategies to improve Lodi.
  - iii. The Council also approved and adopted its Housing Element in March 2024, which prioritized community engagement to ensure that the City meets the housing needs for Lodi residents and provides fair housing options for all. We are proud to recognize that Lodi was only the second City in the State to get its Housing Element certified by the California Department of Housing and Community Development.
- F. These examples show that Council is attempting to fully represent the diverse interests of all Lodi residents. By adopting this Urgency Ordinance and providing fair compensation going forward, Lodi may also foster a more inclusive Council, where financial barriers do not hinder qualified candidates from all income levels and backgrounds.
- G. The City's certified candidate lists from the current 2024 election back to 2016, show that the majority of City Council candidates have listed their Ballot Designations as business owner, incumbent or Councilmember, or such other positions with more flexible work schedules. Council finds that this narrow representation does not fully encompass the diverse occupations, lifestyles, or perspectives within the City.
- H. Council finds that by raising the Council salary, it may remedy part of the financial burden that discourages many residents from pursuing a role on Council. Thus, this Urgency Ordinance seeks to align Lodi Councilmember salaries with the revised state law, and to implement these salary adjustments at the December 2024 term so that there won't be a financial impediment going into the next election cycle.
- I. Council recognizes that if the salary increases are not adopted by Urgency Ordinance, the delay in salary implementation until the December 2026 term will have an immediate threat to public peace, health and safety of the City and its community due to the identified financial harms to current Councilmembers and deterrence to future candidates continuing into the City's 2026 election cycle and beyond.
- J. The City Council has the power to enact an urgency ordinance, not in conflict with general laws, as necessary to protect public peace, health, and safety, via exercise of the powers provided to cities in Article XI, Section 7, of the California Constitution, and in compliance with Government Code section 36937(b).
- K. The Urgency Ordinance is necessary for the immediate preservation of the public peace, health, and safety in order to update the existing City Councilmember salaries to take effect for the next election term scheduled to begin December 18, 2024. If this Urgency Ordinance were not adopted, any update to Council salary would be delayed until the next electoral term beginning in December 2026. This would continue to negatively impact current Councilmembers, discourage those diverse candidates from running for Council in the 2026 election cycle, and harm the City as a whole.
- L. Any urgency ordinance adopted pursuant to Government Code Section 36937(b) shall be effective immediately.
- M. Therefore, Council finds and determines that based on the foregoing findings, all of which are deemed true and correct, this Urgency Ordinance is urgently needed for the immediate preservation of the public peace, health, and safety, and it satisfies the findings requirement in Government Code Section 36516(g)(2) to demonstrate need for increased

compensation. This Urgency Ordinance shall take effect immediately upon adoption in accordance with the provisions set forth in Government Code Section 36937.

**SECTION 3. Repealed and Replaced.** The Lodi Municipal Code Chapter 2.08 entitled "City Council Salaries" is hereby repealed and replaced in its entirety to read as follows:

### **Chapter 2.08 - CITY COUNCIL SALARIES**

#### **2.08.010 - Basis.**

This Chapter is enacted pursuant to California Government Code Section 36516, authorizing the City Council to provide by ordinance that each member of the Council shall receive a prescribed salary based upon the population of the City of Lodi as determined by the federal census or estimate validated by the State Department of Finance.

#### **2.08.020 - Amount.**

Each member of the City Council shall receive, as salary, the sum of one thousand six hundred dollars (\$1,600) per month, as allowed in Government Code Section 36516(a)(2) for cities over fifty thousand and up to seventy-five thousand (50,001-75,000) in population. Council salary shall be payable from and after the operative date of this Chapter and at the same time and in the same manner as salaries paid to other officers and employees of the City.

#### **2.08.030 - Future adjustments.**

Councilmember salary may be adjusted (increased or decreased) by ordinance in accordance with Section 36516 of the Government Code, including the limitation that no ordinance may be enacted to provide automatic future increases in Council salary. Once a salary adjustment ordinance is in effect, any adjustment to Council salary shall begin on the first day of the next City pay period following the date upon which one or more members of the Council begin a new term of office in accordance with California Government Code Section 36516.5.

#### **2.08.040 – Benefits separate.**

Any amounts paid by the City for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section, provided that the same benefits are available and paid by the City for its employees.

#### **2.08.050 - Expense reimbursement separate.**

The salaries prescribed in this Chapter are and shall be exclusive of any amounts payable to each member of the Council as reimbursement for actual and necessary expenses incurred by each member in the performance of official duties for the City.

#### **2.08.060 - Operative date.**

This Chapter shall become operative only on and after the date upon which one or more members of the Council become eligible for the salary prescribed in this Chapter.

SECTION 4. Severability. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 5. No Mandatory Duty of Care. This Ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care toward persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 6. No Conflict. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 7. Effective Date and Publication. This Ordinance is hereby declared an Urgency Ordinance under Government Code of the State of California, Section 36937, subsection (b) thereof, and it shall take effect immediately upon adoption and approval by at least four-fifths vote of the City Council. However, Council will continue to receive the previously approved \$860 per month salary until the next Council term begins on December 18, 2024, and the salary increases in the Urgency Ordinance begin to apply pursuant to Government Code Section 36516.5. In lieu of publication of the full text of the Ordinance within fifteen (15) days after its passage, a summary of the Urgency Ordinance may be published at least five (5) days prior to and fifteen (15) days after adoption by the City Council, and a certified copy shall be posted in the office of the City Clerk pursuant to Government Code section 36933(c)(1).

Approved this \_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Lisa Craig  
Mayor

Attest:

\_\_\_\_\_  
OLIVIA NASHED, City Clerk  
State of California  
County of San Joaquin

I, Olivia Nashed, City Clerk of the City of Lodi, do hereby certify that Ordinance No. \_\_\_\_\_ was introduced at a regular meeting of the City Council of the City of Lodi held \_\_\_\_\_, 2024, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held \_\_\_\_\_, 2024, by at least a 4/5 vote of the City Council as follows:

AYES: COUNCIL MEMBERS –  
NOES: COUNCIL MEMBERS –  
ABSENT: COUNCIL MEMBERS –  
ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. 2024 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

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OLIVIA NASHED  
City Clerk

Approved as to Form:

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KATIE O. LUCCHESI  
City Attorney

ORDINANCE NO. \_\_\_\_\_

AN URGENCY ORDINANCE OF THE LODI CITY COUNCIL REPEALING AND REPLACING LODI MUNICIPAL CODE CHAPTER 2.08, "CITY COUNCIL SALARIES" IN ITS ENTIRETY TO INCREASE COUNCIL SALARIES PURSUANT TO SB 329 AND TO ALLOW SALARY INCREASES TO BEGIN WITH THE DECEMBER 2024 COUNCIL TERM

=====

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Purpose. The purpose of this Urgency Ordinance is to repeal and replace Lodi Municipal Code Chapter 2.08 in its entirety to increase Councilmember salaries to account for the significant rise in the cost of living since last adopted in 2008, and to encourage more public participation on the City Council that is representative of all City residents in accordance with revisions to California Government Code Section 36516.

SECTION 2. Findings. This Urgency Ordinance is adopted as an urgency ordinance pursuant to Government Code Section 36937(b). The City Council makes the following findings supporting the adoption of this Urgency Ordinance:

- A. Under California Government Code Section 36516, cities may adjust councilmember compensation up to a specified maximum based on the city's population. Prior to the revisions in Senate Bill 329, which took effect January 1, 2024 ("SB 329"), the maximum Councilmember salary had not been increased since 1984. Senator Bill Dodd from Napa, author of SB 329, provided the following justifications in support of the need to raise Council salaries:
  - i. "low levels of pay make it much harder for [councilmembers] to balance their careers and personal obligations with the calling to serve their community. It's time those amounts caught up to the present economic reality, especially with the rapid increase in inflation we've seen recently."
  - ii. SB 329 was intended to "remove barriers to achieving more equitable representation in local government by making it easier for public servants to balance careers and personal obligations."
  - iii. "[r]aising the pay will also make it easier for members of marginalized communities to serve. City Councils should be reflective of the communities they represent and I believe raising their compensation is an important step to achieving that equitable outcome."
- B. Similarly, Lodi Councilmember salaries have not been increased since 2008, and such salaries have not kept pace with the rising cost of living and inflation, which have increased significantly in recent years.
- C. The responsibilities of City Councilmembers have also increased significantly over the years, driven by factors such as population growth, expanding municipal services, increased legislative mandates, and the growing complexity of issues that local governments now face. This increase in workload requires Councilmembers to dedicate more time to City business, making an updated salary structure necessary to compensate their service more equitably.
- D. Adjusting salaries in line with these economic realities ensures Councilmembers are fairly compensated without diminishing their standard of living and allowing for their full participation in civic duties.



- E. City Council has taken a series of actions to better represent Lodi's diverse community:
  - i. The City completed its last round of redistricting in 2021, which focused on public outreach and engaging all City communities in the redistricting process.
  - ii. In May 2023, Council adopted its Strategic Vision and eight initiatives to serve as the City Council's vision for the future of the City. Council initiatives, such as: economic development, housing, and public well-being, all state the desire to engage diverse cultures and gather perspectives from residents to identify new ideas and strategies to improve Lodi.
  - iii. The Council also approved and adopted its Housing Element in March 2024, which prioritized community engagement to ensure that the City meets the housing needs for Lodi residents and provides fair housing options for all. We are proud to recognize that Lodi was only the second City in the State to get its Housing Element certified by the California Department of Housing and Community Development.
- F. These examples show that Council is attempting to fully represent the diverse interests of all Lodi residents. By adopting this Urgency Ordinance and providing fair compensation going forward, Lodi may also foster a more inclusive Council, where financial barriers do not hinder qualified candidates from all income levels and backgrounds.
- G. The City's certified candidate lists from the current 2024 election back to 2016, show that the majority of City Council candidates have listed their Ballot Designations as business owner, incumbent or Councilmember, or such other positions with more flexible work schedules. Council finds that this narrow representation does not fully encompass the diverse occupations, lifestyles, or perspectives within the City.
- H. Council finds that by raising the Council salary, it may remedy part of the financial burden that discourages many residents from pursuing a role on Council. Thus, this Urgency Ordinance seeks to align Lodi Councilmember salaries with the revised state law, and to implement these salary adjustments at the December 2024 term so that there won't be a financial impediment going into the next election cycle.
- I. Council recognizes that if the salary increases are not adopted by Urgency Ordinance, the delay in salary implementation until the December 2026 term will have an immediate threat to public peace, health and safety of the City and its community due to the identified financial harms to current Councilmembers and deterrence to future candidates continuing into the City's 2026 election cycle and beyond.
- J. The City Council has the power to enact an urgency ordinance, not in conflict with general laws, as necessary to protect public peace, health, and safety, via exercise of the powers provided to cities in Article XI, Section 7, of the California Constitution, and in compliance with Government Code section 36937(b).
- K. The Urgency Ordinance is necessary for the immediate preservation of the public peace, health, and safety in order to update the existing City Councilmember salaries to take effect for the next election term scheduled to begin December 18, 2024. If this Urgency Ordinance were not adopted, any update to Council salary would be delayed until the next electoral term beginning in December 2026. This would continue to negatively impact current Councilmembers, discourage those diverse candidates from running for Council in the 2026 election cycle, and harm the City as a whole.
- L. Any urgency ordinance adopted pursuant to Government Code Section 36937(b) shall be effective immediately.
- M. Therefore, Council finds and determines that based on the foregoing findings, all of which are deemed true and correct, this Urgency Ordinance is urgently needed for the immediate preservation of the public peace, health, and safety, and it satisfies the findings requirement in Government Code Section 36516(g)(2) to demonstrate need for increased

compensation. This Urgency Ordinance shall take effect immediately upon adoption in accordance with the provisions set forth in Government Code Section 36937.

**SECTION 3. Repealed and Replaced.** The Lodi Municipal Code Chapter 2.08 entitled "City Council Salaries" is hereby repealed and replaced in its entirety to read as follows:

### **Chapter 2.08 - CITY COUNCIL SALARIES**

#### **2.08.010 - Basis.**

~~The ordinance codified in this Chapter is enacted pursuant to California Government Code Section 36516 of the Government Code, as added by Chapter 286 of the Statutes of 1965, authorizing the City Council to provide by ordinance that each member of the Council shall receive a prescribed salary the amount of which is based upon the population of the City of Lodi as determined by the federal census or estimate made validated by the State Department of Finance.~~

#### **2.08.020 - Amount.**

~~Each member of the City Council of the city shall receive, as salary, the sum of eight hundred sixty of one thousand six hundred dollars (\$1,600) per month, as prescribed allowed in Government Code Section 36516(a)(32) in for cities over fifty thousand and up to seventy-five thousand (50,001-75,000) in population, which shall be effective December 3, 2008, and Council salary shall be payable from and after the operative date of the ordinance codified in this Chapter and at the same time and in the same manner as the salaries are paid to other officers and employees of the City.~~

#### **2.08.030 - Increase or decrease. Future adjustments.**

~~Council-member salary may be adjusted (increased or decreased) by ordinance in accordance with Section 36516 of the Government Code, including the limitation that no ordinance may be enacted to provide automatic future increases in Council salary. Once a salary adjustment ordinance is in effect, any adjustment to Council salary shall begin on the first day of the next City pay period following~~

~~Following any new and later estimate of population made by the Department of Finance placing the city in a population group other than that set forth in Section 2.08.020, the salary payable under this chapter to each member of the council shall be increased or decreased accordingly to equal the sum prescribed for that population group in Section 36516 of the Government Code, as added by Chapter 286 of the Statutes of 1965; provided, however, that the salary as so increased or decreased shall become payable only on and after the date upon which one or more members of the Council become eligible therefor by virtue of beginning a new term of office following the next succeeding general municipal election held in the in accordance with California Government Code Section 36516.5city.~~

#### **2.08.040 – Benefits separate.**

~~Any amounts paid by the City for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section, provided that the same benefits are available and paid by the City for its employees.~~

**2.08.049 050 - Expense reimbursement separate.**

The salaries prescribed in this ~~C~~chapter are and shall be exclusive of any amounts payable to each member of the ~~C~~council as reimbursement for actual and necessary expenses incurred by ~~each member-him~~ in the performance of official duties for the ~~C~~city.

**2.08.060 - Operative date.**

~~This~~ ~~C~~chapter shall become operative only on and after the date upon which one or more members of the ~~C~~council become eligible for the salary prescribed in this ~~C~~chapter, ~~by virtue of beginning a new term of office following the general municipal election next succeeding its effective date, the first day of the next city pay period following the effective date of this ordinance as specified in section 2.08.020.~~

SECTION 4. Severability. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 5. No Mandatory Duty of Care. This Ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care toward persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 6. No Conflict. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 7. Effective Date and Publication. This Ordinance is hereby declared an Urgency Ordinance under Government Code of the State of California, Section 36937, subsection (b) thereof, and it shall take effect immediately upon adoption and approval by at least four-fifths vote of the City Council. However, Council will continue to receive the previously approved \$860 per month salary until the next Council term begins on December 18, 2024, and the salary increases in the Urgency Ordinance begin to apply pursuant to Government Code Section 36516.5. In lieu of publication of the full text of the Ordinance within fifteen (15) days after its passage, a summary of the Urgency Ordinance may be published at least five (5) days prior to and fifteen (15) days after adoption by the City Council, and a certified copy shall be posted in the office of the City Clerk pursuant to Government Code section 36933(c)(1).

Approved this \_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Lisa Craig  
Mayor

Attest:

\_\_\_\_\_  
OLIVIA NASHED, City Clerk

State of California  
County of San Joaquin

I, Olivia Nashed, City Clerk of the City of Lodi, do hereby certify that Ordinance No. \_\_\_\_\_ was introduced at a regular meeting of the City Council of the City of Lodi held \_\_\_\_\_, 2024, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held \_\_\_\_\_, 2024, by at least a 4/5 vote of the City Council as follows:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. 2024 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

\_\_\_\_\_  
OLIVIA NASHED  
City Clerk

Approved as to Form:

\_\_\_\_\_  
KATIE O. LUCCHESI  
City Attorney                      KL

Signature:   
Katie Lucchesi (Oct 31, 2024 09:19 PDT)

Email: klucchesi@lodi.gov