



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

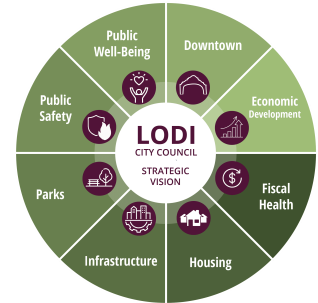
AGENDA - Regular Meeting

Date: November 15, 2023

Time: Closed Session 6:00 p.m.

Regular Meeting 7:00 p.m.

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



Notice Regarding Public Comments

Public Comment may be submitted in the following ways:

- In-person
- Email – 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.

****AMENDED DUE TO CLERICAL NUMBERING ERROR****

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Threatened and Anticipated Litigation: Government Code §54956.9(b) (One Case).
Conference with Legal Counsel Regarding Response to EFF and ACLU on automated license plate reader (ALPR) information disclosure (see attached email, pursuant to Fowler v. City of Lafayette) (CA)
- b) Conference with Adele Post, Human Resources Manager (Labor Negotiator), Regarding 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, International Brotherhood of Electrical Workers, Confidential General Services, Confidential Mid-Managers, Executive Managers, and Appointed Employees Pursuant to Government Code §54957.6 (HR)
- c) Public Employment – Regarding One Position (Government Code § 54957) – Conference with Human Resources Manager Adele Post regarding City Manager Recruitment.
- d) Prospective sale of real property located at: 219 S. School Street (APN 043-04-411); negotiating parties are City of Lodi and the successful bidder F&M Bank in the Notice of Intent to Sell dated August 30, 2023, per Government Code § 94956.8.(CM)

- e) Prospective sale of real property located at: 18021 N. Kennison Lan (APN 049-130-02), and 17700 N. Guild Avenue (APN 049-130-47). Negotiating parties are City of Lodi and adjacent property owners per Government Code § 94956.8.

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.

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

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll Call

B. Presentations

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** Receive Register of Claims for October 13, 2023 through October 26, 2023 in the Total Amount of \$5,442,810.05 (FIN)
- C.2** Approve Minutes (CLK)
a) August 2, 2023 (Regular Meeting)
b) September 12, 2023 (Shirtsleeve)
c) October 31, 2023 (Shirtsleeve)
d) November 7, 2023 (Shirtsleeve)
- Res. **C.3** Adopt Resolution Accepting Hutchins Street Square Foundation's Donation in Support of Hutchins Street Square (\$152,584) (PRCS)
- Res. **C.4** Adopt Resolution Approving Return of Artwork to Donor Hayden Goni Johnson (PRCS)
- Res. **C.5** Adopt Resolution Authorizing 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 to Further Authorize the Expenditure (Not to Exceed \$450,000) (CM)
- Res. **C.6** Adopt Resolution Approving Purchase of Thirteen Dell Network Switches for Refresh of Equipment in City Data Center from SidePath, Inc., of Laguna Hills (\$187,000) (ISD - IT)

- Res. **C.7** Adopt Resolution Authorizing City Manager to Waive the Bid Process and Approve Purchase of a 2025 Freightliner M2 Asphalt Patching Dump Truck with Emulsion Sprayer from Municipal Maintenance Equipment, Inc., of Sacramento (\$230,316) Utilizing the Sourcwell Contract No. 080521-PBL (PW)
- Res. **C.8** Adopt Resolution Authorizing City Manager to Waive the Bid Process and Approve Purchase of a 2025 Freightliner 114SD Tandem Axle Dump Truck from PB Loader Corporation of Fresno (\$277,925), Utilizing the Sourcwell Contract No. 080521-PBL; and Appropriate Funds (\$10,441) (PW)
- Res. **C.9** Adopt Resolution Authorizing City Manager to Execute Additional Change Orders to 2021-2023 Sidewalk and Miscellaneous Concrete Repair Program (\$67,000), and Appropriate Funds (\$30,048) (PW)
- Res. **C.10** Adopt Resolution Authorizing City Manager to Execute Measure K Renewal Cooperative Agreement with San Joaquin Council of Governments for GrapeLine Operations Project, to Receive Funds for Fiscal Years 2023/24, 2024/25, 2025/26 and 2026/27 (\$1,600,000) (PW)
- C.11** Accept Improvements Under Contract for Salas Park Parking Lot Improvements (PW)
- C.12** Accept Improvements Under Contract for Henri and Lower Sacramento Storm Drain Connection (PW)
- C.13** Approve Plans and Specifications and Authorize Advertisement for Bids for 2024 Lodi Lake Improvement Project (PW)
- C.14** Consider Approval of the Job Description of Animal Services Manager in the Police Department (ISD - HR)
- C.15** Consider Approving Amendments to the Job Classifications of Administrative Clerk and Senior Administrative Clerk to Provide for Flexible Staffing (ISD - HR)
- C.16** Set a Public Hearing for December 6, 2023 to Consider Adopting a Resolution Setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees For 2024 (CD)
- C.17** Set a Public Hearing for December 20, 2023, for Council Consideration of the Issuance of Growth Allocations for the Proposed Lakehouse Hotel/Residential Project at Lower Sacramento Road/West Turner Road (CD)
- C.18** Set Public Hearing for December 20, 2023, to Receive Comments on City of Lodi GrapeLine Fixed Route Service Levels and Proposed General Public Dial-A-Ride/ADA Paratransit Policy Changes (PW)
- C.19** Set Public Hearing for January 17, 2024, to Consider Adopting Resolution Setting Future Water and Wastewater Rate Schedules Pursuant to Proposition 218 for Residential, Commercial and Industrial Customers (PW)

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. Comments by the City Manager on Non-Agenda Items****G. Public Hearings****H. Regular Calendar**

- Res. **H.1** Adopt Resolution Appointing Ricardo Garcia to the Position of Police Chief and Approving the Related Employment Agreement, effective December 30, 2023 (ISD - HR)
- H.2** Provide Council Direction to Interim City Manager on Formation of an Economic Development Committee (CM)
- H.3** Receive a Presentation Requesting Council Direction Regarding the Downtown Specific Plan Request for Proposals (CD)
- H.4** Receive Presentation on Lodi GrapeLine Transit System (PW)
- Res. **H.5** Adopt Resolution Selecting the Lodi Energy Center Hydrogen Conversion Project as the City's One Voice Project; and Authorize Staff to Prepare Application for Nomination for the 2023 San Joaquin Council of Governments' One Voice Trip (PW)

I. Ordinances

- Ord. **I.1** Adopt Ordinance No. 2019 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 17 - Development Code - Related to Section 17.10.030, "Zoning Map," to Amend the Zoning Designation of Assessor Parcel Number 062-41-35 to General Commercial (GC) (Application No. P2023-025)" (CLK)

J. 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. 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 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/.



COUNCIL COMMUNICATION

AGENDA TITLE:

Receive Register of Claims for October 13, 2023 through October 26, 2023 in the Total Amount of \$5,442,810.05

MEETING DATE:

November 15, 2023

PREPARED BY:

Candice Alaniz, Sr. Payroll Technician

RECOMMENDED ACTION:

Receive the attached Register of Claims for \$5,442,810.05.

BACKGROUND INFORMATION:

Attached is the Register of Claims in the amount of \$5,442,810.05 for October 13, 2023 through October 26, 2023. Also attached is Payroll in the amount of \$2,195,535.47 through October 15, 2023.

FISCAL IMPACT:

Not applicable.

FUNDING AVAILABLE:

As per attached report.

Melissa Munoz
Accounting Manager

Andrew C. Keys
Interim City Manager

AP Council Report Summary

10/13/2023-10/26/2023

Fund	Fund Title	Amount
100	General Fund	\$1,989,342.26
104	American Rescue Plan	\$192,106.49
120	Library Fund	\$17,427.94
140	Expendable Trust	\$5,615.00
200	Parks Rec & Cultural Services	\$45,079.32
205	State Grants	\$168.13
270	Comm Dev Special Rev Fund	\$21,894.93
301	Gas Tax-2105 2106 2107	\$50,679.63
302	Gas Tax -2103	\$117,370.42
303	Measure K Funds	\$7,689.60
307	Federal - Streets	\$70,742.01
311	State-Streets	\$19,636.37
350	H U D	\$21,510.11
355	GRANTS COMM. IMPR	\$134,486.66
410	Library Capital Account	\$1,042.91
431	Capital Outlay/General Fund	\$355,447.46
432	Parks & Rec Capital	\$978,305.95
434	Arts in Public Places-IMF	\$400.00
437	IMF Parks & Rec Facilities	\$6,500.93
500	Electric Utility Fund	\$238,467.98
501	Utility Outlay Reserve Fund	\$101,631.96
504	Public Benefits Fund	\$85,835.64
530	Waste Water Utility Fund	\$120,130.37
531	Waste Wtr Util-Capital Outlay	\$40,553.48
560	Water Utility Fund	\$81,379.42
561	Water Utility-Capital Outlay	\$342,156.67
590	Central Plume	\$3,950.00
600	Dial-a-Ride/Transportation	\$11,558.43
601	Transit Capital	\$544.00
650	Internal Service/Equip Maint	\$67,274.45
655	Employee Benefits	\$55,249.18
660	General Liabilities	\$225,628.45
665	Worker's Comp Insurance	\$13,772.54
801	L&L Dist Z1-Almond Estates	\$19,231.36
Total		\$5,442,810.05

Council Report: Payroll

Pay Period: 10/15/2023

Fund	Description	Amount
100	General Fund	\$1,042,112.37
103	Measure L	\$209,893.67
120	Library Fund	\$22,552.91
200	Parks Rec & Cultural Services	\$132,354.10
205	State Grants	\$2,787.60
214	LPD-OTS Grants	\$3,978.67
219	LPD-ABC Grant	\$1,995.28
270	Comm Dev Special Rev Fund	\$49,920.57
301	Gas Tax-2105 2106 2107	\$93,651.98
500	Electric Utility Fund	\$267,198.82
501	Utility Outlay Reserve Fund	\$70,404.28
530	Waste Water Utility Fund	\$222,635.50
560	Water Utility Fund	\$42,277.44
600	Dial-a-Ride/Transportation	\$12,158.51
650	Internal Service/Equip Maint	\$21,613.77
Report Total		\$2,195,535.47



COUNCIL COMMUNICATION

AGENDA TITLE:

Approve Minutes

- a) August 2, 2023 (Regular Meeting)
- b) September 12, 2023 (Shirtsleeve)
- c) October 31, 2023 (Shirtsleeve)
- d) November 7, 2023 (Shirtsleeve)

MEETING DATE:

November 15, 2023

PREPARED BY:

Pamela M. Farris, Assistant City Clerk

RECOMMENDED ACTION:

Approve the following minutes as prepared:

- a) August 2, 2023 (Regular Meeting)
- b) September 12, 2023 (Shirtsleeve)
- c) October 31, 2023 (Shirtsleeve)
- d) November 7, 2023 (Shirtsleeve)

BACKGROUND INFORMATION:

Attached is a copy of the subject minutes marked Attachment 1 through Attachment 4, respectively.

FISCAL IMPACT:

Not applicable.

FUNDING AVAILABLE:

Not applicable.

Olivia Nashed
City Clerk

Andrew C. Keys
Interim City Manager

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, AUGUST 2, 2023**

A. Call to Order / Roll Call

The Regular City Council meeting of August 2, 2023, was called to order by Mayor Pro Tempore Craig at 7:05 p.m.

Present: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, and Mayor Pro Tempore Craig

Absent: Mayor Hothi

Also Present: City Manager Schwabauer, Interim City Attorney Lucchesi, and City Clerk Nashed

B. Presentations – None

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.

Council Member Bregman made a motion, second by Council Member Nakanishi, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, and Mayor Pro Tempore Craig

Noes: None

Absent: Mayor Hothi

C-1 Receive Register of Claims for June 30, 2023 through July 13, 2023 in the Total Amount of \$4,295,878.06 (FIN)

Claims were approved in the amount of \$4,295,878.06.

C-2 Approve Minutes (CLK)

The minutes of May 2, 2023 (Shirtsleeve Session); June 7, 2023 (Regular Meeting); July 11, 2023 (Shirtsleeve Session); and July 18, 2023 (Shirtsleeve Session) were approved as written.

C-3 Adopt Resolution Authorizing City Manager to Purchase One Plug-In Hybrid Kia Sorento from Lahham Automotive, Inc. (Kia of Stockton) for Electric Utility Department (\$60,000).(EU)

Adopted Resolution No. 2023-155 authorizing the City Manager to purchase one plug-in hybrid Kia Sorento from Lahham Automotive, Inc. (Kia of Stockton) for the Electric Utility Department, in the amount of \$60,000.

C-4 Approve Specifications and Authorize Advertisement for Bids for 2023 Crack Seal Project and Adopt Resolution Authorizing City Manager to Award Contract to Lowest Responsive Bidder (\$75,000).(PW)

Approved the specifications and authorized advertisement for bids for the 2023 Crack Seal Project and adopted Resolution No. 2023-156 authorizing the City Manager to award a contract to the lowest responsive bidder in an amount not to exceed \$75,000.

C-5 Adopt Resolution Authorizing City Manager to Execute Additional Change Orders (Not to Exceed \$20,000) for Lodi Station Parking Garage Repair Project, and Appropriate Fund (\$20,000).(PW)

Adopted Resolution No. 2023-157 authorizing the City Manager to execute additional change orders, in an amount not to exceed \$20,000, for the Lodi Station Parking Garage Repair Project, and appropriating fund in the amount of \$20,000

C-6 Accept Improvements Under Contract for Stormwater Trash Collection Project - Phase 2 (PW)

This item was pulled at the request of Mayor Pro Tempore Craig.

In response to Mayor Pro Tempore Craig, Public Works Director Charlie Swimley explained the use of the Stormwater Trash Collection Project contractor to provide services at the Tiny Homes project and clarified that those services were paid for through the appropriate grant funds.

Council Member Nakanishi made a motion, second by Council Member Bregman, to accept the improvements under the contract for Stormwater Trash Collection Project - Phase 2.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, and Mayor Pro Tempore Craig

Noes: None

Absent: Mayor Hothi

NOTE: Items C-6, C-7, and C-14 were voted on together, following Council discussion.

C-7 Accept Improvements Under Contract for Peterson Park Tennis Court Resurfacing (PW)

This item was pulled at the request of Mayor Pro Tempore Craig.

Mayor Pro Tempore Craig stated that she appreciated the inclusion of the Strategic Vision statements on the staff reports and noted that the Peterson Park Tennis Court Resurfacing project was working towards the goal of maintaining sports and park facilities.

Council Member Nakanishi made a motion, second by Council Member Bregman, to accept the improvements under the contract for Peterson Park Tennis Court Resurfacing.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, and Mayor Pro Tempore Craig

Noes: None

Absent: Mayor Hothi

NOTE: Items C-6, C-7, and C-14 were voted on together, following Council discussion.

C-8 Accept Improvements Under Contract for Hale Park Parking Lot Reconstruction (PW)

Accepted the improvements under the contract for Hale Park Parking Lot Reconstruction.

C-9 Adopt Resolution Authorizing City Manager to Execute Amendment No. 1 to Professional Services Agreement with Robertson-Bryan, Inc., of Elk Grove, for Aeration Basin Diffuser System Project Engineering Services (\$416,967) (PW)

Adopted Resolution No. 2023-158 authorizing the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Robertson-Bryan, Inc., of Elk Grove, for the Aeration Basin Diffuser System Project engineering services, in the amount of \$416,967.

C-10 Adopt Resolution Authorizing City Manager to Waive Bid Process and Execute Amendment No. 1 to Professional Services Agreement with Lodi Memorial Hospital Association, Inc., dba Adventist Health Lodi Memorial (\$45,400) (FD)

Adopted Resolution No. 2023-159 authorizing the City Manager to waive the bid process and execute Amendment No. 1 to the Professional Services Agreement with Lodi Memorial Hospital Association, Inc., dba Adventist Health Lodi Memorial, in the amount of \$45,400.

C-11 Adopt Resolution Authorizing City Manager to Execute Amendment No. 2 to Professional Services Agreement with CityBase, of Chicago, Illinois, for Payment Kiosk Services Extending Term and Increasing Fees (\$30,000) (FIN)

Adopted Resolution No. 2023-160 authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with CityBase, of Chicago, Illinois, for payment kiosk services extending the term and increasing fees, in the amount of \$30,000.

C-12 Adopt Resolution Authorizing City Manager to Enter into Professional Services Agreement in a Form Acceptable by City Attorney for Purchase and Installation of Three-Stage Elevator (Not to Exceed \$160,000) and Waive Formal Bid Process (CD)

Adopted Resolution No. 2023-161 authorizing the City Manager to enter into a Professional Services Agreement in a form acceptable to the City Attorney for the purchase and installation of a three-stage elevator, in an amount not to exceed \$160,000, and waiving the formal bid process.

C-13 Adopt Resolution Accepting Lodi Electric Utility's 2023 Wildfire Mitigation Plan (EU)

Adopted Resolution No. 2023-162 accepting the Lodi Electric Utility's 2023 Wildfire Mitigation Plan.

C-14 Approve Response to San Joaquin County Grand Jury Report Regarding School Safety: A Shared Responsibility, Case No. 0322 (PD)

This item was pulled at the request of Mayor Pro Tempore Craig.

At Mayor Pro Tempore Craig's request, Police Captain Eric Versteeg provided information regarding the collaborative efforts of the Lodi Police Department and Lodi Unified School District on school safety.

Council Member Nakanishi made a motion, second by Council Member Bregman, to approve the response to the San Joaquin County Grand Jury Report Regarding School Safety: A Shared Responsibility, Case No. 0322.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, and Mayor Pro Tempore Craig

Noes: None

Absent: Mayor Hothi

NOTE: Items C-6, C-7, and C-14 were voted on together, following Council discussion.

C-15 Adopt Resolution Appropriating Funds for Vehicle Purchase for Facilities Superintendent (\$45,000) (PW)

Adopted Resolution No. 2023-163 appropriating funds for a vehicle purchase for the Facilities Superintendent, in the amount of \$45,000.

C-16 Appoint Eve Melton to the Library Board of Trustees (CLK)

Made the following appointment:

Library Board of Trustees

Eve Melton - Term to expire June 30, 2026

D. Comments by the Public on Non-Agenda Items

J.P. Doucette, Lodi Chamber of Commerce CEO, spoke regarding the owner of Wild and Well Yoga's difficulties in opening her business and provided background information on her efforts (filed).

Ron Heberle, a member of the public, commended Captain Versteeg's report on school safety. He also spoke regarding the property on Stockton Street being declared as surplus property and urged Council to reserve that land for the development of a fire station.

Ria Jones, a member of the public, spoke regarding the upcoming Freedom Fest that will be held in Lodi, the resistance from some members of the community, and the need for election integrity in San Joaquin County.

Mono Geralis, a Waste Management employee, spoke regarding complaints he has received from Waste Management customers and a fellow employee regarding a specific Community Improvement Officer who has fined and filed property liens for garbage cans that are visible from the street and for neighbors' parking violations.

Cesar Trevino, a member of the public, spoke regarding being displaced due to the Main Street hotel project and submitted supplemental information (filed).

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

Council Member Nakanishi thanked City Manager Schwabauer for his efforts in dealing with citizen complaints and spoke regarding National Night Out.

Council Member Bregman concurred with Council Member Nakanishi's comments regarding City Manager Schwabauer and spoke regarding National Night Out.

Council Member Yopez spoke regarding National Night Out.

Mayor Pro Tempore Craig spoke regarding the California Adaptation Forum, Lodi's Wildfire Mitigation Plan, extreme heat plans, and Friends of Lodi Lake.

F. Comments by the City Manager on Non-Agenda Items

City Manager Schwabauer spoke regarding City Council's Strategic Priorities and the new graphic near the dais depicting those priorities, the City's Code Enforcement process, and Police Chief Sierra Brucia's upcoming retirement.

G. Public Hearings

G-1 Public Hearing to Consider Approval of Planning Commission's Recommendation to Introduce Ordinance Amending Lodi Municipal Code Title 17 – Development Code – Article 3, "Site Planning and General Development Standards," Chapter 17.34, "Signs," by Amending Section 17.34.070, "Standards for Specific Types of Signs," by Revising Development Standards of Subsection (F) "Programmable Electronic Signs" (Applicant: City of Lodi; File: 2023-01 Z; CEQA Status: Exempt per Section 15061(b)(3) – General Rule Exemption) (CD).

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Pro Tempore Craig called for the public hearing to consider approval of the Planning Commission's recommendation to introduce an ordinance amending Lodi Municipal Code Title 17 - Development Code - Article 3, "Site Planning and General Development Standards," Chapter 17.34, "Signs," by amending Section 17.34.070, "Standards for Specific Types of Signs," by revising the Development Standards of Subsection (F) "Programmable Electronic Signs."

City Manager Schwabauer provided a brief introduction to the public hearing.

City Planner Cynthia Marsh provided a PowerPoint presentation regarding the introduction of an ordinance amending Lodi Municipal Code Section 17.34.070 regarding electronic signs. Specific topics of discussion included background, current standard, proposed standard, and staff recommendation.

In response to Council Member Nakanishi, City Manager Schwabauer explained the reasons for the zoning code changes.

Discussion ensued with Mayor Pro Tempore Craig and City Planner Marsh regarding use permit requirements for electronic signs.

Mayor Pro Tempore Craig opened the public hearing for public comment at 8:06 p.m.

Michael Thomas, representing Vinewood Community Church, spoke regarding the church's year-long process of replacing their current sign with an electronic sign and the need to finish the process soon due to the serious illness of the donor financing the sign.

City Manager Schwabauer and Interim City Attorney Lucchesi explained the constraints of the City in issuing a permit due to the State-mandated ordinance process.

There being no further public comments, Mayor Pro Tempore Craig closed the public hearing at 8:12 p.m.

Council Member Bregman made a motion, second by Council Member Nakanishi, to introduce Ordinance No. 2017 amending Lodi Municipal Code Title 17 - Development Code - Article 3, "Site Planning and General Development Standards," Chapter 17.34, "Signs," by amending Section 17.34.070, "Standards for Specific Types of Signs," by revising the Development Standards of Subsection (F) "Programmable Electronic Signs."

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, and Mayor Pro Tempore Craig

Noes: None

Absent: Mayor Hothi

G-2 Public Hearing to Consider Resolution Adopting Final Engineer's Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2023/24; and Ordering the Levy and Collection of Assessments (PW)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Pro Tempore Craig called for the public hearing to consider a resolution adopting the final Engineer's Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2023/24; and ordering the levy and collection of assessments.

City Manager Schwabauer provided a brief introduction to the public hearing.

Public Works Director Charlie Swimley provided background information on the item.

Public Works Associate Engineer Alice Bernardino provided a PowerPoint presentation regarding Lodi Consolidated Landscape Maintenance District No. 2003-1. Specific topics of discussion included overview, map of zones, budget, and comparison of annual assessments by zone.

Discussion ensued with Council Member Nakanishi and City Manager Schwabauer regarding the money collected being an assessment, rather than a tax or a fee; property owners paying the assessment as part of their property tax bill; the formula for the amount of the assessment; and Landscape Maintenance Districts being the only option at the time the affected subdivisions were constructed.

Discussion ensued with Mayor Pro Tempore Craig, City Manager Schwabauer, and Associate Engineer Bernardino regarding no expiration on the assessment; the need to reset the assessment amount each year; current surplus funds; and if assessments differ for residential and commercial properties.

Mayor Pro Tempore Craig opened the public hearing for public comment at 8:24 p.m.

There being no public comments, Mayor Pro Tempore Craig closed the public hearing at 8:25 p.m.

Council Member Nakanishi made a motion, second by Council Member Bregman, to adopt Resolution No. 2023-164 adopting the final Engineer's Annual Levy Report for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2023/24; and ordering the levy and collection of assessments.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, and Mayor Pro Tempore Craig

Noes: None

Absent: Mayor Hothi

H. Regular Calendar – None

I. Ordinances

- I-1 Adopt Ordinance No. 2016 Entitled, "An Ordinance of Lodi City Council Amending Lodi Municipal Code Title 17 - Development Code - Related to Section 17.10.030, "Zoning Map," to Amend the Zoning Designation of Assessor Parcel Numbers 027-400-14 and 027-400-19 of Planned Development 35 (PD 35) to General Commercial (GC) (Application No. P2023-008) (CLK)

City Manager Schwabauer provided an introduction to the item.

City Clerk Nashed provided a brief report.

Josh Elson, of Baumbach & Piazza, the applicant's engineer, stated that he was available for any questions.

Council Member Nakanishi verified the zoning change is in order to allow a car wash at the location.

Council Member Bregman made a motion, second by Council Member Yepez, to approve (following reading of the title) the waiving of the reading of the ordinance in full and adopt and order to print Ordinance No. No. 2016 entitled, "An Ordinance of Lodi City Council Amending Lodi Municipal Code Title 17 - Development Code - Related to Section 17.10.030, "Zoning Map," to Amend the Zoning Designation of Assessor Parcel Numbers 027-400-14 and 027-400-19 of Planned Development 35 (PD 35) to General Commercial (GC) (Application No. P2023-008)," which was introduced at a regular meeting of the Lodi City Council held July 19, 2023.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, and Mayor Pro Tempore Craig

Noes: None

Absent: Mayor Hothi

J. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:28 p.m.

ATTEST:

Olivia Nashed
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, SEPTEMBER 12, 2023**

A. Call to Order / Roll Call

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, September 12, 2023, commencing at 7:33 a.m.

Present: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, and Mayor Hothi

Absent: Mayor Pro Tempore Craig

Also Present: City Manager Schwabauer, Interim City Attorney Lucchesi, and City Clerk Nashed

B. Topics

B-1 Receive Presentation Regarding Draft Housing Element (CD)

City Planner Cynthia Marsh provided a brief overview and introduced consultants Ryan Lester, Housing Lead with Mintier Harnish, and Jason Montague, Site Inventory Lead with Rincon Consultants, Inc.

Mr. Lester and Mr. Montague provided a PowerPoint presentation regarding the Housing Element and targeted General Plan element updates. Specific topics of discussion included project overview; Housing Element update process; safety, environmental justice, and conservation requirements; community engagement; engagement events; engagement tools; Housing Element basics; explanation of Housing Element; purpose of Housing Element; Housing Element sections; Regional Housing Needs Allocation (RHNA); RHNA definition; identified housing needs; income categories; sites inventory; meeting the RHNA; pipeline projects and accessory dwelling units (ADU); site selection criteria; sites identified for rezone; annexation areas; achieving RHNA; map of sites; maps of Downtown, North Lodi, South Lodi, East Lodi, and West Lodi; Affirmatively Furthering Fair Housing (AFFH); explanation of AFFH; AFFH findings; policy document; goals and policies; key programs; significant new commitments; and next steps.

Discussion ensued with Council Member Nakanishi and Mr. Lester regarding review, non-compliance, and effects on the Access Center project.

Discussion ensued with Mayor Hothi, Mr. Lester, and City Manager Schwabauer regarding the non-compliance issue in Elk Grove.

In response to Council Member Yepez, Mr. Lester stated that there is an opportunity to sign up for the email list on the website (planlodi.com) for notification when the plan goes live.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:14 a.m.

ATTEST:

Olivia Nashed
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 31, 2023**

The October 31, 2023, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Olivia Nashed
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, NOVEMBER 7, 2023**

The November 7, 2023, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Olivia Nashed
City Clerk



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Accepting Hutchins Street Square Foundation's Donation in Support of Hutchins Street Square (\$152,584) (PRCS)

MEETING DATE:

November 15, 2023

PREPARED BY:

Jennifer Winn, Recreation Manager

RECOMMENDED ACTION:

Adopt resolution accepting Hutchins Street Square Foundation's donation in support of Hutchins Street Square (\$152,584).

BACKGROUND INFORMATION:

The Hutchins Street Square Foundation (Foundation) is dedicated to maintaining Hutchins Street Square (HSS) as the social, cultural and historical landmark of Lodi. As a result of their generosity, Hutchins Street Square has received funds and materials necessary to sustain its programming and maintain itself as the historic landmark that it is.

The Lodi City Council and the Parks, Recreation and Cultural Services Department greatly appreciate the Foundation's generosity and commitment to Hutchins Street Square and to the citizens of Lodi. Staff ask that the Council approve the resolution to accept the Foundation's donation for the following projects. Please note the amounts are estimates and subject to incremental changes in price.

• Booster Pump Replacement -	\$32,025
• Interior Paint per Bid -	\$64,000
• Replacement of Main Curtain -	\$17,000
• Refinish Hardwood Floor in Kirst Hall -	\$30,548
• Clean and Seal Floor in Crete Hall -	\$1,764
• Refinish/Repair Oak Parquet Floor in Thomas Theater -	\$3,997
• Theater Rigging/Inspection and Lift Rental -	\$3,250

STRATEGIC VISION:

6D. Parks: Expand, develop, and maintain Hutchins Street Square facilities to meet or exceed industry standards.

FISCAL IMPACT:

The Foundation's donation of \$152,584 shall fund various projects at Hutchins Street Square.

FUNDING AVAILABLE:

None

COUNCIL COMMUNICATION

Christina Jaromay
Parks, Recreation and Cultural Services Director

Andrew C. Keys
Interim City Manager

AGENDA ITEM D-03a



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Presentation of Resolution of Appreciation to Hayden Goni Johnson for His Donation of Artwork to the City of Lodi

MEETING DATE: August 2, 2006

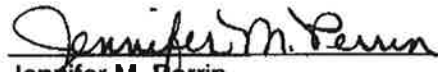
PREPARED BY: City Clerk

RECOMMENDED ACTION: That Mayor Hitchcock present a Resolution of Appreciation to Hayden Goni Johnson for his donation of artwork to the City of Lodi.

BACKGROUND INFORMATION: At its meeting of July 19, the City Council accepted the donation of artwork from Hayden Goni Johnson, who was the winner of the community art painting at the Lodi Arts Commission's Art on the Square event. Hayden will be at the meeting to accept the resolution in appreciation for his donation to the City.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None.


Jennifer M. Perrin
Interim City Clerk

JMP

APPROVED: 
Blair King, City Manager

RESOLUTION NO. 2023-_____

A RESOLUTION OF THE LODI CITY COUNCIL ACCEPTING
HUTCHINS STREET SQUARE FOUNDATION'S DONATION IN SUPPORT OF
HUTCHINS STREET SQUARE

=====

WHEREAS, the Hutchins Street Square Foundation (HSSF) is dedicated to maintaining Hutchins Street Square as the social, cultural and historic landmark of Lodi; and

WHEREAS, the HSSF has donated funds for the following projects:

- | | |
|---|----------|
| • Booster Pump Replacement | \$32,025 |
| • Interior Paint per Bid | \$64,000 |
| • Replacement of Main Curtain | \$17,000 |
| • Refinish Hardwood Floor in Kirst Hall | \$30,548 |
| • Clean and Seal Floor in Crete Hall | \$1,764 |
| • Refinish/Repair Oak Parquet Floor in Thomas Theater | \$3,997 |
| • Theater Rigging/Inspection and Lift Rental | \$3,250 |

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council and the Parks, Recreation and Cultural Services Department appreciate the Hutchins Street Square Foundation's commitment and generosity to Hutchins Street Square and the citizens of Lodi; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby accept the donation of funds in the amount of \$152,584 for the above-listed projects; 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 15, 2023

=====

I hereby certify that Resolution No. 2023-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 2023, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2023-_____



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Approving Return of Artwork to Donor Hayden Goni Johnson (PRCS)

MEETING DATE:

November 15, 2023

PREPARED BY:

Jennifer Winn, Recreation Manager

RECOMMENDED ACTION:

Adopt resolution approving return of artwork to donor Hayden Goni Johnson.

BACKGROUND INFORMATION:

Hayden Goni Johnson was the winner of the community art painting at the Lodi Arts Commission's Art on the Square event on May 19, 2001.

Mr. Johnson, with approval from his parents at the time, donated his winning painting to the City of Lodi, and at the August 2, 2006, City Council meeting, the Council accepted the donation of artwork (see attached Council Communication). Since, the donation the artwork has been displayed at Hutchins Street Square (see attached photograph).

Recently, Mr. Johnson has requested the donated artwork to be returned to him.

Hutchins Street Square Foundation was contacted to see if they had any objections to returning the artwork and had none. Staff recommends approval of the return the artwork as requested to Hayden Goni Johnson.

STRATEGIC VISION:

Not Applicable

FISCAL IMPACT:

None

FUNDING AVAILABLE:

Not Applicable

Christina Jaromay
Parks, Recreation and Cultural Services Director

COUNCIL COMMUNICATION

Andrew C. Keys
Interim City Manager

AGENDA ITEM D-03a



TM

**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Presentation of Resolution of Appreciation to Hayden Goni Johnson for His Donation of Artwork to the City of Lodi

MEETING DATE: August 2, 2006

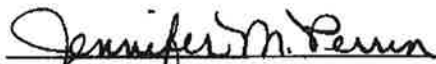
PREPARED BY: City Clerk

RECOMMENDED ACTION: That Mayor Hitchcock present a Resolution of Appreciation to Hayden Goni Johnson for his donation of artwork to the City of Lodi.

BACKGROUND INFORMATION: At its meeting of July 19, the City Council accepted the donation of artwork from Hayden Goni Johnson, who was the winner of the community art painting at the Lodi Arts Commission's Art on the Square event. Hayden will be at the meeting to accept the resolution in appreciation for his donation to the City.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None.


Jennifer M. Perrin
Interim City Clerk

JMP

APPROVED: 
Blair King, City Manager



RESOLUTION NO. 2023-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE RETURN OF
ARTWORK TO DONOR HAYDEN GONI JOHNSON

=====

WHEREAS, on May 19, 2001, Hayden Goni Johnson won the Lodi Arts Commission's Art on the Square event for community art painting; and

WHEREAS, Mr. Johnson donated the painting to the City of Lodi, and the City Council accepted the donation of artwork at its August 2, 2006 meeting. The artwork has been displayed at Hutchins Street Square since; and

WHEREAS, Mr. Johnson has now requested the artwork be returned to him.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve that the donated artwork be returned to Hayden Goni Johnson.

Dated: November 15, 2023

=====

I hereby certify that Resolution No. 2023-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 2023, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2023-_____



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Authorizing 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 to Further Authorize the Expenditure (Not to Exceed \$450,000) (CM)

MEETING DATE:

November 15, 2023

PREPARED BY:

Astrida Trupovnieks, Business Development Manager

RECOMMENDED ACTION:

Adopt a resolution 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 to further authorize the expenditure in an amount not to exceed \$450,000.

BACKGROUND INFORMATION:

The Hometown Microloan Program will provide business loans not to exceed \$50,000 to entrepreneurs and small businesses with ten or fewer employees who have experienced barriers to traditional sources of capital. The loans will be limited to Lodi-based applicants who will deploy the loan proceeds within the City limits. The Hometown Microloan Program reflects the City Council's strategic vision of expanding and diversifying economic opportunities specifically by creating conditions for economic growth of small businesses, as shown in strategic initiative 2B. Extensive outreach to eligible borrowers will be conducted by California Capital, City staff and community partners including the San Joaquin Small Business Development Corporation, SBA and local lending institutions who all participated in the planning and design of the Hometown Microloan Program over the past twelve months.

California Capital, a CDFI-certified non-profit lender, will provide a turnkey implementation of the Microloan Program equipped with ample organizational capacity, qualifications, and over forty years of experience. By providing eligible borrowers with capital on flexible terms, loan recipients will be able to build credit and demonstrate loan readiness for capital provided by traditional lenders for their continued business growth.

At the October 3, 2023, City Council Shirtsleeve Session, City Council provided direction to move forward with both a fee-based and leveraged capital approach for the Hometown Microloan Program offered by California Capital, one of two respondents to a Request for Proposals dated August 16, 2023.

This program proposal and scope of services is provided in Exhibit A, attached.

The fee-based approach will lend \$340,000 in capital provided by the City of Lodi. Loan fees serving as compensation to California Capital is in accordance with the schedule illustrated in Exhibit B, also attached. Please note the loan fees and estimated number of loans is based on an average loan of \$21,250.

COUNCIL COMMUNICATION

The fee-based approach utilizing capital provided by the City of Lodi will return principal and interest as repayments to a revolving loan fund for making additional loans.

The leveraged capital approach will provide \$250,000 in loan capital from California Capital's sources of funds to borrowers. In addition to paying fees as shown in Exhibit B, the City will buy down the interest rate to five percent for Lodi borrowers. Loan fees, estimated number of loans, and interest buydown amounts are based on an average loan of \$50,000.

The interest rate to Lodi borrowers will be five percent. This is 3.5 percentage points below the current prime rate of 8.5 percent. It is .33 percentage points below the current federal funds rate which is the rate staff originally proposed as a not-to exceed interest rate at both City Council Shirtsleeve Sessions on January 24, 2023 and October 3, 2023. The rate will be reviewed at least annually by the City of Lodi to determine whether the federal funds rate is sufficient to reflect the level of risk. The interest rate will not exceed three points below the prime lending rate unless approved by Lodi City Council. California Capital will monitor the federal funds rate, provide its risk assessment and recommendations as interest rates change.

City Council can be assured the Hometown Microloan Program will be borrower-centric and relationship-based. This means that experienced staff will implement a lending approach which emphasizes ongoing loan monitoring, close communication with the borrower, assistance in developing required borrower documentation, and the implementation of proven strategies designed to avoid delinquencies.

It is important to note that Main Street Launch (MSL), the other Hometown Microloan Program bidder, contacted staff after the October 3rd Shirtsleeve Session offering to also develop a revolving loan fund in the amount of \$500,000 from its own capital. However, this would cost an additional \$90,000 in loan fees to be paid by the City. The alternative would involve passing on the loan fees to the applicant. After analyzing this request, the recommendation is to postpone consideration of the proposal from MSL to assess demand for microlending in the community, the ability for the market to absorb another provider and available resources from the City to dedicate to additional microlending.

Staff has examined the California Capital lending policy, underwriting criteria, and loan servicing procedures. These items are in alignment with mission-based industry standards and agree with the goals and objectives of City Council's strategic vision. These documents are attached in Exhibit A. Therefore, staff recommends City Council adopt the resolution authorizing the City Manager to execute a professional service agreement with California Capital Small Business Financial Development Corporation.

STRATEGIC VISION:

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

FISCAL IMPACT:

Funds are available in the FY 2024 Community Programs Fund operating budget.

FUNDING AVAILABLE:

Account No. 36510102.75028

Melissa Munoz
Accounting Manager

Astrida Trupovnieks
Business Development Manager

COUNCIL COMMUNICATION

Andrew C. Keys
Interim City Manager

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1 PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on _____, 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 turnkeyunderwriting 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.

//

//

//

//

//

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: 36510102.75028
(Business Unit & Account No.)

Doc ID:

CA: Rev.10.2023-CA

EXHIBIT A



THE CITY OF LODI HOMETOWN MICROLOAN PROGRAM

EXECUTIVE SUMMARY

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 will 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.

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

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

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.

"Capital and Capacity to Serve Communities"

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

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

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.

Loan Processing and Payments

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

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

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

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

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

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

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

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

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

12. TECHNICAL ASSISTANCE SERVICES

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.

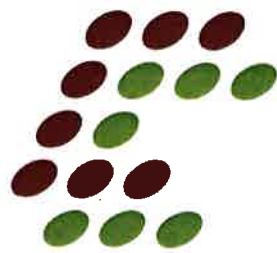
Technical Assistance will be provided through California Capital's Lending Center, Women's Business Center, and through referral to the San Joaquin SBDC. A detailed description of our programs has been provided in Section 1 of this proposal.

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

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

DIRECT LENDING POLICY

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

www.cacapital.org

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

TABLE OF CONTENTS

POLICY STATEMENT	3
AUTHORITIES & RESPONSIBILITIES	3
Management Responsibilities	3
Board of Directors Responsibilities.....	4
Loan Administration Board Responsibilities	4
Loan Officer/Underwriter Responsibilities	5
Loan Processing Coordinator Responsibilities	5
Loan Closing Coordinator Responsibilities	6
Loan Portfolio Manager	6
POLICY HIERARCHY & STRUCTURE	6
Direct Lending Policy	6
Underwriting Guidelines	6
Direct Lending Procedures	7
Exception Approval and Reporting.....	7
Exception Types	7
Policy Hierarchy & Approval Grid.....	8
LOAN TYPES & STRUCTURE.....	8
Desirable Loan Types	8
Primary markets	9
CREDIT STANDARDS	10
Taking an Application	10
Conflicts of Interest	10
Character/Credit.....	10
Capacity	11
Collateral/Secondary Source of Repayment	11
Guarantees	12
Matching Loan Purpose with Repayment Source.....	12
Documentation.....	12
Reporting / Monitoring.....	13
LOAN APPROVAL	13
Loan Approval Authority Matrix	13
Delegated Approval Authority	14
PORTFOLIO MANAGEMENT	14

Risk Ratings and Standards	14
Special Assets	17
Loan Loss Reserve	19
Credit Files	19

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

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

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

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

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

Term	12 months
Amortization	None
Payment Type	Monthly interest only with 30 day “clean up”
Collateral	UCC filing on business assets including accounts receivable and inventory
Interest Rate Type	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:

Risk Rating	Standard / Definition
1	<p>PASS/ACCEPTABLE</p> <p>Credits with this rating should meet most if not all policy standards in regard to:</p> <ul style="list-style-type: none"> • LTV • debt service coverage (DSC) • profitability • leverage • working capital <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>
2	<p>PASS/WATCH</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"> • 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 <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>
3	<p>SPECIAL MENTION</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"> • 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 <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>SUBSTANDARD</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"> • 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

Risk Rating	Standard / Definition
5	<p>DOUBTFUL</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"> • 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 <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>LOSS</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"> • 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

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
Impairment	<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"> • The loan is more than 90 days past due • The loan is in non-accrual status • The loan is or has been classified as a TDR <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"> • the net collateral value (where net collateral value is defined as the market value less priority liens and costs to sell) or • the present value of the anticipated cash flow stream or, • in rare instances, the market value of the loan (this assumes the loan can be sold and the market value can be determined) <p>Any differences between the loan balance and the above will be carried as a specific reserve or, if applicable, charged off.</p>
Past Due, Non-accrual & Troubled Debt Restructured (TDR) Loans	<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>
Charge-Offs	<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>
Capitalization of Interest	<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>
Compromise Settlement / Forgiveness of Debt	<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>
Foreclosure / Repossession	<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).
Foreclosure / Sale Bid Approval Limits	Foreclosure/Sale bid and request for bid checks must be approved by the LAB.
Other Real Estate Owned (OREO)	<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 & 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>
OREO Expense Approval Limits	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.
Regulation	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	

RDL Guidelines			
Personal Information Required	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)
Business Information Required	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.
If Start Up Business	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
Personal Investment Required on start up business.	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:			
Weights	Category	Criteria	Notes	Performance Score	Score Justification
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 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
	<p>1 PASS/ACCEPTABLE</p> <p>Credits with this rating should meet most if not all policy standards in regard to:</p> <ul style="list-style-type: none"> • LTV • debt service coverage (DSC) • profitability • leverage • working capital <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>2 PASS/WATCH</p> <p>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:</p> <ul style="list-style-type: none"> • 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 <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>3 SPECIAL MENTION</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> <p>Characteristics of this type of credit are:</p> <ul style="list-style-type: none"> • 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 <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>
	<p>4 SUBSTANDARD</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"> • 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
City of Lodi Hometown Loan Fund		\$21,250.00	\$340,000.00
<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%
	Total Fees	\$3,162.50	\$50,600.00
Interest from Borrower Repayments		5.00% \$ 2,722.31	\$ 43,556.96
		Cost per loan	
Leveraged Capital		\$50,000.00	\$250,000.00
<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%
	Total Fees	\$5,750.00	\$ 28,750.00
Interest Rate Buydown (Amortized)		4.75% \$ 6,072.83	\$ 30,364.15
		\$11,822.83	\$59,114.15
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
Total Fees	\$109,714



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. 2023-_____

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-_____ 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 –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2023-_____



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Approving Purchase of Thirteen Dell Network Switches for Refresh of Equipment in City Data Center from SidePath, Inc., of Laguna Hills (\$187,000) (ISD - IT)

MEETING DATE:

November 15, 2023

PREPARED BY:

Benjamin Buecher, Information Technology Manager

RECOMMENDED ACTION:

Adopt resolution approving purchase of thirteen Dell Network Switches for refresh of equipment in City data center from SidePath, Inc., of Laguna Hills (\$187,000).

BACKGROUND INFORMATION:

As part of the City's efforts to replace aging network infrastructure, a refresh of the City's network switches in the data center is scheduled for fiscal year 2023/24. The project is funded by budget appropriation in Fiscal Year 2023/24 and will replace the current Dell network switching equipment, first deployed in 2017.

At the end of this project the City will have newer and more reliable equipment, improved security for City's data, ensured network stability and lower the risk of system failure. The network equipment is used by all departments in the daily operations of City business.

I.T. staff evaluated latest technology in network switches from Dell Inc., and with support from Dell engineers and Data Center architects to determine the best options for direct replacement of current infrastructure.

Dell Inc.	(13) Network Switches	
	5 year Dell Pro-Support & Warranty	\$186,164.12

In accordance with Lodi Municipal Code Section 3.20.077, the Information Technology Manager has the ability to acquire electronic hardware through negotiation, requests for proposal or competitive bids and award based on "best value" criteria. The Information Technology Manager has selected to utilize the negotiation method for acquiring thirteen Dell Network Switches, and five years Dell ProSupport from SidePath, Inc., a preferred value added reseller of Dell equipment for the following reasons:

- IT manufactures will work with one value-added reseller (VAR) when creating quotes for products for a single customer.
- Other VARs will not quote a product from the same manufacture if a prior quote had already been created for a competing VAR for a single customer.

It is the staff recommendation to purchase the thirteen Dell Network Switches and five years Dell ProSupport, from Dell Inc., value added reseller, SidePath Inc. using contract no. 7-15-70-34-003 under National

COUNCIL COMMUNICATION

Association of State Procurement Officials (NASPO) #MNWNC-108, code 98AHB, for the amount of \$187,000.

STRATEGIC VISION:

5A. Infrastructure: Invest in innovative infrastructure with a high Return of Investment.

FISCAL IMPACT:

Funding for this purchase is included in the Fiscal Year 24 budget from fund balance of the I.T. replacement fund. There is no additional impact from this action.

FUNDING AVAILABLE:

Funding for this purchase is included in the Fiscal Year 24 budget from fund balance of the I.T. replacement fund. There is no additional impact from this action.

Melissa Munoz
Accounting Manager

Ben Buecher
Information Technology Manager

Andrew C. Keys
Interim City Manager

22892 Mill Creek Drive
Laguna Hills, CA 92653
Phone (949)748-8700; Fax (949)748-8706
www.sidepath.com

Date: 10/24/23
Quotation #: SIDQ45899
Valid Until: 11/24/23
Prepared By: Tray Smith
Project ID: SIDPROJECT42918

Bill To:

City of Lodi
Attn: Benjamin Buecher
221 West Pine Street
Lodi, CA 95240

Phone: +1 209-333-6800
Email: bbuecher@lodi.gov

Ship To:

City of Lodi
Attn: Benjamin Buecher
221 West Pine Street
Lodi, CA 95240

Phone: +1 209-333-6800
Email: bbuecher@lodi.gov

Qty	Item Code	Description	Unit Price	Ext. Price
	DELL-NASPO	NASPO# MNWNC-108 State Addendum #7-15-70-34-003 Authorized Reseller Code 98AHB		
Dell [REDACTED] Switch				
13	[REDACTED]	[REDACTED], [REDACTED] [REDACTED] [REDACTED] Dell EMC Networking [REDACTED] 813-0806 Dell Hardware Limited Warranty 1 Year 813-0840 ProSupport:Next Business Day Onsite Service After Problem Diagnosis, 1 Year 813-0844 ProSupport:Next Business Day Onsite Service After Problem Diagnosis, 4 Years Extended 813-0892 ProSupport:7x24 HW/SW Tech Support and Assistance, 5 Years 975-3461 Dell Limited Hardware Warranty Extended Year(s) 989-3439 Thank you choosing Dell ProSupport. For tech support, visit //www.dell.com/support or call 1-800- 945-3355 997-6306 Info 3rd Party Software Warranty provided by Vendor 900-9997 On-Site Installation Declined 848-8533 5 Years ProSupport [REDACTED] Support-Maintenance 450-AAFH Power Cord, 125V, 15A, 10 Feet, NEMA 5-15/C13 450-AAFH Power Cord, 125V, 15A, 10 Feet, NEMA 5-15/C13	\$13,075.73	\$169,984.49
SubTotal				\$169,984.49

Unless you have a separate written agreement that specifically applies to this order, your order will be subject to and governed by Sidepath's Purchasing Terms and Conditions, which are located at: www.sidepath.com/terms. The Purchasing Terms and Conditions are incorporated herein by reference and available in hard copy upon your request.

CA Shipments: CA Electronic Waste Recycling (eWaste) Fee will apply to monitors, laptops or tablets.

Payment Terms from Ship Date: Net 30

Subtotal	\$169,984.49
Taxes	\$11,651.78
Shipping	\$0.00
Grand Total	\$181,636.27

Please contact me if I can be of further assistance.

If you have any questions regarding this quotation, please contact: Tim Haydon | 858-229-3707 | tim@sidepath.com

THANK YOU FOR YOUR BUSINESS!

STANDARD TERMS AND CONDITIONS OF PURCHASE

These Standard Terms and Conditions of Purchase apply to each purchase or lease of products or services by you (“Customer”) from **Sidepath, Inc.** (“Sidepath”), except to the extent different or additional terms have been expressly agreed to by Customer and Sidepath in writing. These Terms and Conditions shall become effective on the date that Sidepath has accepted Customer’s purchase order, signed quotation or signed Statement of Work as indicated under Overview (Section 1.a.) below.

These Terms and Conditions may be revised at any time by Sidepath in its sole discretion, without notice to Customer. The Terms and Conditions that apply to each purchase or lease of products or services by Customer are those Terms and Conditions that were in effect at the time of the order.

These Terms and Condition may be accessed online at www.sidepath.com/terms or such other site as Sidepath may inform Customer of in writing. A hard copy of these Terms and Conditions is also available from Sidepath by written request.

1. **Overview**

a. These Terms and Conditions govern the purchase and/or lease of Products and Services from Sidepath as set forth in Customer’s purchase order that has been accepted by Sidepath or Sidepath’s quotation that has been signed by Customer (each, an “Order”), and/or in a Statement of Work signed by the parties (an “SOW”), as applicable. “Products” are the hardware and software products and related maintenance and support services that Sidepath procures from vendors for resale to its customers from time to time. “Services” are professional services that Sidepath or its authorized subcontractors perform for Sidepath’s customers, but do not include maintenance and support services. Provisioning of Services is contingent upon Customer providing Sidepath with any equipment, software, licenses, technical information, design documentation, and any other information or documentation reasonably required to perform the Services as specified in each Order or SOW.

b. Any additional or different terms and conditions contained in or included with any Customer purchase order will not apply to any Order notwithstanding any Sidepath acknowledgment or acceptance of such additional and/or different terms and conditions.

c. If a conflict exists between language within these Terms and Conditions and an SOW or other written agreement signed by the parties, the terms of the SOW or such other signed agreement shall control.

2. **Products; Maintenance and Support**

a. Sidepath agrees to sell and Customer agrees to purchase the Products described in each purchase order submitted by Customer and accepted by Sidepath in accordance with these Terms and Conditions.

b. Products purchased hereunder may only be used by Customer in connection with its business operations, and may not be resold or transferred to any third party.

c. Sidepath may offer and Customer may agree to purchase maintenance and support services for Products in accordance with the terms and conditions specified in the applicable Order.

3. **Services**

a. If Customer orders Services, Sidepath or its authorized subcontractors shall provide such Services as set forth in the applicable Order or SOW. The Order or SOW shall incorporate, as applicable, the following; (a) identification of all deliverables, including all mutually agreed to Product deliverables; (b) a detailed description of all activities to be performed by Sidepath and Customer and the location of each activity; and (c) a timetable for completion of each phase of the project.

b. Sidepath shall furnish the labor, supervision, tools, equipment, materials and supplies for any such Services as specified in the Order or SOW.

4. Orders and Delivery

a. Customer shall issue an Order for any Products ordered hereunder, and shall issue an Order or execute an SOW for any Services ordered hereunder. Each Order or SOW shall include the following terms, as applicable, for the Products and/or Services ordered thereunder: (a) quantities; (b) item descriptions; (c) pricing; (d) delivery destination and shipping terms; and (e) billing information.

b. Customer may request, by written notice to Sidepath prior to shipment of the Products and/or commencement of Services, to cancel an Order for Products and/or Services, or any part thereof, postpone the Delivery Date of some or all of the Products, change the destination to which some or all of the Products and/or Services are to be delivered or rendered, and/or change the scope of Services, it being understood and agreed, however, that Sidepath and/or the manufacturer/vendor, as applicable, may reject the request or impose price changes or surcharges.

c. Sidepath shall use commercially reasonable efforts to cause the Products to be shipped and delivered to the destination(s) set forth in each Order on or before the specified delivery date.

d. Any damages or defects discovered after delivery must be reported within ten (10) business days and an RMA number must be received prior to return of the Product. All other Product issues must be handled through the manufacturer's or vendor's standard warranty process.

5. Payment and other Financial Terms

a. Customer will pay invoices in full within thirty (30) days after the invoice date, unless a different payment term has been negotiated as indicated on the applicable quotation. If Customer fails to pay any such invoice, interest will accrue on the unpaid balance after a grace period of another thirty (30) days at a rate equal to the lesser of 1.5% per month (eighteen percent (18%) per annum) or the maximum rate allowed by law. Sidepath's provision of Products and/or Services is subject to credit approval of Customer for each Order.

b. Unless otherwise stated in the applicable Order or SOW for Services, Customer shall reimburse Sidepath for Sidepath's reasonable expenses approved in advance by Customer and incurred by Sidepath in the performance of the Services.

c. Prices are exclusive of any applicable taxes unless otherwise indicated, and Customer shall pay when due all applicable taxes associated with the purchase and/or license of Products and/or Services, exclusive of any taxes based on Sidepath's net income.

d. Title to Products purchased by Customer will not pass to Customer, and Customer agrees that the Products are and shall remain personal property, and not fixtures, whatever their mode of attachment to Customer's premises, until all amounts due for such Products under these Terms and Conditions have been paid in full. Until all amounts due have been paid in full, Customer will maintain adequate insurance against fire, theft or other loss.

e. If requested by Sidepath, Customer hereby grants Sidepath a purchase money security interest in each Product purchased by Customer, and all replacements, proceeds, additions and accessions. The security interest will remain in full force and effect for each Product until all amounts due have been paid in full. Customer agrees to execute documentation reasonably required to perfect the security interest.

6. Limited Warranties

- a. With respect to any Products purchased by Customer hereunder, the warranty for such Products shall pass through from the manufacturer. Customer's remedy under the Product warranty shall be as stated in the manufacturer's warranty.
- b. With respect to any Services purchased by Customer hereunder, Sidepath warrants that all such Services shall be provided in a professional, workmanlike manner, in accordance with applicable industry standards and the terms contained in the applicable Order or SOW.
- c. If requested by Customer, repairs necessitated during the warranty period that are not covered by the manufacturer's Product warranty, or repairs outside of the warranty period, may be made by Sidepath or an authorized subcontractor at Sidepath's then standard charges for time and materials, together with shipping and handling charges related to performing such repairs. All such repair services shall be subject to a separate written agreement between the parties.
- d. Without limiting anything herein, Sidepath is not responsible for security, including virus protection of the Customer's network, unless otherwise agreed upon in writing by an authorized representative of Sidepath and Customer. Sidepath will take commercially reasonable efforts to secure Sidepath-provided architecture, but cannot guarantee such security. Unless otherwise agreed in writing, with respect to security, Sidepath is only responsible for installing or implementing manufacturer-issued security-related upgrades, updates and/or patches on Products sold and/or maintained by Sidepath.
- e. EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION, SIDEPATH DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS AND/OR SERVICES COVERED HEREUNDER, AND IN PARTICULAR DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE AND NON-INFRINGEMENT. ALL WARRANTIES RELATED TO ANY THIRD PARTY EQUIPMENT, MATERIAL, SERVICES OR SOFTWARE NOT PROVIDED HEREUNDER ARE EXPRESSLY EXCLUDED.

7. Limitation of Liability

SIDEPATH SHALL HAVE NO LIABILITY FOR LOSS, DAMAGES OR EXPENSE, DIRECTLY OR INDIRECTLY, ARISING FROM CUSTOMER'S USE OF PRODUCTS AND/OR SERVICES OR ITS INABILITY TO USE THE SAME, OR ANY THIRD PARTY'S UNAUTHORIZED USE OF PRODUCTS AND/OR SERVICES, OR, WITH RESPECT TO SIDEPATH'S OBLIGATIONS HEREUNDER, FOR INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, EVEN IF SIDEPATH HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, DAMAGES OR EXPENSE, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, COMPUTER AND OTHER EQUIPMENT FAILURE OR MALFUNCTION, LOST PROFITS OR OPPORTUNITIES, OR COMMERCIAL LOSS. SIDEPATH'S AGGREGATE LIABILITY HEREUNDER, WHETHER ARISING OUT OF CONTRACT, NEGLIGENCE, STRICT LIABILITY OR WARRANTY, WILL NOT EXCEED THE AMOUNTS PAID BY CUSTOMER FOR THE PRODUCTS AND/OR SERVICES HEREUNDER.

8. Intellectual Property

Customer acknowledges and agrees that the Products and/or Services contain, embody and are based on, patented or patentable inventions, trademarks, trade secrets, copyrights and other intellectual property rights (collectively, "Intellectual Property Rights") owned or controlled by Sidepath or the manufacturer, as

applicable, and that Sidepath or the manufacturer, as applicable, shall continue to be the exclusive owner of all such Intellectual Property Rights.

9. Confidentiality

a. For purposes of these Terms and Conditions, “Confidential Information” means: (i) information contained in any Order or SOW or any separate written agreement between Customer and Sidepath, and any correspondence, quotes, proposals and written communications concerning the same; (ii) the pricing and quantity of Products or Services ordered by Customer; and (iii) other proprietary and confidential information disclosed by one Party (the “Disclosing Party”) to the other party (the “Receiving Party”) hereunder that is marked with a “confidential,” “proprietary” or similar legend, or otherwise designated by the Disclosing Party as Confidential Information at the time of disclosure, or that should be reasonably understood by the Receiving Party to be confidential information of the Disclosing Party under the circumstances.

b. Confidential Information does not include information that: (i) was acquired by the Receiving Party prior to the time of its disclosure, as shown by documentary evidence in existence at the time of disclosure, and at a time when the Receiving Party was under no obligation to the Disclosing Party to keep such information confidential; (ii) is or becomes available in the public domain through no act of the Receiving Party that violates these Terms and Conditions; (iii) is received by the Receiving Party from a third person or entity that is not known by the Receiving Party to be sharing such information in violation of the rights of the Disclosing Party; (iv) is developed by, or on behalf of, the Receiving Party without any use of Confidential Information of the Disclosing Party; or (v) is at any time furnished to a third party by the party to whom such information belongs without restrictions on such third party’s rights to disclose.

c. The Receiving Party shall: (i) treat the Disclosing Party’s Confidential Information as it does its own valuable and sensitive information of a similar nature, but in any event with at least a reasonable degree of care and protection; (ii) not divulge the Confidential Information to any third party, except: (A) its officers, directors, attorneys, accountants, independent auditors, employees, parent company, lenders, attorneys and accountants, and then only on a need to know basis and only after such third party agrees to confidentiality provisions at least as restrictive as those set forth in this Section; or (B) in order to comply with applicable law, subject to subsection (d) below; (iii) refrain from copying the Confidential Information, in whole or in part, except as required for its performance hereunder and subject to the accurate reproduction of all proprietary legends and notices located in the originals; and (iv) not use the Confidential Information, except as necessary for the intended purpose.

d. Unless prohibited by law, the Receiving Party will promptly notify the Disclosing Party if the Receiving Party is compelled to disclose any of the Disclosing Party’s Confidential Information pursuant to applicable law, court order or governmental demand. Upon the Disclosing Party’s request and at its expense, the Receiving Party will cooperate with the Disclosing Party in seeking a protective order or other arrangement to preserve the confidentiality of the Disclosing Party’s Confidential Information. If the Receiving Party is ultimately compelled to make the disclosure, it shall disclose only that portion of the Confidential Information as is required to satisfy the applicable requirement.

e. Upon the Disclosing Party’s written request, the Receiving Party will return, or certify the destruction of, all Confidential Information in the Receiving Party’s possession or under its control, provided that the Receiving Party may retain an archive copy of any Confidential Information, subject to its continuing confidentiality obligations hereunder.

10. Other Provisions

a. Entire Agreement. These Terms and Conditions, including all documents referenced herein, constitute the entire agreement and understanding between the parties relating to its subject matter, and

supersedes all prior or contemporaneous negotiations or agreements, whether written or oral, relating to its subject matter. THESE TERMS AND CONDITIONS MAY NOT BE MODIFIED, CHANGED, AMENDED OR SUPPLEMENTED EXCEPT BY A WRITTEN AGREEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF EACH PARTY.

b. No Waiver. No action taken by either party shall be deemed to constitute a waiver of compliance with any term or condition contained herein unless such waiver is in writing and signed by a senior executive of the waiving party. The waiver by a party of a breach of any provision hereof will not operate or be construed as a waiver of any subsequent breach.

c. No Assignment. Customer may not assign any rights or obligations hereunder without the prior written consent of Sidepath.

d. Notices. Notices required under these Terms and Conditions shall be sufficient if contained in writing and delivered by hand or sent by facsimile, express or overnight mail, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the parties as specified below or at such other address as a party may subsequently direct in writing. All notices shall be deemed given when received by the intended recipient.

To Sidepath:

Sidepath, Inc.
22892 Mill Creek Drive
Laguna Hills, CA 92653
Attn: President

To the Customer:

to the address specified by Customer in writing
(or if none, to such address(es) Sidepath may
have on file)

e. Severability. If any provision of these Terms and Conditions is for any reason held to be unenforceable, all other provisions hereof will remain in full force and effect and the unenforceable provision shall be replaced by a mutually acceptable enforceable provision consistent with the parties' original intent.

f. Governing Law. THESE TERMS AND CONDITIONS IS MADE, EXECUTED AND DELIVERED IN THE STATE OF CALIFORNIA AND WILL BE GOVERNED AND CONSTRUED FOR ALL PURPOSES IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PROVISIONS.

g. Arbitration. Should any dispute arise between the parties relating to these Terms and Conditions or any Order or SOW (including the scope and validity of this arbitration provision), the parties will first negotiate in good faith, for a period of at least fifteen (15) days, and attempt to resolve the dispute. In the event the dispute is not so resolved, the parties agree that such dispute shall be resolved exclusively by binding arbitration before a single arbitrator conducted through Judicial Arbitration & Mediation Services (JAMS) in Orange County, California. Each party will be responsible for its own legal and expert fees and expenses, and will share equally the expenses of the arbitrator and the other related costs of arbitration. However, nothing herein shall prohibit either party from seeking a temporary restraining order, preliminary injunction or other equitable relief (particularly in the event of a default arising out of the confidentiality provisions) from a court of competent jurisdiction if, in such party's judgment, such action is necessary to avoid irreparable damage or to preserve the status quo.

h. Relationship of Parties. The relationship of the parties is that of independent contractors. Nothing contained herein or done pursuant to these Terms and Conditions shall create any other type of relationship between the parties, including without limitation that of employer/employee, partners, joint venturers or affiliates of any kind.

- i. Unforeseen Circumstances. Sidepath shall not be responsible for any failure to perform or delay in performing any of its obligations hereunder where and to the extent that such failure or delay results from causes outside the reasonable control of Sidepath.

PLACEMENT OF ANY ORDER FOR PRODUCTS OR SERVICES FROM SIDEPATH CONSTITUTES CUSTOMER'S ACKNOWLEDGMENT THAT IT HAS READ, UNDERSTANDS AND AGREES TO BE BOUND BY THESE TERMS AND CONDITIONS (EXCEPT TO THE EXTENT ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS HAVE BEEN EXPRESSLY AGREED TO IN WRITING BY SIDEPATH AND CUSTOMER).

PARTICIPATING ADDENDUM
NASPO ValuePoint Cooperative Purchasing Program

COMPUTER EQUIPMENT MASTER AGREEMENT
Minnesota Master Agreement No.: MNWNC-108

California Participating Addendum No. 7-15-70-34-003
DELL MARKETING, L.P. (Contractor)

This Participating Addendum Number **7-15-70-34-003** is entered into between the State of California, Department of General Services (hereafter referred to as "State" or "DGS") and Dell Marketing, L.P. (hereafter referred to as "Contractor") under the NASPO ValuePoint Cooperative Purchasing Program Master Agreement Number MNWNC-108 ("Master Agreement") executed by the State of Minnesota.

1. Scope

- A. This Participating Addendum covers the purchase of Computer Equipment under the Master Agreement for the following product bands:

Band 1 – Desktop
Band 2 – Laptop
Band 3 – Tablet
Band 4 – Server
Band 5 – Storage

- B. This Participating Addendum is available for use by California political subdivisions/local governments (hereafter referred to as "Purchasing Entities"). A political subdivision/local government is defined as any city, county, city and county, district, or other local governmental body or corporation, including the California State Universities (CSU) and University of California (UC) systems, K-12 schools and community colleges empowered to expend public funds.
- C. Political subdivision/local government use of this Participating Addendum is optional. Each political subdivision/local government is to make its own determination whether this Participating Addendum and the Minnesota Master Agreement are consistent with its procurement policies and regulations.
- D. Participating Entities may enter into lease agreements for the products covered in the Master Agreement, if they have the legal authority to enter into these types of agreements.

2. Term

- A. The term of this Participating Addendum shall begin upon signature approval by the State and will end March 31, 2017, or upon termination by the State, whichever occurs first.
- B. Lead State amendments to extend the Master Agreement term date are automatically incorporated into this Participating Addendum unless terminated early in accordance with the terms and conditions of the Master Agreement or this Participating Addendum.

3. Order of Precedence

In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:

- A. California Participating Addendum 7-15-70-34-003
- B. Minnesota WSCA-NASPO Master Agreement MNWNC-108

4. Terms and Conditions

The California General Provisions - Information Technology (GSPD401IT), revised and effective 09/5/14, is hereby incorporated by reference and made a part of this Participating Addendum. The 12 page document is available at:
http://www.documents.dgs.ca.gov/pd/poliproc/GSPD401IT14_0905.pdf.

5. Price List

Contractor shall maintain a website dedicated to this Participating Addendum which contains the Product and Service Schedule (PSS) and designated base line price list for participating entities to verify product/service pricing and applicable discounts offered under the Master Agreement.

6. Partner Utilization

- A. Contractor may use Partners under this Participating Addendum for sales and service functions as defined herein. Each Purchasing Entity will determine whether use of Partners is consistent with its procurement policies and regulations.
- B. Contractor shall be responsible for successful performance and compliance with all requirements in accordance with the terms and conditions under this Participating Addendum, even if work is performed by Partners.
- C. Contractor will be the sole point of contact with regard to Participating Addendum contractual matters, reporting, and administrative fee requirements.
- D. Partners are classified as follows:
 - 1) "Authorized Reseller"
 - a. Authorized Resellers may provide quotes, accept purchase orders, fulfill purchase orders, perform maintenance/warranty services and accept payment from ordering agencies for products and associated services offered under this Participating Addendum.
 - b. Authorized Resellers are responsible for sending a copy of all purchase orders and invoices to the Contractor for compliance with quarterly usage reporting and administrative fee requirements.
 - c. All purchase documents to Authorized Resellers shall reference the Participating Addendum Number.
 - d. If applicable, Authorized Reseller(s) under this Participating Addendum will be listed on the Contractor's dedicated website.

2) "Agent"

- a. Agents are only authorized to provide quotes, sales assistance, configuration guidance and ordering support for products and associated services offered under this Participating Addendum.
- b. Agents are not authorized to accept orders or payments.
- c. If applicable, Agent(s) under this Participating Addendum will be listed on the Contractor's dedicated website.

7. Invoicing

The Participating Addendum Number and Ordering Agency Purchase Order Number shall appear on each purchase order and invoice for all purchases placed under this Participating Addendum.

8. Usage Reporting

- A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the WSCA-NASPO Detailed Sales report template.
- B. The report is due even when there is no activity.
- C. The report shall be an Excel spreadsheet transmitted electronically to the DGS mailbox at PDWSCA@dgs.ca.gov.
- D. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five business days of the date of written notification from the State.
- E. Tax must not be included in the report, even if it is on the purchase order.
- F. Reports are due for each quarter as follows:

Reporting Period	Due Date
JUL 1 to SEP 30	OCT 31
OCT 1 to DEC 31	JAN 31
JAN 1 to MAR 31	APR 30
APR 1 to JUN 30	JUL 31

- G. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this contract.

9. Administrative Fee

- A. Contractor shall submit a check, payable to the State of California, remitted to the Department of General Services, Procurement Division for the calculated amount equal to one percent (0.01) of the sales for the quarterly period.
- B. Contractor must include the Participating Addendum Number on the check. Those checks submitted to the State without the Participating Addendum Number will be returned to Contractor for additional identifying information.
- C. Administrative fee checks shall be submitted to:
- State of California
Department of General Services, Procurement Division
Attention: Multiple Awards Program
707 3rd Street, 2nd Floor, MS 2-202
West Sacramento, CA 95605
- D. The administrative fee shall not be included as an adjustment to Contractor's Master Agreement pricing.
- E. The administrative fee shall not be invoiced or charged to the ordering agency.
- F. Payment of the administrative fee is due irrespective of payment status on orders or service contracts from a Purchasing Entity.
- G. Administrative fee checks are due for each quarter as follows:

Reporting Period	Due Date
JUL 1 to SEP 30	OCT 31
OCT 1 to DEC 31	JAN 31
JAN 1 to MAR 31	APR 30
APR 1 to JUN 30	JUL 31

- H. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this contract.

10. Contract Management

- A. The primary contact individuals this Participating Addendum shall be as follows:

Contractor	
Name:	Amanda Hudson
Phone:	(512) 723-6806
Fax:	(512) 283-2691
E-Mail:	<u>Amanda.Hudson@Dell.com</u>
Address:	One Dell Way, Mailstop RR1-33 Legal Round Rock, Texas 78682

State Contract Administrator	
Name:	Julie Matthews
Phone:	(916) 375-4612
Fax:	(916) 375-4663
E-Mail:	<u>Julie.Matthews@dgs.ca.gov</u>
Address:	Department of General Services Procurement Division 707 Third Street, 2nd Floor, MS 2-202 West Sacramento, CA 95605

- B. Should the contact information for either party change, the party will provide written notice with updated information no later than ten business days after the change.

11. Termination of Agreement

The State may terminate this Participating Addendum at any time upon 30 days prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible and intangible, as may facilitate the orderly, nondisrupted business continuation of each party. This provision shall not relieve the Contractor of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

12. Agreement

- A. This Participating Addendum and the Master Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Participating Addendum and the Master Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.
- B. By signing below Contractor agrees to offer the same products/and or services as on the Master Agreement, at prices equal to or lower than the prices on that contract.
- C. IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

Participating State:
STATE OF CALIFORNIA

By: CCW for JB
Name: Jim Butler
Title: Deputy Director
Date: 10/1/15

Contractor:
DELL MARKETING, L.P.

By: Amy Ivy
Name: Amy Ivy
Title: Contracts Manager
Date: 9/30/15

RESOLUTION NO. 2023-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
PURCHASE OF THIRTEEN DELL NETWORK SWITCHES FOR REFRESH OF
DATA CENTER NETWORK FROM SIDEPATH, INC., OF LAGUNA HILLS
=====

WHEREAS, the City's current Data Center network has reached end of life with the manufacturer and is marked for replacement as part of the City's cyber-infrastructure replacement schedule; and

WHEREAS, City staff evaluated latest technology in network switches from Dell, Inc., and with support from Dell engineers and Data Center architects determined the best options for direct replacement of current infrastructure. Staff chose Dell EMC Switch with five-year Dell Pro-support and warranty; and

WHEREAS, the purchase of the appliance is done through a value-added reseller (VAR), SidePath, Inc., since Dell Datacenter Services does not sell this product directly to customers; and

WHEREAS, in accordance with Lodi Municipal Code Section 3.20.077, the Information Technology Manager has the ability to acquire electronic hardware through negotiation, requests for proposal or competitive bids and award based on "best value" criteria. The Information Technology Manager has selected to utilize the negotiation method for acquiring the thirteen Dell EMC Network Switches for the following reasons:

- IT manufacturers will work with one VAR when creating quotes for products for a single customer.
- Other VARs will not quote a product from the same manufacturer if a prior quote has already been created for a competing VAR for a single customer.

WHEREAS, staff recommends the purchase of thirteen Dell EMC Network Switches and five years Dell ProSupport, from Dell value added reseller, SidePath, Inc., in an amount not to exceed \$187,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the purchase of thirteen Dell EMC Network Switches and five years Dell ProSupport from SidePath, Inc., a California corporation, of Laguna Hills, California, in amount not to exceed \$187,000 (64299000.77030); and

BE IT FURTHER RESOLVED that the City Manager, or designee, is authorized to sign and issue such documents as necessary to facilitate the purchase of the thirteen Dell EMC Network Switches and five years Dell ProSupport; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q for 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-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 2023, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2023-____



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Authorizing City Manager to Waive the Bid Process and Approve Purchase of a 2025 Freightliner M2 Asphalt Patching Dump Truck with Emulsion Sprayer from Municipal Maintenance Equipment, Inc., of Sacramento (\$230,316) Utilizing the Sourcwell Contract No. 080521-PBL (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Jesse Barnett, Street Superintendent

RECOMMENDED ACTION:

Adopt resolution authorizing City Manager to waive bid process and approve purchase of 2025 Freightliner PB Loader Asphalt Patching Truck with Emulsion Sprayer from Municipal Maintenance Equipment, Inc., of Sacramento, in the amount of \$230,316, utilizing the Sourcwell Contract No. 080521-PBL

BACKGROUND INFORMATION:

The Public Works Department, Streets Division is in need of replacing Vehicle No. 04-059, a 1991, International Dump Truck, which has exceeded its useful life. Total repair cost history associated with this vehicle is \$69,197.23 with a current mileage of 127,900 thereby meeting the minimum replacement criteria of 10 years/85,000 miles (Exhibit A).

The Public Works Department, Streets Division has found it to be a better solution to purchase a combined dump/asphalt patching truck with a chassis mounted emulsion sprayer to reduce the amount of equipment needed for asphalt repairs and assist in productivity.

This vehicle will be utilized in the street division as an asphalt patching truck and serve as a dump truck for other projects. This truck will also be utilized for the city's leaf removal program. The new 2025 Freightliner M2 provides up to date safety standards and will assist in productivity time.

The dump truck being replaced currently is utilized in our day to day operations as an asphalt patching dump truck as well as a leaf removal truck, however, due to its age and service life it has become less reliable and inefficient. Considering age, parts availability, and maintenance history, it is no longer cost-effective to continue operating this vehicle. Staff recommends replacement and has spent considerable time researching the needs of our growing community.

Per Lodi Municipal Code §3.20.045, State and Local Agency Contracts, the bidding process may be waived when it is advantageous for the City, with appropriate approval by City Manager and City Council, to use contracts that have been awarded by other California public agencies, provided that their award was in compliance with their formally-adopted bidding or negotiation procedures. Staff recommends purchase of the 2025 Freightliner PB Loader Dump truck with Chassis mounted emulsion sprayer (Exhibit B) utilizing the Sourcwell Contract No. 080521-PBL.

COUNCIL COMMUNICATION

The City has used the contract process to purchase vehicles in the past with excellent pricing and a more rapid delivery schedule.

Staff recommends adopting a resolution authorizing City Manager to waive bid process and approve purchase of Freightliner PB Loader Dump truck with Chassis mounted emulsion sprayer from Municipal Maintenance Equipment, Inc., of Sacramento, in the amount of \$230,316, utilizing the Sourcewell Contract No. 080521-PBL

STRATEGIC VISION:

5C. Infrastructure: Address deferred maintenance.

FISCAL IMPACT:

Replacement of Vehicle No. 04-059 will save maintenance and repair costs, and increase productivity due to reduced downtime associated with repairs and waiting for parts.

FUNDING AVAILABLE:

Measure K (30399000.77040) \$230,316

Melissa Munoz
Accounting Manager

Charles E. Swimley
Public Works Director

Andrew C. Keys
Interim City Manager

EXHIBIT A 1991 International 04-059





CITY OF LODI, CA
VEHICLE REPAIR HISTORY REPORT

DATE: 09/19/2023
TIME: 12:58 pm
ID: 1-32/RRV
PAGE: 1

FACILITY: 00001

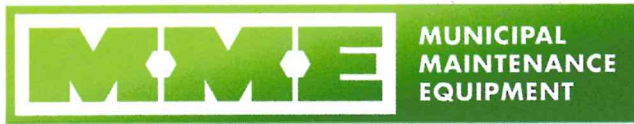
STARTING VMRS CODE: 000-000-000
ENDING VMRS CODE: 999-999-999

DATE: First
DATE: Last

VEHICLE: 04-059
VEHICLE: 04-059

METER: Standard Meter		SUBTOTALS OF VMRS CODES FOR FACILITY > 00001					PERIOD : CURRENT	
VMRS CODE	QUANTITY	LABOR HRS	LABOR COST	PARTS COST	TOTAL COST	PERCENT	TOT COST /METER	
001 HEAT & AIR CONDITIONING	5	6.67	574.02	199.55	773.57	1.12%	0.0000	
002 BODY AND GLASS	25	30.42	2,545.57	754.83	3,300.40	4.77%	0.0000	
003 ELEC, INSTRM, LIGHT & CHASSIS	78	83.81	7,456.56	2,686.65	10,143.21	14.66%	0.0000	
004 BATTERY, CHRG & STARTING	22	15.36	1,496.55	2,339.87	3,836.42	5.54%	0.0000	
005 COOLING	6	11.12	849.43	580.26	1,429.69	2.07%	0.0000	
006 FUEL	1	0.00	0.00	0.00	0.00	0.00%	0.0000	
007 TRANS(MAIN/AUX) PTO/CLUTC	1	2.06	205.48	0.00	205.48	0.30%	0.0000	
008 EMISSION CONTROL	4	3.72	505.16	0.00	505.16	0.73%	0.0000	
009 EXHAUST	1	0.00	1,274.00	7,183.08	8,457.08	12.22%	0.0000	
010 ENGINE	3	17.63	1,682.07	104.67	1,786.74	2.58%	0.0000	
011 TIRES AND WHEELS	21	13.44	1,774.90	5,244.58	7,019.48	10.14%	0.0000	
013 BRAKES	37	35.15	3,108.91	1,597.32	4,706.23	6.80%	0.0000	
014 SPECIAL EQUIPMENT	18	49.76	3,543.63	2,147.43	5,691.06	8.22%	0.0000	
015 STEERING AND SUSPENSION	3	1.50	99.75	11.09	110.84	0.16%	0.0000	
018 SPECIALIZED EQUIPMENT	9	19.60	1,967.51	565.92	2,533.43	3.66%	0.0000	
019 MISCELLANEOUS	63	31.47	2,346.28	490.28	2,836.56	4.10%	0.0000	
020 FILTERS	5	0.70	46.55	35.15	81.70	0.12%	0.0000	
066 PREVENTATIVE MAINTENANCE	53	146.91	13,777.64	2,002.54	15,780.18	22.80%	0.0000	
Total	355	469.32	43,254.01	25,943.22	69,197.23	100.00%	0.0000	

PM COST: 15,780.18
REPAIR COST: 53,417.05
TOTAL REPAIRS: 69,197.23
CURRENT MILEAGE: 27,900
YEAR: 1991



CSLB #980409
DIR 1000004282
www.source-mme.com
Toll Free 1-888-484-9968

October 20, 2023

City of Lodi
1331 S. Ham Lane
Lodi, CA 95242

Tel: 209-747-5229
jbarnett@lodi.gov

Attention: Jesse Barnett, Street Superintendent

We are pleased to provide the enclosed contract pricing sheet off the Sourcewell program Contract No. 080521-PBL for one (1) PB Loader Model 65-CS Truck Mounted Emulsion Sprayer & Accessories for your review.

Summary:	Complete Unit per attached Sourcewell price sheet	
	Price F.O.B. Shipping Point	\$211,654.00
	8.25% Estimated Sales Tax	17,461.46
	Estimated Freight	<u>1,200.00</u>
	Total	\$230,315.46


City's Purchase Order to be prepared and sent directly to the Sourcewell Contract

Holder: PB Loader Corporation 5778 W. Barstow, Fresno, CA 93722-5024
Tel: (559) 277-7370 Fax: (559) 277-7375 Toll Free: (800) 350-8521

- Municipal Maintenance Equipment, Inc. is the local dealer and will provide warranty support and future service for the PB Loader products.
- Pricing includes delivery and on-site training.
- Normal delivery 210-240 days A.R.O., subject to change at time of order.
- Sales tax applicable at time of delivery will be shown on invoice.
- Terms: per Sourcewell Program.

Thank you for your interest in this fine product. Should you have any questions or need additional information, please let us know. We look forward to being of service.

Sincerely,
Municipal Maintenance Equipment, Inc.



James Wheeler,
General Manager

Enclosure



CITY OF LODI
LODI, CA
SOURCEWELL MEMBER ACCOUNT # 44335

QUOTATION
NO. 11944

DATE: 10/20/2023
TERMS: NET 30
F.O.B: LODI

PROJECT: 12FT DUMP BODY WITH EMULSION SPRAY SYSTEM

QTY	PART NO.	DESCRIPTION	PRICE	EXTENSION
		<u>PB LOADER CONTRACT NO. 080521-PBL</u> <u>SOURCEWELL CONTRACT - DISCOUNTED PRICES**</u>		
		<u>TRUCK MOUNTED EMULSION SPRAYER & ACCESSORIES</u>		
1	65-CS	PB MODEL 65-CS EMULSION SPRAY UNIT HEATED BY TRUCK COOLING SYSTEM, Y STRAINER, FILL BASKET, POWERED BY TRUCK AIR SYSTEM, VALVES, EMULSION WAND WITH 25' HOSE, 15 GAL. AIR RECEIVER, 50 GAL. EMULSION, INSTALLATION AND PAINT BLACK		\$12,576.00
1	4016-10	DEADMAN SPRAY WAND (SPRING RETURN)		\$681.00
1	50560-12	15 GAL SOLVENT TANK - FOR FLUSHING OF SPRAY UNIT		\$1,476.00
		<u>NON-LISTED DUMP BODY AND ACCESSORIES AT MARKET PRICE</u>		
1		12 FT 5/7 CUBIC YARD DUMP BODY UPFIT COMPLETE WITH: - 3/16" AR450 FLOOR - 24" HIGH SIDES OF 3/16" A572 GR. 50 HSLA STEEL - 34" HIGH FRONT OF 3/16" A572 GR. 50 HSLA STEEL - 34" HIGH TAILGATE OF 3/16" A572 GR. 50 HSLA STEEL - TREATED WOOD SIDE BOARDS MOUNTED ON SIDES - ONE HORIZONTAL BRACE EACH SIDE AND ACCROSS TAILGATE - WALK-RAIL BOTH SIDES OF BODY - TREATED WOOD SIDE BOARDS - THREE (3) PULL-DOWN STYLE DITCH GATES - DOUBLE ACTING TAILGATE AIR RELEASE & SPREADER CHAINS - 10" WELD-ON SPREADER APRON - HALF CAB SHIELD - WHELEN L31HAFCA STROBE SWIVEL MOUNTED CENTER OF CAB SHIELD ON SWIVEL - TWO (2) FORK STYLE TOOL HOLDERS ON CAB SHIELD; ONE DS, ONE PS - RUBBERIZED WOOD BUMPERS BOLTED TO EACH SIDE OF BODY - ELECTRIC PULL TARP, VINYL FOR ASPHALT W/ 10-ROPE HOOKS PER SIDE - HITCH PLATE W/ SET OF D-RINGS - 45 TON PINTLE (PREMIER 580J) W/O AIR - MOUNTED 28" FROM GROUND - 6-WIRE TRAILER SOCKET MOUNTED TO HITCH PLATE - ELECTRIC BRAKE CONTROLLER - SPRING-LOADED STYLE GLAD-HANDS ON HITCH PLATE - STEEL MUD GUARDS IN FRONT OF REAR WHEELS - MUD FLAPS W/ QUICK MOUNT & RELEASE HANGER BEHIND REAR WHEELS - LED STOP/TURN/TAI & CLEARANCE LIGHTING PER FMVSS 108 - ECCO K7000B BACKUP CAMERA SYSTEM W/ 7" MONITOR & 1 REAR CAMERA - BACKUP ALARM - INSTALLATION - PAINT (BLACK)		\$69,515.00
		<u>NON-LISTED CHASSIS AT MARKET PRICE</u>		
1		2025 FREIGHTLINER M2 106 33,000 GVW CONVENTIONAL CHASSIS WITH: - CUMMINS L9 DIESEL ENGINE WITH 300 HP @ 2200 RPM - ALLISON 3500 RDS AUTOMATIC TRANSMISSION WITH PTO PROVISION - AIR BRAKES AND GLAD HANDS - 50 GA. FUEL TANK - 22.5" X 8.25" STEEL DISC WHEELS - CAB PAINTED WHITE		\$127,406.00
TOTAL:				\$211,654.00
SALES TAX (8.25%):				\$17,461.46
FREIGHT:				\$1,200.00
GRAND TOTAL:				\$230,315.46
NOTES:				
1. PRICES FOR SOURCEWELL LISTED ITEMS ARE SHOWN WITH CUSTOMER SOURCEWELL DISCOUNT APPLIED. NON-LISTED ADDITIONS AND UPGRADES ARE NOT LISTED ON PB LOADER'S CONTRACT. PRICES FOR THESE ITEMS ARE AT BEST MARKET VALUE.				
Delivery times are approximate.				

RESOLUTION NO. 2023-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO WAIVE THE BID PROCESS AND APPROVE THE
PURCHASE OF A 2025 FREIGHTLINER M2 ASPHALT PATCHING DUMP
TRUCK WITH EMULSION SPRAYER FROM MUNICIPAL MAINTENANCE
EQUIPMENT, INC., OF SACRAMENTO UTILIZING SOURCEWELL
CONTRACT NO. 080521-PBL

=====

WHEREAS, the Public Works Department Streets Division is in need of replacing Vehicle No. 04-059, a 1991 International dump truck, which has exceeded its useful life; and

WHEREAS, staff has found it to be a better solution to purchase a combined dump/asphalt patching truck with a chassis mounted emulsion sprayer to reduce the amount of equipment needed for asphalt repairs and assist in productivity; and

WHEREAS, per Lodi Municipal Code §3.20.045, State and Local Agency Contracts, the bidding process may be waived when it is advantageous for the City, with appropriate approval by City Manager and City Council, to use contracts that have been awarded by other California public agencies, provided that their award was in compliance with their formally-adopted bidding or negotiation procedures; and

WHEREAS, the contract process can provide excellent pricing and faster delivery in the past and City staff confirmed that Sourcewell Contract No. 080521-PBL complied with their formally-adopted bidding or negotiation procedures; and

WHEREAS, staff recommends authorizing the City Manager to waive the bid process and approve the purchase of a Freightliner PB Loader dump truck with chassis mounted emulsion sprayer from Municipal Maintenance Equipment, Inc., of Sacramento, in the amount of \$230,316, utilizing Sourcewell Contract No. 080521-PBL.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to waive the bid process and approve the purchase of a 2025 Freightliner PB Loader dump truck with chassis mounted emulsion sprayer from Municipal Maintenance Equipment, Inc., of Sacramento, California, in the amount of \$230,316, utilizing Sourcewell Contract No. 080521-PBL; 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-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 2023 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Authorizing City Manager to Waive the Bid Process and Approve Purchase of a 2025 Freightliner 114SD Tandem Axle Dump Truck from PB Loader Corporation of Fresno (\$277,925), Utilizing the Sourcwell Contract No. 080521-PBL; and Appropriate Funds (\$10,441) (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Jesse Barnett, Street Superintendent

RECOMMENDED ACTION:

Adopt a resolution authorizing the City Manager to waive the bid process and approve the purchase of a 2025 Freightliner 114SD tandem axle dump truck from PB Loader Corporation, of Fresno, in the amount of \$277,925, utilizing the Sourcwell Contract No. 080521-PBL; and appropriate funds in the amount of \$10,441.

BACKGROUND INFORMATION:

The Public Works Department, Streets Division is in need of replacing Vehicle No. 04-084, a 2003 Freightliner CNG Tandem Axle Dump Truck, which has exceeded its useful life. Total repair costs history associated with this vehicle is \$127,675.29 with a current mileage of 88,118 thereby meeting the minimum replacement criteria of 10 years/85,000 miles (Exhibit A).

The Public Works Department, Streets Division has found it to be a better solution to replace the current tandem axle dump truck with a new unit to alleviate the anticipated future downtime and repair cost.

The new 2025 Freightliner 114SD provides up to date safety standards and will assist in productivity time. This vehicle will be utilized in the street division as a material hauling dump truck serving the department in asphalt repairs, leaf removal program, large clean-ups and various other activities.

The dump truck being replaced currently is utilized in our day to day operations as a general dump truck used for hauling, asphalt repairs and a leaf removal. Due to its age and service life it has become less reliable and inefficient. Considering age, parts availability, and maintenance history, Staff recommends replacement as it is no longer cost-effective to continue operating this vehicle.

Per Lodi Municipal Code §3.20.045, State and Local Agency Contracts, the bidding process may be waived when it is advantageous for the City, with appropriate approval by City Manager and City Council, to use contracts that have been awarded by other California public agencies, provided that their award was in compliance with their formally-adopted bidding or negotiation procedures. Staff recommends purchase of the 2025 Freightliner PB 114SD Tandem Axle Dump truck (Exhibit B) utilizing the Sourcwell Contract No. 080521-PBL.

The City has used the contract process to purchase vehicles in the past with excellent pricing and a more

COUNCIL COMMUNICATION

rapid delivery schedule.

Staff recommends adopting a resolution authorizing City Manager to waive bid process and approve purchase of a 2025 Freightliner 114SD, in the amount of \$277,925 utilizing the Sourcewell Contract No. 080521-PBL and appropriating funds in the amount of \$10,441.

STRATEGIC VISION:

5C. Infrastructure: Address deferred maintenance.

FISCAL IMPACT:

Replacement of Vehicle No. 04-084 will ensure the City meets our regulatory requirements, save maintenance and repair costs, and increase productivity due to reduced downtime associated with repairs and waiting for parts.

FUNDING AVAILABLE:

Measure K (30399000.77040) \$267,485

Requested appropriation (30399000.77040) \$10,441

Melissa Munoz
Accounting Manager

Charles E. Swimley
Public Works Director

Andrew C. Keys
Interim City Manager

EXHIBIT A

2003 Freightliner Tandem Axle





EXHIBIT A

CITY OF LODI, CA VEHICLE REPAIR HISTORY REPORT

DATE: 09/19/2023
TIME: 12:59 pm
ID: 1-32/RRV
PAGE: 1

FACILITY: 00001

STARTING VMRS CODE: 000-000-000
ENDING VMRS CODE: 999-999-999

DATE: First
DATE: Last

VEHICLE: 04-084
VEHICLE: 04-084

METER: Standard Meter		SUBTOTALS OF VMRS CODES FOR FACILITY > 00001					PERIOD : CURRENT	
VMRS CODE	QUANTITY	LABOR HRS	LABOR COST	PARTS COST	TOTAL COST	PERCENT	TOT COST /METER	
001 HEAT & AIR CONDITIONING	25	51.51	4,799.80	913.08	5,712.88	4.47%	64.9191	
002 BODY AND GLASS	20	42.34	4,552.73	758.07	5,310.80	4.16%	60.3500	
003 ELEC, INSTRM, LIGHT & CHASSIS	63	78.57	7,019.48	2,507.18	9,526.66	7.46%	108.2575	
004 BATTERY, CHRG & STARTING	10	11.52	1,185.17	1,334.35	2,519.52	1.97%	28.6309	
005 COOLING	24	28.55	2,826.81	4,559.22	7,386.03	5.79%	83.9322	
006 FUEL	7	3.84	360.38	4,576.69	4,937.07	3.87%	56.1031	
007 TRANS(MAIN/AUX) PTO/CLUTC	1	10.40	1,384.24	0.00	1,384.24	1.08%	15.7300	
008 EMISSION CONTROL	7	3.96	1,150.00	3,350.48	4,500.48	3.52%	51.1418	
009 EXHAUST	6	17.47	1,590.33	30.89	1,621.22	1.27%	18.4230	
010 ENGINE	9	13.26	2,251.14	4,057.16	6,308.30	4.94%	71.6852	
011 TIRES AND WHEELS	62	27.58	4,127.81	14,473.64	18,601.45	14.57%	211.3801	
012 DRIVE TRAIN	4	5.32	499.28	115.93	615.21	0.48%	6.9910	
013 BRAKES	36	40.06	3,999.48	440.52	4,440.00	3.48%	50.4545	
014 SPECIAL EQUIPMENT	21	30.06	2,587.01	2,059.95	4,646.96	3.64%	52.8064	
015 STEERING AND SUSPENSION	3	20.95	1,966.15	243.28	2,209.43	1.73%	25.1072	
016 CNG (COMPRES NATURAL GAS)	6	7.02	478.32	207.12	685.44	0.54%	7.7891	
018 SPECIALIZED EQUIPMENT	8	11.25	2,235.81	1,304.32	3,540.13	2.77%	40.2288	
019 MISCELLANEOUS	118	165.35	17,010.44	5,964.57	22,975.01	17.99%	261.0797	
020 FILTERS	11	3.16	211.79	300.29	512.08	0.40%	5.8191	
066 PREVENTATIVE MAINTENANCE	68	172.57	16,542.23	3,700.15	20,242.38	15.85%	230.0270	
Total	509	744.74	76,778.40	50,896.89	127,675.29	100.00%	1450.8556	

PM COST: 20,242.38
REPAIR COST: 107,432.91
TOTAL REPAIRS: 127,675.29
CURRENT MILEAGE: 88,118
YEAR: 2003



CITY OF LODI
LODI, CA
SOURCEWELL MEMBER ACCOUNT # 44335

QUOTATION
NO. 11932

DATE: 10/20/2023
TERMS: NET 30
F.O.B: LODI

PROJECT: 15FT TUB STYLE DUMP BODY

QTY	PART NO.	DESCRIPTION	PRICE	EXTENSION
		PB LOADER CONTRACT NO. 080521-PBL SOURCEWELL CONTRACT - DISCOUNTED PRICES**		
		DUMP BODY AND ACCESSORIES		
1	PBLDB-13	PB LOADER TUB STYLE DUMP BODY, 15 FT 12-14 YARD, HPT53-130 NTEA CLASS 80 HOIST, 3/16" STEEL BALANCE, 36" SIDES, 60" FRONT AND 44" REAR, 18" FLOOR/SIDE RADIUS , 12" SPREADER APRON, 1/4 CABSHIELD, LED LIGHTS, WIRING HARNESS & BACKUP ALARM, PUMP, CONTROLS, TANK, VALVE, MUD FLAPS, STEEL MUDGUARDS, HOT SHIFT PTO, AIR TAILGATE, PAINT WHITE (MATCH CAB), INSTALLATION		\$37,406.00
1	7660-00	PULL TARP ELECTRIC - VINYL FOR ASPHALT W/ ROPE HOOKS		\$4,409.00
1	7000-36	TOOL BOX 36" - MOUNTED PASSENGER SIDE		\$1,062.00
1	8200-00	HITCH PLATE W/ D-RINGS W/ 7 WIRE ROUND PIN TRAILER SOCKETS		\$1,385.00
2	695-047	ECCO WORKLIGHT LED 4" - MOUNTED ABOVE HITCH PLATE, ONE EACH SIDE	\$491.00	\$982.00
1	MODS-38	ECCO K7000B BACKUP CAMERA SYSTEM (MONITOR + 1 CAM)		\$1,023.00
1	695-063	BEACON - WHELEN L31HAF LED		\$1,213.00
1	695-064	BRANCH GUARD FOR WHELEN L31HAF		\$216.00
1	695-910	STROBE SWIVEL BRACKET		\$213.00
1	695-2MC	WHELEN LED MICRONS MCRNSA (SET OF TWO) - MTD IN CHASSIS GRILLE		\$1,344.00
1	695-50A	WHELEN 500 SERIES STROBE (LED) (SET OF TWO) - MOUNT IN BOTH REAR CORNER POSTS, REAR FACING		\$1,419.00
1		NON-LISTED BODY UPGRADES AND ACCESSORIES AT MARKET PRICE DUMP BODY UPGRADES AND ACCESSORIES INCLUDING: - UPGRADE SIDES, FRONT AND TAILGATE MATERIAL TO 3/16" THICK AR450 - UPGRADE FLOOR MATERIAL TO 1/4" THICK AR450 WITH 8" I-BEAM LONGSILLS - 6" BOLT-ON METAL SIDE BOARDS EACH SIDE OF BODY - FULL LENGTH CATWALK ON BOTH SIDES OF BODY - FIVE (5) ROPE HOOKS ABOVE CATWALK, EACH SIDE - FIXED LADDER IN FRONT OF BODY, BOTH SIDES - FRAME MOUNT BUCKET HOLDER FOR 5-GALLON IGLOO - HOIST CYLINDER UPGRADED TO MAILHOT G3 SERIES DOUBLE ACTING CYLINDER (ILO ABOVE, HOIST IS HOUSED IN FRONT DOGHOUSE) - THREE PULL-DOWN STYLE DITCH GATES IN TAILGATE, LEFT/ CENTER/RIGHT - SET OF SPREADER CHAINS - 1/2 CAB SHIELD (ILO 1/4 NOTED ABOVE) - HOOKS TO HOLD MUD FLAPS UP DURING PAVING USE - 20-TON PINTLE HOOK MOUNTED 27" FROM GROUND (NO AIR POD) - BODY PAINTED WHITE, MATCHING CAB		\$26,620.00
1		MARKET PRICE CHASSIS 2025 FREIGHTLINER 114SD CHASSIS PER SPECIFICATIONS		\$178,343.00
		TOTAL:		\$255,635.00
		SALES TAX (8.25%):		\$21,089.89
		FREIGHT:		\$1,200.00
		TOTAL WITH FREIGHT:		\$277,924.89
		NOTES: 1. PRICES FOR SOURCEWELL LISTED ITEMS ARE SHOWN WITH CUSTOMER SOURCEWELL DISCOUNT APPLIED. NON-LISTED ADDITIONS AND UPGRADES ARE NOT LISTED ON PB LOADER'S CONTRACT. PRICES FOR THESE ITEMS ARE AT BEST MARKET VALUE.		

RESOLUTION NO. 2023-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO WAIVE THE BID PROCESS AND APPROVE THE PURCHASE OF A 2025 FREIGHTLINER 114SD TANDEM AXLE DUMP TRUCK FROM PB LOADER CORPORATION, OF FRESNO, UTILIZING SOURCEWELL CONTRACT NO. 080521-PBL; AND FURTHER APPROPRIATING FUNDS

=====

WHEREAS, the Public Works Streets Division must replace Vehicle No. 04-084, a 2003 Freightliner CNG tandem axle dump truck, which has exceeded its useful life; and

WHEREAS, staff has found it to be a better solution to replace the current tandem axle dump truck with a new unit to alleviate the anticipated future downtime and repair cost; and

WHEREAS, per Lodi Municipal Code §3.20.045, State and Local Agency Contracts, the bidding process may be waived when it is advantageous for the City, with appropriate approval by City Manager and City Council, to use contracts that have been awarded by other California public agencies, provided that their award was in compliance with their formally-adopted bidding or negotiation procedures; and

WHEREAS, the contract process can provide excellent pricing and faster delivery and City staff confirmed that Sourcewell Contract No. 080521-PBL complied with their formally-adopted bidding or negotiation procedures; and

WHEREAS, staff recommends authorizing the City Manager to waive the bid process and approve the purchase of a 2025 Freightliner 114SD, in the amount of \$277,925, utilizing Sourcewell Contract No. 080521-PBL; and

WHEREAS, staff further recommends appropriating funds in the amount of \$10,441 to the Measure K Fund (30399000.77040).

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to waive the bid process and approve the purchase of a 2025 Freightliner 114SD tandem axle dump truck, in the amount of \$277,925, utilizing Sourcewell Contract No. 080521-PBL; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby appropriate funds in the amount of \$10,441 to the Measure K Fund (30399000.77040); 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-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 2023 by the following vote:

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

OLIVIA NASHED
City Clerk



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Authorizing City Manager to Execute Additional Change Orders to 2021-2023 Sidewalk and Miscellaneous Concrete Repair Program (\$67,000), and Appropriate Funds (\$30,048) (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Jimi Billigmeier, Senior Civil Engineer

RECOMMENDED ACTION:

Adopt resolution authorizing City Manager to execute additional change orders to 2021-2023 Sidewalk and Miscellaneous Concrete Repair Program, in an amount not to exceed \$67,000 and appropriate funds in the amount of \$30,048.

BACKGROUND INFORMATION:

This project consists of the construction, removal, and/or the replacement of curb, gutter, sidewalk, ramps, or other miscellaneous concrete items at various locations throughout the City on an as-needed basis.

On April 21, 2021, Council approved specifications and adopted a resolution authorizing the City Manager to award a contract to the lowest responsive bidder, not to exceed \$250,000; and execute change orders, not to exceed \$50,000. On July 7, 2021, the City Manager executed the contract with Popuch Concrete Contracting, Inc., of Lodi, in the amount of \$190,480. On June 1, 2022, Council authorized a contract extension for another year. A.M. Stephens Concrete, Inc. purchased Popuch Concrete Contracting, Inc. in June, 2022 and a Consent to Assignment was executed to continue the contract under A.M. Stephens Concrete, Inc. on November 29, 2022. The current contract with A.M. Stephens Concrete, Inc. was extended by Council on June 7, 2023 for an additional one year with an annual Consumer Price Index (CPI) adjustment of 14.51 percent.

As a standard practice, staff requests Council authorize increases to the City Manager's change order authority to pay for additional concrete work outside of the original contract scope; and to address the needs of other City departments. Occasionally other divisions need to have miscellaneous concrete work done. Electric Utility, Parks and the Water Division request out of scope work that would best be done under this contract.

The proposed change order work includes replacing a sidewalk near the Lodi Boys & Girls Club at Blakely Park that was damaged due to a tree; installing two transformer footings at an EUD Substation; installing ADA access to the EV chargers at City Hall; and replacing damaged sidewalk improvements from water service repairs, totaling \$45,000. Staff recommends maintaining contingency for any additional unknown conditions that can be encountered.

Staff recommends adopting a resolution authorizing City Manager to execute additional change orders to 2021-2023 Sidewalk and Miscellaneous Concrete Repair Program by \$67,000 to a total not-to-exceed amount of \$666,590 and appropriating funds in the amount of \$30,048.

COUNCIL COMMUNICATION

STRATEGIC VISION:

5C. Infrastructure: Address deferred maintenance.

FISCAL IMPACT:

This project extends the useful life of City sidewalks and miscellaneous concrete. This project does not impact the General Fund.

FUNDING AVAILABLE:

Funding for this additional work comes from a combination of the Fiscal Year 2023/24 Operating and Capital Budgets as follows:

Budgeted:

Parks (20072202.72352)	\$ 8,649
EUD (EUCP-24001.contracts)	\$23,673
Water (56052004.72499)	\$ 4,630

Requested appropriation:

EUD EV - Capital Equipment (50199000.77030)	\$20,000
Streets Fund (PWST-0026 30099000.77020)	<u>\$10,048</u>

TOTAL:	\$ 67,000
--------	-----------

Melissa Munoz
Accounting Manager

Charles E. Swimley
Public Works Director

Andrew C. Keys
Interim City Manager

Capital Improvement Program - Maintenance

FY 2023-2024

Maintenance Project Title:		Sidewalk Repair		Munis Project Code:		PWST-0026		#35	
Section I:Description			District Nos:	Citywide	Project Length		Priority	Normal	
Annual contract for sidewalk and miscellaneous concrete repairs in the City.									
Justification/factor driving project									
Annual sidewalk maintenance work.									
Additional Information									
Council action 09/06/23; Reso 2023-188 add \$35k to Streets, add \$60,000 to LTF/Ped									
Section II		Estimated Project Costs							
Expenditure	Prior Years	FY 22/23 Estimate	FY 23/24 Budget	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Future Yrs	Total
Contracts	\$ 359,574	\$ 225,748	\$ 297,048	\$ 192,000	\$ 192,000	\$ 192,000			\$ 1,458,370
Internal Staff	\$ -	\$ 2,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000			\$ 34,000
Total Capital Costs	\$ 359,574	\$ 227,748	\$ 305,048	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 1,492,370
Section III		Funding Sources/Methods of Financing							
Funding Source(s)	Prior Years	FY 22/23 Estimate	FY 23/24 Budget	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Future Yrs	Total
300 - Street Fund	\$ 6,514	\$ 96,727	\$ 45,048						\$ 148,289
303 - Measure K Fund	\$ 206,614	\$ 81,207	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000			\$ 967,821
331 - LTF-Pedestrian/Bike	\$ 146,446	\$ 49,814	\$ 90,000	\$ 30,000	\$ 30,000	\$ 30,000			\$ 376,260
Total Project Financing	\$ 359,574	\$ 227,748	\$ 305,048	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 1,492,370

RESOLUTION NO. 2023-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE ADDITIONAL CHANGE ORDERS TO
2021-2023 SIDEWALK AND MISCELLANEOUS CONCRETE REPAIR
PROGRAM; AND FURTHER APPROPRIATING FUNDS

=====

WHEREAS, this project consists of the construction, removal, and/or the replacement of curb, gutter, sidewalk, ramps, or other miscellaneous concrete items at various locations throughout the City on an as-needed basis; and

WHEREAS, on July 7, 2021, the City Manager executed the contract for the 2021-2023 Sidewalk and Miscellaneous Concrete Repair Program with Popuch Concrete Contracting, Inc., of Lodi, in the amount of \$190,480. A.M. Stephens Concrete, Inc., purchased Popuch Concrete Contracting, Inc., and a Consent to Assignment was executed to continue the contract under A.M. Stephens Concrete, Inc., on November 29, 2022; and

WHEREAS, as a standard practice, staff requests Council authorize increases to the City Manager's change order authority to pay for additional concrete work outside of the original contract scope and to address the needs of other City departments; and

WHEREAS, staff recommends authorizing the City Manager to execute additional change orders to the 2021-2023 Sidewalk and Miscellaneous Concrete Repair Program in an amount not to exceed \$67,000, for a total not-to-exceed amount of \$666,590; and

WHEREAS, staff further recommends appropriating funds in the amount of \$20,000 to the EUD EV – Capital Equipment Fund (50199000.77030) and funds in the amount of \$10,048 to the Street Fund (30099000.77020).

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute additional change orders to the 2021-2023 Sidewalk and Miscellaneous Concrete Repair Program in an amount not to exceed \$67,000, for a total not-to-exceed amount of \$666,590; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby appropriate funds in the amount of \$30,048 as set forth above; 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-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 2023 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2023-_____



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Authorizing City Manager to Execute Measure K Renewal Cooperative Agreement with San Joaquin Council of Governments for GrapeLine Operations Project, to Receive Funds for Fiscal Years 2023/24, 2024/25, 2025/26 and 2026/27 (\$1,600,000) (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Julia Tyack, Transportation Manager

RECOMMENDED ACTION:

Adopt resolution authorizing City Manager to execute Measure K Renewal Cooperative Agreement with San Joaquin Council of Governments for GrapeLine Operations Project, to receive funds for Fiscal Years 2023/24, 2024/25, 2025/26 and 2026/27, in the amount of \$1,600,000.

BACKGROUND INFORMATION:

The San Joaquin Council of Governments (SJCOG) administers the regional half-cent sales tax, Measure K Renewal program. Measure K provides funding for a variety of transportation projects, including transit funding.

The Measure K Renewal Cooperative Agreement establishes Measure K funding for Lodi Transit operations that will amount to \$1,600,000 over four fiscal years (\$400,000 each year) starting July 1, 2023. The City's Short Range Transit Plan Financial Plan includes Measure K funds as a revenue source for transit operations, along with Federal and state funds.

STRATEGIC VISION:

8. Public Well-Being: Be a recognized leader in generating a happy, healthy, high quality of life for all.

FISCAL IMPACT:

Without approval of the Measure K Renewal Cooperative Agreement, the City would not receive Measure K funding for transit operations. This could reduce the amount of Federal and state funds available for capital projects. This revenue was budgeted in Fiscal Year 2023/24 for the transit program. There is no impact to the General Fund.

FUNDING AVAILABLE:

Not applicable.

Charles E. Swimley
Public Works Director

COUNCIL COMMUNICATION

Andrew C. Keys
Interim City Manager

**MEASURE K RENEWAL COOPERATIVE AGREEMENT (C-24-002)
FOR THE CITY OF LODI
GRAPELINE SERVICES PROJECT**

This Cooperative Agreement ("Agreement") is made and entered into this 1st day of July 2023, by and between the City of Lodi ("Sponsor") and the SAN JOAQUIN COUNCIL OF GOVERNMENTS, acting as the Local Transportation Authority ("Authority").

RECITALS

WHEREAS Authority and Sponsor desire to enter into a Cooperative Agreement for funding of transportation improvements in San Joaquin County pursuant to the authority provided by San Joaquin County Local Transportation Improvement Plan and Ordinance ("LTIP"), which was approved by the voters of San Joaquin County on November 7, 2006; and

WHEREAS Sponsor desires to receive funding from the Authority for the particular transportation improvement project specified herein ("Project"); and

WHEREAS the Project is eligible for funds (as specified in the Measure K Renewal Strategic Plan) from the **PASSENGER RAIL, BUS AND BICYCLE/ PEDESTRIAN** funding category of the LTIP; and

WHEREAS the Authority is authorized under the LTIP to issue Measure K Renewal funds to Sponsor for \$1,600,000 over a four-year period starting July 1, 2023, for the Project as estimated by the Sponsor in Exhibit "A"; and

WHEREAS the Sponsor estimates the total Project budget is \$15,317,066 over a four-year period starting July 1, 2023, of which the Measure K Renewal portion is \$1,600,000 (10.4% of budget) during this period as specified in Exhibit "A"; and

WHEREAS Authority expects that the Sponsor will supplement Measure K Renewal funds with available revenues. The Use of Funds is for operating costs only and not approved for capital; and

WHEREAS, Authority shall issue reimbursement payments as provided in Section 2.1 to Sponsor over the course of the Project and such funds shall be released to Sponsor pursuant to a request for reimbursement submitted by the Sponsor; however, the Sponsor understands that in no event shall reimbursement payments, when aggregated with previously approved reimbursement requests, exceed the Measure K Renewal commitment set forth in the Project Cooperative Agreement of \$1,600,000; and

WHEREAS Sponsor agrees to abide by the terms and conditions of the Authority as set forth herein for the receipt of Measure K Renewal funds; and

WHEREAS Authority agrees to provide funding for the transportation improvements of the Sponsor's Project according to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and undertakings herein made and the mutual benefits to be derived therefrom, the parties hereto represent, covenant, and agree as follow:

AGREEMENT

SECTION I

Covenants of Sponsor

1.1. Project Application. The Project description, scope of work, delivery schedule, corridor-specific cost by activity, anticipated amount and type of funds that will supplement Measure K Renewal funds, and the anticipated timing for release of Measure K Renewal funds and the Measure K Renewal "not to exceed" amount are specified in Exhibit "A," and incorporated herein by this reference.

1.2. Change in Project Scope. A change in the Project scope as described in Exhibit "A" may not be implemented until it has been approved in writing by the Authority.

1.3. Major Change in Operating Project. Any change, as described below, to the Operating Project shall be considered a major change to the Project and may not be implemented without prior written notification to the Authority. Such notification shall be made within 30 days of the implementation of such major changes. 'Major changes' to an Operating Project are defined as any of the following:

- i. Any permanent change that increases fares.
- ii. Any permanent change that results in a 25 percent or more reduction of the number of daily transit revenue vehicle miles of a route for the day(s) of the week for which the change is made; or
- iii. Any permanent changes that result in a 25 percent or more reduction of the number of transit route miles of a route.

1.4. Minor Changes in Operating Project(s). A minor change in fare or service of an operating project does not require that the Authority be notified. Examples of minor changes would be temporarily reduced or promotional fares, minor reroutes or minor schedule changes. Experimental or emergency service or fare changes expected to exist fewer than 180 days and standard seasonal in service are also exempt from notification requirement unless these changes continue more than 180 days.

1.5. Eligible Reimbursement Costs. Eligible reimbursement costs shall be those costs as defined by the statutes, rules and regulations of the Federal Transit Administration and State of California, for Projects as specified and approved in the Project Cooperative Agreement or as may be approved from time to time by the Authority pursuant to Section 1.2. In no event shall expenses incurred prior to July 1, 2023, be considered eligible reimbursement costs.

1.6. Measure K Renewal Percentage Share Defined. For this Project, the estimated Measure K Renewal percentage share of eligible reimbursements shall not exceed the project total cost of \$1,600,000 or 10.4%, whichever is the lower of the actual costs.

1.7. Invoices and Progress Reports. Starting one month after the execution of this contract, Sponsor shall provide progress reports and may provide invoices as often as monthly for activities conducted over the prior unbilled month(s). These documents shall include the following specified information:

1.7.a. Operating Expenses. Sponsor may include in operating expense invoices both direct and indirect costs relating to the Project and shall include in such invoices expense classifications such as Salaries and Wages, Fringe Benefits, Services, Materials and Supplies, Utilities, Insurance, Taxes, Purchased Transportation, Miscellaneous Expense and Local Depreciation.

1.7.b. Bimonthly Progress Reports. The progress reports shall include a brief description of the status of the Project and the work completed to date. The progress report shall include year-to-date Passengers, Revenue Miles, Revenue Hours, Passengers per Revenue Hour, Farebox Recovery Ratio and On-Time Performance Data summarized by service type. This progress report will be included with invoices submitted to the Authority.

1.7.c. Biannual Reports for Bus Operating Project. Every six months, a Progress Report for Bus Operating Project shall be prepared and shall include:

- i. Accumulated Data. In addition to the data specified in 1.7.c., the biannual report shall include accumulated data for the six-month period for each data category outlined in 1.7.b. and shall provide a comparison to the corresponding six-month period from the prior year.

1.8. Use of Funds. Sponsor shall use Measure K Renewal funds consistent with Project scope of work, as described in "Exhibit "A" or approved by the Authority pursuant to Section 1.2.

1.9. Submittal of Bid Documents. All consultant contracts entered into pursuant

to this operations funding agreement shall follow a competitive bidding process or give justification for using a sole source in a manner substantially similar to that described in the *San Joaquin Council of Governments Financial Management & Accounting Processing Manual*. When the contract is awarded, Sponsor shall provide to the Authority one (1) copy of the bid tabulation, and the bid schedule of the successful bidder, complete with unit prices and total award amount. All awarded contracts shall include performance bonds, labor and material bonds, a provision for liquidated damages, and may include any other penalty clauses for nonperformance of the contract. Sponsor shall provide copies to the Authority of all other executed contracts which relate to the Project scope, as described in Exhibit "A" or approved by the Authority pursuant to Section 1.2. Sponsor shall retain records pertaining to the Project for a four (4) year period following completion of the Project.

1.10. Completion of Project. Sponsor shall be responsible for the timely completion of the Project and to provide management of consultant and contractor activities, including responsibility for schedule, budget, and oversight of the services, consistent with the scope of work. The Co-operative agreement end date is June 30, 2027. Within 30 days of its adoption, Sponsor shall copy and forward to the Authority the resolution certifying that the Project has been accepted as completed.

1.11. Provisions of Signs. Sponsor shall install signs approved by the Authority consistent with the specifications set forth in Exhibit "B" of this Agreement, attached hereto and incorporated herein by this reference. A sign which is at least 8.5" by 11" shall be posted in the interior of at least the number of busses for which Measure K Renewal operating funds have been provided, as indicated in the corresponding Project Cooperative Agreement. Such signs will remain posted for the duration of time Measure K Renewal is funding operations.

SECTION II

Covenants of Authority

2.1. Reimbursement Payments. The Authority shall make reimbursement payments to Sponsor for all eligible Project cost. To receive monthly reimbursement payments for work completed on the Project, Sponsor shall comply with the following reimbursement procedures:

2.1.a. Deadline to Submit Reimbursement Request. All invoices and progress reports shall be submitted to Authority on or before 5:00 p.m. on the tenth (10th) calendar day of the month in which the Sponsor requests reimbursement payments. Authority shall issue reimbursement payments to Sponsor on or before the last day of the month for all timely submittals.

2.1.b. Late Submittals. If Sponsor fails to submit documents to Authority as set forth in Section 2.1.a. above, then Authority shall provide reimbursement payments

for late submittals in the following calendar month.

2.1.c. Ineligible Costs. The Authority reserves the right to adjust current or future reimbursement payments to Sponsor if an invoice includes ineligible costs.

2.1.d. Reimbursement Amount. The amount of reimbursement payments to Sponsor shall be equivalent to the Measure K Renewal percentage share for each invoice submitted to the Authority. The reimbursement percentage share for this Project shall not exceed 21.2% of the total project costs and available Measure K Renewal funds per fiscal year as specified in Exhibit "A".

2.1.e. Suspension of Reimbursement. Reimbursement payments for the item(s) in question shall be suspended when a dispute arises as to whether or not the cost item(s) is eligible for reimbursement.

2.1.e.(1) Meeting: Once a dispute has occurred, the Authority shall arrange a meeting between the Authority and the Sponsor's staff to discuss and attempt to resolve the dispute. If the invoice was received on or before 5:00 p.m. on the 10th day of the month, the meeting shall be held no later than the 20th day of the same month. If the invoice was received after this date and time, then the meeting shall be held no later than the 20th day of the following month.

2.1.e.(2) Technical Advisory Committee. If an agreement cannot be reached at the meeting, then the Sponsor or the Authority shall have the option to take the dispute to the Authority's Technical Advisory Committee, with the understanding that by doing so the reimbursement for the disputed cost item(s) will be delayed until a resolution of the matter is reached.

2.1.e.(3) Board Decision. If the Sponsor or the Authority disagrees with the resolution by the Technical Advisory Committee, then the dispute shall be submitted to the San Joaquin Council of Governments Board for resolution. If the Board determines that the disputed cost item(s) is ineligible, the Authority shall not provide reimbursement payment to the Sponsor for the disputed item(s). If the Board determines that the disputed cost item(s) is eligible, then the Authority shall provide reimbursement payment to the Sponsor for the disputed cost.

2.1.e.(4) Reservation of Rights. By utilizing the above procedures, the Sponsor does not surrender any rights to pursue available legal remedies if the Sponsor disagrees with the Board decision.

2.1.f. Acceptance of Work Does Not Result in Waiver. Reimbursement payments do not result in a waiver of the right of the Authority to require fulfillment of all terms of this Agreement.

2.2. Right to Conduct Audit. The Authority shall have the right to conduct an audit of all Sponsor's records pertaining to the Project at any time during the four (4) year period after completion of the Project.

SECTION III Manual Covenants

3.1. Term. This Agreement shall remain in effect until discharged or terminated as provided in Section 3.2 or Section 3.14.

3.2. Discharge. This Agreement shall be subject to discharge as follows:

3.2.a. Breach of Obligation. If a party believes that the other is in breach of this agreement, that party shall provide written notice to the breaching party and the written notice shall identify the nature of the breach. The breaching party shall have thirty (30) days from the date of notice to initiate steps to cure any breach that is reasonably capable of being cured. If the breaching party diligently pursues cure, such party shall be allowed a reasonable time to cure, not to exceed sixty (60) days from the date of the initial notice, unless a further extension is granted by the non-breaching party. If the non-breaching party is not satisfied that there has been a cure by the end of the time for cure, the non-breaching party may seek available legal remedies.

3.2.b. Termination by Mutual Consent. This Agreement may be terminated at any time by mutual consent of the parties.

3.2.c. Discharge Upon Completion of Project. Except as to any rights or obligations which survive discharge as specified in Section 3.13, this Agreement shall be discharged, and the parties shall have no further obligation to each other, upon completion of the Project as certified by the Authority.

3.3. Indemnity. It is mutually understood and agreed, relative to the reciprocal indemnification of Authority and Sponsor:

3.3.a. That neither That neither Authority, nor any officer or employee thereof, shall be responsible for, and Sponsor shall fully defend, indemnify, and hold harmless Authority against any damage or liability occurring by reason of anything done or omitted to be done by Sponsor under the Agreement. It is also fully understood and agreed that pursuant to Government Code Section 895.4, Sponsor shall fully defend, indemnify, and hold the Authority harmless from any liability imposed for injury as defined by Government Code Section 810.8 occurring by reason of anything done or omitted to be done by Sponsor under this Agreement or in connection with any work, authority, or jurisdiction delegated to Sponsor under this Agreement.

3.3.b. That neither Sponsor nor any officer or employee thereof, shall be responsible for, and Authority shall fully defend, indemnify, and hold harmless Sponsor

against, any damage or liability occurring by reason of anything done or omitted to be done by Authority under or in connection with any work, authority or jurisdiction delegated to Authority under the Agreement. It is also understood and agreed that pursuant to Government Code Section 895.4, Authority shall fully defend, indemnify and hold the Sponsor harmless from any liability imposed for injury as defined by Government Code Section 810.8 occurring by reason of anything done or omitted to be done by Authority under this Agreement or in connection with any work, authority, or jurisdiction delegated to Authority under this Agreement.

3.4. Notices. Any notice which may be required under this Agreement shall be in writing and shall be given by personal service, or by certified or registered mail, return receipt requested, to the addresses set forth below:

TO AUTHORITY:

Diane Nguyen
Executive Director
San Joaquin County
Transportation Authority
555 E. Weber Avenue
Stockton, CA 95202

TO SPONSOR:

Charles E. Swimley, Jr.
Director of Public Works
City of Lodi
211 West Pine Street
P O Box 3006
Lodi, CA 95241

Either party may change its address by giving notice of such change to the other party in the manner provided in this Section 3.4. All notices and other communications shall be deemed communicated as of actual receipt or after the second business day after deposit in the United States mail.

3.5. Additional Acts and Documents. Each party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent, and purpose of the Agreement.

3.6. Integration. This Agreement represents the entire Agreement of the parties with respect to the subject matter hereof. No representations, warranties, inducements, or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

3.7. Amendment. This Agreement may not be changed, modified, or rescinded except in writing, signed by all parties hereto, and any attempt at oral modification of this Agreement shall be void and of no effect.

3.8. Independent Agency. Sponsor renders its services under this Agreement as an independent agency and the Authority is also an independent agency under the Agreement. None of the Sponsor's agents or employees shall be agents or employees of the Authority and none of the Authorities' agents or employees shall be agents or

employees of Sponsor.

3.9. Assignment. The Agreement may not be assigned, transferred, hypothecated, or pledged by any party without the express written consent of the other party.

3.10. Binding on Successors. This Agreement shall be binding upon the successor(s), assignee(s) or transferee(s) of the Authority or as the case may be. This provision shall not be construed as an authorization to assign, transfer, hypothecate or pledge this Agreement other than as provided above.

3.11. Severability. Should any part of this Agreement be determined to be unenforceable, invalid, or beyond the authority of either party to enter into or carry out, such determination shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect; provided that, the remainder of this Agreement can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.

3.12. Counterparts. This Agreement may be executed in one or more counterparts and shall become effective when one or more counterparts have been signed by all the parties; each counterpart shall be deemed an original, but all counterparts shall constitute a single document.

3.13. Survival. The following provisions in this Agreement shall survive discharge:

3.13.a. Sponsor. As to Sponsor, the following sections shall survive discharge: Section 1.6 (obligation to apply funds to Project), Section 1.7 (obligation to provide copies and retain records), Section 1.8 (obligation to continue to manage Project).

3.13.b. Authority. As to Authority, the following section shall survive discharge: Section 2.2 (right to conduct audit).

3.13.c. Both Parties. As to both parties, the following sections shall survive discharge: Section 3.2.a. (obligation which survives termination), and Section.

3.14. Limitation. All obligations of Authority under the terms of this Agreement are expressly contingent upon the Authority's continued authorization to collect and expend the sales tax proceeds provided by Measure K Renewal. If for any reason the Authority's right or ability to collect or expend such sales tax proceeds is terminated or suspended in whole or part so that it materially affects the Authority's ability to fund the project, the Authority shall promptly notify Sponsor, and the parties shall consult on a course of action. If, after twenty-five (25) working days, a course of action is not agreed upon by the parties, this Agreement shall be deemed terminated by mutual or joint consent. Any future obligation to fund this project or

any other project or projects of Sponsor, not already specifically covered by separate Agreement, shall arise only upon execution of a new Agreement.

3.15. Attorney's Fees. Should any litigation commence between the parties concerning the rights and duties of any party pursuant to, related to, or arising from, this Agreement, the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorneys' fees and costs of such litigation, or in a separate action brought for that purpose.

3.16. Time. Time is and shall be of the essence of this Agreement and each and all of its provisions in which performance is a factor.

3.17. Remedies Cumulative. No remedy or election of remedies provided for in this Agreement shall be deemed exclusive but shall be cumulative with all other remedies at law or in equity. Each remedy shall be construed to give the fullest effect allowed by law.

3.18. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

3.19. Captions. The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the provisions of this Agreement and shall not affect the Project or interpretation of any of its provisions.

3.20. No Continuing Waiver. The waiver by any party of any breach of any of the provisions of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same, or of any other provision of this Agreement.

3.21. No Rights in Third Parties. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any third party, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third party to any party to this Agreement, nor shall any provision of this Agreement give any third party any right of subrogation or action over or against any party to this Agreement.

3.22. Signator's Warranty. Each party warrants to each other that he or she is fully authorized and competent to enter into this Agreement in the capacity indicated by his or her signature and agrees to be bound by this Agreement as of the day and year first mentioned above upon the execution of this Agreement by each other party.

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

CITY OF LODI

SAN JOAQUIN COUNTY
TRANSPORTATION AUTHORITY

By: _____
~~STEPHEN SCHWABAUER~~
Interim City Manager Andrew C. Keys

By: _____
DAVID BELLINGER
Chair

ATTEST:

By: _____
OLIVIA NASHED
City Clerk

By: _____
DIANE NGUYEN
Executive Director

APPROVED AS TO FORM:

By: _____
KATIE LUCCHESI
Interim City Attorney

By: _____
STEVE DIAL
Deputy Executive Director/CFO

EXHIBIT A

City of Lodi Grapeline Services Project

1. Project Names, Locations: City of Lodi Grapeline Fixed Route Service, Lodi City Limits
2. Measure K Strategic Plan Project ID Number: TR 14

3. Project Sponsor, Contact Person, Phone Number, e-mail:

City of Lodi
 Julia Tyack
 Transportation Manager
 209-269-4960

4. Project Scope of Work:

Measure K Renewal funds will be utilized for the City of Lodi Grapeline Fixed Route services. These services are provided within Lodi city limits. Grapeline Fixed Route service has five weekday and four weekend routes and three express routes. Weekly Fixed Route service operates Monday to Friday from 6:30 am to 7:19 pm; Express routes operate weekdays from 6:50 am to 8:20 am and from 2:26 pm to 4:29 pm. Weekend hours are Saturday from 7:30 am to 6:22 pm.

The City of Lodi Grapeline services provide approximately 20,000 service hours annually. The project funds will cover the equivalent of approximately 2,080 revenue hours annually.

5. Expected Time of Delivery of Overall Project (indicate if task is already completed and phasing of the project):

	<u>Start Date</u>	<u>Completion Date</u>
Grapeline Operations	July 2023	June 2027

6. Estimated Project Cost (as applicable for each of the phases described above):

	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Total
Grapeline Operations	\$3,701,816	\$3,813,763	\$3,871,176	\$3,930,311	\$15,317,066

7. Measure K Renewal Percentage Share and Measure K Renewal Not to Exceed Amount:

	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Measure K Amount	\$400,000	\$400,000	\$400,000	\$400,000
Percent of Operations	10.8 %	10.5%	10.3%	10.2%

8. Source(s) and Amount(s) of Matching Funds:

	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Total
Fares	\$67,000	\$67,000	\$69,010	\$71,080	\$274,090
Federal	\$1,400,000	\$1,500,000	\$1,500,000	\$1,500,000	\$5,900,000
Other	\$1,834,816	\$1,846,763	\$1,902,166	\$1,959,231	\$7,542,976
Total	\$3,301,816	\$3,413,763	\$3,471,176	\$3,530,311	\$13,717,066

9. Funding Summary:

	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Total
Measure K	\$400,000	\$400,000	\$400,000	\$400,000	\$1,600,000
Matching Funds	\$3,301,816	\$3,413,763	\$3,471,176	\$3,530,311	\$13,717,066
Total	\$3,701,816	\$3,813,763	\$3,871,176	\$3,930,311	\$15,317,066

Exhibit B



Project Name

**A _____ Project Cost
 Funded By Measure K
 (Other Funding Sources:)**

SJCOG Logo
 Orange Pantone #1595
 Blue Pantone #2945
 White background

Measure K Logo:
 36" x 34"
 Orange and blue lettering on white background

Project Name
 8" Upper case black lettering
 White background
 Black outline

Project Cost, Matching Funds, Partner(s):
 6" Upper case and 4" lower case black lettering
 White background
 Black outline
 All sign features to be reflectorized (engineer-grade Scotchlite)

RESOLUTION NO. 2023-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE A MEASURE K RENEWAL COOPERATIVE
AGREEMENT WITH SAN JOAQUIN COUNCIL OF GOVERNMENTS FOR
GRAPELINE OPERATIONS PROJECT TO RECEIVE FUNDS FOR
FISCAL YEARS 2023/24, 2024/25, 2025/26 AND 2026/27

=====

WHEREAS, the San Joaquin Council of Governments (SJCOG) administers the regional half-cent sales tax, Measure K Renewal program, which provides funding for a variety of transportation projects, including transit funding; and

WHEREAS, the Measure K Renewal Cooperative Agreement establishes Measure K funding for Lodi Transit operations that will amount to \$1,600,000 over four fiscal years (\$400,000 each year) starting July 1, 2023; and

WHEREAS, the City's Short Range Transit Plan Financial Plan includes Measure K funds as a revenue source for transit operations, along with Federal and state funds; and

WHEREAS, staff recommends authorizing the City Manager to execute a Measure K Renewal Cooperative Agreement with San Joaquin Council of Governments for GrapeLine Operations Project, to receive funds for Fiscal Years 2023/24, 2024/25, 2025/26 and 2026/27, in the amount of \$1,600,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Measure K Renewal Cooperative Agreement with San Joaquin Council of Governments for GrapeLine Operations Project, to receive funds for Fiscal Years 2023/24, 2024/25, 2025/26 and 2026/27, in the amount of \$1,600,000; 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-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 2023 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2023-_____



COUNCIL COMMUNICATION

AGENDA TITLE:

Accept Improvements Under Contract for Salas Park Parking Lot Improvements (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Sean Nathan, City Engineer

RECOMMENDED ACTION:

Accept improvements under contract for Salas Park Parking Lot Improvements.

BACKGROUND INFORMATION:

The Salas Park parking lot was originally constructed in 1984 and included 182 parking stalls. The project also included seven post top area lights along the west side of the parking lot and two double-sided street lights along Stockton Street. In 2013, the City modified the parking lot to create six Americans with Disabilities Act (ADA) accessible parking stalls, which reduced the total number of stalls to 179.

Since its original construction nearly 40 years ago, the parking lot's pavement had slowly deteriorated and numerous sections of curb had been broken and/or removed. The three driveways off Stockton Street were not ADA compliant, and the lighting within the parking lot was not adequate.

This project installed new curbing, pavement, parking lot lighting, and ADA compliant driveway approaches along Stockton Street. Additionally, this project converted the existing post top lights to brighter and more energy efficient LED lights. The existing accessible parking stalls remained; however, the striping was redone with the rest of the parking lot.

Council approved the plans, specification, and advertisement for bids on December 7, 2022, and awarded the contract on May 3, 2023. Per an agreement with the Boosters of Boys and Girls Sports (B.O.B.S.), the contractor started work on June 19, 2023. The contract was completed on schedule and in substantial conformance with the specifications approved by City Council. The original contract price was \$631,170 and the final contract price was \$660,095. The increase in the contract was due to the City requesting additional (out of scope) work, including; 6" diameter irrigation sleeves under each driveway, two additional restroom sewer lateral repairs, additional sidewalk replacement, irrigation relocation, soil over-excavation, and additional fire lane striping. Photos of the project are included in Exhibit A.

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

STRATEGIC VISION:

COUNCIL COMMUNICATION

6C. Parks: Develop & maintain sports/recreational facilities for City & public use including an indoor sports facility.

FISCAL IMPACT:

The project will have a minimal impact on total maintenance costs and will improve accessibility along the park frontage and safety within the parking lot.

FUNDING AVAILABLE:

This project was funded by Parks Capital (43299000.77020) PKCP-22009

Charles E. Swimley
Public Works Director

Andrew C. Keys
Interim City Manager

Exhibit A





COUNCIL COMMUNICATION

AGENDA TITLE:

Accept Improvements Under Contract for Henri and Lower Sacramento Storm Drain Connection (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Sean Nathan, City Engineer

RECOMMENDED ACTION:

Accept improvements under contract for Henri and Lower Sacramento Storm Drain Connection.

BACKGROUND INFORMATION:

As previously discussed with the City Council, there are a number of locations around town that were heavily impacted by the recent, historic rainfall events. Over the coming years staff plans to complete a variety of storm-related projects intended to reduce the impacts of future major storms. One of the neighborhoods that is most-impacted is the Vineyard Terrace subdivision, located at the northeast corner of Century Boulevard and Lower Sacramento Road. This neighborhood has encountered street flooding even during moderate storms despite the storm drain system meeting the City's standard design criteria.

This project constructed a storm drain relief line between the subdivision's on-site system and a separate drainage system nearby that serves the Lower Sacramento Road drainage (see Exhibit A). That line has excess capacity, and this connection will reduce the likelihood of street flooding within the subdivision.

Council approved the plans, specification, advertisement, and the award authority on June 7, 2023. Bids were received on June 22, 2023, with Soracco, Inc. being the only bidder (see breakdown below). The contractor started work on August 18, 2023, and completed the work on October 16, 2023. The contract was completed in substantial conformance with the specifications approved by City Council. The final contract price was \$156,111.00, which is \$1,520 less than the original contract price due to a slight reduction in pavement rehabilitation area.

Bidder	Location	Bid Engineer's	Above/(Below) Estimate
<i>Engineer's Estimate</i>		\$167,800.00	
Soracco, Inc.	Lodi	\$157,631.00	(\$10,169.00)

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

STRATEGIC VISION:

COUNCIL COMMUNICATION

5D. Infrastructure: Ensure capacity for future growth.

FISCAL IMPACT:

This project will reduce the staff response needed for this area during major storm events. This project will not impact the General Fund.

FUNDING AVAILABLE:

This project was funded by Wastewater Capital (53199000.77020)

Charles E. Swimley
Public Works Director

Andrew C. Keys
Interim City Manager

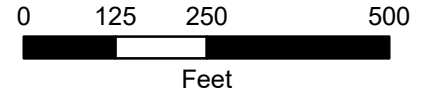
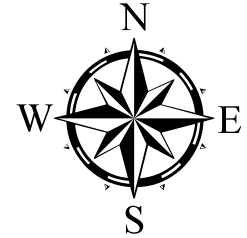


Exhibit A

Henri and Lower Sacramento Storm Drain Connection

Legend

- Proposed SD Connection
- Existing SD Pipes





COUNCIL COMMUNICATION

AGENDA TITLE:

Approve Plans and Specifications and Authorize Advertisement for Bids for 2024 Lodi Lake Improvement Project (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Sean Nathan, City Engineer

RECOMMENDED ACTION:

Approve plans and specifications and authorize advertisement for bids for 2024 Lodi Lake Improvement Project.

BACKGROUND INFORMATION:

Lodi Lake is often referred to as the “Jewel of the City”. For many years the facility has provided recreation opportunities ranging from picnicking to kayaking.

In 2016, the City completed boat ramp and parking area improvements on the north portion of Lodi Lake after receiving a Boating and Waterways Grant. At that time, the south parking area(s) were not improved due to funding constraints. As part of the one-time General Fund surplus realized during FY20-21, Council approved \$2.4 million to improve the Southside areas of Lodi Lake on April 20, 2022. On October 18, 2023, City Council allocated \$330,000 of the project budget to culvert improvements. During the design process, staff identified some additional areas that should be improved with the same project.

On October 18, 2023, Council was presented with the overall scope of this project and potential construction windows. Council provided direction to staff to proceed with the project during the February - May 2024 construction period (with the understanding that some of the longer lead-time items, such as the restroom buildings and the park equipment, may be delayed a little later).

The project will include the reconstruction/reconfiguration of the southeastern parking lot, replacement of the southern restroom building, replacement of the playground equipment, reconstruction of the eastern access road, reconstruction of the Hughes Beach (Nature Area) parking lot, construction of a Hughes Beach picnic shelter, and construction of a restroom at the Hughes Beach parking lot.

The plans and specifications are on file in the Public Works Department. The planned bid opening date is December 20, 2023. The project estimate is \$3,500,000.

STRATEGIC VISION:

6B. Parks: Expand, develop, and maintain Lodi Lake to meet or exceed industry standards.

FISCAL IMPACT:

COUNCIL COMMUNICATION

This project will have a minimal savings on total maintenance costs associated with the asphalt, restroom, and playground, however it will greatly enhance the safety, reliability, and accessibility to the overall Lodi Lake Park.

FUNDING AVAILABLE:

Funding will be identified at a later date. Based on the project estimate, additional funding will be necessary to complete the project as designed. Once the bids are received and the actual funding gap is determined, Staff will present Council with alternatives when Council is requested to award the project. Staff will structure the bids with alternatives so the gap can potentially be closed with additional budget allocations and scope reductions. As is, the funding gap is estimated to be \$1.43 million:

Total Approved Budget:	\$2,400,000
(less) Culvert Improvements	\$ 330,000
(less) Current Project Estimate:	<u>\$3,500,000</u>
Total Funding Gap	\$1,430,000

Charles E. Swimley
Public Works Director

Melissa Munoz
Accounting Manager

Andrew C. Keys
Interim City Manager



COUNCIL COMMUNICATION

AGENDA TITLE:

Consider Approval of the Job Description of Animal Services Manager in the Police Department (ISD - HR)

MEETING DATE:

November 15, 2023

PREPARED BY:

Human Resources Manager

RECOMMENDED ACTION:

Approve the job description of Animal Services Manager in the Police Department.

BACKGROUND INFORMATION:

The job classification, salary range, and full time equivalent ("FTE") for the new position of Animal Service Manager in the Police Department was previously approved in the Fiscal Year 2023/24 annual budget. However, the job description had not been finalized in time for it to be included with the budget adoption.

The job description has since been drafted by City staff and reviewed by representatives from the Lodi Police Department and the Lodi City Mid-Management Association ("LCMMA"). Upon Council approval of the job description, City staff will initiate a recruitment with the anticipation of filling the position in January 2024.

STRATEGIC VISION:

7A. Public Safety: Reach and maintain full staffing.

FISCAL IMPACT:

FY 2023/24 budget is \$108,747 for this position.

FUNDING AVAILABLE:

Fiscal Year 2023/24 Police Department budget.

Melissa Munoz
Accounting Manager

Adele Post
Human Resources Manager

COUNCIL COMMUNICATION

Andrew C. Keys
Interim City Manager

ANIMAL SERVICES MANAGER

Job descriptions are intended to present a broad and general range of duties which includes purpose, responsibilities, and scope of work. Job descriptions are not intended to reflect all duties performed within the job.

DESCRIPTION

Under general direction, plans, organizes, maintains and directs the activities of the Animal Services Division within the Police department; including the enforcement of City ordinances and state laws relating to animal control and animal shelter activities; establishes and implements policies and procedures; advises the Police Chief and command staff on animal service operation issues; and performs related work as required.

DISTINGUISHING CHARACTERISTICS

The Animal Services Manager is distinguished from the Animal Services Supervisor in that it has overall responsibility for program planning and development, management, and administration for the entire division.

EXAMPLE OF DUTIES:

Duties may include, but are not limited to, the following:

Plans, organizes, directs and manages personnel and activities of the Animal Services Division; Interviews, selects, supervises and trains Animal Services staff, including volunteers; Prepares performance evaluations and ensures their job-related training and development;

Monitors work activities to ensure compliance with established policies and procedures;

Assigns and directs the daily activities of the Animal Shelter, including investigation of complaints, dangerous animals, welfare checks, other field services and patrol, enforcement of state and local laws regarding animal control, feeding, care, adoption, placement, quarantine, euthanasia and disposal of animals held at the shelter, collection of fees, and shelter operation and maintenance;

Assists in the preparation and administration of the Animal Services program budget;

Researches, recommends, prepares, evaluates, and monitors grants;

Develops public education programs concerning the responsibilities of animal ownership and proper care and control of animals;

Oversees the impounding and emergency veterinary care of injured, sick or abandoned animals found on public or private property; Maintains and monitors the health of

impounded animals; ensures the health of animals in accordance with current animal welfare and sheltering standards; Manages shelter population;

Investigates and resolves complaints regarding animal control and shelter activity; ensures observance of safe working practices;

Oversees and directs the activities of the Tracy Animal Shelter volunteer program;

Prepares a variety of studies and reports related to current animal shelter issues and long range City needs, and develops specific proposals to meet them; Maintains records and files concerning operations and programs; prepare and review reports on operations and activities, Maintain and provide records and information necessary for court hearings and the prosecution of cases related to animal control;

Assures compliance with Federal and State, County and local laws and regulations covering the impounding, care, sale, euthanasia and disposal of animals; Enforces laws governing the licensing and control of animals;

Prepares and presents staff reports and other documentation for presentation at City Council meetings; Makes public presentations before groups and represent the Department and the City at meetings and conferences; Attends and participates in professional group meetings; Coordinates the functions of the animal shelter with other public and private animal organizations;

Establishes and maintains effective working relationships with other departments, the public, and other animal welfare groups; Deals courteously and effectively with staff, representatives of other departments and agencies, vendors, and members of the general public;

Develops policies and procedures for the implementation of new programs; ensuring the effective integration of field and shelter policies with the department;

Directs and participates in the development of both short-term goals and long-range objectives of departmental operations;

Maintains awareness of new trends in progressive sheltering and developments in the field of animal services; Incorporates new developments as appropriate into programs;

Monitors the efficiency and effectiveness of operation activities and recommends ways to increase productivity;

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.

Minimum Qualifications

Knowledge of:

Advanced principles and practices of animal services management including the areas related to animal licensing, recovery, sheltering and pet adoption;

Advanced principles of program management and administration, contract, and project management;

Techniques for effectively representing the City in contracts with governmental agencies, community groups, and various business, professional, educational, regulatory, and legislative organizations;

Techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors, and City staff;

Principles of supervision; training and performance evaluation;

Federal and State and local laws, codes, ordinances & regulations governing animal services and shelter operations; including, but not limited to, licensing, quarantine, impounding, care, adoption, releasing and disposal of animals;

Methods and equipment used in handling various types of small and large animals;

Principles and practices of municipal budget preparation and administration;

Principles and practices of record keeping;

Office procedures, methods and equipment including computers, and applicable software applications, such as word processing, spreadsheets, and databases;

Occupational hazards and standard safety practices.

Ability to:

Manage the Animal Services division including shelter facility operations and animal control services and activities;

Oversee, direct, and coordinate the work of lower level staff. Select, supervise, train, and evaluate staff;

Recommend and implement goals, objectives, policies and procedures for providing animal services.

Understand the structure and operations of municipalities, non-profits, and private organizations engaged in animal care services;

Understand, interpret, and apply general and specific administrative and departmental policies and procedures as well as applicable federal, state, and local policies, laws, and regulations;

Prepare and administer budgets;

Prepare and present clear and concise reports;

Research, analyze, evaluate and implement service delivery methods and techniques.

Oversee the maintenance of accurate, complete case files for hearings and court proceedings;

Make presentations to community groups and testify in hearings and court proceedings. Oversees the development of written materials related to animal services activities for dissemination to the public;

Operate office equipment including computers and supporting word processing, spreadsheet, and database applications;

Plan and organize work to meet changing priorities and deadlines;

Effectively represent the City to outside individuals and agencies to accomplish the goals and objectives of the division;

Work cooperatively with other departments, City officials, and outside agencies.

Respond tactfully, clearly, concisely, and appropriately to inquiries from the public, City staff, or other agencies on sensitive issues related to animal services.

Communicate clearly and concisely, both orally and in writing.

Establish and maintain effective working relationships with those contacted in the course of work.

EDUCATION AND EXPERIENCE:

Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Experience:

Six (6) years of increasingly responsible experience working in an animal services agency or humane society, including management and administrative responsibility in the operation of an animal shelter or animal care facility of which two (2) years include supervisory responsibilities. Experience with a City or County animal services agency is highly desirable.

Education:

Possession of a Bachelor's Degree from an accredited college or university with major in public or business administration, animal science or a closely related field is desirable.

Licenses and Certificates

Possession of a valid Class C Driver's License issued from the California Department of Motor Vehicles.

Possession of California Penal Code 832 Arrest and Firearms certification within twelve months of appointment.

Possession of a valid Euthanasia Certificate within twelve months of appointment.

Possession of a valid California Veterinary Assistant Controlled Substance Permit (VACSP) within twelve months of appointment.

WORKING CONDITIONS:

Physical Conditions

Essential and marginal functions may require maintaining physical condition necessary for sitting, standing, bending, stooping, reaching, twisting, turning, kneeling, bending, squatting, stooping and walking for prolonged periods of time; using various office equipment and handheld devices. The position also requires grasping, repetitive hand movement, and fine coordination in preparing statistical reports and data, using a computer keyboard. Specific vision abilities required by this job include close vision, color vision, and the ability to adjust focus. Ability to use a computer and communicate via phone or over the counter is required when providing customer service. The employee must occasionally lift and/or move objects or animals in excess of 25 pounds.

Environmental Conditions

Work is performed primarily in an office, shelter and field environment; exposure to a variety of domestic and wild animals; exposure to infectious animal diseases, animal wastes, animal bites, and allergens and occasionally works outside in inclement weather conditions. Incumbents may be required to work extended hours including evenings, weekends and holidays.



COUNCIL COMMUNICATION

AGENDA TITLE:

Consider Approving Amendments to the Job Classifications of Administrative Clerk and Senior Administrative Clerk to Provide for Flexible Staffing (ISD - HR)

MEETING DATE:

November 15, 2023

PREPARED BY:

Adele Post, Human Resources Manager

RECOMMENDED ACTION:

Consider approving amendments to the job classifications of Administrative Clerk and Senior Administrative Clerk to provide for flexible staffing.

BACKGROUND INFORMATION:

The job classifications of Administrative Clerk, Senior Administrative Clerk, Administrative Assistant and Executive Administrative Assistant comprise the Clerical series within the City's classification plan. Currently, employees must participate in a competitive examination in order to promote from the position of Administrative Clerk to Senior Administrative Clerk. Flexibly staffed positions allow employees to progress within a series of positions without an examination process where the employee advances from an entry-level 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.

Some of the flexibly staffed classifications include Building Inspector I/II, Laboratory Technician I/II, Police Records Clerk I/II, Maintenance Workers, and Plant Operators I/II/III. The City proposes to amend the classifications of Administrative Clerk and Senior Administrative Clerk to provide for flexible staffing between the two positions.

We believe that this action will help retain staff by eliminating the need for their Administrative Clerks to apply for promotional positions in other departments. This change will provide salary advancement for our employees so they can advance to the higher paid position of Senior Administrative Clerk after meeting the eligibility criteria. This change will be beneficial to employees and Departments across the City.

The Administrative Clerk will need to meet certain criteria in order to be considered for a flexibly staffed promotion. Human Resources staff, in collaboration with AFSCME Council 57 representatives, have agreed on the following criteria in determining qualifications for a flexible promotion:

- A minimum of 12 months of experience in the classification of Administrative Clerk;
- Successfully passing probation;

COUNCIL COMMUNICATION

- A Meets or Exceeds overall performance evaluation, and
- Completion of the following training courses: Better Business Writing; Critical Thinking and Problem Solving; Intermediate skills training for Microsoft Word and Excel (or similar training courses as determined by Human Resources).

City staff have met and conferred with representatives from AFSCME Council 57 and they are in agreement with the proposed move to flexible staffing of the Administrative Clerk and Senior Administrative Clerk classifications.

This change would not affect the classifications of Administrative Assistant or Executive Administrative Assistant and employees will need to participate in a competitive examination process for promotion into either of these classifications.

It is recommended that Council approve the change in job classifications to allow flexible staffing between the Administrative Clerk and the Senior Administrative Clerk. This change would also apply to the confidential clerical classifications Administrative Clerk (confidential) and Senior Administrative Clerk (confidential).

STRATEGIC VISION:

7A. Public Safety: Reach and maintain full staffing.

FISCAL IMPACT:

There is a ten percent (10%) differential between the top-step of an Administrative Clerk to Senior Administrative Clerk. 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. The fiscal impact to each department would depend on the individual employee's current salary step at time of promotion which may result in an increase between five and ten percent.

FUNDING AVAILABLE:

Funding available in each Department's budget.

Adele Post
Human Resources Manager

Andrew C. Keys
Interim City Manager

ADMINISTRATIVE CLERK

Job descriptions are intended to present a broad and general range of duties which includes, purpose, responsibilities, and scope of work. Job descriptions are not intended to reflect all duties performed within the job.

DEFINITION

Provide a variety of administrative support duties which include public contact and providing general information.

DISTINGUISHING CHARACTERISTICS

This is the entry level of the Administrative Clerk series. Incumbents learn and perform a variety of clerical duties. This class is flexibly-staffed with Senior Administrative Clerk; incumbents are expected to advance to the higher level after successful performance, demonstrated proficiency for performing at the higher level, and successfully completing required training.

SUPERVISION EXERCISED AND RECEIVED

Work under general supervision from higher level staff. May provide guidance to less experienced staff including volunteers and internship students.

ESSENTIAL AND MARGINAL FUNCTIONS

Duties may include, but are not limited to, the following:

Performs a variety of duties, tasks and assignments in support of staff; gathers information to complete assignments and process various forms; posts and transcribes data; prepares and updates a variety of reports, which may require the use of routine arithmetic calculations; proofreads and checks materials for accuracy, completeness, compliance with departmental policies, and correct English usage including grammar, punctuation, and spelling.

Serves as receptionist; receives and screens callers and visitors; provides information regarding City and/or department practices and procedures;

Operates computer systems and related software in the course of work.

Maintains records and processes forms including, but not limited to, those related to time records, purchase requisitions and orders specific to the City.

Collects fees, issues receipts, conducts simple calculations, and performs related basic computations.

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.

QUALIFICATIONS

Knowledge of:

General office practices and procedures, including filing and the operation of standard office equipment;

Correct English usage, including spelling, grammar, punctuation, and business arithmetic; business letter writing and the standard formats for other electronically prepared materials.

Policies, procedures, processes and forms related to the department to which assigned;

Ability to:

Provide a variety of administrative support duties which include public contact and providing general information

Learn specialized processing, procedures and office support tasks related to the department assigned.

Use and operate centralized telephone equipment, personal computer, related software, and peripheral equipment; type at a speed necessary for adequate job performance;

Understand and carry out oral and written instructions and perform detailed clerical work accurately; communicate tactfully and effectively with the public;

Organize and maintain accurate records and office files; compose routine correspondence from brief instructions;

Use initiative and sound independent judgment within established guidelines; prioritize work and coordinate several assignments simultaneously;

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 provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities are:

Education:

Equivalent to completion of high school including completion of specialized clerical coursework.

Experience:

Two years of responsible clerical experience.

LICENSES AND CERTIFICATES

Possession of a valid Driver's license (Class C) issued from the California Department of Motor Vehicles by time of hire.

Successful completion of the following business skills training: Better Business Writing; Critical Thinking and Problem Solving, Intermediate Microsoft Word and Excel training courses, or similar courses as determined by Human Resources within twelve months of appointment.

WORKING CONDITIONS

Environmental Conditions: Office environment

Physical Conditions: Essential and marginal functions may require maintaining physical condition necessary for sitting, standing, bending and stooping for prolonged periods of time; using various office equipment including a computer screen and keyboard and occasionally lifting up to 30 pounds.

FLSA: Non-Exempt

SENIOR ADMINISTRATIVE CLERK

Job descriptions are intended to present a broad and general range of duties which includes, purpose, responsibilities, and scope of work. Job descriptions are not intended to reflect all duties performed within the job.

DEFINITION

Performs a variety of complex and difficult clerical duties; exercises an advanced level of technical expertise and/or job knowledge relating to the clerical function.

DISTINGUISHING CHARACTERISTICS

This is the journey level of the Administrative Clerk series. Incumbents have demonstrated proficiency and perform a variety of complex and difficult clerical duties. This class is flexibly-staffed with Administrative Clerk and is distinguished from Administrative Clerk by more complex and difficult duties performed. Maintains responsibility for oversight of clerical support functions and an ability to independently apply an advanced skills.

SUPERVISION EXERCISED AND RECEIVED

General supervision is provided by higher-level personnel. Functional or technical supervision may also be given or received from other staff members.

ESSENTIAL AND MARGINAL FUNCTIONS

Duties may include, but are not limited to, the following:

Performs a variety of complex and difficult clerical duties; exercises an advanced level of technical expertise and/or job knowledge relating to the clerical function.

Generates reports and perform other automated processes; may provide clerical and administrative support in the generation of communications, memos, budget reconciliations, etc.

Prepares a variety of complex correspondence, reports, and other such tasks; ensures that work in an office is handled on a priority basis and completed in a timely manner;

Performs general clerical duties including filing, tracking and monitoring information, and processing routine requests for information; may participate and assist in routine personnel, payroll, purchasing, and budget duties;

Maintain confidential information related to personnel actions and managerial practices and decisions;

Acts as receptionist and refers inquiries as appropriate; responds to complaints and requests for information;

Operates personal computer, related software and programs; performs routine technical computer duties including performing file back-ups, assigning passwords and security codes for individual desk-tops, training department staff, moving and cleaning hardware; troubleshooting hardware and software for staff prior to contacting City IT staff;

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.

QUALIFICATIONS

Knowledge of:

Correct English usage, spelling, grammar, and punctuation;

Modern office methods, procedures and equipment, including personal computers and automated systems where applicable;

Principles of supervision, training, and performance evaluation.

Understand the organization and operations of the City and of outside agencies as necessary to assume assigned responsibilities;

Ability to:

Performs a variety of complex and difficult clerical duties; exercises an advanced level of technical expertise and/or job knowledge relating to the clerical function.

Generates reports and perform other automated processes; may provide clerical and administrative support in the generation of communications, memos, budget reconciliations, etc.

Maintain confidential information related to personnel actions and managerial practices and decisions.

Where applicable, plan, organize, and manage a specific function within an assigned department;

Use and operate centralized telephone equipment, personal computer, related software and peripheral equipment;

Communicate effectively, orally, and in writing;

Type and/or transcribe at a speed necessary for adequate job performance;

Provide oversight to others as necessary;

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 provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities are:

Education:

Equivalent to the completion of High School supplemented by specialized clerical and/or computer software courses.

Experience:

One year of experience comparable to that of the Administrative Clerk class in the City of Lodi.

Successful completion of the following business skills training is required to advance to the Senior Administrative Clerk: Better Business Writing; Critical Thinking and Problem Solving; Intermediate Microsoft Word and Excel training courses, or similar courses as determined by Human Resources.

LICENSES AND CERTIFICATES

Possession of a valid Driver's License (Class C) issued from the California Department of Motor Vehicles.

WORKING CONDITIONS

Environmental Conditions: Office environment

Physical Conditions: Essential and marginal functions may require maintaining physical condition necessary for sitting, standing, bending and stooping for prolonged periods of time; using various office equipment including a computer screen and keyboard and occasionally lifting up to 30 pounds.

FLSA: Non-Exempt



COUNCIL COMMUNICATION

AGENDA TITLE:

Set a Public Hearing for December 6, 2023 to Consider Adopting a Resolution Setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees For 2024 (CD)

MEETING DATE:

November 15, 2023

PREPARED BY:

Cynthia Marsh, City Planner

RECOMMENDED ACTION:

Set Public Hearing for December 6, 2023, to consider adopting a resolution setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan development fees for 2024.

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 in order for the jurisdiction to continue to participate in the Plan. The fees are reviewed on an annual basis.

The proposed 2024 SJMSCP development fees were adjusted using the recommended 2020 SJMSCP Five-Year Financial Model Update for the respective categories and are compared to the 2023 SJMSCP Development fees in the most common habitat categories under the plan. The change is an overall decrease of 7.4% 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 for agricultural land price values of comparable sales even though there was a rise in the reported Consumer Price Index (CPI) in the Assessment and Enhancement and Management, Monitoring, and Administration categories.

The San Joaquin Council of Governments Board approved the HCP fee schedule for 2024 during their August 2023 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, which is set to take effect on January 1, 2024.

STRATEGIC VISION:

5F. Infrastructure: Funding for the maintenance of future development project is sustainable and self-supporting.

FISCAL IMPACT:

Not applicable.

FUNDING AVAILABLE:

Not applicable.

COUNCIL COMMUNICATION

John Della Monica
Community Development Director

Andrew C. Keys
Interim City Manager



COUNCIL COMMUNICATION

AGENDA TITLE:

Set a Public Hearing for December 20, 2023, for Council Consideration of the Issuance of Growth Allocations for the Proposed Lakehouse Hotel/Residential Project at Lower Sacramento Road/West Turner Road (CD)

MEETING DATE:

November 15, 2023

PREPARED BY:

Community Development Director

RECOMMENDED ACTION:

Set a public hearing for December 20, 2023, for City Council to consider issuing Growth Allocations for the proposed Lakehouse hotel/apartment project. The proposed project includes 150 market-rate apartments (one -, two- and three-bedroom units) which require the issuance of Growth Allocations under the City's Growth Management Plan originally established by Ordinance No. 1521 ("Growth Allocation Plan").

BACKGROUND INFORMATION:

As part of the City's Growth Allocation Plan and Resolution #2023-41, which provides the current required Growth Allocation process ("Process"), the City Council reviews requests for new residential projects to determine whether the project complies with the Growth Management Plan and should be issued Allocations for new residential growth.

Under the City's Growth Management Plan and Process, the City Council considers Growth Allocation requests early in the review and approval process and before the project itself is considered for approval. A public hearing is required for the Growth Allocation consideration.

The proposed Lakehouse project will ultimately require review and approval by the Site Plan and Architectural Review Committee (SPARC), Planning Commission and City Council. These hearings are tentatively scheduled to occur in early 2024.

STRATEGIC VISION:

4C. Housing: Continued progress towards Regional Housing Needs Assessment goals.

FISCAL IMPACT:

Not applicable.

FUNDING AVAILABLE:

Not applicable.

John Della Monica

COUNCIL COMMUNICATION

Community Development Director

Andrew C. Keys
Interim City Manager



COUNCIL COMMUNICATION

AGENDA TITLE:

Set Public Hearing for December 20, 2023, to Receive Comments on City of Lodi GrapeLine Fixed Route Service Levels and Proposed General Public Dial-A-Ride/ADA Paratransit Policy Changes (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Julia Tyack, Transportation Manager

RECOMMENDED ACTION:

Set Public Hearing for December 20, 2023, to receive comments on City of Lodi GrapeLine Fixed Route service levels and proposed General Public Dial-A-Ride/ADA Paratransit policy changes.

BACKGROUND INFORMATION:

At the outbreak of the COVID-19 pandemic, City of Lodi GrapeLine transit service was significantly curtailed due to operational challenges brought on by the public health emergency. Major changes included reduction of service hours and temporary suspension of Sunday services and express fixed routes. From 2021 to 2023, service was incrementally restored, however certain reductions persist such as the continued suspension of Sunday fixed routes. As ridership patterns have changed since pre-2020, the City is reassessing its current service levels and is seeking public comment on:

1. Current Saturday Fixed Route service hours
2. Proposed re-introduction of Sunday Fixed Route service hours
3. Current Express Fixed Route service hours

The City is also proposing modifications to General Public Dial-A-Ride / VineLine ADA Paratransit policies. These modifications are intended to reduce appointment cancellations and no-shows, which will improve capacity and appointment availability for passengers who regularly complete their trips. The City is seeking public comment on the following policy changes:

1. Proposed reduction of scheduling reservation window from fourteen (14) to seven (7) days.
2. Proposed expansion of the late cancellation window to include trips cancelled within two (2) hours of negotiated pickup time, rather than one (1) hour.
3. Proposed implementation of an excessive cancellation policy for general public Dial-A-Ride (not applicable to ADA paratransit service).

As a recipient of Federal Transit Administration Section 5307 funds, and per 49 CFR § 37.137, changes to transit service levels and ADA paratransit policy require a public hearing (which can be part of a regularly scheduled public meeting) to receive public input. A detailed overview of the proposed changes is attached.

Staff will return to Council for adoption of proposed policy changes once public comment is received.

COUNCIL COMMUNICATION

STRATEGIC VISION:

1D. Downtown: Accessibility for multi-modal transportation and public safety.

FISCAL IMPACT:

No general funds are utilized for transit operations. Transit is funded exclusively with FTA Section 5307, Transportation Development Act (TDA), Measure K, farebox revenue, and other transit-specific revenues. Additional fixed route service results in additional operational costs, however all current and proposed service levels, as presented, are budgeted for in the current FY 2023/24 transit budget.

FUNDING AVAILABLE:

Not Applicable

Charles E. Swimley
Public Works Director

Andrew C. Keys
Interim City Manager

City of Lodi GrapeLine
Public Hearing – December 20, 2023 @ 7:00 PM

The City of Lodi GrapeLine is seeking public input on service levels for weekend fixed route service (Routes 1/30, 2/22, 34, and 5/31) and express fixed route service (Routes EX1, EX2, and EX6).

Weekend Fixed Routes

Saturday Routes <i>Current Schedule</i>		Sunday Routes <i>Proposed Schedule</i>	
Route 1/30	7:30 AM – 6:30 PM	Route 1/30	7:30 AM – 3:30 PM
Route 2/22	7:30 AM – 6:30 PM	Route 2/22	7:30 AM – 3:30 PM
Route 34	7:30 AM – 6:30 PM	Route 34	7:30 AM – 3:30 PM
Route 5/31	7:30 AM – 6:30 PM	Route 5/31	7:30 AM – 3:30 PM

Express Fixed Routes

Express Routes <i>Current Schedule</i> Effective August to June ONLY – Express Routes do not operate June to July	
Express 1	6:55 AM – 8:09 AM 2:40 PM – 4:05 PM
Express 2	6:45 AM – 8:15 AM 2:26 PM – 4:29 PM
Express 6	6:50 AM – 8:13 AM 2:30 PM – 4:29 PM

The City of Lodi GrapeLine is seeking public comment on changes to ADA paratransit and general public Dial-A-Ride policies. The policy changes are related to the reservation scheduling window, late cancellation window, and excessive cancellations.

General Public Dial-A-Ride & ADA Paratransit/VineLine:
Scheduling and Late Cancellation Definitions

- (1) **Proposed:** Passengers may make a reservation appointment up to seven (7) days in advance of the ride.
Current: Passengers may make a reservation appointment up to fourteen (14) days in advance of the ride.
- (2) **Proposed:** A trip cancelled within two (2) hours of a pick-up time without a valid reason is a late cancellation.
Current: A trip cancelled within one (1) hour of a pick-up time without a valid reason is a late cancellation.

General Public Dial-A-Ride:
Excessive Cancellation Policy

- (3) Passengers may be suspended from general public Dial-A-Ride if they have more than 5 cancellations in a month, representing more than 50% of scheduled trips. Cancellations with valid reasons will not be counted against the passenger.
 - a. Passengers will be given two warnings before suspension. The first warning will be a phone call and the second warning will be a letter. If excessive cancellations continue, the passenger will be suspended for 7-days. The second suspension will last 30 days and each subsequent suspension will be 45-days.
 - b. Passengers may appeal a suspension within thirty (30) calendar days after receipt of the suspended service notification. An Administrative Appeals Hearing will be held to provide an opportunity for the person appealing to present information and arguments. A final written determination upholding or overturning the suspension will be made within fourteen (14) calendar days from the hearing date. Persons may continue to utilize the service until a decision is granted after the hearing.



COUNCIL COMMUNICATION

AGENDA TITLE:

Set Public Hearing for January 17, 2024, to Consider Adopting Resolution Setting Future Water and Wastewater Rate Schedules Pursuant to Proposition 218 for Residential, Commercial and Industrial Customers (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Rebecca Areida, PW Management Analyst

RECOMMENDED ACTION:

Set public hearing for January 17, 2024, to consider adopting resolution setting future water and wastewater rate schedules pursuant to Proposition 218 for residential, commercial and industrial customers.

BACKGROUND INFORMATION:

In 2019, the City Council approved a five-year rate program for the water and wastewater utilities. The Council action complied with the Proposition 218 requirements pertaining to such actions. The last pre-approved rate adjustment under the current program for the water utility reflected a 3% increase effective March 1, 2023, which was at the cap of 3% approved in 2019; and a 3% increase for wastewater utility effective July 1, 2023, which was also at the cap of 3%, also approved in 2019. The Staff recommendation for the maximum annual rate increase of 3 percent was largely driven by the historic inflation rates over the past several years.

In the new five-year program, the requested cap would be set at 5% in consideration of the recent rise in inflation. A summary of the past rate adjustments is provided in the table in Exhibit A. The purpose of this table is to demonstrate past rate increases have frequently been below the approved rate cap of 3 percent.

Proposed rate schedules and information outlining the financial plan, along with a cost of services study examining the operational costs, water and wastewater treatment, water delivery, wastewater collection, facility replacement/upgrades and many other factors was presented at the September 26, 2023, Shirtsleeve meeting. The public hearing being conducted is to consider adopting the various rate schedules for the period from February 1, 2024, through December 31, 2028. The rate schedules (listed in Exhibit B) set maximum limits (5%) on the various water and wastewater rates for the next five years. It should be emphasized that the City Council retains authority to approve the actual rates to be implemented each year, but they could never exceed the 5% maximum approved.

In preparation of the new five-year program, staff engaged the services of Hildebrand Consulting, LLC to conduct an extensive financial plan, cost of services study and current rate structure within both utilities. The final report, Water and Wastewater Rate Study, is provided in Exhibit C.

Proposition 218 protest hearing notices, both English and Spanish translations (Exhibit D), will be mailed at least 45 days prior to the proposed public hearing. At the public hearing on January 17, 2024, the City Council

COUNCIL COMMUNICATION

will be asked to adopt a resolution setting future adjustments to water and wastewater rates with limits for the period of February 1, 2024 through December 31, 2028.

Staff is recommending a new five-year rate program for water and wastewater that will be subject to the Proposition 218 process. As in the past, rate adjustment forecasts are based upon the financial needs for each utility. Excerpts of the water and wastewater financial models are provided in Exhibits E and F, respectively. These tables reflect the projected revenues vs. expenditures throughout the term of the 5-year rate plan. For both the water and wastewater utilities, the programmed adjustments are not forecasted to less than the five percent per year rate cap.

STRATEGIC VISION:

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

FISCAL IMPACT:

Increased revenues are required to keep up with cost of service increases and new mandated costs.

FUNDING AVAILABLE:

Not Applicable

Charles E. Swimley
Public Works Director

Andrew C. Keys
Interim City Manager

Water			
Year	Prop 218 Approved	ENR	Implemented
2018	3.00%	3.98%	0.00%
2019	3.00%	2.90%	2.50%
2020	3.00%	1.30%	0.00%
2021	3.00%	8.00%	-5.30%
2022	3.00%	8.40%	2.00%
2023	3.00%	5.70%	3.00%

Wastewater			
Year	Prop 218 Approved	ENR	Implemented
2018	3.00%	2.70%	0.00%
2019	3.00%	2.90%	2.90%
2020	3.00%	1.50%	0.00%
2021	3.00%	3.10%	0.00%
2022	3.00%	8.90%	3.00%
2023	3.00%	3.00%	3.00%

Proposed Rate Schedule (Water)

Table A: Proposed Water Rates Assuming Five Percent Increases Starting in 2025

Calendar Year:	2024	2025	2026	2027	2028
Maximum Rate Increases:		5.0%	5.0%	5.0%	5.0%
Monthly Flat Water Rates (Unmetered)					
Single Family Residential					
1 bedroom	\$34.51	\$36.23	\$38.04	\$39.94	\$41.94
2 bedroom	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
3 bedroom	\$49.66	\$52.14	\$54.75	\$57.49	\$60.36
4 bedroom	\$59.67	\$62.65	\$65.78	\$69.07	\$72.52
5 bedroom	\$71.55	\$75.13	\$78.89	\$82.83	\$86.97
6 bedroom	\$85.89	\$90.19	\$94.70	\$99.44	\$104.41
7 bedroom	\$102.98	\$108.13	\$113.54	\$119.22	\$125.18
Multi-Family Units					
1 bedroom	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
2 bedroom	\$35.52	\$37.30	\$39.17	\$41.13	\$43.19
3 bedroom	\$42.64	\$44.77	\$47.01	\$49.36	\$51.83
Mobile Home (per unit)	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
Non-Residential (per ESFU)	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
Monthly Service Charges (Metered)					
Up to 3/4" meter	\$22.99	\$24.14	\$25.35	\$26.62	\$27.95
1" meter	\$36.45	\$38.27	\$40.18	\$42.19	\$44.30
1 1/2" meter	\$67.22	\$70.58	\$74.11	\$77.82	\$81.71
2" meter	\$105.68	\$110.96	\$116.51	\$122.34	\$128.46
3" meter	\$209.52	\$220.00	\$231.00	\$242.55	\$254.68
4" meter	\$324.90	\$341.15	\$358.21	\$376.12	\$394.93
6" meter	\$644.12	\$676.33	\$710.15	\$745.66	\$782.94
8" meter	\$1,028.72	\$1,080.16	\$1,134.17	\$1,190.88	\$1,250.42
10" meter	\$1,542.16	\$1,619.27	\$1,700.23	\$1,785.24	\$1,874.50
Water Usage Rates (Metered) -- \$/CCF					
Single Family Residential					
Tier 1 (0-11 CCF)	\$1.00	\$1.05	\$1.10	\$1.16	\$1.22
Tier 2 (11-30 CCF)	\$1.40	\$1.47	\$1.54	\$1.62	\$1.70
Tier 3 (> 30 CCF)	\$1.72	\$1.81	\$1.90	\$2.00	\$2.10
Multifamily & Non-Residential					
All water usage	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49

Proposed Rate Schedule (WW)

Table B: Proposed Wastewater Rates Assuming Five Percent Increases Starting in Fiscal Year 2025/26

Fiscal Year:	2024/25	2025/26	2026/27	2027/28	2028/29
Maximum Rate Increases:		5%	5%	5%	5%
Monthly Flat Water Rates (Unmetered)					
Single Family and Multi-Family Residential Dwelling Units					
1 bedroom	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
2 bedroom	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
3 bedroom	\$52.78	\$55.42	\$58.19	\$61.10	\$64.16
4 bedroom	\$63.34	\$66.50	\$69.83	\$73.32	\$76.99
5 bedroom	\$73.89	\$77.59	\$81.47	\$85.54	\$89.82
Mobile Homes (per unit)	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
Schools (per SSU (18 students))	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
Non-Residential (per SSU)	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
<hr/>					
Monthly Service Charges (Metered)					
Up to 3/4" meter	\$29.74	\$31.23	\$32.79	\$34.43	\$36.15
1" meter	\$49.00	\$51.45	\$54.02	\$56.72	\$59.56
1 1/2" meter	\$93.01	\$97.66	\$102.54	\$107.67	\$113.05
2" meter	\$148.03	\$155.43	\$163.20	\$171.36	\$179.93
3" meter	\$296.58	\$311.41	\$326.98	\$343.33	\$360.50
4" meter	\$461.64	\$484.72	\$508.96	\$534.41	\$561.13
6" meter	\$918.29	\$964.20	\$1,012.41	\$1,063.03	\$1,116.18
8" meter	\$1,468.47	\$1,541.89	\$1,618.98	\$1,699.93	\$1,784.93
Wastewater Usage Rates (Metered)					
Usage Rate (\$/CCF of water use) ¹	\$3.15	\$3.31	\$3.48	\$3.65	\$3.83

¹ Residential customers are billed based on their WQA while non-residential customers are billed based on actual monthly water usage.



2023 Water & Wastewater Rate Study

City of Lodi

Draft Report

August 10, 2023



August 10, 2023



Mr. Charles Swimley
Public Works Director
City of Lodi
221 W Pine St.
Lodi, CA 95240

Re: 2023 Water and Wastewater Rate Study

Dear Mr. Swimley,

Hildebrand Consulting is pleased to present this 2023 Water and Wastewater Rate Study (Study) for the water and wastewater enterprises that were performed for the City of Lodi. We appreciate the fine assistance provided by you and all of the members of the City staff who participated in the Study.

If you or others at the City have any questions, please do not hesitate to contact me at:

mhildebrand@hildco.com
(510) 316-0621

We appreciate the opportunity to be of service to the City and look forward to the possibility of doing so again in the near future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Hildebrand', is located below the 'Sincerely,' text.

Mark Hildebrand
Hildebrand Consulting, LLC

Enclosure

TABLE OF CONTENTS

SECTION 1. INTRODUCTION AND SUMMARY.....	2
1.1 WATER AND WASTEWATER UTILITY BACKGROUND.....	2
1.2 STUDY BACKGROUND.....	3
1.3 STUDY OBJECTIVES	3
1.4 STUDY METHODOLOGY	4
1.5 REPORT ORGANIZATION	5
SECTION 2. WATER RATE STUDY.....	6
2.1 WATER UTILITY FINANCIAL PLAN.....	6
2.1.1 Water Utility Fund Structure and Beginning Fund Balances.....	7
2.1.2 Water Utility Cash Reserve Policies	8
2.1.3 Customer Growth.....	8
2.1.4 Water Utility Rate Revenue	8
2.1.5 Water Utility Non-Rate Revenues.....	9
2.1.6 Water Utility Operating Expenses.....	10
2.1.7 Debt Service and Debt Coverage Ratio	11
2.1.8 Water Utility Capital Improvement Program.....	12
2.1.9 Proposed Water Rate Revenue Increases	13
2.2 WATER COST OF SERVICE & RATE STRUCTURE	15
2.2.1 Current Water Rates	15
2.2.2 Current Customer Statistics	17
2.2.3 Water Rate Calculations	19
2.2.3.3 Service Charge.....	23
2.2.3.4 Water Usage Rates	24
2.2.3.5 Water Allocation to Tiers	25
2.2.3.6 Non-Metered Water Rates.....	25
2.2.4 Adoption of Proposed Water Rates	26
2.2.5 Water Shortage Surcharge Policy	26
2.2.6 Multifamily Master Metering Policy.....	26
SECTION 3. WASTEWATER RATE STUDY.....	28
3.1 WASTEWATER UTILITY FINANCIAL PLAN	28
3.1.1 Wastewater Utility Fund Structure and Beginning Fund Balances.....	29
3.1.2 Wastewater Utility Cash Reserve Policies.....	30
3.1.3 Customer Growth.....	31
3.1.4 Wastewater Utility Rate Revenue.....	31
3.1.5 Wastewater Utility Non-Rate Revenues	31

3.1.6	Wastewater Utility Operating Expenses.....	33
3.1.7	Debt Service and Debt Coverage Ratio	34
3.1.8	Wastewater Utility Capital Improvement Program.....	34
3.1.9	Proposed Wastewater Rate Revenue Increases.....	35
3.2	WASTEWATER COST OF SERVICE & RATE STRUCTURE.....	37
3.2.1	Current Wastewater Rates	37
3.2.2	Customer Account Data and Wastewater Flow and Loading Estimates	40
3.2.3	Wastewater Rate Calculations	42
3.2.4	Proposed Wastewater Rate Schedules	47
SECTION 4.	CONCLUSION.....	48

LIST OF TABLES

Table 1:	Water Utility FY 2022/23 Beginning Cash Balance	7
Table 2:	Current Rates	17
Table 3:	Rated Water Flow Capacity by Meter Size.....	18
Table 4:	Summary of Water Service Connections and Water Usage.....	19
Table 5:	FY 2023/24 Water Units Cost of Service.....	22
Table 6:	FY 2023/24 Water Units Cost of Service.....	23
Table 7:	Proposed Monthly Service Charges.....	24
Table 8:	Proposed Water Usage Rates (per CCF)	25
Table 9:	Wastewater Utility FY 2022/23 Beginning Cash Balance	30
Table 10:	Current Wastewater Rates	39
Table 11:	Wastewater Customer Account Data and Estimated Wastewater Flows and Loadings.....	41
Table 12:	Cost Categorization	43
Table 13:	Determination of Wastewater Unit Costs.....	44
Table 14:	Allocation of Wastewater Costs to Users ¹	45
Table 15:	Wastewater Rate Determination	46

LIST OF FIGURES

Figure 1:	Budgeted Water Utility Revenue Categories (FY 2022/23).....	10
Figure 2:	Operating and Debt Expense Categories (FY 2022/23)	11
Figure 3:	Water Utility Historic and Projected Capital Spending	13
Figure 4:	Water Utility Financial Projections with Projected Rate Revenue Increases.....	14
Figure 5:	Budgeted Wastewater Utility Revenue Categories (FY 2022/23).....	32
Figure 6:	Operating and Debt Expense Categories (FY 2022/23)	33
Figure 7:	Wastewater Utility Historic and Projected Capital Spending	35
Figure 8:	Wastewater Utility Financials Projection with Recommended Rate Increases.....	36

LIST OF SCHEDULES

Schedule W-1 – Water Enterprise Budgeted & Projected Operating and Debt Expenses

Schedule W-2 – Water Enterprise Capital Spending Request

Schedule W-3 - Water Enterprise Cash Flow Pro Forma

Schedule W-4 – Five Year Schedule of Proposed Water Rates

Schedule WW-1 – Wastewater Enterprise Budgeted & Projected Operating and Debt Expenses

Schedule WW-2 – Wastewater Enterprise Capital Spending Request

Schedule WW-3 - Wastewater Enterprise Cash Flow Pro Forma

Schedule WW-4 –Five Year Schedule of Proposed Wastewater Rates

List of Acronyms

123 TCP	1,2,3 -trichloropropane
AWWA	American Water Works Association
BOD	biochemical oxygen demand
CCF	hundred cubic feet (748 gallons)
CIP	capital improvement program
COSA	cost of service analysis
CY	calendar year
DCR	debt coverage ratio
DU	dwelling unit
EM	equivalent meter
ENR CCI	Engineering News Record Construction Cost Index
FY	fiscal year (which ends on June 30 for the City)
IMF	impact mitigation fee
MG	million gallons
O&M	operations and maintenance
PayGo	“pay as you go” (i.e., cash financing for capital projects)
SSU	sanitary service unit
SWRCB	California State Water Resources Control Board
SWTF	Surface Water Treatment Facility
WEF	Water Environment Federation
WID	Woodbridge Irrigation District
WQA	winter quarter average (water usage)

Section 1. INTRODUCTION AND SUMMARY

The City of Lodi (City) has retained Hildebrand Consulting, LLC. to conduct a water and wastewater rate study for the City's Water and Wastewater Enterprises. This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

1.1 WATER AND WASTEWATER UTILITY BACKGROUND

The City of Lodi is located in San Joaquin County, California, in the center portion of California's Central Valley along the Mokelumne River at the junction of the San Joaquin and Sacramento valleys just northeast of Stockton, on the edge of the Sacramento River delta. With a population of about 67,000, the city has long been known for its wines as well as a packing and processing center for cereals, fruits, nuts, and vegetables from the surrounding agricultural area.

The City's primary source of water is groundwater that it pumps from the Eastern San Joaquin Subbasin using 28 groundwater production wells distributed throughout the water service area. While groundwater has traditionally been the City's primary source of water, surface water has become increasingly important and currently provides around 50 percent of the total water supply. The City purchases Mokelumne River water from Woodbridge Irrigation District (WID) and treats the raw water at the City's water treatment plant.

The cornerstone of the City's wastewater program is the White Slough Water Pollution Control Facility (WSWPCF), which provides the City of Lodi with a means to achieve water quality standards required for the protection of the environmentally sensitive Sacramento-San Joaquin Delta. Through the years, WSWPCF has been expanded and improved to meet the increasingly stringent environmental protection standards in an economically sound manner.

1.2 STUDY BACKGROUND

In 2019, the City of Lodi retained The Reed Group, Inc. to prepare financial plans for the water and wastewater systems and to update the water and wastewater rates for those two utilities. Five-year rate plans were adopted, with the last rate adjustments scheduled occurring in January 2023 for water rates and July 2023 for wastewater rates. Prior to the 2019 Water and Wastewater Rate Study (2019 Rate Study), the previous water rate adjustment had occurred in 2017, and wastewater rates had been last adjusted in 2016.

The purpose of the current water and wastewater rate studies are to ensure that water and wastewater rates are sufficient to meet each utility's financial and service obligations for ongoing operation and maintenance, debt service, and capital improvements while maintaining prudent reserves.

An on-going meter retrofit program has affected utility billing for both the water and wastewater enterprises. The meter retrofit program was implemented in accordance with California Assembly Bill 2572, which requires the use of water meters throughout the State. At this stage the City has completed "Phase 8" of the retrofit program, signifying that all single-family homes now have water meters. The City's goal is to have all customers on metered wastewater rates by July 2026. As customers are retrofitted with water meters, their utility rates are changed from flat (unmetered) rates to usage-based (metered) rates.

The City has been successful in maintaining limited increases in water and wastewater despite recent reductions in water demands due to the meter retrofit program and the drought. Over the past 8 years, water utility rates have increased by less than 1 percent per year on average and over the past 5 years, wastewater rates have increased by about 1 percent per year on average.

1.3 STUDY OBJECTIVES

The scope of services for the water and wastewater rate study included the following:

- Review financial goals and policy objectives related to the water and wastewater utilities
- Review the current budgets, existing debt obligations, and capital improvement plans
- Prepare ten-year financial plans and determine annual water and wastewater rate revenue requirements for the utilities
- Review the current water and wastewater rate structures, as well as the continuing transition from flat rates to metered rates
- Verify that water and wastewater rate recommendations meet the legal requirements for cost of service, and prepare multi-year rate plans to meet the anticipated revenue needs of each utility for up to five years
- Present draft study findings and recommendations to the City Council during a shirtsleeve meeting
- Prepare a water and wastewater rate study report (this report) to document the analyses performed during the study
- Present study recommendations to the City Council during a regular meeting, and assist the City in preparing a notice of public hearing regarding the proposed water and wastewater rates
- Present final water and wastewater rate recommendations during a public hearing to adopt new rates.

The purpose of this report is to describe the analyses performed, present the financial plans for the utilities, provide the basis and rationale for rate adjustments, and summarize findings and recommendations regarding the water and wastewater rates.

1.4 STUDY METHODOLOGY

This Study applied methodologies that are aligned with industry standard practices for rate setting as laid out in the AWWA M1 Manual, and applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with a review of both utility enterprises' current financial dynamics and latest available data for the utilities' operations. Multi-year financial management plans were then developed to determine the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using MS Excel©-based financial planning models which were customized to reflect financial dynamics and latest available data for the City's operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Revenue requirements were then used to perform a detailed cost-of-service analysis (COSA). The COSA and rate structure design were conducted based upon principles outlined by the AWWA, legal requirements (Proposition 218) and other generally accepted industry practices to develop rates that reflect the cost of providing service. As the COSA "test year", the water rate study used revenue requirements for the fiscal year ending June 2024 (FY 2023/24¹) and the wastewater rate study used revenue requirements for FY 2024/25.

1.5 REPORT ORGANIZATION

This report contains two major sections: Section 2 is the water rate study and Section 3 is the wastewater rate study. By design there is considerable redundancy in the language between these Sections 2 and Section 3; they are meant to stand-alone so as to avoid the need to cross-reference between them.

¹ Fiscal years are sometimes indicated by their ending years. For example, FY 2023/24, starts on July 1, 2023, and ends on June 30, 2024, can also be expressed as FY 2024.

Section 2. WATER RATE STUDY

The following subsections include the water utility's financial plan, cost of service, rate design, and proposed rates schedule.

2.1 WATER UTILITY FINANCIAL PLAN

This section presents the Water Utility's 10-year financial plan, including a description of the source data, assumptions, and the City's financial policies. The City provided historical and budgeted financial information, including historical and budgeted operating costs, a multi-year capital improvement program (CIP), and outstanding debt service obligations. City staff also assisted in providing other assumptions and policies, such as reserve targets and escalation rates for operating costs (all of which are described in the following subsections).

The Water Utility 10-year financial plan was developed through several interactive work sessions with City staff and the City Council. As a result of this process, the Study has produced a robust Water Utility financial plan that will enable the City to meet its future revenue requirements and achieve financial performance objectives throughout the projection period while striving to limit rate increases.

The analysis identifies a modest revenue shortfall in upcoming years as a result of historical rate increases that have been below inflation rates (an increase of less than 1 percent on average over the past 8 years), which leads to a conclusion that rate revenue adjustments are required for the Water Utility. The schedules attached to this report include detailed data supporting the Water Utility financial plan discussed herein.

The Water Utility financial plan reflects assumptions and estimates believed reasonable at the present time. However, conditions change. It is recommended that the City review the financial condition of the Water Utility and reaffirm annual rate adjustments as part of the annual budget process, as well as perform a more comprehensive financial plan and water rate update every 3 to 5 years, as conditions dictate.

2.1.1 Water Utility Fund Structure and Beginning Fund Balances

For purposes of this financial plan, the water utility is made up of three funds (there are additional funds associated with groundwater contamination lawsuits, but those funds are independent of this rate study). These three funds include the Water Operating Fund (Fund 560), the Water Capital Fund (Fund 561), and the Water Impact Mitigation Fee (IMF) fund (Fund 562). The Water Operating Fund uses rate revenue to pay for operating costs and debt service. Surplus reserves in the Water Operating Fund are then transferred to the Water Capital Fund, which pays for all repair and rehabilitation capital projects (as opposed to growth-related projects). The Water IMF Fund receives IMF revenue² from developers and pays for growth-related capital projects. The Water IMF Fund also occasionally transfers IMF revenue to the Water Operating Fund to pay for debt service which was used to fund growth-related capital projects (see Section 2.1.5).

The ending cash balance for each of these funds for FY 2021/22 was used to establish the FY 2022/23 beginning balance, as shown in **Table 1**. It should be noted that the cash reserves levels in the Water Utility are a product of the City’s reserve policies (see Section 2.1.2).

Table 1: Water Utility FY 2022/23 Beginning Cash Balance

Unrestricted Reserves

Fund 560 - Water Operating Fund	\$9,614,000
Fund 561 - Water Capital Fund	\$1,650,000
Total Unrestricted	\$11,264,000

Restricted Reserves

Restricted Fund 562 - Water Impact Migration Fund	\$5,432,000
---	-------------

² The City’s “Impact Mitigation Fees” are known as “Capacity Charges” per Government Code Section 66013.

2.1.2 Water Utility Cash Reserve Policies

Cash reserve policies are cash balances targets that are retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year financial plan and maintaining prudent reserves is an essential component of any sound financial management strategy. Utilities rely on reserves for financial stability; credit rating agencies evaluate utilities in part on their adherence to formally adopted reserve targets; and lending agencies require utilities to maintain specific debt reserves for outstanding loans. The target levels of the policies below are consistent with: 1) the City's established policies and practices; 2) the findings of reserve studies conducted by the AWWA; 3) a healthy level of reserves for a utility per the evaluation criteria published by rating agencies (e.g., Fitch, Moody's, and Standard & Poor's); and, 4) Hildebrand Consulting's industry experience for similar systems.

The City's Budget and Fiscal Policy (as adopted in June 2021 by Resolution 2021-164) states that the Water Utility should target a reserve balance equal to 25 percent of the Water Utility operating budget. Consistent with recommendations made in the 2019 Rate Study report, this Report recommends that the City establish an Operating Reserves target equal to 50 percent of annual operating and maintenance costs, including debt service.

2.1.3 Customer Growth

In recent years, the City has collected an average of nearly \$1 million per year in Water Impact Mitigation Fee revenue from new customers (developers) connecting to the system, which equates to a growth rate of approximately 1.2 percent per year. In the interest of being conservative, this Study assumes that average growth will be 1.0 percent for the duration of the next 10 years.

2.1.4 Water Utility Rate Revenue

Rate revenue is the revenue generated from customers for water service. Water rates include flat rates for unmetered customers and a two-part rate structure for metered customers: a fixed monthly service charge based on the size of the water meter and a

water usage rate based on actual water usage. Single-family customers pay tiered water rates while all other customers pay a uniform water usage rate. Usage rates apply to each hundred cubic feet³ (“CCF”) of water use. The Water Utility financial plan starts with FY 2022/23 budgeted rate revenues. Estimated rate revenues include the customer growth described in Section 2.1.3 as well as the annual rate revenue adjustments proposed by this Study. Aside from the demand increases associated with customer growth, per capita water demand is anticipated to remain constant. Budgeted and projected rate revenues (including proposed rate adjustments) are listed in **Schedule W-3**.

2.1.5 Water Utility Non-Rate Revenues

In addition to rate revenue, the City receives additional “non-rate revenue” from sources such as miscellaneous service fees, DBCP Settlement payments (from a settlement with Chevron and expected to be paid annually for at least the duration of this financial planning period), IMF revenue, and interest revenue on investments. Projections of all non-rate revenues were based on FY 2022/23 budgeted revenues with the exception of interest income which was calculated annually based upon projected fund balances and assumed interest rate of 0.74 percent, which is consistent with the effective interest earnings by the utility enterprises over the past several years. Budgeted water rate and non-rate revenues are depicted in Figure 1 below and listed in detail in **Schedule W-3**.

In accordance with the City’s previous IMF study⁴, Water IMF revenue is eligible to defray the costs of existing debt which was used to fund water expansion projects. The City tracks the use of Water IMF revenue to pay for existing debt through the *Annual Impact Mitigation Fee Program Report*. The City has not consistently transferred funds from the Water IMF Fund (Fund 562) to the Water Utility Fund (Fund 560) every year. According

³ One CCF is equal to 748 gallons

⁴ *City of Lodi Impact Mitigation Fee Program Nexus Study - 2021 Update*, Harris & Associates, July 2021.

to City records, Fund 560 is entitled to receive up to \$14.2 million from Fund 562 (as of the end of FY 2022/23). This financial plan assumes that 2/3 of existing water utility debt service (i.e., \$1.28 million per year) will be paid through Fund 562 (when sufficient funds are available in Fund 562). Schedule W-3 details the planned transfers of funds from Fund 562 to Fund 560 over the planning period (see Rows 18 and 40).

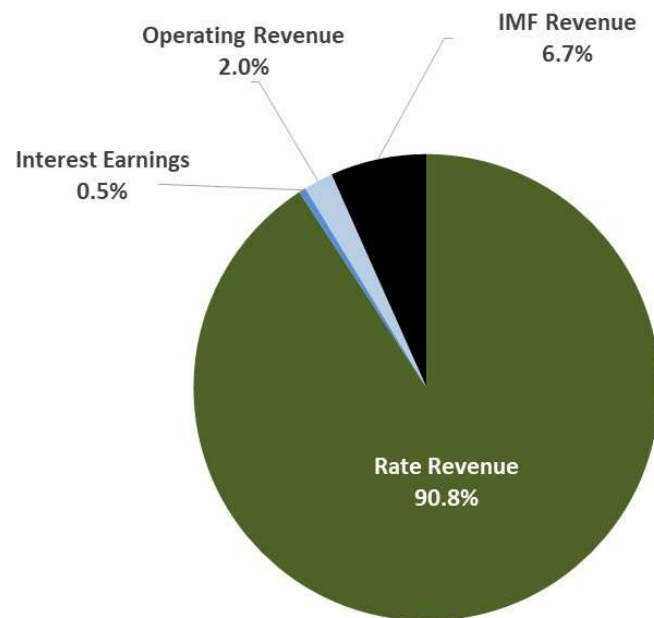


Figure 1: Budgeted Water Utility Revenue Categories (FY 2022/23)

2.1.6 Water Utility Operating Expenses

The Water Utility's expenses include operating and maintenance expenses, debt service, and capital spending. Capital spending is addressed separately in Section 2.1.8. Future operating and maintenance expenses were projected based upon the budgeted expenditures from FY 2022/23 and adjusted for inflation and staff projections regarding future staffing levels. Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with City staff. During the projection

period, most expenses are projected to increase at 3.0 percent per year, with the exception of employee benefits, supplies and chemicals, which are projected to increase at 5 percent per year until FY 2025/26 (and then increase at 3.0 percent thereafter). In addition, operating costs may increase as a result of capital projects (see Section 2.1.8).

Major budgeted expense categories for FY 2022/23 are depicted in **Figure 2**. Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule W-1**. The Cost Allocation Plan is a transfer to the General Fund and represents the cost of administrative support provided by the City's central services.

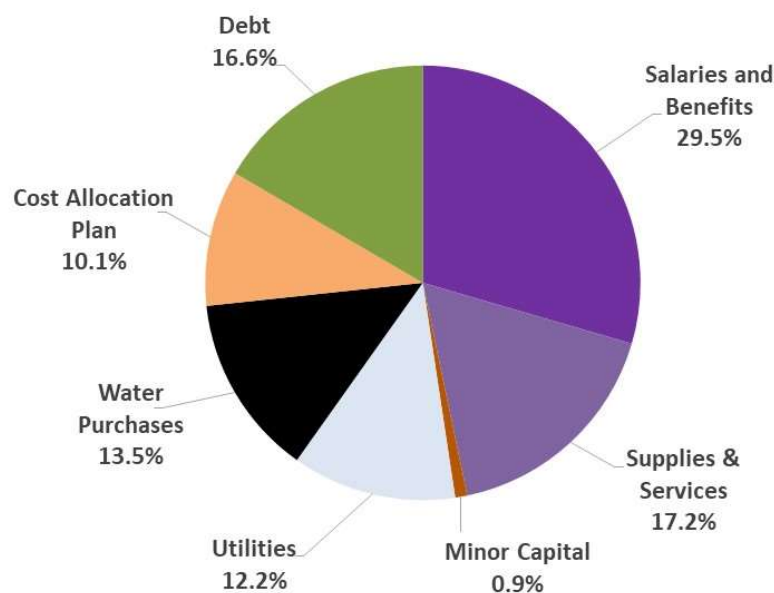


Figure 2: Operating and Debt Expense Categories (FY 2022/23)

2.1.7 Debt Service and Debt Coverage Ratio

The water utility currently pays about \$1.9 million annually in debt service related to the 2020 Water Refunded Revenue Bond. The Water Utility financial plan does not propose to issue any new debt during the ten-year planning period.

One of the requirements associated with bond financing is to maintain rates and other water system revenues at levels sufficient to meet debt service coverage requirements. Based on recently published guidance from Fitch Ratings⁵, utility systems with *midrange* financial profiles should maintain a debt coverage ratio⁶ (“DCR”) greater than 1.50 times annual debt service. Due to the fact that the Water Utility holds minimal debt relative to its revenue profile, this Water Utility financial plan demonstrates that a DCR that is well above minimal levels will be maintained over the next eight years. In FY 2031/32 the DCR ratio may decrease substantially (due to the increase in operating costs as described in Section 2.1.8), but remain robust.

As detailed in the next section, this financial plan proposes to fund all planned capital spending with cash (also known as “pay as you go” or “PayGo”) as opposed to using debt.

2.1.8 Water Utility Capital Improvement Program

Figure 3 shows that from FY 2016/17 to FY 2021/22 the City has spent an average of approximately \$3.5 million in annual capital expenditures. This is consistent with the 2019 Rate Study, which projected that capital spending would be approximately \$3.4 million per year during that time period. Over the next ten years, the City’s average capital spending is expected to increase to over \$6 million per year, driven largely by a \$25 million capacity expansion project at the Surface Water Treatment Facility (SWTF) in FY 2029/30. The City intends to fund about half of this SWTF expansion project with 123-TCP settlement funds and the other half will be funded with available cash reserves from Fund 530 (which will be built up over the next seven years in anticipation of this project). In addition to capital costs, the City estimates that the expansion of the

⁵ As published on July 31, 2013.

⁶ Debt coverage ratio is the ratio of the utility’s net operating income to the annual debt service. In other words, it measures how much net revenue remains after all operating and debt obligations have been paid.

SWTF will increase operating costs at the facility by about fifty percent (see Row 14 in Schedule W-1).

The Water IMF fund (Fund 562) is also expected to fund a limited number of projects over the next ten years, as shown in Schedule W-2. Those capital projects will be entirely supported by IMF revenue and therefore will not affect the Water Operating Fund nor the Water Capital Fund.

A detailed list of all planned water capital projects and associated costs is provided in Schedule W-2.

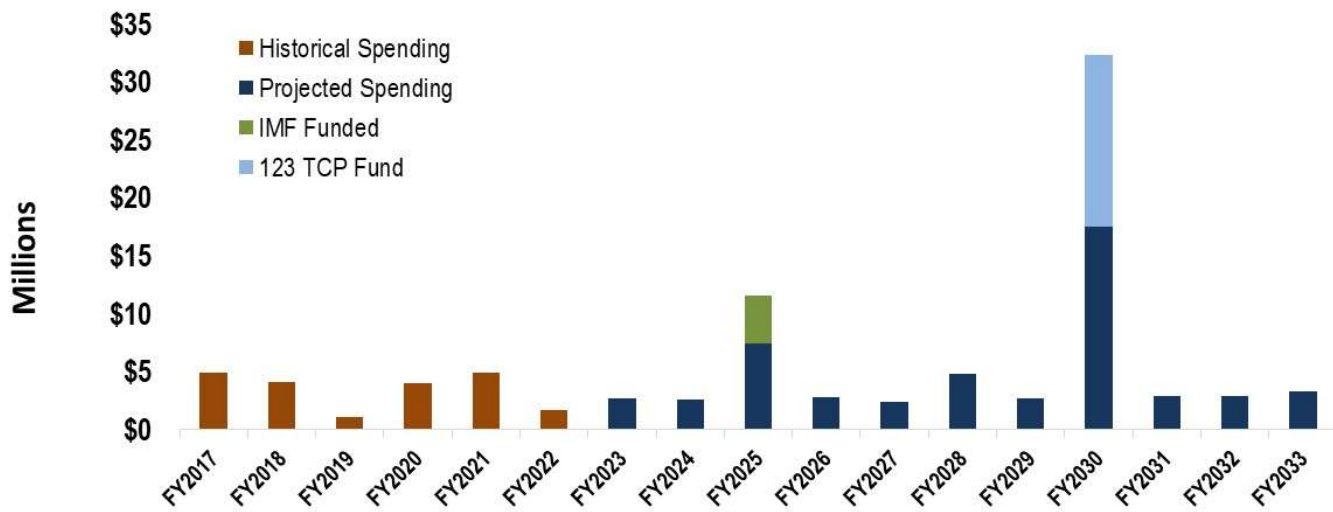


Figure 3: Water Utility Historic and Projected Capital Spending

2.1.9 Proposed Water Rate Revenue Increases

All of the above information was entered into a financial planning model to produce a 10-year projection of the sufficiency of current rate revenues to meet projected financial requirements and determine the level of rate revenue increases necessary in each year of the projection period.

Based upon the previously discussed financial data, assumptions, and policies, this Study has calculated cash flow projections based on assumed annual rate adjustments as detailed in **Schedule W-3** (cash flow proforma). The numbers provided in Schedule W-3 are summarized graphically in Figure 4, which shows:

- 1) Reserve levels are built up until FY 2029 in anticipation of the significant SWTF capital expenditure
- 2) Target reserves are maintained over the course of the planning period
- 3) The enterprise's DCR remains at healthy levels at all times

Given the uncertainty of inflation after 2024, the City will issue a Proposition 218 notice that proposes a rate revenue adjustment of 2 percent in Calendar Year 2024 and then authorizes the City to increase rate revenue by a maximum of 5 percent or the previous year's ENR index for the subsequent four years (see Schedule W-4).

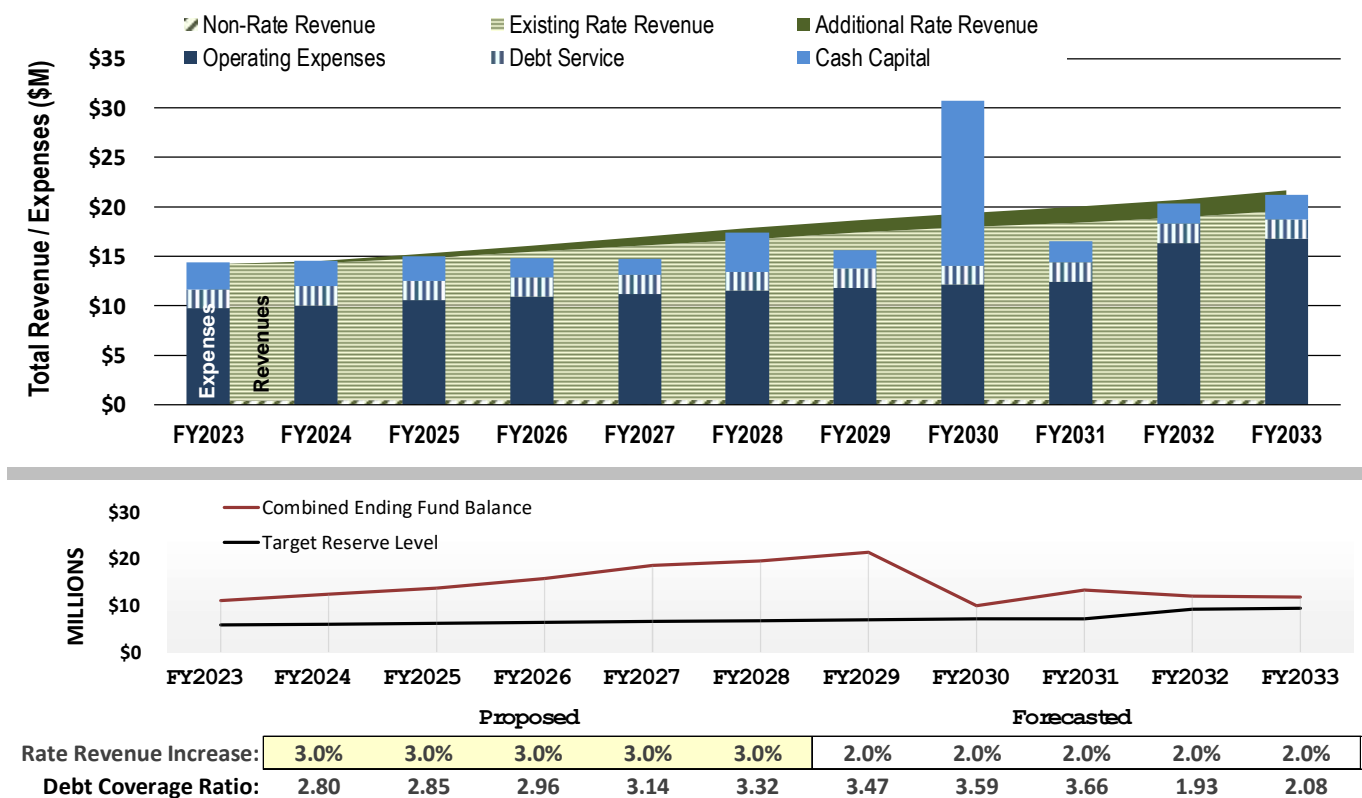


Figure 4: Water Utility Financial Projections with Projected Rate Revenue Increases

2.2 WATER COST OF SERVICE & RATE STRUCTURE

The water cost-of-service analysis (COSA) evaluates the cost of providing water and allocates those costs to rate structure components to ensure the proposed rates are aligned with the costs to provide service. The COSA is performed in order to comply with Proposition 218, which requires water rates to be equitably apportioned and proportional to the cost of providing water service.

Upon completion of the COSA, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate. The complete schedule of proposed rates for CY 2024 through CY 2028 is detailed in **Schedule W-4**.

The rate structure proposed by this Study is designed to:

- ▶ Fairly and equitably recover costs through rates
- ▶ Conform to accepted industry practice and legal requirements
- ▶ Provide fiscal stability and recovery of water system costs
- ▶ Meet other rate setting objectives, as described in Section 1.3

This Study employed a COSA methodology that is consistent with the “commodity-demand” COSA methodology promulgated in AWWA’s *Manual M1: Principles of Water Rates, Fees, and Charges (M1)*. This is a well-established methodology as recognized by the AWWA and other accepted industry standards.

2.2.1 Current Water Rates

The current water rate schedule is summarized in in Table 2. The most recent rate adjustment occurred in January of 2023.

The City is in the final phases of transitioning customers from flat (unmetered) water rates to usage-based (metered) water rates as the meter retrofit program is completed. In FY 2022/23, the City completed Phase 7 and Phase 8 of the meter retrofit program. Phase 9 will be completed in FY 2023/24, which will install meters on any remaining apartment complexes and non-residential accounts. The City provides customers with

water usage information and flat vs. metered water bill information prior to converting them to the metered water rates. Because of this lag between meter installation and metered billing, the City's goal is to have all customers on metered water rates by 2025.

Flat water rates include a fixed monthly charge for single-family homes and multifamily dwelling units based on the number of bedrooms. A small number of non-residential accounts also pay flat water rates based on the number of equivalent dwelling units.

The metered water rates include a fixed monthly service charge based on the size of the water meter. Single family accounts are subject to a 3-tier usage rate structure and multifamily and non-residential accounts pay a uniform water usage rate. The tiered water usage rate structure for single-family homes was originally developed in 2009. The tier structure was developed to reflect the difference in water supply costs (groundwater versus surface water, which is purchased from the Woodbridge Irrigation District (WID) and then treated) and provides a proportionate method of allocating costs. The uniform water usage rate applicable to multifamily and non-residential accounts is equal to the weighted average of the single-family tier rates to ensure proportionality between customer classes. Tier rates were determined to not be suitable for multifamily and non-residential accounts due to the diversity of water use characteristics and the more complex and costly administrative requirements.

Given recent changes to fire protection requirements (requiring homeowners to install meters that are larger than their water demand requirements) it is the City's practice to charge recently installed 1" single family meters at the 3/4" rate.

At present, about 52 percent of metered water rate revenue is generated from water usage charges and about 48 percent from fixed service charges.

Table 2: Current Rates

Monthly Flat Water Rates (Unmetered)	
Single Family Residential	
1 bedroom	\$33.50
2 bedroom	\$40.23
3 bedroom	\$48.21
4 bedroom	\$57.93
5 bedroom	\$69.47
6 bedroom	\$83.39
7 bedroom	\$99.98
Multi-Family Units	
1 bedroom	\$28.76
2 bedroom	\$34.49
3 bedroom	\$41.40
Mobile Home	
Per Unit	\$28.76
Non-Residential	
Per ESFU	\$40.23
Monthly Service Charges (Metered)	
Up to 3/4" meter	\$22.30
1" meter	\$35.03
1 1/2" meter	\$66.56
2" meter	\$104.57
3" meter	\$193.29
4" meter	\$320.00
6" meter	\$636.51
8" meter	\$1,016.48
10" meter	\$1,459.88
Water Usage Rates (Metered) -- \$/CCF	
Single Family Residential	
Tier 1 (0-10 CCF)	\$0.99
Tier 2 (11-50 CCF)	\$1.32
Tier 3 (> 50 CCF)	\$1.63
Multifamily & Non-Residential	
All water usage	\$1.17

2.2.2 Current Customer Statistics

Water rate calculations are based on a number of factors related to the City's customer base. Factors include the number of customers, customer classes, meter size, and actual water usage. The City provides water service through over 24,000 water service

connections (customer accounts), of which single-family customers comprise about 71% percent.

Service connections with different meter sizes can place different demands on the water system. For example, much more water can be delivered through a 4" water meter than through a 1" meter. The current rate structure is based on hydraulic capacity factors which reflect the potential demands on the water system from customers with different sized water meters. These factors are used to determine the number of equivalent meters represented by the total customer base with variable meter sizes. Table 3 presents the rated flow capacity of various meter sizes and how these are used to develop hydraulic capacity factors. For purposes of rate analysis, a 3/4" meter is assigned a hydraulic capacity factor of 1.0. The ratios of rated flow capacities of the various meter sizes compared to the capacity of a 3/4" meter are used to determine the capacity factors for other meter sizes. This capacity relationship across meter sizes is used to allocate capacity-related fixed costs to various customers. This is also a common rate-setting practice used in the water industry.

Table 3: Rated Water Flow Capacity by Meter Size

Meter Size	Flow Rate Capacity (gpm) ¹	Hydraulic Capacity Factor
Up to 3/4" meter	30	1.0
1" meter	50	1.7
1 1/2" meter	100	3.3
2" meter	160	5.3
3" meter	320	10.7
4" meter	500	16.7
6" meter	1000	33.3
8" meter	1600	53.3
10" meter	2400	80.0

¹ Source: Table B-2, AWWA M1 Manual, 7th Edition

Table 4 summarizes customer account and water usage data used in water rate calculations. Account information is based on the utility billing data from FY 2021/22.

Table 4: Summary of Water Service Connections and Water Usage

No. of Metered Accounts	Meter Size									Total
	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	
Single Family	15,030	1,110	8	1	-	-	1	-	-	16,149
Multi-Family	677	21	34	16	8	-	1	-	-	757
Comm./Industrial	595	196	205	392	73	64	20	1	1	1,547
Total Accounts:	16,302	1,327	247	409	81	64	21	1	1	18,453
Hydraulic Capacity Factor	1.00	1.70	3.30	5.30	10.70	16.70	33.30	53.30	80.00	
No. of 3/4" Equivalent Meters:	16,302	2,256	815	2,168	867	1,069	699	53	80	24,309

No. of Flat Accounts	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom	7 Bedroom	Total
Single Family	272	726	287	38	3	-	-	1,326
Multifamily	1,472	3,351	110					4,933
Total Accounts:	1,744	4,077	397	38	3	-	-	6,259
No. of 3/4" Equivalent Meters:	1,279	3,599	457	55	5	-	-	5,395

Total Accounts:	24,712	Total 3/4" Equivalent Meters:		29,704
------------------------	---------------	--------------------------------------	--	---------------

2.2.3 Water Rate Calculations

There were two primary steps in calculating the proposed water rates. These are:

- Determine annual water rate revenue requirements
- Analyze the cost of providing service and proportionately allocate costs to be recovered from customers either through the fixed Monthly Service Charge or the Usage Rate.

2.2.3.1 WATER RATE REVENUE REQUIREMENTS

The ten-year Water Utility financial plan (see Section 2.1) was used to identify the water rate revenue required to meet financial obligations for each fiscal year of the planning period. The water rate calculations presented herein are based on the revenue to be generated in FY 2023/24 and reflect the proposed overall rate revenue to be incorporated in the Water Utility's financial plan.

2.2.3.2 WATER COST-OF-SERVICE ANALYSIS

Once the annual water rate revenue requirement was determined using the financial planning model, the next step in the rate-setting process was to allocate costs to be recovered through the various rate elements. Water rate calculations contained herein are intended to generate water rate revenue equal to the revenue requirement from the

water customers. The manner in which each customer is responsible for the water utility's costs is the determining factor in the COSA.

The cost allocation approach presented by this Study is commensurate with the available data and the requirement to fairly and reasonably reflect the cost difference to provide services to different types of customers.

The cost allocation methodology begins by assigning all costs to one of five cost components. The components include:

- Customer costs such as meter reading and billing are fixed costs that tend to vary as a function of the number of customers being served. Customer costs are allocated to customers based on the number of accounts. That is, every customer will pay an equal share of customer-related costs.
- Capacity costs are also fixed costs; however, these tend to vary in relation to the capacity of the water distribution system and the ability to serve the demands of active customers. Customers that place greater or lesser burdens on the capacity of the water system should bear greater or lesser shares of these costs. The sizing of the water system is based on the potential demand that each customer could place on the water system. Capacity costs are allocated to customers based on the hydraulic capacity of the water meter. The hydraulic capacity reflects the potential demand that a customer could place on the water system at any given time and is a general indicator of each customer's capacity requirement. A customer with a large meter size will be assigned a larger share of fixed capacity-related costs than one with a smaller meter. Capacity costs include costs associated with the water system's capacity including contributions to the capital program, debt service, maintenance, and certain fixed operating costs.
- Water usage costs include variable costs that vary entirely or substantially in response to the amount of actual water use or are reasonably allocated on the basis of water use. Water purchase costs and energy costs are two typical examples. Even though some commodity costs are fixed, rather than variable, it is reasonable to allocate a portion of fixed costs to customers on the basis of usage, rather than the

capacity relationship expressed by meter size and hydraulic capacity in order to further certain rate setting objectives (e.g., water conservation). Due to the fact that the City's single-family customers have a tiered rate structure, the water usage costs are further broken down into the following three categories:

- Groundwater costs are tied to the cost of the City's groundwater wells.
- Surface water costs are tied to the cost of purchasing surface water from WID and treating the raw water at the City's water treatment plant.
- Conservation program costs are tied to the City's conservation program. Water conservation is commonly treated the same as a source of supply for purposes of water management.

Table 5 summarizes how the costs categories that make up the FY 2023/24 rate revenue requirement of \$14,030,500 (see Row 12) are assigned to one or more of the five cost components, previously described. The cost categories were derived from the line-item detailed budget for FY 2023/24, as prepared by staff.

Table 5: FY 2023/24 Water Units Cost of Service

Cost Categories	FY 2023/24 Forecast	Water Usage Costs					Water Usage Costs				
		Customer Costs	Capacity Costs	Groundwater Costs	Surface Water Costs	Conservation Costs	Customer Costs	Capacity Costs	Groundwater Costs	Surface Water Costs	Conservation Costs
1 Water Administration	\$4,616,100	25%	75%				\$1,154,000	\$3,462,000			
2 Water Wells	\$1,714,600			100%					\$1,715,000		
3 Distribution Capacity	\$1,393,600		100%					\$1,394,000			
4 Surface Water Treatment Plant	\$2,085,800				100%					\$2,086,000	
5 Water Conservation Program	\$108,200					100%					\$108,000
6 DBCP Monitoring Program	\$109,600			100%					\$110,000		
7 123-TCP	\$17,600			100%					\$18,000		
8 Capital Projects (cash)	\$2,570,000		50%	25%	25%			\$1,285,000	\$643,000	\$643,000	
9 Debt	\$1,926,000		50%	25%	25%			\$963,000	\$482,000	\$482,000	
10 Non-Rate Revenue	-\$1,679,900	8%	49%	20%	22%	1%	-\$133,000	-\$820,000	-\$343,000	-\$371,000	-\$12,000
11 Change in Fund Balance	\$1,168,900	8%	49%	20%	22%	1%	\$93,000	\$571,000	\$239,000	\$258,000	\$9,000
12 Rate Revenue Requirement:	\$14,030,500						\$1,114,000	\$6,855,000	\$2,864,000	\$3,098,000	\$105,000

While the allocation of cost categories to cost components is self-explanatory in most cases, a few categories merit explanation.

- Water Administration is split 25:75 between customer costs and meter costs based on an approximation of the for managing accounts and billing activities.
- Capital Project and Debt Service are both tied to the cost of building and rehabilitating infrastructure. The value of the water system infrastructure is estimated to approximately 50:25:25 between the distribution system, groundwater wells, and water treatment plant.
- Non-rate Revenue and Change in Fund Balance are both allocated using the indirect allocation method (the weighted percentage of allocations for all of the prior categories).

As shown in Table 6, the cost allocated to each component is divided by the number of relevant units of demand in order to derive unit costs, which become the building blocks for the proposed rates. The units of demand include the number of customer accounts for customer costs, number of equivalent meters for meter costs, and annual water sales in each tier for the three water usage cost components.

Table 6: FY 2023/24 Water Units Cost of Service

	Customer Costs	Capacity Costs	Groundwater Costs	Water Costs	Conservation Costs
Costs by Category:	\$1,114,000	\$6,855,000	\$2,864,000	\$3,098,000	\$105,000
Metrics by Category:	24,712 Accounts	29,704 Equivalent Meters	2,852,866 CCF Tier 1 Water	2,215,359 CCF Tier 2 & 3	332,304 CCF Tier 3 Water
	Account Charge	Capacity Charge	Groundwater Rate	Water Rate	Conservation Surcharge
Unit Rates:	\$45.08 per account per year	\$230.78 per eq. meter per year	\$1.00 per CCF	\$1.40 per CCF	\$0.32 per CCF
Unit Rates:	\$3.76 per account per month	\$19.23 per Eq. Meter per month			

2.2.3.3 SERVICE CHARGE

Service charges are intended to recover the customer and meter costs identified through the COSA. Service charges are fixed and therefore are charged on customer water bills, regardless of whether water is actually used. The rationale for charging a fixed fee is that the water system needs to be maintained and rehabilitated for all customers, regardless of whether they are actively using water or not. The customer is effectively paying to keep water service immediately available.

The service charge is made up of two components: the account charge and the capacity charge. As previously explained, the account charge is the same for all accounts, regardless of the size of the account (\$3.76 per month per account as shown in Table 6).

The capacity charge is based on the account's meter size (\$19.23 per month per equivalent meter as shown in Table 6).

As shown in Table 7, the capacity charge increases in proportion to the meter equivalency, while the account charge remains the same for all meter sizes.

Table 7: Proposed Monthly Service Charges

Meter Size	Account Charge	Capacity Charge	Service Charge
Up to 3/4" meter	\$3.76	\$19.23	\$22.99
1" meter	\$3.76	\$32.69	\$36.45
1 1/2" meter	\$3.76	\$63.46	\$67.22
2" meter	\$3.76	\$101.92	\$105.68
3" meter	\$3.76	\$205.76	\$209.52
4" meter	\$3.76	\$321.14	\$324.90
6" meter	\$3.76	\$640.36	\$644.12
8" meter	\$3.76	\$1,024.96	\$1,028.72
10" meter	\$3.76	\$1,538.40	\$1,542.16

2.2.3.4 WATER USAGE RATES

Consistent with the City's recent practices, this Study proposed to continue to charge single-family customers on a tiered basis, while all other customers will be charged a uniform water usage rate. Charging a tiered rate to single-family customers promotes affordability for those customers that seek to minimize their water bill, allocates the cost of more expensive surface water to those that use more water, and allocates the cost of the conservation program on those who use the most water. While a tiered rate structure could theoretically provide the same benefits for multifamily and non-residential customers, it is far less feasible identify a proper water allocation to those types of customers because of the much wider range of water needs.

As previously explained, the single-family Tier 1 rate is designed to reflect the cost of groundwater, the Tier 2 rate is designed to reflect the cost of treated surface water, and the Tier 3 rate is designed to reflect the cost of treated surface water plus the cost of the City' conservation program. The uniform rate charged to all other customers is

designed to be the weighted average of the tiered rates. These rates are summarized in Table 8.

Table 8: Proposed Water Usage Rates (per CCF)

Water Usage Rate (per CCF)	
Single-Family	
Tier 1	\$1.00
Tier 2	\$1.40
Tier 3	\$1.72
Multifamily and Non-Residential	
Uniform Rate	\$1.20

2.2.3.5 WATER ALLOCATION TO TIERS

The allocation of water in each tier is based on the amount of water supply that is available from each respective source. During CY 2020 and 2021, an average of 2,890 MG of water was produced by City wells, while 2,240 MG of water was purchased from WID. This equates to about 56 percent groundwater and 44 percent of treated surface water. Based on current water usage by single-family customers, the Tier 1 allocation needs to be set at 11 CCF (rounded to the nearest whole number) in order to sell 56 percent of single-family water at Tier 1 rates. The Tier 2 water allocation has been set at 20 CCF in order to sell an appropriate amount of water at Tier 3 rates.

2.2.3.6 NON-METERED WATER RATES

The flat rates for non-metered customers have been updated in proportion to the increases in rate revenue proposed by the financial plan. A complete cost-of-service analysis has not been performed given the fact that the flat rates are imminently being phased out and there is limited information known about the non-metered accounts. In the case of residential customers, the only known information is the number bedrooms associated with each account. In the interest of simplicity and equitability, this Study proposes that the flat rates for non-metered customers be increased by the proposed rate revenue adjustment (a 3 percent increase in Year 1 in this case).

As previously discussed, the remaining non-metered customers are expected to be converted to metered rates in the coming year. The billing conversion for these

customers generally occurs approximately 12 months after the physical retrofit. Due to the delay between the retrofit and the billing changes and the lack of data on the future meter size and water usage for the remaining non-metered accounts, the exact financial impact of these final conversions can only be estimated by this financial plan. The proposed 5-year rate schedule for non-metered accounts is detailed in Schedule W-4.

2.2.4 Adoption of Proposed Water Rates

The 5-year schedule of projected water rates are presented in **Schedule W-4**. The initial rate increase will occur on March 1, 2024, while all subsequent increases will occur on the first day of the calendar year (January 1). Given the uncertainty of inflation after 2024, the City will issue a Proposition 218 notice that authorizes the City to increase rates by a maximum of 5 percent or the previous year's ENR index (see Schedule W-4). The rate increases after the initial year of rate adjustments will occur without additional rate structure updates, meaning that all bills will change by the same percentage.

2.2.5 Water Shortage Surcharge Policy

In addition to the City's standard water rates, the City has an existing Water Shortage Surcharge policy, which can be implemented in the event of a drought or other water supply shortage. These temporary surcharges can be implemented by City Council and are designed to help to reduce the financial risk associated with revenue shortfalls during periods of low water sales. The current policy was adopted during the previous 2019 water rate study and has not been used since that time. Given the fact that the policy is based on a percent change to then-current water rates, it is believed that the existing policy remains valid and therefore the scope of this study does not include an update to the Water Shortage Surcharge policy.

2.2.6 Multifamily Master Metering Policy

We understand that the City is currently evaluating its policy regarding metering requirements for multifamily complexes. While new multifamily complexes are built with water meters for each dwelling unit, the vast majority of existing multifamily buildings only have a master meter. While we understand the allure of assigning

individual water bills for each individual dwelling unit (for reasons of affordability, water conservation and more), there is a reason why the vast majority of water utilities in California and across the country continue to bill multifamily apartments with a single bill through a master meter. Installing submeters behind master meters is very expensive and ensuring that the building does not have any “cross connections” is yet more expensive. Figuring out how to bill individual dwelling units that are not submetered is problematic because (a) there is no water usage data for that dwelling unit (b) frequent vacancies in multifamily units makes it hard to infer a fair bill, and (c) managing more water accounts for the City creates new costs. While multifamily account should not be disallowed from receiving individualized utility bills, these customers should be required to install their own (City-approved and inspected) submeters and demonstrate that the building has no cross-connections.

Section 3. WASTEWATER RATE STUDY

The following subsections include the wastewater utility's financial plan, cost of service, rate design, and proposed wastewater rates schedule. The information in this section has a number of redundancies with Section 2 (by design to allow this Section 3 to stand alone).

3.1 WASTEWATER UTILITY FINANCIAL PLAN

This section presents the Wastewater Utility's 10-year financial plan, including a description of the source data, assumptions, and the City's financial policies. The City provided historical and budgeted financial information, including historical and budgeted operating costs, a multi-year CIP, and outstanding debt service obligations. City staff also assisted in providing other assumptions and policies, such as reserve targets and escalation rates for operating costs (all of which are described in the following subsections).

The Wastewater Utility 10-year financial plan was developed through several interactive work sessions with City staff and the City Council. As a result of this process, the Study has produced a robust Wastewater Utility financial plan that will enable the City to meet its future revenue requirements and achieve financial performance objectives throughout the projection period while striving to limit rate increases.

The analysis identifies a modest revenue shortfall in upcoming years as a result of historical rate increases that have been below inflation rates (an increase of just over 1 percent per year on average over the past 5 years), which leads to a conclusion that rate revenue adjustments are required for the Wastewater Utility. The schedules attached to this report include detailed data supporting the Wastewater Utility financial plan discussed herein.

The Wastewater Utility financial plan reflects assumptions and estimates believed reasonable at the present time. However, conditions change. It is recommended that the City review the financial condition of the Wastewater Utility and reaffirm annual rate adjustments as part of the annual budget process, as well as perform a more comprehensive financial plan and wastewater rate update every 3 to 5 years, as conditions dictate.

3.1.1 Wastewater Utility Fund Structure and Beginning Fund Balances

For purposes of this financial plan, the wastewater utility is made up of five funds (there is an additional Fund 533 associated with the stormwater system, but that fund is independent of this rate study). These five funds include:

- Wastewater Operating Fund (Fund 530) – Uses wastewater rate revenue to pay for all operating costs and debt service. Surplus reserves in the Wastewater Operating Fund are transferred to the Wastewater Capital Fund (see next).
- Wastewater Capital Fund (Fund 531) – Receives transfers from the Wastewater Operating Fund and pays for all repair and rehabilitation capital projects (as opposed to growth-related projects).
- Wastewater Capital Reserves Fund (Fund 532) – This fund exists for accounting purposes of paying debt service.
- Wastewater IMF Fund (Fund 533) – Receives IMF revenue⁷ from developers and pays for growth-related capital projects. The Wastewater IMF Fund also occasionally transfers funds to the Wastewater Operating Fund to pay for debt service which was used to fund growth-related capital projects (see Section 3.1.5).
- Wastewater Rate Stabilization Fund (Fund 535) – This fund was originally created in compliance with the terms of a loan.

⁷ The City's "Impact Mitigation Fees" are known as "Capacity Charges" per Government Code Section 66013.

The ending cash balance for each of these funds for FY 2021/22 was used to establish the FY 2022/23 beginning balance, as outlined in **Table 1**. It should be noted that the cash reserves levels in the Wastewater Utility are a product of the City’s reserve policies (see Section 3.1.2).

Table 9: Wastewater Utility FY 2022/23 Beginning Cash Balance

Unrestricted Reserves

Fund 530 - Wastewater Operating Fund	\$17,522,000
Fund 531 - Wastewater Capital Fund	\$4,985,000
Fund 534 - Wastewater Rate Stabilization Fund	\$500,000
Total Unrestricted	\$23,007,000

Restricted Reserves

Fund 533 - Wastewater IMF	\$4,923,000
---------------------------	-------------

3.1.2 Wastewater Utility Cash Reserve Policies

Cash reserve policies are cash balances targets that are retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year financial plan and maintaining prudent reserves is an essential component of any sound financial management strategy. Utilities rely on reserves for financial stability; credit rating agencies evaluate utilities in part on their adherence to formally adopted reserve targets; and lending agencies require utilities to maintain specific debt reserves for outstanding loans. The target levels of the policies below are consistent with: 1) the City’s established policies and practices; 2) the findings of reserve studies conducted by the AWWA; 3) a healthy level of reserves for a utility per the evaluation criteria published by rating agencies (e.g., Fitch, Moody’s, and Standard & Poor’s); and, 4) Hildebrand Consulting’s industry experience for similar systems.

The City’s Budget and Fiscal Policy (as adopted in June 2021 by Resolution 2021-164) states that the Wastewater Utility should target a reserve balance equal to 25 percent of the Wastewater Utility operating budget. Consistent with recommendations made in the 2019 Rate Study report, this Report recommends that the City establish an

Operating Reserves target equal to 50 percent of annual operating and maintenance costs, including debt service.

3.1.3 Customer Growth

In recent years, the City has collected an average of over \$1.2 million per year in Wastewater Impact Mitigation Fee revenue from new customers (developers) connecting to the system, which equates to a growth rate of over 1.0 percent per year. In the interest of being conservative, this Study assumes that average growth will be 1.0 percent for the duration of the next 10 years.

3.1.4 Wastewater Utility Rate Revenue

Rate revenue is the revenue generated from customers for wastewater service. Wastewater rates include flat rates for unmetered customers and a two-part rate structure for meter customers: a fixed monthly service charges based on the size of the water meter and a uniform usage rate based on winter water usage. Usage rates apply to each CCF of water use. The Wastewater Utility financial plan starts with FY 2022/23 budgeted rate revenues. Estimated rate revenues include the customer growth described in Section 3.1.3 as well as the annual rate revenue adjustments proposed by this Study. Budgeted and projected rate revenues (including proposed rate adjustments) are listed in **Schedule WW-3**.

3.1.5 Wastewater Utility Non-Rate Revenues

In addition to rate revenue, the City receives additional “non-rate revenue” from sources such as miscellaneous service fees (e.g., septic disposal charges), IMF revenue, and interest revenue on investments. Projections of all non-rate revenues were based on FY 2022/23 budgeted revenues with the exception of interest income which was calculated annually based upon projected fund balances and assumed interest rate of 0.74 percent, which is consistent with the effective interest earnings by the utility enterprises over the past several years. Budgeted wastewater rate and non-rate revenues are depicted in **Figure 5** below and listed in detail in **Schedule WW-3**.

In accordance with the City's previous IMF study⁸, Wastewater IMF revenue is eligible to defray the costs of existing debt which was used to fund wastewater expansion projects. The City tracks the use of IMF revenue to pay for existing debt through the *Annual Impact Mitigation Fee Program Report*. The City has not consistently transferred funds from the Wastewater IMF Fund (Fund 533) to the Wastewater Utility Fund (Fund 530) every year. According to City records, Fund 530 is entitled to receive up to \$11.4 million from Fund 533 (as of the end of FY 2022/23). Given the healthy reserves in Fund 533 and the significant capital spending projections for the wastewater utility, this financial plan assumes that \$6.4 million will be transferred from Fund 533 in FY 2023/24 and an additional \$1 million per year thereafter until the \$11.4 million obligation has been reimbursed. Schedule W-3 details the planned transfers of funds from Fund 533 to Fund 530 over the planning period (see Rows 18 and 42).

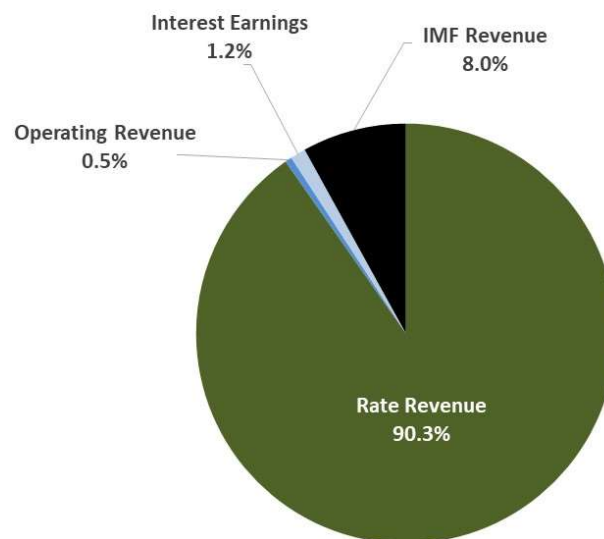


Figure 5: Budgeted Wastewater Utility Revenue Categories (FY 2022/23)

⁸ *City of Lodi Impact Mitigation Fee Program Nexus Study - 2021 Update*, Harris & Associates, July 2021.

3.1.6 Wastewater Utility Operating Expenses

The Wastewater Utility's expenses include operating and maintenance expenses, debt service, and capital spending. Capital spending is addressed separately in Section 3.1.8. Future operating and maintenance expenses were projected based upon the budgeted expenditures from FY 2022/23 and adjusted for inflation and staff projections regarding future staffing levels. Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with City staff. During the projection period, most expenses are projected to increase at 3.0 percent per year, with the exception of employee benefits, supplies and chemicals, which are projected to increase at 5 percent per year until FY 2025/26 (and then increase at 3.0 percent thereafter).

Major budgeted expense categories for FY 2022/23 are depicted in **Figure 2**. Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule WW-1**. The Cost Allocation Plan is a transfer to the General Fund and represents the cost of administrative support provided by the City's central services.

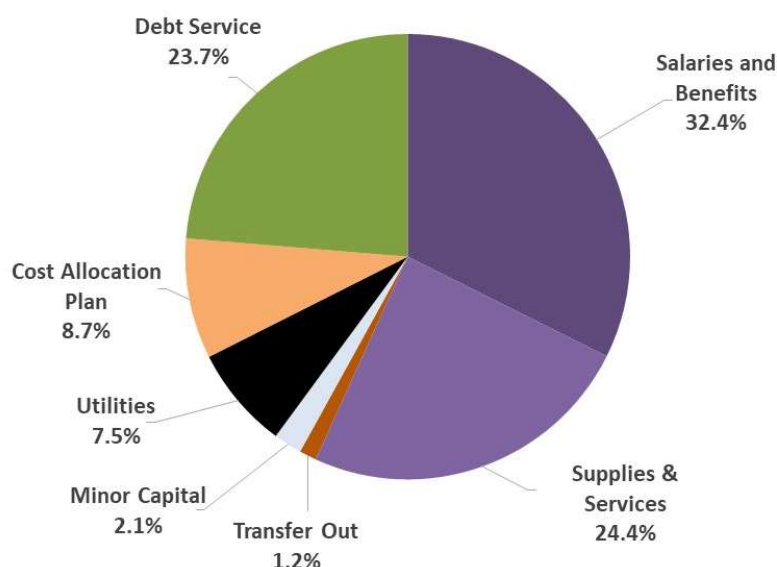


Figure 6: Operating and Debt Expense Categories (FY 2022/23)

3.1.7 Debt Service and Debt Coverage Ratio

The wastewater utility currently pays about \$3.3 million annually in debt service related to four separate loans: a 2004 Certification of Participation, a 2012 Wastewater Certificate of Participation, a 2016 Certification of Participation, a Refunding of the 2007 Series A Wastewater Revenue Bonds, and 2020 Wastewater Refunded Revenue Bond. The Wastewater Utility financial plan does not propose to issue any new debt during the ten-year planning period.

One of the requirements associated with bond financing is to maintain rates and other wastewater system revenues at levels sufficient to meet debt service coverage requirements. Based on recently published guidance from Fitch Ratings⁹, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.50 times annual debt service. Due to the fact that the Wastewater Utility holds minimal debt relative to its revenue profile, this Wastewater Utility financial plan demonstrates that a DCR that is well above minimal levels will be maintained throughout the planning period. The strong DCR numbers should not be interpreted as “excessive” but rather an indication that the Wastewater Utility has successfully minimized its reliance on debt as a means to finance capital projects.

As detailed in the next section, this financial plan proposes to follow a PayGo strategy for all capital spending as opposed to using debt.

3.1.8 Wastewater Utility Capital Improvement Program

Figure 7 shows that from FY 2016/17 to FY 2021/22 the City has spent an average of approximately \$2.2 million in annual capital expenditures. This is significantly lower than the spending levels projected by the 2019 Rate Study, which forecasted average annual capital spending of approximately \$7.6 million per year during that time period. A detailed list of capital projects and associated costs is provided in **Schedule WW-2**.

⁹ As published on July 31, 2013.

While the Wastewater Utility currently has healthy reserves (due, in part, to the fact that the previously planned capital program was not fully executed), those reserves are expected to be drawn down quickly in order to fund the significant increase in capital spending. This financial plan proposes to cash finance all capital projects for the financial planning period (i.e., no additional debt).

At this time, the Wastewater IMF fund (Fund 533) is not scheduled to fund any growth-related projects over the next ten years.

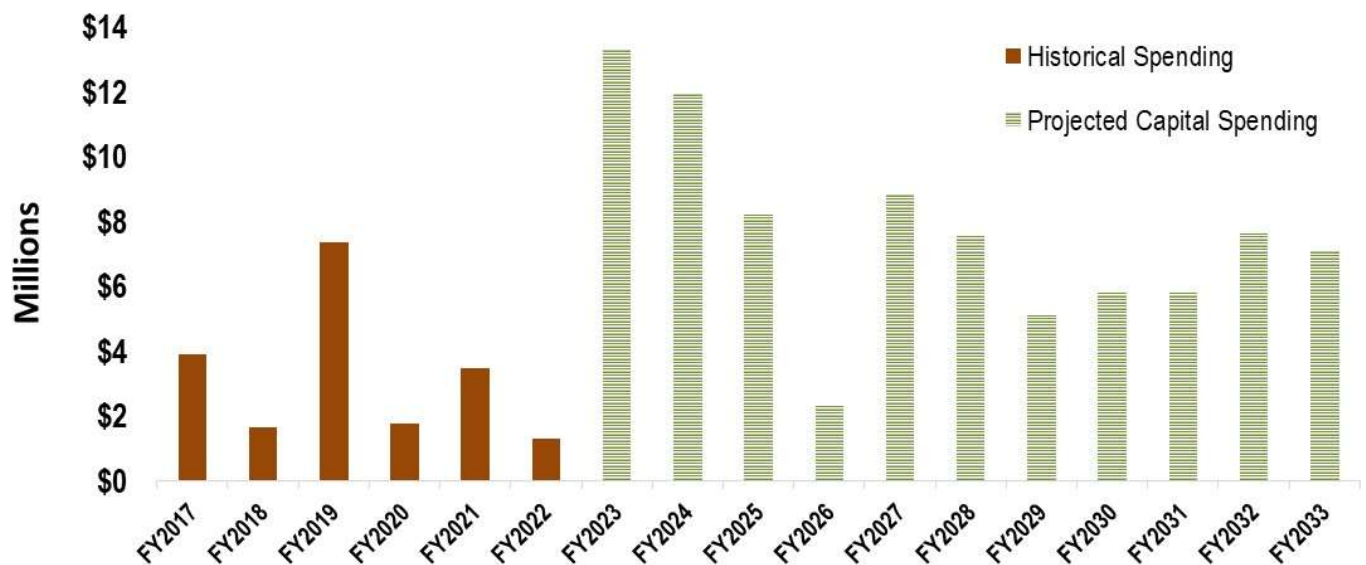


Figure 7: Wastewater Utility Historic and Projected Capital Spending

3.1.9 Proposed Wastewater Rate Revenue Increases

All of the above information was entered into a financial planning model to produce a 10-year projection of the sufficiency of current rate revenues to meet projected financial requirements and thereby determine the level of rate revenue increases necessary in each year of the projection period.

Based upon the previously discussed financial data, assumptions, and policies, this Study has calculated cash flow projections based on assumed annual rate adjustments as detailed in **Schedule WW-3** (cash flow proforma). The numbers provided in Schedule

WW-3 are summarized graphically in Figure 8, which shows that the target reserves are maintained over the course of the planning period and the DCR remains at healthy levels at all times.

Given the uncertainty of inflation after FY 2024/25, the City will issue a Proposition 218 notice that proposes a rate revenue adjustment of four percent in Fiscal Year 2024/25 and then authorizes the City to increase rate revenue by a maximum of 5 percent or the previous year’s ENR index for the subsequent four years (see Schedule WW-4).

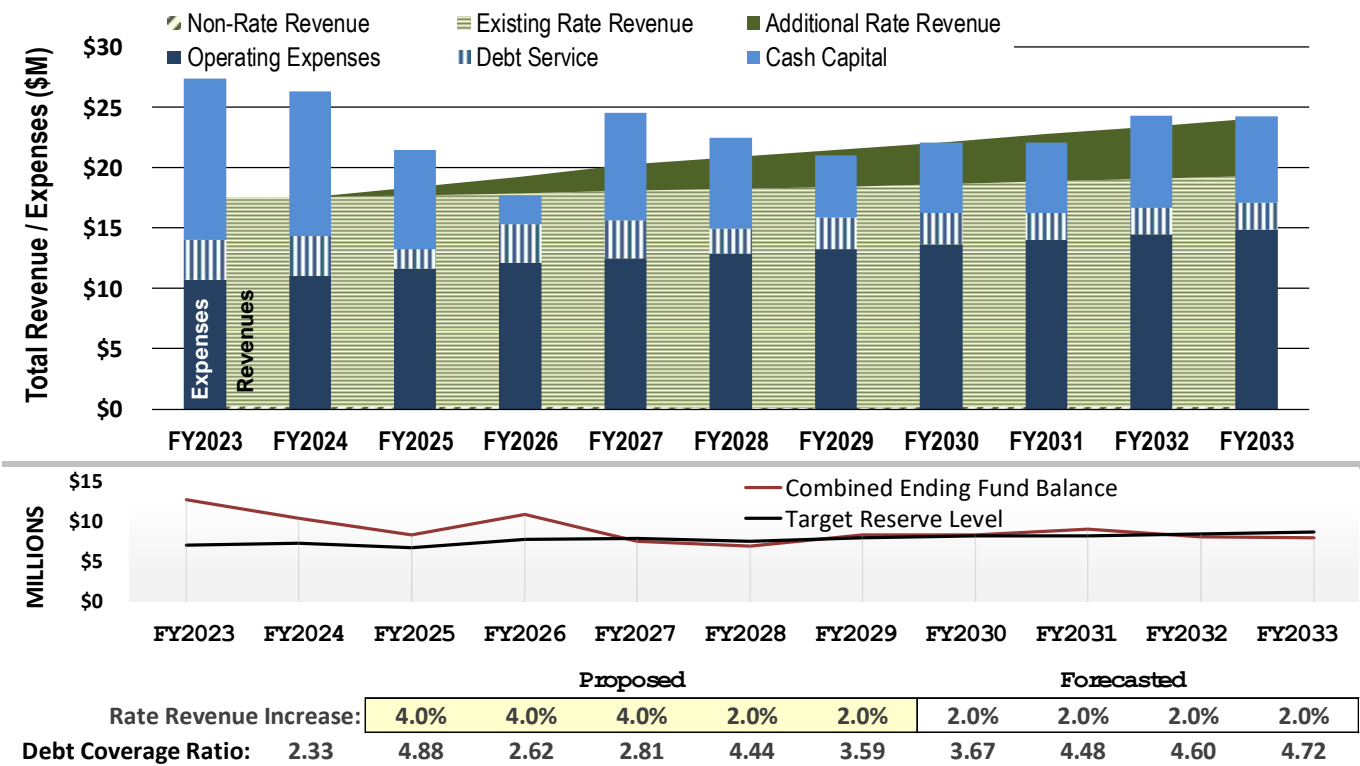


Figure 8: Wastewater Utility Financials Projection with Recommended Rate Increases

In reviewing Figure 8, the healthy reserve levels in FY 2022/23 are explained by the fact that capital spending over the past several years has been lower than previously expected (see Section 3.1.8). The rate increases are needed in order to keep up with inflation and to fund the significant increase in capital spending over the next ten years.

3.2 WASTEWATER COST OF SERVICE & RATE STRUCTURE

The wastewater COSA evaluates the cost of providing wastewater collection, treatment and disposals services and allocates those costs to rate structure components to ensure the proposed rates are aligned with the costs to provide service. The COSA is performed in order to comply with Proposition 218, which requires wastewater rates to be equitably apportioned and proportional to the cost of providing sewer service.

Upon completion of the COSA, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate. The complete schedule of proposed rates for FY 2025 through FY 2029 is detailed in **Schedule WW-4**.

The rate structure proposed by this Study is designed to:

- ▶ Fairly and equitably recover costs through rates
- ▶ Conform to accepted industry practice and legal requirements
- ▶ Provide fiscal stability and recovery of wastewater system costs
- ▶ Meet other rate setting objectives, as described in Section 1.3

This Study employed a well-established COSA methodology that is consistent with common industry standards and is consistent methodologies promulgated by the Water Environment Federation (WEF) and AWWA.

3.2.1 Current Wastewater Rates

The current wastewater rate schedule is summarized in Table 10. The City last adjusted its wastewater rates in July 2023, based on the recommendations from the 2019 Rate Study.

The City is in the final phases of transitioning customers from flat (unmetered) wastewater rates to usage-based (metered) wastewater rates as the meter retrofit program is completed. In FY 2022/23, the City completed Phase 7 and Phase 8 of the meter retrofit program. Phase 9 will be completed in FY 2023/24, which will install

meters on any remaining apartment complexes and non-residential accounts. The City provides customers with water usage information and flat vs. metered bill information prior to converting them to the metered rates. Because of this lag between meter installation and metered billing, the City's goal is to have all customers on metered rates by 2025.

Flat wastewater rates include a fixed monthly charge for residential accounts based on the number of. Non-metered non-residential accounts pay flat wastewater rates based on the number of sanitary sewer units (SSU) for each account, as determined by City staff. One SSU is equivalent to a two-bedroom single-family home. Flat wastewater rates will be phased out as the meter retrofit program is completed.

The metered wastewater rates include a fixed monthly service charge based on the size of the water meter and a usage rate. The usage rate is multiplied by actual monthly water usage for non-residential customers and based on winter water usage for residential customers. Winter water usage is used to estimate residential sewer flows since irrigation usage is minimized during this time period and winter usage reasonably reflects the amount of indoor water usage that ends up in the sewer system. The "winter quarter average" (WQA) is calculated based on the average water usage for the months of December through March, excluding the highest month. In July of each year, a monthly charge is calculated for each non-residential customer that includes both the fixed service charge and a usage charge based on that customer's WQA for the previous winter. That charge is then billed monthly for the ensuing 12-month period.

Currently all City customers (with exception to a few industrial customers, see the next paragraph) are assumed to have the same wastewater strength (see Section 3.2.2). This is partially due to the fact that the City does not currently have the data necessary to assign specific strength assumptions to the various types of non-residential customers. While it is reasonable to use the simplistic assumption that all customers have similar wastewater strength, there is also an opportunity to develop rates that reflect the fact that higher-strength customers likely have a larger impact on treatment operating costs (such as energy and chemical costs). During the next rate study (assuming that the City

has collected more data on its commercial customers through the meter retrofit program) the City may wish to consider developing wastewater rates that reflect the difference in the cost of treated elevated strength sewage (for example the wastewater produced by customers such as restaurants).

Table 10: Current Wastewater Rates

Monthly Flat Water Rates (Unmetered)	
Single Family and Multi-Family Residential Dwelling Units	
1 bedroom	\$30.45
2 bedroom	\$40.60
3 bedroom	\$50.75
4 bedroom	\$60.90
5 bedroom	\$71.05
Mobile Homes (per unit)	\$30.45
Schools (per SSU (18 students)	\$30.45
Non-Residential (per SSU)	\$40.60
Monthly Service Charges (Metered)	
Up to 3/4" meter	\$27.73
1" meter	\$44.67
1 1/2" meter	\$86.30
2" meter	\$135.73
3" meter	\$253.59
4" meter	\$420.86
6" meter	\$838.71
8" meter	\$1,340.31
Wastewater Usage Rates (Metered)	
Usage Rate (\$/CCF of water use)*	\$3.15

* Residential customers are billed based on their WQA while non-residential customers are billed based on actually monthly water usage.

The City has about ten large “industrial” customers (primarily food processing) that discharge to a dedicated collection pipeline and treatment train. Since these industrial customers are served by a dedicated collection and treatment system, the City calculates a special industrial wastewater rate, which gets updated by the City every year. The industrial rates are designed to spread the costs of the dedicated system

among the industrial customers, and the rates are based on actual wastewater flows, loading characteristics and facility costs (including operating costs and depreciation).

3.2.2 Customer Account Data and Wastewater Flow and Loading Estimates

Wastewater rate calculations are based on a number of factors related to the City's customers. Factors include the number of customers, customer classes, water usage, estimated wastewater flows, and wastewater strength characteristics as measured by biochemical oxygen demand (BOD).

Table 11 summarizes customer account and water usage data obtained from the City's utility billing system, as well as estimates of resulting wastewater flow and loading characteristics. Residential wastewater flows are estimated based on their WQA. Non-residential wastewater flows are based on actual water usage, as most non-residential water usage is indoors (since irrigation water is separately metered).

Wastewater rate analyses consider the strength (loading) characteristics of sewage entering treatment facilities. Strength factors for BOD are considered, as these factors play a key role in treatment facility operations. All customers (aside from separately billed industrial customers) are assigned standard residential strength factors of 300 mg/l for BOD. These strength factors are based on historical City practices and are consistent with guidelines published by the California State Water Resources Control Board (SWRCB) and other sources.

Table 11: Wastewater Customer Account Data and Estimated Wastewater Flows and Loadings

Customer Class	No. of Accounts	No. of EMs / SSUs ²		Estimated Annual Wastewater Flow ³	Estimated Annual Wastewater Flow	BOD Strength ⁴	Annual BOD Loading
				CCF	MG	mg/l	lbs
Residential Metered	15,200	16,077	EMs	1,708,975	1,278.31	300	3,198,340
Residential Flat	7,618	7,618	SSUs	na	na	na	na
Non-Residential Metered	52	33	EMs	93,353	69.83	300	174,709
Non-Residential Flat	1,877	1,877	SSUs	na	na	300	na
Totals	24,747	25,605		1,802,328	1,348.1		3,373,049

Notes:

¹ Source: FY 2021/22 billing data and estimates based on water usage assumptions regarding non-metered customers.

² EM = Equivalent Meters (for metered accounts), SSU = sewer service unit (for unmetered accounts). Table 3 provides the equivalency schedule for water meters.

³ Wastewater flows for residential customers was based on the WQA.

⁴ Based on SWRCB guidelines and City Ordinance.

3.2.3 Wastewater Rate Calculations

There are three steps to determining wastewater rates. These are:

- Determine annual wastewater rate revenue requirements
- Analyze the cost of providing service to each customer class
- Design wastewater rates to recover costs from each customer class.

The Wastewater Utility financial plan (see Section 3.1) was used to identify the wastewater rate revenue requirements for each fiscal year of the five-year planning period.

Once the total annual wastewater rate revenue requirement has been determined (see Section 3.1.9), the next step in the rate setting process is to evaluate the cost of providing service to individual customers. The revenue requirement is allocated to various customer classifications according to the services provided and the demands placed on the wastewater system. The cost allocation methodology begins by assigning all costs to one of three cost components. The components include:

- Customer costs, such as meter reading and billing, which are fixed costs that tend to vary as a function of the number of customers being served. Customer costs are allocated to customers based on the number of accounts. That is, every customer will pay an equal share of customer-related costs.
- Collection costs are also fixed costs; however, these tend to vary in relation to the capacity of the wastewater collection system and the ability to serve the demands of active customers. Customers that place greater or lesser burdens on the capacity of the wastewater system should bear greater or lesser shares of these costs. The sizing of the wastewater collection system is based on the potential demand that each customer could place on the wastewater system. Capacity costs are allocated to customers based on the hydraulic capacity of their water meter (which is a proxy for the peak demands that each customer may put on the wastewater collection system). A customer with a large meter size will be assigned a larger share of fixed capacity-related costs than one with a smaller meter.

- Treatment / Disposals costs are partially fixed and partially variable, based on the amount of wastewater that needs to be processed. Variable cost components include electricity and chemicals.

Table 12 summarizes how the costs categories that make up the FY 2024/25 revenue requirement of \$11,420,090 (see Row 12) are assigned to one or more of the three cost components, previously described. The cost categories were derived from the detailed budget forecast for FY 2024/25. Note that expenses are partially offset by other sources of revenue (see Rows 8 through 11). These other sources of revenue include both (a) the rate revenue collected by industrial customers (see Section 3.2.1), since those rates are calculated and collected separately from these standard wastewater rates and (b) revenue from non-metered customers since the rate structure of non-metered customers is not being modified by this study and is therefore excluded from the COS analysis.

Table 12: Cost Categorization

			Cost Categories					
			Allocation Percentages			Allocation of Costs		
	Wastewater System Costs	Cost	Customer	Collection	Treatment/ Disposal	Customer	Collection	Treatment/ Disposal
1	Wastewater Administration	\$3,075,000	25%	30%	45%	\$768,750	\$922,500	\$1,383,750
2	Plant Maintenance	\$5,946,000			100%	\$0	\$0	\$5,946,000
3	Sanitary System Maintenance	\$2,262,000		100%		\$0	\$2,262,000	\$0
4	Industrial System Maintenance	\$17,000		50%	50%	\$0	\$8,500	\$8,500
5	Service Personnel	\$197,000		25%	75%	\$0	\$49,250	\$147,750
6	Cash-Funded Capital	\$8,209,000		40%	60%	\$0	\$3,283,600	\$4,925,400
7	Debt Service	\$1,629,000		40%	60%	\$0	\$651,600	\$977,400
8	Other Revenue	-\$177,000	4%	34%	63%	-\$6,378	-\$59,546	-\$111,077
9	Industrial Rate Revenue	-\$677,000	4%	34%	63%	-\$24,394	-\$227,754	-\$424,852
10	Non-Metered Rate Revenue	-\$7,110,000	4%	34%	63%	-\$256,190	-\$2,391,923	-\$4,461,887
11	Addition To/(Use of) Reserves	-\$1,950,910	4%	34%	63%	-\$70,296	-\$656,319	-\$1,224,295
12	WW Rate Rev Requirement:	\$11,420,090				\$411,493	\$3,841,909	\$7,166,689

Table 12 summarizes how the wastewater rate revenue requirement is allocated to customers costs (3.6 percent), collection costs (33.6 percent) and treatment/disposal costs (62.8 percent). Table 13 shows that the treatment/disposal costs are further subdivided into costs to be recovered through fixed charges, flow-based charges, and strength-based charges (BOD). The City's budget structure does not lend itself to the

segregation of treatment costs into these three subdivisions, therefore we have relied upon professional judgment and standard estimating practices used in rate setting to allocate these costs. The wastewater treatment costs have been allocated 20 percent to fixed service charges, 40 percent flow-based charges (per CCF), and 40 percent to strength-based charges (per lbs. of BOD). We believe these allocations are reasonable and are within the ranges found in other wastewater rate analyses.

Next, Table 13 shows that unit costs are calculated by dividing the total cost for each component by the number of units identified in Table 11. These unit costs become the basis for assigning costs to customer classes.

Table 13: Determination of Wastewater Unit Costs

Cost Category	Component Allocation Percentages	Parameter Allocation Percentages¹	Annual Cost	Quantities for Each Parameter		Unit Cost for Each Parameter
Customer	\$408,620					
Customer Accounts		100.0%	\$408,620	15,252	Accounts	\$26.79 per Account
Collection	\$3,894,817					
Fixed (EM)		100.0%	\$3,894,817	16,110	Equivalent Meters	\$241.76 per Equivalent Meter
Treatment/Disposal	\$7,116,654					
Fixed (EM)		20.0%	\$1,423,331	16,110	Equivalent Meters	\$88.35 per Equivalent Meter
Flow (MG)		40.0%	\$2,846,661	1,802,328	CCF	\$1.58 per CCF
BOD (lbs)		40.0%	\$2,846,661	3,373,049	lbs. of BOD	\$0.84 per lb. of BOD
Total Revenue Requirement			\$11,420,090			

Notes:

¹ Allocations to parameters are consistent with common industry practice and rate consultant's experience with prior rate studies.

Table 14 shows the total cost allocated to each customer class by multiplying the unit costs against number of accounts, number of equivalent meters, annual wastewater flows, and the BOD loadings.

Finally, Table 15 presents the proposed wastewater Service Charge (by adding the account charge and the equivalent meter charge) and Usage Rate (by adding the flow rate from Table 14 to the flow rate derived from the BOD unit rate).

.

Table 14: Allocation of Wastewater Costs to Users ¹

No. of Accounts	Customer Class	Customer Unit Cost = \$26.79 per account	Collection Fixed Unit Cost = \$241.76 per EM	Treatment / Disposal			Allocation of Total Costs ²
				Fixed Unit Cost = \$88.35 per EM	Flow Unit Cost = \$1.58 per CCF	BOD Unit Cost = \$0.84 per lb. BOD	
15,200	Residential Residential Metered	\$407,200	\$3,886,800	\$1,420,400	\$2,700,200	\$2,686,600	\$11,101,200
52	Non-Residential Non-Residential Metered	\$1,400	\$8,000	\$2,900	\$147,500	\$146,800	\$306,600
15,252	Totals	\$408,600	\$3,894,800	\$1,423,300	\$2,847,700	\$2,833,400	\$11,407,800

Note:

¹ Unit costs at the top of each column are multiplied by the wastewater flow, and BOD loading for each customer class.

² Totals may not match previous values due to rounding.

Table 15: Wastewater Rate Determination

No. of Accounts	Customer Class	Estimated Annual Wastewater Flow CCF	BOD Strength mg/L	Monthly Service Charges \$/EM	Usage Rates ¹ \$/ccf	Total Service Charge Revenue	Total Usage Charge Revenue	Total Annual Wastewater Rate Revenue ²
15,200	Residential Metered	1,708,975	300	\$29.74 per EM. Varies by meter size	\$3.15	\$5,714,400	\$5,383,300	\$11,097,700
52	Non-Residential Metered	93,353	300		\$3.15	\$12,300	\$294,100	\$306,400
15,252	Totals:	1,802,328				\$5,726,700	\$5,677,400	\$11,404,100

Notes:

¹ Usage Rates were calculated by adding the flow rate from Table 14 with a flow rate derived from the BOD unit rate (per lbs.) which is calculated based on the assumption that all customers have a BOD strength of 300 mg/L.

² Totals may not match previous values due to rounding.

3.2.4 Proposed Wastewater Rate Schedules

The 5-year schedule of projected water rates is presented in **Schedule WW-4**. Each rate increase will occur on the first day of the fiscal year (July 1). Given the uncertainty of inflation after FY 2024/25, the City will issue a Proposition 218 notice that authorizes the City to increase rates by a maximum of 5 percent or the previous year's ENR index (see Schedule WW-4). The rate increases after the initial year of rate adjustments will occur without additional rate structure updates, meaning that all bills will change by the same percentage.

Section 4. CONCLUSION

This 2023 Water and Wastewater Rate Study proposes updated utility rates for the City of Lodi, which includes both rate structures updates based on a cost-of-service analysis as well as rate revenue increases. The need for rate increases for both utilities is driven primarily by (1) inflation, (2) tempered rate increases over the past 5 years, and (c) an increase in capital spending needs. The City has developed detailed capital improvement plans that are designed to pro-actively repair and replace critical and aging infrastructure in order to ensure that the City can continue to provide safe and reliable utility services.

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable laws, including California's Proposition 218. The proposed annual adjustments to the water and wastewater rates are expected to enable the City to continue to provide reliable service to customers while meeting the state's mandates.

The water and wastewater rates will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed charges to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

SCHEDULES

Schedule W-1 - Budgeted and Projected Water Utility Operating and Debt Expenses

Schedule W-2 – Water Utility Capital Spending Plan

Schedule W-3 – Water Utility Cash Flow Pro Forma

Schedule W-4 – Five Year Schedule of Proposed Water Rates

Schedule WW-1 - Budgeted and Projected Wastewater Utility Operating and Debt Expenses

Schedule WW-2 - Wastewater Utility Capital Spending Plan

Schedule WW-3 - Wastewater Utility Cash Flow Pro Forma

Schedule WW-4 – Five Year Schedule of Proposed Wastewater Rates

Schedule W-1 –Budgeted and Projected Water Utility Operating and Debt Expense (1 of 4)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
1 56052001 - PW Water Administration										
2 71 - Salaries & Benefits										
3 71002 - Overtime	\$44,100	\$45,400	\$46,800	\$48,200	\$49,600	\$51,100	\$52,600	\$54,200	\$55,800	\$57,500
4 71015 - Medicare Insurance	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$800	\$900	\$900
5 71189 - Personnel Transfer Charges	\$1,066,600	\$1,098,600	\$1,131,500	\$1,165,500	\$1,200,400	\$1,236,400	\$1,273,500	\$1,311,700	\$1,351,100	\$1,391,600
7 72 - Supplies & Services										
8 72203 - Cellular phone charges	\$12,600	\$13,200	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100	\$16,600	\$17,100
9 72301 - Printing/Binding/Duplication	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
10 72305 - Uniforms	\$26,300	\$27,600	\$28,900	\$29,800	\$30,700	\$31,600	\$32,600	\$33,600	\$34,600	\$35,600
11 72306 - Safety Equipment	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
12 72307 - Office Supplies	\$4,700	\$5,000	\$5,200	\$5,400	\$5,500	\$5,700	\$5,900	\$6,000	\$6,200	\$6,400
13 72308 - Books & Periodicals	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
14 72309 - Membership & Dues	\$12,600	\$13,200	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100	\$16,600	\$17,100
15 72310 - Uncollectible Acct Expense	\$36,800	\$38,600	\$40,500	\$41,700	\$43,000	\$44,300	\$45,600	\$47,000	\$48,400	\$49,800
16 72311 - Collection Agency Fees	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
17 72312 - Bank Service Charges	\$57,800	\$60,600	\$63,700	\$65,600	\$67,500	\$69,600	\$71,700	\$73,800	\$76,000	\$78,300
18 72313 - Information Systems Software	\$73,500	\$77,200	\$81,000	\$83,500	\$86,000	\$88,500	\$91,200	\$93,900	\$96,800	\$99,700
19 72314 - Business Expense	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
20 72315 - Conference Expense	\$8,900	\$9,400	\$9,800	\$10,100	\$10,400	\$10,800	\$11,100	\$11,400	\$11,700	\$12,100
21 72352 - Special Dept Materials	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
22 72353 - Janitorial Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
23 72355 - General Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
24 72358 - Training and Education	\$12,600	\$13,200	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100	\$16,600	\$17,100
25 72359 - Small Tools and Equipment	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
26 72369 - Software Licensing Cost	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
27 72495 - Recording/Title Services	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
28 72499 - Misc Contract Services	\$76,000	\$79,800	\$83,800	\$86,300	\$88,900	\$91,600	\$94,300	\$97,200	\$100,100	\$103,100
29 72530 - Repairs to Communication Equip	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
30 72531 - Repairs to Machines & Equip	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
31 72532 - Repairs to Office Equip	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
32 72533 - Repairs to Vehicles	\$70,800	\$74,300	\$78,000	\$80,400	\$82,800	\$85,300	\$87,800	\$90,500	\$93,200	\$96,000
33 72534 - Repairs to Buildings	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
34 72536 - Car Wash	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
35 72551 - Motor Vehicle Fuel & Lube	\$31,800	\$33,400	\$35,000	\$36,100	\$37,200	\$38,300	\$39,400	\$40,600	\$41,800	\$43,100
36 72823 - Refunds/Rebates	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
37 72950 - WID Water Purchase	\$1,649,000	\$1,731,400	\$1,818,000	\$1,872,500	\$1,928,700	\$1,986,600	\$2,046,200	\$2,107,600	\$2,170,800	\$2,235,900
38 72990 - Special Payments	\$141,800	\$148,800	\$156,300	\$161,000	\$165,800	\$170,800	\$175,900	\$181,200	\$186,600	\$192,200
39 75099 - Misc Debt Service Charges	\$10,300	\$10,600	\$10,900	\$11,300	\$11,600	\$11,900	\$12,300	\$12,700	\$13,000	\$13,400
40 77 - Operating Transfer O										
41 76220 - Operating Transfer Out	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200
43 77030 - Machinery and equipment	\$25,800	\$26,500	\$27,300	\$28,100	\$29,000	\$29,900	\$30,700	\$31,700	\$32,600	\$33,600
44 56052002 - Damage To City Property										
45 71 - Salaries & Benefits										
46 71002 - Overtime	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,500	\$1,500
47 72 - Supplies & Services										
50 56052003 - Water Wells										
51 71 - Salaries & Benefits										
52 71002 - Overtime	\$17,300	\$17,900	\$18,400	\$18,900	\$19,500	\$20,100	\$20,700	\$21,300	\$22,000	\$22,600
53 71008 - Meal Allowance	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
54 71015 - Medicare Insurance	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
55 71189 - Personnel Transfer Charges	\$288,400	\$297,100	\$306,000	\$315,100	\$324,600	\$334,300	\$344,400	\$354,700	\$365,300	\$376,300

Schedule W-1 – Budgeted and Projected Water Utility Operating and Debt Expense (2 of 4)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
72 - Supplies & Services										
72201 - Postage	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
72202 - Telephone	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
72203 - Cellular phone charges	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72211 - Electricity	\$953,200	\$981,800	\$1,011,200	\$1,041,600	\$1,072,800	\$1,105,000	\$1,138,100	\$1,172,300	\$1,207,500	\$1,243,700
72213 - Water	\$7,200	\$7,400	\$7,600	\$7,900	\$8,100	\$8,400	\$8,600	\$8,900	\$9,100	\$9,400
72306 - Safety Equipment	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
72307 - Office Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72352 - Special Dept Materials	\$78,800	\$82,700	\$86,800	\$89,400	\$92,100	\$94,900	\$97,700	\$100,700	\$103,700	\$106,800
72355 - General Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72358 - Training and Education	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
72359 - Small Tools and Equipment	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
72450 - Misc. Professional Services	\$73,500	\$77,200	\$81,000	\$83,500	\$86,000	\$88,500	\$91,200	\$93,900	\$96,800	\$99,700
72499 - Misc Contract Services	\$75,600	\$79,400	\$83,300	\$85,800	\$88,400	\$91,100	\$93,800	\$96,600	\$99,500	\$102,500
72531 - Repairs to Machines & Equip	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
72822 - Taxes	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
72861 - Work for Others	\$114,300	\$120,000	\$126,000	\$129,800	\$133,700	\$137,700	\$141,800	\$146,100	\$150,500	\$155,000
72990 - Special Payments	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
78 - Capital Projects										
77030 - Machinery and equipment	\$41,200	\$42,400	\$43,700	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700	\$52,200	\$53,800
56052004 - Distribution Capacity										
71 - Salaries & Benefits										
71002 - Overtime	\$63,300	\$215,200	\$221,700	\$228,300	\$235,200	\$242,200	\$249,500	\$257,000	\$264,700	\$272,600
71008 - Meal Allowance	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
71015 - Medicare Insurance	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200
71189 - Personnel Transfer Charges	\$885,800	\$912,400	\$939,700	\$967,900	\$997,000	\$1,026,900	\$1,057,700	\$1,089,400	\$1,122,100	\$1,155,800
72 - Supplies & Services										
72201 - Postage	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72305 - Uniforms	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
72306 - Safety Equipment	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
72307 - Office Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72308 - Books & Periodicals	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72322 - Rental of Equipment	\$15,800	\$16,500	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,400
72352 - Special Dept Materials	\$262,500	\$275,600	\$289,400	\$298,100	\$307,000	\$316,200	\$325,700	\$335,500	\$345,600	\$355,900
72355 - General Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
72358 - Training and Education	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
72359 - Small Tools and Equipment	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
72450 - Misc. Professional Services	\$73,500	\$77,200	\$81,000	\$83,500	\$86,000	\$88,500	\$91,200	\$93,900	\$96,800	\$99,700
72499 - Misc Contract Services	\$15,800	\$16,500	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,400
72531 - Repairs to Machines & Equip	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
72990 - Special Payments	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400

Schedule W-1 – Budgeted and Projected Water Utility Operating and Debt Expense (3 of 4)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
97 56052005 - Surface Water Treatment Plant										
98 71 - Salaries & Benefits										
99 71001 - Regular Employee Salary	\$385,200	\$396,800	\$408,700	\$421,000	\$433,600	\$446,600	\$460,000	\$473,800	\$488,000	\$502,700
100 71002 - Overtime	\$83,300	\$85,800	\$88,400	\$91,000	\$93,700	\$96,600	\$99,400	\$102,400	\$105,500	\$108,700
101 71003 - Part-time Salary	\$21,900	\$22,600	\$23,300	\$24,000	\$24,700	\$25,400	\$26,200	\$27,000	\$27,800	\$28,600
102 71007 - Uniform Allowance	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100
103 71008 - Meal Allowance	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
104 71009 - Incentive Pay	\$5,300	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200
105 71010 - Admin Leave Pay	\$5,400	\$5,700	\$6,000	\$6,200	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,400
106 71011 - Workers Compensation	\$6,500	\$6,800	\$7,100	\$7,400	\$7,600	\$7,800	\$8,000	\$8,300	\$8,500	\$8,800
107 71012 - Medical Insurance	\$66,100	\$69,400	\$72,900	\$75,100	\$77,300	\$79,600	\$82,000	\$84,500	\$87,000	\$89,600
108 71013 - Dental Insurance	\$6,300	\$6,600	\$6,900	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100	\$8,300	\$8,500
109 71014 - Vision Insurance	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
110 71015 - Medicare Insurance	\$5,900	\$6,200	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,500	\$7,700	\$7,900
111 71021 - Service Contribution-PERS	\$17,500	\$18,400	\$19,300	\$19,900	\$20,500	\$21,100	\$21,700	\$22,400	\$23,100	\$23,700
112 71022 - Unfunded Acc Liability - PERS	\$80,400	\$84,400	\$88,600	\$91,300	\$94,000	\$96,800	\$99,700	\$102,700	\$105,800	\$109,000
113 71023 - Deferred Comp	\$11,800	\$12,400	\$13,000	\$13,400	\$13,800	\$14,200	\$14,600	\$15,100	\$15,500	\$16,000
114 71024 - LI & AD & D	\$1,500	\$1,500	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000
115 71025 - Unemployment Insurance	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800	\$2,900
116 71028 - LTD	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700
117 71029 - Chiropractic	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100
118 71031 - Other Benefits	\$18,600	\$19,600	\$20,500	\$21,200	\$21,800	\$22,400	\$23,100	\$23,800	\$24,500	\$25,300
119 71032 - Cell Stipend	\$1,900	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,600
120 71033 - Internet Stipend	\$300	\$300	\$300	\$400	\$400	\$400	\$400	\$400	\$400	\$400
121 71189 - Personnel Transfer Charges	\$309,000	\$318,300	\$327,800	\$337,700	\$347,800	\$358,200	\$369,000	\$380,000	\$391,400	\$403,200
122 72 - Supplies & Services										
123 72201 - Postage	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
124 72203 - Cellular phone charges	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
125 72211 - Electricity	\$486,300	\$500,900	\$515,900	\$531,400	\$547,300	\$563,800	\$580,700	\$598,100	\$616,000	\$634,500
126 72212 - Gas	\$12,900	\$13,300	\$13,700	\$14,100	\$14,500	\$14,900	\$15,400	\$15,800	\$16,300	\$16,800
127 72213 - Water	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
128 72301 - Printing/Binding/Duplication	\$6,800	\$7,200	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300
129 72302 - Photocopying	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100
130 72303 - Advertising	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
131 72305 - Uniforms	\$6,800	\$7,200	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300
132 72306 - Safety Equipment	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
133 72307 - Office Supplies	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
134 72308 - Books & Periodicals	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
135 72309 - Membership & Dues	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
136 72313 - Information Systems Software	\$15,800	\$16,500	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,400
137 72314 - Business Expense	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
138 72315 - Conference Expense	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
139 72321 - Rent of Land/Facilities	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
140 72323 - Transport of Materials	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
141 72352 - Special Dept Materials	\$199,500	\$209,500	\$219,900	\$226,500	\$233,300	\$240,300	\$247,600	\$255,000	\$262,600	\$270,500
142 72353 - Janitorial Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
143 72355 - General Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
144 72358 - Training and Education	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
145 72359 - Small Tools and Equipment	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
146 72362 - Laboratory Supplies	\$36,800	\$38,600	\$40,500	\$41,700	\$43,000	\$44,300	\$45,600	\$47,000	\$48,400	\$49,800
147 72373 - Employees Physical Exams	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
148 72450 - Misc. Professional Services	\$86,100	\$90,400	\$94,900	\$97,800	\$100,700	\$103,700	\$106,800	\$110,000	\$113,300	\$116,700
149 72499 - Misc Contract Services	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
150 72531 - Repairs to Machines & Equip	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
151 72533 - Repairs to Vehicles	\$3,500	\$3,700	\$3,900	\$4,000	\$4,100	\$4,300	\$4,400	\$4,500	\$4,600	\$4,800
152 72534 - Repairs to Buildings	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
153 72551 - Motor Vehicle Fuel & Lube	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100
154 72822 - Taxes	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
155 72990 - Special Payments	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500

Schedule W-1 – Budgeted and Projected Water Utility Operating and Debt Expense (4 of 4)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
156 74 - Insurances										
157 74070 - PL & PD/Other Insurance	\$25,200	\$26,000	\$26,700	\$27,600	\$28,400	\$29,200	\$30,100	\$31,000	\$31,900	\$32,900
158 78 - Capital Projects										
159 77030 - Machinery and equipment	\$41,200	\$42,400	\$43,700	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700	\$52,200	\$53,800
160 56052006 - Water Conservation Program										
161 71 - Salaries & Benefits										
162 71003 - Part-time Salary	\$54,800	\$56,400	\$58,100	\$59,900	\$61,700	\$63,500	\$65,400	\$67,400	\$69,400	\$71,500
163 71015 - Medicare Insurance	\$800	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100
164 71025 - Unemployment Insurance	\$300	\$300	\$300	\$400	\$400	\$400	\$400	\$400	\$400	\$400
165 72301 - Printing/Binding/Duplication	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
166 72303 - Advertising	\$31,500	\$33,100	\$34,700	\$35,800	\$36,800	\$37,900	\$39,100	\$40,300	\$41,500	\$42,700
167 72307 - Office Supplies	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
168 72308 - Books & Periodicals	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
169 72352 - Special Dept Materials	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
170 72358 - Training and Education	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
171 72359 - Small Tools and Equipment	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
172 72450 - Misc. Professional Services	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
173 56052008 - DBCP Monitoring Program										
174 71 - Salaries & Benefits										
175 71002 - Overtime	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100
176 71015 - Medicare Insurance	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$100	\$100	\$100
177 71189 - Personnel Transfer Charges	\$77,300	\$79,600	\$82,000	\$84,400	\$86,900	\$89,600	\$92,200	\$95,000	\$97,900	\$100,800
178 72 - Supplies & Services										
179 72202 - Telephone	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$600	\$600
180 72352 - Special Dept Materials	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
181 72359 - Small Tools and Equipment	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
182 72450 - Misc. Professional Services	\$18,900	\$19,800	\$20,800	\$21,500	\$22,100	\$22,800	\$23,500	\$24,200	\$24,900	\$25,600
183 72531 - Repairs to Machines & Equip	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
184 56052009 - 123TCP										
185 71002 - Overtime	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100
186 71015 - Medicare Insurance	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$100	\$100	\$100
187 71189 - Personnel Transfer Charges	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
188 72 - Supplies & Services										
189 72202 - Telephone	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$600	\$600
190 72352 - Special Dept Materials	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
191 72359 - Small Tools and Equipment	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
192 72450 - Misc. Professional Services	\$7,900	\$8,300	\$8,700	\$8,900	\$9,200	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700
193 72531 - Repairs to Machines & Equip	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
194 Existing Debt Service	\$1,926,000	\$1,926,000	\$1,924,000	\$1,921,000	\$1,921,000	\$1,919,000	\$1,915,000	\$1,910,000	\$1,908,000	\$1,909,000
195 Total Operating Expenses	\$11,973,300	\$12,467,900	\$12,829,000	\$13,118,700	\$13,417,000	\$13,725,500	\$14,040,400	\$14,363,400	\$14,699,800	\$15,048,900

Schedule W-2 – Water Utility Capital Spending Plan

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
Water Capital Outlay 561										
1 Water Meter/Main Install. Project	\$1,500,000									
2 Water Taps/Mains	\$125,000	\$325,000	\$325,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000
3 Water Meter Replacement Program (1% per yr.)	\$75,000	\$75,000	\$75,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
4 GAC Replacement	\$300,000	\$400,000	\$425,000	\$450,000	\$475,000	\$500,000	\$525,000	\$550,000	\$600,000	\$650,000
5 SWTF PS Generator			\$1,000,000							
6 SWTF Membrane Replacement		\$1,500,000								
7 SWTF Transmission Line Expansion Design/Constr.					\$2,000,000					
8 SWTF Capacity Expansion							\$25,000,000			
9 Well Site Generators				\$200,000		\$200,000		\$200,000		\$200,000
10 Water Well Rehab	\$400,000	\$650,000	\$650,000	\$675,000	\$700,000	\$725,000	\$750,000	\$775,000	\$800,000	\$825,000
11 Vehicles/Equipment	\$60,000	\$250,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
12 Project Planning/Misc.	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Water IMF 562										
13 Southwest Gateway Water Tank		\$4,000,000								
14 Total Capital Spending (FY2022 dollars)	\$2,570,000	\$7,250,000	\$2,625,000	\$2,200,000	\$4,250,000	\$2,300,000	\$27,150,000	\$2,400,000	\$2,275,000	\$2,550,000

Schedule W-3 – Water Utility Cash Flow Pro Forma (1 of 2)

Fund 560 - Water Operating Fund

	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033
1 Rate Revenue Increase:	3.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate Revenue										
2 Rate Revenue	\$13,823,000	\$14,283,000	\$14,854,000	\$15,449,000	\$16,067,000	\$16,710,000	\$17,211,000	\$17,727,000	\$18,258,000	\$18,989,000
3 Change due to growth & use	\$46,000	\$143,000	\$149,000	\$154,000	\$161,000	\$167,000	\$172,000	\$177,000	\$183,000	\$190,000
4 Increase due to rate adjustments	\$207,000	\$214,000	\$223,000	\$232,000	\$241,000	\$167,000	\$172,000	\$177,000	\$183,000	\$190,000
Non-Rate Revenues										
5 Interest Earnings	\$79,000	\$88,000	\$98,000	\$114,000	\$135,000	\$141,000	\$156,000	\$71,000	\$95,000	\$86,000
5 Operating Revenue	\$312,900	\$315,829	\$318,787	\$321,775	\$324,793	\$327,841	\$330,919	\$334,028	\$337,169	\$340,340
6 Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Total Revenue	\$14,467,900	\$15,043,829	\$15,642,787	\$16,270,775	\$16,928,793	\$17,512,841	\$18,041,919	\$18,486,028	\$19,056,169	\$19,795,340
O&M Costs										
8 Salaries	\$3,304,000	\$3,553,000	\$3,660,000	\$3,769,000	\$3,883,000	\$3,999,000	\$4,119,000	\$4,243,000	\$4,370,000	\$4,501,000
9 Benefits	\$240,000	\$252,000	\$265,000	\$273,000	\$281,000	\$290,000	\$298,000	\$307,000	\$316,000	\$326,000
10 Supplies & Services	\$2,103,000	\$2,207,000	\$2,317,000	\$2,386,000	\$2,458,000	\$2,532,000	\$2,608,000	\$2,686,000	\$2,766,000	\$2,849,000
11 Utilities	\$1,462,000	\$1,506,000	\$1,551,000	\$1,598,000	\$1,646,000	\$1,695,000	\$1,746,000	\$1,798,000	\$1,852,000	\$1,908,000
12 Water Purchases	\$1,649,000	\$1,731,000	\$1,818,000	\$1,873,000	\$1,929,000	\$1,987,000	\$2,046,000	\$2,108,000	\$2,171,000	\$2,236,000
13 Cost Allocation Plan	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000
14 Increase in SWTF Operating Costs									\$3,545,000	\$3,652,000
15 Total Operating Expenses	\$10,045,000	\$10,539,000	\$10,905,000	\$11,196,000	\$11,498,000	\$11,807,000	\$12,125,000	\$12,454,000	\$16,336,000	\$16,792,000
Debt and Transfers										
16 Existing Debt Service	\$1,926,000	\$1,926,000	\$1,924,000	\$1,921,000	\$1,921,000	\$1,919,000	\$1,915,000	\$1,910,000	\$1,908,000	\$1,909,000
17 Transfer Out to Capital Fund	\$2,566,000	\$2,525,000	\$1,962,000	\$1,581,000	\$3,960,000	\$1,843,000	\$16,670,000	\$2,129,000	\$2,059,000	\$2,508,000
18 Transfer In from Fund 562	\$1,284,000	\$1,284,000	\$1,283,000	\$1,281,000	\$1,281,000	\$0	\$1,277,000	\$1,273,000	\$0	\$1,273,000
19 Total Revenue Requirement	\$13,253,000	\$13,706,000	\$13,508,000	\$13,417,000	\$16,098,000	\$15,569,000	\$29,433,000	\$15,220,000	\$20,303,000	\$19,936,000
20 Beginning Year Balance	\$10,574,000	\$11,788,900	\$13,126,729	\$15,261,516	\$18,115,291	\$18,946,084	\$20,889,925	\$9,498,844	\$12,764,873	\$11,518,042
21 Surplus/(Shortfall)	\$1,214,900	\$1,337,829	\$2,134,787	\$2,853,775	\$830,793	\$1,943,841	(\$11,391,081)	\$3,266,028	(\$1,246,831)	(\$140,660)
22 End of Year Balance	\$11,788,900	\$13,126,729	\$15,261,516	\$18,115,291	\$18,946,084	\$20,889,925	\$9,498,844	\$12,764,873	\$11,518,042	\$11,377,382
23 <i>Reserve Target</i>	\$5,986,000	\$6,233,000	\$6,415,000	\$6,559,000	\$6,710,000	\$6,863,000	\$7,020,000	\$7,182,000	\$9,122,000	\$9,351,000
24 <i>Available Cash</i>	\$5,802,900	\$6,893,729	\$8,846,516	\$11,556,291	\$12,236,084	\$14,026,925	\$2,478,844	\$5,582,873	\$2,396,042	\$2,026,382
Debt Coverage Calculations										
25 Revenue Available for Debt Service	\$4,534,900	\$4,619,829	\$4,856,787	\$5,196,775	\$5,556,793	\$5,834,841	\$6,049,919	\$6,169,028	\$2,861,169	\$3,144,340
26 <i>Total Yearly Parity Debt Payment</i>	<i>\$1,926,000</i>	<i>\$1,926,000</i>	<i>\$1,924,000</i>	<i>\$1,921,000</i>	<i>\$1,921,000</i>	<i>\$1,919,000</i>	<i>\$1,915,000</i>	<i>\$1,910,000</i>	<i>\$1,908,000</i>	<i>\$1,909,000</i>
27 Debt Coverage Ratio (without Impact Fees)	2.35	2.40	2.52	2.71	2.89	3.04	3.16	3.23	1.50	1.65

Schedule W-3 – Water Utility Cash Flow Pro Forma (2 of 2)

Fund 561 - Water Capital Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
28 Beginning Balance	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Revenues										
29 Transfer in from Operating Fund	\$2,566,000	\$2,525,000	\$1,962,000	\$1,581,000	\$3,960,000	\$1,843,000	\$16,670,000	\$2,129,000	\$2,059,000	\$2,508,000
30 Interest Earnings	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$0
31 Total Revenues	2,570,000	2,529,000	1,966,000	1,585,000	3,964,000	1,847,000	16,674,000	2,133,000	2,063,000	2,508,000
Expenditures										
32 Rate-Funded Capital Spending	2,570,000	2,529,000	1,966,000	1,585,000	3,964,000	1,847,000	16,674,000	2,133,000	2,063,000	2,508,000
33 Surplus/(Shortfall)	-	-	-	-	-	-	-	-	-	-
34 Reserve Ending Balance	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000

Fund 562 - Water Impact Migration Fee Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
35 Beginning Balance	\$6,489,000	\$6,072,000	\$1,532,000	\$1,079,000	\$625,000	\$168,000	\$988,000	\$537,000	\$87,000	\$907,000
Revenues										
36 IMF Revenue	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000
37 Interest Earnings	\$48,000	\$45,000	\$11,000	\$8,000	\$5,000	\$1,000	\$7,000	\$4,000	\$1,000	\$7,000
38 Total Revenues	867,000	864,000	830,000	827,000	824,000	820,000	826,000	823,000	820,000	826,000
Expenditures										
39 Impact Fee Funded Projects	\$0	\$4,120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Transfers to Fund 560	\$1,284,000	\$1,284,000	\$1,283,000	\$1,281,000	\$1,281,000	\$0	\$1,277,000	\$1,273,000	\$0	\$1,273,000
40 Total Expenses	1,284,000	5,404,000	1,283,000	1,281,000	1,281,000	-	1,277,000	1,273,000	-	1,273,000
41 Surplus/(Shortfall)	(417,000)	(4,540,000)	(453,000)	(454,000)	(457,000)	820,000	(451,000)	(450,000)	820,000	(447,000)
42 Impact Mitigation Fund Ending Balance	\$6,072,000	\$1,532,000	\$1,079,000	\$625,000	\$168,000	\$988,000	\$537,000	\$87,000	\$907,000	\$460,000

Schedule W-4 – Five-Year Schedule of Water Rates*

Calendar Year:	2024	2025	2026	2027	2028
Monthly Flat Water Rates (Unmetered)					
Single Family Residential					
1 bedroom	\$34.51	\$36.23	\$38.04	\$39.94	\$41.94
2 bedroom	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
3 bedroom	\$49.66	\$52.14	\$54.75	\$57.49	\$60.36
4 bedroom	\$59.67	\$62.65	\$65.78	\$69.07	\$72.52
5 bedroom	\$71.55	\$75.13	\$78.89	\$82.83	\$86.97
6 bedroom	\$85.89	\$90.19	\$94.70	\$99.44	\$104.41
7 bedroom	\$102.98	\$108.13	\$113.54	\$119.22	\$125.18
Multi-Family Units					
1 bedroom	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
2 bedroom	\$35.52	\$37.30	\$39.17	\$41.13	\$43.19
3 bedroom	\$42.64	\$44.77	\$47.01	\$49.36	\$51.83
Mobile Home (per unit)	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
Non-Residential (per ESFU)	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
Monthly Service Charges (Metered)					
Up to 3/4" meter	\$22.99	\$24.14	\$25.35	\$26.62	\$27.95
1" meter	\$36.45	\$38.27	\$40.18	\$42.19	\$44.30
1 1/2" meter	\$67.22	\$70.58	\$74.11	\$77.82	\$81.71
2" meter	\$105.68	\$110.96	\$116.51	\$122.34	\$128.46
3" meter	\$209.52	\$220.00	\$231.00	\$242.55	\$254.68
4" meter	\$324.90	\$341.15	\$358.21	\$376.12	\$394.93
6" meter	\$644.12	\$676.33	\$710.15	\$745.66	\$782.94
8" meter	\$1,028.72	\$1,080.16	\$1,134.17	\$1,190.88	\$1,250.42
10" meter	\$1,542.16	\$1,619.27	\$1,700.23	\$1,785.24	\$1,874.50
Water Usage Rates (Metered) -- \$/CCF					
Single Family Residential					
Tier 1 (0-11 CCF)	\$1.00	\$1.05	\$1.10	\$1.16	\$1.22
Tier 2 (11-30 CCF)	\$1.40	\$1.47	\$1.54	\$1.62	\$1.70
Tier 3 (> 30 CCF)	\$1.72	\$1.81	\$1.90	\$2.00	\$2.10
Multifamily & Non-Residential					
All water usage	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49

* Assumes 5 percent increases starting in CY 2025

Schedule WW-1 –Budgeted and Projected Wastewater Utility Operating and Debt Expense (1 of

5)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
53053001 - PW Wastewater Administration										
<u>71 - Salaries & Benefits</u>										
1 71002 - Overtime	\$44,100	\$45,400	\$46,800	\$48,200	\$49,600	\$51,100	\$52,600	\$54,200	\$55,800	\$57,500
2 71015 - Medicare Insurance	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$800	\$900	\$900
3 71189 - Personnel Transfer Charges	\$1,030,000	\$1,060,900	\$1,092,700	\$1,125,500	\$1,159,300	\$1,194,100	\$1,229,900	\$1,266,800	\$1,304,800	\$1,343,900
<u>72 - Supplies & Services</u>										
4 72201 - Postage	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
5 72203 - Cellular phone charges	\$12,600	\$13,200	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100	\$16,600	\$17,100
6 72301 - Printing/Binding/Duplication	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
7 72302 - Photocopying	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
8 72303 - Advertising	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
9 72305 - Uniforms	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
10 72306 - Safety Equipment	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
11 72307 - Office Supplies	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
12 72308 - Books & Periodicals	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
13 72309 - Membership & Dues	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
14 72310 - Uncollectible Acct Expense	\$52,500	\$55,100	\$57,900	\$59,600	\$61,400	\$63,200	\$65,100	\$67,100	\$69,100	\$71,200
15 72311 - Collection Agency Fees	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
16 72312 - Bank Service Charges	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
17 72313 - Information Systems Software	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
18 72314 - Business Expense	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
19 72315 - Conference Expense	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
20 72352 - Special Dept Materials	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
21 72353 - Janitorial Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
22 72355 - General Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
23 72358 - Training and Education	\$6,300	\$6,600	\$6,900	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100	\$8,300	\$8,500
24 72359 - Small Tools and Equipment	\$8,400	\$8,800	\$9,300	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700	\$11,100	\$11,400
25 72369 - Software Licensing Cost	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
26 72376 - Tuition Reimbursement	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$600
27 72450 - Misc. Professional Services	\$36,800	\$38,600	\$40,500	\$41,700	\$43,000	\$44,300	\$45,600	\$47,000	\$48,400	\$49,800
28 72499 - Misc Contract Services	\$26,300	\$27,600	\$28,900	\$29,800	\$30,700	\$31,600	\$32,600	\$33,600	\$34,600	\$35,600
29 72531 - Repairs to Machines & Equip	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
30 72533 - Repairs to Vehicles	\$168,600	\$177,000	\$185,800	\$191,400	\$197,200	\$203,100	\$209,200	\$215,400	\$221,900	\$228,600
31 72534 - Repairs to Buildings	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
32 72536 - Car Wash	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$600	\$600
33 72551 - Motor Vehicle Fuel & Lube	\$61,000	\$64,100	\$67,300	\$69,300	\$71,400	\$73,500	\$75,700	\$78,000	\$80,300	\$82,700
34 72823 - Refunds/Rebates	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
35 72990 - Special Payments	\$68,300	\$71,700	\$75,200	\$77,500	\$79,800	\$82,200	\$84,700	\$87,200	\$89,800	\$92,500
36 75099 - Misc Debt Service Charges	\$17,500	\$18,000	\$18,600	\$19,100	\$19,700	\$20,300	\$20,900	\$21,500	\$22,200	\$22,800
<u>77 - Operating Transfer O</u>										
37 76220 - Operating Transfer Out	\$1,263,900	\$1,301,800	\$1,340,900	\$1,381,100	\$1,422,500	\$1,465,200	\$1,509,200	\$1,554,500	\$1,601,100	\$1,649,100
38 77030 - Machinery and equipment	\$30,900	\$31,800	\$32,800	\$33,800	\$34,800	\$35,800	\$36,900	\$38,000	\$39,100	\$40,300

Schedule WW-1 –Budgeted and Projected Wastewater Utility Operating and Debt Expense (2 of

5)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
53053003 - Plant Maintenance										
<u>71 - Salaries & Benefits</u>										
39 71001 - Regular Employee Salary	\$1,010,500	\$1,040,800	\$1,072,000	\$1,104,200	\$1,137,300	\$1,171,400	\$1,206,600	\$1,242,800	\$1,280,000	\$1,318,400
40 71002 - Overtime	\$180,400	\$185,800	\$191,400	\$197,100	\$203,000	\$209,100	\$215,400	\$221,900	\$228,500	\$235,400
41 71003 - Part-time Salary	\$56,200	\$57,900	\$59,700	\$61,500	\$63,300	\$65,200	\$67,200	\$69,200	\$71,200	\$73,400
42 71007 - Uniform Allowance	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700
43 71008 - Meal Allowance	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
44 71009 - Incentive Pay	\$16,200	\$17,000	\$17,900	\$18,400	\$18,900	\$19,500	\$20,100	\$20,700	\$21,300	\$22,000
45 71010 - Admin Leave Pay	\$5,400	\$5,700	\$6,000	\$6,200	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,400
46 71011 - Workers Compensation	\$19,400	\$20,400	\$21,400	\$22,100	\$22,700	\$23,400	\$24,100	\$24,900	\$25,600	\$26,400
47 71012 - Medical Insurance	\$205,300	\$215,600	\$226,400	\$233,200	\$240,200	\$247,400	\$254,800	\$262,400	\$270,300	\$278,400
48 71013 - Dental Insurance	\$18,900	\$19,800	\$20,800	\$21,500	\$22,100	\$22,800	\$23,500	\$24,200	\$24,900	\$25,600
49 71014 - Vision Insurance	\$2,900	\$3,000	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900
50 71015 - Medicare Insurance	\$15,300	\$16,100	\$16,900	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700
51 71021 - Service Contribution-PERS	\$39,200	\$41,100	\$43,200	\$44,500	\$45,800	\$47,200	\$48,600	\$50,100	\$51,600	\$53,100
52 71022 - Unfunded Acc Liability - PERS	\$211,400	\$222,000	\$233,100	\$240,100	\$247,300	\$254,700	\$262,400	\$270,200	\$278,300	\$286,700
53 71023 - Deferred Comp	\$20,900	\$21,900	\$23,000	\$23,700	\$24,400	\$25,100	\$25,900	\$26,700	\$27,500	\$28,300
54 71024 - LI & AD & D	\$2,400	\$2,600	\$2,700	\$2,800	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300
55 71025 - Unemployment Insurance	\$5,700	\$6,000	\$6,300	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,500	\$7,700
56 71028 - LTD	\$7,200	\$7,600	\$8,000	\$8,200	\$8,400	\$8,700	\$9,000	\$9,200	\$9,500	\$9,800
57 71029 - Chiropractic	\$2,500	\$2,600	\$2,800	\$2,900	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
58 71031 - Other Benefits	\$55,900	\$58,700	\$61,600	\$63,500	\$65,400	\$67,300	\$69,300	\$71,400	\$73,600	\$75,800
59 71032 - Cell Stipend	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
60 71189 - Personnel Transfer Charges	\$695,300	\$716,100	\$737,600	\$759,700	\$782,500	\$806,000	\$830,200	\$855,100	\$880,700	\$907,100
<u>72 - Supplies & Services</u>										
61 72201 - Postage	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
62 72202 - Telephone	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
63 72203 - Cellular phone charges	\$6,800	\$7,200	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300
64 72211 - Electricity	\$953,200	\$981,800	\$1,011,200	\$1,041,600	\$1,072,800	\$1,105,000	\$1,138,100	\$1,172,300	\$1,207,500	\$1,243,700
65 72212 - Gas	\$20,600	\$21,200	\$21,900	\$22,500	\$23,200	\$23,900	\$24,600	\$25,300	\$26,100	\$26,900
66 72215 - Refuse	\$30,900	\$31,800	\$32,800	\$33,800	\$34,800	\$35,800	\$36,900	\$38,000	\$39,100	\$40,300
67 72301 - Printing/Binding/Duplication	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
68 72303 - Advertising	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$700	\$800	\$800
69 72305 - Uniforms	\$15,800	\$16,500	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,400
70 72306 - Safety Equipment	\$47,300	\$49,600	\$52,100	\$53,700	\$55,300	\$56,900	\$58,600	\$60,400	\$62,200	\$64,100
71 72307 - Office Supplies	\$11,600	\$12,100	\$12,700	\$13,100	\$13,500	\$13,900	\$14,300	\$14,800	\$15,200	\$15,700
72 72309 - Membership & Dues	\$5,800	\$6,100	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800
73 72313 - Information Systems Software	\$3,700	\$3,900	\$4,100	\$4,200	\$4,300	\$4,400	\$4,600	\$4,700	\$4,800	\$5,000
74 72314 - Business Expense	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
75 72315 - Conference Expense	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
76 72322 - Rental of Equipment	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900

Schedule WW-1 – Budgeted and Projected Wastewater Utility Operating and Debt Expense (3 of 5)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
77 72352 - Special Dept Materials	\$603,800	\$633,900	\$665,600	\$685,600	\$706,200	\$727,400	\$749,200	\$771,700	\$794,800	\$818,600
78 72353 - Janitorial Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
79 72355 - General Supplies	\$31,500	\$33,100	\$34,700	\$35,800	\$36,800	\$37,900	\$39,100	\$40,300	\$41,500	\$42,700
80 72356 - Medical Supplies	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
81 72358 - Training and Education	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
82 72359 - Small Tools and Equipment	\$31,500	\$33,100	\$34,700	\$35,800	\$36,800	\$37,900	\$39,100	\$40,300	\$41,500	\$42,700
83 72362 - Laboratory Supplies	\$47,300	\$49,600	\$52,100	\$53,700	\$55,300	\$56,900	\$58,600	\$60,400	\$62,200	\$64,100
72369 - Software Licensing Cost	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
84 72450 - Misc. Professional Services	\$540,800	\$567,800	\$596,200	\$614,100	\$632,500	\$651,500	\$671,000	\$691,100	\$711,900	\$733,200
85 72499 - Misc Contract Services	\$38,900	\$40,800	\$42,800	\$44,100	\$45,400	\$46,800	\$48,200	\$49,700	\$51,100	\$52,700
86 72531 - Repairs to Machines & Equip	\$183,800	\$192,900	\$202,600	\$208,700	\$214,900	\$221,400	\$228,000	\$234,900	\$241,900	\$249,200
87 72532 - Repairs to Office Equip	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
88 72534 - Repairs to Buildings	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
89 72822 - Taxes	\$16,900	\$17,800	\$18,600	\$19,200	\$19,800	\$20,400	\$21,000	\$21,600	\$22,300	\$22,900
90 72990 - Special Payments	\$189,000	\$198,500	\$208,400	\$214,600	\$221,100	\$227,700	\$234,500	\$241,600	\$248,800	\$256,300
<u>74 - Insurances</u>										
91 74070 - PL & PD/Other Insurance	\$75,600	\$77,900	\$80,200	\$82,700	\$85,100	\$87,700	\$90,300	\$93,000	\$95,800	\$98,700
<u>78 - Capital Projects</u>										
92 77030 - Machinery and equipment	\$206,000	\$212,200	\$218,500	\$225,100	\$231,900	\$238,800	\$246,000	\$253,400	\$261,000	\$268,800
53053004 - Sanitary System Maintenance										
<u>71 - Salaries & Benefits</u>										
93 71002 - Overtime	\$42,900	\$194,200	\$200,000	\$206,000	\$212,200	\$218,600	\$225,200	\$231,900	\$238,900	\$246,000
94 71003 - Part-time Salary	\$28,100	\$29,000	\$29,800	\$30,700	\$31,600	\$32,600	\$33,600	\$34,600	\$35,600	\$36,700
95 71012 - Medical Insurance	\$700	\$800	\$800	\$800	\$800	\$900	\$900	\$900	\$1,000	\$1,000
96 71015 - Medicare Insurance	\$900	\$900	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200
97 71189 - Personnel Transfer Charges	\$772,500	\$795,700	\$819,500	\$844,100	\$869,500	\$895,500	\$922,400	\$950,100	\$978,600	\$1,007,900
<u>72 - Supplies & Services</u>										
98 72211 - Electricity	\$23,600	\$24,300	\$25,000	\$25,800	\$26,500	\$27,300	\$28,200	\$29,000	\$29,900	\$30,800
99 72212 - Gas	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
100 72213 - Water	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
101 72305 - Uniforms	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
102 72306 - Safety Equipment	\$7,400	\$7,700	\$8,100	\$8,300	\$8,600	\$8,900	\$9,100	\$9,400	\$9,700	\$10,000
103 72307 - Office Supplies	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
104 72309 - Membership & Dues	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
105 72313 - Information Systems Software	\$1,900	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,600
106 72314 - Business Expense	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
107 72315 - Conference Expense	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
108 72352 - Special Dept Materials	\$63,000	\$66,200	\$69,500	\$71,500	\$73,700	\$75,900	\$78,200	\$80,500	\$82,900	\$85,400
109 72355 - General Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
110 72358 - Training and Education	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
111 72359 - Small Tools and Equipment	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
112 72499 - Misc Contract Services	\$47,300	\$49,600	\$52,100	\$53,700	\$55,300	\$56,900	\$58,600	\$60,400	\$62,200	\$64,100
113 72531 - Repairs to Machines & Equip	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
114 72990 - Special Payments	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100
<u>78 - Capital Projects</u>										
115 77030 - Machinery and equipment	\$20,600	\$21,200	\$21,900	\$22,500	\$23,200	\$23,900	\$24,600	\$25,300	\$26,100	\$26,900

Schedule WW-1 – Budgeted and Projected Wastewater Utility Operating and Debt Expense (4 of 5)

City of Lodi
2023 Water and Wastewater Rate Study

Schedules

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
53053005 - Drain Maintenance										
71 - Salaries & Benefits										
116 71002 - Overtime	\$31,700	\$32,600	\$33,600	\$34,600	\$35,600	\$36,700	\$37,800	\$38,900	\$40,100	\$41,300
117 71015 - Medicare Insurance	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$600
118 71189 - Personnel Transfer Charges	\$309,000	\$318,300	\$327,800	\$337,700	\$347,800	\$358,200	\$369,000	\$380,000	\$391,400	\$403,200
119 72211 - Electricity	\$45,800	\$47,200	\$48,600	\$50,000	\$51,500	\$53,100	\$54,700	\$56,300	\$58,000	\$59,700
120 72213 - Water	\$1,900	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400
121 72303 - Advertising	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
122 72305 - Uniforms	\$400	\$400	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500
123 72306 - Safety Equipment	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
124 72307 - Office Supplies	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
125 72308 - Books & Periodicals	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
126 72309 - Membership & Dues	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
127 72313 - Information Systems Software	\$6,800	\$7,200	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300
128 72314 - Business Expense	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
129 72315 - Conference Expense	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
130 72322 - Rental of Equipment	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
131 72352 - Special Dept Materials	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
132 72355 - General Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
133 72358 - Training and Education	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
134 72359 - Small Tools and Equipment	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
135 72450 - Misc. Professional Services	\$152,000	\$159,600	\$167,600	\$172,700	\$177,800	\$183,200	\$188,700	\$194,300	\$200,200	\$206,200
136 72499 - Misc Contract Services	\$43,600	\$45,800	\$48,000	\$49,500	\$51,000	\$52,500	\$54,100	\$55,700	\$57,400	\$59,100
137 72531 - Repairs to Machines & Equip	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
138 72533 - Repairs to Vehicles	\$158,300	\$166,200	\$174,600	\$179,800	\$185,200	\$190,700	\$196,500	\$202,400	\$208,400	\$214,700
139 72536 - Car Wash	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
140 72551 - Motor Vehicle Fuel & Lube	\$25,900	\$27,100	\$28,500	\$29,400	\$30,200	\$31,100	\$32,100	\$33,000	\$34,000	\$35,100
141 72861 - Work for Others	\$29,800	\$31,300	\$32,900	\$33,900	\$34,900	\$35,900	\$37,000	\$38,100	\$39,200	\$40,400
142 72990 - Special Payments	\$204,800	\$215,000	\$225,700	\$232,500	\$239,500	\$246,700	\$254,100	\$261,700	\$269,500	\$277,600
143 77030 - Machinery and equipment	\$41,200	\$42,400	\$43,700	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700	\$52,200	\$53,800
144 71002 - Overtime	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
146 71189 - Personnel Transfer Charges	\$10,300	\$10,600	\$10,900	\$11,300	\$11,600	\$11,900	\$12,300	\$12,700	\$13,000	\$13,400
147 72202 - Telephone	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
148 72211 - Electricity	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600
149 72352 - Special Dept Materials	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
150 72531 - Repairs to Machines & Equip	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
151 71001 - Regular Employee Salary	\$3,340,700	\$3,441,000	\$3,544,200	\$3,650,500	\$3,760,000	\$3,872,800	\$3,989,000	\$4,108,700	\$4,231,900	\$4,358,900
152 71007 - Uniform Allowance	\$8,700	\$9,100	\$9,600	\$9,800	\$10,100	\$10,400	\$10,700	\$11,100	\$11,400	\$11,700
153 71009 - Incentive Pay	\$93,200	\$97,900	\$102,800	\$105,900	\$109,000	\$112,300	\$115,700	\$119,100	\$122,700	\$126,400
154 71010 - Admin Leave Pay	\$16,800	\$17,700	\$18,600	\$19,100	\$19,700	\$20,300	\$20,900	\$21,500	\$22,200	\$22,800
155 71011 - Workers Compensation	\$68,100	\$71,500	\$75,000	\$77,300	\$79,600	\$82,000	\$84,400	\$87,000	\$89,600	\$92,300
156 71012 - Medical Insurance	\$683,800	\$718,000	\$753,900	\$776,600	\$799,900	\$823,800	\$848,600	\$874,000	\$900,200	\$927,200
157 71013 - Dental Insurance	\$69,300	\$72,800	\$76,400	\$78,700	\$81,100	\$83,500	\$86,000	\$88,600	\$91,200	\$94,000
158 71014 - Vision Insurance	\$10,600	\$11,200	\$11,700	\$12,100	\$12,400	\$12,800	\$13,200	\$13,600	\$14,000	\$14,400
159 71015 - Medicare Insurance	\$51,100	\$53,700	\$56,300	\$58,000	\$59,800	\$61,600	\$63,400	\$65,300	\$67,300	\$69,300
160 71021 - Service Contribution-PERS	\$158,500	\$166,400	\$174,700	\$180,000	\$185,400	\$190,900	\$196,600	\$202,500	\$208,600	\$214,900
161 71022 - Unfunded Acc Liability - PERS	\$674,400	\$708,100	\$743,500	\$765,800	\$788,800	\$812,400	\$836,800	\$861,900	\$887,700	\$914,400
162 71023 - Deferred Comp	\$71,500	\$75,100	\$78,900	\$81,200	\$83,700	\$86,200	\$88,800	\$91,400	\$94,200	\$97,000
163 71024 - LI & AD & D	\$12,700	\$13,300	\$14,000	\$14,400	\$14,900	\$15,300	\$15,800	\$16,200	\$16,700	\$17,200

Schedule WW-1 – Budgeted and Projected Wastewater Utility Operating and Debt Expense (5 of 5)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
164 71025 - Unemployment Insurance	\$18,700	\$19,700	\$20,700	\$21,300	\$21,900	\$22,600	\$23,200	\$23,900	\$24,700	\$25,400
165 71028 - LTD	\$23,800	\$25,000	\$26,300	\$27,100	\$27,900	\$28,700	\$29,600	\$30,500	\$31,400	\$32,300
166 71029 - Chiropractic	\$9,200	\$9,700	\$10,200	\$10,500	\$10,800	\$11,100	\$11,500	\$11,800	\$12,200	\$12,500
167 71031 - Other Benefits	\$195,600	\$205,400	\$215,600	\$222,100	\$228,800	\$235,600	\$242,700	\$250,000	\$257,500	\$265,200
168 71032 - Cell Stipend	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
169 71033 - Internet Stipend	\$900	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300
171 74070 - PL & PD/Other Insurance	\$264,800	\$272,700	\$280,900	\$289,300	\$298,000	\$306,900	\$316,100	\$325,600	\$335,400	\$345,400
172 71002 - Overtime	\$600	\$700	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$800
173 72201 - Postage	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300
174 72301 - Printing/Binding/Duplication	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
175 72303 - Advertising	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
176 72307 - Office Supplies	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
177 72314 - Business Expense	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
178 72315 - Conference Expense	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
179 72352 - Special Dept Materials	\$8,800	\$9,000	\$9,300	\$9,600	\$9,900	\$10,100	\$10,500	\$10,800	\$11,100	\$11,400
180 72355 - General Supplies	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
181 72359 - Small Tools and Equipment	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000
182 72399 - Supplies & Services NOC	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
183 72450 - Misc. Professional Services	\$13,900	\$14,300	\$14,800	\$15,200	\$15,700	\$16,100	\$16,600	\$17,100	\$17,600	\$18,100
184 72990 - Special Payments	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100
185 Existing Debt Service	3,325,000	1,629,000	3,190,000	3,194,000	2,071,000	2,625,000	2,636,000	2,215,000	2,216,000	2,220,000
186 Total Operating Expenses	\$14,371,400	\$13,277,500	\$15,315,300	\$15,683,900	\$14,933,600	\$15,873,500	\$16,283,400	\$16,270,500	\$16,693,500	\$17,131,400

Schedule WW-2 – Wastewater Utility Capital Spending Plan

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
Wastewater Capital Outlay 531										
1 Project Planning/Misc	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
2 MUS PW Building Roof	\$85,000									
3 Misc. System Relocations/Taps	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
4 Wastewater Main Replac./Lining Proj.	\$1,000,000	\$1,000,000		\$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000
5 Storm Drain Trash Handling	\$350,000	\$350,000	\$350,000		\$750,000	\$750,000	\$750,000			
6 Lodi Lake Storm Pump Station & Trash Handling				\$2,000,000						
7 Storm Water Pump Rehab				\$750,000	\$200,000	\$200,000	\$200,000			
8 Storm Drain System Improvements		\$400,000	\$400,000	\$400,000						
9 Beckman Trash Handling					\$750,000					
10 Vehicles /Equipment	\$480,000	\$300,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Wastewater Plant										
11 Irrigation Improvements		\$750,000		\$1,000,000						
12 Security Fencing, Cameras, Solar	\$300,000									
13 Digester #3 Mixing Imprv	\$1,000,000									
14 Outfall Rehab		\$750,000								
15 Electrical Upgrades/SCADA Construction	\$8,000,000	\$4,000,000								
16 Dredge Pond 1 and EQ Pond 1	\$300,000									
17 Cloth Filter Media Replacement	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
18 Primary Chain Flights	\$40,000		\$60,000		\$40,000		\$40,000		\$40,000	
19 UV Design/Replacement			\$450,000	\$2,000,000	\$2,000,000					
20 Primary WW Treatment Rehab			\$500,000	\$500,000	\$500,000					
21 DWP-H2 Replacement		\$15,000								
22 Pump/Equipment Upgrades	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
23 Unspecified Treatment Plant Rehab					\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
24 Tertiary Upgrades								\$250,000	\$1,500,000	\$2,000,000
25 Secondary Upgrades							\$400,000	\$2,000,000	\$2,000,000	
26 WWTP Water Source Replacement										\$1,000,000
27 Total Capital Spending (FY2022 dollars)	\$11,935,000	\$10,370,000	\$2,240,000	\$8,130,000	\$6,720,000	\$4,430,000	\$4,870,000	\$4,730,000	\$6,020,000	\$5,480,000

Schedule WW-3 – Wastewater Utility Cash Flow Pro Forma (1 of 2)

Fund 530 - Sewer Operating Fund

	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033
1 Rate Revenue Increase:	4.00%	4.00%	4.00%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate Revenue										
2 Service Charge Revenue	\$17,284,090	\$17,342,090	\$18,209,000	\$19,119,000	\$20,075,000	\$20,678,000	\$21,299,000	\$21,938,000	\$22,596,000	\$23,274,000
3 Change due to growth & use	\$58,000	\$173,000	\$182,000	\$191,000	\$201,000	\$207,000	\$213,000	\$219,000	\$226,000	\$233,000
4 Increase due to rate adjustments		\$694,000	\$728,000	\$765,000	\$402,000	\$414,000	\$426,000	\$439,000	\$452,000	\$465,000
Non-Rate Revenues										
5 Interest Earnings	\$94,000	\$77,000	\$61,000	\$80,000	\$56,000	\$51,000	\$62,000	\$62,000	\$67,000	\$60,000
6 Operating Revenue	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
7 Total Revenue	\$17,536,090	\$18,386,090	\$19,280,000	\$20,255,000	\$20,834,000	\$21,450,000	\$22,100,000	\$22,758,000	\$23,441,000	\$24,132,000
O&M Costs										
8 Salaries	\$1,927,000	\$2,134,000	\$2,198,000	\$2,264,000	\$2,332,000	\$2,402,000	\$2,474,000	\$2,549,000	\$2,625,000	\$2,704,000
9 Benefits	\$2,808,000	\$2,949,000	\$3,096,000	\$3,189,000	\$3,284,000	\$3,383,000	\$3,484,000	\$3,589,000	\$3,697,000	\$3,808,000
10 Supplies & Services	\$3,666,000	\$3,842,000	\$4,025,000	\$4,146,000	\$4,271,000	\$4,399,000	\$4,531,000	\$4,667,000	\$4,807,000	\$4,951,000
11 Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Minor Capital	\$299,000	\$308,000	\$317,000	\$326,000	\$336,000	\$346,000	\$357,000	\$367,000	\$378,000	\$390,000
13 Utilities	\$1,081,000	\$1,114,000	\$1,147,000	\$1,182,000	\$1,217,000	\$1,253,000	\$1,291,000	\$1,330,000	\$1,370,000	\$1,411,000
14 Cost Allocation Plan	\$1,264,000	\$1,302,000	\$1,341,000	\$1,381,000	\$1,423,000	\$1,465,000	\$1,509,000	\$1,554,000	\$1,601,000	\$1,649,000
15 Total Operating Expenses	\$11,045,000	\$11,649,000	\$12,124,000	\$12,488,000	\$12,863,000	\$13,248,000	\$13,646,000	\$14,056,000	\$14,478,000	\$14,913,000
Debt and Transfers										
16 Existing Debt Service	\$3,325,000	\$1,629,000	\$3,190,000	\$3,194,000	\$2,071,000	\$2,625,000	\$2,636,000	\$2,215,000	\$2,216,000	\$2,220,000
17 Transfer Out	\$11,935,000	\$8,209,000	\$2,376,000	\$8,884,000	\$7,563,000	\$5,136,000	\$5,815,000	\$5,817,000	\$7,626,000	\$7,150,000
18 Transfer In from Fund 533	\$6,400,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0
19 Total Revenue Requirement	\$19,905,000	\$20,487,000	\$16,690,000	\$23,566,000	\$21,497,000	\$20,009,000	\$22,097,000	\$22,088,000	\$24,320,000	\$24,283,000
20 Beginning Year Balance	\$12,686,000	\$10,317,090	\$8,216,180	\$10,806,180	\$7,495,180	\$6,832,180	\$8,273,180	\$8,276,180	\$8,946,180	\$8,067,180
21 Surplus/(Shortfall)	(\$2,368,910)	(\$2,100,910)	\$2,590,000	(\$3,311,000)	(\$663,000)	\$1,441,000	\$3,000	\$670,000	(\$879,000)	(\$151,000)
22 End of Year Balance	\$10,317,090	\$8,216,180	\$10,806,180	\$7,495,180	\$6,832,180	\$8,273,180	\$8,276,180	\$8,946,180	\$8,067,180	\$7,916,180
23 <i>Reserve Target</i>	\$7,185,000	\$6,639,000	\$7,657,000	\$7,841,000	\$7,467,000	\$7,937,000	\$8,141,000	\$8,136,000	\$8,347,000	\$8,567,000
24 <i>Available Cash</i>	\$3,132,090	\$1,577,180	\$3,149,180	(\$345,820)	(\$634,820)	\$336,180	\$135,180	\$810,180	(\$279,820)	(\$650,820)
25 <i>Rate Stabilization Fund</i>	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Debt Coverage Calculations										
26 Revenue Available for Debt Service	\$6,491,090	\$6,737,090	\$7,156,000	\$7,767,000	\$7,971,000	\$8,202,000	\$8,454,000	\$8,702,000	\$8,963,000	\$9,219,000
27 <i>Total Yearly Parity Debt Payment</i>	<i>\$3,325,000</i>	<i>\$1,629,000</i>	<i>\$3,190,000</i>	<i>\$3,194,000</i>	<i>\$2,071,000</i>	<i>\$2,625,000</i>	<i>\$2,636,000</i>	<i>\$2,215,000</i>	<i>\$2,216,000</i>	<i>\$2,220,000</i>
28 Debt Coverage Ratio (without Impact Fees)	1.95	4.14	2.24	2.43	3.85	3.12	3.21	3.93	4.04	4.15

Schedule WW-3 – Wastewater Utility Cash Flow Pro Forma (2 of 2)

Fund 531 - Sewer Capital Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
29 Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues										
30 Transfer in from Operating Fund	\$11,935,000	\$8,209,000	\$2,376,000	\$8,884,000	\$7,563,000	\$5,136,000	\$5,815,000	\$5,817,000	\$7,626,000	\$7,150,000
31 Interest Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Total Revenues	11,935,000	8,209,000	2,376,000	8,884,000	7,563,000	5,136,000	5,815,000	5,817,000	7,626,000	7,150,000
Expenditures										
33 Rate-Funded Capital Spending	11,935,000	8,209,000	2,376,000	8,884,000	7,563,000	5,136,000	5,815,000	5,817,000	7,626,000	7,150,000
34 Surplus/(Shortfall)	-	-	-	-	-	-	-	-	-	-
35 Reserve Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 <i>Reserve Target</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fund 533 - Sewer Impact Migration Fee Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
37 Beginning Balance	\$6,496,000	\$1,349,000	\$1,564,000	\$1,781,000	\$1,999,000	\$2,219,000	\$2,441,000	\$3,664,000	\$4,896,000	\$6,137,000
Revenues										
38 IMF Revenue	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000
39 Interest Earnings	\$48,000	\$10,000	\$12,000	\$13,000	\$15,000	\$17,000	\$18,000	\$27,000	\$36,000	\$46,000
40 Total Revenues	1,253,000	1,215,000	1,217,000	1,218,000	1,220,000	1,222,000	1,223,000	1,232,000	1,241,000	1,251,000
Expenditures										
41 WW IMF Funded Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42 Transfers to Fund 530	\$6,400,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0
Total Expenditures	6,400,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-
43 Surplus/(Shortfall)	(5,147,000)	215,000	217,000	218,000	220,000	222,000	1,223,000	1,232,000	1,241,000	1,251,000
44 Impact Fee Fund Ending Balance	\$1,349,000	\$1,564,000	\$1,781,000	\$1,999,000	\$2,219,000	\$2,441,000	\$3,664,000	\$4,896,000	\$6,137,000	\$7,388,000

Schedule WW-4 – Five-Year Schedule of Wastewater Rates*

Fiscal Year:	2024/25	2025/26	2026/27	2027/28	2028/29
Rate Increases:		5%	5%	5%	5%
Monthly Flat Wastewater Rates (Unmetered)					
Single Family and Multi-Family Residential Dwelling Units					
1 bedroom	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
2 bedroom	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
3 bedroom	\$52.78	\$55.42	\$58.19	\$61.10	\$64.16
4 bedroom	\$63.34	\$66.50	\$69.83	\$73.32	\$76.99
5 bedroom	\$73.89	\$77.59	\$81.47	\$85.54	\$89.82
Mobile Homes (per unit)	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
Schools (per SSU (18 students))	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
Non-Residential (per SSU)	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
Monthly Service Charges (Metered)					
Up to 3/4" meter	\$29.74	\$31.23	\$32.79	\$34.43	\$36.15
1" meter	\$49.00	\$51.45	\$54.02	\$56.72	\$59.56
1 1/2" meter	\$93.01	\$97.66	\$102.54	\$107.67	\$113.05
2" meter	\$148.03	\$155.43	\$163.20	\$171.36	\$179.93
3" meter	\$296.58	\$311.41	\$326.98	\$343.33	\$360.50
4" meter	\$461.64	\$484.72	\$508.96	\$534.41	\$561.13
6" meter	\$918.29	\$964.20	\$1,012.41	\$1,063.03	\$1,116.18
8" meter	\$1,468.47	\$1,541.89	\$1,618.98	\$1,699.93	\$1,784.93
Wastewater Usage Rates (Metered)					
Usage Rate (\$/CCF of water use) ¹	\$3.15	\$3.31	\$3.48	\$3.65	\$3.83

¹ Residential customers are billed based on their WQA while non-residential customers are billed based on actual monthly water usage.

* Assumes (maximum) 5 percent increases starting in FY2025/26



Proposition 218 Notification and Protest Hearing Process

Summary

The Lodi City Council will consider proposed water and wastewater rate increases at a **public hearing at 7:00 p.m., Wednesday, January 17, 2024, at Carnegie Forum, 305 West Pine Street, Lodi, CA**. A majority protest would stop the proposed future rate increases. If you wish to protest the proposed water and wastewater rate increases, written protests may be made in person at the public hearing listed above or delivered to the City Clerk's Office prior to the hearing to:

City of Lodi
Attention: City Clerk – Prop 218
221 West Pine Street
Post Office Box 3006
Lodi, California 95241-1910

The City Clerk must receive written protests by the end of the public hearing on January 17, 2024, including those protests mailed to the City. No postmarks will be accepted; therefore, any protest not physically received by the close of the public hearing, whether or not mailed prior to the hearing, shall not be counted.

Explanation of Protest Process

Section 6 of Article XIII D of the California Constitution (commonly known as Proposition 218) requires the City to provide notice of proposed water and wastewater rate increases to all property owners at least forty-five (45) days before holding a public hearing to consider the new rate schedule. If a majority of the property owners, or renters who pay the utility bill, file written protests opposing the rate increases, the proposed rates cannot take effect. To qualify towards the protest count, a protest must be made in writing and describe the property sufficient to identify the specific parcel, including the address or assessor's parcel number as shown on this mailing.

If the name submitting the written protest is not the property owner listed on the last San Joaquin County tax roll as the owner of the property or is not the responsible party listed on the utility account, the signer of the protest must also submit written evidence of ownership or rentership and financial responsibility for the utility account.

At the public hearing, City Council will hear all public comment, collect written protests, and tabulate protests to determine if a majority protest to the proposed rates exists. Only one written protest will be counted per parcel and may be filed by the owner or tenant (paying the utility bill). If multiple written protests are submitted for a single parcel, or if the writings conflict, the City will count a single written protest for that parcel.

If a majority protest does not exist, the City Council may then choose to approve the proposed rates and any judicial challenge to the approved rates would have to be filed within 120 days from either the approval or implementation, whichever is later, under Government Code Section 53759.

Explanation of the Need for Future Rate Increases

The City hired Hildebrand Consulting, LLC to prepare a cost-of-service study examining operational costs, water and wastewater treatment, water delivery, wastewater collection, facility replacement/upgrades, and many other factors (*2023 Water and Wastewater Rate Study*) (“Study”). The Study found that the City needs to raise water and wastewater utility rates to address (a) increased investment needs for aging infrastructure and (b) the impact of inflation on all costs. The Engineering News Record’s 20-Cities Construction Cost Index (“ENR”) has recorded more than twenty percent (20%) in cost inflation over the past 5 years while the water and wastewater utilities have only raised rates by two percent (2%) and six percent (6 %), respectively, over the same period (all percentages compounded).

Proposed Rate Calculations

Based on findings in the Study, the water and wastewater rate adjustments proposed include a three percent (3%) increase in water rates and a four percent (4%) increase in wastewater rates. Following these initial rate adjustments, the City is proposing to factor in future adjustments to water and wastewater rates in accordance with the ENR to account for inflation changes but capping this amount to not exceed five percent (5%), or the actual amount of annual inflation (as measured by actual changes to the ENR index), for the remaining four years of the rate schedule listed in Table 1 below. This will allow the City to pay for anticipated operating and maintenance costs, debt service obligations, and capital program needs, maintain prudent financial reserves for both the water and wastewater utilities, and be prepared for future inflationary impacts that may occur.

The initial change in water rates would be effective on February 1, 2024, followed by adjustments each January 1st from 2025 through 2028. The initial wastewater rate adjustment would occur on July 1st, 2024, followed by adjustments each July 1st through 2028. The proposed rate schedules, assuming five percent (5%) increases after the initial rate increase, are included in this notification as Table A for water and Table B for sewer.

Prior to implementing the proposed rates in Table A and Table B, the City Council may choose to implement the full amount or choose rates that are less, but City Council could not approve water or wastewater rates more than listed above. The City has had a policy similar to the rate structure proposed over the past five (5) years and the City’s water and wastewater rate increases were significantly less than the maximum rate increase authorization.

Basis of Proposed Rate Calculation

In accordance with Prop 218, the City regularly reviews its water and wastewater rates to ensure that each class of customer pays their fair and proportional share of the utility costs. The Study identifies changes in the proportion of costs required to serve each customer class (residential and non-residential). The proposed rate structure modifications are intended to reflect current customer water use, state regulations, service costs, rate structure approach, and to ensure that each customer class continues to pay a fair and proportional share of the water and wastewater utility service costs. The family tiered usage rates continue to reflect the difference in the cost of groundwater supply, treated surface water supply and the City’s conservation program (which is targeted at those customers that use the most water). Tier 1 water allocations will be increased to eleven hundred cubic feet (11 CCF) per month and Tier 2 water allocations will be reduced to 20 CCF per month.

The City’s existing temporary water shortage rate surcharge policy will not be changed by the proposed rate adjustments.

Conclusion

The full *Study* is available electronically at www.lodi.gov or you can view a hard copy at the Public Works counter in City Hall during regular business hours. If you have any questions regarding this notice, please call the Public Works Department at (209) 333-6706 between 7:30 a.m. and 5:30 p.m., Monday through Thursday, and between 8:00 a.m. and 5:00 p.m. on Friday. City Hall is closed every other Friday.

OLIVIA NASHED, City Clerk

City of Lodi

This notice is being sent pursuant to Government Code § 53756(d).

Proposed Rate Schedule (Water)

Table A: Proposed Water Rates Assuming Five Percent Increases Starting in 2025

Calendar Year:	2024	2025	2026	2027	2028
Maximum Rate Increases:		5.0%	5.0%	5.0%	5.0%
Monthly Flat Water Rates (Unmetered)					
Single Family Residential					
1 bedroom	\$34.51	\$36.23	\$38.04	\$39.94	\$41.94
2 bedroom	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
3 bedroom	\$49.66	\$52.14	\$54.75	\$57.49	\$60.36
4 bedroom	\$59.67	\$62.65	\$65.78	\$69.07	\$72.52
5 bedroom	\$71.55	\$75.13	\$78.89	\$82.83	\$86.97
6 bedroom	\$85.89	\$90.19	\$94.70	\$99.44	\$104.41
7 bedroom	\$102.98	\$108.13	\$113.54	\$119.22	\$125.18
Multi-Family Units					
1 bedroom	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
2 bedroom	\$35.52	\$37.30	\$39.17	\$41.13	\$43.19
3 bedroom	\$42.64	\$44.77	\$47.01	\$49.36	\$51.83
Mobile Home (per unit)	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
Non-Residential (per ESFU)	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
Monthly Service Charges (Metered)					
Up to 3/4" meter	\$22.99	\$24.14	\$25.35	\$26.62	\$27.95
1" meter	\$36.45	\$38.27	\$40.18	\$42.19	\$44.30
1 1/2" meter	\$67.22	\$70.58	\$74.11	\$77.82	\$81.71
2" meter	\$105.68	\$110.96	\$116.51	\$122.34	\$128.46
3" meter	\$209.52	\$220.00	\$231.00	\$242.55	\$254.68
4" meter	\$324.90	\$341.15	\$358.21	\$376.12	\$394.93
6" meter	\$644.12	\$676.33	\$710.15	\$745.66	\$782.94
8" meter	\$1,028.72	\$1,080.16	\$1,134.17	\$1,190.88	\$1,250.42
10" meter	\$1,542.16	\$1,619.27	\$1,700.23	\$1,785.24	\$1,874.50
Water Usage Rates (Metered) -- \$/CCF					
Single Family Residential					
Tier 1 (0-11 CCF)	\$1.00	\$1.05	\$1.10	\$1.16	\$1.22
Tier 2 (11-30 CCF)	\$1.40	\$1.47	\$1.54	\$1.62	\$1.70
Tier 3 (> 30 CCF)	\$1.72	\$1.81	\$1.90	\$2.00	\$2.10
Multifamily & Non-Residential					
All water usage	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49

Proposed Rate Schedule (WW)

Table B: Proposed Wastewater Rates Assuming Five Percent Increases Starting in Fiscal Year 2025/26

Fiscal Year:	2024/25	2025/26	2026/27	2027/28	2028/29
Maximum Rate Increases:		5%	5%	5%	5%
Monthly Flat Water Rates (Unmetered)					
Single Family and Multi-Family Residential Dwelling Units					
1 bedroom	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
2 bedroom	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
3 bedroom	\$52.78	\$55.42	\$58.19	\$61.10	\$64.16
4 bedroom	\$63.34	\$66.50	\$69.83	\$73.32	\$76.99
5 bedroom	\$73.89	\$77.59	\$81.47	\$85.54	\$89.82
Mobile Homes (per unit)	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
Schools (per SSU (18 students))	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
Non-Residential (per SSU)	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
<hr/>					
Monthly Service Charges (Metered)					
Up to 3/4" meter	\$29.74	\$31.23	\$32.79	\$34.43	\$36.15
1" meter	\$49.00	\$51.45	\$54.02	\$56.72	\$59.56
1 1/2" meter	\$93.01	\$97.66	\$102.54	\$107.67	\$113.05
2" meter	\$148.03	\$155.43	\$163.20	\$171.36	\$179.93
3" meter	\$296.58	\$311.41	\$326.98	\$343.33	\$360.50
4" meter	\$461.64	\$484.72	\$508.96	\$534.41	\$561.13
6" meter	\$918.29	\$964.20	\$1,012.41	\$1,063.03	\$1,116.18
8" meter	\$1,468.47	\$1,541.89	\$1,618.98	\$1,699.93	\$1,784.93
Wastewater Usage Rates (Metered)					
Usage Rate (\$/CCF of water use) ¹	\$3.15	\$3.31	\$3.48	\$3.65	\$3.83

¹ Residential customers are billed based on their WQA while non-residential customers are billed based on actual monthly water usage.



Aviso sobre la Proposición 218 y el Proceso de Audiencia para Protestar

Resumen

El Concejo Municipal de Lodi considerará los aumentos propuestos a las tarifas del agua y aguas residuales, en **una audiencia pública que se efectuará el miércoles 17 de enero de 2024, a las 7:00p.m. en el Carnegie Fórum, situado en el 305 West Pine Street, Lodi, CA.**

Una mayoría de protestas detendría los futuros aumentos de tasas que se han propuesto. Si desea protestar a los aumentos de los precios que se proponen para el agua y aguas residuales, las protestas por escrito se pueden hacer en persona durante la audiencia pública mencionada anteriormente o pueden ser entregadas en la Oficina de la Actuaría Municipal antes de la audiencia a:

City of Lodi
Atención: City Clerk – Prop 218
221 West Pine Street
Post Office Box 3006
Lodi, California 95241-1910

La Actuaría Municipal debe recibir las protestas por escrito antes de que finalice la audiencia pública del 17 de enero de 2024, incluyendo aquellas protestas que fueron enviadas por correo a la Ciudad. No se aceptarán matasellos; por lo tanto, no se tomará en cuenta ninguna protesta que no se haya recibido físicamente antes de que concluya la audiencia pública, aunque se haya o no enviado antes de la audiencia.

Explicación sobre el Proceso para Protestar

La Sección 6 del Artículo XIII D de la Constitución de California (comúnmente conocida como La Proposición 218) requiere que la Ciudad les proporcione aviso sobre los aumentos propuestos de las tarifas de agua y aguas residuales a todos los propietarios, por lo menos cuarenta y cinco (45) días antes de celebrar una audiencia pública para considerar el nuevo índice de tarifas. Si la mayoría de los propietarios o inquilinos que pagan la factura de servicios públicos presentan protestas u objeciones por escrito oponiéndose a los aumentos de precios, las tarifas propuestas no pueden entrar en vigor. Para que se tome en cuenta en el conteo de protestas, la protesta debe hacerse por escrito, y tiene que describir la propiedad lo suficientemente para que se pueda identificar la parcela específica, debe también incluir la dirección o el número de parcela del tasador (*número de catastro*) como se muestra en esta correspondencia.

Si el nombre de la persona que protesta no aparece en el último registro de cálculos prediales ecualizados del Condado de San Joaquín, como dueño del predio y no es la persona responsable anotada en la cuenta de servicios públicos, la persona que firma la Protesta debe también someter evidencia por escrito de que él/ella es el/la propietario(a) o arrendatario(a) y tiene responsabilidad financiera de la cuenta de servicios públicos

En la audiencia pública, el Concejo Municipal escuchará todos los comentarios del público, recopilará todas las protestas hechas por escrito, y contabilizará todas las objeciones para determinar si existe una oposición mayoritaria a las tasas propuestas. Sólo se contará una protesta escrita por parcela, y puede ser presentada por el propietario o el inquilino (la persona quien paga la factura de los servicios públicos). Si se presentan protestas múltiples para una misma parcela o si los escritos entran en contradicción, la Ciudad contará únicamente una protesta por escrito para esa parcela.

Si no hay mayoría de protesta, el Concejo Municipal puede optar por aprobar las tarifas propuestas, y cualquier impugnación judicial a los precios aprobados tendría que presentarse en un plazo de 120 días, a partir de la aprobación o implementación, lo que ocurra más tarde, de acuerdo con el Artículo 53759 del Código Gubernamental.

Explicación sobre la necesidad de futuros aumentos de las tarifas

La Ciudad contrató a Hildebrand Consulting, LLC para que elaborara un estudio de coste de servicio, el cual analizaría los gastos operativos, el agua potable y la depuración de aguas residuales, el suministro de agua, la recogida de aguas residuales, la renovación/mejora de las instalaciones y muchos otros factores (*Estudio de tarifas de agua y aguas residuales 2023*) ("Estudio"). El estudio determinó que la Ciudad necesita aumentar las tarifas de los servicios de agua y aguas residuales para hacer frente a: (a) las crecientes necesidades de inversión en infraestructuras anticuadas y, (b) el impacto de la inflación en todos los costos. El índice de costes de construcción en 20 ciudades, elaborado por Engineering News Record ("ENR") ha registrado una inflación de los costes superior al veinte por ciento (20%) en los últimos cinco años, mientras que los servicios de agua y alcantarillado sólo han aumentado las tarifas un dos por ciento (2%) y un seis por ciento (6%), respectivamente, en el mismo transcurso (todos los porcentajes compuestos).

Cálculo de las tasas propuestas

Según los resultados del estudio, los ajustes propuestos a las tarifas del agua y las aguas residuales incluyen un aumento del tres por ciento (3%) a las tarifas del agua, y un aumento del cuatro por ciento (4%) a las tarifas de las aguas residuales. Después de estos ajustes iniciales de las tarifas, la Ciudad propone incorporar futuros ajustes a las tasas de agua y aguas residuales, de acuerdo con el ENR para tomar en cuenta los cambios en la inflación, pero limitando esta cantidad, para que no exceda el cinco por ciento (5%), o la cantidad real de la inflación anual (según los cambios reales en el índice ENR), para los cuatro años restantes del plan de tarifas que se indican en la Tabla 1 a continuación. Esto le permitirá a la Ciudad pagar los costos anticipados de operación y mantenimiento, las obligaciones de servicio de la deuda y las necesidades del programa de infraestructura, así como mantener reservas financieras razonables para los servicios públicos de agua y aguas residuales, y estar preparada para futuros impactos inflacionarios que puedan acontecer.

El aumento inicial a las tarifas de agua entraría en vigor el 1ro de febrero de 2024, y posteriormente se efectuarían ajustes cada 1ro de enero desde el año 2025 hasta el año 2028. El ajuste inicial de las tarifas de aguas residuales se efectuaría el 1ro de julio del año 2024, y posteriormente se realizarían ajustes cada 1ro de julio hasta el año 2028. El índice de tarifas propuestas, que representa un aumento de cinco por ciento (5%) después del aumento inicial, se

incluye en esta notificación como Tabla A para el agua y Tabla B para el alcantarillado o aguas residuales.

Antes de implementar las tarifas propuestas en la Tabla A y la Tabla B, el Concejo Municipal puede optar por implementar la cantidad total u optar por seleccionar tarifas que sean más reducidas, no obstante, el Concejo Municipal no podría aprobar tarifas para el agua o las aguas residuales que superen los precios indicados anteriormente. Durante los últimos cinco (5) años, el municipio ha tenido una política similar al índice de tarifas propuestas, y los aumentos a los precios de agua y aguas residuales han sido significativamente más bajos que el aumento máximo autorizado.

Fundamento para el cálculo de la tasa propuesta

Conforme a la Proposición 218, la Ciudad analiza periódicamente sus tarifas de agua y aguas residuales, para garantizar que cada clase de consumidor pague su parte justa y proporcional por los costes de los servicios públicos. El Estudio identifica los cambios en la proporción de los costos necesarios para servir a cada clase de consumidor (residencial y no residencial). Las modificaciones al índice de precios propuestos, reflejan el consumo actual de agua por parte de los consumidores, la reglamentación estatal, los costes del servicio, el enfoque en la estructura de precios, y aseguran que cada clase de consumidor continúe pagando una parte justa y proporcional de los costos de los servicios de agua y aguas residuales. Los precios por nivel de consumo, por familia siguen reflejando la diferencia en el coste del suministro de aguas subterráneas, el suministro de aguas superficiales depuradas y el programa de conservación de agua del municipio (el cual está dirigido a los consumidores que más agua consumen). En el primer nivel, las distribuciones de agua se aumentarán a mil cien pies cúbicos (11 CCF) al mes, y en el segundo nivel se reducirán a 20 CCF al mes.

La política de recargos por escasez de agua, que existe temporalmente para el Municipio, no se verá modificada por los ajustes de tarifas que se proponen.

Conclusión

El Estudio completo está disponible electrónicamente en www.lodi.gov. o puede ver una copia en papel en el mostrador de Obras Públicas (*Public Works*) en el Ayuntamiento durante las horas laborales. Si tiene preguntas sobre este aviso, por favor comuníquese con el Departamento de Obras Públicas al (209)333-6706 entre las 7:30 a.m. y las 5:30 p.m. de lunes a jueves, y de 8:00 a.m. y las 5:00 p.m. los viernes. City Hall (*El Ayuntamiento*) está cerrado cada otro viernes (cada 15 días).

OLIVIA NASHED, Actuarial Municipal

City of Lodi

Este aviso se envía de acuerdo al Código Gubernamental § 53756(d).

Tabla A: Tasas Propuestas para el Agua, Suponiendo Aumentos de Cinco por Ciento a partir del Año Fiscal 2025/26

Año Civil:	2024	2025	2026	2027	2028
Aumento en el Precio		5.0%	5.0%	5.0%	5.0%
Precios Mensuales Fijos para el Agua (Sin Contador)					
Viviendas Residenciales Unifamiliares					
1 recamara	\$34.51	\$36.23	\$38.04	\$39.94	\$41.94
2 recamaras	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
3 recamaras	\$49.66	\$52.14	\$54.75	\$57.49	\$60.36
4 recamaras	\$59.67	\$62.65	\$65.78	\$69.07	\$72.52
5 recamaras	\$71.55	\$75.13	\$78.89	\$82.83	\$86.97
6 recamaras	\$85.89	\$90.19	\$94.70	\$99.44	\$104.41
7 recamaras	\$102.98	\$108.13	\$113.54	\$119.22	\$125.18
Viviendas Multifamiliares					
1 recamara	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
2 recamaras	\$35.52	\$37.30	\$39.17	\$41.13	\$43.19
3 recamaras	\$42.64	\$44.77	\$47.01	\$49.36	\$51.83
Mobile Home (Hogar Mobil)por unidad)	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
No Residencial (por ESFU)	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
Precios Mensuales por el Servicio (Con Contador)					
Up to 3/4" medido	\$22.99	\$24.14	\$25.35	\$26.62	\$27.95
1" medido	\$36.45	\$38.27	\$40.18	\$42.19	\$44.30
1 1/2" medido	\$67.22	\$70.58	\$74.11	\$77.82	\$81.71
2" medido	\$105.68	\$110.96	\$116.51	\$122.34	\$128.46
3" medido	\$209.52	\$220.00	\$231.00	\$242.55	\$254.68
4" medido	\$324.90	\$341.15	\$358.21	\$376.12	\$394.93
6" medido	\$644.12	\$676.33	\$710.15	\$745.66	\$782.94
8" medido	\$1,028.72	\$1,080.16	\$1,134.17	\$1,190.88	\$1,250.42
10" medido	\$1,542.16	\$1,619.27	\$1,700.23	\$1,785.24	\$1,874.50
Precios por el Consumo de Agua (Con Contador) -- \$/CCF					
Vivienda Residencial Unifamiliar					
Nivel 1 (0-11 CCF)	\$1.00	\$1.05	\$1.10	\$1.16	\$1.22
Nivel 2 (11-30 CCF)	\$1.40	\$1.47	\$1.54	\$1.62	\$1.70
Nivel 3 (> 30 CCF)	\$1.72	\$1.81	\$1.90	\$2.00	\$2.10
Multifamiliar y No Residencial					
Todo el consumo de agua	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49

Tabla B: Tasas Propuestas para el Agua Residual, Suponiendo Aumentos de Cinco por Ciento a partir del Año Fiscal 2025/26

Año Fiscal:	2024/25	2025/26	2026/27	2027/28	2028/29
	Aumento en el Precio:				
		5%	5%	5%	5%
Precios Mensuales Fijos para el Agua Residual (Con Contador)					
Viviendas Unifamiliares y Multifamiliares					
1 recamara	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
2 recamaras	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
3 recamaras	\$52.78	\$55.42	\$58.19	\$61.10	\$64.16
4 recamaras	\$63.34	\$66.50	\$69.83	\$73.32	\$76.99
5 recamaras	\$73.89	\$77.59	\$81.47	\$85.54	\$89.82
Mobile Homes (Hogar Mobil)(por unid:	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
Escuelas (por SSU (18 estudiantes)	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
No Residencial (por SSU)	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
Precios Mensuales por el Servicio (Con Contador)					
Hasta 3/4" medido	\$29.74	\$31.23	\$32.79	\$34.43	\$36.15
1" medido	\$49.00	\$51.45	\$54.02	\$56.72	\$59.56
1 1/2" medido	\$93.01	\$97.66	\$102.54	\$107.67	\$113.05
2" medido	\$148.03	\$155.43	\$163.20	\$171.36	\$179.93
3" medido	\$296.58	\$311.41	\$326.98	\$343.33	\$360.50
4" medido	\$461.64	\$484.72	\$508.96	\$534.41	\$561.13
6" medido	\$918.29	\$964.20	\$1,012.41	\$1,063.03	\$1,116.18
8" medido	\$1,468.47	\$1,541.89	\$1,618.98	\$1,699.93	\$1,784.93
Precios por el Consumo de Aguas Residuales(Con Contador)					
Tasa por Consumo (\$/CCF de uso de a	\$3.15	\$3.31	\$3.48	\$3.65	\$3.83

¹ A los clientes del sector residencial se les cobra en base a su WQA, mientras que a los clientes del sector no residencial se les cobra en base al consumo mensual real del agua.

Schedule W-3 – Water Utility Cash Flow Pro Forma (1 of 2)

Fund 560 - Water Operating Fund

	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033
1 Rate Revenue Increase:	3.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate Revenue										
2 Rate Revenue	\$13,823,000	\$14,283,000	\$14,854,000	\$15,449,000	\$16,067,000	\$16,710,000	\$17,211,000	\$17,727,000	\$18,258,000	\$18,989,000
3 Change due to growth & use	\$46,000	\$143,000	\$149,000	\$154,000	\$161,000	\$167,000	\$172,000	\$177,000	\$183,000	\$190,000
4 Increase due to rate adjustments	\$207,000	\$214,000	\$223,000	\$232,000	\$241,000	\$167,000	\$172,000	\$177,000	\$183,000	\$190,000
Non-Rate Revenues										
5 Interest Earnings	\$79,000	\$88,000	\$98,000	\$114,000	\$135,000	\$141,000	\$156,000	\$71,000	\$95,000	\$86,000
5 Operating Revenue	\$312,900	\$315,829	\$318,787	\$321,775	\$324,793	\$327,841	\$330,919	\$334,028	\$337,169	\$340,340
6 Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Total Revenue	\$14,467,900	\$15,043,829	\$15,642,787	\$16,270,775	\$16,928,793	\$17,512,841	\$18,041,919	\$18,486,028	\$19,056,169	\$19,795,340
O&M Costs										
8 Salaries	\$3,304,000	\$3,553,000	\$3,660,000	\$3,769,000	\$3,883,000	\$3,999,000	\$4,119,000	\$4,243,000	\$4,370,000	\$4,501,000
9 Benefits	\$240,000	\$252,000	\$265,000	\$273,000	\$281,000	\$290,000	\$298,000	\$307,000	\$316,000	\$326,000
10 Supplies & Services	\$2,103,000	\$2,207,000	\$2,317,000	\$2,386,000	\$2,458,000	\$2,532,000	\$2,608,000	\$2,686,000	\$2,766,000	\$2,849,000
11 Utilities	\$1,462,000	\$1,506,000	\$1,551,000	\$1,598,000	\$1,646,000	\$1,695,000	\$1,746,000	\$1,798,000	\$1,852,000	\$1,908,000
12 Water Purchases	\$1,649,000	\$1,731,000	\$1,818,000	\$1,873,000	\$1,929,000	\$1,987,000	\$2,046,000	\$2,108,000	\$2,171,000	\$2,236,000
13 Cost Allocation Plan	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000
14 Increase in SWTF Operating Costs									\$3,545,000	\$3,652,000
15 Total Operating Expenses	\$10,045,000	\$10,539,000	\$10,905,000	\$11,196,000	\$11,498,000	\$11,807,000	\$12,125,000	\$12,454,000	\$16,336,000	\$16,792,000
Debt and Transfers										
16 Existing Debt Service	\$1,926,000	\$1,926,000	\$1,924,000	\$1,921,000	\$1,921,000	\$1,919,000	\$1,915,000	\$1,910,000	\$1,908,000	\$1,909,000
17 Transfer Out to Capital Fund	\$2,566,000	\$2,525,000	\$1,962,000	\$1,581,000	\$3,960,000	\$1,843,000	\$16,670,000	\$2,129,000	\$2,059,000	\$2,508,000
18 Transfer In from Fund 562	\$1,284,000	\$1,284,000	\$1,283,000	\$1,281,000	\$1,281,000	\$0	\$1,277,000	\$1,273,000	\$0	\$1,273,000
19 Total Revenue Requirement	\$13,253,000	\$13,706,000	\$13,508,000	\$13,417,000	\$16,098,000	\$15,569,000	\$29,433,000	\$15,220,000	\$20,303,000	\$19,936,000
20 Beginning Year Balance	\$10,574,000	\$11,788,900	\$13,126,729	\$15,261,516	\$18,115,291	\$18,946,084	\$20,889,925	\$9,498,844	\$12,764,873	\$11,518,042
21 Surplus/(Shortfall)	\$1,214,900	\$1,337,829	\$2,134,787	\$2,853,775	\$830,793	\$1,943,841	(\$11,391,081)	\$3,266,028	(\$1,246,831)	(\$140,660)
22 End of Year Balance	\$11,788,900	\$13,126,729	\$15,261,516	\$18,115,291	\$18,946,084	\$20,889,925	\$9,498,844	\$12,764,873	\$11,518,042	\$11,377,382
23 <i>Reserve Target</i>	\$5,986,000	\$6,233,000	\$6,415,000	\$6,559,000	\$6,710,000	\$6,863,000	\$7,020,000	\$7,182,000	\$9,122,000	\$9,351,000
24 <i>Available Cash</i>	\$5,802,900	\$6,893,729	\$8,846,516	\$11,556,291	\$12,236,084	\$14,026,925	\$2,478,844	\$5,582,873	\$2,396,042	\$2,026,382
Debt Coverage Calculations										
25 Revenue Available for Debt Service	\$4,534,900	\$4,619,829	\$4,856,787	\$5,196,775	\$5,556,793	\$5,834,841	\$6,049,919	\$6,169,028	\$2,861,169	\$3,144,340
26 <i>Total Yearly Parity Debt Payment</i>	<i>\$1,926,000</i>	<i>\$1,926,000</i>	<i>\$1,924,000</i>	<i>\$1,921,000</i>	<i>\$1,921,000</i>	<i>\$1,919,000</i>	<i>\$1,915,000</i>	<i>\$1,910,000</i>	<i>\$1,908,000</i>	<i>\$1,909,000</i>
27 Debt Coverage Ratio (without Impact Fees)	2.35	2.40	2.52	2.71	2.89	3.04	3.16	3.23	1.50	1.65

Schedule W-3 – Water Utility Cash Flow Pro Forma (2 of 2)

Fund 561 - Water Capital Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
28 Beginning Balance	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Revenues										
29 Transfer in from Operating Fund	\$2,566,000	\$2,525,000	\$1,962,000	\$1,581,000	\$3,960,000	\$1,843,000	\$16,670,000	\$2,129,000	\$2,059,000	\$2,508,000
30 Interest Earnings	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$0
31 Total Revenues	2,570,000	2,529,000	1,966,000	1,585,000	3,964,000	1,847,000	16,674,000	2,133,000	2,063,000	2,508,000
Expenditures										
32 Rate-Funded Capital Spending	2,570,000	2,529,000	1,966,000	1,585,000	3,964,000	1,847,000	16,674,000	2,133,000	2,063,000	2,508,000
33 Surplus/(Shortfall)	-	-	-	-	-	-	-	-	-	-
34 Reserve Ending Balance	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000

Fund 562 - Water Impact Migration Fee Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
35 Beginning Balance	\$6,489,000	\$6,072,000	\$1,532,000	\$1,079,000	\$625,000	\$168,000	\$988,000	\$537,000	\$87,000	\$907,000
Revenues										
36 IMF Revenue	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000
37 Interest Earnings	\$48,000	\$45,000	\$11,000	\$8,000	\$5,000	\$1,000	\$7,000	\$4,000	\$1,000	\$7,000
38 Total Revenues	867,000	864,000	830,000	827,000	824,000	820,000	826,000	823,000	820,000	826,000
Expenditures										
39 Impact Fee Funded Projects	\$0	\$4,120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Transfers to Fund 560	\$1,284,000	\$1,284,000	\$1,283,000	\$1,281,000	\$1,281,000	\$0	\$1,277,000	\$1,273,000	\$0	\$1,273,000
40 Total Expenses	1,284,000	5,404,000	1,283,000	1,281,000	1,281,000	-	1,277,000	1,273,000	-	1,273,000
41 Surplus/(Shortfall)	(417,000)	(4,540,000)	(453,000)	(454,000)	(457,000)	820,000	(451,000)	(450,000)	820,000	(447,000)
42 Impact Mitigation Fund Ending Balance	\$6,072,000	\$1,532,000	\$1,079,000	\$625,000	\$168,000	\$988,000	\$537,000	\$87,000	\$907,000	\$460,000

Schedule WW-3 – Wastewater Utility Cash Flow Pro Forma (1 of 2)

Fund 530 - Sewer Operating Fund

	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033
1 Rate Revenue Increase:	4.00%	4.00%	4.00%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate Revenue										
2 Service Charge Revenue	\$17,284,090	\$17,342,090	\$18,209,000	\$19,119,000	\$20,075,000	\$20,678,000	\$21,299,000	\$21,938,000	\$22,596,000	\$23,274,000
3 Change due to growth & use	\$58,000	\$173,000	\$182,000	\$191,000	\$201,000	\$207,000	\$213,000	\$219,000	\$226,000	\$233,000
4 Increase due to rate adjustments		\$694,000	\$728,000	\$765,000	\$402,000	\$414,000	\$426,000	\$439,000	\$452,000	\$465,000
Non-Rate Revenues										
5 Interest Earnings	\$94,000	\$77,000	\$61,000	\$80,000	\$56,000	\$51,000	\$62,000	\$62,000	\$67,000	\$60,000
6 Operating Revenue	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
7 Total Revenue	\$17,536,090	\$18,386,090	\$19,280,000	\$20,255,000	\$20,834,000	\$21,450,000	\$22,100,000	\$22,758,000	\$23,441,000	\$24,132,000
O&M Costs										
8 Salaries	\$1,927,000	\$2,134,000	\$2,198,000	\$2,264,000	\$2,332,000	\$2,402,000	\$2,474,000	\$2,549,000	\$2,625,000	\$2,704,000
9 Benefits	\$2,808,000	\$2,949,000	\$3,096,000	\$3,189,000	\$3,284,000	\$3,383,000	\$3,484,000	\$3,589,000	\$3,697,000	\$3,808,000
10 Supplies & Services	\$3,666,000	\$3,842,000	\$4,025,000	\$4,146,000	\$4,271,000	\$4,399,000	\$4,531,000	\$4,667,000	\$4,807,000	\$4,951,000
11 Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Minor Capital	\$299,000	\$308,000	\$317,000	\$326,000	\$336,000	\$346,000	\$357,000	\$367,000	\$378,000	\$390,000
13 Utilities	\$1,081,000	\$1,114,000	\$1,147,000	\$1,182,000	\$1,217,000	\$1,253,000	\$1,291,000	\$1,330,000	\$1,370,000	\$1,411,000
14 Cost Allocation Plan	\$1,264,000	\$1,302,000	\$1,341,000	\$1,381,000	\$1,423,000	\$1,465,000	\$1,509,000	\$1,554,000	\$1,601,000	\$1,649,000
15 Total Operating Expenses	\$11,045,000	\$11,649,000	\$12,124,000	\$12,488,000	\$12,863,000	\$13,248,000	\$13,646,000	\$14,056,000	\$14,478,000	\$14,913,000
Debt and Transfers										
16 Existing Debt Service	\$3,325,000	\$1,629,000	\$3,190,000	\$3,194,000	\$2,071,000	\$2,625,000	\$2,636,000	\$2,215,000	\$2,216,000	\$2,220,000
17 Transfer Out	\$11,935,000	\$8,209,000	\$2,376,000	\$8,884,000	\$7,563,000	\$5,136,000	\$5,815,000	\$5,817,000	\$7,626,000	\$7,150,000
18 Transfer In from Fund 533	\$6,400,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0
19 Total Revenue Requirement	\$19,905,000	\$20,487,000	\$16,690,000	\$23,566,000	\$21,497,000	\$20,009,000	\$22,097,000	\$22,088,000	\$24,320,000	\$24,283,000
20 Beginning Year Balance	\$12,686,000	\$10,317,090	\$8,216,180	\$10,806,180	\$7,495,180	\$6,832,180	\$8,273,180	\$8,276,180	\$8,946,180	\$8,067,180
21 Surplus/(Shortfall)	(\$2,368,910)	(\$2,100,910)	\$2,590,000	(\$3,311,000)	(\$663,000)	\$1,441,000	\$3,000	\$670,000	(\$879,000)	(\$151,000)
22 End of Year Balance	\$10,317,090	\$8,216,180	\$10,806,180	\$7,495,180	\$6,832,180	\$8,273,180	\$8,276,180	\$8,946,180	\$8,067,180	\$7,916,180
23 Reserve Target	\$7,185,000	\$6,639,000	\$7,657,000	\$7,841,000	\$7,467,000	\$7,937,000	\$8,141,000	\$8,136,000	\$8,347,000	\$8,567,000
24 Available Cash	\$3,132,090	\$1,577,180	\$3,149,180	(\$345,820)	(\$634,820)	\$336,180	\$135,180	\$810,180	(\$279,820)	(\$650,820)
25 Rate Stabilization Fund	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Debt Coverage Calculations										
26 Revenue Available for Debt Service	\$6,491,090	\$6,737,090	\$7,156,000	\$7,767,000	\$7,971,000	\$8,202,000	\$8,454,000	\$8,702,000	\$8,963,000	\$9,219,000
27 Total Yearly Parity Debt Payment	\$3,325,000	\$1,629,000	\$3,190,000	\$3,194,000	\$2,071,000	\$2,625,000	\$2,636,000	\$2,215,000	\$2,216,000	\$2,220,000
28 Debt Coverage Ratio (without Impact Fees)	1.95	4.14	2.24	2.43	3.85	3.12	3.21	3.93	4.04	4.15

Schedule WW-3 – Wastewater Utility Cash Flow Pro Forma (2 of 2)

Fund 531 - Sewer Capital Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
29 Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues										
30 Transfer in from Operating Fund	\$11,935,000	\$8,209,000	\$2,376,000	\$8,884,000	\$7,563,000	\$5,136,000	\$5,815,000	\$5,817,000	\$7,626,000	\$7,150,000
31 Interest Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Total Revenues	11,935,000	8,209,000	2,376,000	8,884,000	7,563,000	5,136,000	5,815,000	5,817,000	7,626,000	7,150,000
Expenditures										
33 Rate-Funded Capital Spending	11,935,000	8,209,000	2,376,000	8,884,000	7,563,000	5,136,000	5,815,000	5,817,000	7,626,000	7,150,000
34 Surplus/(Shortfall)	-	-	-	-	-	-	-	-	-	-
35 Reserve Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 <i>Reserve Target</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fund 533 - Sewer Impact Migration Fee Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
37 Beginning Balance	\$6,496,000	\$1,349,000	\$1,564,000	\$1,781,000	\$1,999,000	\$2,219,000	\$2,441,000	\$3,664,000	\$4,896,000	\$6,137,000
Revenues										
38 IMF Revenue	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000
39 Interest Earnings	\$48,000	\$10,000	\$12,000	\$13,000	\$15,000	\$17,000	\$18,000	\$27,000	\$36,000	\$46,000
40 Total Revenues	1,253,000	1,215,000	1,217,000	1,218,000	1,220,000	1,222,000	1,223,000	1,232,000	1,241,000	1,251,000
Expenditures										
41 WW IMF Funded Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42 Transfers to Fund 530	\$6,400,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0
Total Expenditures	6,400,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-
43 Surplus/(Shortfall)	(5,147,000)	215,000	217,000	218,000	220,000	222,000	1,223,000	1,232,000	1,241,000	1,251,000
44 Impact Fee Fund Ending Balance	\$1,349,000	\$1,564,000	\$1,781,000	\$1,999,000	\$2,219,000	\$2,441,000	\$3,664,000	\$4,896,000	\$6,137,000	\$7,388,000



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Appointing Ricardo Garcia to the Position of Police Chief and Approving the Related Employment Agreement, effective December 30, 2023 (ISD - HR)

MEETING DATE:

November 15, 2023

PREPARED BY:

Adele Post, Human Resources Manager

RECOMMENDED ACTION:

Adopt a resolution appointing Ricardo Garcia to the position of Police Chief and approving the related Employment Agreement, effective December 30, 2023.

BACKGROUND INFORMATION:

Current Police Chief Sierra Brucia has announced his retirement from the City of Lodi effective December 30, 2023. This item requests that Council appoint Ricardo Garcia as the Police Chief, effective at 5:00 p.m. on December 30, 2023.

Attached is the draft employment agreement with Ricardo Garcia to be employed as the Police Chief for the City of Lodi.

STRATEGIC VISION:

7A. Public Safety: Reach and maintain full staffing.

FISCAL IMPACT:

The employment agreement reflects an annual salary of \$238,812.72.

FUNDING AVAILABLE:

No cost in excess of the current budget.

Adele Post
Human Resources Manager

Andrew C. Keys
Interim City Manager

COUNCIL COMMUNICATION

POLICE CHIEF EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of November ____, 2023, by and between the City of Lodi, a municipal corporation ("City") and Ricardo Garcia, ("Employee") both of whom agree as follows:

WHEREAS, Employee desires to be employed as Police Chief and City desires to employ the services of Employee as Police Chief; and

WHEREAS, City and Employee agree in writing to the terms and conditions of employment as Police Chief listed in this Agreement; and

WHEREAS, Employee and City agree and acknowledge that Employee's employment as Police Chief is his sole and exclusive employment with City, and that their employment relationship is governed solely and exclusively by this Agreement.

NOW, THEREFORE, in consideration of the promises and conditions set forth herein, the parties hereto agree as follows:

1. **Employment:** City agrees to employ Employee as Police Chief, in accordance with the following provisions:

(a) Employee shall serve as Police Chief, and shall be responsible for managing and directing the operations of the Lodi Police Department in accordance with an agreed upon performance plan.

(b) Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

(c) Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with his reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC).

(d) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate his full energies and qualifications to his employment as Police Chief, and shall not engage in any other employment except as set forth in this agreement or as may be specifically approved in writing in advance by the City Manager.

2. **Start Date:** Employee shall begin work as Police Chief at 5:00 p.m. on December 30, 2023.

3. **Maintenance of Professional Expertise:** To promote continued professional growth and benefit to the City, Employee shall, at City expense and consistent with budgetary constraints: maintain membership in professional organizations related to city police administration and related professional disciplines; attend workshops, seminars and other similar activities designed to advance Employee's professional development; and, represent the City in professional associations and other organizations.

4. Resignation or Termination:

(a) Employee may resign at any time and agrees to give City at least 30 days advance written notice of the effective date of his resignation. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(b) The parties recognize and affirm that Employee may be terminated by the City Manager with cause, which shall mean gross insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to himself, or material breach of this Agreement. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(c) The parties recognize and affirm that Employee may be terminated by the City Manager without cause. In such event, Employee shall be entitled to severance pay as provided in Paragraph 5 herein.

(d) In the event of termination and in recognition of Employee's professional status and integrity, Employee and the City Manager shall prepare a joint public statement to be made by the City Manager. This employment relationship is based on the mutual respect between the parties and a desire to maintain the highest degree of professionalism. In communicating with third parties about the parties' employment relationship and the circumstances under which it may have been severed, the parties shall (a) protect and advance their mutual respect and professionalism, and (b) refrain from making statements that would negatively impact either party.

(e) Employee may choose to resign or retire his office instead of being terminated if agreed to by the City Manager. In such an event the public announcement, as provided for in Paragraph 4 (d) above, will note Employee has resigned or retired. The provisions of Paragraph 4 (d) shall remain applicable. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

5. Severance Pay: If Employee is terminated by the City Manager without cause while still willing and able to perform the duties of Police Chief, City agrees to pay Employee a cash payment equal to six (6) months' aggregate salary and the City's cost of six (6) months' health insurance benefits subject to reduction as set forth in this Paragraph 5. The severance payment will be paid over time at the same time as other employees of the City are paid and subject to customary taxes and any other applicable withholdings. In the event Employee retains new employment during the six month severance period, any remaining severance payment will be forfeited as of the date Employee begins his new Employment. To be eligible for such severance pay, Employee shall fulfill all of his obligations under this Agreement, and shall sign an Acknowledgment and Release of Claims against the City in a form acceptable to the City Attorney. Payment under this paragraph will release City from any further obligations under this Agreement, or any other transaction between the parties.

6. Employment as Police Chief is Sole Employment with City: Employee further represents and acknowledges that his employment as Police Chief is his sole and exclusive employment with the City. Employee has no right to any other exempt position with the City or to any employment in the classified service.

7. Salary:

(a) City agrees to pay Employee \$19,901.06 in salary per month for his employment services under this Agreement, payable in installments at the same time as other employees of the City are paid and subject to customary taxes and any other applicable withholdings. The City may reduce base salary compensation or other financial benefits of Employee as part of general salary reduction in pay among and common to all employees. In addition, Employee shall pay nine percent (9%) (employee's share) of his salary towards the California Public Employees Retirement system benefit and agrees to a cost-sharing agreement and will pay an additional nine percent (9%) towards the employer's share of CalPERS normal pension cost.

(b) At any time, a minimum of a ten percent (10%) salary differential shall exist between the Police Chief and the Police Department's next highest paid executive or mid management position, including incentive pay. The Police Chief will receive additional five percent (5%) wage adjustments on January 8, 2024 and four percent (4%) wage adjustment on January 6, 2025, respectively, as set forth in Council Resolution 2022-306.

8. Benefits:

(a) The City shall provide Employee the same benefits as provided to management employees in accordance with the terms of the Executive Management Statement of Benefits amended as of May 16, 2012, and as they may be amended, increased or decreased, except as modified herein. Employee will receive a one-time uniform allowance of \$950.00 that will not recur in any subsequent renewals of this Agreement. Employee's vacation leave shall be calculated based upon his actual years of service with the City, increasing from there as provided in the Executive Management Statement of Benefits. Employee shall accrue 144 hours of sick leave per year (5.54 hours per pay period). Moreover, Employee shall retain all sick leave and vacation leave he accrued prior to his start date, December 31, 2023.

(b) The foregoing benefits are the sole and exclusive benefits to be provided to Employee. Any improvement or modification of such benefits may only be made by written instrument signed by the City Manager. As used herein, benefits include, but are not limited to: vacation, sick leave, holidays, administrative leave, retirement, vision insurance, health insurance, dental insurance, long term disability insurance, life insurance and deferred compensation.

9. Vehicle Use: The City requires that Employee have transportation readily available for his use during his employment with the City, and, to the end of assuring that Employee has a vehicle available, Employee shall be assigned an appropriate vehicle equipped with necessary safety equipment and communications devices. Due to his on-call status, Employee shall be allowed use of said vehicle for personal use up to three hours away from the Lodi Police Department if necessary to accommodate a call to duty.

10. Performance Evaluation: The City Manager shall review and evaluate the performance of Employee each year and set goals and objectives for the ensuing year. Such review and evaluation shall be in accordance with specific criteria developed in the performance plan in consultation with Employee and the City Manager.

11. Assignment: Employee shall not assign any of the duties and responsibilities, or obligations of this Agreement except with the express written consent of the City Manager.

12. Authority to Work in the United States: Employee represents, under penalty of perjury, that he is authorized to work in the United States. In accordance with Section §274(A) of the Immigration Reform and Control Act of 1986 (8USC 1324) before this Agreement can become effective, Employee must provide documentary evidence to City consistent with the Act, that he is legally entitled to work in the United States, and must execute the verification required by that Act.

13. Notice: All notices required herein shall be sent first class mail to the parties as follows:

To CITY:

City of Lodi
Attn: City Manager's Office
P. O. Box 3006
Lodi, CA 95241-1910

To EMPLOYEE:

Ricardo Garcia
c/o Lodi Police Department
215 W. Elm Street
Lodi, CA 95240

Notice shall be deemed effectively served upon deposit in the United States mail. Either party may change the "Notice" address by notifying the other party in writing of such change.

14. Entire Agreement: This Agreement contains the entire agreement between the parties hereto regarding Employee's provision of services as Police Chief. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by any party hereto. This Agreement may only be amended by written instrument signed by Employee and the City Manager and specifically approved by the City Council in open session.

15. Severability: If any provision of this Agreement is invalid or unenforceable, it shall be considered deleted herefrom and the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written above.

EMPLOYEE

By: _____
RICARDO GARCIA

CITY OF LODI, a municipal corporation

By: _____
ANDREW C. KEYS
Interim City Manager

Police Chief Employment Agreement

ATTEST:

By: _____
OLIVIA NASHED
City Clerk

APPROVED AS TO FORM:

KATIE O. LUCCHESI
City Attorney



RESOLUTION NO. 2023-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPOINTING RICARDO GARCIA TO THE POSITION
OF POLICE CHIEF AND APPROVING EMPLOYMENT
SERVICES AGREEMENT EFFECTIVE 5:00 P.M. ON
DECEMBER 30, 2023

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
appoint Ricardo Garcia to the position of Police Chief for the City of Lodi; and

BE IT FURTHER RESOLVED that the City Council hereby approves the
Employment Agreement (attached hereto as Exhibit A), effective 5:00 p.m.,
December 30, 2023.

Dated: November 15, 2023

=====

I hereby certify that Resolution No. 2023-_____ was passed and adopted by the
City Council of the City of Lodi in a regular meeting held November 15, 2023, by the
following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2023-_____

POLICE CHIEF EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of November ____, 2023, by and between the City of Lodi, a municipal corporation ("City") and Ricardo Garcia, ("Employee") both of whom agree as follows:

WHEREAS, Employee desires to be employed as Police Chief and City desires to employ the services of Employee as Police Chief; and

WHEREAS, City and Employee agree in writing to the terms and conditions of employment as Police Chief listed in this Agreement; and

WHEREAS, Employee and City agree and acknowledge that Employee's employment as Police Chief is his sole and exclusive employment with City, and that their employment relationship is governed solely and exclusively by this Agreement.

NOW, THEREFORE, in consideration of the promises and conditions set forth herein, the parties hereto agree as follows:

1. **Employment:** City agrees to employ Employee as Police Chief, in accordance with the following provisions:

(a) Employee shall serve as Police Chief, and shall be responsible for managing and directing the operations of the Lodi Police Department in accordance with an agreed upon performance plan.

(b) Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

(c) Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with his reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC).

(d) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate his full energies and qualifications to his employment as Police Chief, and shall not engage in any other employment except as set forth in this agreement or as may be specifically approved in writing in advance by the City Manager.

2. **Start Date:** Employee shall begin work as Police Chief at 5:00 p.m. on December 30, 2023.

3. **Maintenance of Professional Expertise:** To promote continued professional growth and benefit to the City, Employee shall, at City expense and consistent with budgetary constraints: maintain membership in professional organizations related to city police administration and related professional disciplines; attend workshops, seminars and other similar activities designed to advance Employee's professional development; and, represent the City in professional associations and other organizations.

4. Resignation or Termination:

(a) Employee may resign at any time and agrees to give City at least 30 days advance written notice of the effective date of his resignation. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(b) The parties recognize and affirm that Employee may be terminated by the City Manager with cause, which shall mean gross insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to himself, or material breach of this Agreement. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(c) The parties recognize and affirm that Employee may be terminated by the City Manager without cause. In such event, Employee shall be entitled to severance pay as provided in Paragraph 5 herein.

(d) In the event of termination and in recognition of Employee's professional status and integrity, Employee and the City Manager shall prepare a joint public statement to be made by the City Manager. This employment relationship is based on the mutual respect between the parties and a desire to maintain the highest degree of professionalism. In communicating with third parties about the parties' employment relationship and the circumstances under which it may have been severed, the parties shall (a) protect and advance their mutual respect and professionalism, and (b) refrain from making statements that would negatively impact either party.

(e) Employee may choose to resign or retire his office instead of being terminated if agreed to by the City Manager. In such an event the public announcement, as provided for in Paragraph 4 (d) above, will note Employee has resigned or retired. The provisions of Paragraph 4 (d) shall remain applicable. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

5. Severance Pay: If Employee is terminated by the City Manager without cause while still willing and able to perform the duties of Police Chief, City agrees to pay Employee a cash payment equal to six (6) months' aggregate salary and the City's cost of six (6) months' health insurance benefits subject to reduction as set forth in this Paragraph 5. The severance payment will be paid over time at the same time as other employees of the City are paid and subject to customary taxes and any other applicable withholdings. In the event Employee retains new employment during the six month severance period, any remaining severance payment will be forfeited as of the date Employee begins his new Employment. To be eligible for such severance pay, Employee shall fulfill all of his obligations under this Agreement, and shall sign an Acknowledgment and Release of Claims against the City in a form acceptable to the City Attorney. Payment under this paragraph will release City from any further obligations under this Agreement, or any other transaction between the parties.

6. Employment as Police Chief is Sole Employment with City: Employee further represents and acknowledges that his employment as Police Chief is his sole and exclusive employment with the City. Employee has no right to any other exempt position with the City or to any employment in the classified service.

7. Salary:

(a) City agrees to pay Employee \$19,901.06 in salary per month for his employment services under this Agreement, payable in installments at the same time as other employees of the City are paid and subject to customary taxes and any other applicable withholdings. The City may reduce base salary compensation or other financial benefits of Employee as part of general salary reduction in pay among and common to all employees. In addition, Employee shall pay nine percent (9%) (employee's share) of his salary towards the California Public Employees Retirement system benefit and agrees to a cost-sharing agreement and will pay an additional nine percent (9%) towards the employer's share of CalPERS normal pension cost.

(b) At any time, a minimum of a ten percent (10%) salary differential shall exist between the Police Chief and the Police Department's next highest paid executive or mid management position, including incentive pay. The Police Chief will receive additional five percent (5%) wage adjustments on January 8, 2024 and four percent (4%) wage adjustment on January 6, 2025, respectively, as set forth in Council Resolution 2022-306.

8. Benefits:

(a) The City shall provide Employee the same benefits as provided to management employees in accordance with the terms of the Executive Management Statement of Benefits amended as of May 16, 2012, and as they may be amended, increased or decreased, except as modified herein. Employee will receive a one-time uniform allowance of \$950.00 that will not recur in any subsequent renewals of this Agreement. Employee's vacation leave shall be calculated based upon his actual years of service with the City, increasing from there as provided in the Executive Management Statement of Benefits. Employee shall accrue 144 hours of sick leave per year (5.54 hours per pay period). Moreover, Employee shall retain all sick leave and vacation leave he accrued prior to his start date, December 31, 2023.

(b) The foregoing benefits are the sole and exclusive benefits to be provided to Employee. Any improvement or modification of such benefits may only be made by written instrument signed by the City Manager. As used herein, benefits include, but are not limited to: vacation, sick leave, holidays, administrative leave, retirement, vision insurance, health insurance, dental insurance, long term disability insurance, life insurance and deferred compensation.

9. Vehicle Use: The City requires that Employee have transportation readily available for his use during his employment with the City, and, to the end of assuring that Employee has a vehicle available, Employee shall be assigned an appropriate vehicle equipped with necessary safety equipment and communications devices. Due to his on-call status, Employee shall be allowed use of said vehicle for personal use up to three hours away from the Lodi Police Department if necessary to accommodate a call to duty.

10. Performance Evaluation: The City Manager shall review and evaluate the performance of Employee each year and set goals and objectives for the ensuing year. Such review and evaluation shall be in accordance with specific criteria developed in the performance plan in consultation with Employee and the City Manager.

11. Assignment: Employee shall not assign any of the duties and responsibilities, or obligations of this Agreement except with the express written consent of the City Manager.

12. Authority to Work in the United States: Employee represents, under penalty of perjury, that he is authorized to work in the United States. In accordance with Section §274(A) of the Immigration Reform and Control Act of 1986 (8USC 1324) before this Agreement can become effective, Employee must provide documentary evidence to City consistent with the Act, that he is legally entitled to work in the United States, and must execute the verification required by that Act.

13. Notice: All notices required herein shall be sent first class mail to the parties as follows:

To CITY:

City of Lodi
Attn: City Manager's Office
P. O. Box 3006
Lodi, CA 95241-1910

To EMPLOYEE:

Ricardo Garcia
c/o Lodi Police Department
215 W. Elm Street
Lodi, CA 95240

Notice shall be deemed effectively served upon deposit in the United States mail. Either party may change the "Notice" address by notifying the other party in writing of such change.

14. Entire Agreement: This Agreement contains the entire agreement between the parties hereto regarding Employee's provision of services as Police Chief. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by any party hereto. This Agreement may only be amended by written instrument signed by Employee and the City Manager and specifically approved by the City Council in open session.

15. Severability: If any provision of this Agreement is invalid or unenforceable, it shall be considered deleted herefrom and the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written above.

EMPLOYEE

By: _____
RICARDO GARCIA

CITY OF LODI, a municipal corporation

By: _____
ANDREW C. KEYS
Interim City Manager

Police Chief Employment Agreement

ATTEST:

By: _____
OLIVIA NASHED
City Clerk

APPROVED AS TO FORM:

KATIE O. LUCCHESI
City Attorney





COUNCIL COMMUNICATION

AGENDA TITLE:

Provide Council Direction to Interim City Manager on Formation of an Economic Development Committee (CM)

MEETING DATE:

November 15, 2023

PREPARED BY:

Andrew C. Keys, Interim City Manager

RECOMMENDED ACTION:

Provide Council Direction to Interim City Manager on Formation of an Economic Development Committee.

BACKGROUND INFORMATION:

The Lodi City Council adopted its Strategic Vision on May 17, 2023. The Strategic Vision included eight imperatives of which five are Economic Development focused, including Downtown, Economic Development, Housing, Infrastructure and Public Well-Being. The additional three imperatives of Fiscal Health, Parks and Public Safety rely on a successful economic development plan to achieve the milestones and stretch goals within. City Council approved an Economic Development Director position on November 1, 2023 that will be charged with achieving Economic Development success within the Strategic Vision. Given the importance of economic development to implementation of Council's Strategic Vision, the need for partnership with the business community and public for Economic Development success and limited City resources, it is prudent to have committee level oversight and direction for the City's economic development plans, including but not limited to, the Economic Development Strategic Plan and Downtown Specific Plan development, both of which are near term projects and milestones within the Strategic Vision. Staff will provide a presentation with options for formation of an Economic Development committee for Council consideration and direction.

STRATEGIC VISION:

2. Economic Development - All

FISCAL IMPACT:

Not applicable.

FUNDING AVAILABLE:

Not applicable.

Andrew C. Keys
Interim City Manager

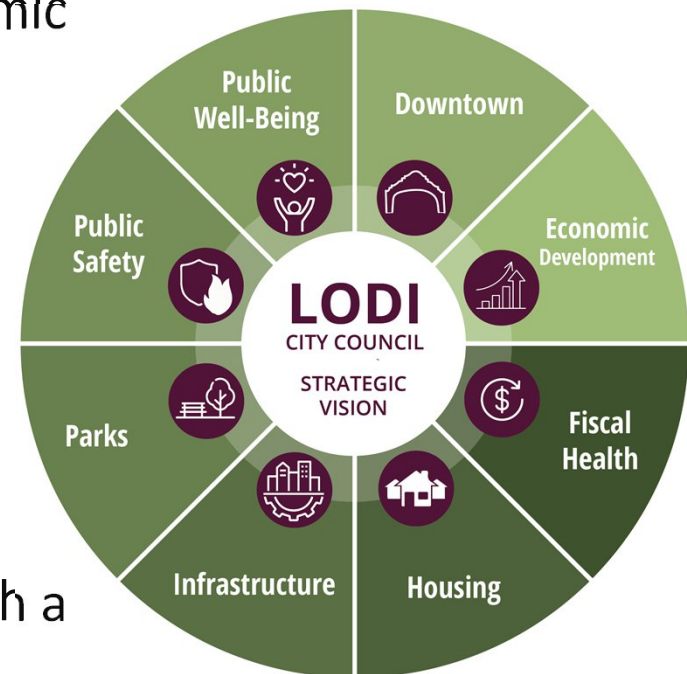
Economic Development Committee Options

Presented by Interim City Manager,
November 15, 2023



Background

- City Council adopted its Strategic Vision on May 17, 2023.
- The Strategic Vision centers around Economic Development.
- City Council approved the addition of a 100% focused Economic Development Director position on November 1, 2023.
- City Council has approved funding for an Economic Development Strategic Plan and a Downtown Specific Plan which require significant community input.
- After direction tonight, staff will return with a Committee formation resolution.



Committee Options

- Option 1 – No Committee
 - No further discussion needed. Staff would manage all processes and recommendations related to Economic Development and bring recommendations to the full Council at a meeting without an additional review or outreach body.
- Option 2 – Council Subcommittee
- Option 3 – Appointed Ad Hoc Committee
- Option 4 – Permanent Standing Committee



Option 2 – Council Subcommittee

- A Council Subcommittee could consist of 2 members of Council who would review policy level economic development decisions prior to consideration by the full Council
- Primary Advantages:
 - No procedural requirements under the Brown Act (meeting flexibility and quicker decision making)
 - Includes Council input early on
- Primary Disadvantages
 - Subcommittee members have greater influence over critical policy decisions and can steer recommendations
 - No broader public or business interest represented on the Subcommittee
- Next Steps: Staff prepares a Resolution for Council consideration on Subcommittee scope that also appoints two Councilmembers to the Subcommittee



Option 3 and Option 4 – Council Participation

- Both Option 3 – Ad Hoc and Option 4 – Standing Committee may or may not include Council participation.
- Council participation is limited to a maximum of 2 members.
- All recommendations of the Committee must come before the whole Council for enactment.
- Staff recommends not having Council participation on either of these options to avoid one or two members having disproportionate influence over policy recommendations, or Council influence limiting participation of other Committee members.



Option 3 – Appointed Ad Hoc Committee

- An Ad Hoc Committee would advise and make recommendations to Council on various policy level economic development decisions prior to full Council consideration
- Primary Advantages:
 - Council defines the purpose and temporary timeframe – Ex. 1-2 years or until completion of Economic Development Strategic Plan and/or Downtown Specific Plan, but does not formally specify meeting parameters
 - Wide range of interests can be included on Ad Hoc Committee
- Primary Disadvantages
 - Temporary in nature, could not continue beyond the defined time or purpose
 - Brown Act procedural requirements could apply if timeframe is ongoing or Committee tries to act (rather than just advise)
- Next Steps: Staff prepares a Resolution for Council consideration on Ad Hoc Committee scope to limit it to a duration or task; resolution would include proposed Committee makeup and authorization to post for Committee vacancies



Option 4 – Permanent Standing Committee

- A permanent Standing Committee
- Primary Advantages:
 - Permanent committee providing review, recommendations and oversight on economic development activities
 - Wide range of interests can be included on the Standing Committee (possibly by district)
 - Could provide ongoing Committee review of implementation for Economic Development Strategic plan once it is adopted
- Primary Disadvantages
 - Additional agenda and notice requirements, and communication limitations to comply with the Brown Act
 - Council must take formal action to create Standing Committee, provide direction, and set meeting schedule, less flexibility in scheduling
 - All future economic development policy recommendations must go through an additional review step (the Committee)
- Next Steps: Staff prepares a Resolution for Council consideration of proposed Standing Committee scope, Committee member makeup, meeting schedule and authorization to post for Committee vacancies



Staff Recommendation

- Staff Recommends Option 4 – Permanent Standing Committee
 - 5 of the 8 Strategic Imperatives are Economic Development or Economic Development by another name:
 - Downtown, Economic Development, Housing, Infrastructure and Public Well Being
 - The remaining 3 Imperatives rely on revenue from Economic Development for success:
 - Fiscal Health, Parks and Public Safety
 - Given the central focus of the Strategic Vision on Economic Development, a Standing Committee to ensure policy recommendations are properly vetted and mature before Council consideration is important for public outreach, public process and oversight.
 - Staff recommends a Committee without Councilmembers to avoid one or two members having disproportionate influence over policy recommendations.



Questions?





COUNCIL COMMUNICATION

AGENDA TITLE:

Receive a Presentation Requesting Council Direction Regarding the Downtown Specific Plan Request for Proposals (CD)

MEETING DATE:

November 15, 2023

PREPARED BY:

Cynthia Marsh, City Planner

RECOMMENDED ACTION:

Receive a presentation requesting Council direction regarding the Downtown Specific Plan Request for Proposals (RFP).

BACKGROUND INFORMATION:

In furtherance of City Council Strategic Vision FY 2023-2024 Goal #1, in July 2023, the City Council allocated \$750,000 in surplus General Fund dollars towards issuing a Request for Proposals (RFP) to qualified consultants to complete a Downtown Specific Plan within two years of contract award.

This informational presentation by the Community Development Department will preview the principal objectives of the Specific Plan and request Council direction concerning formation of an RFP Review Committee. Staff recommends that Council designate a review committee consisting of one designee from the Chamber of Commerce, one designee from the Downtown Business Alliance, and three City staff (from Community Development, Public Works or Economic Development). Optionally, the Council may select one or two Councilmembers participate in the RFP review in addition to those listed. Once the RFP is issued, and responses received from qualified consultants, the Committee will participate in scoring applications, interviewing consultants, and making a recommendation to City Council for award of a consultant contract. Staff's goal is to issue the RFP to qualified consultants in March 2024.

Once a consultant is chosen and begins work, a larger stakeholder group will be formed to participate in the Downtown Specific Planning effort, anticipated to begin by Summer 2024.

Staff recommends that Council designate one or two Councilmembers to participate in the RFP Review Committee at tonight's meeting.

STRATEGIC VISION:

1A. Downtown: Community and Economic Development.

FISCAL IMPACT:

Project estimate is \$750,000 is consultant fees.

FUNDING AVAILABLE:

General Fund surplus allocation.

Melissa Munoz

COUNCIL COMMUNICATION

Accounting Manager

John Della Monica
Community Development Director

Andrew C. Keys
Interim City Manager



COUNCIL COMMUNICATION

AGENDA TITLE:

Receive Presentation on Lodi GrapeLine Transit System (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Julia Tyack, Transportation Manager

RECOMMENDED ACTION:

Receive presentation on the Lodi GrapeLine Transit System.

BACKGROUND INFORMATION:

Julia Tyack, Transportation Manager, will provide a presentation to inform the Council on the Lodi GrapeLine public transit system.

The presentation will include information such as the transit system organizational structure, service area, services offered, ridership trends, connections with other transit agencies, and funding sources. The intent of the presentation is to provide a general overview of the transit system to inform members of Council and the public about the services available to the Lodi community.

STRATEGIC VISION:

1D. Downtown: Accessibility for multi-modal transportation and public safety.

FISCAL IMPACT:

Not Applicable

FUNDING AVAILABLE:

Not Applicable

Charles E. Swimley
Public Works Director

Andrew C. Keys
Interim City Manager



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Resolution Selecting the Lodi Energy Center Hydrogen Conversion Project as the City's One Voice Project; and Authorize Staff to Prepare Application for Nomination for the 2023 San Joaquin Council of Governments' One Voice Trip (PW)

MEETING DATE:

November 15, 2023

PREPARED BY:

Charles Swimley, Public Works Director

RECOMMENDED ACTION:

Adopt a resolution selecting the Lodi Energy Center Hydrogen Conversion Project as the City's One Voice project; and authorize staff to prepare application for nomination for the 2023 San Joaquin Council of Governments' One Voice Trip.

BACKGROUND INFORMATION:

The One Voice program is San Joaquin Council of Governments' (SJCOG) federal advocacy program for San Joaquin County that promotes projects, programs and issues of regional significance to federal legislators and agencies typically through an annual trip to Washington DC. Due to the competitive nature of federal funding requests, SJCOG is focusing the One Voice initiative on elevating regional projects. In addition, projects being submitted for One Voice support must clearly align with SJCOG's legislative priorities and eligibility requirements for the discretionary and federal earmark programs.

To maximize funding success, SJCOG has developed a process to review and evaluate project applications. The process includes determining project eligibility based on established criteria and an ad-hoc committee to review the applications. Each jurisdiction will be limited to submitting one regionally significant project application for One Voice nomination.

Below are the criteria by which the projects will be evaluated.

- Project must be regional in nature and have a federal nexus.
- Must be at or near completion of National Environmental Policy Act (NEPA) clearance.
- Be sufficiently developed to leverage federal assistance (shovel ready).
- Projects should be targeted for appropriations in the Federal Fiscal Year 2024.

There are five projects that staff is proposing as options for the One Voice nomination. There is one transportation project, the (State Route 99 / Harney Lane Interchange Reconstruction Project); one broadband communications project (Broadband Infrastructure Project); a low bar navigation center (Lodi Access Center); a workforce development center (Workforce Education Center); and an alternative power project (Lodi Energy Center Hydrogen Conversion Project). A brief description of each project option is provided below.

COUNCIL COMMUNICATION

Option 1 - State Route 99 / Harney Lane Interchange Reconstruction Project

The existing interchange is an outdated design with limited operating conditions, resulting in a reduced level of service condition. Funding for the State Route 99/Harney Lane Interchange Reconstruction Project was requested through the 2008, 2010, 2019 and 2020 One Voice trips but was not successful in receiving funds.

The purpose of the interchange project is to reduce congestion, improve traffic operations and accommodate anticipated travel demand due to development approved by the City of Lodi's General Plan. The General Plan identifies the Harney Lane corridor as the main area of growth for the City over the next 20 years where the projected growth in and around Lodi will put traffic demands on the interchange that cannot be met unless improvements are implemented. The total project cost is estimated to be approximately \$60 million.

Criteria Evaluation: This project is marginally regional in nature as it will primarily serve residents within the City of Lodi and surrounding areas. The project planning has not evolved to the environmental study phase of work, therefore the NEPA process has not been started. The project is not sufficiently developed to leverage federal funds and will not be ready to receive appropriations in the federal fiscal year 2024. In addition, more attractive road projects exist regionally and nationally that compete for the same limited resources.

Option 2 - Broadband Infrastructure Project

The Broadband Infrastructure Project is a multi-phased fiber communications network improvement / installation project. Funding for this project was requested in 2022, but was not successful in receiving a nomination.

Phase 1 includes upgrading the existing fiber backbone to support the City's growing needs across many departments and applications. The City of Lodi currently owns and maintains approximately 20 miles of fiber used to support communications for public safety, data collection for utility billing, utility operation software platforms, as well as citywide data and communication efforts. The existing fiber backbone is reaching the end of its useful life and additional fiber will be needed over the next 10 years to support existing and build upon future City and utility connectivity needs as well as enable a platform for possible opportunities benefitting Lodi residents and businesses. Phase I includes a full engineering design of the fiber backbone rebuild to identify all requirements and constraints. The design is substantially complete and a Request for Proposals to select a construction contractor for the rebuild is expected to be released in early 2024. The new fiber backbone would be built with extra capacity to support potential future broadband services in Lodi.

The remaining phases (Phases 2-4) include the incremental expansion utilizing public / private partnerships to build off of the Phase 1 backbone improvements to serve neighborhoods, business districts and eventually the entire City. The capital investment for the completed project is estimated at approximately \$45 million.

Criteria Evaluation: This project is not regional in nature as it will primarily serve residents within the City of Lodi and surrounding areas. The project planning has not evolved to the environmental study phase of work, therefore the NEPA process has not been started. The initial phase of the project (Phase 1) is designed and local funding is available. The remaining phases of design are not sufficiently developed to leverage federal funds and will not be ready to receive appropriations in the federal fiscal year 2024.

Option 3 - Lodi Access Center

The City of Lodi is in the midst of developing a navigation center called the Lodi Access Center and Emergency Shelter ("Access Center"). It will have the capacity to house the Lodi 2022 Point in Time Count number of unsheltered persons. The Lodi Access Center will be a low-barrier, service-enriched shelter that will facilitate the linkage to needed resources to help individuals exit the cycle of homelessness. Onsite services include intensive case management, hygiene facilities, 24/7 staffing including security, and janitorial services.

COUNCIL COMMUNICATION

The Access Center will offer those in need the opportunity to regain safety and engage in supportive connections that allow them to move forward with rebuilding their lives, as well as develop pathways to permanent housing, employment, benefits, healthcare, sobriety, and stability. To make sheltering more accessible, partners, pets, and possessions will be allowed.

Various grant resources have been awarded towards the development and construction of the Access Center facility and staff continue to seek funding resources. Additional grant resources towards capital costs would allow for completion of the project and extend the current operational funding capacity. The total capital project cost is estimated at \$14 million.

Criteria Evaluation: This project is not regional in nature as it will primarily serve residents within the City of Lodi and surrounding areas. The project planning has evolved to where the NEPA process is nearly complete. The project is designed and local funding is available. The remaining phases of design are sufficiently developed to leverage federal funds and will be ready to receive appropriations in the federal fiscal year 2024.

Option 4 - Workforce Education Center

Recognizing that there is a need for creative and adaptable solutions to employment concerns, the City of Lodi is approaching workforce development through a targeted regional approach. To accomplish this objective, the Community Development Department is working to launch a Workforce Education Center. Many of the City's current projects would benefit from the development of the Workforce Education Center which would not only create jobs, but alleviate persistent economic distress and support long-term comprehensive economic development. By developing a workforce training facility that supports the whole individual on their path to job readiness, the City hopes to create exits to homelessness or income insufficiency through implementing education and training programs to enhance career prospects for anyone in Lodi or San Joaquin County that is in need. Course offerings could include reading/writing comprehension, English as a second language, computer basics, life skills, resume building, diploma preparation (HS/GED), etc., as a foundation towards next steps in the job readiness programs offered at the Workforce Education Center. Training programs are anticipated to include subjects such as Certified Nurse Assistant (CNA), Welding, Electrical, Plumbing, Information Technology, and other certification courses.

The City of Lodi has current local commitment and has been awarded funding from San Joaquin County to begin the construction of the Workforce Education Center. This funding will allow for the foundation and the shell of the building to be completed. However, Staff continue to apply for and seek grant resources for the completion of the construction buildout of the project as well as ongoing operational support. An application has recently been submitted that could help support construction and initial operations; however, awards are still pending and likely will not be known until the first quarter of 2024. The total capital project cost is estimated at \$5 million.

Criteria Evaluation: This project would be regional in nature as it will serve residents within the City of Lodi and surrounding San Joaquin County. The project planning has evolved to where the NEPA process is nearly complete. The project is designed and local funding is available for initial phases. The remaining phases of design are sufficiently developed to leverage federal funds and will be ready to receive appropriations in the federal fiscal year 2024.

Option 5 - Lodi Energy Center Hydrogen Conversion Project

The Lodi Energy Center Hydrogen Conversion Project is planned to be constructed in Lodi near the City's Wastewater Pollution Control Facility and will demonstrate the use of hydrogen across multiple applications including power supply, transportation, port operations and research and development opportunities. Lodi is a participating member in NCPA's Lodi Energy Center (LEC) 300 mega watt natural gas facility, which was recently upgraded to operate using up to a 45 percent hydrogen blend. The Project will use excess renewable

COUNCIL COMMUNICATION

energy when it is available to produce hydrogen on site to power the LEC, supplying clean energy when California needs it the most as renewable energy production declines late in the day, ultimately providing greater reliability in the state's energy grid. The City is an approximate 10% owner of LEC and as such would be obligated to 10% of plant upgrades. Funding received through COG could offset the City's contribution to this project.

Criteria Evaluation: The Project aligns well with the One Voice program requirements as it directly addresses issues of regional significance to federal legislators and agencies. This project is deemed substantially shovel ready and would be able to take advantage of funding appropriations in the Federal Fiscal Year 2024. The NEPA clearance is the next step as the design for the facility is already underway as part of previous project planning activities. The project aligns with nearly all of SJCOG's legislative priorities and in initial discussions with SJCOG staff is a very attractive project for the City to submit.

STRATEGIC VISION:

2C. Economic Development: Continue to support Hydrogen Hub Project.

FISCAL IMPACT:

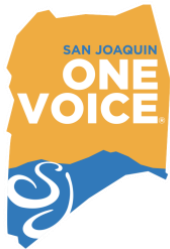
Not Applicable

FUNDING AVAILABLE:

Not Applicable

Charles E. Swimley
Public Works Director

Andrew C. Keys
Interim City Manager



SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202 • P 209.235.0600 • F 209.235.0438 • www.sjcog.org

October 30, 2023

MEMORANDUM

David Bellinger

CHAIR

Diane Lazard

VICE-CHAIR

Diane Nguyen

EXECUTIVE DIRECTOR

Member Agencies

CITIES OF
ESCALON,
LATHROP,
LODI,
MANTECA,
RIPON,
STOCKTON,
TRACY,
AND
THE COUNTY OF SAN
JOAQUIN

TO:

SJCOG Member Agencies

SUBJECT:

2024 San Joaquin One Voice® Call for Projects

The San Joaquin Council of Governments is soliciting a request for projects for the 2024 San Joaquin One Voice® program. Interested parties must submit all application packets to SJCOG by **November 27, 2023, at 4:00 p.m.**

The One Voice® program is SJCOG's legislative advocacy approach for San Joaquin County that promotes issues of regional significance to federal legislators and agencies through an annual advocacy trip to Washington, D.C. The purpose of the program is to advocate for increased funding and/or promotion of legislation for issues and projects of regional significance to the San Joaquin region.

2024 Call for Projects

The intent of the call for projects is to receive applications that are regionally significant, locally approved, and ready for implementation. Furthermore, projects must be eligible for federal funding with a NEPA document, a schedule for completion of NEPA, or a qualified waiver. Additionally, a project should support the legislative priorities (attached). Details on the submission process, forms, and more information is available on our website at: <https://www.sjcog.org/onevoice>.

SJCOG wants all member agencies to be represented on the 2024 One Voice® program with a project. For assistance with identifying a project or for general program questions please contact onevoice@sjcog.org.

Thank you,

DIANE NGUYEN
Executive Director

Attachments:

- A. 2024 SJCOG Federal Legislative Platform
- B. 2024 One Voice® Final Guidelines
- C. 2024 One Voice® Application

2024 SJCOG FEDERAL LEGISLATIVE PLATFORM

Overview

Created in 1968, the San Joaquin Council of Governments (SJCOG) is a joint-powers authority comprising the County of San Joaquin and the cities of Stockton, Lodi, Manteca, Tracy, Ripon, Escalon, and Lathrop. The role of SJCOG is to foster intergovernmental coordination within San Joaquin County and with neighboring jurisdictions, other regional agencies in the San Joaquin Valley, the state of California, and various Federal agencies.

SJCOG is overseen by a Board of Directors which makes allocations of funding to build transportation improvements. The board also establishes regional transportation policies and programs. Citizens, special or community interest groups, and other agencies are involved in the planning and approval process. The mission of SJCOG is to partner with local governments, the private sector, and community groups as the forum, facilitator, and administrator of regional programs, and to advocate for regional and inter-regional issues in the development of a comprehensive strategy to achieve resolutions.

This 2023 Federal Legislative Platform provides direction to our Congressional Delegation and Agency officials with respect to the transportation, infrastructure and policy needs of San Joaquin County. The platform is organized by policy themes under which major projects and programs fall. These themes are **Equity and Accessibility, Transportation Sustainability and Resiliency, Innovation and Mobility and Economic Growth.**

Equity and Accessibility

The San Joaquin Council of Governments and its member communities are committed to developing and implementing strategies that improve transportation infrastructure and access, particularly in underserved and disadvantaged communities. SJCOG has included a Sustainable Community Strategy in its Regional Transportation Plan effort, and will foster coordinated planning with neighboring cities, counties, and other governmental entities to agree upon regional strategies and policies for dealing with the regional impacts of growth on transportation, housing, and the environment. SJCOG supports policies that will:

- Support economic development incentives and jobs training for economically hard-hit areas
- Develop and deploy strategies to improve infrastructure for non-motorized travel, public transportation access, and increased public transportation service in underserved communities. SJCOG will prioritize measures to increase road safety for all users and reduce single-occupancy vehicle travel and the associated air pollution, particularly in environmental justice-impacted communities
- Support local government authority to determine the types of development eligible for Opportunity Zone or similar investments in any regulations implementing the program
- Advocate for additional resources to improve the quality of life for residents.

Transportation Sustainability and Resiliency

San Joaquin County is part of the San Joaquin Valley Air Pollution Control District. Our district is one of the two areas of the United States with the most significant air quality challenges. To address our air quality challenges, SJCOG is tasked with examining programs and policies to reduce transportation emissions while at the same time improving transportation mobility options for our citizens. SJCOG and its member communities will undertake actions to prepare for and adapt to the impacts of climate change and continue to improve infrastructure networks that work for all users. SJCOG is taking steps to identify the barriers to, and opportunities for, clean energy deployment throughout the region.

As transportation agencies implement the Infrastructure Investment and Jobs Act, SJCOG would encourage the adoption of policies and the promotion of programs and projects that would:

- Continue implementation of programs such as the Clean School Bus Program, Low- and No-Emission Transit Bus Program, and the Intelligent Transportation Systems Program for low and no emission vehicles (truck, bus, car, off-road) to spur adoption by government and private sector alike
- Ensure electric vehicle charging programs such as the National Electric Vehicle Infrastructure program and the Charging and Fueling Infrastructure (CFI) Discretionary Grant Program applies to urban, suburban, and rural areas for the increased utilization of both private vehicles and public transit fleets

- Prioritize the efficient and effective movement of people through alternative fuel vehicle mobility programs (bus, autonomous vehicle (AVs), bike, scooter) that would improve first and last mile connectivity while also reducing emissions
- Continue implementing federal grant programs (at DOT, EPA, and DOE) for reducing emissions in on-road and off-road vehicles
- Support the introduction of air quality empowerment zone legislation
- Support Buy America requirements under FHWA that continue to promote domestic content and manufacturing and that reduce unintended consequences with respect to the procurement of energy efficient and emission reducing technologies/component parts in vehicles

Innovation and Mobility

San Joaquin Council of Governments supports the development of innovative technology in transit. SJCOG actively promotes forward-thinking approaches to improve transit financing, planning, system design and service, and supports innovative approaches to advance strategies that promote accessibility, including equitable and equivalent accessibility for all travelers.

SJCOG is working to foster innovative transit technologies, practices and solutions that advance the state of practice for public transportation in the region and leverage private sector investments in mobility for the benefit of transit.

- Support local authority over the integration of AVs and connected vehicles into the nation's transportation system. Regional organizations (such as Councils of Governments) should have the opportunity to guide the testing and adoption of AVs that makes the most sense for their community and region
- Expand opportunities for programs such as the Strengthening Mobility and Revolutionizing Transportation (SMART) grants program and the Advanced Transportation Technology and Innovation (ATTAIN) program to provide research projects on issues related to transit technology/clean corridor tracking/new technology/platooning
- As with Environmental Sustainability, continue to implement and improve mobility technology programs (for AVs, bikes, scooters, etc.), as well as test beds for new technologies that provide access and reduce congestion.

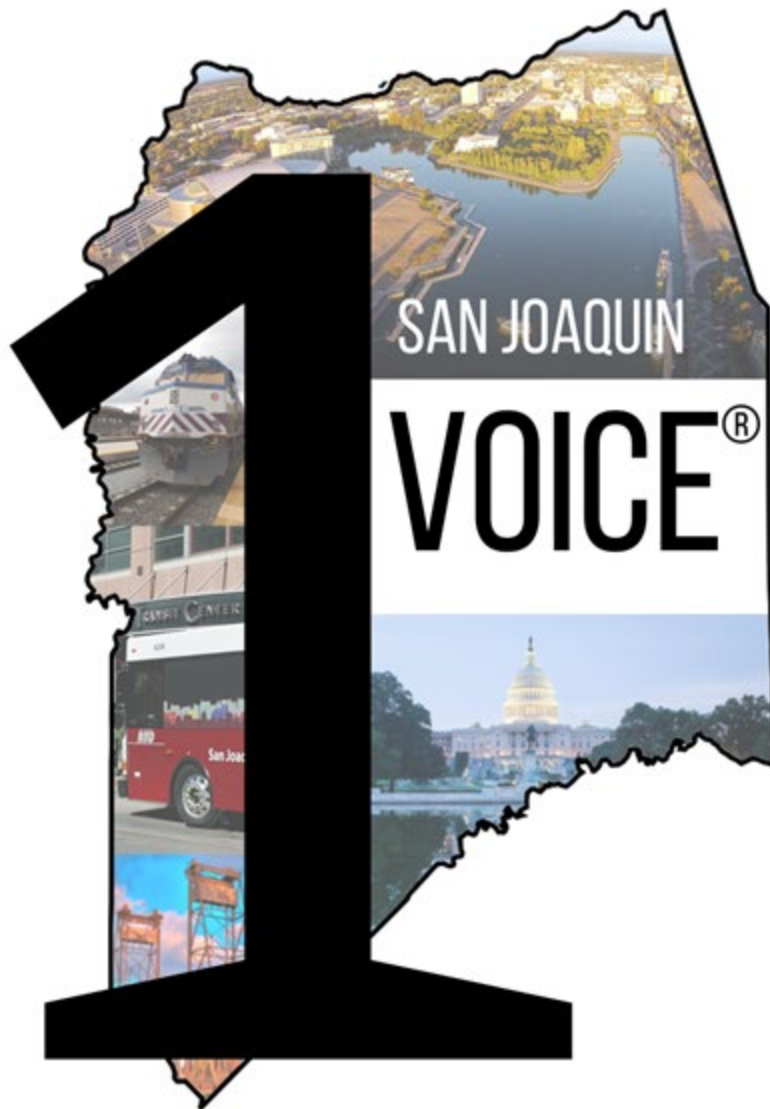
Economic Growth

San Joaquin County is an economic gateway for goods and services and is home to many people who provide support to economic activity in neighboring counties and the United States as a whole. SJCOG believes that commercial hubs and affordable housing infrastructure can be the tools to improve economic activity inside and outside San Joaquin County.

SJCOG supports the adoption of policies and the promotion of programs and projects that would:

- Support the implementation and expand eligibility of programs at DOT and HUD - such as the Thriving Communities program - that incentivize the development of commercial hubs that integrate transportation and housing in one central location
- Support strategic investments to improve goods movement for the agricultural supply chain and manufacturing logistics throughout San Joaquin County
- Support grant applications for the construction of managed lanes, particularly in corridors that serve as gateways between regions
- Promote grant applications for the rehabilitation or operational improvements to STAA routes
- Through programs such as the Bridge Investment Program and the Bridge Formula Program, support projects specific to off-system bridge preventative maintenance, rehabilitation, and replacement including, but not limited to, those within trade corridors
- Ensure that broadband programs providing reliable and affordable internet is accessible for all communities in the San Joaquin Valley, including proper mapping of areas that have little to no service
- Through the Bipartisan Infrastructure Law and the Inflation Reduction Act, support communities that want to update regional plans to build community resilience and green workforce development

FY 2024 One Voice® Guidelines



SAN JOAQUIN COUNCIL OF GOVERNMENTS

San Joaquin Council of Governments

FY 2024 One Voice® Program Guidelines

Table of Contents

A.	Introduction	3
	Background.....	3
B.	Project Evaluation Procedures	3
	Project Criteria	3
	One Voice® Project Ad-Hoc Committee	4
	Funding Opportunities.....	4
C.	Program Schedule	5

A. Introduction

Background

San Joaquin One Voice® is SJCOG's federal advocacy program for San Joaquin County that promotes projects, programs, and issues of regional significance to federal legislators and agencies typically through an annual trip to Washington, D.C.

With the return of federal earmarks, continued availability of funding opportunities from transportation and infrastructure legislation, the San Joaquin Council of Governments (SJCOG) is focusing the One Voice® initiative on elevating regional projects and maximizing funding success. As a result, projects being submitted to SJCOG for One Voice® support will need to ensure they're clearly aligned with SJCOG's legislative priorities and eligibility requirements for the discretionary and federal earmark programs.

B. Project Evaluation Procedures

To increase competitiveness of the region's projects, SJCOG has developed a process to review and evaluate project applications. The process includes determining project eligibility based on established criteria and an ad-hoc committee to review the applications. The committee will offer suggestions to improve applications to successfully receive federal funding assistance. Outlined below are the project eligibility criteria, the roles, and responsibilities of the ad-hoc committee, and a description of the funding opportunities.

Project Criteria

To align with infrastructure legislation, SJCOG will publish a list of federal funding opportunities to be released in the current and near future fiscal years. Any public agency, the Port of Stockton, and all airports are eligible to submit one regional project application. Each application will specify which federal funding program(s) to which the sponsor is applying.

Below are the criteria by which the projects will be evaluated. Sponsors will be notified if a project application does not meet the criteria so that it can be modified.

- Be regional in nature and have a federal nexus.
- Must be at or near completion of National Environmental Policy Act (NEPA) clearance, or qualified waiver, for projects seeking ROW or construction funding. If not already cleared, the project sponsor will be asked to provide the anticipated clearance date and explain how the project status can be competitive for the federal programs (see application form for list).
- Be sufficiently developed to leverage federal assistance (shovel ready).

- Explain whether the sponsor is utilizing any formula funding for the project elements and detail how formula funds are being applied. If not utilizing formula funds, explain why formula funds are not being applied to the project.
- Projects should be targeted for appropriations in the Federal Fiscal Year 2024 budget or an upcoming notice of agency funding opportunity
- Demonstrated community support
- Identify if project can be submitted as an “earmark” if a congressional call for projects is announced
- All narrative shall be in Word for ease in cut and pasting to project sheets.

Each jurisdiction will be limited to one regionally significant project. SJCOG, as it has done in the past, will also be limiting its submittal to one project.

One Voice® Project Ad-Hoc Committee

The committee’s purpose is not to eliminate projects, but to review the submittals and identify framing strengths and weaknesses. Feedback will be forwarded to the sponsor. The sponsors will be asked to elaborate on the details of that part of the project. The process is designed to ensure the projects are presented to decision makers and legislative representatives in the most effective format that gives them the best chance for success in receiving federal funds.

Ad-Hoc Committee Membership:

- 1 member of the business community
- 1 SJCOG staff
- 1 CJ Lake
- 1 from San Joaquin County
- 1 each from San Joaquin Regional Transit District and San Joaquin Regional Rail Commission
- All cities can participate on the committee

This committee will review applications. Suggestions to improve applications will be offered to project sponsors. This may be an iterative process to achieve the final application. The final project list is planned for either the February or March 2024 SJCOG Board meeting.

Funding Opportunities

Funding opportunities from the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law continue to be noticed. It is important that the projects SJCOG puts forward are regional in scope, have been vetted, and have a pathway through the funding opportunities available. The federal program sheets (Attachment B.) provide descriptions of each federal funding opportunity listed in the One Voice® Project Application Form.

C. Program Schedule

The tentative program schedule has been changed to align with the One Voice® Trip in May 2024. The schedule allows for the ad-hoc committee to meet prior to taking the final project list to the SJCOG Board. The schedule also allows for time to refine the project descriptions prior to the trip. Table 1 lists the program schedule through the February 2024 SJCOG Board meeting.

Action	Deadline
Call For Projects	10/27/2023
Projects Due	11/27/2023
Ad hoc Committee Review Due	1/10/2024
Ad hoc Committee Meeting	1/17/2024
Jan. Board w/ Draft Project List	1/25/2024
Feb. Board Mailout	2/15/2024
Feb. Board Meeting	2/22/2024

Table 1. Tentative Program Schedule

2024 SJCOG One Voice® Application Form

Project Application Checklist

The San Joaquin Council of Governments Board approved the following project criteria:

- Be regional in nature and have a federal nexus.
- Must be at or near completion of (NEPA) clearance, or qualified waiver, for projects seeking ROW or construction funding.
- Be sufficiently developed to suggest federal assistance is warranted (shovel ready)
- Explain whether the sponsor is utilizing any formula funding for the project elements and detail how formula funds are being applied. If not utilizing formula funds, explain why formula funds are not being applied to the project.
- Projects should be targeted for appropriations in the Federal Fiscal Year 2024 budget or an upcoming notice of agency funding opportunity.
- Demonstrated community support.
- Identify if a project can be submitted as an “earmark” if a congressional call for projects is announced.
- All narrative shall be written in Microsoft Word for ease in cutting and pasting to project sheets.

The following contents are required to be submitted by SJCOG member agencies:

1. Signed cover letter (electronic signature is accepted)
2. Completed One Voice® Application Form
3. Complete Appendix – in order
 - a. A **high-resolution JPEG or PNG photo, graphic, map or diagram** of your project to be included on the project fact sheet.
 - b. **Project talking points** Talking points are limited to ten (10) bullet points, no more than 2-3 sentences each. (These highlights and benefits will be included in the participant binder and used during meetings in Washington, DC).
 - c. In 200 words or less describe the project’s benefit to the region and the scope of the project.
 - d. Attach a copy of the environmental clearance resolution or other signed documentation approving or adopting the environmental document (if completed).
 - e. Projects must be approved by your respective city councils or boards prior to submission to SJCOG. Please provide a copy of the minutes or resolution detailing approval. If the project has not secured this at the time of application submittal, indicate the date when this will be secured.
4. Letters of community support (Minimum 2 / Maximum 5)

One (1) electronic copy must be submitted via email/file sharing site of the complete application packet no later than **4:00 p.m. on November 27, 2023** to:

ATTN: SJCOG 2024 One Voice® Project Submittal
San Joaquin Council of Governments
555 E. Weber Avenue
Stockton, CA 95202
onevoice@sjcog.org

2024 SJCOG One Voice® Application Form

1. Project Title: _____

2. Applicant Agency: _____

3. Agency Address: _____

4. Staff-level Point of Contact/Title: _____

Email: _____ **Phone Number:** _____

5. Executive-Point of Contact/Title:

Email: _____ **Phone Number:** _____

6. Project Information:

6.a Provide project talking points. Talking points are limited to ten (10) bullet points, no more than 2-3 sentences each. (These highlights and benefits will be included in the participant binder and used during meetings in Washington, DC).

6.b. Provide a description of the project (project limits, overall scope of work), and federal nexus and provide a high-resolution map, site plan, or diagram. Include description how the project is significantly developed to warrant federal funding.

6.c Provide a description of how the project provides or improves regional connectivity across a variety of existing or planned developments, resources, facilities, job centers, etc. within the region.

6.d Provide a description of how the project supports and/or logically extends existing local and countywide or regional plans, strategies, or programs.

6.e. Describe safety, economic, mobility, equity and environmental and other benefits which are expected upon project completion

2024 SJCOG One Voice® Application Form

7. Project Readiness:

Attach detailed information on any completed project milestones or phases, and the project schedule. Describe whether the project can be split into clear and distinct phases.

Project Milestone			Proposed (Month/Year)
Begin Environmental (PA&ED) Phase			
Circulate Draft Environmental Document	Document Type		
End Environmental Phase (PA&ED Milestone)			
Begin Design (PS&E) Phase			
End Design Phase (Ready to List for Advertisement Milestone)			
Begin Right of Way Phase			
End Right of Way Phase (Right of Way Certification Milestone)			
Begin Construction Phase (Contract Award Milestone)			
End Construction Phase (Construction Contract Acceptance Milestone)			

7.b If your project is being delivered in phases, indicate the phases that are NOT a part of the project application to provide show the project is part of a larger/ “ultimate” project. Please answer the following questions:

- Describe how the specific stage, segment, phase, or activity fits into a larger project.
- Describe the larger project and additional benefits (not described earlier) of the larger project.

8. Funding Plan for the project being nominated.

This section shows all the funds in each phase of the project. Please copy/paste tables if there is more than one funding source. Indicate in the comments section under “FUNDING AGENCY” whether the funds have been secured/committed or whether the funds are still being sought/not committed. Identify the name of the FUNDING AGENCY.

Feel free to change the names of the phases if they’re not applicable (i.e. substitute capital procurement for “construction” phase.

8a. Project Funding Plan

Total Project Cost (\$1,000s)									Implementing Agency
Component	Prior	20-21	21-22	22-23	23-24	24-25	25-26+	Total	
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 1:	One Voice® Project Funding “Ask”	
Funding (\$1,000s)		

2024 SJCOG One Voice® Application Form

Component	Prior	20-21	21-22	22-23	23-24	24-25	25-26+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 2:	Funding (\$1,000s)								Program Code
Component	Prior	20-21	21-22	22-23	23-24	24-25	25-26+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 3:	Funding (\$1,000s)								Program Code
Component	Prior	20-21	21-22	22-23	23-24	24-25	25-26+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 4:	Funding (\$1,000s)								Program Code
Component	Prior	20-21	21-22	22-23	23-24	24-25	25-26+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									

2024 SJCOG One Voice® Application Form

TOTAL									
-------	--	--	--	--	--	--	--	--	--

8b. Explain whether the sponsor is utilizing any formula funding for the project elements and detail how formula funds are being applied. If not utilizing formula funds, explain why formula funds are not being applied to the project.

8c. Provide a Funding Summary:

Line 1: One Voice® Request: \$

Line 2: Funds already secured: \$

Total Project (add lines 1, 2, and 3 above): \$

9. Letters of Community Support (or other information that show the project's history in community engagement/support).

Attach letters of support from interested parties including community groups and other agencies.

2024 SJCOG One Voice® Application Form

10. Prospective federal funding opportunities that this project will apply to (check all that apply):

- ☐ Advanced Transportation Technology and Innovation (ATTAIN) program
- ☐ Bridge Investment Program
- ☐ Bus and Bus Facilities Competitive Grants
- ☐ Capital Investment Grants
- ☐ Charging and Fueling Infrastructure Grants (Community Charging)
- ☐ Charging and Fueling Infrastructure Grants (Corridor Charging)
- ☐ Congestion Relief Program
- ☐ Consolidated Rail Infrastructure and Safety Improvement Grants
- ☐ Rebuilding American Infrastructure with Sustainability and Equity (RAISE)
- ☐ Low or No Emission (Bus) Grants
- ☐ National Culvert Removal, Replacement, & Restoration Grant
- ☐ National Infrastructure Project Assistance (Megaprojects)
- ☐ Nationally Significant Freight and Highway Projects (INFRA)
- ☐ Pilot Program for Enhanced Mobility
- ☐ Pilot Program for Transit Oriented Development
- ☐ Port Infrastructure Development Program Grants
- ☐ Promoting Resilient Operations for Transformative, Efficient, and Cost Saving Transportation (PROTECT) - Discretionary
- ☐ Railroad Crossing Elimination Grants
- ☐ Reconnecting Communities Pilot Program
- ☐ Reduction of Truck Emissions at Port Facilities
- ☐ Safe Streets and Roads for All
- ☐ Strengthening Mobility and Revolutionizing Transportation (SMART) Grants
- ☐ Thriving Communities Program
- ☐ Wildlife Crossings Pilot Program
- ☐ Other: _____

RESOLUTION NO. 2023-_____

A RESOLUTION OF THE LODI CITY COUNCIL SELECTING THE
LODI ENERGY CENTER HYDROGEN CONVERSION PROJECT AS
THE CITY OF LODI'S NOMINATION FOR SAN JOAQUIN COUNCIL
OF GOVERNMENTS' ONE VOICE TRIP

=====

WHEREAS, the One Voice program is San Joaquin Council of Governments' (SJCOG) federal advocacy program for San Joaquin County that promotes projects, programs, and issues of regional significance to federal legislators and agencies typically through an annual trip to Washington, D.C.; and

WHEREAS, there were five projects that staff proposed as alternatives for the One Voice nomination: State Route 99 / Harney Lane Interchange Reconstruction Project; Broadband Infrastructure Project; Lodi Access Center; Workforce Education Center; and Lodi Energy Center Hydrogen Conversion Project; and

WHEREAS, the Lodi City Council chose the Lodi Energy Center Hydrogen Conversion Project as the City's choice for project nomination for the San Joaquin Council of Governments' One Voice Trip.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby select the submittal of the Lodi Energy Center Hydrogen Conversion Project as the project nomination for the San Joaquin Council of Governments' One Voice trip; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the City Manager to submit and/or execute any additional required documents to complete the One Voice submittal for this project; 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-__ 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 –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2023-_____



COUNCIL COMMUNICATION

AGENDA TITLE:

Adopt Ordinance No. 2019 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 17 - Development Code - Related to Section 17.10.030, "Zoning Map," to Amend the Zoning Designation of Assessor Parcel Number 062-41-35 to General Commercial (GC) (Application No. P2023-025)" (CLK)

MEETING DATE:

November 15, 2023

PREPARED BY:

Pamela M. Farris, Assistant City Clerk

RECOMMENDED ACTION:

Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 2019.

BACKGROUND INFORMATION:

Ordinance No. 2019 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 17 - Development Code - Related to Section 17.10.030, 'Zoning Map,' to Amend the Zoning Designation of Assessor Parcel Number 062-41-35 to General Commercial (GC) (Application No. P2023-025) was introduced at the regular City Council meeting of November 1, 2023.

ADOPTION: With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required - 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.***

Ordinances take effect 30 days after their final passage. ***Cal. Gov't Code § 36937.***

This ordinance has been approved as to form by the City Attorney.

STRATEGIC VISION:

Not applicable.

FISCAL IMPACT:

Not applicable.

FUNDING AVAILABLE:

Not applicable.

Olivia Nashed
City Clerk

COUNCIL COMMUNICATION

Andrew C. Keys
Interim City Manager

ORDINANCE NO. 2019

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING LODI MUNICIPAL
CODE TITLE 17 – DEVELOPMENT CODE – RELATED TO SECTION 17.10.030,
“ZONING MAP,” TO AMEND THE ZONING DESIGNATION OF ASSESSOR
PARCEL NUMBER 062-410-35 TO GENERAL COMMERCIAL (“GC”)
(APPLICATION NO. PL2023-025)

=====

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI, AS FOLLOWS:

SECTION 1. FINDINGS AND INTENT

The City Council of the City Lodi hereby finds, pursuant to Lodi Municipal Code (“LMC”) Chapter 17.72, that:

- A. The proposed zoning map amendment will ensure and maintain internal consistency with the general land uses, objectives, policies, programs, and actions of all elements of the General Plan if the requested amendment to the General Plan Land Use Map (PL2023-024 GPA) is approved (“Zoning Map Amendment”). The 2010 General Plan Land Use Map designates Assessor Parcel Number 062-410-35 (“Site”) Industrial. Pursuant to Figure 2-1 (Land Use Diagram) of the General Plan, the Site’s present Industrial (“M”) zoning designation is consistent with the General Plan Land Map designation of Industrial. However, the proposed alcoholic sales land use is not permitted in the Site’s current M zone. The proposed rezone of the Site to GC zone will be compatible with the requested amendment to the General Plan Land Use Map designation of General Commercial, and it would then allow the alcoholic sales land use with a conditional use permit. The proposed Zoning Map Amendment action would not create any inconsistencies with LMC Title 17 (Development Code) since it pertains to the Zoning Map only and the text of Title 17 would remain unchanged under this proposed action.

Additionally, the proposed Zoning Map Amendment action would further the following General Plan policy:

- i. Land Use Policy LU-G1: Create a balanced and sustainable land use pattern that provides for a diversity of uses and satisfies existing and future needs.
- B. The proposed Zoning Map Amendment will not endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety or general welfare of persons residing or working in the City because the GC zoning designation will, as noted above, be compatible with General Plan Land Use Map designation applicable to the Site if the requested amendment to the General Plan Land Use Map is approved. All owners, managers and employees selling alcoholic beverages shall successfully complete a certified training program in responsible methods and skills for selling alcoholic beverages. No person who is in a state of intoxication shall be permitted within the business nor shall an intoxicated patron be sold additional alcoholic beverages. If problems (on-site or within the immediate area) including, but not limited to, public drunkenness, disturbing the peace, or disorderly conduct result from the proposed alcohol sales, the Use Permit may be subject to review and revocation by the City of Lodi after a public hearing and following the procedures outlined in the City of Lodi Municipal Code.
- C. The Site would be physically suitable (including access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints) for the requested GC zoning

designation and anticipated land use development. The Site contains existing parcels, located in an urban area, and provides all necessary infrastructure (e.g., roads, utilities). The Site is presently undeveloped and the proposed improvements to this underutilized Site will conform with the LMC commercial standards.

- D. The proposed Zoning Map Amendment action complies with the California Environmental Quality Act ("CEQA") Guidelines (14 CCR § 15061), as the project is covered by the by the "Common Sense" exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." [CEQA 15061(b)(3)] Thus, further environmental review of the proposed Zoning Map Amendment is not required under CEQA Guidelines Section 15061.

SECTION 2. ZONING MAP AMENDMENT

The Zoning Map, referred to in LMC Section 17.10.030, and by reference made a part hereof, said Code is hereby amended to provide a General Commercial (GC) zoning designation for Assessor's Parcel Number 062-410-35 upon approval of the requested amendment of the General Plan Land Use Map to change the land use designation of the Site to General Commercial.

SECTION 3. SEVERABILITY

If any part of this Ordinance is held invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed the remainder of this Ordinance, if such invalid portion thereof had been deleted.

SECTION 4. 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 towards 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 5. NO CONFLICT.

All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 6. PUBLICATION.

This Ordinance shall take effect thirty (30) days after its adoption. In lieu of publication of the full text of the Ordinance within fifteen (15) days after its passage, a summary of the 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 _____, 2023

MIKEY HOTHI
Mayor

Attest:

OLIVIA NASHED
City Clerk
State of California
County of San Joaquin, ss.

I, Olivia Nashed, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 2019 was introduced at a regular meeting of the City Council of the City of Lodi held November 11, 2023, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2023, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. 2019 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