MCFARLAND CITY COUNCIL

McFarland Successor Agency, McFarland Public Finance Authority, McFarland Improvement Authority, McFarland Parking Authority

Regular Meeting Notice and Agenda

Council Chambers
103 W. Sherwood Ave, Mcfarland, CA
Website: https://www.mcfarlandcity.org/

Thursday, December 14, 2023
6:00 PM

SAUL AYON, *Mayor*
RICARDO CANO, *Vice Mayor*
AMADOR AYON, *Council Member*
ANITA GONZALEZ, *Council Member*
MARIA PEREZ, *Council Member*

VIEW THE MEETING RECORDINGS ONLINE at www.mcfarlandcity.org/AgendaCenter Recordings will be available approximately one week following the meeting.

HOW TO SUBMIT PUBLIC COMMENTS: The meetings of the City Council and all municipal entities, commissions, and boards ("the City") are open to the public. At regularly scheduled meetings, members of the public may address the city on any item listed on the agenda, or on any non-listed matter over which the city has jurisdiction. At special or emergency meetings, members of the public may only address the city on items listed on the agenda. There is a time limitation of two minutes per person. For any item that is not on the agenda and within the jurisdiction or interest of the city, please come to the podium at this time. The Brown Act does not permit any action or discussion on items not listed on the agenda. If you wish to speak regarding a scheduled agenda item, please come to the podium when the item number and subject matter are announced, and the mayor opens Public Comment on the item. When recognized, please begin by providing your name and address for the record (optional). Anyone wishing to submit written information at the meeting needs to furnish ten (10) copies to the City Clerk in advance to allow for distribution to City Council, staff, and the media. Willful disruption of the meeting shall not be permitted. If the Mayor finds that there is in fact willful disruption of any City Council Meeting, he/she may order the disrupting parties out of the room and subsequently conduct the City's business without them present.

PUBLIC ACCOMMODATIONS: The City of McFarland does not discriminate based on disability and complies with the provisions of the Americans with Disabilities Act (ADA). If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (661) 792-3091 at least 48 hours prior to the meeting to make reasonable arrangements to ensure accessibility to this meeting.

INTERPRETATION: If you need an interpretation of your communications to the City Council into English, please contact the City Clerk Department at 661-792-3091 ext. 2135 at least 48 hours prior to the meeting.

CALL TO ORDER: Mayor Saul Ayon

ROLL CALL:
Mayor/Chair, Saul Ayon
Vice Mayor/Vice-Chair, Ricardo Cano
Council Member/Board Member, Amador Ayon
Council Member/Board Member, Anita Gonzalez
Council Member/Board Member, Maria T. Pérez

INVOCATION:

PLEDGE OF ALLEGIANCE

FEATURED PET:
Is a feature that highlights a pet available for adoption from the McFarland Animal Shelter.

PRESENTATIONS, INTRODUCTIONS AND AWARDS

1. Longevity Awards Presented to City of McFarland Staff on Behalf of Mayor Saul Ayon.

2. Appreciation Recognition Presented to Dr. Michael Hair from LeOra LLC on behalf of Mayor Saul Ayon and the City Council.

PUBLIC COMMENT: The public may address the Council/Board Member on items, which do not appear on the agenda. Council/Board Members may respond briefly to statements made or questions posed. They may ask a question for clarification; may refer the item to staff for further study or for placement on a future agenda. Speakers are limited to two minutes for each person. Please state your name and address for the record prior to making a presentation. Fifteen minutes total will be allowed for any one subject.

DEPARTMENTAL REPORTS

CONSENT AGENDA: The Consent Agenda consists of items that in staff's opinion are routine and non-controversial. These items are approved in one motion unless a Council Member/ Board Member or Member from the Public requests to remove a particular item.

3. Approval of Expense Report in the Amount of $511,135.17 from 11/18/2023 to 12/01/2023.

4. Approval of Payroll Report for the Month of November 2023 in the Amount of $462,871.70.

5. Approval of November 30, 2023, Regular Meeting Minutes.

6. Approval of Resolution No. 2023-151 A Resolution of the City Council of the City of McFarland, California Designating the Applicant Agents for California Office of Emergency Services.

7. Approval of Resolution No. 2023-154 A Resolution of the City Council of the City of McFarland, California Approving the Modifications to the Memorandum of Understanding with the County of Kern.

8. Approval of Resolution No. 2023-155 A Resolution of the City Council of the City of McFarland, California Approving the Appropriation of Funds from the City's General Fund to Purchase New Tasers.

9. Approval of Resolution 2023-157 a resolution of the City Council of the City of McFarland allocating funds from the general fund for the purchase of a utility trailer in the amount of $5,787.24.

PUBLIC HEARINGS

10. The City Council of the City of McFarland, California will conduct a public hearing to accept public comment and any written protest regarding the proposed water, sewer and solid waste five-year utility rate schedules effective January 1, 2024. Upon conclusion of the public hearing, the City Clerk shall tabulate the filed written protests. If a majority protest does not exist, City staff recommends the City Council take the following action:

Approval of Resolution No. 2023-149 A Resolution of the City Council of the City of McFarland, California Adopting the Water, Sewer and Solid Waste Five-Year Rate Schedules Effective January 1, 2024.

11. Approval of Resolution No. 2023-156 A Resolution of the City Council of the City of McFarland resolving its intention to initiate procedures for establishing and implementing district-based elections.

12. Approval of Ordinance No. 13-2023 Establishing a Development Agreement with OTC McFarland LLC and the City of McFarland.

ADMINISTRATIVE AGENDA

13. Approval of Resolution No. 2023-150 A Resolution of the City Council of the City of McFarland, California, Approving the Position of Development Services Manager in the Community Development Department.

14. Approval of Resolution No. 2023-152 A Resolution of the City Council of the City of McFarland, California, Approving the Appropriation of Funds for the Executime Electronic Time & Attendance Project.

15. Approval of Resolution No. 2023-153 A Resolution of the City Council of the City of McFarland Approving Funds from the City's General Fund to Construct a Block Wall at City Hall.

16. Approval of Resolution No. 2023-158 A Resolution of the City Council of the City of McFarland adopting the procedural rules for the conduct of City Council Meetings.

REPORTS FROM CITY COUNCIL ON COMMITTEE/SPECIAL DISTRICT MEETINGS

a. Kern Council of Governments (KCOG)

b. Kern Economic Development Corp. (KEDC)

c. Kern Local Agency Formation Commission (LAFCO)

d. Delano Mosquito Abatement District (DMAD)

e. Poso Creek (IRWMP)

f. San Joaquin Valley Air Pollution Control District (SJV)

g. Public Policy and Finance Committee

h. Public Safety Committee

i. Quality of Life Committee

j. Cannabis Committee

COUNCIL STATEMENTS AND REPORTS:
On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. In addition, Council Members may ask a question of staff or the public for clarification on any matter, provide a reference to staff or other resources for information. Alternatively, request staff to report to the City Council at a later meeting concerning any matter. Furthermore, the City Council, or any member thereof, may take action to direct staff to place a matter of business on a future agenda.

CLOSED SESSION

17. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code section 54956.8)Property: APN 060-050-24
Agency Negotiators: Paul Saldana and Diego Viramontes
Negotiating Parties: San Joaquin Renewables LLC
Under Negotiation: Terms, price, and conditions of sale

18. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation - Significant exposure to litigation pursuant to Government Code §54956.9(b): Two Cases

ADJOURNMENT

This is to certify this agenda was posted at McFarland City Hall on December 11, 2023.

_ Francisca Alvarado
Francisca Alvarado, City Clerk

_ Kenny Williams
Kenneth Williams, City Manager

Next Meeting: Regular City Council January 11, 2023.

The City of McFarland does not discriminate based on disability and complies with the provisions of the Americans with Disabilities Act (ADA). If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (661) 792-3091 at least 48 hours prior to the meeting to make reasonable arrangements to ensure accessibility to this meeting.

All agenda item and/or supporting documentation is available for public review on the city website at www.mcfarlandcity.org and the office of the City Clerk of the City of McFarland, at 401 W, Kern Ave. McFarland, CA 93250 during regular business hours of 8:00 am – 5:00 pm Monday through Friday, following the posting of the agenda. Any supporting documentation related to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location and available at the meeting.

City of McFarland, CA

Expense Approval Report
By Vendor Name

Payment Dates 11/18/2023 - 12/1/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Vendor: Advanced Data Storag - Advanced Data Storage, Inc.					
Advanced Data Storage, Inc.	INV 0174281	11/28/2023	INV 0174281 Service Console ...	01-130-52200-0000-1	41.40
			Vendor Advanced Data Storag - Advanced Data Storage, Inc. Total:		**41.40**
Vendor: American Fabrication - American Fabrication					
American Fabrication	INV 105947	11/21/2023	INV 105947 12" Spool Fab & E...	32-510-56400-0000-1	3,756.28
			Vendor American Fabrication - American Fabrication Total:		**3,756.28**
Vendor: American Fidelity - American Fidelity					
American Fidelity	INV0025307	11/30/2023	American Fidelity Accident 2* ...	30-22800-0000-1	27.45
American Fidelity	INV0025307	11/30/2023	American Fidelity Accident 2* ...	34-22800-0000-1	15.41
American Fidelity	INV0025308	11/30/2023	Life 1	34-22900-0000-1	9.81
American Fidelity	INV0025309	11/30/2023	American Fidelity - Disability I...	01-22700-0000-1	46.50
American Fidelity	INV0025309	11/30/2023	American Fidelity - Disability I...	30-22700-0000-1	37.58
American Fidelity	INV0025309	11/30/2023	American Fidelity - Disability I...	31-22700-0000-1	11.35
American Fidelity	INV0025309	11/30/2023	American Fidelity - Disability I...	32-22700-0000-1	46.94
American Fidelity	INV0025309	11/30/2023	American Fidelity - Disability I...	34-22700-0000-1	30.76
American Fidelity	INV0025310	11/30/2023	Health FSA	01-22600-0000-1	60.58
American Fidelity	INV0025310	11/30/2023	Health FSA	30-22600-0000-1	83.08
American Fidelity	INV0025310	11/30/2023	Health FSA	31-22600-0000-1	50.19
American Fidelity	INV0025310	11/30/2023	Health FSA	32-22600-0000-1	108.06
American Fidelity	INV0025311	11/30/2023	Life 1	01-22900-0000-1	33.37
American Fidelity	INV0025311	11/30/2023	Life 1	30-22900-0000-1	42.06
American Fidelity	INV0025311	11/30/2023	Life 1	31-22900-0000-1	10.87
American Fidelity	INV0025311	11/30/2023	Life 1	32-22900-0000-1	25.02
American Fidelity	INV0025311	11/30/2023	Life 1	34-22900-0000-1	34.33
American Fidelity	INV0025312	11/30/2023	Life 2	34-22900-0000-1	13.85
American Fidelity	INV0025329	11/30/2023	Cancer 1 American Fidelity	34-22950-0000-1	8.12
American Fidelity	INV0025330	11/30/2023	Cancer 1 American Fidelity	01-22950-0000-1	0.87
American Fidelity	INV0025330	11/30/2023	Cancer 1 American Fidelity	30-22950-0000-1	2.62
American Fidelity	INV0025330	11/30/2023	Cancer 1 American Fidelity	31-22950-0000-1	2.62
American Fidelity	INV0025330	11/30/2023	Cancer 1 American Fidelity	32-22950-0000-1	2.60
American Fidelity	INV0025331	11/30/2023	Cancer 2* - American Fidelity ...	34-22950-0000-1	16.65
American Fidelity	INV0025339	11/30/2023	American Fidelity Accident 1	01-22800-0000-1	27.64
American Fidelity	INV0025340	11/30/2023	Life 1	01-22900-0000-1	9.81
American Fidelity	INV0025341	11/30/2023	American Fidelity - Disability I...	01-22700-0000-1	148.58
American Fidelity	INV0025342	11/30/2023	Life 1	01-22900-0000-1	36.41
American Fidelity	INV0025343	11/30/2023	Life 2	01-22900-0000-1	24.00
American Fidelity	INV0025353	11/30/2023	Cancer 1 American Fidelity	01-22950-0000-1	13.53
			Vendor American Fidelity - American Fidelity Total:		**980.66**
Vendor: American Office Solu - American Office Solutions, LLC					
American Office Solutions, LLC	INV 21648	11/21/2023	INV 21648 Police Dept. CLETS ...	01-310-52200-0000-1	800.00
American Office Solutions, LLC	INV 21679	11/21/2023	INV 21679 City Hall Server 11/...	01-310-52950-0000-1	20,667.47
American Office Solutions, LLC	INV 21644	11/28/2023	INV 21644 City Hall Network ...	01-310-52950-0000-1	1,232.51
			Vendor American Office Solu - American Office Solutions, LLC Total:		**22,699.98**
Vendor: Arredondo Automotive - Arredondo Automotive Group					
Arredondo Automotive Group	Inv. 286963	11/28/2023	Inv. 286963 Unit 40 - Front & ...	01-150-56600-0000-1	931.80
			Vendor Arredondo Automotive - Arredondo Automotive Group Total:		**931.80**
Vendor: Auto Zone - Auto Zone					
Auto Zone	Inv. 6270762554	11/28/2023	Inv. 6270762554 Microfiber T...	01-150-57200-0000-1	10.06
Auto Zone	Inv. 6270762587	11/28/2023	Inv. 6270762587 Vehicle Main...	01-150-56600-0000-1	92.04
			Vendor Auto Zone - Auto Zone Total:		**102.10**
Vendor: Best Digital Solutio - Best Digital Solutions, LLC					
Best Digital Solutions, LLC	INV 1218	11/21/2023	INV 1218 November 2023 Con...	30-500-52200-0000-1	472.68

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Best Digital Solutions, LLC	INV 1218	11/21/2023	INV 1218 November 2023 Pos...	30-500-55600-0000-1	599.96
Best Digital Solutions, LLC	INV 1218	11/21/2023	INV 1218 November 2023 Con...	31-505-52200-0000-1	472.68
Best Digital Solutions, LLC	INV 1218	11/21/2023	INV 1218 November 2023 Pos...	31-505-55600-0000-1	599.96
Best Digital Solutions, LLC	INV 1218	11/21/2023	INV 1218 November 2023 Con...	32-510-52200-0000-1	474.10
Best Digital Solutions, LLC	INV 1218	11/21/2023	INV 1218 November 2023 Pos...	32-510-55600-0000-1	601.76
			Vendor Best Digital Solutio - Best Digital Solutions, LLC Total:		**3,221.14**
Vendor: BHT Engineering, Inc - BHT Engineering, Inc.					
BHT Engineering, Inc.	INV 23-045	11/21/2023	INV 23-045 Davis Rehab	25-000-52960-8490-1	1,635.00
BHT Engineering, Inc.	INV 23-091	11/21/2023	INV 23-091 Davis Rehab	25-000-52960-8490-1	630.00
BHT Engineering, Inc.	INV 23-399	11/21/2023	INV 23-399 BHT Job #21601	25-000-52960-8290-1	870.00
BHT Engineering, Inc.	INV 23-400	11/21/2023	INV 23-400 BHT Job #21605	25-000-52960-8280-1	550.00
BHT Engineering, Inc.	INV 23-401 BHT Job #22603	11/21/2023	INV 23-401 BHT Job #22603	25-000-52960-2303-1	7,263.34
BHT Engineering, Inc.	INV 23-401 BHT Job #22603	11/21/2023	INV 23-401 BHT Job #22603	25-000-52960-2304-1	10,008.24
BHT Engineering, Inc.	INV 23-401 BHT Job #22603	11/21/2023	INV 23-401 BHT Job #22603	25-000-52960-2305-1	14,062.92
BHT Engineering, Inc.	INV 23-402	11/21/2023	INV 23-402 BHT Job #23601	25-000-52960-2302-1	3,590.00
			Vendor BHT Engineering, Inc - BHT Engineering, Inc. Total:		**38,609.50**
Vendor: bootbarn - Boot Barn					
Boot Barn	INV0025362	11/30/2023	FY23-24 BOOT BARN - RIVERA,...	01-155-51800-0000-1	136.38
			Vendor bootbarn - Boot Barn Total:		**136.38**
Vendor: Bowman Asphalt, Inc - Bowman Asphalt, Inc.					
Bowman Asphalt, Inc.	INV 22603	11/30/2023	BHT #22603 2023 Street Reha...	25-000-52960-2303-1	43,302.95
Bowman Asphalt, Inc.	INV 22603	11/30/2023	BHT #22603 2023 Street Reha...	25-000-52960-2304-1	59,685.48
Bowman Asphalt, Inc.	INV 22603	11/30/2023	BHT #22603 2023 Street Reha...	25-000-52960-2305-1	83,851.45
			Vendor Bowman Asphalt, Inc - Bowman Asphalt, Inc. Total:		**186,839.88**
Vendor: Brenntag - Brenntag Pacific Inc.					
Brenntag Pacific Inc.	INV BPI363053	11/28/2023	INV BPI363053 L A Chemchlor...	32-510-57400-0000-1	1,728.57
Brenntag Pacific Inc.	INV BPI379704	11/28/2023	INV BPI379704 L A Chemchlor...	32-510-57400-0000-1	1,997.78
Brenntag Pacific Inc.	INV BPI379705	11/28/2023	INV BPI379705 Ferric Chloride...	32-510-57400-0000-1	539.10
Brenntag Pacific Inc.	INV BPI387231	11/28/2023	INV BPI387231 L A Chemchlor...	32-510-57400-0000-1	1,844.27
			Vendor Brenntag - Brenntag Pacific Inc. Total:		**6,109.72**
Vendor: BSK ASSOCIATES - BSK ASSOCIATES					
BSK ASSOCIATES	INV AG22553	11/28/2023	INV AG22553 BOD TSS	30-500-58200-0000-1	150.00
BSK ASSOCIATES	INV AG23569	11/28/2023	INV AG23569 Quanti-Tray Coli...	32-510-58200-0000-1	190.00
BSK ASSOCIATES	INV AG23810	11/28/2023	INV AG23810 BOD TSS	30-500-58200-0000-1	150.00
BSK ASSOCIATES	INV AG25032	11/28/2023	INV AG25032 BOD TSS	30-500-58200-0000-1	150.00
BSK ASSOCIATES	INV AG25894	11/28/2023	INV AG25894 Quanti-Tray Coli...	32-510-58200-0000-1	190.00
BSK ASSOCIATES	INV AG26114	11/28/2023	INV AG26114 BOD TSS	30-500-58200-0000-1	150.00
BSK ASSOCIATES	INV AG26130	11/28/2023	INV AG26130 Arsenic, CA DW ...	32-510-58200-0000-1	130.00
BSK ASSOCIATES	INV AG26436	11/28/2023	INV AG26436 BOD TSS	30-500-58200-0000-1	150.00
			Vendor BSK ASSOCIATES - BSK ASSOCIATES Total:		**1,260.00**
Vendor: CALCLEAN - Cal Clean LLC					
Cal Clean LLC	INV 0000203	11/21/2023	INV 0000203 Cal Clean Service...	01-190-52200-0000-1	280.00
Cal Clean LLC	INV 0000204	11/21/2023	INV 0000204 Cal Clean Service...	01-190-52200-0000-1	400.00
			Vendor CALCLEAN - Cal Clean LLC Total:		**680.00**
Vendor: CA DCSS - California Dept of Child Support Services					
California Dept of Child Suppo...	INV0025328	11/30/2023	CA Dept Child Support Services	32-22350-0000-1	521.53
			Vendor CA DCSS - California Dept of Child Support Services Total:		**521.53**
Vendor: CSTC - California Safety Training Corporation					
California Safety Training Cor...	INV FC 28103	11/21/2023	INV FC 28103 10.18.23	30-500-52000-0000-1	5.67
California Safety Training Cor...	INV FC 28103	11/21/2023	INV FC 28103 10.18.23	32-510-52000-0000-1	5.67
California Safety Training Cor...	INV 111452	11/28/2023	INV 111452 Pesticide Hazardo...	30-500-53200-0000-1	85.00
California Safety Training Cor...	INV 111802	11/28/2023	INV 111802 Pesticide Hazardo...	30-500-53200-0000-1	510.00
			Vendor CSTC - California Safety Training Corporation Total:		**606.34**
Vendor: Cannon - Cannon Corporation					
Cannon Corporation	INV 84689	11/21/2023	INV 84689 Sewer System Man...	30-500-56000-7820-1	2,012.00
Cannon Corporation	INV 85107	11/21/2023	INV 85107 Sewer Master Plan	30-500-56000-7820-1	40,523.62
Cannon Corporation	INV 85581	11/21/2023	INV 85581 State Revolving Fu...	30-500-56000-7820-1	242.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Cannon Corporation	INV 85601	11/21/2023	INV 85601 Prof Serv through J...	30-500-56000-7820-1	2,090.00
Cannon Corporation	INV 86028	11/21/2023	INV 86028 Sewer Master Plan	30-500-56000-7820-1	30,136.33
Cannon Corporation	INV 86150	11/28/2023	INV 86150 Sewer System Man...	30-500-56000-7820-1	924.00
				Vendor Cannon - Cannon Corporation Total:	**75,927.95**
Vendor: RIV100-120 - Christopher A. Rivera					
Christopher A. Rivera	INV0025301	11/21/2023	FY 2023/2024 - Uniform Allow...	01-150-51800-0000-1	750.00
				Vendor RIV100-120 - Christopher A. Rivera Total:	**750.00**
Vendor: CivicPlus - CivicPlus LLC					
CivicPlus LLC	INV 283172	11/28/2023	INV 283172 Municode Electro...	01-111-52200-0000-1	1,740.00
				Vendor CivicPlus - CivicPlus LLC Total:	**1,740.00**
Vendor: Core & Main LP - Core & Main LP					
Core & Main LP	INV T565004	11/28/2023	INV T565004 WWTP Filter	30-500-57400-0000-1	192.46
Core & Main LP	INV T779020	11/28/2023	INV T779020 12x15 Rep CLP	32-510-57400-0000-1	412.38
				Vendor Core & Main LP - Core & Main LP Total:	**604.84**
Vendor: D/B/A USABLUEBOOK - D/B/A USABLUEBOOK					
D/B/A USABLUEBOOK	INV 00177839	11/21/2023	INV 00177839 48" Striking He...	32-510-57400-0000-1	358.08
D/B/A USABLUEBOOK	INV 00179096	11/21/2023	INV 00179096 Lead Free Brass...	32-510-57400-0000-1	82.45
D/B/A USABLUEBOOK	INV 00180473	11/21/2023	INV 00180473 Professional Se...	30-500-56000-7820-1	11,446.36
D/B/A USABLUEBOOK	INV 00186150	11/21/2023	INV 00186150 Pyrex	30-500-57400-0000-1	136.95
D/B/A USABLUEBOOK	INV 00141402	11/28/2023	INV 00141402 Operation Supp...	32-510-57400-0000-1	13.51
D/B/A USABLUEBOOK	INV 00203069	11/28/2023	INV 00203069 Lead Brass Corp..	32-510-57400-0000-1	420.94
				Vendor D/B/A USABLUEBOOK - D/B/A USABLUEBOOK Total:	**12,458.29**
Vendor: De Lage Landen - De Lage Landen Financial Services Inc					
De Lage Landen Financial Serv...	INV 81369054	11/28/2023	INV 81369054 12/01/23 500-...	01-150-52200-0000-1	110.93
				Vendor De Lage Landen - De Lage Landen Financial Services Inc Total:	**110.93**
Vendor: Dee Jaspar - Dee Jaspar & Associates, Inc					
Dee Jaspar & Associates, Inc	INV 23-00931	11/21/2023	INV 23-00931 Professional Ser...	32-510-56000-0000-1	1,339.23
Dee Jaspar & Associates, Inc	INV 23-00933	11/21/2023	INV 23-00933 SRF Grant App P...	32-510-56000-0000-1	989.25
				Vendor Dee Jaspar - Dee Jaspar & Associates, Inc Total:	**2,328.48**
Vendor: DOM Solar - DOM Solar Lessor LTD.					
DOM Solar Lessor LTD.	INV30691323	11/21/2023	INV30691323 October Monthl...	32-510-58000-0000-1	6,789.58
				Vendor DOM Solar - DOM Solar Lessor LTD. Total:	**6,789.58**
Vendor: EDD - EDD					
EDD	INV0025334	11/30/2023	State Income Tax Withholding	01-22200-0000-1	821.05
EDD	INV0025334	11/30/2023	State Income Tax Withholding	20-22200-0000-1	3.67
EDD	INV0025334	11/30/2023	State Income Tax Withholding	30-22200-0000-1	490.39
EDD	INV0025334	11/30/2023	State Income Tax Withholding	31-22200-0000-1	190.64
EDD	INV0025334	11/30/2023	State Income Tax Withholding	32-22200-0000-1	488.61
EDD	INV0025334	11/30/2023	State Income Tax Withholding	34-22200-0000-1	19.15
EDD	INV0025335	11/30/2023	SDI - State Disability Insurance	01-22200-0000-1	227.02
EDD	INV0025335	11/30/2023	SDI - State Disability Insurance	20-22200-0000-1	15.01
EDD	INV0025335	11/30/2023	SDI - State Disability Insurance	30-22200-0000-1	145.04
EDD	INV0025335	11/30/2023	SDI - State Disability Insurance	31-22200-0000-1	51.34
EDD	INV0025335	11/30/2023	SDI - State Disability Insurance	32-22200-0000-1	170.52
EDD	INV0025335	11/30/2023	SDI - State Disability Insurance	34-22200-0000-1	13.42
EDD	INV0025357	11/30/2023	State Income Tax Withholding	01-22200-0000-1	3,452.25
EDD	INV0025357	11/30/2023	State Income Tax Withholding	30-22200-0000-1	5.13
EDD	INV0025357	11/30/2023	State Income Tax Withholding	32-22200-0000-1	5.14
EDD	INV0025358	11/30/2023	SDI - State Disability Insurance	01-22200-0000-1	753.02
EDD	INV0025358	11/30/2023	SDI - State Disability Insurance	30-22200-0000-1	2.00
EDD	INV0025358	11/30/2023	SDI - State Disability Insurance	32-22200-0000-1	2.00
EDD	INV0025359	11/30/2023	State Unemployment Insuran...	01-22250-0000-1	13.20
EDD	INV0025360	11/30/2023	Employment Training Tax	01-22275-0000-1	0.33
				Vendor EDD - EDD Total:	**6,868.93**
Vendor: Edison - Edison					
Edison	Edison October 2023 Monthly...	11/21/2023	700457158822	01-180-58100-0000-1	249.04
Edison	Edison October 2023 Monthly...	11/21/2023	700669486061	01-180-58100-0000-1	612.64

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Edison	Edison October 2023 Monthly...	11/21/2023	700599695773	01-180-58100-0000-1	152.14
Edison	Edison October 2023 Monthly...	11/21/2023	700326486684	01-180-58100-0000-1	77.51
Edison	Edison October 2023 Monthly...	11/21/2023	700091551977	01-180-58100-0000-1	13.73
Edison	Edison October 2023 Monthly...	11/21/2023	700539630040	01-180-58100-0000-1	1,604.26
Edison	Edison October 2023 Monthly...	11/21/2023	700494850594	30-500-58000-0000-1	12.09
Edison	Edison October 2023 Monthly...	11/21/2023	700468456995	32-510-58000-0000-1	2,292.83
				Vendor Edison - Edison Total:	**5,014.24**
Vendor: EFTPS - Electronic Federal Tax Payment System					
Electronic Federal Tax Paymen...	INV0025332	11/30/2023	Federal Income Tax Withholdi...	01-22050-0000-1	2,018.96
Electronic Federal Tax Paymen...	INV0025332	11/30/2023	Federal Income Tax Withholdi...	20-22050-0000-1	11.38
Electronic Federal Tax Paymen...	INV0025332	11/30/2023	Federal Income Tax Withholdi...	30-22050-0000-1	1,038.83
Electronic Federal Tax Paymen...	INV0025332	11/30/2023	Federal Income Tax Withholdi...	31-22050-0000-1	344.68
Electronic Federal Tax Paymen...	INV0025332	11/30/2023	Federal Income Tax Withholdi...	32-22050-0000-1	973.42
Electronic Federal Tax Paymen...	INV0025332	11/30/2023	Federal Income Tax Withholdi...	34-22050-0000-1	82.85
Electronic Federal Tax Paymen...	INV0025333	11/30/2023	Social Security	01-22100-0000-1	3,127.68
Electronic Federal Tax Paymen...	INV0025333	11/30/2023	Social Security	20-22100-0000-1	206.84
Electronic Federal Tax Paymen...	INV0025333	11/30/2023	Social Security	30-22100-0000-1	1,998.30
Electronic Federal Tax Paymen...	INV0025333	11/30/2023	Social Security	31-22100-0000-1	707.24
Electronic Federal Tax Paymen...	INV0025333	11/30/2023	Social Security	32-22100-0000-1	2,349.78
Electronic Federal Tax Paymen...	INV0025333	11/30/2023	Social Security	34-22100-0000-1	184.90
Electronic Federal Tax Paymen...	INV0025336	11/30/2023	Medicare	01-22150-0000-1	831.94
Electronic Federal Tax Paymen...	INV0025336	11/30/2023	Medicare	20-22150-0000-1	48.38
Electronic Federal Tax Paymen...	INV0025336	11/30/2023	Medicare	30-22150-0000-1	507.56
Electronic Federal Tax Paymen...	INV0025336	11/30/2023	Medicare	31-22150-0000-1	185.50
Electronic Federal Tax Paymen...	INV0025336	11/30/2023	Medicare	32-22150-0000-1	589.58
Electronic Federal Tax Paymen...	INV0025336	11/30/2023	Medicare	34-22150-0000-1	43.24
Electronic Federal Tax Paymen...	INV0025355	11/30/2023	Federal Income Tax Withholdi...	01-22050-0000-1	8,014.68
Electronic Federal Tax Paymen...	INV0025355	11/30/2023	Federal Income Tax Withholdi...	30-22050-0000-1	16.50
Electronic Federal Tax Paymen...	INV0025355	11/30/2023	Federal Income Tax Withholdi...	32-22050-0000-1	16.50
Electronic Federal Tax Paymen...	INV0025356	11/30/2023	Social Security	01-22100-0000-1	10,375.32
Electronic Federal Tax Paymen...	INV0025356	11/30/2023	Social Security	30-22100-0000-1	27.54
Electronic Federal Tax Paymen...	INV0025356	11/30/2023	Social Security	32-22100-0000-1	27.54
Electronic Federal Tax Paymen...	INV0025361	11/30/2023	Medicare	01-22150-0000-1	2,426.48
Electronic Federal Tax Paymen...	INV0025361	11/30/2023	Medicare	30-22150-0000-1	6.42
Electronic Federal Tax Paymen...	INV0025361	11/30/2023	Medicare	32-22150-0000-1	6.46
				Vendor EFTPS - Electronic Federal Tax Payment System Total:	**36,168.50**
Vendor: EVIDENT - EVIDENT					
EVIDENT	Inv. 235873A	11/21/2023	Inv. 235873A Operating Suppl...	01-150-57400-0000-1	547.18
				Vendor EVIDENT - EVIDENT Total:	**547.18**
Vendor: Excel Screen Printin - Excel Screen Printing USA, Inc.					
Excel Screen Printing USA, Inc.	INV CA23-018	11/21/2023	INV CA23-018 McFarland Mar...	01-24600-8207-1	995.05
				Vendor Excel Screen Printin - Excel Screen Printing USA, Inc. Total:	**995.05**
Vendor: Frontier - Frontier California Inc.					
Frontier California Inc.	Frontier Novemb.2023 66617...	11/21/2023	Frontier Novemb.2023 66179...	01-150-57800-0000-1	252.41
				Vendor Frontier - Frontier California Inc. Total:	**252.41**
Vendor: Grainger - Grainger					
Grainger	INV 9807180337	11/28/2023	INV 9807180337 Screw Extrac...	32-510-57400-0000-1	810.92
Grainger	INV 9866317085	11/28/2023	INV 9866317085 Water Oper...	32-510-57400-0000-1	159.12
				Vendor Grainger - Grainger Total:	**970.04**
Vendor: Granite Construction - Granite Construction					
Granite Construction	INV 2604163	11/21/2023	INV 2604163 Street Repair	01-180-56500-0000-1	3,032.31
				Vendor Granite Construction - Granite Construction Total:	**3,032.31**
Vendor: Gregs Petroleum - Gregs Petroleum					
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	01-105-54000-0000-1	2.80
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	01-110-54000-0000-1	18.77
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	01-115-54000-0000-1	17.29
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	01-140-54000-0000-1	2.80
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	01-150-54000-0000-1	1,078.68

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	01-155-54000-0000-1	43.14
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	01-160-54000-0000-1	14.33
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	01-175-54000-0000-1	1.48
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	01-180-54000-0000-1	172.56
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	20-200-54000-0000-1	57.47
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	30-500-54000-0000-1	107.85
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	32-510-54000-0000-1	43.14
Gregs Petroleum	Fuel INV 420806	11/21/2023	Fuel INV 420806 11/14/23	34-520-54000-0000-1	86.28
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	01-105-54000-0000-1	2.05
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	01-110-54000-0000-1	13.72
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	01-115-54000-0000-1	12.63
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	01-140-54000-0000-1	2.05
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	01-150-54000-0000-1	788.25
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	01-155-54000-0000-1	31.52
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	01-160-54000-0000-1	10.47
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	01-175-54000-0000-1	1.08
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	01-180-54000-0000-1	126.10
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	20-200-54000-0000-1	41.99
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	30-500-54000-0000-1	78.81
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	32-510-54000-0000-1	31.52
Gregs Petroleum	Fuel INV 420300	11/28/2023	Fuel INV 420300 11/10/23	34-520-54000-0000-1	63.05
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	01-105-54000-0000-1	1.86
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	01-110-54000-0000-1	12.51
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	01-115-54000-0000-1	11.52
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	01-140-54000-0000-1	1.86
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	01-150-54000-0000-1	718.68
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	01-155-54000-0000-1	28.74
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	01-160-54000-0000-1	9.54
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	01-175-54000-0000-1	0.99
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	01-180-54000-0000-1	114.97
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	20-200-54000-0000-1	38.29
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	30-500-54000-0000-1	71.86
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	32-510-54000-0000-1	28.74
Gregs Petroleum	Fuel INV 422054	11/28/2023	Fuel INV 422054 11/17/23	34-520-54000-0000-1	57.48
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	01-105-54000-0000-1	2.60
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	01-110-54000-0000-1	17.44
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	01-115-54000-0000-1	16.07
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	01-140-54000-0000-1	2.60
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	01-150-54000-0000-1	1,002.48
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	01-155-54000-0000-1	40.09
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	01-160-54000-0000-1	13.31
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	01-175-54000-0000-1	1.38
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	01-180-54000-0000-1	160.37
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	20-200-54000-0000-1	53.41
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	30-500-54000-0000-1	100.23
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	32-510-54000-0000-1	40.09
Gregs Petroleum	Fuel INV 422422	11/28/2023	Fuel INV 422422 11/21/23	34-520-54000-0000-1	80.19
				Vendor Gregs Petroleum - Gregs Petroleum Total:	**5,477.13**
Vendor: HDS WHITE CAP - HDS WHITE CAP					
HDS WHITE CAP	INV 10018980688	11/21/2023	INV 10018980688 Tape, Hose,...	32-510-57400-0000-1	412.36
				Vendor HDS WHITE CAP - HDS WHITE CAP Total:	**412.36**
Vendor: Hodges - Hodges Law Group					
Hodges Law Group	INV 00550	11/21/2023	INV 00550 City Clerk Services ...	01-130-56100-0000-1	92.50
Hodges Law Group	INV 00550	11/21/2023	INV 00550 Police Department ...	01-130-56100-0000-1	1,143.50
Hodges Law Group	INV 00550	11/21/2023	INV 00550 Public Works Legal ...	01-130-56100-0000-1	611.00
Hodges Law Group	INV 00550	11/21/2023	INV 00550 City Council Legal S...	01-130-56100-0000-1	2,141.00
Hodges Law Group	INV 00550	11/21/2023	INV 00550 Community Develo...	01-130-56100-0000-1	3,588.00
Hodges Law Group	INV 00550	11/21/2023	INV 00550 Human Resources ...	01-130-56100-0000-1	3,937.50
Hodges Law Group	INV 00550	11/21/2023	INV 00550 Administration Leg...	01-130-56100-0000-1	1,559.50

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Hodges Law Group	INV 00550	11/21/2023	INV 00550 Finance Legal Servi...	01-130-56100-0000-1	566.50
				Vendor Hodges - Hodges Law Group Total:	**13,639.50**
Vendor: Home Depot - Home Depot					
Home Depot	Home Depot CC#2532 08.02.23	11/21/2023	Home Depot CC #2532 08.02....	01-180-57400-0000-1	49.83
				Vendor Home Depot - Home Depot Total:	**49.83**
Vendor: Triple A Contruction - Ignacio Alejandro Ayon					
Ignacio Alejandro Ayon	CM0000374	11/21/2023	INV1684 Kitchen and PD Rem...	25-000-52910-0000-1	-672.75
Ignacio Alejandro Ayon	INV1684	11/21/2023	INV1684 Kitchen and PD Rem...	25-000-52910-0000-1	3,600.00
				Vendor Triple A Contruction - Ignacio Alejandro Ayon Total:	**2,927.25**
Vendor: IT - Inverter Technology, Inc.					
Inverter Technology, Inc.	INV 8800	11/21/2023	INV 8800 Precharge Resistor A...	32-510-56400-0000-1	6,674.65
				Vendor IT - Inverter Technology, Inc. Total:	**6,674.65**
Vendor: Irrigation Concepts - Irrigation Concepts					
Irrigation Concepts	INV 48243	11/28/2023	INV 48243 Hydrocrane Work	30-500-56410-0000-1	675.00
				Vendor Irrigation Concepts - Irrigation Concepts Total:	**675.00**
Vendor: John Hancock - John Hancock					
John Hancock	INV0025304	11/30/2023	401K - Employer	01-20800-0000-1	1,604.99
John Hancock	INV0025304	11/30/2023	401K - Employer	30-20800-0000-1	1,463.66
John Hancock	INV0025304	11/30/2023	401K - Employer	31-20800-0000-1	566.18
John Hancock	INV0025304	11/30/2023	401K - Employer	32-20800-0000-1	1,453.32
John Hancock	INV0025305	11/30/2023	401K - Employee	01-20800-0000-1	463.31
John Hancock	INV0025305	11/30/2023	401K - Employee	20-20800-0000-1	94.62
John Hancock	INV0025305	11/30/2023	401K - Employee	30-20800-0000-1	272.89
John Hancock	INV0025305	11/30/2023	401K - Employee	31-20800-0000-1	232.78
John Hancock	INV0025305	11/30/2023	401K - Employee	32-20800-0000-1	669.98
John Hancock	INV0025306	11/30/2023	401K - Employer	20-20800-0000-1	141.76
John Hancock	INV0025313	11/30/2023	401K Loan 1	32-20800-0000-1	32.25
John Hancock	INV0025314	11/30/2023	401K Loan 1	01-20800-0000-1	56.24
John Hancock	INV0025314	11/30/2023	401K Loan 1	30-20800-0000-1	84.35
John Hancock	INV0025314	11/30/2023	401K Loan 1	32-20800-0000-1	84.33
John Hancock	INV0025315	11/30/2023	401K Loan 1	01-20800-0000-1	23.84
John Hancock	INV0025315	11/30/2023	401K Loan 1	30-20800-0000-1	71.51
John Hancock	INV0025315	11/30/2023	401K Loan 1	31-20800-0000-1	71.51
John Hancock	INV0025315	11/30/2023	401K Loan 1	32-20800-0000-1	71.52
John Hancock	INV0025316	11/30/2023	401K Loan 2	32-20800-0000-1	44.50
John Hancock	INV0025317	11/30/2023	401K Loan 3	01-20800-0000-1	35.73
John Hancock	INV0025317	11/30/2023	401K Loan 3	30-20800-0000-1	26.80
John Hancock	INV0025317	11/30/2023	401K Loan 3	32-20800-0000-1	26.80
John Hancock	INV0025318	11/30/2023	401K Loan 4	34-20800-0000-1	75.00
John Hancock	INV0025319	11/30/2023	401K Loan 5	34-20800-0000-1	69.21
John Hancock	INV0025320	11/30/2023	401K Loan 4	01-20800-0000-1	145.50
John Hancock	INV0025320	11/30/2023	401K Loan 4	20-20800-0000-1	4.50
John Hancock	INV0025321	11/30/2023	401K Loan 4	01-20800-0000-1	51.07
John Hancock	INV0025321	11/30/2023	401K Loan 4	20-20800-0000-1	1.58
John Hancock	INV0025322	11/30/2023	401k Contribution	32-20800-0000-1	245.36
John Hancock	INV0025323	11/30/2023	401k Contribution	01-20800-0000-1	1,246.48
John Hancock	INV0025324	11/30/2023	401k Contribution	01-20800-0000-1	219.92
John Hancock	INV0025324	11/30/2023	401k Contribution	20-20800-0000-1	6.80
John Hancock	INV0025325	11/30/2023	401k Contribution	34-20800-0000-1	149.11
John Hancock	INV0025326	11/30/2023	401k Contribution	01-20800-0000-1	327.43
John Hancock	INV0025327	11/30/2023	401k Contribution	01-20800-0000-1	446.16
John Hancock	INV0025327	11/30/2023	401k Contribution	30-20800-0000-1	178.46
John Hancock	INV0025327	11/30/2023	401k Contribution	31-20800-0000-1	89.24
John Hancock	INV0025327	11/30/2023	401k Contribution	32-20800-0000-1	178.45
John Hancock	INV0025337	11/30/2023	401K - Employer	01-20800-0000-1	3,141.02
John Hancock	INV0025337	11/30/2023	401K - Employer	30-20800-0000-1	22.21
John Hancock	INV0025337	11/30/2023	401K - Employer	32-20800-0000-1	22.20
John Hancock	INV0025338	11/30/2023	401K - Employee	01-20800-0000-1	3,409.30
John Hancock	INV0025344	11/30/2023	401K Loan 1	01-20800-0000-1	89.29

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
John Hancock	INV0025345	11/30/2023	401K Loan 1	01-20800-0000-1	117.75
John Hancock	INV0025346	11/30/2023	401k Contribution	01-20800-0000-1	233.12
John Hancock	INV0025347	11/30/2023	401k Contribution	01-20800-0000-1	262.34
John Hancock	INV0025348	11/30/2023	401k Contribution	01-20800-0000-1	212.34
John Hancock	INV0025349	11/30/2023	401k Contribution	01-20800-0000-1	193.04
John Hancock	INV0025350	11/30/2023	401k Contribution	01-20800-0000-1	532.84
John Hancock	INV0025351	11/30/2023	401k Contribution	01-20800-0000-1	169.87
John Hancock	INV0025352	11/30/2023	401k Contribution	01-20800-0000-1	209.54
				Vendor John Hancock - John Hancock Total:	**19,642.00**
Vendor: K.C. Waste - K.C. Waste					
K.C. Waste	October 2023 Gate Fees	11/21/2023	October 2023 Gate Fees	31-505-52800-0000-1	5,345.34
				Vendor K.C. Waste - K.C. Waste Total:	**5,345.34**
Vendor: Kern County Auditor - Kern County Auditor					
Kern County Auditor	INV0025363	11/30/2023	FY23-24 LAFCO Operating Cos...	01-130-56000-0000-1	2,364.00
				Vendor Kern County Auditor - Kern County Auditor Total:	**2,364.00**
Vendor: Kern County Sheriff' - Kern County Sheriff's Office					
Kern County Sheriff's Office	INV0025354	11/30/2023	23-02951 Z Hasnain	01-22350-0000-1	25.54
				Vendor Kern County Sheriff' - Kern County Sheriff's Office Total:	**25.54**
Vendor: MRV Service Air Inc - MRV Service Air Inc					
MRV Service Air Inc	INV 232994	11/28/2023	INV 232994 Unit #5 Veterans ...	01-185-56400-0000-1	325.00
				Vendor MRV Service Air Inc - MRV Service Air Inc Total:	**325.00**
Vendor: Office Depot - Office Depot					
Office Depot	INV 339848144001	11/28/2023	INV 339848144001 PW Office ...	01-180-57200-0000-1	20.32
Office Depot	INV 339848144001	11/28/2023	INV 339848144001 PW Office ...	30-500-57200-0000-1	20.30
Office Depot	INV 339848144001	11/28/2023	INV 339848144001 PW Office ...	32-510-57200-0000-1	20.30
Office Depot	Inv. 338589403001	11/28/2023	Inv. 338589403001 PD Office ...	01-150-57200-0000-1	318.73
				Vendor Office Depot - Office Depot Total:	**379.65**
Vendor: Pace Analytical Serv - Pace Analytical Services, LLC					
Pace Analytical Services, LLC	INV B483991	11/21/2023	INV B483991 Bacteriological	32-510-58200-0000-1	100.00
Pace Analytical Services, LLC	INV B485914	11/21/2023	INV B485914 Quarterly Groun...	32-510-58200-0000-1	357.70
				Vendor Pace Analytical Serv - Pace Analytical Services, LLC Total:	**457.70**
Vendor: Pitney Bowes Global - Pitney Bowes Global					
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-105-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-110-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-115-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-130-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-140-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-150-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-155-55600-0000-1	7.62
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-160-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-165-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	01-175-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	30-500-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	31-505-55600-0000-1	7.60
Pitney Bowes Global	INV 1023935138	11/21/2023	INV 1023935138 Red Ink Ctg ...	32-510-55600-0000-1	7.60
				Vendor Pitney Bowes Global - Pitney Bowes Global Total:	**98.82**
Vendor: Pitney Bowes - Pitney Bowes					
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-105-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-110-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-115-55600-0000-1	8.30
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-130-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-140-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-150-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-155-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-160-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-165-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	01-175-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	30-500-55600-0000-1	8.29

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	31-505-55600-0000-1	8.29
Pitney Bowes	8000-9000-0937-7825 11/05/...	11/21/2023	8000-9000-0937-7825 11/05/...	32-510-55600-0000-1	8.29
			Vendor Pitney Bowes - Pitney Bowes Total:		**107.78**
Vendor: PTS RENTALS, INC - PTS RENTALS, INC					
PTS RENTALS, INC	INV 37144	11/21/2023	INV 37144 Vehicle Repair & M...	01-185-56410-0000-1	1,591.78
			Vendor PTS RENTALS, INC - PTS RENTALS, INC Total:		**1,591.78**
Vendor: Raul Martinez - Raul Martinez					
Raul Martinez	INV 33	11/21/2023	INV 33 Wall Repair	20-200-52200-0000-1	4,800.00
			Vendor Raul Martinez - Raul Martinez Total:		**4,800.00**
Vendor: PLATT - Rexel USA Supply					
Rexel USA Supply	INV SC74051	11/28/2023	INV SC74051 Service Charge	01-180-57400-0000-1	7.60
			Vendor PLATT - Rexel USA Supply Total:		**7.60**
Vendor: SC SITES Services - SC SITES Services					
SC SITES Services	INV 51773	11/21/2023	INV 51773 Monthly Radio Dis...	01-180-57800-0000-1	70.00
SC SITES Services	INV 51773	11/21/2023	INV 51773 Monthly Radio Dis...	32-510-57800-0000-1	70.00
SC SITES Services	INV 51773	11/21/2023	INV 51773 Monthly Radio Dis...	34-520-57800-0000-1	70.00
			Vendor SC SITES Services - SC SITES Services Total:		**210.00**
Vendor: Solar Energy - Solar Energy of America 1 LLC					
Solar Energy of America 1 LLC	INV 30691283	11/21/2023	INV 30691283 October Month...	30-500-58000-0000-1	10,946.90
			Vendor Solar Energy - Solar Energy of America 1 LLC Total:		**10,946.90**
Vendor: Stinson Stationers, - Stinson Stationers, Inc.					
Stinson Stationers, Inc.	Inv. 255106-0	11/21/2023	Inv. 255106-0 Labels	01-150-57200-0000-1	28.46
Stinson Stationers, Inc.	Inv. 255106-0	11/21/2023	Inv. 255106-0 Nitrile Gloves	01-150-57400-0000-1	113.50
			Vendor Stinson Stationers, - Stinson Stationers, Inc. Total:		**141.96**
Vendor: Supplyworks - Supplyworks Inc					
Supplyworks Inc	INV 756477253	11/21/2023	INV 756477253 Supplies	32-510-56400-0000-1	8.61
Supplyworks Inc	INV 756785598	11/21/2023	INV 756785598 Paper Towel a...	32-510-56400-0000-1	72.09
Supplyworks Inc	INV 758411839	11/21/2023	INV 758411839 Pull Paper To...	32-510-56400-0000-1	85.23
			Vendor Supplyworks - Supplyworks Inc Total:		**165.93**
Vendor: Torpedo - Torpedo Pest Control					
Torpedo Pest Control	INV 1551	11/28/2023	INV 1551 Pest Service Septem...	01-185-52200-0000-1	100.00
Torpedo Pest Control	INV 1551	11/28/2023	INV 1551 Pest Service Septem...	01-190-52200-0000-1	100.00
			Vendor Torpedo - Torpedo Pest Control Total:		**200.00**
Vendor: Ultrex Business - Ultrex Business					
Ultrex Business	Inv 3926644	11/21/2023	Inv 3926644 CN33785-01 (CM...	01-130-52200-0000-1	337.27
			Vendor Ultrex Business - Ultrex Business Total:		**337.27**
Vendor: WestAir - WestAir Gases & Equipment, Inc.					
WestAir Gases & Equipment, I...	INV 0080530701	11/21/2023	INV 0080530701 Acetylene	30-500-53800-0000-1	96.48
WestAir Gases & Equipment, I...	INV 0080536904	11/21/2023	INV 0080536904 Acetylene	30-500-53800-0000-1	96.48
WestAir Gases & Equipment, I...	INV 0080543234	11/21/2023	INV 0080543234 Acetylene	30-500-53800-0000-1	94.40
WestAir Gases & Equipment, I...	INV 0080549494	11/21/2023	INV 0080549494 Acetylene	30-500-53800-0000-1	96.48
			Vendor WestAir - WestAir Gases & Equipment, Inc. Total:		**383.84**
Vendor: WILLDAN - WILLDAN					
WILLDAN	INV 010-56683	11/21/2023	INV 010-56683 Water/Waste...	30-500-56000-7820-1	1,943.06
WILLDAN	INV 010-56683	11/21/2023	INV 010-56683 Water/Waste...	31-505-56000-0000-1	1,948.88
WILLDAN	INV 010-56683	11/21/2023	INV 010-56683 Water/Waste...	32-510-56000-0000-1	1,943.06
			Vendor WILLDAN - WILLDAN Total:		**5,835.00**
Vendor: Witcher Electric - Witcher Electric					
Witcher Electric	INV 40016AA	11/21/2023	INV 40016AA Garzzoli Well	32-510-56400-0000-1	710.94
			Vendor Witcher Electric - Witcher Electric Total:		**710.94**
Vendor: Work Force Services - Work Force Services Inc					
Work Force Services Inc	INV 16079	11/21/2023	INV 16079 WFS 09-22-23	32-510-52200-0000-1	3,228.90
Work Force Services Inc	INV 16199	11/21/2023	INV 16199 WFS 10-27-23	32-510-52200-0000-1	1,387.04

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Work Force Services Inc	INV 16332	11/21/2023	INV 16332 WFS 11-03-23	32-510-52200-0000-1	1,531.02
			Vendor Work Force Services - Work Force Services Inc Total:		**6,146.96**
				Grand Total:	**511,135.17**

Report Summary

Fund Summary

Fund	Payment Amount
01 - GENERAL FUND	104,130.39
20 - LIGHTING & LANDSCAPING-DISTRICT 1	5,525.70
25 - CAPITAL IMPROVEMENTS PROJECTS	228,376.63
30 - SEWER	111,033.24
31 - REFUSE/RECYCLING	10,896.89
32 - WATER	50,049.51
34 - PUBLIC TRANSPORTATION	1,122.81
Grand Total:	**511,135.17**

Account Summary

Account Number	Account Name	Payment Amount
01-105-54000-0000-1	Fuel	9.31
01-105-55600-0000-1	Postage	15.89
01-110-54000-0000-1	Fuel	62.44
01-110-55600-0000-1	Postage	15.89
01-111-52200-0000-1	Contract Services	1,740.00
01-115-54000-0000-1	Fuel	57.51
01-115-55600-0000-1	Postage	15.90
01-130-52200-0000-1	Contract Services	378.67
01-130-55600-0000-1	Postage	15.89
01-130-56000-0000-1	Professional Services - O…	2,364.00
01-130-56100-0000-1	Legal Services	13,639.50
01-140-54000-0000-1	Fuel	9.31
01-140-55600-0000-1	Postage	15.89
01-150-51800-0000-1	Clothing Allowance	750.00
01-150-52200-0000-1	Contract Services	110.93
01-150-54000-0000-1	Fuel	3,588.09
01-150-55600-0000-1	Postage	15.89
01-150-56600-0000-1	Repairs & Maintenance -…	1,023.84
01-150-57200-0000-1	Supplies - Office	357.25
01-150-57400-0000-1	Supplies - Operating	660.68
01-150-57800-0000-1	Telephone & Communic…	252.41
01-155-51800-0000-1	Clothing Allowance	136.38
01-155-54000-0000-1	Fuel	143.49
01-155-55600-0000-1	Postage	15.91
01-160-54000-0000-1	Fuel	47.65
01-160-55600-0000-1	Postage	15.89
01-165-55600-0000-1	Postage	15.89
01-175-54000-0000-1	Fuel	4.93
01-175-55600-0000-1	Postage	15.89
01-180-54000-0000-1	Fuel	574.00
01-180-56500-0000-1	Repairs/Maintenance St…	3,032.31
01-180-57200-0000-1	Supplies - Office	20.32
01-180-57400-0000-1	Supplies - Operating	57.43
01-180-57800-0000-1	Telephone & Communic…	70.00
01-180-58100-0000-1	Street Lighting	2,709.32
01-185-52200-0000-1	Contract Services	100.00
01-185-56400-0000-1	Repairs & Maint - Build &..	325.00
01-185-56410-0000-1	Repairs & Maintenance -…	1,591.78
01-190-52200-0000-1	Contract Services	780.00
01-20800-0000-1	Pension Payable	13,191.12
01-22050-0000-1	Federal Withholding Pay…	10,033.64
01-22100-0000-1	FICA Payable	13,503.00
01-22150-0000-1	Medicare Payable	3,258.42
01-22200-0000-1	State Withholding Payab…	5,253.34
01-22250-0000-1	SUTA Payable	13.20
01-22275-0000-1	ETT Payable	0.33

Account Summary

Account Number	Account Name	Payment Amount
01-22350-0000-1	Garnishments	25.54
01-22600-0000-1	Health FSA	60.58
01-22700-0000-1	Disablity LTD	195.08
01-22800-0000-1	Accident	27.64
01-22900-0000-1	Life	103.59
01-22950-0000-1	Cancer-American Fidelity	14.40
01-24600-8207-1	Deferred Revenue - McF…	995.05
01-310-52200-0000-1	Contract Services	800.00
01-310-52950-0000-1	Equipment Capital	21,899.98
20-200-52200-0000-1	Contract Services	4,800.00
20-200-54000-0000-1	Fuel	191.16
20-20800-0000-1	Pension Payable	249.26
20-22050-0000-1	Federal Withholding Pay…	11.38
20-22100-0000-1	FICA Payable	206.84
20-22150-0000-1	Medicare Payable	48.38
20-22200-0000-1	State Withholding Payab…	18.68
25-000-52910-0000-1	Buildings & Improvemen…	2,927.25
25-000-52960-2302-1	Street & Roads (Capital)	3,590.00
25-000-52960-2303-1	Street & Roads (Capital)	50,566.29
25-000-52960-2304-1	Street & Roads (Capital)	69,693.72
25-000-52960-2305-1	Street & Roads (Capital)	97,914.37
25-000-52960-8280-1	HSIP Cycle 10	550.00
25-000-52960-8290-1	RSTP/HIP West Side - Har..	870.00
25-000-52960-8490-1	Streets & Roads Capital …	2,265.00
30-20800-0000-1	Pension Payable	2,119.88
30-22050-0000-1	Federal Withholding Pay…	1,055.33
30-22100-0000-1	FICA Payable	2,025.84
30-22150-0000-1	Medicare Payable	513.98
30-22200-0000-1	State Withholding Payab…	642.56
30-22600-0000-1	Health FSA	83.08
30-22700-0000-1	Disablity LTD	37.58
30-22800-0000-1	Accident	27.45
30-22900-0000-1	Life	42.06
30-22950-0000-1	Cancer- American Fidelity	2.62
30-500-52000-0000-1	Conferences/Meetings/T…	5.67
30-500-52200-0000-1	Contract Services	472.68
30-500-53200-0000-1	Dues & Subscriptions	595.00
30-500-53800-0000-1	Equipment Rental	383.84
30-500-54000-0000-1	Fuel	358.75
30-500-55600-0000-1	Postage	615.85
30-500-56000-7820-1	Profressional Services - …	89,317.37
30-500-56410-0000-1	Repairs & Maintenance …	675.00
30-500-57200-0000-1	Supplies - Office	20.30
30-500-57400-0000-1	Supplies - Operating	329.41
30-500-58000-0000-1	Utilities	10,958.99
30-500-58200-0000-1	Water/Soil/Other Analys…	750.00
31-20800-0000-1	Pension Payable	959.71
31-22050-0000-1	Federal Withholding Pay…	344.68
31-22100-0000-1	FICA Payable	707.24
31-22150-0000-1	Medicare Payable	185.50
31-22200-0000-1	State Withholding Payab…	241.98
31-22600-0000-1	Health FSA	50.19
31-22700-0000-1	Disablity LTD	11.35
31-22900-0000-1	Life	10.87
31-22950-0000-1	Cancer-American Fidelity	2.62
31-505-52200-0000-1	Contract Services	472.68
31-505-52800-0000-1	County Waste Managem…	5,345.34
31-505-55600-0000-1	Postage	615.85

Account Summary

Account Number	Account Name	Payment Amount
31-505-56000-0000-1	Professional Services - O…	1,948.88
32-20800-0000-1	Pension Payable	2,828.71
32-22050-0000-1	Federal Withholding Pay…	989.92
32-22100-0000-1	FICA Payable	2,377.32
32-22150-0000-1	Medicare Payable	596.04
32-22200-0000-1	State Withholding Payab…	666.27
32-22350-0000-1	Garnishments	521.53
32-22600-0000-1	Health FSA	108.06
32-22700-0000-1	Disablity LTD	46.94
32-22900-0000-1	Life	25.02
32-22950-0000-1	Cancer-American Fidelity	2.60
32-510-52000-0000-1	Conferences/Meetings/T…	5.67
32-510-52200-0000-1	Contract Services	6,621.06
32-510-54000-0000-1	Fuel	143.49
32-510-55600-0000-1	Postage	617.65
32-510-56000-0000-1	Professional Services - O…	4,271.54
32-510-56400-0000-1	Repairs & Maint - Build &..	11,307.80
32-510-57200-0000-1	Supplies - Office	20.30
32-510-57400-0000-1	Supplies - Operating	8,779.48
32-510-57800-0000-1	Telephone & Communic…	70.00
32-510-58000-0000-1	Utilities	9,082.41
32-510-58200-0000-1	Water/Soil/Other Analys…	967.70
34-20800-0000-1	Pension Payable	293.32
34-22050-0000-1	Federal Withholding Pay…	82.85
34-22100-0000-1	FICA Payable	184.90
34-22150-0000-1	Medicare Payable	43.24
34-22200-0000-1	State Withholding Payab…	32.57
34-22700-0000-1	Disablity LTD	30.76
34-22800-0000-1	Accident	15.41
34-22900-0000-1	Life	57.99
34-22950-0000-1	Cancer-American Fidelity	24.77
34-520-54000-0000-1	Fuel	287.00
34-520-57800-0000-1	Telephone & Communic…	70.00
	Grand Total:	**511,135.17**

Project Account Summary

Project Account Key		Payment Amount
None		511,135.17
	Grand Total:	**511,135.17**

City of McFarland, CA

Pay Code Report

Summary By Department

11/1/2023 - 11/30/2023

Payroll Set: City-City of McFarland

Department: 105 - City Council

Employee Number	Pay Code	# of Payments	Units	Pay Amount
AYO300	Salary - Elected - Salary - Electec	1	0	200
		Total:	**0**	**200**
Ayo100	Salary - Elected - Salary - Electec	1	0	200
		Total:	**0**	**200**
Cano100	Salary - Elected - Salary - Electec	1	0	200
		Total:	**0**	**200**
GON610	Salary - Elected - Salary - Electec	1	0	200
		Total:	**0**	**200**
PER100	Salary - Elected - Salary - Electec	1	0	200
		Total:	**0**	**200**
		105 - City Council Total:	**0**	**1000**

Department: 110 - City Administration

Employee Number	Pay Code	# of Payments	Units	Pay Amount
ALV100	Bilingual - Bilingual	3	0	41.55
	Holiday - Holiday Pay	1	22	671.31
	Hourly - Hourly	1	58	1769.82
	Salary - Salary	2	193.32	4882.26
		Total:	**273.32**	**7364.94**
MCC100	Holiday - Holiday Pay	2	24	1015.38
	Hourly - Hourly	3	200	8461.56
	Personal - Personal Day	1	8	338.46
	Sick - Sick Pay	1	8	338.46
		Total:	**240**	**10153.86**

Nun100	Bilingual - Bilingual	3	0	41.55
	Comp Time Taken - Compensatc	1	1	28.34
	Holiday - Holiday Pay	2	21	595.14
	Hourly - Hourly	3	205.92	5835.78
	OT - Overtime	2	7.44	316.28
	Sick - Sick Pay	2	11	311.74
	Vacation - Vacation Pay	1	8.5	240.89
		Total:	**254.86**	**7369.72**
WIL100-150	Holiday - Holiday Pay	2	24	2076.93
	Hourly - Hourly	2	128	11076.92
	Salary - Salary	1	80	6923.08
	Sick - Sick Pay	1	8	692.31
		Total:	**240**	**20769.24**
	110 - City Administration Total:		**1008.18**	**45657.76**

Department: 115 - Finance & Accounting

Employee Number	Pay Code	# of Payments	Units	Pay Amount
ARC100	Holiday - Holiday Pay	1	26	943.02
	Hourly - Hourly	3	218.74	7933.7
	OT - Overtime	2	25.08	1364.48
	Sick - Sick Pay	1	8	290.16
		Total:	**277.82**	**10531.36**
ARR100	Holiday - Holiday Pay	2	21	372.12
	Hourly - Hourly	3	208.09	3687.35
	OT - Overtime	3	6.09	161.87
	Personal - Personal Day	1	9	159.48
	Sick - Sick Pay	1	2	35.44
		Total:	**246.18**	**4416.26**
AYO110	Holiday - Holiday Pay	1	18	318.96
	Hourly - Hourly	3	192.42	3409.69
	OT - Overtime	2	0.92	24.46
	Personal - Personal Day	1	9	159.48
	Sick - Sick Pay	1	8.24	146.01
		Total:	**228.58**	**4058.6**
ESP100	Bachelor's Degree - Bachelor's D	3	0	27.69
	Bilingual - Bilingual	3	0	41.55
	Holiday - Holiday Pay	2	21	595.14
	Hourly - Hourly	3	218.17	6182.94
	OT - Overtime	3	1.51	64.19
		Total:	**240.68**	**6911.51**

GON600	Bilingual - Bilingual	3	0	41.55
	Holiday - Holiday Pay	1	18	485.46
	Hourly - Hourly	3	169.68	4576.27
	OT - Overtime	1	0.42	16.99
	Sick - Sick Pay	2	8.25	222.51
	Vacation - Vacation Pay	1	44	1186.68
		Total:	**240.35**	**6529.46**
TOR100	Comp Time Earned - Compensat	1	2.88	0
	Holiday - Holiday Pay	2	21	476.49
	Hourly - Hourly	3	207.74	4713.62
	OT - Overtime	2	2.26	76.92
	Sick - Sick Pay	2	10	226.9
		Total:	**243.88**	**5493.93**
VEL100	Bilingual - Bilingual	3	0	41.55
	Holiday - Holiday Pay	1	18	429.12
	Hourly - Hourly	3	216	5149.44
	OT - Overtime	2	1.75	62.58
	Sick - Sick Pay	2	5.92	141.13
		Total:	**241.67**	**5823.82**
VIR100	Holiday - Holiday Pay	2	24	1426.1
	Hourly - Hourly	3	208	12359.51
	Sick - Sick Pay	1	8	475.37
		Total:	**240**	**14260.98**
	115 - Finance & Accounting Total:		**1959.16**	**58025.92**

Department: 140 - Planning

Employee Number	Pay Code	# of Payments	Units	Pay Amount
DEL100	Bachelor's Degree - Bachelor's D	3	0	27.69
	Holiday - Holiday Pay	2	21	883.26
	Hourly - Hourly	2	130	5467.8
	Notary - Notary	2	0	27.7
	Salary - Salary	1	80	3364.8
	Sick - Sick Pay	1	9	378.54
		Total:	**240**	**10149.79**
SALD100	Holiday - Holiday Pay	2	24	1211.54
	Hourly - Hourly	3	200	10096.14
	Vacation - Vacation Pay	2	16	807.7
		Total:	**240**	**12115.38**
	140 - Planning Total:		**480**	**22265.17**

Department: 150 - Police

Employee Number	Pay Code	# of Payments	Units	Pay Amount
ALB100-142	Holiday - Reg - Holiday - Regular	2	36	1154.16
	Hourly - Hourly	3	200	6412
	OT - Overtime	3	84.5	4063.61
	Personal - Personal Day	1	12	384.72
	Vacation - Vacation Pay	1	12	384.72
		Total:	**344.5**	**12399.21**
ALW100-145	Comp Time Earned - Compensat	1	9	0
	Holiday - Reg - Holiday - Regular	2	36	1154.16
	Hourly - Hourly	3	192	6155.52
	Intermediate POST - Intermedia	3	0	69.24
	OT - Overtime	3	44	2115.96
	Vacation - Vacation Pay	2	24	769.44
		Total:	**305**	**10264.32**
AYON100	Holiday - Reg - Holiday - Regular	2	30	648
	Hourly - Hourly	3	174	3758.4
	OT - Overtime	3	63	2041.2
	Sick - Sick Pay	1	24	518.4
	Vacation - Vacation Pay	1	12	259.2
		Total:	**303**	**7225.2**
CAZ100-151	Bilingual - Bilingual	3	0	138.45
	Holiday - Reg - Holiday - Regular	2	36	1098.72
	Hourly - Hourly	3	190	5798.8
	OT - Overtime	2	61.5	2815.47
	Vacation - Vacation Pay	2	26	793.52
		Total:	**313.5**	**10644.96**
DEW100-147	Holiday - Reg - Holiday - Regular	2	36	1406.16
	Hourly - Hourly	3	171.5	6698.79
	OT - Overtime	3	66	3866.95
	Sick - Sick Pay	1	36	1406.16
	Vacation - Vacation Pay	2	8.5	332.01
		Total:	**318**	**13710.07**
DRA100	Bachelor's Degree - Bachelor's D	3	0	27.69
	Holiday - Holiday Pay	2	21	363.09
	Hourly - Hourly	3	183.15	3166.66
	OT - Overtime	2	6.49	168.32
	Sick - Sick Pay	1	9	155.61
	Vacation - Vacation Pay	1	25	432.25
		Total:	**244.64**	**4313.62**

EST150	Holiday - Reg - Holiday - Regular	2	36	1098.72
	Hourly - Hourly	3	171	5218.92
	OT - Overtime	3	75	3433.5
	Sick - Sick Pay	1	8	244.16
	Vacation - Vacation Pay	1	9	274.68
	Workers Comp - Workers Comp	1	24	732.48
		Total:	**323**	**11002.46**
GAL100-149	Holiday - Reg - Holiday - Regular	2	36	1274.04
	Hourly - Hourly	3	216	7644.24
	Intermediate POST - Intermedia	3	0	69.24
	OT - Overtime	3	97	5149.24
	Vacation - Vacation Pay	1	12	424.68
		Total:	**361**	**14561.44**
GAR100-114	Bilingual - Bilingual	3	0	138.45
	Hourly - Hourly	3	162	3168.72
	Sick - Sick Pay	1	12	234.72
		Total:	**174**	**3541.89**
GAR100-150	Advanced POST - Advanced POS	3	0	103.86
	Comp Time Earned - Compensat	1	3	0
	Comp Time Taken - Compensatc	1	24	984.96
	Holiday - Reg - Holiday - Regular	2	36	1477.44
	Hourly - Hourly	3	192	7879.68
	OT - Overtime	3	43	2647.08
		Total:	**298**	**13093.02**
GUE200	Holiday - Reg - Holiday - Regular	2	36	704.16
	Hourly - Hourly	3	185	3618.6
		Total:	**221**	**4322.76**
HAN100-112	Holiday - Holiday Pay	1	12	424.68
	Holiday - Reg - Holiday - Regular	1	24	849.36
	Hourly - Hourly	3	216	7644.24
	OT - Overtime	3	51	2707.34
		Total:	**303**	**11625.62**
HAS100-143	Holiday - Reg - Holiday - Regular	3	22	622.26
	Hourly - Hourly	1	-1,016.00	-20404.56
	OT - Overtime	4	54	1687.91
	SRO - School Resourse Officer	4	1,240.00	33603.28
	SRO-OT - School Resource Office	3	64	2581.44
		Total:	**364**	**18090.33**

KNO100	Admin Time*Salary EE - Adminis	1	8	461.54
	Holiday - Reg - Holiday - Regular	2	24	1384.62
	Hourly - Hourly	3	160	9230.76
	Sick - Sick Pay	1	8	461.54
	Workers Comp - Workers Comp	1	40	2307.69
		Total:	**240**	**13846.15**
LOP125	Bachelor's Degree - Bachelor's D	3	0	69.24
	Bilingual - Bilingual	3	0	138.45
	Holiday - Reg - Holiday - Regular	2	32	762.88
	Hourly - Hourly	3	208	4958.72
	OT - Overtime	3	39.5	1412.52
	Standby - Standby	3	0	585.77
		Total:	**279.5**	**7927.58**
MUL100	Comp Time Earned - Compensat	2	10.5	0
	Holiday - Reg - Holiday - Regular	2	36	1274.04
	Hourly - Hourly	3	216	7644.24
	OT - Overtime	3	72	3822.13
		Total:	**334.5**	**12740.41**
OLM100	Bachelor's Degree - Bachelor's D	3	0	69.24
	Comp Time Taken - Compensatc	1	12	530.32
	Holiday - Reg - Holiday - Regular	2	24	1060.64
	Hourly - Hourly	2	124	5479.96
	Intermediate POST - Intermedia	3	0	103.86
	Salary - Salary	1	80	3535.46
		Total:	**240**	**10779.48**
PES100-152	Comp Time Earned - Compensat	1	5.25	0
	Comp Time Taken - Compensatc	1	26	920.14
	Holiday - Reg - Holiday - Regular	2	24	849.36
	OT - Overtime	1	16	849.36
	SRO - School Resourse Officer	3	190	6724.1
	SRO-OT - School Resource Office	1	8	424.68
		Total:	**269.25**	**9767.64**
RIV100-120	Holiday - Reg - Holiday - Regular	1	24	849.36
	Hourly - Hourly	1	48	1698.72
		Total:	**72**	**2548.08**

SHA-100-152	Advanced POST - Advanced POS	3	0	103.86
	Bachelor's Degree - Bachelor's D	3	0	69.24
	Comp Time Earned - Compensat	2	33.75	0
	Holiday - Reg - Holiday - Regular	2	36	1406.16
	Hourly - Hourly	3	216	8436.96
	OT - Overtime	3	68	3984.12
	PD - Court Appear - PD - Court A	1	3	175.77
		Total:	**356.75**	**14176.11**
TAF200	Comp Time Earned - Compensat	1	0.75	0
	Comp Time Taken - Compensatc	2	18	563.04
	Holiday - Reg - Holiday - Regular	2	34	1063.52
	Hourly - Hourly	3	188	5880.64
	OT - Overtime	3	65.5	3073.26
		Total:	**306.25**	**10580.46**
VEL200	Comp Time Earned - Compensat	3	22.5	0
	Comp Time Taken - Compensatc	1	2	39.12
	Holiday - Reg - Holiday - Regular	2	36	704.16
	Hourly - Hourly	3	206	4029.36
	OT - Overtime	2	28	821.52
		Total:	**294.5**	**5594.16**
		150 - Police Total:	**6265.39**	**222754.97**

Department: 155 - Animal Control

Employee Number	Pay Code	# of Payments	Units	Pay Amount
MUN100	Holiday - Holiday Pay	2	27	502.74
	Hourly - Hourly	3	231	4301.22
	OT - Overtime	3	16.5	460.85
	Standby - Standby	3	0	300
		Total:	**274.5**	**5564.81**
RIV200	Comp Time Earned - Compensat	2	33.98	0
	Comp Time Taken - Compensatc	2	13	219.31
	Holiday - Holiday Pay	2	27	455.49
	Hourly - Hourly	3	195.17	3292.52
	Sick - Sick Pay	2	14.76	249
	Standby - Standby	3	0	271.48
		Total:	**283.91**	**4487.8**
		155 - Animal Control Total:	**558.41**	**10052.61**

Department: 160 - Building Inspection

Employee Number	Pay Code	# of Payments	Units	Pay Amount
RON100	Cash Out - VAC - Cash Out - Vaca	1	91.1	2920.67
	Hourly - Hourly	1	32	1025.92
	Sick - Sick Pay	1	4	128.24
	Vacation - Vacation Pay	1	4	128.24
		Total:	**131.1**	**4203.07**
	160 - Building Inspection Total:		**131.1**	**4203.07**

Department: 165 - Code Enforcement

Employee Number	Pay Code	# of Payments	Units	Pay Amount
PER200	Holiday - Holiday Pay	2	27	546.12
	Hourly - Hourly	3	213	4228.28
	OT - Overtime	2	8.65	253.79
		Total:	**248.65**	**5028.19**
	165 - Code Enforcement Total:		**248.65**	**5028.19**

Department: 175 - Grants Administration

Employee Number	Pay Code	# of Payments	Units	Pay Amount
MAR210	Holiday - Holiday Pay	1	13	267.28
	Hourly - Hourly	3	178.16	3662.97
	OT - Overtime	1	0.16	4.93
	Sick - Sick Pay	2	40.08	824.04
	Vacation - Vacation Pay	1	9	185.04
		Total:	**240.4**	**4944.26**
	175 - Grants Administration Total:		**240.4**	**4944.26**

Department: 180 - Public Works

Employee Number	Pay Code	# of Payments	Units	Pay Amount
GUE100	Comp Time Earned - Compensat	3	39.99	0
	Holiday - Holiday Pay	2	21	595.14
	Hourly - Hourly	3	219	6206.46
	OT - Overtime	3	30.18	1282.96
		Total:	**310.17**	**8084.56**
MAR100	Holiday - Holiday Pay	1	27	478.44
	Hourly - Hourly	3	182.99	3242.58
	OT - Overtime	1	15	398.7
	Sick - Sick Pay	2	19.5	345.54
	Vacation - Vacation Pay	1	12	212.64
		Total:	**256.49**	**4677.9**

TEL100	Holiday - Holiday Pay	2	21	372.12
	Hourly - Hourly	3	219	3880.68
	OT - Overtime	3	41	1089.78
		Total:	**281**	**5342.58**
		180 - Public Works Total:	**847.66**	**18105.04**

Department: 200 - Lighting & Landscaping

Employee Number	Pay Code	# of Payments	Units	Pay Amount
Cruz100	Holiday - Holiday Pay	2	27	478.44
	Hourly - Hourly	3	213	3774.36
	OT - Overtime	3	18	478.44
		Total:	**258**	**4731.24**
		200 - Lighting & Landscaping Total:	**258**	**4731.24**

Department: 500 - Sewer

Employee Number	Pay Code	# of Payments	Units	Pay Amount
CIS400	Comp Time Earned - Compensat	1	12	0
	Holiday - Holiday Pay	1	27	844.56
	Hourly - Hourly	3	202	6318.56
	OT - Overtime	1	14	656.88
		Total:	**255**	**7820**
MED100	Holiday - Holiday Pay	2	21	464.94
	Hourly - Hourly	3	203	4494.42
	OT - Overtime	3	18	597.78
	PW Cert - Grade 1 - Public Work	3	0	34.62
	Standby - Standby	3	0	271.51
	Vacation - Vacation Pay	1	18	398.52
		Total:	**260**	**6261.79**
Pop100	Holiday - Holiday Pay	1	18	398.52
	Hourly - Hourly	3	197.5	4372.65
	OT - Overtime	3	20	664.2
	PW Cert - Grade 1 - Public Work	3	0	34.62
	Sick - Sick Pay	3	24.5	542.43
	Standby - Standby	3	0	314.38
		Total:	**260**	**6326.8**
		500 - Sewer Total:	**775**	**20408.59**

Department: 510 - Water

Employee Number	Pay Code	# of Payments	Units	Pay Amount
Brau100	Holiday - Holiday Pay	2	21	381.57
	Hourly - Hourly	3	218	3961.06
	OT - Overtime	3	89.5	2439.32
	Sick - Sick Pay	1	1	18.17
	Standby - Standby	3	0	385.8
		Total:	**329.5**	**7185.92**
CABR100	Holiday - Holiday Pay	2	24	1007.09
	Hourly - Hourly	2	136	5528.38
	Salary - Salary	1	80	3000
		Total:	**240**	**9535.47**
CORD100	Comp Time Earned - Compensat	3	32.65	0
	Comp Time Taken - Compensatc	1	12.17	221.13
	Holiday - Holiday Pay	2	18	327.06
	Hourly - Hourly	3	202.99	3688.33
	OT - Overtime	3	32.84	895.06
	Standby - Standby	3	0	228.58
		Total:	**298.65**	**5360.16**
CORT100	Comp Time Earned - Compensat	3	39.99	0
	Holiday - Holiday Pay	2	21	381.57
	Hourly - Hourly	3	207.58	3771.73
	OT - Overtime	3	24.84	677.01
	Sick - Sick Pay	1	9	163.53
		Total:	**302.41**	**4993.84**
DOM100	Comp Time Earned - Compensat	3	22.62	0
	Holiday - Holiday Pay	2	18	318.96
	Hourly - Hourly	3	222	3933.84
	OT - Overtime	1	0.08	2.13
		Total:	**262.7**	**4254.93**
ORT100	Hourly - Hourly	1	8	403.85
		Total:	**8**	**403.85**
ROB400	Comp Time Earned - Compensat	2	10.94	0
	Holiday - Holiday Pay	2	18	606.42
	Hourly - Hourly	3	214.75	7169.85
	OT - Overtime	3	23.71	1211.62
	PW Cert - Grade 3 - Public Work	2	0	311.58
	Sick - Sick Pay	2	5.25	172.52
		Total:	**272.65**	**9471.99**
		510 - Water Total:	**1713.91**	**41206.16**

Department: 520 - Public Transit

Employee Number	Pay Code	# of Payments	Units	Pay Amount
MOR100	Holiday - Holiday Pay	1	18	335.16
	Hourly - Hourly	3	221.33	4121.16
	OT - Overtime	2	0.66	18.43
	Vacation - Vacation Pay	1	0.75	13.97
		Total:	**240.74**	**4488.72**
		520 - Public Transit Total:	**240.74**	**4488.72**
		Report Total:	**14726.6**	**462871.7**

Account	Account Description	Units	Pay Amount
	BENEFIT AND NON GL TRANSACTIONS	279.8	0
	- Total:	**279.8**	**0**
01-105-50100-0000-1	Salaries - Permanent Employees	109.33	3945.97
01-110-50100-0000-1	Salaries - Permanent Employees	187.44	8877.21
01-112-50100-0000-1	Salaries - Permanent Employees	60	2538.49
01-115-50100-0000-1	Salaries - Permanent Employees	240.87	7447.82
01-115-50200-0000-1	Overtime	3.5	174.76
01-115-50350-0000-1	Stipends	0	20.79
01-140-50100-0000-1	Salaries - Permanent Employees	449.6	18655.33
01-140-50200-0000-1	Overtime	0.65	16.83
01-140-50350-0000-1	Stipends	0	55.39
01-150-50100-0000-1	Salaries - Permanent Employees	5027.42	176522.53
01-150-50150-0000-1	Wages - Temporary Employees	174	3403.44
01-150-50200-0000-1	Overtime	985	46926.78
01-150-50350-0000-1	Stipends	0	1582.73
01-155-50100-0000-1	Salaries - Permanent Employees	507.93	9020.28
01-155-50200-0000-1	Overtime	16.5	460.85
01-155-50350-0000-1	Stipends	0	571.48
01-160-50100-0000-1	Salaries - Permanent Employees	275.26	8603.84
01-165-50100-0000-1	Salaries - Permanent Employees	319.36	7886.09
01-165-50200-0000-1	Overtime	6.32	185.27
01-180-50100-0000-1	Salaries - Permanent Employees	1033.21	22174.89
01-180-50200-0000-1	Overtime	74.2	2250.08
	01 - GENERAL FUND Total:	**9470.59**	**321320.85**
20-200-50100-0000-1	Salaries/Permanent Employees	247.57	4472.37
20-200-50200-0000-1	Overtime	18.54	501.41
	20 - LIGHTING & LANDSCAPING-DISTRICT 1 Total:	**266.11**	**4973.78**
30-500-50100-0000-1	Salaries - Permanent Employees	1679.87	49644.79
30-500-50200-0000-1	Overtime	66.76	2540.69
30-500-50350-0000-1	Stipends	0	675.92
	30 - SEWER Total:	**1746.63**	**52861.4**
31-505-50100-0000-1	Salaries - Permanent Employees	602.33	19116.66
31-505-50200-0000-1	Overtime	12.54	554.49
31-505-50350-0000-1	Stipends	0	6.93
	31 - REFUSE/RECYCLING Total:	**614.87**	**19678.08**
32-510-50100-0000-1	Salaries - Permanent Employees	1922.22	53161.12
32-510-50200-0000-1	Overtime	185.64	5846.6
32-510-50350-0000-1	Stipends	0	541.15

Account	Account Description	Units	Pay Amount
	32 - WATER Total:	**2107.86**	**59548.87**
34-520-50100-0000-1	Salaries - Permanent Employees	240.08	4470.29
34-520-50200-0000-1	Overtime	0.66	18.43
	34 - PUBLIC TRANSPORTATION Total:	**240.74**	**4488.72**
	Report Total:	**14726.6**	**462871.7**

City of McFarland, CA

Pay Code Report

Pay Code Summary

11/1/2023 - 11/30/2023

Payroll Set: City-City of McFarland

Pay Code	Description	# of Payments	Units	Pay Amount
Admin Time*Salary EE - A	Administrative Time Salary EE	1	8	461.54
Advanced POST - Advance	Advanced POST Certificate	6	0	207.72
Bachelor's Degree - Bache	Bachelor's Degree	18	0	290.79
Bilingual - Bilingual	Bilingual	24	0	623.1
Cash Out - VAC - Cash Ou	Cash Out - Vacation	1	91.1	2920.67
Comp Time Earned - Com	Compensatory Time Earned	29	279.8	0
Comp Time Taken - Comp	Compensatory Time Taken	10	108.17	3506.36
Holiday - Holiday Pay	Holiday Pay	57	730	21049.36
Holiday - Reg - Holiday - R	Holiday - Regular	39	634	20841.92
Hourly - Hourly	Hourly	151	8879.88	266218.73
Intermediate POST - Inter	Intermediate POST Certificate	9	0	242.34
Notary - Notary	Notary	2	0	27.7
OT - Overtime	Overtime	102	1333.08	57879.14
PD - Court Appear - PD - C	PD - Court Appearance	1	3	175.77
Personal - Personal Day	Personal Day	4	38	1042.14
PW Cert - Grade 1 - Public	Public Works Certification - Grade 1	6	0	69.24
PW Cert - Grade 3 - Public	Public Works Certification - Grade 3	2	0	311.58
Salary - Salary	Salary	6	513.32	21705.6
Salary - Elected - Salary - I	Salary - Elected Officials	5	0	1000
Sick - Sick Pay	Sick Pay	35	301.5	8722.63
SRO - School Resourse Of	School Resourse Officer	7	1430	40327.38
SRO-OT - School Resource	School Resource Officer Overtime	4	72	3006.12
Standby - Standby	Standby	21	0	2357.52
Vacation - Vacation Pay	Vacation Pay	20	240.75	6844.18
Workers Comp - Workers	Workers Comp Pay	2	64	3040.17
		Report Total:	**14726.6**	**462871.7**

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 6.
Section: CONSENT AGENDA
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Paul Saldaña , Community Development Director

SUBJECT: Approval of Resolution No. 2023-151 A Resolution of the City Council of the City of McFarland, California Designating the Applicant Agents for California Office of Emergency Services.

SUMMARY:

The State of California Governor's Office of Emergency Services ("OES") requires local entities that apply for and receive federal financial assistance for declared disasters to designate agents to sign applications on behalf of the City. The resolution is required to be updated every three (3) years. The proposed Resolution will serve the purpose of updating the information on file with OES and will be in effect until December of 2026.

FINANCIAL IMPACT:

None.

RECOMMENDATION:

City Council adopt Resolution No. 2023-151 designating the City Manager, Community Development Director and Finance Director as applicant agents.

ATTACHMENTS:

1. Cal-OES-130-Form Resolution

RESOLUTION NO. 2023-151

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND DESIGNATING THE CITY MANAGER, COMMUNITY DEVELOPMENT DIRECTOR AND FINANCE DIRECTOR AS THE AGENT'S OF THE CITY FOR THE CALIFORNIA OFFICE OF EMERGENCY SERVICES

WHEREAS, the California Governor's Office of Emergency Services ("OES") implements the California Disaster Assistance Act; and

WHEREAS, OES coordinates disaster response for the Federally declared disaster mitigation and funding; and

WHEREAS, to qualify for funding, the City is required to designate agent's of the City to act on their behalf to respond to funding opportunities, including reimbursements for finding after a disaster; and

WHEREAS, OES requires the City to designate agent's of the City every three years; and

WHEREAS, the City Manager, Community Development Director and Finance Director are involved in various aspects of disaster planning, mitigation and relief.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. The City Manager, Community Development Director and Finance Director are authorized agents of the City of McFarland for applications for aid, assistance and financing with the Office of Emergency Services.
2. The City Council agrees to the designation and the responsibilities as outlined in OES form OES-FPD-130 attached hero and incorporated herein.
3. The City Clerk is directed to certify Form OES-FPD-130.
4. The City Manager or designer is authorized to file Form OES-FPD-130 with the Office of Emergency Services
5. This authorization will remain in effect for three (3) years following the adoption date unless otherwise amended.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on December 14, 2023 by the following vote:

	Aye	Nae	Abstain	Absent
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				
María T. Pérez				

CITY OF MCFARLAND

_____
Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

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

_____
Francisca Alvarado, City Clerk

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

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

THAT City Manager (Title of Authorized Agent), OR

Community Development Director (Title of Authorized Agent), OR

Finance Director (Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the City of McFarland (Name of Applicant), a public entity established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining federal financial assistance for any existing or future grant program, including, but not limited to any of the following:

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

That the City of McFarland (Name of Applicant), a public entity established under the laws of the State of California, hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

DESIGNATION OF APPLICANT'S AGENT RESOLUTION
NON-STATE AGENCIES
OES-FPD-130 (Rev. 10-2022)

Please check the appropriate box below

☑ This is a universal resolution and is effective for all open and future disasters/grants declared up to three (3) years following the date of approval.

☐ This is a disaster/grant specific resolution and is effective for only disaster/grant number(s):_____

Passed and approved this 14 day of December, 20 23

Saul Ayon, Mayor
(Name and Title of Governing Body Representative)

Ricardo Cano, Vice Mayor
(Name and Title of Governing Body Representative)

_____
(Name and Title of Governing Body Representative)

CERTIFICATION

I, Francisca Alvarado (Name), duly appointed and City Clerk (Title) of City of McFarland (Name of Applicant), do hereby certify that the above is a true and correct copy of a resolution passed and approved by the City Council (Governing Body) of the City of McFarland (Name of Applicant) on the 14 day of Devember, 20 23.

_____ City Clerk
(Signature) (Title)

Cal OES Form 130 Instructions

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

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

Resolution Section:

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

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

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

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

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

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

2. Names and Titles: If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document, or their title changes.

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

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

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

Certification Section:

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

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

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 7.
Section: CONSENT AGENDA
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Paul Saldaña , Community Development Director

SUBJECT: Approval of Resolution No. 2023-154 A Resolution of the City Council of the City of McFarland, California Approving the Modifications to the Memorandum of Understanding with the County of Kern.

SUMMARY:

On June 16, 2020 the City of McFarland and the County of Kern entered into a five (5) year Memorandum of Understanding (MOU) to stipulate the method and amount of tax revenues upon annexation of property to the City. Under the current agreement, which expires June 16, 2025, the City receives tax payments three times per year. The County has proposed that the tax payments be made on a monthly basis. Other changes, which are indicated on the attached draft, are clarifying sections of the MOU. The term is modified to ensure that the June 16, 2025 term remains the same.

Staff of the City and County will be continuing conversations about the amount of the allocation of property and sales tax revenues from annexations and anticipate additional amendments went after the completion of the fiscal impact analysis. However, staff of both the County and City agreed that advancing these amendments would not impact those discussions and likewise will ensure that proposed City annexations can continue to move forward.

FINANCIAL IMPACT:

Tax payment from the County will be made monthly rather than three times a year and will have a positive impact on monthly cash balances.

RECOMMENDATION:

Discuss, and Possibly approve Resolution 2023-154 a resolution of the City Council of the City of McFarland approving Memorandum of Understanding with the County of Kern related to transfer of tax revenues upon annexation.

ATTACHMENTS:

1. Redline Version of MOU with Kern County

RESOLUTION NO. 2023-154

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND, CALIFORNIA APPROVING A REVISED MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF KERN RELATING TO THE TRANSFER OF TAX REVENUES UPON ANNEXATION

WHEREAS, on May 19, 2020 the City Council approved a Memorandum of Understanding (MOU) with the County of Kern regarding the transfer of tax revenues upon annexation; and

WHEREAS, on June 16, 2020 the County Board of Supervisors adopted the MOU enumerated as Kern County agreement #389-2020; and

WHEREAS, the County has proposed an amendment that would provide for payments to the City on a monthly basis compared to the schedule of three times per year under the current agreement; and

WHEREAS, the County has proposed non-substantive amendments to clarify language within the current agreement.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. The foregoing recitals are true and correct and incorporated herein by this reference.
2. The City Council hereby approves the amended Memorandum of Understanding (MOU) with the County of Kern.
3. The City Council authorizes the Mayor and City Manager to execute the MOU.
4. The City Council authorize the City Manager or designee to transmit the MOU to the County Administrative Office for consideration by the Kern County Board of Supervisors.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on December 14, 2023 by the following vote:

	Aye	**Nae**	**Abstain**	**Absent**
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				

María T. Pérez				

CITY OF MCFARLAND

_____
Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

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

_____
Francisca Alvarado, City Clerk

MEMORANDUM OF UNDERSTANDING
BETWEEN THE COUNTY OF KERN AND THE CITY OF MCFARLAND
REGARDING TRANSFER OF TAX REVENUES
UPON ANNEXATION

This MEMORANUM OF UNDERSTANDING (hereinafter "MOU"), is made and executed this _____ day of _____, 2024~~0~~, by and between the CITY OF MCFARLAND, a general law city of the State of California and a municipal corporation (hereinafter "CITY"), and the COUNTY OF KERN, a political subdivision of the State of California (hereinafter "COUNTY").

WITNESSETH:

WHEREAS:

(a) State law authorizes cities and counties to enter into master property tax sharing agreements to provide adjustments to the allocation of property taxes upon annexation; and,

(b) These applicable sections of State law are referenced below in pertinent part and as the parties hereto acknowledge, may be amended from time to time; and,

(c) CITY and COUNTY recognize that it is important that any tax sharing arrangements between CITY and COUNTY should be determined in advance to facilitate sound planning for development and the provision of services as a result of that development; and,

(d) CITY and COUNTY have worked together to develop a fair and equitable approach to tax sharing, maximizing locally available revenues; and,

(e) CITY and COUNTY seek to align the interests of both jurisdictions in a way that promotes and financially encourages future development; and,

(f) As provided for in this MOU, CITY and COUNTY intend to ensure the most timely, efficient, and cost-effective delivery of services provided to the public.

(g) This Agreement supersedes Agreement No. 389-2020, as approved by the Kern County Board of Supervisors on June 16, 2020.

NOW THEREFORE, IT IS HEREBY AGREED by and between the parties hereto as follows:

Section 1. Recitals

1.1. The foregoing recitals are true and correct and are incorporated herein as part of this MOU.

Section 2. Definitions

2.1. "~~BASE~~ PROPERTY TAX REVENUES" shall mean property tax revenues accruing to County in the fiscal year prior to the annexation, based on 1979's Assembly Bill 8 ~~the~~ (hereinafter "AB-8") gross levy prior to adjustments and revenue transfers relative to the Educational Revenue Augmentation Fund (ERAF).

2.2. "ERAF FACTOR" is the percentage required by California Revenue and Taxation Code sections 97, et seq., to be multiplied by an affected agency's AB-8 gross levy in order to determine the amount of funds to be transferred to the schools for ERAF.

2.3. "1% AD VALOREM PROPERTY TAX" shall mean the 1% property tax authorized by Article 13A, section 1 of the California Constitution.

2.4. "1% AD VALOREM PROPERTY TAX REVENUES" shall mean the revenue resulting from the 1% AD VALOREM PROPERTY TAX assessed on the full value of the property in the Annexation Areas.

2.5. "GROSS SALES AND USE TAX REVENUES" shall mean sales tax on gross receipts from all sales of tangible personal property; use tax on the sales price of tangible personal property stored, used or consumed; and revenues allocated through Countywide or Statewide Pools to the extent that any and all of these can be allocated to a location within the Annexation Area. It includes any revenues subject to an exchange, flip, swap, in lieu of, or other adjustment occurring due to any State of California, City of McFarland, voter, or judicial action. It does not include any amount authorized by the City of McFarland voters extending the sales tax beyond the 1% Bradley-Burns rate for specific City of McFarland services.

2.6. "NET SALES AND USE TAX REVENUE" shall mean GROSS SALES AND USE TAX REVENUES less the County's proportionate share of state administration costs.

2.7. "COUNTY ERAF CONTRIBUTION" shall mean the ~~BASE~~ PROPERTY TAX REVENUES multiplied by the County's ERAF FACTOR.

2.8. "ANNEXATION" shall mean the completion of transfer of property pursuant to the Cortese-Knox Act from the COUNTY to the CITY following execution of this MOU.

2.9. "ANNEXATION AREA" or "ANNEXATION AREAS" shall mean properties annexed from the COUNTY into the CITY following execution of this MOU.

Section 3. Revenue Reporting

3.1. ~~From and a~~After the first fiscal year following the effective date of each Annexation, County Auditor will establish a property tax fund in its financial system to allocate and report to City and the County Administrative Office the actual amount of the ~~1% AD VALOREM~~ PROPERTY TAX REVENUES in~~from~~ the Annexation Area available for allocation and distribution pursuant to this MOU. ~~That information shall be provided no later than 30 days after the end of the applicable apportionment period as described in paragraph 4.2.~~

Section 4. Receipt and Allocation of 1% AD VALOREM PROPERTY TAX

4.1. City shall receive 50% of the ~~BASE~~ PROPERTY TAX REVENUES from the County General Fund's share after deduction of the COUNTY ERAF CONTRIBUTION.

4.2. From and after the first fiscal year following the effective date of each Annexation, County Auditor will allocate property taxes to the City on a monthly basis as part of the allocation to all taxing agencies in the County~~by February 15 for the prior July through December apportionments, by June 15 for the prior January through April apportionments, and by August 15 for the May and June apportionments~~.

Section 5. Independent Audit

5.1. The Kern County Auditor shall promptly undertake and complete an audit of the property tax distribution upon the request of either party, after notice to the other party that an audit is requested. County Auditor will make any adjustments to payment of property taxes to City or County which are required as a result of the audit within 60 days of the audit results.

5.2. In the event the County Auditor determines there has been an overpayment, or improper withholding by either City or County, repayment shall be

made within 30 days and interest shall be paid from the date of the overpayment or improper withholding, as applicable, compounded monthly at a rate equal to the County's average pooled investment interest rate as of June 30 of the preceding fiscal year.

5.3. In the event the City or the County disagrees with the results of the audit performed by the County Auditor, the City and County shall jointly pay for an independent audit by an accounting firm on which the parties mutually agree.

Section 6. Allocation of Sales Tax Revenue

6.1. City will transfer to County 100% of NET SALES AND USE TAX REVENUE remitted to City from currently existing businesses located in the area of the proposed annexation territory. Each payment will be based on a full calendar year (January 1 through December 31) of data provided by the State Board of Equalization and remitted to County by June 30 of the following year.

6.2. City will transfer to County, as set forth herein, 45% of NET SALES AND USE TAX REVENUES City receives from new businesses developed in the proposed annexation territory pursuant to City's Bradley-Burns Uniform Sales and Use Tax Ordinance, Chapter 3.20 of the McFarland Municipal Code.

6.3. The County's share of the NET SALES AND USE TAX REVENUES shall be payable to County quarterly, within 30 days of receipt by City.

6.4. City shall document the actual GROSS SALES AND USE TAX REVENUES, as reported by the State Board of Equalization, to support the periodic payments made by the City to the County and provide this information to the County Auditor with the quarterly distribution of NET SALES AND USE TAX REVENUES. In the event the County Auditor is unable to reasonably validate the accuracy of sales tax allocations to the County, the County may request and independent audit under Section 5.3.

6.5. If the Bradley-Burns local sales tax allocable to cities statewide is increased above its current level(s) and is specifically accompanied by additional financial obligations for services or a delay or reduction in other local revenues available to cities, then the revenue distribution set out in paragraph 6.2 shall be adjusted so that the revenue allocable to the County under Section 6 of this MOU will be reduced in an amount equal to all of the impact of said increase in the Bradley-Burns local sales tax allocable to the City.

6.6. The adjustments provided for in paragraph 6.5 of this MOU include any changes in the portion of the Bradley-Burns local sales tax allocable to the City occurring due to any State of California, voter, or judicial action which has the effect of substantively altering the fiscal outcomes for the City that this MOU was intended to provide.

Section 7. Additional Documents

7.1. City and County agree to cooperate in the execution of any additional documents which may be required to carry out the terms of this MOU.

Section 8. Effective Date

8.1. This MOU shall become effective upon the latest of the dates it is signed below by the City Mayor and the County Chairman of the Board.

Section 9. Term of this MOU

9.1. This MOU shall commence as of the date of execution by City and County, which date is stated at the beginning of this MOU and continue until June 16, 2025~~for a period of five years~~, unless terminated by mutual written agreement of the City and County.

Section 10. Renegotiation or Modification

10.1. The purpose of this MOU is: 1) to provide for the equitable exchange of revenues in accordance with the transfer of service responsibilities upon annexation; 2) to enable CITY to proceed with orderly territorial expansion and economic growth consistent with the terms of existing law; and 3) to maximize each party's ability to deliver essential governmental services. In entering into this MOU, the parties mutually assume the continuation of the existing state statutory schemes relating to the distribution of available tax revenues to local government, annexations, planning and other material matters set forth in this MOU, and that assumption is a basic tenet of this MOU.

10.2. It is, therefore, mutually understood and agreed that should substantial changes occur in state statutory law, court decisions, or state administrative decisions

which negate the basic purposes of this MOU, this MOU shall be renegotiated within 120 days of either CITY or COUNTY providing notice pursuant to paragraph 10.4 requesting such review.

10.3. It is, therefore, mutually understood and agreed that should substantial changes occur in the City's agreement for Fire Services with the County, this MOU shall be renegotiated within 120 days of either CITY or COUNTY providing notice pursuant to paragraph 10.4 requesting such review.

10.4. This MOU and any of the provisions, covenants and conditions set forth herein may be modified or amended only by a writing duly authorized by the respective governing bodies of COUNTY and CITY and executed by each party's authorized representative.

Section 11. Counterparts

11.1. This MOU may be executed in two counterparts, each of which shall constitute an original.

Section 12. Supersession

12.1. With respect to all future annexations, this MOU supersedes any and all previous negotiations, proposals, commitments, writings, and understandings of any nature whatsoever between County and City except as otherwise provided herein.

Section 13. Notice

13.1. All notices, requests, certifications or other correspondence required to be provided by the parties to this MOU will be in writing and will be delivered by certified mail to the respective parties at the following addresses:

County
County of Kern
County Administrative Office
ATTN: Thomas Brown
1115 Truxtun Ave., 5th Floor
Bakersfield, CA 93301

City
City of McFarland
ATTN: City Manager
401 West Kern
McFarland, CA 93250

13.2. Notice by certified mail will be effective immediately upon receipt.

IN WITNESS WHEREOF, the parties hereto have executed this MOU in the County of Kern, State of California, on the dates set forth above.

COUNTY OF KERN, ("COUNTY")

By: _____
DAVID COUCH
Chair, Board of Supervisors

Dated: _____

CITY OF MCFARLAND, ("CITY")

By: _____
SAUL AYON
Mayor, City of McFarland

Dated: _____

APPROVED AS TO CONTENT:

COUNTY ADMINISTRATIVE OFFICE

By: _____
JAMES L. ZERVIS
Chief Administrative Officer

MCFARLAND CITY MANAGER

By: _____
KENNY WILLIAMS
City Manager

KERN COUNTY AUDITOR-CONTROLLER -COUNTY CLERK

By: _____
AIMEE X. ESPINOZA
Kern County Auditor-Controller-County Clerk

APPROVED TO LEGAL FORM:

OFFICE OF THE COUNTY COUNSEL
MARGO A. RAISON, County Counsel

By: _____
Deputy Counsel

MCFARLAND CITY ATTORNEY

By: _____
CITY ATTORNEY

DRAFT

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 8.
Section: CONSENT AGENDA
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Brian Knox, Chief of Police

SUBJECT: Approval of Resolution No. 2023-155 A Resolution of the City Council of the City of McFarland, California Approving the Appropriation of Funds from the City's General Fund to Purchase New Tasers.

SUMMARY:

The implementation and availability of less-lethal devices in law enforcement today is essential to an officer's ability to implement de-escalation techniques to peacefully arrest law violators. De-escalation tactics are required per California Assembly Bill 392, which requires de-escalation tactics whenever possible.

Part of an officer's ability to implement de-escalation tactics can be the officer's access to less-lethal devices, as these devices many times provide a deterrent against violent resistance. One of the most commonly used and accessible less-lethal devices is a Conducted Electrical Weapon (CEW) or Taser. These devices have been shown to reduce the incidents of necessary force used by patrol officers by providing a deterrent for active resistance. The CEW also allows officers to deploy a force option which minimizes injury for officers and suspects.

The McFarland Police Department (MPD) has used Tasers successfully for several years. Currently, the MPD is using Taser X26 and X26p models, which are three and four generations behind the newest technology. The batteries for these older models have reached the end of their lifespan and need to be replaced. The cost of replacement batteries for the Taser X26 is $49.00 per battery. The cost of replacement batteries for the Taser X26P is $89.00 per battery. The total replacement battery cost is $1380. NewerTasers have rechargeable batteries which will allow for a longer lifespan.

The older Tasers (X26, X26p) achieve an effective range of 25 feet and shoot out two probes. The device shoots the probes in a V shaped pattern, so the further the target is from the officer, the less likely the probes are to hit the target. The reason for the V shaped shot pattern is to hit two different body parts, so the device will be able to incapacitate more of the body during the deployment. Tasers are most effective when the probes contact body parts further away from each other. This is due to the electricity produced by the taser traveling across a larger section of the body. Newer Tasers have individual probes that can be accurately aimed at different body parts. Due to the higher accuracy of the newer Tasers, they are far more reliable and effective.

The probes for the older Tasers are lightweight and do not penetrate thick or bulky clothing, often forcing an officer to attempt another deployment or utilize another force option. For these reasons, many officers do not see the older Tasers as a reliable device and will not deploy them.

New Taser technology utilizes a device which carries 10 probes, which can be deployed separately with much more accuracy. The effective range of the new Taser 10 is 45 feet with heavier probes that are designed to penetrate bulky clothing. The officer will then have 10 shots before they need to reload instead of one shot. Officers will be able to pick the part of the body they want to target instead of relying on a predetermined spread, which equates to a guess of where the second probe will hit.

The older X26 and X26p Tasers have been linked to possibly causing heart problems due to the 50,000 volts of electricity applied to the suspect. This has never been completely confirmed and the Taxer X26 and X26P are still used by many police agencies today. The newer smart weapon technology of the Taser 10 achieves better success with the use of only 1000 volts of electricity. The new Tasers also assist in de-escalation with a loud warning signal and a flashing light when the device is turned on. The MPD's current Tasers rely solely on warnings given by an officer.

The MPD's Taser's were bought through Taser International, which was bought by Axon. Axon has offered the MPD a new contract to replace our old Taser inventory, which includes equipment and training for the new devices. This would be a five-year contract with a total cost of $99,215.20. The first year of the contract would have a reduced cost of $9,807.22 leaving a total of $89,407.98 to be paid over the remaining four years. The remaining cost per year will be $22,351.99.

The MPD recently received a donation from Dr. Hair in the amount of $10,000 to pay for the first year of the contract, so there would be no additional cost to the current budget (FY 23/24).

FINANCIAL IMPACT:

Dr Hair has provided a donation to the city to cover this years cost of $9,807.22, therefore there is no fiscal impact to the 23/24 budget.

The future budgets will be impacted in the amount of $22,351.99 annual for a period of five years at a total costs of $99,215.20.

RECOMMENDATION:

Staff recommends the City Council Discuss, and Possible Approve resolution No.2023- 155 A Resolution of the City Council of the City of McFarland approving the Contract with Axon for new Tasers.

ATTACHMENTS:

1. UPDATED - (20) TASER 10 STAND ALONE - 2152024 Start Date

RESOLUTION NO. 2023-155

A Resolution of the City Council of the City of McFarland, California Approving the Appropriation of Funds from the City's General Fund to Purchase New Tasers

WHEREAS, the City Council of the City of McFarland has approved a fiscal year budget for 2023/2024; and

WHEREAS, the McFarland Police Department needs to buy new batteries for their current Tasers; and

WHEREAS, the McFarland Police Department received a donation of $10,0000; and

WHEREAS, the fiscal year 2023-24 adopted operating budget did not account for $10,000.00 for the purchase of Tasers; and

WHEREAS, the City Council of the City of McFarland believes a budget amendment of $10,000 to the fiscal year 2023-24 adopted operating budget is necessary for the purchase of the Tasers

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. The foregoing recitals are true and correct and incorporated herein as if set forth in fill.
2. The McFaralnd Police Department needs to update their current Tasers.
3. The McFarland Police Department received a donation in the amount of $10,000 for the purchase of new Tasers.
4. The City Manager is hereby authorized and directed to make a monetary budget amendment of $10,000.00 to the General Fund for the purchase of Tasers.
5. The City of McFarland provides the City Manager the Authority to execute any documents necessary to carry out the purchase.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on December 14, 2023 by the following vote:

	Aye	**Nae**	**Abstain**	**Absent**
Saul Ayon				
Ricardo Cano				

Amador Ayon				
Anita Gonzalez				
María T. Pérez				

CITY OF MCFARLAND

_____
Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

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

_____
Francisca Alvarado, City Clerk

Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic: (800) 978-2737
International: +1.800.978.2737

Q-526939-45260.791DB

Issued: 11/30/2023

Quote Expiration: 12/15/2023

Estimated Contract Start Date: 02/15/2024

Account Number: 239968
Payment Terms: N30
Delivery Method:

SHIP TO	BILL TO
Business;Delivery;Invoice-401 W Kern Ave 401 W Kern Ave Mc Farland, CA 93250-1352 USA	McFarland Police Dept. - CA 401 W Kern Ave Mc Farland CA 93250-1352 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Daniel Birt Phone: Email: dbirt@axon.com Fax:	Brian Knox Phone: (661) 792-2121 Email: bknox@mcfarlandcity.org Fax:

Quote Summary

Program Length	60 Months
TOTAL COST	$92,796.00
ESTIMATED TOTAL W/ TAX	$99,215.20

Discount Summary

Average Savings Per Year	$2,624.80
TOTAL SAVINGS	$13,124.00

Payment Summary

Date	Subtotal	Tax	Total
Jan 2024	$9,279.60	$527.62	$9,807.22
Jan 2025	$20,879.10	$1,472.92	$22,352.02
Jan 2026	$20,879.10	$1,472.92	$22,352.02
Jan 2027	$20,879.10	$1,472.92	$22,352.02
Jan 2028	$20,879.10	$1,472.82	$22,351.92
Total	**$92,796.00**	**$6,419.20**	**$99,215.20**

Quote Unbundled Price:	**$105,920.00**
Quote List Price:	**$97,796.00**
Quote Subtotal:	**$92,796.00**

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
T10Cert	TASER 10 Certification Bundle	20	60	$82.60	$75.83	$75.83	$90,996.00	$6,419.20	$97,415.20
A la Carte Services									
85149	CEW 2 DAY PRODUCT SPECIFIC INSTRUCTOR COURSE	1			$6,800.00	$1,800.00	$1,800.00	$0.00	$1,800.00
Total							**$92,796.00**	**$6,419.20**	**$99,215.20**

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Estimated Delivery Date
TASER 10 Certification Bundle	100390	TASER 10 HANDLE, YLW, CLASS 3R	20	01/15/2024
TASER 10 Certification Bundle	100393	TASER 10 LIVE DUTY MAGAZINE BLACK	20	01/15/2024
TASER 10 Certification Bundle	100394	TASER 10 HALT TRN MAGAZINE BLUE (HOOK-AND-LOOP-TRAINING)	1	01/15/2024
TASER 10 Certification Bundle	100395	TASER 10 LIVE TRAINING MAGAZINE PURPLE	1	01/15/2024
TASER 10 Certification Bundle	100396	TASER 10 INERT MAGAZINE RED	1	01/15/2024
TASER 10 Certification Bundle	100399	TASER 10 LIVE CARTRIDGE	400	01/15/2024
TASER 10 Certification Bundle	100400	TASER 10 HALT CARTRIDGE	120	01/15/2024
TASER 10 Certification Bundle	100401	TASER 10 INERT CARTRIDGE	8	01/15/2024
TASER 10 Certification Bundle	100611	TASER 10 SAFARILAND HOLSTER, RH	20	01/15/2024
TASER 10 Certification Bundle	100623	ENHANCED HOOK-AND-LOOP TRAINING (HALT) SUIT (V2)	1	01/15/2024
TASER 10 Certification Bundle	20018	TASER BATTERY PACK, TACTICAL	20	01/15/2024
TASER 10 Certification Bundle	20018	TASER BATTERY PACK, TACTICAL	4	01/15/2024
TASER 10 Certification Bundle	70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	1	01/15/2024
TASER 10 Certification Bundle	71019	NORTH AMER POWER CORD FOR AB3 8-BAY, AB2 1-BAY / 6-BAY DOCK	1	01/15/2024
TASER 10 Certification Bundle	74200	TASER 6-BAY DOCK AND CORE	1	01/15/2024
TASER 10 Certification Bundle	80087	TASER TARGET, CONDUCTIVE, PROFESSIONAL (RUGGEDIZED)	1	01/15/2024
TASER 10 Certification Bundle	80090	TARGET FRAME, PROFESSIONAL, 27.5 IN. X 75 IN., TASER 7	1	01/15/2024
TASER 10 Certification Bundle	100399	TASER 10 LIVE CARTRIDGE	40	01/15/2025
TASER 10 Certification Bundle	100400	TASER 10 HALT CARTRIDGE	120	01/15/2025
TASER 10 Certification Bundle	100399	TASER 10 LIVE CARTRIDGE	40	01/15/2026
TASER 10 Certification Bundle	100400	TASER 10 HALT CARTRIDGE	120	01/15/2026
TASER 10 Certification Bundle	100399	TASER 10 LIVE CARTRIDGE	40	01/15/2027
TASER 10 Certification Bundle	100400	TASER 10 HALT CARTRIDGE	120	01/15/2027
TASER 10 Certification Bundle	100399	TASER 10 LIVE CARTRIDGE	40	01/15/2028
TASER 10 Certification Bundle	100400	TASER 10 HALT CARTRIDGE	120	01/15/2028

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
TASER 10 Certification Bundle	20248	TASER 7 EVIDENCE.COM LICENSE	20	02/15/2024	02/14/2029
TASER 10 Certification Bundle	20248	TASER 7 EVIDENCE.COM LICENSE	1	02/15/2024	02/14/2029

Services

Bundle	Item	Description	QTY
TASER 10 Certification Bundle	100751	TASER 10 DUTY CARTRIDGE REPLACEMENT ACCESS PROGRAM	20
A la Carte	85149	CEW 2 DAY PRODUCT SPECIFIC INSTRUCTOR COURSE	1

Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
TASER 10 Certification Bundle	100704	EXT WARRANTY, TASER 10 HANDLE	20	01/15/2025	02/14/2029
TASER 10 Certification Bundle	80374	EXT WARRANTY, TASER 7 BATTERY PACK	20	01/15/2025	02/14/2029
TASER 10 Certification Bundle	80374	EXT WARRANTY, TASER 7 BATTERY PACK	4	01/15/2025	02/14/2029
TASER 10 Certification Bundle	80396	EXT WARRANTY, TASER 7 SIX BAY DOCK	1	01/15/2025	02/14/2029

Payment Details

Jan 2024

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Upfront PSO	85149	CEW 2 DAY PRODUCT SPECIFIC INSTRUCTOR COURSE	1	$1,800.00	$0.00	$1,800.00
Year 1	T10Cert	TASER 10 Certification Bundle	20	$7,479.60	$527.62	$8,007.22
Total				**$9,279.60**	**$527.62**	**$9,807.22**

Jan 2025

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 2	T10Cert	TASER 10 Certification Bundle	20	$20,879.10	$1,472.92	$22,352.02
Total				**$20,879.10**	**$1,472.92**	**$22,352.02**

Jan 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 3	T10Cert	TASER 10 Certification Bundle	20	$20,879.10	$1,472.92	$22,352.02
Total				**$20,879.10**	**$1,472.92**	**$22,352.02**

Jan 2027

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 4	T10Cert	TASER 10 Certification Bundle	20	$20,879.10	$1,472.92	$22,352.02
Total				**$20,879.10**	**$1,472.92**	**$22,352.02**

Jan 2028

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 5	T10Cert	TASER 10 Certification Bundle	20	$20,879.10	$1,472.82	$22,351.92
Total				**$20,879.10**	**$1,472.82**	**$22,351.92**

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature

Date Signed

11/30/2023

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 9.
Section: CONSENT AGENDA
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Adam Cabrera , Assistant Public Works Director

SUBJECT: Approval of Resolution 2023-157 a resolution of the City Council of the City of McFarland allocating funds from the general fund for the purchase of a utility trailer in the amount of $5,787.24.

SUMMARY:

The Public Works Department would like to purchase a utility trailer. The trailer would be used to transport various equipment to job sites. It would also be used by various departments. The trailer has a tilt function which allows the loading of heavy equipment. Such as the steel roller, forklift, and riding lawnmowers. The original price was $12,400. However, the dealer approved a discounted quote for $5,787.24.

FINANCIAL IMPACT:

The impact to the general fund is $5,787.24.

RECOMMENDATION:

Staff recommends the City Council Discuss, and Possibly approve Resolution 2023-157 a resolution of the City Council of the City of McFarland allocating funds from the general fund for the purchase of a utility trailer in the amount of $5,787.24.

ATTACHMENTS:

1. Utility Trailer Quote

RESOLUTION NO. 2023-157

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND, CALIFORNIA, AUTHORIZING FUNDS FROM THE CITY'S GENERAL FUND FOR THE PURCHASE OF A UTILITY TRAILER

WHEREAS, the City Council of the City of McFarland has approved a fiscal year budget for 2023/2024; and

WHEREAS, the fiscal year 2023-24 adopted operating budget did not account for $5,787.24 for the purchase of a Utility Trailer; and

WHEREAS, the City Council of the City of McFarland believes a budget amendment of $5,787.24 to the fiscal year 2023-24 adopted operating budget is necessary for the purchase of the Utility Trailer.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. The foregoing recitals are true and correct and incorporated herein as if set forth in fill.
2. The McFarland Public Works Department needs to purchase a Utility Trailer.
3. The City Manager is hereby authorized and directed to make a monetary budget amendment of $5,787.24 to the General Fund for the purchase of a Utility Trailer.
4. The City of McFarland provides the City Manager the Authority to execute any documents necessary to carry out the purchase.
5. This resolution is effective immediately.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on December 14, 2023 by the following vote:

	Aye	Nae	Abstain	Absent
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				

María T. Pérez				

CITY OF MCFARLAND

_____
Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

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

_____
Francisca Alvarado, City Clerk

TrailersPlus Fresno

Invoice

Invoice For:
City of Mcfarland

Salesperson: Logan Elliott
TrailersPlus Fresno
5847 Toyota Avenue
Fresno, CA 93725

Phone: 559-473-1360
www.trailersplus.com
County: KERN

Customer Information
Jesse Guerra
401 w Kern ave
Mc Farland, CA 93250 USA
Phone: 6615438581
Email: jguerra@mcfarlandcity.org

Invoice TRPL24-50452
Type:ITLT713SA2
Color:BLACK
Year: 2024
GAWR: 7000

QUOTE VALID UNTIL 10-21-2023
VIN: 4RATU1410RK093322
Manufacturer: Interstate
GVWR: 7450
Curb Weight: 2100
Date: 10-18-2023

ITEM	DESCRIPTION	QTY	UNITS	EACH	COST
	Trailer Invoice				
ITLT713SA2					
	7 X 14 Single Axle Tilt 7K VIN:4RATU1410RK093322	1.	EACH	$6789.00	$6789.00
DISCOUNT	Trailer Discount	1.00	EACH	$-1680.00	$-1680.00
	DISCOUNTED TRAILER PRICE	1.00		$5109.00	$5109.00
TITLEFEE	Title transfer-licensing fee	1.00	EACH	$0.00	$0.00
	Trailer Sales Tax		TAX	$421.49	$421.49
	Parts/Service Invoice				
LABOR	Labor Charge per 30 MInutes	1.00	Time	$85.00	$85.00
CA-TITLE	CA State DMV Fee	1.00	Each	$24.00	$24.00
EFILEFEE	Electronic Filing Fee. Filing provided by MVSC	1.00	EACH	$33.00	$33.00
06-BK0005	Fastway Zip Trailer Breakaway Cable 4 Foot **Click For More Info**	1.00	Piece	$26.68	$26.68
DOCFEE	Documentary service processing fee	1.00	EACH	$69.00	$69.00
TIRETAX	State imposed tire recycling tax/fee	1.00	EACH	$3.50	$3.50
10-SF0001	Shop Fee	1.00	Each	$7.00	$7.00
	Parts/Service Sales Tax		TAX	$8.57	$8.57
	Payments Applied				
	Invoice Total				$5787.24
	Total Collected				$0.00
	Due				$5787.24

We're behind you all the way.
trailersplus.com

Invoice

Invoice For:
City of Mcfarland

AGREEMENT

Delivery and Payment. Delivery of parts or vehicles is to be taken within 14 days of their arrival at Seller's location or the date of this invoice whichever is later. Failure to do so shall be a breach of this agreement, and the seller may retain as liquidated damages therefore the cash and all other considerations paid by Buyer. Seller receives checks and drafts, given in whole or in part payment, conditionally only. Seller does not guarantee the delivery dates of any vehicles, products, or services. By signing this form, the Buyer hereby waives the right to later dispute authorized charges made on a credit card used as payment on this invoice.

Cancellation and Refunds. Any payments on invoices that include labor, special order parts, or opened/used merchandise, or on registered trailers are not refundable under any circumstances. All sales are final. All other refunds or cancellation are subject to a 25% restocking fee.

Arbitration and Waiver of Jury Trial. All irresolvable disputes or claims pertaining to the vehicles, products, or services delivered by the Seller to the Buyer or the relationships that arise there from, whether based in contract, tort or otherwise, shall be resolved by binding arbitration under the expedited procedures of the Commercial Disputes Arbitration Rules of the American Arbitration Association (AAA) and the Federal Arbitration Act in Title 9 of the US Code and the laws of the State of Idaho. Arbitration hearings will be held in the city where the Seller is located or where mutually agreed. A single arbitrator will be appointed by the AAA and will be an attorney or a retired judge with experience and knowledge in commercial transactions. Judgment upon the award rendered in arbitration shall be final and may be entered in any court, state or federal, having jurisdiction. Buyer and Seller mutually agree that in the arbitration process, that attorneys fees shall not be awarded by an arbitrator under this agreement. The arbitrator shall not award attorneys fees under this agreement, except that the Seller is allowed to recoup all costs (including attorneys fees) in recovering non payment or delinquent payment by the Buyer, which expressly declines the arbitrators authority under Idaho Code Section 7-910. IF A DISPUTE OR CLAIM IS NOT SUBJECT TO ARBITRATION FOR ANY REASON, THEN THE DISPUTE OR CLAIM SHALL BE DECIDED IN A COURT OF COMPETENT JURISDICTION WITHOUT A JURY. YOU AND WE IRREVOCABLY WAIVE ALL RIGHTS TO TRIAL BY JURY.

Seller's Liability. Seller's liability for any and all claims arising out of this agreement will be limited to the total value of the vehicles, products, or services delivered under this agreement. Under no circumstances shall the Seller be liable to the Buyer or any other person for any special, incidental or consequential damages

Warranty. Warranty on trailers varies by make and model. Please refer to the warranty information in your sales packet provided to you at the time you took delivery of the trailer. Service work performed by TrailersPlus employees is guaranteed against defect in workmanship for a period of 30 days from purchase.

Complete Agreement. This document represents the entire agreement between the Buyer and the Seller. All promises, verbal understandings, or agreements of any kind pertaining to this purchase not specified herein are not binding on the Seller.

Quotes may not include any applicable taxes, documentation or title fees, tire fees and/or any other recommended accessories. I, the purchaser, state that I am over eighteen years of age and have the legal right to transact business. Buyer acknowledges the receipt of a copy of this Agreement. BUYER HAS READ AND AGREES TO THE RETURN POLICY - NO RETURNS

City of McFarland

City Council Meeting

STAFF REPORT

Agenda Item No. 10.
Section: PUBLIC HEARINGS
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Diego Viramontes, Finance Director

SUBJECT: The City Council of the City of McFarland, California will conduct a public hearing to accept public comment and any written protest regarding the proposed water, sewer and solid waste five-year utility rate schedules effective January 1, 2024. Upon conclusion of the public hearing, the City Clerk shall tabulate the filed written protests. If a majority protest does not exist, City staff recommends the City Council take the following action:

Approval of Resolution No. 2023-149 A Resolution of the City Council of the City of McFarland, California Adopting the Water, Sewer and Solid Waste Five-Year Rate Schedules Effective January 1, 2024.

SUMMARY:

The City of McFarland is updating its utility rates to reflect the increasing costs of maintaining essential infrastructure, ensuring quality service, and meeting regulatory obligations. This report provides background on these needs, highlights efforts to manage costs, and details the proposed rate changes. Staff requests City Council's approval to move forward with public hearings and notification.

Background

- **Current Challenges:** McFarland grapples with rising costs and heightened regulatory scrutiny. Key projects include overhauling our water well system, replacing aging water infrastructure, and undertaking significant upgrades at the Wastewater Treatment Plant.
- **Previous Rate Adjustments:** Our last rate review was in 2019. Given the expiration of these adjustments and mounting capital demands, new rate studies were initiated.
- **Utility Rate Study Contract:** After an RFP in December 2022, Willdan Financial Services was awarded the task of undertaking comprehensive rate studies. Collaborations with them have since been ongoing to ensure timely implementation of proposed rates by January 1, 2024.

Efforts to Minimize Rate Increases

- **Major Water and Sewer Infrastructure Funding**: The City proactively approached the State Water Resources Control Board, seeking financial assistance for major capital infrastructure projects. By leveraging state resources, McFarland has aimed to reduce

the direct costs that would otherwise be borne by local ratepayers.

- **Water and Sewer Bond Refinancing**: The decision to refinance our water and sewer bonds reflects our commitment to fiscal responsibility. This move will yield substantial financial benefits for our residents in the long run.
- **Development Impact Fee Update**: McFarland's proactive stance on adjusting its development impact fees ensures that new projects bear a fair share of the costs tied to infrastructure expansion. This strategic move is designed to shield our current ratepayers from any undue financial stresses related to city growth.
- **Operational Efficiency:** The City prides itself on maintaining a lean operational structure, reflected in its decision to limit staffing increases. With only 5 authorized FTEs in the water department and 3 in the sewer department, McFarland has emphasized efficiency without compromising service quality. This restrained approach to staffing also translates to cost savings, benefiting the community at large.
- **Phased Rate Adjustments:** To avoid drastic yearly rate hikes, necessary rate changes are proposed to be spread over five years.

Proposed Water Rates

The proposed water rates consist of 1) a monthly fixed service charge that designates the minimum amount a customer will pay regardless of water use, and 2) a volumetric rate per 100 cubic feet based upon the amount of monthly metered water usage. The monthly fixed service charge varies based on customer type and meter size. The volumetric rates apply both an incremental and uniform rate structure. The incremental rate applies to residential customers such that the rate per 100 cubic feet increases once certain usage block thresholds are met and exceeded. The uniform rate structure applies to all other customer types such that the rate per 100 cubic feet remains the same regardless of the amount of water usage.

The city is proposing to implement new water rates as a series of annual adjustments over a 5-year period, starting on January 1, 2024, and then each January 1 thereafter. The following table summarizes the proposed water rates.

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2024	2025	2026	2027	2028
Monthly Fixed Service Charge by Meter Size:						
Single-Family (5/8", 3/4", 1")	$ 21.88	$ 26.25	$ 30.19	$ 34.72	$ 35.41	$ 36.12
5/8 Inch	$ 26.25	$ 26.25	$ 30.19	$ 34.72	$ 35.41	$ 36.12
3/4 Inch	$ 38.45	$ 38.93	$ 44.77	$ 51.49	$ 52.51	$ 53.57
1.0 Inch	$ 62.84	$ 64.28	$ 73.93	$ 85.03	$ 86.72	$ 88.45
1.5 Inch	$ 123.83	$ 127.67	$ 146.84	$ 168.87	$ 172.22	$ 175.68
2.0 Inch	$ 197.00	$ 203.74	$ 234.32	$ 269.48	$ 274.83	$ 280.34
3.0 Inch	$ 392.15	$ 381.22	$ 438.45	$ 504.24	$ 514.26	$ 524.57
4.0 Inch	$ 611.68	$ 634.77	$ 730.06	$ 839.60	$ 856.29	$ 873.46
6.0 Inch	$ 1,221.50	$ 1,268.65	$ 1,459.08	$ 1,678.02	$ 1,711.37	$ 1,745.68
8.0 Inch	$ 1,953.28	$ 2,029.30	$ 2,333.92	$ 2,684.12	$ 2,737.46	$ 2,792.35
10.0 Inch	$ 5,124.36	$ 2,916.73	$ 3,354.56	$ 3,857.91	$ 3,934.58	$ 4,013.47
Volumetric Rates Per 100 Cubic Feet:						
Single-Family Residential						
0 - 900 Cubic Feet	$ 0.7954	$ 0.8528	$ 0.9807	$ 1.1278	$ 1.1504	$ 1.1734
901 - 2,000 Cubic Feet	$ 2.0587	$ 1.5688	$ 1.8041	$ 2.0748	$ 2.1163	$ 2.1586
Over 900 Cubic Feet	$ 2.6765	$ 1.5688	$ 1.8041	$ 2.0748	$ 2.1163	$ 2.1586
All Other Classifications						
All Flow	$ 1.4563	$ 1.1780	$ 1.3548	$ 1.5580	$ 1.5892	$ 1.6210

Proposed Sewer Rates

The proposed sewer rates consist of 1) a monthly fixed service charge (flat monthly fee) that applies to all single-family residential and multi-family residential customers by dwelling unit regardless of their usage, 2) a monthly fixed service charge that designates the minimum amount a non-residential customer will pay by account, based on their sewer discharge strength, regardless of the amount sewer discharge, and 3) a non-residential volumetric rate component, also based on a customer's discharge strength, that recovers the costs of treatment and disposal of wastewater. Residential customers pay a monthly flat fee, and therefore, do not pay a volumetric rate based on their respective sewer discharge such as the non-residential customer classes.

The city is proposing to implement new sewer rates as a series of annual adjustments over a 5-year period, starting on January 1, 2024, and then each January 1 thereafter. The following table summarizes the proposed water rates.

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2024	2025	2026	2027	2028
Monthly Fixed Service Charge:						
Residential [1]	**Per Dwelling Unit**					
Single-Family Residential	$ 40.71	$ 41.83	$ 42.25	$ 42.67	$ 43.52	$ 44.39
Multi-Family	$ 32.37	$ 32.38	$ 32.71	$ 33.03	$ 33.69	$ 34.36
Non-Residential	**Per Account**					
Low Strength	$ 24.61	$ 16.43	$ 16.60	$ 16.77	$ 17.10	$ 17.44
Medium Strength	$ 40.70	$ 21.33	$ 21.54	$ 21.75	$ 22.19	$ 22.63
High Strength	$ 161.99	$ 47.23	$ 47.71	$ 48.18	$ 49.14	$ 50.13
Correction Facility	$ 6,733.16	$ 6,763.67	$ 6,831.75	$ 6,899.66	$ 7,037.11	$ 7,177.78
Volumetric Rates Per 100 Cubic Feet [2]:						
Low Strength	$ 1.89	$ 1.15	$ 1.16	$ 1.17	$ 1.19	$ 1.21
Medium Strength	$ 2.12	$ 2.35	$ 2.38	$ 2.40	$ 2.44	$ 2.48
High Strength	$ 5.42	$ 7.94	$ 8.04	$ 8.11	$ 8.25	$ 8.39
Correction Facility	$ 1.87	$ 1.98	$ 2.00	$ 2.02	$ 2.06	$ 2.09

Notes:

[1] All residential customers pay a flat fee per dwelling unit, regardless of usage. Residential customers do not pay a volumetric rate based on their respective sewer discharge.

[2] Volumetric rates per 100 cubic feet only apply to non-residential customer classes. Each non-residential customer class pays a different volumetric rate based on the strength of their respective sewer discharge.

Proposed Solid Waste Rates

The City's proposed Solid Waste rate structure has different rates depending upon the customer class, size of container, and frequency of collection. Single-family and multi-family residences with container service are billed per dwelling unit based on the size of the container, while commercial customers and multi-family customers with bin service are billed based on the size of the container and frequency of collection. Also, the City currently offers a senior citizen discount of approximately 5.4% to qualifying accounts. Any reduction in funds needed for Solid Waste Utility operations, resulting from senior citizen discounts, is offset by a contribution from the City's General Fund, such that rates paid by other Solid Waste customers are not subsidizing or making up for the senior citizen discounts.

The city is proposing to implement new Solid Waste rates as a series of annual adjustments over a 5-year period, starting on January 1, 2024, and then each January 1 thereafter. The following table summarizes the proposed water rates.

Description	Existing	2024	2025	2026	2027	2028
RATES						
Garbage						
Residential (Cans)						
1x per week	$25.76	$27.27	$28.88	$30.58	$32.37	$34.28
2x per week	$51.52	$53.58	$55.72	$57.94	$60.25	$62.66
3x per week	$77.28	$79.86	$82.52	$85.27	$88.11	$91.04
4x per week	$103.04	$106.13	$109.31	$112.59	$115.96	$119.44
5x per week	$128.80	$132.40	$136.09	$139.89	$143.80	$147.81
Senior Citizen (Cans)	$24.62	$26.06	$27.59	$29.21	$30.93	$32.74
Business (Cans)	$25.76	$27.27	$28.88	$30.58	$32.37	$34.28
Business 1.5 CY (Bins)						
1x per week	$73.80	$76.35	$78.98	$81.71	$84.53	$87.45
2x per week	$114.18	$116.86	$119.60	$122.41	$125.28	$128.22
3x per week	$156.81	$159.17	$161.57	$164.00	$166.47	$168.98
4x per week	$201.92	$203.46	$205.02	$206.59	$208.17	$209.76
5x per week	$-	$-	$-	$-	$-	$-
Business 2.0 CY (Bins)						
1x per week	$102.63	$105.73	$108.93	$112.23	$115.62	$119.12
2x per week	$158.56	$161.86	$165.23	$168.66	$172.17	$175.75
3x per week	$217.73	$220.03	$222.36	$224.70	$227.08	$229.48
4x per week	$280.36	$282.07	$283.79	$285.51	$287.25	$289.00
5x per week	$-	$-	$-	$-	$-	$-
Business 2.5 CY (Bins)						
1x per week	$112.89	$116.20	$119.60	$123.11	$126.71	$130.43
2x per week	$174.41	$177.93	$181.52	$185.18	$188.92	$192.73
3x per week	$239.50	$242.52	$245.58	$248.68	$251.82	$255.00
4x per week	$308.42	$310.19	$311.96	$313.75	$315.54	$317.35
5x per week	$-	$-	$-	$-	$-	$-
Business 3.0 CY (Bins)						
1x per week	$133.39	$137.11	$140.93	$144.87	$148.91	$153.06
2x per week	$206.09	$210.05	$214.08	$218.20	$222.39	$226.66
3x per week	$283.07	$286.43	$289.84	$293.28	$296.76	$300.29
4x per week	$364.48	$366.34	$368.22	$370.10	$371.99	$373.89
5x per week	$-	$-	$-	$-	$-	$-
Business 4.0 CY (Bins)						
1x per week	$152.02	$156.12	$160.33	$164.65	$169.10	$173.66
2x per week	$234.76	$239.12	$243.56	$248.08	$252.68	$257.37
3x per week	$322.60	$326.28	$330.00	$333.76	$337.56	$341.41
4x per week	$415.36	$417.33	$419.31	$421.30	$423.30	$425.31
5x per week	$-	$-	$-	$-	$-	$-
Recycling						
Residential & City Approved Commercial Small Business (Cans)						
64-GALLON CART	$2.99	$3.75	$4.71	$5.92	$7.43	$9.33
96-GALLON CART	$6.44	$7.45	$8.62	$9.98	$11.54	$13.36
MF 64 Multi-family 96-GALLON CART	$2.99	$3.75	$4.71	$5.92	$7.43	$9.33
M - MISC (FIXED) RECYCLING CHARGE CANS	$6.44	$7.45	$8.62	$9.98	$11.54	$13.36

Description	Existing	2024	2025	2026	2027	2028
Commercial 1.5 CY (Bins)						
1x per week	$35.07	$37.12	$39.29	$41.58	$44.01	$46.58
2x per week	$52.60	$55.19	$57.92	$60.77	$63.77	$66.91
3x per week	$70.12	$73.25	$76.52	$79.94	$83.51	$87.24
4x per week	$87.65	$91.32	$95.14	$99.12	$103.27	$107.59
5x per week	$105.18	$109.38	$113.74	$118.29	$123.01	$127.92
6x per week	$122.70	$127.43	$132.34	$137.45	$142.75	$148.25
Commercial 2.0 CY (Bins)						
1x per week	$48.69	$51.16	$53.76	$56.49	$59.36	$62.38
2x per week	$73.02	$76.24	$79.60	$83.12	$86.78	$90.61
3x per week	$87.19	$90.84	$94.65	$98.61	$102.75	$107.05
4x per week	$108.98	$113.30	$117.78	$122.44	$127.29	$132.33
5x per week	$130.77	$135.75	$140.91	$146.27	$151.84	$157.62
6x per week	$152.57	$158.21	$164.05	$170.11	$176.40	$182.91
Commercial 3.0 CY (Bins)						
1x per week	$63.29	$66.21	$69.27	$72.47	$75.82	$79.32
2x per week	$94.92	$98.81	$102.86	$107.07	$111.46	$116.02
3x per week	$126.58	$131.43	$136.46	$141.69	$147.12	$152.75
4x per week	$158.23	$164.04	$170.06	$176.30	$182.77	$189.47
5x per week	$189.89	$196.65	$203.66	$210.91	$218.42	$226.20
6x per week	$221.54	$229.26	$237.25	$245.52	$254.08	$262.94
Commercial 4.0 CY (Bins)						
1x per week	$72.11	$75.30	$78.64	$82.12	$85.76	$89.55
2x per week	$108.18	$112.47	$116.93	$121.57	$126.39	$131.40
3x per week	$144.25	$149.63	$155.22	$161.01	$167.02	$173.25
4x per week	$180.32	$186.79	$193.50	$200.45	$207.65	$215.10
5x per week	$216.38	$223.95	$231.78	$239.88	$248.27	$256.95
6x per week	$252.45	$261.11	$270.06	$279.32	$288.89	$298.80
Commercial 6.0 CY (Bins)						
1x per week	$114.24	$118.71	$123.36	$128.20	$133.22	$138.43
2x per week	$154.04	$159.72	$165.61	$171.71	$178.05	$184.61
3x per week	$193.84	$200.72	$207.85	$215.23	$222.87	$230.79
4x per week	$233.63	$241.72	$250.08	$258.74	$267.70	$276.96
5x per week	$273.43	$282.72	$292.32	$302.25	$312.52	$323.14
6x per week	$313.23	$323.72	$334.56	$345.77	$357.35	$369.31
Commercial 8.0 CY (Bins)						
1x per week	$165.83	$171.87	$178.12	$184.61	$191.33	$198.29
2x per week	$217.64	$225.24	$233.11	$241.25	$249.68	$258.40
3x per week	$269.01	$278.16	$287.63	$297.42	$307.54	$318.01
4x per week	$320.60	$331.31	$342.38	$353.82	$365.65	$377.86
5x per week	$372.19	$384.46	$397.14	$410.23	$423.75	$437.72
6x per week	$423.77	$437.60	$451.88	$466.62	$481.84	$497.57
Organics						
48 Gal Cart						
1x per week	$55.68	$58.37	$61.19	$64.15	$67.25	$70.50
2x per week	$111.36	$115.75	$120.31	$125.05	$129.98	$135.10
3x per week	$167.04	$173.12	$179.41	$185.94	$192.70	$199.71
4x per week	$222.72	$230.48	$238.51	$246.82	$255.42	$264.31
5x per week	$278.40	$287.84	$297.60	$307.70	$318.13	$328.92

Description	Existing	2024	2025	2026	2027	2028
64 Gal Cart						
1x per week	$58.74	$61.52	$64.44	$67.50	$70.69	$74.05
2x per week	$117.48	$122.05	$126.81	$131.74	$136.87	$142.20
3x per week	$176.22	$182.57	$189.15	$195.97	$203.03	$210.35
4x per week	$234.96	$243.09	$251.50	$260.19	$269.19	$278.51
5x per week	$293.70	$303.60	$313.84	$324.42	$335.35	$346.66
1.0 Cubic Yard						
1x per week	$174.57	$180.87	$187.40	$194.17	$201.18	$208.44
2x per week	$349.14	$360.72	$372.67	$385.03	$397.80	$410.98
3x per week	$523.71	$540.55	$557.94	$575.89	$594.41	$613.53
4x per week	$698.28	$720.39	$743.21	$766.74	$791.03	$816.08
5x per week	$872.85	$900.23	$928.47	$957.60	$987.64	$1,018.62

The proposed water, sewer and solid waste rates are described and fully documented in the attached "Comprehensive Water and Sewer Utility Rate Study" and “Solid Waste Study” prepared by Willdan Financial Services.

FINANCIAL IMPACT:

There is no fiscal impact associated with the recommended action. However, moving this item forward will ensure that the City has sufficient operating revenue to maintain and perhaps improve on existing service levels in the water, sewer and solid waste utilities.

RECOMMENDATION:

This City Council of the City of McFarland, California will conduct a public hearing to accept public comment and any written protest regarding the proposed water, sewer and solid waste five-year utility rate schedules effective January 1, 2024. Upon conclusion of the public hearing, the City Clerk shall tabulate the filed written protests. If a majority protest does not exist, City staff recommends the City Council take the following action:

Approval of Resolution No. 2023-149 A Resolution of the City Council of the City of McFarland, California Adopting the Water, Sewer and Solid Waste Five-Year Rate Schedules Effective January 1, 2024.

ATTACHMENTS:

1. McFarland Water & Sewer Rate Study - Final Draft Report
2. McFarland Solid Waste Study- Final Draft Report

RESOLUTION NO. 2023-149

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND, CALIFORNIA ADOPTING THE WATER, SEWER AND SOLID WASTE FIVE-YEAR RATE SCHEDULES EFFECTIVE JANUARY 1, 2024

WHEREAS, the City of McFarland is committed to providing reliable and sustainable water, sewer, and solid waste services to its residents and businesses; and

WHEREAS, in order to maintain and improve these essential services, comprehensive Utility Rate Studies were conducted by Willdan Financial Services, which presented the need for a revision of the current utility rates; and

WHEREAS, the City Council has previously accepted the Water, Sewer, and Solid Waste Utility Rate Study Reports and approved the proposed five-year rate schedules, effective January 1, 2024; and

WHEREAS, in compliance with Proposition 218, the City of McFarland properly noticed and conducted a public hearing on December 14, 2023, to receive and consider public comments and any written protests regarding the proposed utility rate changes;

WHEREAS, The City Clerk tabulated the written protests, and determined that a majority of written protests did not exist.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. **Adoption of New Utility Rates**: Based on the findings and recommendations of the Water, Sewer and Solid Waste Utility Rate Study Reports, attached hereto as Exhibit A, and considering the input from the public hearing and that a majority of written protests did not exist, the City Council hereby adopts the proposed five-year rate schedules detailed within the Utility Rate Study Reports, to be effective on January 1, 2024.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on December 14, 2023 by the following vote:

	Aye	Nae	Abstain	Absent
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				

María T. Pérez				

CITY OF MCFARLAND

_____
Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

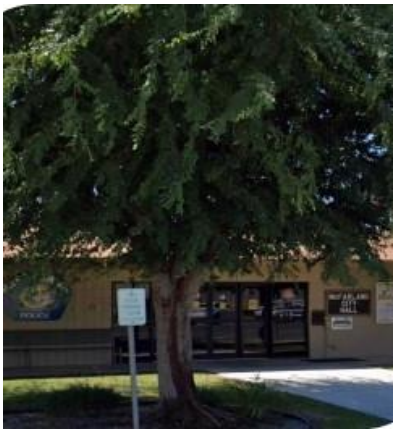
I, _____, City Clerk of the City of McFarland, California, DO HEREBY CERTIFY that the foregoing resolution is a true and accurate copy of the Resolution passed and adopted by the City Council of the City of McFarland on the date and by the vote indicated herein.

_____
Francisca Alvarado, City Clerk

City of McFarland, CA

Report

Comprehensive Water & Sewer Utility Rate Study



WILLDAN

TABLE OF CONTENTS

TABLE OF CONTENTS i

Section 1 – Executive Summary 1

1.1 Introduction 1

1.2 Overview of the Rate Study Process 1

1.3 Summary of Proposed Rates 3

Section 2 – Revenue Sufficiency Analysis 6

2.1 Financial Planning Principles 6

2.2 Existing Rates 6

2.3 Revenue Sufficiency Process 8

2.3.1 Budget 8

2.3.2 Capital Improvement Plan (CIP) 9

2.3.3 Debt Service 10

2.3.4 Gross and Net Revenue Requirement 10

2.4 Customers & Billable Flows 11

2.4.1 Customer Billing Analysis 12

2.5 Financial Projections Under Existing Rates 12

Section 3 – Cost of Service Analysis 15

3.1 General 15

3.2 Water Cost-of-Service 15

3.2.1 Peaking Factors 15

3.2.2 Functional Unbundling of Revenue Requirements 17

3.2.3 Classification of Water System Costs 18

3.2.4 Allocation to Customer Classes and Unit Cost Development 19

3.2.5 Rate Design by Unit Cost 21

3.2.6 COS and Revenue Check 24

3.3 Sewer Cost-of-Service 25

3.3.1 Functional Unbundling of Revenue Requirements 25

3.3.2 Classification of Revenue Requirements 26

3.3.3 Allocation to Customer Classes and Unit Cost Development 27
3.3.4 COS and Revenue Check 29
Section 4 – Proposed Test Year Rates 31
4.1 General 31
4.2 Typical Monthly Bill Comparison 34
4.3 Rate Comparison with Other Utilities 36
Section 5 – Projected Operating Results 38
5.1 General 38
5.2 Projected Revenues 38
5.3 Debt Service Coverage 41
5.4 Summary of Projected Operating Results 42
Section 6 – Conclusions and Recommendations 46
6.1 Disclaimers 46
6.1.1 General Disclaimer 46
6.1.2 Municipal Advisory Disclaimer 46
6.2 Conclusions 47
6.3 Recommendations 48

Section 1 – Executive Summary

1.1 Introduction

Willdan Financial Services (Willdan) is pleased to submit to the City of McFarland (the "City") the Water and Sewer Rate Study report (the "Report") for your consideration. Willdan has completed the study of the City's water and sewer rates and summarized the results of the investigations, analyses, and conclusions in this Report.

The City owns and operates water wells, storage tanks, and transmission and distribution facilities. The City also provides sewer treatment and collection services to residential and nonresidential customers within its incorporated limits. The City has focused a significant amount of attention and effort on strategic planning measures in all areas of utility operations to ensure that it remains prepared for the future. As part of its ongoing strategic planning efforts, the City has commissioned Willdan to perform a water and sewer rate study to analyze the revenue sources and expenditures of the utility system and provide recommendations for proposed rate and/or rate structure adjustments to meet the financial and administrative goals and objectives of the City. The primary objectives of the rate study include:

- Full cost recovery (i.e., operating costs, debt and other expenditure requirements);
- Cost-based rate structures;
- Consistency with American Water Works ("AWWA") and Water Environment Federation ("WEF") guidelines;
- Equity among customer classes;
- Meeting substantive and procedural Proposition 218 requirements;
- Administrative efficiency (i.e., easy to understand and implement); and
- 5-Year capital funding plan.

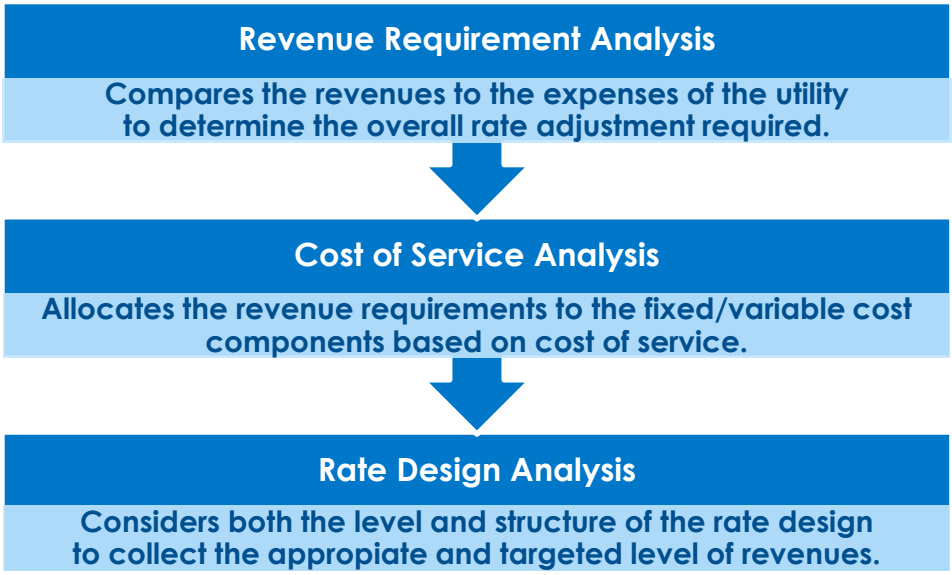
1.2 Overview of the Rate Study Process

The study develops water and sewer financial plans for the upcoming 5-year planning period and includes the development of cost-based rates through a cost-of-service and rate design analysis. Utility rates must be set at a level such that operating, maintenance, debt and capital expenses are funded with the revenues received from customers. In addition, the revenues generated from utility rates must only be used for this purpose and for each system separately. This is a significant point, as failure to achieve the needed revenues can lead to unacceptable service levels and inadequately maintained facilities. Therefore, a rate study typically consists of following three interrelated analyses:

I. **Financial Planning/Revenue Requirement Analysis**: Creates a five-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, debt financing, and retirement of outstanding debt. In addition, the plan should fund and maintain appropriate reserve balances based on industry standards, as well as the City's fiscal policies and specific needs.

II. **Cost-of-Service Analysis**: Identifies and apportions annual revenue requirements (i.e., expenditures) to functional cost components based on the demand placed on the utility system. The purpose of this analysis is to develop rates that generate revenues relatively proportionate to the share of each utility's costs. This objective is consistent with industry standards as well as the requirements of Proposition 218.

III. **Rate Design:** Develops an equitable and proportionate fixed/variable schedule of rates for the City's customer base. The policy objectives are coordinated with Proposition 218 (Prop 218) requirements and cost-of-service objectives to achieve a balance between customer equity and financial stability goals. The balance of fixed and variable charges considers the need for a stable revenue source (the fixed charge) and the variable component of the rate structure such that customers placing higher costs on the system (through higher water and sewer use) incur a higher bill reflective of their impact on the system.



This rate study utilizes generally accepted rate-making principles and standards established by industry experts such as the AWWA in its "M1 - Principles of Water Rates Fees and Charges" manual and WEF in its "Financing and Charges for Sewer Systems, Manual of Practice No. 27". The principles established by these entities are used as guidelines in the development of the proposed rates for water and sewer. A discussion of some of the key principles of ratemaking is presented in the following subsection of this Report.

1.3 Summary of Proposed Rates

The rate study methodology applied in the development of updated water and sewer rates, outlined in this Report, consisted of reviewing the historical operating results of the water and sewer utility systems, historical customer billing and consumption data, analyzing the budget to identify the net revenue requirements to be recovered from user rate revenues, performing general cost-of-service allocations based on the rate components and functional cost categories, and revising the rates based on the applicable costs and expenditures to be recovered from user rates. In addition, an analysis of the system customers and usage characteristics was performed to identify the rate determinants since they drive the recommended rates, which are the primary sources for generating revenues. The allocated revenue requirements were utilized in conjunction with the rate determinants and rate structure to develop proposed rates for water and sewer.

The findings and conclusions of the rate analysis, as well as the resulting revised rate recommendations, were utilized to develop a projection of future operating results for a 5-year planning period from Fiscal Year (FY) 2024 (beginning July 1, 2023) through FY 2028 (ending June 30, 2028), herein referred to as the "Projection Period". The purpose for developing the 5-year projections is to demonstrate the financial capability of the water and sewer revenues to support system operations and fund planned capital improvements. The analyses, findings and accompanying recommendations are presented in the subsequent sections of the Report.

The water and sewer rate analyses described in the Report are performed based on the general guidelines of the defined objectives, as well as common industry standards for setting utility rates. In addition to focusing on these major objectives, the rate analyses performed herein will consider other factors in designing rates. As will be discussed in detail later in the Report, such other rate considerations generally include sensitivity to the impact on existing customers, the relative comparability with neighboring utilities and the City's existing rate structure. The proposed water and sewer rates for assumed implementation effective January 1, 2024 (or other such date as determined by the City) for FY 2023/24 (FY 2024, herein referred to as the "Test Year") are provided in **Tables 1 and 2**, respectively. The existing rates are provided in **Tables 3 and 4,** respectively.

Table 1 – Proposed Monthly Water Rates

Description	Rate
Monthly Fixed Service Charge by Meter Size:	
Single-Family (5/8", 3/4", 1")	$ 26.25
5/8 Inch	$ 26.25
3/4 Inch	$ 38.93
1.0 Inch	$ 64.28
1.5 Inch	$ 127.67
2.0 Inch	$ 203.74
3.0 Inch	$ 381.22
4.0 Inch	$ 634.77
6.0 Inch	$ 1,268.65
8.0 Inch	$ 2,029.30
10.0 Inch	$ 2,916.73
Volumetric Rates Per 100 Cubic Feet:	
Single-Family Residential	
0 - 900 Cubic Feet	$ 0.8528
Over 900 Cubic Feet	$ 1.5688
All Other Classifications	
All Flow	$ 1.1780

Table 2 – Proposed Monthly Sewer Rates

Description	Rate
Monthly Fixed Service Charge:	
Residential [1]	**Per Dwelling Unit**
Single-Family Residential	$ 41.83
Multi-Family	$ 32.38
Non-Residential	**Per Account**
Low Strength	$ 16.43
Medium Strength	$ 21.33
High Strength	$ 47.23
Correction Facility	$ 6,763.67
Volumetric Rates Per 100 Cubic Feet [2]:	
Low Strength	$ 1.15
Medium Strength	$ 2.35
High Strength	$ 7.94
Correction Facility	$ 1.98

Notes:

[1] All residential customers pay a flat fee per dwelling unit, regardless of usage. Residential customers do not pay a volumetric rate based on their respective sewer discharge.

[2] Volumetric rates per 100 cubic feet only apply to non-residential customer classes. Each non-residential customer class pays a different volumetric rate based on the strength of their respective sewer discharge.

Section 2 – Revenue Sufficiency Analysis

2.1 Financial Planning Principles

While the individual rates for each of the utility systems vary based on a variety of factors, rates should be consistent with common rate-making principles within the utility industry. The guiding principle is that rates designed for any utility should provide a reasonable balance between several key factors. In general, the utility rates should:

- Generate a stable revenue stream that, when combined with other sources of funds, is sufficient to meet the expenditure requirements and goals of the system;
- Be based upon the proportionate cost of providing the service and not exceed the cost of providing the service;
- Be equitable – that is, they should generate revenue from customer classes in a manner which is reasonably in proportion to the cost to provide service to that customer class;
- Be easy to understand by customers; and
- Be easy to administer by the utility.

Striking the appropriate balance between the principles of ratemaking is the result of a detailed process of evaluation of revenue requirements and cost-of-service, and how those translate into the rate design alternatives which meet legal requirements and the specific objectives of the utility under the circumstances in which it operates.

2.2 Existing Rates

The City has established user rates for water and sewer service that are applied to retail customers of the system. The rates charged for water and sewer service are approved by the City Council and are not subject to administrative review or approval by any other local or state agency. The City has historically adjusted rates, as necessary, to provide for recovery of financial obligations including operating expenses, debt service, capital expenditures and any other expenses and transfers.

The existing water rates consist of 1) a monthly fixed service charge that designates the minimum amount a customer will pay regardless of water use, and 2) a volumetric rate per 100 cubic feet based upon the amount of monthly metered water usage. The monthly fixed service charge varies based on customer type and meter size. The volumetric rates apply both an incremental and uniform rate structure. The incremental rate applies to residential customers such that the rate per 100 cubic feet increases once certain usage block thresholds are met and exceeded. The uniform rate structure applies to all other customer types such that the rate per 100 cubic feet remains the same regardless of the amount of water usage. The existing rates for water service are provided in **Table 3**.

Table 3 – Existing Monthly Water Rates

Description	Rate
Monthly Fixed Service Charge by Meter Size:	
Single-Family (5/8", 3/4", 1")	$ 21.88
5/8 Inch	$ 26.25
3/4 Inch	$ 38.45
1.0 Inch	$ 62.84
1.5 Inch	$ 123.83
2.0 Inch	$ 197.00
3.0 Inch	$ 392.15
4.0 Inch	$ 611.68
6.0 Inch	$ 1,221.50
8.0 Inch	$ 1,953.28
10.0 Inch	$ 5,124.36
Volumetric Rates Per 100 Cubic Feet:	
Single-Family Residential	
0 - 900 Cubic Feet	$ 0.7954
901 - 2,000 Cubic Feet	$ 2.0587
Over 2,000 Cubic Feet	$ 2.6765
All Other Classifications	
All Flow	$ 1.4563

The existing sewer rates consist of 1) a monthly fixed service charge (flat monthly fee) that applies to all single-family residential and multi-family residential customers by dwelling unit regardless of their usage, 2) a monthly fixed service charge that designates the minimum amount a non-residential customer will pay by account, based on their sewer discharge strength, regardless of the amount sewer discharge, and 3) a non-residential volumetric rate component, also based on a customer's discharge strength, that recovers the costs of treatment and disposal of wastewater. Residential customers pay a monthly flat fee, and therefore, do not pay a volumetric rate based on their respective sewer discharge such as the non-residential customer classes. The existing rates for sewer service are provided in **Table 4**.

Table 4 – Existing Monthly Sewer Rates

Description	Rate
Monthly Fixed Service Charge:	
Residential [1]	**Per Dwelling Unit**
Single-Family Residential	$ 40.71
Multi-Family	$ 32.37
Non-Residential	**Per Account**
Low Strength	$ 24.61
Medium Strength	$ 40.70
High Strength	$ 161.99
Correction Facility	$ 6,733.16
Volumetric Rates Per 100 Cubic Feet [2]:	
Low Strength	$ 1.89
Medium Strength	$ 2.12
High Strength	$ 5.42
Correction Facility	$ 1.87

Notes:

[1] All residential customers pay a flat fee per dwelling unit, regardless of usage. Residential customers do not pay a volumetric rate based on their respective sewer discharge.

[2] Volumetric rates per 100 cubic feet only apply to non-residential customer classes. Each non-residential customer class pays a different volumetric rate based on the strength of their respective sewer discharge.

2.3 Revenue Sufficiency Process

In evaluating whether the existing rates will generate sufficient revenue to meet the expenditure requirements of the water and sewer systems, the annual expenditures required (herein referred to as the "Revenue Requirements") must be developed. The Revenue Sufficiency Analysis compares the forecasted revenues of each system under existing rates (including customer growth) to the projected Revenue Requirements.

2.3.1 Budget

The revenue sufficiency analysis performed as part of this study utilizes the City's budget for fiscal year 23/24 (the "Budget" for fiscal year ending June 30, 2024) as one variable to determine the gross Revenue Requirements to be recovered from user rates over the Projection Period. The Budget, as prepared by the City, is provided on a line-item basis, and is used for projecting the budgeted financial needs for the Test Year and the remainder of the Projection Period. In developing the rate analysis, certain adjustments are made such

that the expenditures are categorized into either Operating and Maintenance (O&M) expenses or non-operating expenses. The O&M expenses are primarily those ongoing costs for labor, materials, supplies, services, etc., required to manage and operate the utility system on a day-to-day basis while maintaining a dependable level of service. The O&M requirements are generally a function of a budgetary process and are directly related to the level of service provided to customers of the utility system. The non-operating expenses include such items as capital outlay and any other expenses & transfers.

The Budget also identifies estimated revenues to be derived from sources other than the retail water and sewer user rates. Such other revenue sources include interest earnings on investments, water meter sales and various other miscellaneous service charges. The revenues generated from the other sources are applied to the gross Revenue Requirements to reduce the amount of revenue required from user rates. The result is the net Revenue Requirement.

2.3.2 Capital Improvement Plan (CIP)

The City provided a list of anticipated capital projects to be funded over the Projection Period. These are also included in the development of the gross Revenue Requirements. The capital projects provided by and identified by the City in the CIP are required in order to maintain uninterrupted service to customers by investing in improvements, repairs or replacements of aging system components as they wear out over time. The City provided cost estimates for the identified capital projects by the fiscal year in which construction is estimated to occur for each system. These capital costs were then used in the analysis, along with O&M and non-operating expenses, to determine the gross revenue requirements for both the water and sewer systems. The capital projects included in the CIP, along with their assumed funding sources, for the Projection Period are provided in **Tables 5 and 6.**

Table 5 – Water CIP

Description	Funding Source	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
Water projects						
1, 2, 3 TCP Treatment - Browning Well	Grant	$ 3,000,000	$ -	$ -	$ -	$ -
Water Fleet Replacement	Cash	35,000	40,000	45,000	50,000	55,000
New Well For Expansion	Impact Fees	-	4,700,000	-	-	-
Taylor Water Well Replacement	Grant	500,000	6,000,000	-	-	-
Well No. 6 Replacement	Grant	-	500,000	6,000,000	-	-
1.0 MG Storage Tank and Booster	Grant	-	3,750,000	-	-	-
Emergency Standby Generators	Grant	850,000	-	-	-	-
Advanced Metering Infrastructure	Grant	-	2,500,000	-	-	-
Total Water projects		**$ 4,385,000**	**$ 17,490,000**	**$ 6,045,000**	**$ 50,000**	**$ 55,000**

Table 6 – Sewer CIP

Description	Funding Source	Projected for Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
Sewer projects						
Replace Aging Wastewater Fleet	Cash	$ 35,000	$ 40,000	$ 45,000	$ 50,000	$ 55,000
Wastewater Line to Eastside (Taylor)	90% Grant/ 10% DIFs	55,000	690,000	1,168,000	3,637,000	-
Wastewater Expansion	Grant	370,000	3,822,000	6,904,000	3,452,000	-
Total Sewer projects		**$ 460,000**	**$ 4,552,000**	**$ 8,117,000**	**$ 7,139,000**	**$ 55,000**

2.3.3 Debt Service

The City currently has outstanding debt for both the water and sewer utilities. A debt service coverage ratio of 1.20 times is required to be maintained on an annual basis, based on the City's current bond covenants associated with this existing debt. In simple terms, this means the utilities must have $1.20 in net operating revenues for every $1.00 of debt service they are committed to pay on existing debt. The debt service coverage is calculated by dividing net operating revenues (revenues less operations and maintenance expenses) by annual debt service. The annual existing debt payments over the Projection Period are provided in **Table 7.**

Table 7 – Annual Debt Service Payments

Description	Projected for Fiscal Year Ending June 30,				
	2024	2025	2026	2027	2028
Water Annual Debt Service					
Revenue Bonds 2010A	$ 138,722	$ 138,679	$ 138,821	$ 138,818	$ 138,668
Total Water Annual Debt Service	**$ 138,722**	**$ 138,679**	**$ 138,821**	**$ 138,818**	**$ 138,668**
Sewer Annual Debt Service					
Revenue Bonds 2010A	$ 281,647	$ 281,561	$ 281,850	$ 281,842	$ 281,539
Total Sewer Annual Debt Service	**$ 281,647**	**$ 281,561**	**$ 281,850**	**$ 281,842**	**$ 281,539**
Total Annual Debt Service Payment	**$ 420,369**	**$ 420,240**	**$ 420,671**	**$ 420,660**	**$ 420,207**

2.3.4 Gross and Net Revenue Requirement

The proposed water and sewer rates developed in the Report are designed for assumed implementation for FY 2023/24 (the Test Year as previously defined). The projected Test Year gross and net Revenue Requirements are estimated by utilizing the Budget, actual debt service requirements as provided in the applicable debt service schedules, capital estimates and assumed funding sources of capital projects as provided by the City, and transfers. The Test Year Revenue Requirements that are used for developing the user rates proposed herein are detailed in **Appendix A** at the end of this report and summarized in **Table 8**.

Table 8 – Test Year Revenue Requirements – FY 2024

Description	Water	Wastewater	Total
Total O&M	$ 1,995,418	$ 1,739,881	$ 3,735,299
Debt Service	138,722	281,647	420,369
Other Expenditures & Transfers	191,998	234,794	426,792
Gross Revenue Requirement	**$ 2,326,138**	**$ 2,256,322**	**$ 4,582,460**
Less Other Revenues	(382,977)	(240,052)	(623,029)
Net Revenue Requirement	**$ 1,943,161**	**$ 2,016,270**	**$ 3,959,431**

The projected Revenue Requirements for the water and sewer systems over the entire Projection Period are provided in **Tables 9 and 10.**

Table 9 – Water Revenue Requirements for the Projection Period

Description	Projected for Fiscal Year Ending June 30,				
	2024	2025	2026	2027	2028
Total O&M	$ 1,995,418	$ 1,955,281	$ 2,013,941	$ 2,074,358	$ 2,136,591
Existing Debt Service	138,722	138,679	138,821	138,818	138,668
Future Debt Service	-	-	-	-	-
Other Expenditures & Transfers	191,998	394,748	595,739	577,260	575,138
Gross Revenue Requirement	**$ 2,326,138**	**$ 2,488,708**	**$ 2,748,501**	**$ 2,790,436**	**$ 2,850,397**
Less Other Revenues	(382,977)	(393,696)	(332,181)	(172,242)	(172,242)
Net Revenue Requirement	**$ 1,943,161**	**$ 2,095,012**	**$ 2,416,320**	**$ 2,618,194**	**$ 2,678,155**

Table 10 – Sewer Revenue Requirements for the Projection Period

Description	Projected for Fiscal Year Ending June 30,				
	2024	2025	2026	2027	2028
Total O&M	$ 1,739,881	$ 1,492,077	$ 1,536,842	$ 1,582,946	$ 1,630,435
Existing Debt Service	281,647	281,561	281,850	281,842	281,539
Future Debt Service	-	-	-	-	-
Other Expenditures & Transfers	234,794	402,898	362,417	295,127	295,503
Gross Revenue Requirement	**$ 2,256,322**	**$ 2,176,536**	**$ 2,181,109**	**$ 2,159,915**	**$ 2,207,477**
Less Other Revenues	(240,052)	(143,904)	(121,419)	(62,958)	(62,958)
Net Revenue Requirement	**$ 2,016,270**	**$ 2,032,632**	**$ 2,059,690**	**$ 2,096,957**	**$ 2,144,519**

2.4 Customers & Billable Flows

The rate study performed herein is heavily reliant upon a detailed analysis of system customers and accompanying usage characteristics. The existing utility customer base and metered/billable flows provide the determinants utilized in the cost-of-service analysis, and ultimately in calculating the monthly user rates and charges, which become the foundation for projecting future revenues generated by the water and sewer systems.

It is important to note that the customer and flow analysis focuses primarily on the customer classifications that will be impacted by the user rates and charges to be developed in the

Report. This consists of the general service (retail) customers that currently pay for utility services pursuant to the existing user rates and charges as previously detailed. For the purposes of the rate study, it is these customers and their accompanying usage characteristics that will generate revenues based upon the proposed user rates and charges.

2.4.1 Customer Billing Analysis

For the rate study, detailed information was provided for each individual customer from July 2019 through April 2023. This data offered a breakdown of water and sewer customers by class, usage characteristics and billed charges. The historical billing data was queried from the City's electronic billing records for the period described. An analysis of the billing data was conducted to obtain an understanding of existing customers, customer classes, and metered usage per customer class. In accordance with the data, as well as discussions with the City staff, the utility system provides service to various identifiable retail customer classes consisting of:

- Single-Family Residential
- Multi-Family Residential
- Commercial/Non-Residential
- Correctional Facility, and
- Government.

Each of these customer classes embodies certain common characteristics in their utility use and service demand profiles that provide the basis for establishing an equitable allocation of system costs. The billing data was utilized to identify the number of customer accounts within each class, the applicable equivalent residential units (ERUs) based on meter size, the metered/billable usage profiles, and strength characteristics.

The historical customer data was also utilized to establish growth trends for each customer classification. The growth trends were then used to project the average number of customers within each class for the Test Year plus the remaining years of the Projection Period.

2.5 Financial Projections Under Existing Rates

The projected customers and accompanying billable flows are applied to the existing rates to develop a projection of user rate revenues that would be generated under existing rates. The revenues are then compared to the projected revenue requirements/expenditures to determine if revenue adjustments are needed. Based on this comparison, it is projected that under the existing rates, neither the water nor sewer systems would meet their projected operating (O&M) financial obligations, debt service requirements, cover costs of capital projects, and be able to make transfers that are anticipated to be funded with cash reserves. Therefore, revenue increases would be required to generate additional cash to fund projected costs of operations and capital projects, meet debt service requirements, and maintain adequate cash reserves. The City has established a policy objective of

maintaining at least 90 days of cash reserves to help fund ongoing operations in the event of periodic fluctuations in cash flow, and to address unexpected capital projects that may need to be funded with cash. The cash-flow statements outlining the projected operating results under existing rates are summarized in **Tables 11** and **12** for the water and sewer systems, respectively. The proposed rates and projected financial results are addressed in the subsequent sections of this Report.

Table 11 – Water System Projected Operating Results Under Existing Rates

Description	Projected for Fiscal Year Ending June 30, ($1,000s)					
	Existing 2024	Proposed 2024	2025	2026	2027	2028
Revenues:						
Water Sales	$ 1,924	$ 1,924	$ 1,929	$ 1,935	$ 1,941	$ 1,946
Other Revenues	383	383	394	332	172	172
Total Revenues	**$ 2,307**	**$ 2,307**	**$ 2,323**	**$ 2,267**	**$ 2,113**	**$ 2,118**
O&M Expenses	(1,995)	(1,995)	(1,955)	(2,014)	(2,074)	(2,137)
Net Income For Debt	**$ 311**	**$ 311**	**$ 368**	**$ 253**	**$ 38**	**$ (18)**
Debt Service:						
Existing	$ (139)	$ (139)	$ (139)	$ (139)	$ (139)	$ (139)
Future	-	-	-	-	-	-
Total Debt Service	**$ (139)**	**$ (139)**	**$ (139)**	**$ (139)**	**$ (139)**	**$ (139)**
Balance After Debt	**$ 173**	**$ 173**	**$ 229**	**$ 114**	**$ (100)**	**$ (157)**
Other Expenditures & Transfers:						
Transfers Out - Indirect Overhead Support	(220)	(220)	(220)	(220)	(220)	(220)
Total Other Expenditures & Transfers	**$ (220)**	**$ (220)**	**$ (220)**	**$ (220)**	**$ (220)**	**$ (220)**
Net Results	**$ (47)**	**$ (47)**	**$ 10**	**$ (105)**	**$ (320)**	**$ (376)**
Fund Balance Activity:						
Operating Fund - Water						
Beginning Fund Balance	$ 1,017	$ 1,017	$ 552	$ 128	$ (354)	$ (897)
Deposit/(Withdrawal) from Operations	(47)	(47)	10	(105)	(320)	(376)
Deposit/(Withdrawal) fr/(to) Impact Fee Fund	(383)	(383)	(394)	(332)	(172)	(172)
Cash Funded Capital Projects	(35)	(35)	(40)	(45)	(50)	(55)
Ending Fund Balance	**$ 552**	**$ 552**	**$ 128**	**$ (354)**	**$ (897)**	**$ (1,500)**
Impact Fee Fund - Water						
Beginning Fund Balance	$ 5,485	$ 5,485	$ 5,868	$ 1,562	$ 1,744	$ 1,766
TCP O&M	-	-	-	(150)	(150)	(150)
Net Transfers In/(Out)	383	383	394	332	172	172
Cash Funded Capital Projects	-	-	(4,700)	-	-	-
Ending Fund Balance	**5,868**	**5,868**	**1,562**	**1,744**	**1,766**	**1,788**
Total Ending Fund Balance	**$ 6,420**	**$ 6,420**	**$ 1,689**	**$ 1,389**	**$ 869**	**$ 288**
Debt Coverage	**2.24**	**2.24**	**2.65**	**1.82**	**0.28**	**0.00**

Table 12 – Sewer System Projected Operating Results Under Existing Rates

Description	Projected for Fiscal Year Ending June 30, ($1,000s)					
	Existing 2024	Proposed 2024	2025	2026	2027	2028
Revenues:						
Wastewater Sales	$ 2,016	$ 2,016	$ 2,023	$ 2,030	$ 2,036	$ 2,042
Other Revenues	240	240	144	121	63	63
Total Revenues	**$ 2,256**	**$ 2,256**	**$ 2,167**	**$ 2,151**	**$ 2,099**	**$ 2,105**
O&M Expenses	(1,740)	(1,740)	(1,492)	(1,537)	(1,583)	(1,630)
Net Income For Debt	**$ 516**	**$ 516**	**$ 675**	**$ 615**	**$ 516**	**$ 475**
Debt Service:						
Existing	$ (282)	$ (282)	$ (282)	$ (282)	$ (282)	$ (282)
Future	-	-	-	-	-	-
Total Debt Service	**$ (282)**	**$ (282)**	**$ (282)**	**$ (282)**	**$ (282)**	**$ (282)**
Balance After Debt	**$ 235**	**$ 235**	**$ 393**	**$ 333**	**$ 235**	**$ 193**
Other Expenditures & Transfers:						
Capital Outlay	$ (7)	$ (7)	$ (7)	$ (7)	$ (7)	$ (7)
Transfers Out - Indirect Overhead Support	(205)	(205)	(205)	(205)	(205)	(205)
Total Other Expenditures & Transfers	**$ (211)**	**$ (211)**	**$ (211)**	**$ (212)**	**$ (212)**	**$ (212)**
Net Results	**$ 24**	**$ 24**	**$ 182**	**$ 121**	**$ 23**	**$ (19)**
Fund Balance Activity:						
Operating Fund - Sewer						
Beginning Balance	$ 1,126	$ 1,126	$ 874	$ 872	$ 827	$ 737
Deposit/(Withdrawal) from Operations	24	24	182	121	23	(19)
Deposit/(Withdrawal) fr/(to) Impact Fee Fund	(240)	(240)	(144)	(121)	(63)	(63)
Cash Funded Capital Projects	(35)	(35)	(40)	(45)	(50)	(55)
Ending Fund Balance	**874**	**874**	**872**	**827**	**737**	**600**
Impact Fee Fund - Sewer						
Beginning Fund Balance	$ 193	$ 193	$ 427	$ 503	$ 509	$ 211
Fees Collected	-	-	-	-	-	-
Net Transfers In/(Out)	240	240	144	121	63	63
Cash Funded Capital Projects	(5)	(5)	(68)	(116)	(360)	-
Ending Fund Balance	**427**	**427**	**503**	**509**	**211**	**274**
Ending Fund Balance	**$ 1,302**	**$ 1,302**	**$ 1,375**	**$ 1,335**	**$ 948**	**$ 874**
Debt Coverage	**1.83**	**1.83**	**2.40**	**2.18**	**1.83**	**1.69**

Section 3 – Cost of Service Analysis

3.1 General

In accordance with the American Water Works Association (AWWA) Manual M1, the costs incurred in a water utility system are generally driven by specific service requirements imposed on the system by its customers. The primary service requirements that drive costs include annual flow volumes, peaking flow volumes (i.e., peak day, peak hour), the number of customers and the type of customers served. The water cost-of-service analysis performed for the rate study utilizes a common industry approach known as the base-extra capacity method. The sewer cost-of-service analysis involves an examination of flows, strength factors, the number and type of customers served in accordance with the California State Water Resources Control Board (SWRCB) *Revenue Program Guidelines for Wastewater Agencies*.

3.2 Water Cost-of-Service

The COS utilizes the revenue requirements for the Test Year as the cost basis. The Test Year revenue requirements as identified in the previous section of the Report are functionally unbundled, classified and allocated to customer classes to determine the cost of service by class. More detail relating to the water COS approach can be found in **Appendix B.**

3.2.1 Peaking Factors

System-wide peaking factors are used to derive the cost component allocation bases for Base (Delivery), Max Day, and Max Hour costs. Base represents average daily demand during the year, which has been normalized to a factor of 1.00. Based on data provided by City staff, the average water demand was 1.79 million gallons per day (MGD) and the Max Day water demand was 2.86 MGD in the most recent full year. The Max Day peaking factor shows that the system-wide Max Day demand is 1.60 (2.86 Max Day MGD divided by 1.79 Base Delivery) times greater than the average daily demand. The City does not track Max Hour demand; therefore, Max Hour demand is not factored into this analysis. The system-wide peaking factors are shown in **Table 13**.

The Max Day allocations are calculated as follows:

Base Delivery: 1.79 / 2.86 x 100% = 62.59%

Max Day: (2.86 – 1.79) / 2.86 x 100% = 37.41%

Table 13 – Peaking Factors System-Wide

Description	Demand (MGD)	Factor	Base	Max Day	Total
Avg Day	1.79	1.00	100.00%	0.00%	**100.00%**
Max Day	2.86	1.60	62.59%	37.41%	**100.00%**

Max Day Customer specific peaking factors are then developed, based on the maximum monthly usage divided by average monthly usage for each customer class and tier. Since daily peaking statistics are not available for individual customer classes, the maximum month peaking factor from the customer/billing data is used as a proxy for the class-specific Max Day peaking factors. Using the customer billing data, peaking factors by customer class and tier were calculated as shown in **Table 14**.

Table 14 – Peaking Factors by Customer Class

Description	Max Day Peaking Fator
Single-Family Residential	
Tier 1 - 0 - 900 Cubic Feet	1.10
Tier 2 - Over 900 Cubic Feet	2.09
All Other Classifications	
All Flow	1.55

Once peaking factors are determined, the Max Day demand of each customer class is calculated and shown in **Table 15**. Total annual usage is derived from the customer data and then converted to an average daily usage by dividing the total annual usage by 365 days in a year. Total Max Day capacity is developed by multiplying the customer-specific peaking factor (from **Table 14**) by the average daily usage to arrive at the total capacity required to meet each class's Max Day demand. The extra capacity required to meet Max Day demand is calculated by subtracting the average daily usage from the total required capacity for Max Day. The calculation of additional capacity to meet the Max Day demand for each customer class is shown in **Table 15**.

Table 15 – Usage and Extra Capacity

Description	Flows		Max Day		
	Total Annual Flow (CCF)	Average Daily Flow (CCF)	Peaking Factor	Total Capacity (CCF/Day)	Additional Capacity (CCF/Day)
Single-Family Residential					
Tier 1 - 0 - 900 Cubic Feet	227,290	623	1.10	686	63
Tier 2 - Over 900 Cubic Feet	188,714	517	2.09	1,080	563
All Other Classifications					
All Flow	164,088	450	1.55	697	247
Total	**580,092**	**1,589**		**2,463**	**874**

3.2.2 Functional Unbundling of Revenue Requirements

The water system costs are unbundled into operating components consisting of Supply/Treatment, Transmission, Distribution, Customer, and Administration functions. These are the primary services provided by most water utility systems to its customers. A brief description of each component is as follows:

- **Supply/Treatment –** the costs associated with obtaining and converting raw water to potable water;
- **Transmission –** the costs associated with major pumping and large diameter line facilities that transmit potable water throughout the system at-large;
- **Distribution –** the costs associated with smaller diameter lines that carry water to individual customer properties;
- **Customer –** the costs associated with metering, billing and providing other services to customers (e.g., printing, delivering and collecting utility bills, recordkeeping, etc.);
- **Administration –** various overhead and other non-operating costs.

The allocation of the functionally unbundled revenue requirements for the Test Year are summarized in **Table 16**.

Table 16 – Functionally Unbundled Cost Allocations

Description	Test Year 2024
Total O&M	$ 1,995,418
Existing Debt Service	138,722
Future Debt Service	-
Other Expenditures & Transfers	191,998
Gross Revenue Requirement	**$ 2,326,138**
Less Other Revenues	(382,977)
Net Revenue Requirement	**$ 1,943,161**
Functional Unbundled Revenue Requirement	
Treatment	$ 671,500
Transmission & Distribution	88,200
Pumping	-
Customer Service	39,300
Admin	1,196,418
Source of Supply	-
Transfers	219,565
Existing Debt	138,722
New Debt	-
CIP	35,000
Non-Rate Revenue	(382,977)
Fund Balance [1]	(62,567)
Total	**$ 1,943,161**

Notes:
[1] Represents a transfer from reserves to provide funding for capital outlay and CIP costs.

3.2.3 Classification of Water System Costs

As previously addressed, the functionally unbundled water system revenue requirements are then classified using the base-extra capacity cost allocation method. Applying this methodology, costs are classified into the following categories:

- **Base Costs –** capital costs and O&M expenses associated with service to customers under average demand conditions. This category does not include any costs attributable to variations in water use resulting from peaks in demand. Base costs tend to vary directly with the total quantity of water used.
- **Maximum Day/Extra Capacity Costs –** costs attributable to facilities that are designed to meet peaking requirements. These costs include capital and operating costs for additional plant and system capacity beyond that required for average usage. For the purposes of this analysis, the max/extra capacity costs are further separated into systemwide facilities and distribution facilities.
- **Customer Costs –** costs associated with any aspect of customer service including billing, accounting, recordkeeping, and meter services. These costs are independent of the amount of water used and the size of the customer's meter and are not subject to peaking factors.

As the name would indicate, using the base-extra capacity method, the costs are separated between those attributed to base capacity (and demand) and those attributed to extra capacity (and demand). Other components such as treatment, transmission and distribution are allocated based on flows and peaking factors. All customer service-related costs are allocated 100% to customer billing.

Based on discussions with City staff, the general makeup of the customer base is not expected to change, so it is anticipated that the allocation percentages and factors will not change materially during the Projection Period. However, it is important to note that COS analyses are based on the data at a specific point in time (i.e., the most recent fiscal year). To the extent that weather conditions, economic conditions and customer usage characteristics change during the Projection Period, the cost allocators can be impacted. The system-wide costs by service characteristic are shown in **Table 17**.

Table 17 - Classification of Unbundled Revenue Requirements

Component	Billing & Collection	Meters & Services	Base	Extra Capacity Max Day	Total
Treatment	$ -	$ -	$ 420,274	$ 251,226	$ 671,500
Transmission & Distribution	-	-	55,202	32,998	88,200
Pumping	-	-	-	-	-
Customer Service	39,300	-	-	-	39,300
Admin	-	1,196,418	-	-	1,196,418
Source of Supply	-	-	-	-	-
Transfers	-	139,424	80,141	-	219,565
Existing Debt	-	138,722	-	-	138,722
New Debt	-	-	-	-	-
CIP	-	35,000	-	-	35,000
Capital Outlay	-	-	-	-	-
Non-Rate Rev & Fund Balance	(7,330)	(281,566)	(103,634)	(53,014)	(445,544)
Total	**$ 31,970**	**$ 1,227,998**	**$ 451,983**	**$ 231,210**	**$ 1,943,161**

3.2.4 Allocation to Customer Classes and Unit Cost Development

The functionalized and classified revenue requirements are allocated to customer classes utilizing a unit cost approach as follows:

- **Base Costs –** Based on relative percentage of Base Annual Usage.
- **Maximum Day/Extra Capacity System Costs –** Based on relative percentage of Extra Capacity for the entire system.
- **Maximum Day/Extra Capacity Distribution Costs –** Based on relative percentage of Extra Capacity for the distribution system.
- **Customer Costs –** Based on relative percentage of Equivalent Residential Units (ERUs).

The units of service for each component of cost by customer class (if applicable) are provided in **Table 18.** The units of service consist of the number of accounts and/or units, ERUs, annual flows in 100 cubic feet and Max Day extra capacity. Accounts and/or units are based on the number of customers as provided in the customer data. ERUs are based on meter equivalencies in accordance with AWWA standards. For reference, **Table 21**, showing meter equivalency factors follows in the next section (3.2.5) of this report. Base is the total annual usage projected for the test year based on historical customer data. Max Day is the extra capacity demand result as previously developed in **Table 15.**

Table 18 – Units of Service

Description	Monthly Accounts/ Units	Monthly ERUs	Base (CCF)	Max Day (CCF/Day)
Single-Family Residential	**2,689**	**2,803**	**416,004**	**627**
Tier 1 - 0 - 900 Cubic Feet			227,290	63
Tier 2 - Over 900 Cubic Feet			188,714	563
All Other Classifications	**289**	**1,233**	**164,088**	**247**
All Flow			164,088	247
Total	**2,978**	**4,036**	**580,092**	**874**

The revenue requirement for each cost component is divided by its respective unit of service to calculate a unit cost. The unit cost for each cost component is demonstrated in **Table 19.**

Table 19 – Cost Per Unit

Description	Billing & Collection	Meters & Services	Base	Extra Capacity Max Day	Total
Total Revenue Requirement	$ 31,970	$ 1,227,998	$ 451,983	$ 231,210	**$ 1,943,161**
Units of Service	2,978	4,036	580,092	874	
	Bills/Monthly	ERU/Monthly	CCF	CCF/Day	
Cost Per Unit	**$ 0.89**	**$ 25.36**	**$ 0.7792**	**$ 264.57**	
	Bills/Monthly	**ERU/Monthly**	**CCF**	**CCF/Day**	

The allocation of the revenue requirement to each customer class is determined by multiplying the Units of Service for each customer class (from Table 18) by the Cost per Unit for each cost component (from Table 19). The resulting total cost to be recovered from each customer class by cost component is shown in **Table 20.** To calculate the Account/Units and ERU Cost of Service by Customer Class, the monthly Units of Service from Table 18 are first multiplied by 12 to determine the total annual Accounts/Units and ERUs being served, then that result is multiplied by the Cost per Unit shown in Table 19. For the Base and Max Day Costs, the Units of Service from Table 18 are multiplied by the Costs per Unit from Table 19.

Table 20 – Cost of Service by Customer Class and Cost Component

Rate Class	Accounts/ Units	ERUs	Base (CCF)	Max Day (CCF/Day)	Total Costs
Single-Family Residential	**$ 28,867**	**$ 852,844**	**$ 324,133**	**$ 165,757**	**$ 1,371,601**
Tier 1 - 0 - 900 Cubic Feet			$ 177,095	$ 16,738	
Tier 2 - Over 900 Cubic Feet			$ 147,038	$ 149,019	
All Other Classifications	**$ 3,103**	**$ 375,154**	**$ 127,850**	**$ 65,453**	**$ 571,560**
All Flow			$ 127,850	$ 65,453	
Total	**$ 31,970**	**$ 1,227,998**	**$ 451,983**	**$ 231,210**	**$ 1,943,161**

3.2.5 Rate Design by Unit Cost

The unit costs developed in the previous section are used to develop the proposed rates for the Test Year. The fixed rate components are based on accounts, ERUs and the allocated customer-related costs. The volumetric rate component is based on the annual usage and extra capacity requirements (Max Day).

The first component of the fixed charge is the meter charge and is calculated on an ERU basis. It is common practice in the utility rate-making industry to establish a rate structure that includes an incremented service availability charge (monthly meter charge, sometimes also called a base charge) such that customers placing a greater potential demand requirement on the system (those with larger meters) will pay proportionately more for the service availability component.

The methodology for incrementing the availability charge is based upon standardized meter/capacity criteria established by the AWWA relative to the size and capacity of the water meter. The AWWA equivalent meter capacity criteria are commonly used to establish a standard unit of measure for customers referred to as an ERU. Based upon the established standards, an ERU is equal to one single-family residential connection with a 5/8 x 3/4-inch water meter (the typical standard meter size for a single-family residential customer). The applicable ERU factors for larger water meters are based upon the incremental increase in potential capacity of those meters as compared to the standard meter size. These factors are derived from actual flow testing results as performed and defined by the AWWA, and commonly utilized by the water and sewer utility industry. The AWWA equivalency factors can be applied to the meter charge for a 5/8 x 3/4-inch meter to calculate the applicable meter charges for each meter size.

While the service availability charge (base charge) may be incremented based upon standardized meter/capacity criteria established by the AWWA relative to the size and capacity of the water meter, this methodology was modified for single-family residential customers whose meter size is 1-inch or smaller. Due to California Residential Code section R313.2, automatic residential fire sprinkler systems that can produce a minimum of 30 gallons per minute (gpm) are required. Based on meter tests, 5/8-inch and 5/8x3/4-inch meters are only rated for about 20-25 gpm. Also, several meter manufacturers who produce 3/4-inch meters cannot meet the 30-gpm requirement. Therefore, 1-inch meters are now the new standard single-family residential meter being installed since these meters can meet the 30-gpm requirement under California Residential Code section R313.2. Since a 1-inch meter is required to meet the state requirement of 30 gpm for fire suppression purposes, and not because a 1-inch single-family customer is truly placing more demand on the water system, relative to a 5/8-inch or 3/4-inch meter customer, these 1-inch single-family residential customers are assumed to place the same demand on the water system as a 5/8-inch or 3/4-inch residential customer. A summary of the AWWA and single-family residential meter-size equivalency factors are provided in **Table 21**.

Table 21 - AWWA & Single-Family Residential Meter Equivalency Factors

Description	AWWA Factors [1]	Single-Family Residential Factors [2]
Meter Size		
5/8 Inch	1.00	1.00
3/4 Inch	1.50	1.00
1.0 Inch	2.50	1.00
1.5 Inch	5.00	5.00
2.0 Inch	8.00	8.00
3.0 Inch	15.00	15.00
4.0 Inch	25.00	25.00
6.0 Inch	50.00	50.00
8.0 Inch	80.00	80.00
10.0 Inch	115.00	115.00

Notes:

[1] Meter-size equivalency factors are established by the AWWA and identified in AWWA Standards C700, M1 and M22.

[2] Due to the fire supression requirements under California Residential Code section R313.2, it is assumed that 5/8-inch, 3/4-inch, and 1-inch single-family residential customers place the same demand on the system.

The second component of the fixed charge is the customer charge. Unlike meter-related costs, customer costs do not vary with meter size. Therefore, the monthly customer unit cost is applied equally to each account. The two fixed charge components are added together to develop the total proposed monthly base charge for each respective meter size. The proposed monthly base charges for the Test Year are shown in **Table 22.**

Table 22 – Monthly Base Charge Calculation

Meter Size [1]	Capacity Ratio	Meter Charge	Customer Charge	Proposed Charge
General Service				
5/8 Inch	1.00	$ 25.36	$ 0.89	**$ 26.25**
3/4 Inch	1.50	$ 38.03	$ 0.89	**$ 38.93**
1.0 Inch	2.50	$ 63.39	$ 0.89	**$ 64.28**
1.5 Inch	5.00	$ 126.78	$ 0.89	**$ 127.67**
2.0 Inch	8.00	$ 202.84	$ 0.89	**$ 203.74**
3.0 Inch	15.00	$ 380.33	$ 0.89	**$ 381.22**
4.0 Inch	25.00	$ 633.88	$ 0.89	**$ 634.77**
6.0 Inch	50.00	$ 1,267.75	$ 0.89	**$ 1,268.65**
8.0 Inch	80.00	$ 2,028.41	$ 0.89	**$ 2,029.30**
10.0 Inch	115.00	$ 2,915.84	$ 0.89	**$ 2,916.73**

Notes:
[1] 5/8-inch, 3/4-inch, and 1-inch single-family residential customers pay the 5/8-inch monthly meter charge of $25.36 plus the $0.89 customer charge. All other customers pay the monthly meter charge shown for their respective meter size plus the $0.89 customer charge.

The water volumetric rates are made up of two different rate components. The first component is for base usage and related costs. The second component represents peak usage and peaking costs (the Max Day cost component). The Max Day peaking costs for each customer class (from **Table 20**) are divided by the annual usage to calculate the peaking unit costs shown in **Table 23.**

Table 23 – Peaking Unit Cost Calculation

Rate Class	Annual Use (CCF)	Peaking Costs	Peaking Unit Cost
Single-Family Residential			
Tier 1 - 0 - 900 Cubic Feet	227,290	$ 16,738	$ 0.0736
Tier 2 - Over 900 Cubic Feet	188,714	$ 149,019	$ 0.7897
All Other Classifications			
All Flow	164,088	$ 65,453	$ 0.3989
Total	**580,092**	**$ 231,210**	

The peaking unit costs are then added to the base unit cost of $0.7792 per 100 cubic feet as previously identified in **Table 19** to calculate the proposed volumetric rates for each customer class and tier shown in **Table 24.**

Table 24 – Volumetric Rate Calculation

Meter Size	Base	Peaking	Proposed Rate ($/CCF)	Tier Differential
Single-Family Residential				
Tier 1 - 0 - 900 Cubic Feet	$ 0.7792	$ 0.0736	**$ 0.8528**	1.00
Tier 2 - Over 900 Cubic Feet	$ 0.7792	$ 0.7897	**$ 1.5688**	1.84
All Other Classifications				
All Flow	$ 0.7792	$ 0.3989	**$ 1.1780**	1.00

3.2.6 COS and Revenue Check

Once the rates are developed from the unit cost analysis, as shown in **Sections 3.2.4 and 3.2.5**, they are then applied to the customer service units identified in **Table 18** above. The unit cost rates are applied to the customer service units to ensure that the rates calculated under the base-extra capacity method generate revenues from each customer class equitably and in a manner that reflects the costs associated with serving them. The revenues generated by customer class and the cost allocated to each customer class are provided in **Table 25.**

Table 25 – Proposed Rate Revenues vs COS

Description	Monthly Accounts	Monthly ERUs	Monthly Customer Charge/ Account	Monthly Meter Charge/ERU	Total Fixed Charge Revenues
	[A1]	[B1]	[C1]	[D1]	[E1]={[A1]*[C1] +[B1]*[D1]}*12
Single-Family Residential	**2,689**	**2,803**	**$ 0.89**	**$ 25.36**	**$ 881,711**
Tier 1 - 0 - 900 Cubic Feet					
Tier 2 - Over 900 Cubic Feet					
All Other Classifications	**289**	**1,233**	**$ 0.89**	**$ 25.36**	**$ 378,257**
Total	**2,978**	**4,036**			**$ 1,259,968**
Description	**Annual Use (CCF)**	**Proposed Rate ($/CCF)**	**Total Volumetric Revenues**	**Total Revenues**	**Allocated Costs**
	[A2]	[B2]	[C2]=[A2]*[B2]	[D2]=[E1]+[C2]	[E2]
Single-Family Residential	**416,004**		**$ 489,890**	**$ 1,371,601**	**$ 1,371,601**
Tier 1 - 0 - 900 Cubic Feet	227,290	$ 0.853	$ 193,833		
Tier 2 - Over 900 Cubic Feet	188,714	$ 1.569	$ 296,057		
All Other Classifications	**164,088**	**$ 1.178**	**$ 193,303**	**$ 571,560**	**$ 571,560**
Total	**580,092**		**$ 683,193**	**$ 1,943,161**	**$ 1,943,161**

3.3 Sewer Cost-of-Service

As with the water system, the COS analysis for the sewer utility utilizes the revenue requirements for the Test Year as the cost basis. The Test Year revenue requirements are functionally unbundled, classified and allocated to customer classes to determine the cost-of-service by class. More detail relating to the sewer COS approach can be found in **Appendix C.**

3.3.1 Functional Unbundling of Revenue Requirements

The sewer system costs are unbundled into Collection, Treatment, and Customer functions. A brief description of each component is as follows:

- **Collection –** costs associated with lines and facilities that transport wastewater from customer properties to the plants for treatment;
- **Treatment –** costs associated with treating wastewater for disposal reclamation and/or discharge;
- **Customer –** costs associated with metering, billing, and providing other services to customers (e.g., printing, delivering and collecting utility bills, recordkeeping, etc.).

The allocation of the functionally unbundled revenue requirements for the Test Year are summarized in **Table 26**.

Table 26 - Functional Unbundled Cost Allocations

Description	Test Year 2024
Total O&M	$ 1,739,881
Existing Debt Service	281,647
Future Debt Service	-
Other Expenditures & Transfers	234,794
Gross Revenue Requirement	**$ 2,256,322**
Less Other Revenues	(240,052)
Net Revenue Requirement	**$ 2,016,270**
Functional Unbundled Revenue Requirement	
Treatment	$ 637,000
Collection	42,100
Administration	1,023,831
Pumping	-
Customer Service	36,950
Transfers	204,636
CIP	35,000
Capital Outlay	6,500
Existing Debt	281,647
New Debt	-
Non-Rate Revenue	(240,052)
Fund Balance [1]	(11,342)
Non-Rate Rev & Fund Balance	**$ 2,016,270**

Notes:
[1] Represents a transfer from reserves to provide funding for capital outlay and CIP costs.

3.3.2 Classification of Revenue Requirements

The functionally unbundled revenue requirements for the sewer system are classified into fixed and volumetric customer components based on methodology consistent with the Water Environmental Federation (WEF), Manual of Practice No. 27. As discussed for the water COS analysis, it is anticipated that the allocation percentages will not change materially during the Projection Period. However, it is important to note that COS analyses are based on the data at a specific point in time (i.e., the most recent fiscal year). To the extent that weather conditions, economic conditions and customer usage characteristics change during the Projection Period, the cost allocators can be impacted. The system-wide costs by service characteristic are shown in **Table 27**.

Table 27 - Classification of Unbundled Revenue Requirements

Component	Volume	Capacity	Strength - SS	Strength - BOD	Customer Service	Total
Treatment	$ 95,805	$ 95,805	$ 223,817	$ 221,573	$ -	$ 637,000
Collection	21,050	21,050	-	-	-	42,100
Administration	255,958	255,958	153,575	153,575	204,765	1,023,831
Pumping	-	-	-	-	-	-
Customer Service	-	-	-	-	36,950	36,950
Transfers	81,854	81,854	20,464	20,464	-	204,636
CIP	17,500	17,500	-	-	-	35,000
Capital Outlay	977	977	2,284	2,262	-	6,500
Existing Debt	70,412	70,412	59,146	59,146	22,531	281,647
New Debt	-	-	-	-	-	-
Non-Rate Rev & Fund Balance	(60,259)	(60,259)	(50,917)	(50,665)	(29,294)	(251,394)
Total	**$ 483,297**	**$ 483,297**	**$ 408,369**	**$ 406,355**	**$ 234,952**	**$ 2,016,270**

3.3.3 Allocation to Customer Classes and Unit Cost Development

The functionalized and classified revenue requirements are allocated to customer classes utilizing a unit cost approach as follows:

- **Collection –** Based on relative percentage of annual sewer usage;
- **Treatment –** Based on relative percentage of sewer strength discharge (BOD and SS);
- **Customer –** Based on relative percentage of units by customer class.

The units of service for each component of cost by customer class (if applicable) are provided in **Table 28.** The units of service consist of the number of customer units, annual flows in 100 cubic feet, and sewer strength discharge. Customer units are based on the number of customers as provided in the customer data. Collection is the total annual sewer flows projected for the test year. BOD and SS reflect the strength per pound of the sewer discharge collected by the City from each customer class.

Table 28 – Units of Service

Line No:	Description	Total Units	CCF Flow (1)	BOD Factor (2)	BOD Pounds	TSS Factor (2)	TSS Pounds
	Residential Classes (3)						
1	Single-Family Residential	2,710	300,896	175	328,490	175	328,490
2	Multi-Family	615	50,483	175	55,113	175	55,113
	Non-Residential Classes						
	Low Strength						
3	Beauty Salon		-	130	0	80	0
4	Car Wash		-	20	0	150	0
5	Doctor		-	130	0	80	0
6	Drug Store		-	150	0	150	0
7	Gas Station		-	150	0	150	0
8	Grocery Store - No Food Prep		-	150	0	150	0
9	Laundromat		-	150	0	110	0
10	Office		-	130	0	80	0
11	Retail		-	150	0	150	0
12	School or College		-	130	0	100	0
13	Soft Water Service		-	3	0	55	0
14	**Sub-Total Low Stength**	**80**	**4,764**	**118**	**3,493**	**114**	**3,391**
	Medium Strength						
15	Bars without Dining Facilities		-	200	0	200	0
16	Car Repair		-	180	0	280	0
17	Church		-	250	0	250	0
18	Hospital and Convalescent		-	250	0	100	0
19	Hotel w/o Dining		-	310	0	120	0
20	Laundry, Commercial		-	450	0	240	0
21	Parks and Recreation		-	250	0	250	0
22	**Sub-Total Medium Strength**	**80**	**6,912**	**270**	**11,642**	**206**	**8,870**
	High Strength						
23	Auto Steam Cleaning		-	1,150	0	1,250	0
24	Bakery, Wholesale		-	1,000	0	600	0
25	Grocery Store - w/Food Prep or Garbage Grinders		-	800	0	800	0
26	Hotel w/Dinning Facilities		-	500	0	600	0
27	Industrial Laundry		-	670	0	680	0
28	Markey with Garbage Grinders		-	800	0	800	0
29	Mortuary		-	800	0	800	0
30	Restaurant		-	1,000	0	600	0
31	**Sub-Total High Stength**	**21**	**4,800**	**840**	**25,153**	**766**	**22,945**
	Correctional Facility						
32	Correctional Facility	2	74,172	200	92,542	200	92,542
33	**Sewer System Total**	**3,508**	**442,027**		**516,433**		**511,350**

Notes:

(1) All non-residential flow was provided from sewer billing data.

(2) Average strength factors for BOD and TSS are based on the State Water Resources Control Board Revenue Program Guidelines, Appendix G.

(3) Using City-provided water customer data, assumed annual residential sewer flows were calculated by taking the average winter consumption for the lowest three months of the most recent full fiscal year, then determining the factor of winter average usage compared to annual average monthly water usage. This factor was then applied to the projected monthly average "Test Year" water flows to determine the "Test Year" annual sewer flows.

The revenue requirement for each cost component is divided by its respective unit of service to calculate a unit cost. The unit cost for each cost component is demonstrated in **Table 29.**

Table 29 – Cost Per Unit

Description	Volume	Capacity	Strength - BOD	Strength - SS	Customer	Total
Total Revenue Requirement	$ 483,297	$ 483,297	$ 408,369	$ 406,355	$ 234,952	**$2,016,270**
Units of Service	442,027	442,027	516,433	511,350	3,508	
	CCF	CCF	Pounds	Pounds	Units/Monthly	
Cost Per Unit	**$ 1.09**	**$ 1.09**	**$ 0.79**	**$ 0.79**	**$ 5.58**	
	CCF	**CCF**	**Pounds**	**Pounds**	**Units/Monthly**	

The allocation of the revenue requirement to each customer class is based on the unit costs for each component multiplied by the units of service for each customer class. The total costs to be recovered from each customer class by rate component are shown in **Table 30.**

Table 30 – Cost of Service by Customer Class and Cost Component

Rate Class	Volume	Capacity	Strength - BOD	Strength - SS	Customer	Total
Residential						
Single-Family Residential	$ 328,989	$ 328,989	$ 259,753	$ 261,042	$ 181,505	$ 1,360,278
Multi-Family	55,196	55,196	43,580	43,796	41,190	238,960
Non-Residential						
Low Strength	5,209	5,209	2,762	2,694	5,358	21,233
Medium Strength	7,557	7,557	9,206	7,049	5,358	36,728
High Strength	5,248	5,248	19,890	18,233	1,406	50,026
Correctional Facility	81,097	81,097	73,177	73,540	134	309,046
Total	**$ 483,297**	**$ 483,297**	**$ 408,369**	**$ 406,355**	**$ 234,952**	**$ 2,016,270**

3.3.4 COS and Revenue Check

Once the unit costs are developed and the costs associated with each customer class based on the units of service are determined in **Section 3.3.3**, rates can be developed to ensure that each customer class is generating sufficient revenues to cover their allocated cost of service. The proposed rate structure for the sewer rates are as follows:

- **Residential Customers –** For single-family and multi-family residential customers, the proposed rates will consist of a flat monthly charge based on the number of dwelling units for single-family and multi-family, respectively.
- **Commercial/Non-Residential Customers –** For commercial customers, the proposed rates will consist of a fixed monthly charge and a volumetric rate per 100 cubic feet based on each customers respective sewer strength discharge (low, medium, and high strength classifications).

- **Correctional Facility –** The proposed rates will consist of a monthly fixed charge and a volumetric rate per 100 cubic feet based on the correctional facility's sewer strength discharge.

The revenues generated by customer class vs the cost allocated to each customer class is provided in **Table 31.**

Table 31 – Proposed Rate Revenues vs COS

Description	Monthly Units	Proposed Monthly Fixed Fee	Total Fixed Fee Revenue	Billable Annual Volume (CCF)	Proposed Volumetric Rate	Total Volumetric Rate Revenues	Total Calculated Revenues	Total COS
	[A]	[B]	[C]=[A]*[B]*12	[D]	[E]	[F]=[D]*[E]	[G]=[C]+[F]	[H]
Residential								
Single-Family Residential	2,710	$ 41.83	$ 1,360,278	N/A	N/A	$ -	$ 1,360,278	$ 1,360,278
Multi-Family	615	$ 32.38	$ 238,960	N/A	N/A	$ -	$ 238,960	$ 238,960
Non-Residential								
Low Strength	80	$ 16.43	$ 15,776	4,764	$ 1.15	$ 5,457	$ 21,233	$ 21,233
Medium Strength	80	$ 21.33	$ 20,473	6,912	$ 2.35	$ 16,255	$ 36,728	$ 36,728
High Strength	21	$ 47.23	$ 11,903	4,800	$ 7.94	$ 38,123	$ 50,026	$ 50,026
Correctional Facility	2	$ 6,763.67	$ 162,328	74,172	$ 1.98	$ 146,718	$ 309,046	$ 309,046
Total	**3,508**		**$ 1,809,718**	**90,648**		**$ 206,552**	**$ 2,016,270**	**$ 2,016,270**

Section 4 – Proposed Test Year Rates

4.1 General

The methodology used to calculate the water and sewer rates proposed herein involves applying the projected customers and flows to the user rates in order to develop the estimated revenues (separately for water and sewer), comparing the projected revenues to the estimated Test Year revenue requirements, and adjusting the water and/or sewer rates on a percentage basis as necessary to generate the revenues sufficient to meet the revenue needs of the utility system. In addition, there are other factors that must be considered in designing rates to satisfy the City's objectives. Such other rate considerations include, but are not limited to:

1. **Sensitivity to existing customers -** the proposed rates must consider the impact on existing customers and avoid putting an inequitable financial burden on any particular customer class.
2. **Comparability with neighboring utilities -** the proposed rates should consider the rates and charges applied to customers of neighboring utilities of relatively similar size for similar service.
3. **Existing rate structure -** the proposed rates must consider the logistics and cost/benefit implications of instituting changes to the existing rates and rate structure.
4. **Economic development -** the proposed rates must consider the potential for future development within the City's service area and ensure that the rates do not make it cost-prohibitive for future development.

The proposed rates developed herein utilize these considerations, as well as discussions with the City staff, professional judgment, and prior experience with comparable utility systems. When reviewing potential rate structure options in conjunction with the need for additional revenues, it was determined that revenue adjustments are needed, and the existing rate structure needs to be adjusted based on the cost-of-service analysis.

In conjunction with the existing rate structure, the proposed water and sewer rates for the upcoming fiscal year are composed of two rate components consisting of a monthly base charge and a volumetric rate for both water and sewer. The proposed water and sewer rates for the Test Year are provided again in **Tables 32 and 33**, respectively.

Table 32 – Proposed Monthly Water Rates

Description	Rate	
Monthly Fixed Service Charge by Meter Size:		
Single-Family (5/8", 3/4", 1")	$	26.25
5/8 Inch	$	26.25
3/4 Inch	$	38.93
1.0 Inch	$	64.28
1.5 Inch	$	127.67
2.0 Inch	$	203.74
3.0 Inch	$	381.22
4.0 Inch	$	634.77
6.0 Inch	$	1,268.65
8.0 Inch	$	2,029.30
10.0 Inch	$	2,916.73
Volumetric Rates Per 100 Cubic Feet:		
Single-Family Residential		
0 - 900 Cubic Feet	$	0.8528
Over 900 Cubic Feet	$	1.5688
All Other Classifications		
All Flow	$	1.1780

Table 33 – Proposed Monthly Sewer Rates

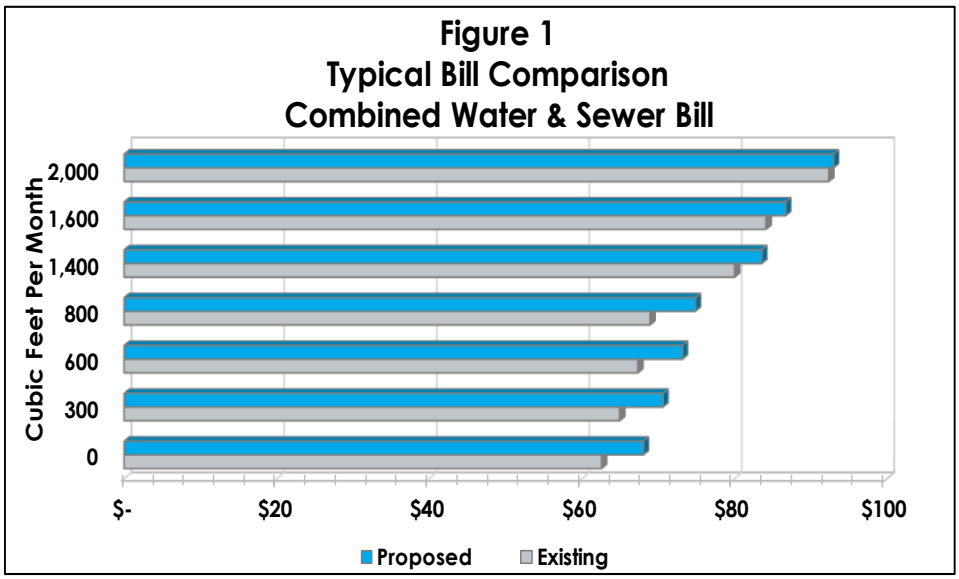
Description	Rate
Monthly Fixed Service Charge:	
Residential [1]	**Per Dwelling Unit**
Single-Family Residential	$ 41.83
Multi-Family	$ 32.38
Non-Residential	**Per Account**
Low Strength	$ 16.43
Medium Strength	$ 21.33
High Strength	$ 47.23
Correction Facility	$ 6,763.67
Volumetric Rates Per 100 Cubic Feet [2]:	
Low Strength	$ 1.15
Medium Strength	$ 2.35
High Strength	$ 7.94
Correction Facility	$ 1.98

Notes:

[1] All residential customers pay a flat fee per dwelling unit, regardless of usage. Residential customers do not pay a volumetric rate based on their respective sewer discharge.

[2] Volumetric rates per 100 cubic feet only apply to non-residential customer classes. Each non-residential customer class pays a different volumetric rate based on the strength of their respective sewer discharge.

4.2 Typical Monthly Bill Comparison



In addition to reviewing the effect that a change in the rates will have on the system revenues, it is also important for City utility management to understand the impact that a change will have on the existing customers. **Tables 34, 35 and 36** provide a comparison of several monthly bills at various flow levels for water and sewer, as well as the combined utility bills under the existing and proposed rates. A graphical illustration of a bill comparison at various units of flow is provided in **Figure 1** for a residential customer with both water and sewer service. It was determined after conducting a historical billing analysis that an average residential customer uses 1,400 cubic feet monthly. Based on the proposed rates, a typical City residential customer will experience an increase of **$3.56** in their combined monthly water and sewer bill.

Table 34 – Residential Water Rate Impact

Description	Monthly Flow	Monthly Charges		$ Amount Difference
		Existing	Proposed	
Residential				
5/8, 3/4, & 1.0 Inch	0	$ 21.88	$ 26.25	$ 4.37
5/8, 3/4, & 1.0 Inch	100	$ 22.68	$ 27.10	$ 4.42
5/8, 3/4, & 1.0 Inch	200	$ 23.47	$ 27.96	$ 4.49
5/8, 3/4, & 1.0 Inch	300	$ 24.27	$ 28.81	$ 4.54
5/8, 3/4, & 1.0 Inch	400	$ 25.06	$ 29.66	$ 4.60
5/8, 3/4, & 1.0 Inch	500	$ 25.86	$ 30.51	$ 4.65
5/8, 3/4, & 1.0 Inch	600	$ 26.65	$ 31.37	$ 4.72
5/8, 3/4, & 1.0 Inch	700	$ 27.45	$ 32.22	$ 4.77
5/8, 3/4, & 1.0 Inch	800	$ 28.24	$ 33.07	$ 4.83
5/8, 3/4, & 1.0 Inch	1,000	$ 31.10	$ 35.49	$ 4.39
5/8, 3/4, & 1.0 Inch	1,200	$ 35.21	$ 38.63	$ 3.42
5/8, 3/4, & 1.0 Inch	1,400	$ 39.33	$ 41.77	$ 2.44
5/8, 3/4, & 1.0 Inch	1,600	$ 43.45	$ 44.91	$ 1.46
5/8, 3/4, & 1.0 Inch	1,800	$ 47.57	$ 48.04	$ 0.47
5/8, 3/4, & 1.0 Inch	2,000	$ 51.68	$ 51.18	$ (0.50)

Table 35 – Residential Sewer Rate Impact

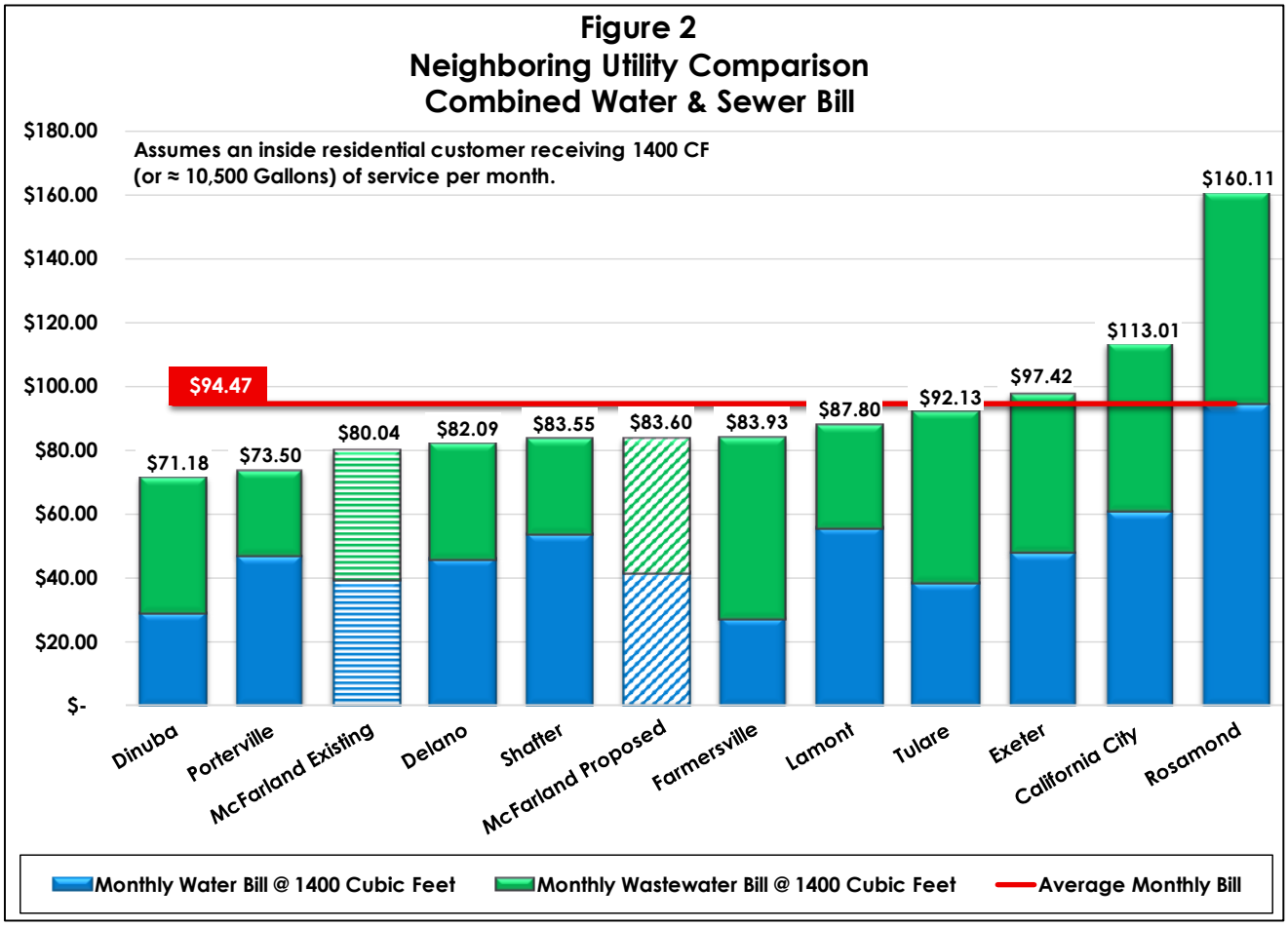
Description	Monthly Flow	Monthly Charges		$ Amount Difference
		Existing	Proposed	
Residential				
5/8, 3/4, & 1.0 Inch	0	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	100	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	200	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	300	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	400	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	500	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	600	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	700	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	800	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	1,000	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	1,200	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	1,400	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	1,600	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	1,800	$ 40.71	$ 41.83	$ 1.12
5/8, 3/4, & 1.0 Inch	2,000	$ 40.71	$ 41.83	$ 1.12

Table 36 – Residential Combined Rate Impact

Description	Monthly Flow	Monthly Charges		$ Amount Difference
		Existing	Proposed	
Residential				
5/8, 3/4, & 1.0 Inch	0	$ 62.59	$ 68.08	$ 5.49
5/8, 3/4, & 1.0 Inch	100	$ 63.39	$ 68.93	$ 5.54
5/8, 3/4, & 1.0 Inch	200	$ 64.18	$ 69.79	$ 5.61
5/8, 3/4, & 1.0 Inch	300	$ 64.98	$ 70.64	$ 5.66
5/8, 3/4, & 1.0 Inch	400	$ 65.77	$ 71.49	$ 5.72
5/8, 3/4, & 1.0 Inch	500	$ 66.57	$ 72.34	$ 5.77
5/8, 3/4, & 1.0 Inch	600	$ 67.36	$ 73.20	$ 5.84
5/8, 3/4, & 1.0 Inch	700	$ 68.16	$ 74.05	$ 5.89
5/8, 3/4, & 1.0 Inch	800	$ 68.95	$ 74.90	$ 5.95
5/8, 3/4, & 1.0 Inch	1,000	$ 71.81	$ 77.32	$ 5.51
5/8, 3/4, & 1.0 Inch	1,200	$ 75.92	$ 80.46	$ 4.54
5/8, 3/4, & 1.0 Inch	1,400	$ 80.04	$ 83.60	$ 3.56
5/8, 3/4, & 1.0 Inch	1,600	$ 84.16	$ 86.74	$ 2.58
5/8, 3/4, & 1.0 Inch	1,800	$ 88.28	$ 89.87	$ 1.59
5/8, 3/4, & 1.0 Inch	2,000	$ 92.39	$ 93.01	$ 0.62

4.3 Rate Comparison with Other Utilities

In order to provide the City with additional insight regarding the proposed rate levels, the analysis includes a comparison of both the existing and proposed user rates relative to the user rates imposed by other water and sewer utility systems located in same region. A summary analysis is provided comparing the cost of monthly water and sewer service for a typical residential customer (assumed to have a 5/8-inch, 3/4-inch, or 1-inch water meter) calculated under the existing and proposed rates of the City with those of the other utilities. The rates utilized for the other neighboring utilities shown were in effect as of July of 2023 and are exclusive of local taxes, outside surcharges, franchise fees, regulatory fees, or other rate adjustments. A summary comparison with other utilities for a residential customer using 1,400 cubic feet per monthly billing is illustrated in **Figure 2**.



It should be noted that when making comparisons for water and sewer service, several factors affect the level of rates and charges. Such factors may include:

1) Terms of wholesale service agreements;
2) Time since last rate update for comparison providers;
3) Level of treatment required before the distribution of water to the ultimate customers;
4) Level of treatment and effluent disposal methods of sewer service;
5) Anticipated capital improvement programs and capital financing methods;
6) Plant capacity utilization, age of facilities, and assistance in construction by federal or state grants, connection fees, developer contributions, etc.;
7) General Fund and/or administrative fee transfers made by other systems which may account for differences in the level of rates charged; and
8) Bond covenants and funding requirements of the rates.

For the utilities included in the rate comparisons, no analysis has been performed with consideration of the above-mentioned factors as they relate to the reported water and sewer rates currently being charged.

Section 5 – Projected Operating Results

5.1 General

As a conclusion to the study, individual proforma operating statements are developed for both the water and sewer systems. The statements summarize the projected financial results based on the system revenues, expenses and other revenue requirements anticipated in future years.

The individual operating statements cover the 5-fiscal year Projection Period through June 30, 2028 and are prepared on a cash-flow basis. In addition, the individual statements provide the applicable annual percentage rate adjustments necessary to meet the projected revenue requirements. The annual rate adjustments are considered separately for both water and sewer and further separated by the base charge and volumetric rate components. The following discussions describe the development of the major components of the projected operating results.

5.2 Projected Revenues

The user rate and charge revenues are estimated by applying the existing and proposed rates to the projected customers and flows. The revenues for the Projection Period are estimated separately for both water and sewer. The resulting revenues are then compared to the projected revenue requirements (i.e., O&M expenses, debt service, capital outlay, transfers, etc.) in each fiscal year to determine if the revenues are sufficient to satisfy the expenditure needs of the system. To the extent that there are revenue shortfalls, the water and/or sewer rates are adjusted on a percentage basis as necessary to generate the required level of revenues. The projected water, sewer and combined revenues are provided in **Table 37**.

Table 37 – Projected User Rate Revenues

System	Existing	Proposed	Projected			
	2024	2024	2025	2026	2027	2028
Water Revenue						
Single-Family Residential	$ 1,313,723	$ 1,371,601	$ 1,480,560	$ 1,709,664	$ 1,854,695	$ 1,899,404
All Other Classifications	610,126	571,560	614,452	706,656	763,499	778,751
Total Water Revenue	**$1,923,849**	**$1,943,161**	**$2,095,012**	**$2,416,320**	**$2,618,194**	**$2,678,155**
Sewer Revenue						
Single-Family Residential	$ 1,323,889	$ 1,360,278	$ 1,373,178	$ 1,393,537	$ 1,420,584	$ 1,455,262
Multi-Family	238,891	238,960	240,180	242,581	246,597	251,513
Low Strength	32,630	21,233	21,348	21,568	21,880	22,296
Medium Strength	53,725	36,728	36,929	37,299	37,818	38,518
High Strength	66,837	50,026	50,321	50,842	51,526	52,444
Correction Facility	300,298	309,046	310,676	313,863	318,552	324,486
Total Sewer Revenue	**$2,016,270**	**$2,016,270**	**$2,032,632**	**$2,059,690**	**$2,096,957**	**$2,144,519**
Total Combined Revenue	**$3,940,119**	**$3,959,431**	**$4,127,644**	**$4,476,010**	**$4,715,151**	**$4,822,674**

The projected revenues include the annual water and sewer rate adjustments anticipated for the remaining years of Projection Period beyond the Test Year. The proposed user rates from which the projected operating results are developed for the entire 5-fiscal year Projection Period are provided in **Tables 38 and 39**. The rates identified in the tables reflect the cost of providing service to individual customer classes based on peaking factors, volume of flow, and strength characteristics.

Table 38 – Proposed Monthly Water Rates

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2024	2025	2026	2027	2028
Monthly Fixed Service Charge by Meter Size:						
Single-Family (5/8", 3/4", 1")	$ 21.88	$ 26.25	$ 30.19	$ 34.72	$ 35.41	$ 36.12
5/8 Inch	$ 26.25	$ 26.25	$ 30.19	$ 34.72	$ 35.41	$ 36.12
3/4 Inch	$ 38.45	$ 38.93	$ 44.77	$ 51.49	$ 52.51	$ 53.57
1.0 Inch	$ 62.84	$ 64.28	$ 73.93	$ 85.03	$ 86.72	$ 88.45
1.5 Inch	$ 123.83	$ 127.67	$ 146.84	$ 168.87	$ 172.22	$ 175.68
2.0 Inch	$ 197.00	$ 203.74	$ 234.32	$ 269.48	$ 274.83	$ 280.34
3.0 Inch	$ 392.15	$ 381.22	$ 438.45	$ 504.24	$ 514.26	$ 524.57
4.0 Inch	$ 611.68	$ 634.77	$ 730.06	$ 839.60	$ 856.29	$ 873.46
6.0 Inch	$ 1,221.50	$ 1,268.65	$ 1,459.08	$ 1,678.02	$ 1,711.37	$ 1,745.68
8.0 Inch	$ 1,953.28	$ 2,029.30	$ 2,333.92	$ 2,684.12	$ 2,737.46	$ 2,792.35
10.0 Inch	$ 5,124.36	$ 2,916.73	$ 3,354.56	$ 3,857.91	$ 3,934.58	$ 4,013.47
Volumetric Rates Per 100 Cubic Feet:						
Single-Family Residential						
0 - 900 Cubic Feet	$ 0.7954	$ 0.8528	$ 0.9807	$ 1.1278	$ 1.1504	$ 1.1734
901 - 2,000 Cubic Feet	$ 2.0587	$ 1.5688	$ 1.8041	$ 2.0748	$ 2.1163	$ 2.1586
Over 900 Cubic Feet	$ 2.6765	$ 1.5688	$ 1.8041	$ 2.0748	$ 2.1163	$ 2.1586
All Other Classifications						
All Flow	$ 1.4563	$ 1.1780	$ 1.3548	$ 1.5580	$ 1.5892	$ 1.6210

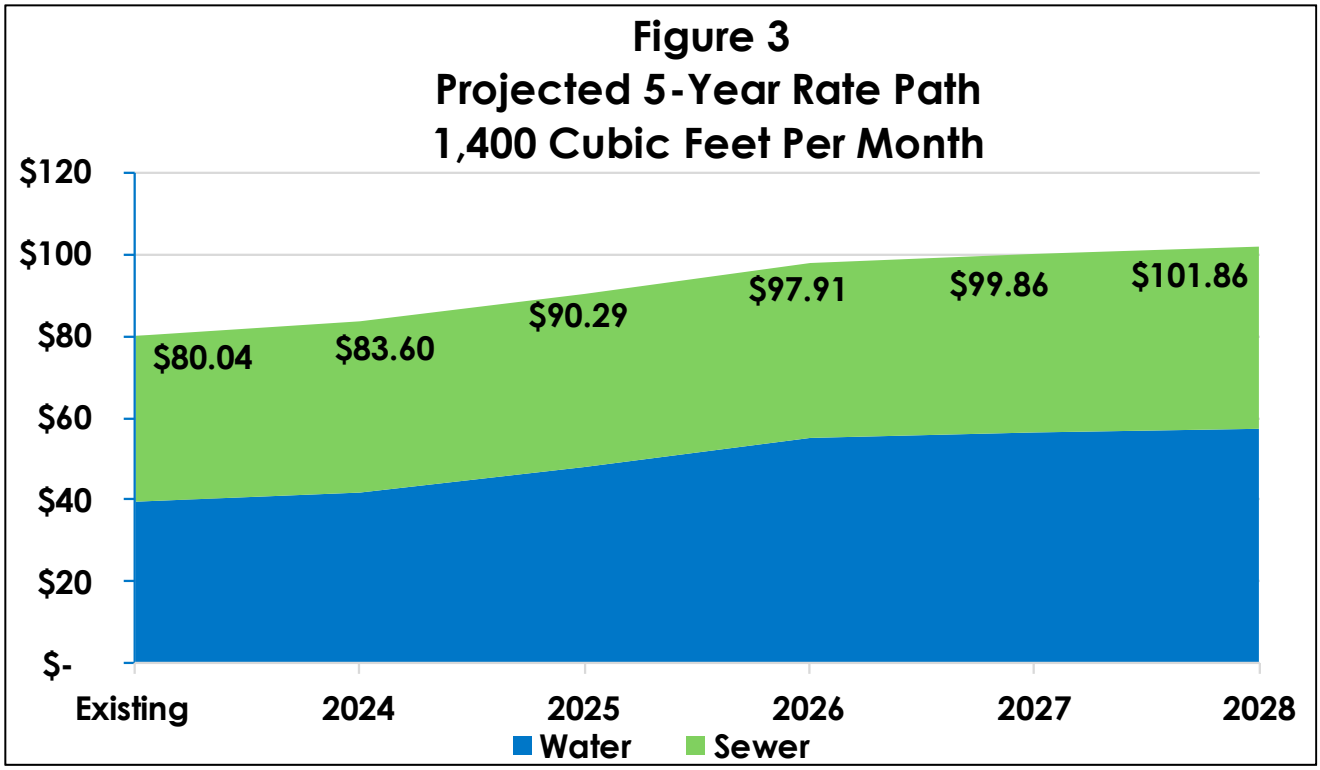
Table 39 – Proposed Monthly Sewer Rates

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2024	2025	2026	2027	2028
Monthly Fixed Service Charge:						
Residential [1]	**Per Dwelling Unit**					
Single-Family Residential	$ 40.71	$ 41.83	$ 42.25	$ 42.67	$ 43.52	$ 44.39
Multi-Family	$ 32.37	$ 32.38	$ 32.71	$ 33.03	$ 33.69	$ 34.36
Non-Residential	**Per Account**					
Low Strength	$ 24.61	$ 16.43	$ 16.60	$ 16.77	$ 17.10	$ 17.44
Medium Strength	$ 40.70	$ 21.33	$ 21.54	$ 21.75	$ 22.19	$ 22.63
High Strength	$ 161.99	$ 47.23	$ 47.71	$ 48.18	$ 49.14	$ 50.13
Correction Facility	$ 6,733.16	$ 6,763.67	$ 6,831.75	$ 6,899.66	$ 7,037.11	$ 7,177.78
Volumetric Rates Per 100 Cubic Feet [2]:						
Low Strength	$ 1.89	$ 1.15	$ 1.16	$ 1.17	$ 1.19	$ 1.21
Medium Strength	$ 2.12	$ 2.35	$ 2.38	$ 2.40	$ 2.44	$ 2.48
High Strength	$ 5.42	$ 7.94	$ 8.04	$ 8.11	$ 8.25	$ 8.39
Correction Facility	$ 1.87	$ 1.98	$ 2.00	$ 2.02	$ 2.06	$ 2.09
Notes:						

[1] All residential customers pay a flat fee per dwelling unit, regardless of usage. Residential customers do not pay a volumetric rate based on their respective sewer discharge.

[2] Volumetric rates per 100 cubic feet only apply to non-residential customer classes. Each non-residential customer class pays a different volumetric rate based on the strength of their respective sewer discharge.

The projected user rates provided herein for the periods beyond the Test Year are intended for strategic planning purposes, and to provide the City with the estimated future rates that may be needed to satisfy the projected cash flow requirements. The rates are developed in accordance with the assumed customer, flow, expenditure, and revenue estimates projected in this rate study. It is important to note that, since it is necessary to utilize numerous assumptions to develop the projected operating results, to the extent that actual customers, flows and/or system expenditures differ from those assumed herein, additional rate adjustments may be required. For informative purposes, a calculation of the typical monthly bill for a representative City residential customer based on the projected rates, as well as the accompanying change in the monthly bill for each year of the Projection Period is included herein. An illustration of the projected typical bill rate path is provided in **Figure 3**.



5.3 Debt Service Coverage

The water and sewer operating statements also include a calculation of the annual debt service coverage. Debt service coverage is generally viewed as an indicator of the financial strength of the utility. The debt service coverage ratio is broadly calculated by dividing the net revenues by the annual debt service requirement. For the purposes of the debt service coverage calculation developed herein, the net revenues consist of the total operating revenues (user rate revenues plus other revenues) less the O&M expenses. In accordance with the requirements of the outstanding loan requirements, the City must maintain coverage of at least 120% (1.20 times) of the debt service requirements. Assuming this would be the required coverage amount for any anticipated new debt, the pro-forma operating statements indicate that the water and sewer systems are expected to exceed the minimum level of debt service coverage in each fiscal year of the Projection Period. It is important to note that the coverage results are provided for informative purposes only and not intended as a legally supportable calculation for representation to bondholders. The debt service coverage for the water and sewer enterprise systems respectively over the projection period is provided in **Table 40**.

Table 40 – Water and Sewer Utility System Projected Debt Service Coverage

Fiscal Year	Water Enterprise		Sewer Enterprise	
	Projected	Minimum	Projected	Minimum
2024	2.38	1.20	1.83	1.20
2025	3.85	1.20	2.43	1.20
2026	5.29	1.20	2.29	1.20
2027	5.16	1.20	2.05	1.20
2028	5.15	1.20	2.05	1.20

5.4 Summary of Projected Operating Results

The cash-flow statements developing the projected operating results are summarized in **Tables 41** and **42** for the water and sewer systems, respectively. The projected results are graphically illustrated in **Figure 4** for the water and sewer systems, respectively. The results demonstrate that the proposed rates and charges along with the other system revenues are anticipated to be sufficient to satisfy the projected revenue requirements and capital needs of the combined utility system.

Table 41 – Water System Projected Operating Results

Description	Projected for Fiscal Year Ending June 30, ($1,000s)					
	Existing 2024	Proposed 2024	2025	2026	2027	2028
Revenues:						
Water Sales	$ 1,924	$ 1,943	$ 2,095	$ 2,416	$ 2,618	$ 2,678
Other Revenues	383	383	394	332	172	172
Total Revenues	**$ 2,307**	**$ 2,326**	**$ 2,489**	**$ 2,749**	**$ 2,790**	**$ 2,850**
O&M Expenses	(1,995)	(1,995)	(1,955)	(2,014)	(2,074)	(2,137)
Net Income For Debt	**$ 311**	**$ 331**	**$ 533**	**$ 735**	**$ 716**	**$ 714**
Debt Service:						
Existing	$ (139)	$ (139)	$ (139)	$ (139)	$ (139)	$ (139)
Future	-	-	-	-	-	-
Total Debt Service	**$ (139)**	**$ (139)**	**$ (139)**	**$ (139)**	**$ (139)**	**$ (139)**
Balance After Debt	**$ 173**	**$ 192**	**$ 395**	**$ 596**	**$ 577**	**$ 575**
Other Expenditures & Transfers:						
Transfers Out - Indirect Overhead Support	(220)	(220)	(220)	(220)	(220)	(220)
Total Other Expenditures & Transfers	**$ (220)**	**$ (220)**	**$ (220)**	**$ (220)**	**$ (220)**	**$ (220)**
Net Results	**$ (47)**	**$ (28)**	**$ 175**	**$ 376**	**$ 358**	**$ 356**
Fund Balance Activity:						
Operating Fund - Water						
Beginning Fund Balance	$ 1,017	$ 1,017	$ 571	$ 313	$ 312	$ 447
Deposit/(Withdrawal) from Operations	(47)	(28)	175	376	358	356
Deposit/(Withdrawal) fr/(to) Impact Fee Fund	(383)	(383)	(394)	(332)	(172)	(172)
Cash Funded Capital Projects	(35)	(35)	(40)	(45)	(50)	(55)
Ending Fund Balance	**$ 552**	**$ 571**	**$ 313**	**$ 312**	**$ 447**	**$ 576**
Impact Fee Fund - Water						
Beginning Fund Balance	$ 5,485	$ 5,485	$ 5,868	$ 1,562	$ 1,744	$ 1,766
TCP O&M	-	-	-	(150)	(150)	(150)
Net Transfers In/(Out)	383	383	394	332	172	172
Cash Funded Capital Projects	-	-	(4,700)	-	-	-
Ending Fund Balance	**5,868**	**5,868**	**1,562**	**1,744**	**1,766**	**1,788**
Total Ending Fund Balance	**$ 6,420**	**$ 6,439**	**$ 1,874**	**$ 2,056**	**$ 2,213**	**$ 2,364**
Debt Coverage	**2.24**	**2.38**	**3.85**	**5.29**	**5.16**	**5.15**

Table 42 – Sewer System Projected Operating Results

Description	Projected for Fiscal Year Ending June 30, ($1,000s)					
	Existing 2024	Proposed 2024	2025	2026	2027	2028
Revenues:						
Wastewater Sales	$ 2,016	$ 2,016	$ 2,033	$ 2,060	$ 2,097	$ 2,145
Other Revenues	240	240	144	121	63	63
Total Revenues	**$ 2,256**	**$ 2,256**	**$ 2,177**	**$ 2,181**	**$ 2,160**	**$ 2,207**
O&M Expenses	(1,740)	(1,740)	(1,492)	(1,537)	(1,583)	(1,630)
Net Income For Debt	**$ 516**	**$ 516**	**$ 684**	**$ 644**	**$ 577**	**$ 577**
Debt Service:						
Existing	$ (282)	$ (282)	$ (282)	$ (282)	$ (282)	$ (282)
Future	-	-	-	-	-	-
Total Debt Service	**$ (282)**	**$ (282)**	**$ (282)**	**$ (282)**	**$ (282)**	**$ (282)**
Balance After Debt	**$ 235**	**$ 235**	**$ 403**	**$ 362**	**$ 295**	**$ 296**
Other Expenditures & Transfers:						
Capital Outlay	$ (7)	$ (7)	$ (7)	$ (7)	$ (7)	$ (7)
Transfers Out - Indirect Overhead Support	(205)	(205)	(205)	(205)	(205)	(205)
Total Other Expenditures & Transfers	**$ (211)**	**$ (211)**	**$ (211)**	**$ (212)**	**$ (212)**	**$ (212)**
Net Results	**$ 24**	**$ 24**	**$ 192**	**$ 151**	**$ 83**	**$ 84**
Fund Balance Activity:						
Operating Fund - Sewer						
Beginning Balance	$ 1,126	$ 1,126	$ 874	$ 882	$ 866	$ 837
Deposit/(Withdrawal) from Operations	24	24	192	151	83	84
Deposit/(Withdrawal) fr/(to) Impact Fee Fund	(240)	(240)	(144)	(121)	(63)	(63)
Cash Funded Capital Projects	(35)	(35)	(40)	(45)	(50)	(55)
Ending Fund Balance	**874**	**874**	**882**	**866**	**837**	**802**
Impact Fee Fund - Sewer						
Beginning Fund Balance	$ 193	$ 193	$ 427	$ 503	$ 509	$ 211
Fees Collected	-	-	-	-	-	-
Net Transfers In/(Out)	240	240	144	121	63	63
Cash Funded Capital Projects	(5)	(5)	(68)	(116)	(360)	-
Ending Fund Balance	**427**	**427**	**503**	**509**	**211**	**274**
Ending Fund Balance	**$ 1,302**	**$ 1,302**	**$ 1,385**	**$ 1,375**	**$ 1,048**	**$ 1,076**
Debt Coverage	**1.83**	**1.83**	**2.43**	**2.29**	**2.05**	**2.05**

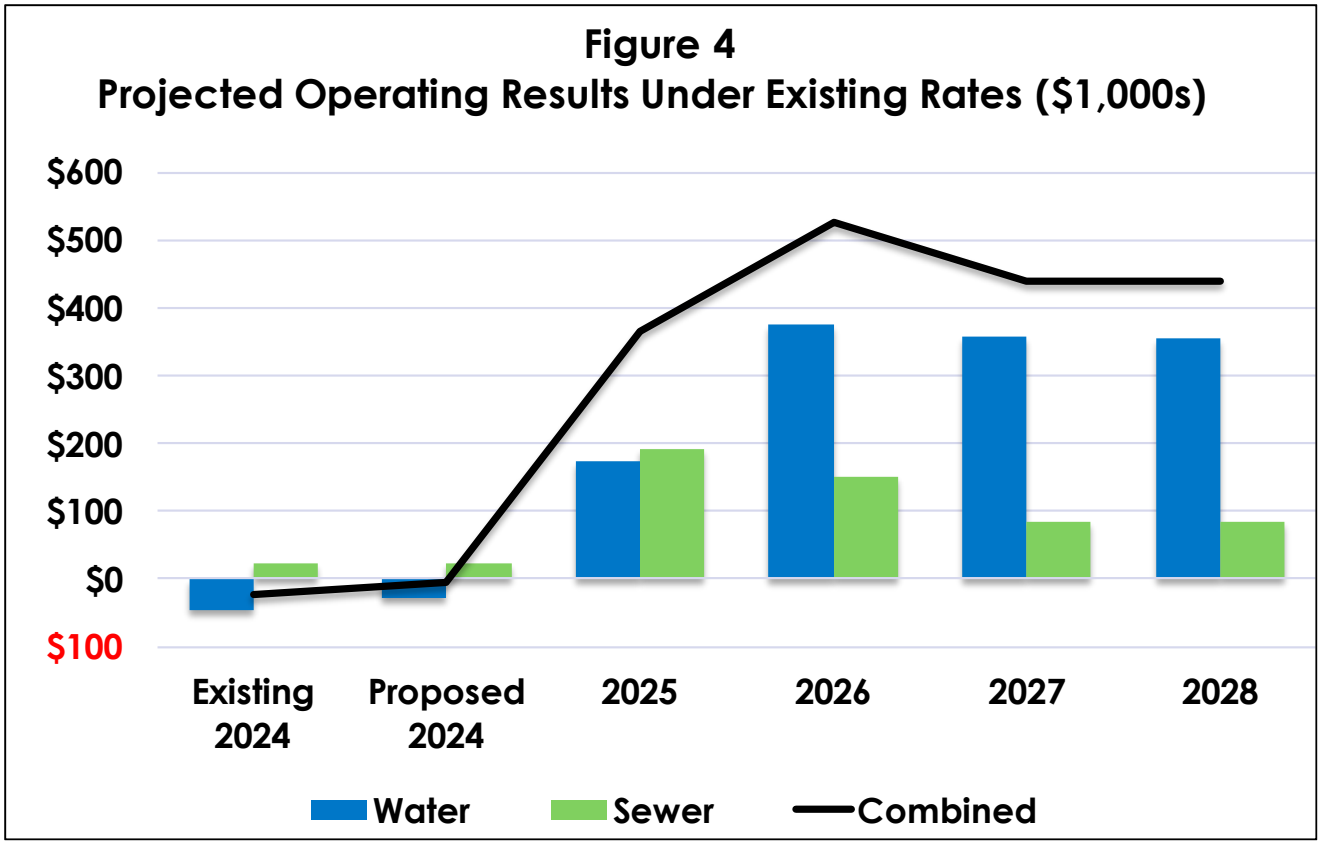


Figure 4
Projected Operating Results Under Existing Rates ($1,000s)
$600
$500
$400
$300
$200
$100
$0
$100
Existing 2024
Proposed 2024
2025
2026
2027
2028
Water
Sewer
Combined

Section 6 – Conclusions and Recommendations

6.1 Disclaimers

6.1.1 General Disclaimer

In the development of the proposed user rates and charges, certain historical reviews and analyses have been performed, together with the application of assumptions based on prudent financial, operational, and ratemaking relationships. The cost criteria and customer usage characteristics associated with general ratemaking procedures are representative of averages and are not intended as indicators of any individual customer.

In the preparation of the rate study, certain assumptions have been made with respect to conditions that may occur in the future. While it is believed that these assumptions are reasonable for the purpose of this update, they are dependent upon future events and actual conditions may differ from those assumed. In addition, the study has used and relied upon certain information that was provided by other parties not associated with Willdan. Such information includes, among other things, the City's audited financial statements, annual operating budgets, periodic reports, and other information and data provided by the City, its independent auditors, and other sources. While the sources are believed to be reliable, there has been no independent verification of the information and no assurances are offered with respect thereto. To the extent that future conditions differ from those assumed herein or provided by others, the actual results may vary from those projected.

6.1.2 Municipal Advisory Disclaimer

Unless the City of McFarland, California (the "City") has a written engagement from Willdan Financial Services ("Willdan") for municipal advisory services, Willdan is not advising or recommending any action be taken by the recipient of this information with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms and other similar matters concerning such financial products or issues). The City shall discuss any such information and material contained in Willdan's work product with any and all internal and/or external advisors and experts, including its own municipal advisor, that it deems appropriate before acting on the information and material.

For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the City with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the City, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the City, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it

provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto.

6.2 Conclusions

As previously addressed, the purpose of this study is to provide a review of the City's existing utility rates to determine if rate adjustments are necessary to meet the budgeted and/or projected financial needs in future years. This Report is the result of the collaborative efforts of representatives from both the City and Willdan. City staff was diligent and cooperative in their efforts to ensure the availability and quality of source data on financial and operating matters. Based on the reviews, analyses and assumptions discussed herein, it is concluded that:

1. The proposed user rates and charges are anticipated to generate sufficient revenues to meet the revenue requirements of the system based upon the projected expenditures, transfers, customers, and billable flows estimated for the Test Year. The proposed rates are based on an assumed implementation date of January 1, 2024 (or other such date as determined by the City). To the extent that the implementation date is postponed, additional rate adjustments and/or appropriations from existing reserves may be necessary.
2. The estimated revenues and resulting rate adjustments for the remaining years of the Projection Period beyond the Test Year are developed based on the customer growth assumptions generated from the historical analyses and discussions with City staff. If the customer growth projections are not realized, additional rate adjustments may be necessary.
3. Customer growth for the water and sewer systems is projected based on historical customer data as provided by the City as well as discussions with the City staff regarding developer activity and anticipated construction. If it turns out that the customer growth assumptions are not realized, the resulting revenues could be different than projected.
4. The projection of billable water and sewer flows is based on historical trends regarding the average flow per user for each customer class. The average water and sewer flow per account is developed from historical customer data and is assumed to remain relatively constant for the Projection Period. The historical billing data provided by the City was utilized to identify the average flow statistics for system customers. For the analyses developed herein, it is assumed that the average usage statistics for the Projection Period will be consistent with recent historical average usage levels as realized in recent years, or as otherwise assumed based on discussions with staff. When applying the estimated average usage statistics, it is assumed that the water and sewer

sales will increase with the estimated growth in customers. However, it is important to note that annual variations in rainfall and other climatological factors may influence the level of future water demands and the accompanying billable sewer flows for the City.

5. Future capital improvement projects are assumed to occur as reported by the City in its CIP. To the extent that the timing of such projects may change from that estimated herein, the cost of such projects and resulting impact on future rates and charges may vary from those indicated.

6. The proposed rates and rate structure are consistent with industry standards for rate-setting practices, comply with Proposition 218 and conform to the City's financial policies with respect to:

   a. Equitably recovering costs;

   b. Being based upon the proportionate cost of providing services; and

   c. Generating sufficient revenue to recover system revenue requirements, meet debt service coverage requirements, fund capital needs, and meet reserve requirements.

6.3 Recommendations

Based on the reviews, analyses and assumptions addressed herein, as well as the resulting conclusions provided above, it is respectfully recommended that the City:

1. Adopt the proposed water and sewer rates.

2. Enact the proposed rates to become effective as of January 1, 2024 (or other such date as determined by the City). Based on the timing of the project and the required public hearing notice procedures, it is expected that the effective date will occur on the recommended date.

3. Readdress the cost-of-service analysis portion of this study every three to five years to ensure costs are recovered consistent with cost-of-service principles and customer characteristics.

We appreciate the opportunity to be of service to the City in this engagement. In addition, we would like to thank City staff for the valuable assistance provided during the completion of the rate study.

Respectfully Yours,

WILLDAN FINANCIAL SERVICES

APPENDIX

DETAIL FOR THE COMPREHENSIVE WATER & SEWER UTILITY RATE STUDY

McFarland
CALIFORNIA

COMPREHENSIVE WATER & SEWER UTILITY RATE STUDY FOR THE CITY OF MCFARLAND, CALIFORNIA

WILLDAN

APPENDIX A

Revenue Requirement from User Rates

APPENDIX - A

CITY OF MCFARLAND, CA

Development of Rate Revenue Requirements

Line No:	Description	[A]	[B]	[C]=[A]*[B]	[D]	[E]=[A]*[D]
		Test Year for Rate Revenue Requirement				
		FY 2024	% to Water	Water	% to Sewer	Sewer
1	**Total Operating Revenues**	**$ 4,582,460**		**$ 2,326,138**		**$ 2,256,322**
	Less:					
	Other Operating Revenues					
2	Sewer User Fees	$ -	0%	$ -	100%	$ -
3	Connection Fees	240,052	0%	-	100%	240,052
4	Water Sales	-	100%	-	0%	-
5	Connection Fees	382,977	100%	382,977	0%	-
6	**Total Other Operating Revenues**	**623,029**		**382,977**		**240,052**
7	**Total Rate Revenue Requirement**	**$ 3,959,431**	**49%**	**$ 1,943,161**	**51%**	**$ 2,016,270**

APPENDIX B

Water Cost-of-Service Analysis

APPENDIX - B

CITY OF MCFARLAND, CA

Allocation of Test Year Costs to Water Function

Test Year Revenue Requirement		
Line No:	**Expense Group**	**FY 2024**
1	Treatment	$671,500
2	Transmission & Distribution	88,200
3	Pumping	0
4	Customer Service	39,300
5	Admin	1,196,418
6	Source of Supply	0
7	Transfers	219,565
8	Existing Debt	138,722
9	New Debt	0
10	CIP	35,000
11	Capital Outlay	0
12	**Total**	**$2,388,705**

APPENDIX - B

CITY OF MCFARLAND, CA

Water Customer and Equivalent Residential Unit Calculation - Test Year FY 2024

Meter Equivalencies

Line No:	Meter Size	Class -->	[A - 1] Single-Family Residential	[B - 1] H.A.C.K (Billed as SFR)	[C - 1] Multi-Family Residential	[D - 1] Commercial	[E - 1] Government
		Billing Basis-->	Units	Units	Units	Units	Units
1	0.625		1.00	1.00	1.00	1.00	1.00
2	0.75		1.00	1.00	1.50	1.50	1.50
3	1.00		1.00	1.00	2.50	2.50	2.50
4	1.50		5.00	5.00	5.00	5.00	5.00
5	2.00		8.00	8.00	8.00	8.00	8.00
6	3.00		15.00	15.00	15.00	15.00	15.00
7	4.00		25.00	25.00	25.00	25.00	25.00
8	6.00		50.00	50.00	50.00	50.00	50.00
9	8.00		80.00	80.00	80.00	80.00	80.00
10	10.00		115.00	115.00	115.00	115.00	115.00

Customer Accounts

Line No:	Meter Size	Class -->	[A - 2] Single-Family Residential	[B - 2] H.A.C.K (Billed as SFR)	[C - 2] Multi-Family Residential	[D - 2] Commercial	[E - 2] Government	Total
		Billing Basis-->	Units	Units	Units	Units	Units	
11	0.625		886	1	95	32	3	1,017
12	0.75		124	-	9	1	-	134
13	1.00		1,619	46	43	31	4	1,743
14	1.50		5	-	2	5	-	12
15	2.00		4	-	8	14	14	40
16	3.00		3	-	2	1	10	16
17	4.00		1	-	6	-	9	16
18	6.00		-	-	-	-	-	-
19	8.00		-	-	-	-	-	-
20	10.00		-	-	-	-	-	-
21	**Total Monthly Customers**		**2,642**	**47**	**165**	**84**	**40**	**2,978**

Total Equivalent Residential Units

Line No:	Meter Size	Class -->	[A - 1] * [A - 2] Single-Family Residential	[B - 1] * [B - 2] H.A.C.K (Billed as SFR)	[C - 1] * [C - 2] Multi-Family Residential	[D - 1] * [D - 2] Commercial	[E - 1] * [E - 2] Government	Total
		Billing Basis-->	Units	Units	Units	Units	Units	
22	0.625		886	1	95	32	3	1,017
23	0.75		124	-	14	2	-	139
24	1.00		1,619	46	108	78	10	1,860
25	1.50		25	-	10	25	-	60
26	2.00		32	-	64	112	112	320
27	3.00		45	-	30	15	150	240
28	4.00		25	-	150	-	225	400
29	6.00		-	-	-	-	-	-
30	8.00		-	-	-	-	-	-
31	10.00		-	-	-	-	-	-
32	**Total Monthly Customers**		**2,756**	**47**	**470**	**263**	**500**	**4,036**

APPENDIX - B

CITY OF MCFARLAND, CA

Water Max Day/Hour Allocation Factors - Test Year FY 2024

Line No:	Description	[A] Flow	[B] Peak Month (CCF)	[C] Average Month (CCF)	[D] Max Day/Avg Day Factor	[E] Max Day Total Capacity (CCF/Day)	[F] Max Day Extra Capacity (CCF/Day)
	Operating Statistics:	**MGD**	**Factor**				
1	Avg Day Flow (MGD)	**1.79**	1.00				
2	Max Day Flow (MGD)	**2.86**	1.60				
3	**Cost Allocation Factors:**	**Base**	**Max Day**				
4	Base/Max Day	62.59%	37.41%				
	Peaking Factors:				**[B] / [C]**		
	Single-Family Residential						
5	Tier 1 - 0 - 900 Cubic Feet		22,566	20,485	1.10		
6	Tier 2 - Over 900 Cubic Feet		32,932	15,762	2.09		
	All Other Classifications						
7	All Flow		22,422	14,463	1.55		
					Maximum Day		
						[D] x [B]	**[E] - [B]**
	Estimated Max Day Flows:	**Total Annual Flow (CCF)**	**Average Daily Flow (CCF)**		**Peaking Factor**	**Total Capacity**	**Extra Capacity**
	Single-Family Residential						
8	Tier 1 - 0 - 900 Cubic Feet	227,290	623		1.10	686	63
9	Tier 2 - Over 900 Cubic Feet	188,714	517		2.09	1,080	563
	All Other Classifications						
10	All Flow	164,088	450		1.55	697	247
11	**Total**	**580,092**	**1,589**			**2,463**	**874**

APPENDIX - B

CITY OF MCFARLAND, CA

Water Units of Service by Cost Component - Test Year FY 2024

Line No:	Description	[A] Monthly ERUs	[B] Monthly Accounts/ Units	[C] Base (CCF)	[D] Max Day (CCF/Day)
1	**Single-Family Residential**	**2,803**	**2,689**	**416,004**	**627**
2	Tier 1 - 0 - 900 Cubic Feet			227,290	63
3	Tier 2 - Over 900 Cubic Feet			188,714	563
4	**All Other Classifications**	**1,233**	**289**	**164,088**	**247**
5	All Flow			164,088	247
6	**Total**	**4,036**	**2,978**	**580,092**	**874**

APPENDIX - B

CITY OF MCFARLAND, CA

Allocation of Water Costs - Test Year FY 2024

Line No:	Description	Water Costs	Base	Extra Capacity Max Day	Meters & Services	Billing & Collection	Total (Check)
	Allocation Factors:						
1	Treatment		62.59%	37.41%	0.00%	0.00%	100.00%
2	Transmission & Distribution		62.59%	37.41%	0.00%	0.00%	100.00%
3	Pumping		62.59%	37.41%	0.00%	0.00%	100.00%
4	Customer Service		0.00%	0.00%	0.00%	100.00%	100.00%
5	Admin		0.00%	0.00%	100.00%	0.00%	100.00%
6	Source of Supply		100.00%	0.00%	0.00%	0.00%	100.00%
7	Transfers		36.50%	0.00%	63.50%	0.00%	100.00%
8	Existing Debt		0.00%	0.00%	100.00%	0.00%	100.00%
9	New Debt		0.00%	0.00%	100.00%	0.00%	100.00%
10	CIP		0.00%	0.00%	100.00%	0.00%	100.00%
11	Capital Outlay		0.00%	0.00%	100.00%	0.00%	100.00%
	Allocation of Costs:						
12	Treatment	$ 671,500	$ 420,274	$ 251,226	$ -	$ -	$ 671,500
13	Transmission & Distribution	88,200	55,202	32,998	-	-	88,200
14	Pumping	-	-	-	-	-	-
15	Customer Service	39,300	-	-	-	39,300	39,300
16	Admin	1,196,418	-	-	1,196,418	-	1,196,418
17	Source of Supply	-	-	-	-	-	-
18	Transfers	219,565	80,141	-	139,424	-	219,565
19	Existing Debt	138,722	-	-	138,722	-	138,722
20	New Debt	-	-	-	-	-	-
21	CIP	35,000	-	-	35,000	-	35,000
22	Capital Outlay	-	-	-	-	-	-
23	Non-Rate Rev & Fund Balance	(445,544)	(103,634)	(53,014)	(281,566)	(7,330)	(445,544)
24	**Total**	**$ 1,943,161**	**$ 451,983**	**$ 231,210**	**$ 1,227,998**	**$ 31,970**	**$ 1,943,161**
	Total Units of Service		**580,092.00**	**873.90**	**4,036.00**	**2,978.00**	
	Units		**CCF**	**CCF/Day**	**ERU/Monthly**	**Bills/Monthly**	
	Cost Per Unit		**$ 0.7792**	**$ 264.5726**	**$ 25.3551**	**$ 0.8946**	
	Units		**CCF**	**CCF/Day**	**ERU/Monthly**	**Bills/Monthly**	

APPENDIX - B

CITY OF MCFARLAND, CA

Water Cost of Service by Cost Component and Customer Class - Test Year FY 2024

Line No:	Description	[A] Monthly ERUs	[B] Monthly Accounts/ Units	[C] Base (CCF)	[D] Max Day (CCF/Day)	[F] Total
1	**Single-Family Residential**	**$ 852,844**	**$ 28,867**	**$ 324,133**	**$ 165,757**	**$ 1,371,601**
2	Tier 1 - 0 - 900 Cubic Feet			$ 177,095	$ 16,738	
3	Tier 2 - Over 900 Cubic Feet			$ 147,038	$ 149,019	
4	**All Other Classifications**	**$ 375,154**	**$ 3,103**	**$ 127,850**	**$ 65,453**	**$ 571,560**
5	All Flow			$ 127,850	$ 65,453	
6	**Total**	**$ 1,227,998**	**$ 31,970**	**$ 451,983**	**$ 231,210**	**$ 1,943,161**

APPENDIX - B

CITY OF MCFARLAND, CA

Water Rate Calculation - Test Year FY 2024

Line No:	Description	[A] Capacity Ratio	[B] Meter Charge	[C] Customer Charge	[D] Proposed Charge	[E] Existing Charge	[F] Difference
	General Service						
1	5/8 Inch	1.00	$ 25.36	$ 0.89	**$ 26.25**	**$ 26.25**	**$ (0.00)**
2	3/4 Inch	1.50	$ 38.03	$ 0.89	**$ 38.93**	**$ 38.45**	**$ 0.48**
3	1.0 Inch	2.50	$ 63.39	$ 0.89	**$ 64.28**	**$ 62.84**	**$ 1.44**
4	1.5 Inch	5.00	$ 126.78	$ 0.89	**$ 127.67**	**$ 123.83**	**$ 3.84**
5	2.0 Inch	8.00	$ 202.84	$ 0.89	**$ 203.74**	**$ 197.00**	**$ 6.74**
6	3.0 Inch	15.00	$ 380.33	$ 0.89	**$ 381.22**	**$ 392.15**	**$ (10.93)**
7	4.0 Inch	25.00	$ 633.88	$ 0.89	**$ 634.77**	**$ 611.68**	**$ 23.09**
8	6.0 Inch	50.00	$ 1,267.75	$ 0.89	**$ 1,268.65**	**$ 1,221.50**	**$ 47.15**
9	8.0 Inch	80.00	$ 2,028.41	$ 0.89	**$ 2,029.30**	**$ 1,953.28**	**$ 76.02**
10	10.0 Inch	115.00	$ 2,915.84	$ 0.89	**$ 2,916.73**	**$ 5,124.36**	**$ (2,207.63)**

Line No:	Customer Class	Base	Peaking	Proposed Rate ($/CCF)	Existing Rate ($/CCF)	Difference	Tier Differential
	Single-Family Residential						
1	Tier 1 - 0 - 900 Cubic Feet	$ 0.7792	$ 0.0736	**$ 0.8528**	**$ 0.7954**	**$ 0.0574**	**1.0000**
2	Tier 2 - Over 900 Cubic Feet	$ 0.7792	$ 0.7897	**$ 1.5688**	**$ 2.0587**	**$ (0.4899)**	**1.8396**
	All Other Classifications						
3	All Flow	$ 0.7792	$ 0.3989	**$ 1.1780**	**$ 1.4563**	**$ (0.2783)**	**1.0000**

Line No:	Customer Class	Annual Use (CCF)	Peaking Costs	Peaking Unit Cost
	Single-Family Residential			
1	Tier 1 - 0 - 900 Cubic Feet	227,290	$ 16,738	$ 0.0736
2	Tier 2 - Over 900 Cubic Feet	188,714	$ 149,019	$ 0.7897
	All Other Classifications			
3	All Flow	164,088	$ 65,453	$ 0.3989
4	**Total**	**580,092**	**$ 231,210**	

APPENDIX C

Sewer Cost-of-Service Analysis

APPENDIX - C

CITY OF MCFARLAND, CA

Allocation of Test Year Costs to Sewer Function

Test Year Revenue Requirement		
Line No:	Expense Group	FY 2024
1	Collection	$42,100
2	Treatment	637,000
3	Administration	1,023,831
4	Pumping	0
5	Customer Service	36,950
6	Transfers	204,636
7	Existing Debt	281,647
8	New Debt	0
9	CIP	35,000
10	Capital Outlay	6,500
11	**Total**	**$ 2,267,664**

APPENDIX - C

CITY OF MCFARLAND, CA

Sewer Customer and Equivalent Residential Unit Calculation - Test Year FY 2024

Customer Units

Line No:	Meter Size	Class -->	Single-Family Residential	Multi-Family	Low Strength	Medium Strength	High Strength	Correction Facility	Total
		Billing Basis-->	Units	Units	Units	Units	Units	Units	
1	All Customers		2,710	615	80	80	21	2	3,508
2	**Total**		**2,710**	**615**	**80**	**80**	**21**	**2**	**3,508**

APPENDIX - C

CITY OF MCFARLAND, CA

Sewer Customer Account & Stength Characteristics by Customer Class - Test Year FY 2024

Line No:	Description	Total Units	CCF Flow (1)	BOD Factor (2)	BOD Pounds	TSS Factor (2)	TSS Pounds
	Residential Classes (3)						
1	Single-Family Residential	2,710	300,896	175	328,490	175	328,490
2	Multi-Family	615	50,483	175	55,113	175	55,113
	Non-Residential Classes						
	Low Strength						
3	Beauty Salon		-	130	0	80	0
4	Car Wash		-	20	0	150	0
5	Doctor		-	130	0	80	0
6	Drug Store		-	150	0	150	0
7	Gas Station		-	150	0	150	0
8	Grocery Store - No Food Prep		-	150	0	150	0
9	Laundromat		-	150	0	110	0
10	Office		-	130	0	80	0
11	Retail		-	150	0	150	0
12	School or College		-	130	0	100	0
13	Soft Water Service		-	3	0	55	0
14	**Sub-Total Low Stength**	**80**	**4,764**	**118**	**3,493**	**114**	**3,391**
	Medium Strength						
15	Bars without Dining Facilities		-	200	0	200	0
16	Car Repair		-	180	0	280	0
17	Church		-	250	0	250	0
18	Hospital and Convalescent		-	250	0	100	0
19	Hotel w/o Dining		-	310	0	120	0
20	Laundry, Commercial		-	450	0	240	0
21	Parks and Recreation		-	250	0	250	0
22	**Sub-Total Medium Strength**	**80**	**6,912**	**270**	**11,642**	**206**	**8,870**
	High Strength						
23	Auto Steam Cleaning		-	1,150	0	1,250	0
24	Bakery, Wholesale		-	1,000	0	600	0
25	Grocery Store - w/Food Prep or Garbage Grinders		-	800	0	800	0
26	Hotel w/Dinning Facilities		-	500	0	600	0
27	Industrial Laundry		-	670	0	680	0
28	Markey with Garbage Grinders		-	800	0	800	0
29	Mortuary		-	800	0	800	0
30	Restaurant		-	1,000	0	600	0
31	**Sub-Total High Stength**	**21**	**4,800**	**840**	**25,153**	**766**	**22,945**
	Correctional Facility						
32	Correctional Facility	2	74,172	200	92,542	200	92,542
33	**Sewer System Total**	**3,508**	**442,027**		**516,433**		**511,350**

Notes:

(1) All non-residential flow was provided from sewer billing data.

(2) Average strength factors for BOD and TSS are based on the State Water Resources Control Board Revenue Program Guidelines, Appendix G.

(3) Using City-provided water customer data, assumed annual residential sewer flows were calculated by taking the average winter consumption for the lowest three months of the most recent full fiscal year, then determining the factor of winter average usage compared to annual average monthly water usage. This factor was then applied to the projected monthly average "Test Year" water flows to determine the "Test Year" annual sewer flows.

APPENDIX - C

CITY OF MCFARLAND, CA

Allocation of Sewer Costs - Test Year FY 2024

Line No:	Description	Sewer Costs	Volume	Capacity	Strength - BOD	Strength - SS	Customer	Total (Check)
	Allocation Factors:							
1	Treatment		15.04%	15.04%	35.14%	34.78%	0.00%	100.00%
2	Collection		50.00%	50.00%	0.00%	0.00%	0.00%	100.00%
3	Administration		25.00%	25.00%	15.00%	15.00%	20.00%	100.00%
4	Pumping		15.04%	15.04%	35.14%	34.78%	0.00%	100.00%
5	Customer Service		0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
6	Transfers		40.00%	40.00%	10.00%	10.00%	0.00%	100.00%
7	CIP		50.00%	50.00%	0.00%	0.00%	0.00%	100.00%
8	Capital Outlay		15.04%	15.04%	35.14%	34.79%	0.00%	100.00%
9	Existing Debt		25.00%	25.00%	21.00%	21.00%	8.00%	100.00%
10	New Debt		15.04%	15.04%	35.14%	34.79%	0.00%	100.00%
	Allocation of Costs:							
11	Treatment	$ 637,000	$ 95,805	$ 95,805	$ 223,817	$ 221,573	$ -	$ 637,000
12	Collection	42,100	21,050	21,050	-	-	-	42,100
13	Administration	1,023,831	255,958	255,958	153,575	153,575	204,765	1,023,831
14	Pumping	-	-	-	-	-	-	-
15	Customer Service	36,950	-	-	-	-	36,950	36,950
16	Transfers	204,636	81,854	81,854	20,464	20,464	-	204,636
17	CIP	35,000	17,500	17,500	-	-	-	35,000
18	Capital Outlay	6,500	977	977	2,284	2,262	-	6,500
19	Existing Debt	281,647	70,412	70,412	59,146	59,146	22,531	281,647
20	New Debt	-	-	-	-	-	-	-
21	Non-Rate Rev & Fund Balance	(251,394)	(60,259)	(60,259)	(50,917)	(50,665)	(29,294)	(251,394)
22	**Total**	**$ 2,016,270**	**$ 483,297**	**$ 483,297**	**$ 408,369**	**$ 406,355**	**$ 234,952**	**$ 2,016,270**
	Total Units of Service		**442,027**	**442,027**	**516,433**	**511,350**	**3,508**	
	Units		**CCF**	**CCF**	**Pounds**	**Pounds**	**Units/Monthly**	
	Cost Per Unit		**$ 1.09**	**$ 1.09**	**$ 0.79**	**$ 0.79**	**$ 5.58**	
	Units		**CCF**	**CCF**	**Pounds**	**Pounds**	**Units/Monthly**	

APPENDIX - C

CITY OF MCFARLAND, CA

Sewer Cost of Service by Cost Component and Customer Class - Test Year FY 2024

Line No:	Description	[A] Volume	[B] Capacity	[C] Strength - BOD	[D] Strength - SS	[E] Customer	[F] Total
1	Single-Family Residential	$ 328,989	$ 328,989	$ 259,753	$ 261,042	$ 181,505	$ 1,360,278
2	Multi-Family	55,196	55,196	43,580	43,796	41,190	238,960
3	Low Strength	5,209	5,209	2,762	2,694	5,358	21,233
4	Medium Strength	7,557	7,557	9,206	7,049	5,358	36,728
5	High Strength	5,248	5,248	19,890	18,233	1,406	50,026
6	Correctional Facility	81,097	81,097	73,177	73,540	134	309,046
7	**Total**	**$ 483,297**	**$ 483,297**	**$ 408,369**	**$ 406,355**	**$ 234,952**	**$ 2,016,270**

APPENDIX - C

CITY OF MCFARLAND, CA

Sewer Rate Calculation - Test Year FY 2024

Line No:	Customer Class	[A] Fixed Rate Costs	[C] Monthly Units	[E] Proposed Monthly Fixed Fee	[F] Existing Monthly Fixed Fee	[G] Monthly Fixed Fee Difference	[B] Volumetric Rate Costs	[D] Billable Annual Volume (CCF)	[H] Proposed Volumetric Rate	[I] Existing Volumetric Rate	[J] Volumetric Rate Difference
	Residential Classes										
1	Single-Family Residential	$ 1,360,278	2,710	**$ 41.83**	**$ 40.71**	**$ 1.12**	N/A	N/A	N/A	N/A	N/A
2	Multi-Family	$ 238,960	615	**$ 32.38**	**$ 32.37**	**$ 0.01**	N/A	N/A	N/A	N/A	N/A
	Non-Residential Classes										
3	Low Strength	$ 15,776	80	**$ 16.43**	**$ 24.61**	**$ (8.18)**	$ 5,457	4,764	**$ 1.15**	**$ 1.89**	**$ (0.74)**
4	Medium Strength	$ 20,473	80	**$ 21.33**	**$ 40.70**	**$ (19.37)**	$ 16,255	6,912	**$ 2.35**	**$ 2.12**	**$ 0.23**
5	High Strength	$ 11,903	21	**$ 47.23**	**$ 161.99**	**$ (114.76)**	$ 38,123	4,800	**$ 7.94**	**$ 5.42**	**$ 2.52**
6	Correctional Facility	$ 162,328	2	**$ 6,763.67**	**$ 6,733.16**	**$ 30.51**	$ 146,718	74,172	**$ 1.98**	**$ 1.87**	**$ 0.11**

APPENDIX - C

CITY OF MCFARLAND, CA

Sewer Revenue vs Cost of Service by Customer Class Check - Test Year FY 2024

Line No:	Customer Class	[A] Monthly Units	[B] Proposed Monthly Fixed Fee	[C]=[A]*[B]*12 Total Fixed Fee Revenue	[D] Billable Annual Volume (CCF)	[E] Proposed Volumetric Rate	[F]=[D]*[E] Total Volumetric Rate Revenues	[G]=[C]+[F] Total Calculated Revenues	[H] Total COS	[I]=[H]-[G] Difference Calc vs COS
1	Single-Family Residential	2,710	$ 41.83	**$ 1,360,278**	N/A	N/A	**$ -**	**$ 1,360,278**	**$ 1,360,278**	**$ -**
2	Multi-Family	615	$ 32.38	**$ 238,960**	N/A	N/A	**$ -**	**$ 238,960**	**$ 238,960**	**$ -**
3	Low Strength	80	$ 16.43	**$ 15,776**	4,764	$ 1.15	**$ 5,457**	**$ 21,233**	**$ 21,233**	**$ -**
4	Medium Strength	80	$ 21.33	**$ 20,473**	6,912	$ 2.35	**$ 16,255**	**$ 36,728**	**$ 36,728**	**$ -**
5	High Strength	21	$ 47.23	**$ 11,903**	4,800	$ 7.94	**$ 38,123**	**$ 50,026**	**$ 50,026**	**$ -**
6	Correctional Facility	2	$ 6,763.67	**$ 162,328**	74,172	$ 1.98	**$ 146,718**	**$ 309,046**	**$ 309,046**	**$ -**
7	**Total**	**3,508**		**$ 1,809,718**	**90,648**		**$ 206,552**	**$ 2,016,270**	**$ 2,016,270**	**$ -**

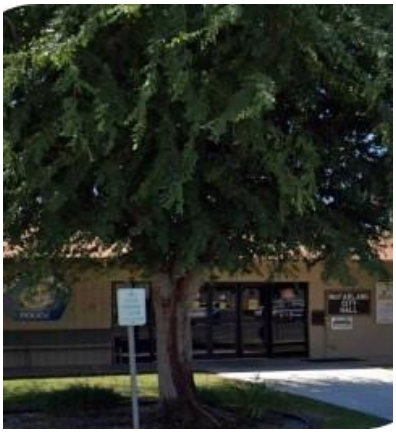
WILLDAN

27368 Via Industria, Suite 200
Temecula, CA 92590
800.755.6864 | Fax: 888.326.6864
www.willdan.com

City of McFarland, CA

Report

Solid Waste Study



WILLDAN

TABLE OF CONTENTS

TABLE OF CONTENTS i
Section 1 – Executive Summary 1
1.1 Study Overview 1
1.2 Financial Plan 1
1.3 Cash Reserve Targets 1
1.4 Findings and Recommendations 2
Section 2 - Introduction 6
2.1 Introduction 6
2.2 Goals and Objectives 6
2.3 Overview of the Rate Study Process 6
2.4 Organization of this Report 6
2.5 Reliance on Data 7
Section 3 – Overview of Financial Planning Principles, Processes, and Issues 8
3.1 Introduction 8
3.2 Discussion of General Financial Planning Principles 8
3.3 The Revenue Sufficiency Process 8
3.3.1 Determination of the Revenue Requirements 9
3.4 Financial Management Goals of the City 10
3.4.1 Enterprise Fund Requirements 10
3.4.2 Cash Reserve Targets 10
Section 4 – Financial Plan Development and Results 11
4.1 Revenue Sufficiency Analysis 11
4.1.1 General Methodology 11
4.1.2 Data Items 11
4.1.3 Historical Operating Results 11
4.1.4 FY 2022-23 Beginning of Year Cash Balance 12
4.1.5 Projected Revenue Requirements 12
4.1.7 General Assumptions 14
Section 5 – Regulatory Issues 25

Section 6 – Conclusions and Recommendations 26

6.1 Principal Assumptions and Considerations 26

6.2 Conclusions 27

6.3 Recommendations 28

Section 1 – Executive Summary

The City of McFarland (City) assures efficient and safe daily refuse collection by an independent contractor consistent with the policies and priorities established by the City Council (Council). Through its contractor, the City provides trash collection, organics collection and recycling services to a population of approximately 15,000. The City's Refuse Fund (Fund) is self-supporting and provides for operations and maintenance (O&M) associated with the provision of sanitation service. User rate revenues for sanitation services provide a stable secure revenue source for the Fund and are the primary revenue source. Revenue from sanitation user rates cannot be used for any other general or special purpose. The main objective of this study was to a develop five-year financial plan that will help ensure the Fund is generating sufficient revenue over the five-year period to cover the costs of providing refuse collection services. The financial plan includes proposed adjusted rates to ensure continued revenue sufficiency and stability. These are discussed in further detail in the body of this report.

1.1 Study Overview

The City contracted with Willdan Financial Services ("Willdan"), to complete a sanitation rate study (Study) comprised of the following objectives:

- **Five-Year Financial Plan**: Identify the revenues required by the Fund to meet the respective annual costs of operation, and the ability of current refuse collection rates to provide adequate revenue as identified in the Financial Plan.
- **Rate Update**: Review and update the City's existing sanitation rates and comment on their adequacy to meet projected revenue requirements and the City's objectives.

1.2 Financial Plan

The five-year financial plan was developed based on identifiable or assumed growth trends applied to budgeted revenues and expenses to project the Fund's revenue requirements. The projections of revenue and expenditures reported herein reflect the best available information and assessments developed and refined through numerous meetings and teleconferences between Willdan and City staff. Upon completion of the financial plan, it was determined that revenues generated through projected growth and existing user rates will not be sufficient to meet anticipated Fund expenditures, and rate revenue increases will be required.

1.3 Cash Reserve Targets

For the purposes of the Study, the cash reserve target for each fiscal year ending June 30, 2024 through 2028 (Fiscal Year) is based on the City's goal of maintaining a minimum reserve of

approximately 30 days of annual operations and maintenance expenses. These reserves provide for critical liquidity that allows the Fund to mitigate the impact of potential fluctuations in revenues and/or expenses.

1.4 Findings and Recommendations

It is recommended that the City implement the proposed rates and charges presented in this Study for Fiscal Year 2024, beginning with the first adjustment on January 1, 2024. Further, it is recommended the City update the cashflow portion of the Study periodically to ensure projected revenues remain sufficient to fund projected revenue requirements, as assumptions made during this analysis may change and have a material impact on the projected results reported herein. The proposed rates for Fiscal Years 2024 through 2028 are shown in **Table 1**.

Table 1 – Proposed Rates: Willdan Recommendations

Description	2024	2025	2026	2027	2028
REFUSE					
Residential (Cans)					
1x per week	$29.79	$30.25	$31.53	$32.87	$34.28
2x per week	$53.48	$54.77	$57.27	$59.90	$62.66
3x per week	$77.17	$79.29	$83.02	$86.94	$91.04
4x per week	$100.87	$103.82	$108.78	$113.98	$119.44
5x per week	$124.55	$128.33	$134.51	$141.00	$147.81
Senior Citizen (Cans)	$28.51	$28.92	$30.14	$31.41	$32.74
Business (Cans)	$29.79	$30.25	$31.53	$32.87	$34.28
Business 1.5 CY (Bins)					
1x per week	$74.17	$76.18	$79.76	$83.51	$87.45
2x per week	$108.20	$111.40	$116.74	$122.34	$128.22
3x per week	$142.21	$146.60	$153.70	$161.15	$168.97
4x per week	$176.25	$181.83	$190.69	$200.00	$209.76
5x per week	na	na	na	na	na
Business 2.0 CY (Bins)					
1x per week	$100.60	$103.54	$108.48	$113.67	$119.12
2x per week	$147.87	$152.46	$159.85	$167.61	$175.75
3x per week	$192.71	$198.87	$208.58	$218.78	$229.48
4x per week	$242.39	$250.29	$262.57	$275.47	$289.00
5x per week	na	na	na	na	na

Description	2024	2025	2026	2027	2028
Business 2.5 CY (Bins)					
1x per week	$110.04	$113.31	$118.74	$124.44	$130.43
2x per week	$162.04	$167.13	$175.25	$183.78	$192.73
3x per week	$214.01	$220.92	$231.73	$243.08	$255.00
4x per week	$266.05	$274.78	$288.28	$302.46	$317.35
5x per week	na	na	na	na	na
Business 3.0 CY (Bins)					
1x per week	$128.93	$132.86	$139.27	$146.00	$153.06
2x per week	$190.36	$196.44	$206.03	$216.10	$226.66
3x per week	$251.81	$260.04	$272.81	$286.22	$300.29
4x per week	$313.24	$323.62	$339.57	$356.31	$373.89
5x per week	na	na	na	na	na
Business 4.0 CY (Bins)					
1x per week	$146.12	$150.65	$157.95	$165.61	$173.66
2x per week	$215.99	$222.97	$233.88	$245.34	$257.37
3x per week	$286.13	$295.56	$310.11	$325.38	$341.41
4x per week	$356.16	$368.04	$386.21	$405.29	$425.31
5x per week	na	na	na	na	na
RECYCLING					
64-GALLON CART	$8.93	$8.70	$8.90	$9.11	$9.33
96-GALLON CART	$12.25	$12.18	$12.56	$12.95	$13.36
MF 64 Multi-family 96-GALLON CART	$8.93	$8.70	$8.90	$9.11	$9.33
M - MISC (FIXED) RECYCLING CHARGE CANS	$12.25	$12.18	$12.56	$12.95	$13.36
Commercial 1.5 CY (Bins)					
1x per week	$39.58	$40.88	$42.69	$44.59	$46.58
2x per week	$56.31	$58.44	$61.13	$63.95	$66.91
3x per week	$73.03	$76.00	$79.57	$83.32	$87.24
4x per week	$89.77	$93.58	$98.02	$102.69	$107.59
5x per week	$106.50	$111.14	$116.46	$122.05	$127.92
6x per week	$123.22	$128.70	$134.91	$141.42	$148.25

Description	2024	2025	2026	2027	2028
Commercial 2.0 CY (Bins)					
1x per week	$52.58	$54.53	$57.02	$59.64	$62.38
2x per week	$75.80	$78.91	$82.63	$86.52	$90.61
3x per week	$89.33	$93.11	$97.54	$102.18	$107.05
4x per week	$110.13	$114.95	$120.47	$126.26	$132.33
5x per week	$130.93	$136.79	$143.40	$150.34	$157.62
6x per week	$151.74	$158.65	$166.35	$174.43	$182.91
Commercial 3.0 CY (Bins)					
1x per week	$66.51	$69.16	$72.38	$75.77	$79.32
2x per week	$96.71	$100.86	$105.68	$110.73	$116.02
3x per week	$126.93	$132.59	$138.99	$145.71	$152.75
4x per week	$157.14	$164.31	$172.30	$180.68	$189.47
5x per week	$187.36	$196.04	$205.61	$215.66	$226.20
6x per week	$217.57	$227.77	$238.93	$250.64	$262.94
Commercial 4.0 CY (Bins)					
1x per week	$74.93	$78.00	$81.67	$85.52	$89.55
2x per week	$109.36	$114.15	$119.62	$125.37	$131.40
3x per week	$143.79	$150.30	$157.58	$165.23	$173.25
4x per week	$178.22	$186.45	$195.54	$205.08	$215.10
5x per week	$212.65	$222.60	$233.50	$244.94	$256.95
6x per week	$247.08	$258.75	$271.46	$284.80	$298.80
Commercial 6.0 CY (Bins)					
1x per week	$115.15	$120.22	$126.00	$132.07	$138.43
2x per week	$153.14	$160.11	$167.89	$176.05	$184.61
3x per week	$191.13	$200.00	$209.77	$220.02	$230.79
4x per week	$229.11	$239.89	$251.65	$264.00	$276.96
5x per week	$267.10	$279.78	$293.53	$307.98	$323.14
6x per week	$305.09	$319.67	$335.42	$351.95	$369.31
Commercial 8.0 CY (Bins)					
1x per week	$164.39	$171.93	$180.30	$189.08	$198.29
2x per week	$213.85	$223.86	$234.82	$246.33	$258.40
3x per week	$262.88	$275.35	$288.88	$303.09	$318.01
4x per week	$312.13	$327.05	$343.17	$360.10	$377.86
5x per week	$361.37	$378.76	$397.47	$417.11	$437.72
6x per week	$410.61	$430.46	$451.75	$474.10	$497.57

Description	2024	2025	2026	2027	2028
ORGANICS					
48 Gal Cart					
1x per week	$59.26	$61.54	$64.38	$67.37	$70.50
2x per week	$112.41	$117.35	$122.98	$128.90	$135.10
3x per week	$165.56	$173.16	$181.58	$190.43	$199.71
4x per week	$218.71	$228.96	$240.18	$251.95	$264.31
5x per week	$271.86	$284.77	$298.78	$313.48	$328.92
64 Gal Cart					
1x per week	$62.17	$64.60	$67.60	$70.75	$74.05
2x per week	$118.24	$123.48	$129.42	$135.66	$142.20
3x per week	$174.31	$182.35	$191.24	$200.56	$210.35
4x per week	$230.38	$241.22	$253.05	$265.47	$278.51
5x per week	$286.45	$300.10	$314.87	$330.38	$346.66
1.0 Cubic Yard					
1x per week	$172.74	$180.70	$189.50	$198.74	$208.44
2x per week	$339.37	$355.66	$373.21	$391.64	$410.98
3x per week	$506.01	$530.63	$556.93	$584.54	$613.53
4x per week	$672.64	$705.60	$740.64	$777.44	$816.08
5x per week	$839.28	$880.56	$924.36	$970.34	$1,018.62

Section 2 - Introduction

2.1 Introduction

Willdan Financial Services (Willdan) was retained by the City of McFarland, California (City) to conduct a Sanitation Rate Study (Study) for the City's Refuse Fund (Fund). The Study and the supporting analyses and workpapers detail the results for the forecast period fiscal years ending June 30, 2024 through 2028 (Fiscal Year).

The results of the Study presented herein include a financial plan and recommended rate adjustments designed to provide revenues sufficient to fund the projected revenue requirements including operating and maintenance expenses and reserve requirements.

2.2 Goals and Objectives

The primary goal of the Study was to develop a financial plan that evaluated the adequacy of the current revenue streams to meet ongoing costs and to maintain targeted cash reserves. Specifically, the Study was undertaken to:

- Conduct the analyses in accordance with generally accepted rate-setting practices and industry standards;
- Develop a financial plan consistent with industry standards and best practices while recognizing the needs specific to the City; and
- Recommend rates that adhere to and meet Proposition 218 requirements which requires a matching between the fees being assessed to customers and the cost to provide the service to each customer class and type. The rates that are paid by customers cannot exceed the proportional cost of providing service to those customers, and revenue generated by these rates cannot be used for any other purpose.

2.3 Overview of the Rate Study Process

The Study process consists of two primary study components. First, a Revenue Sufficiency Analysis is conducted. The Revenue Sufficiency Analysis assesses the existing revenue stream's ability to meet the projected revenue requirements of the Fund during the forecast period. The Revenue Sufficiency Analysis is also utilized to identify the magnitude and timing of any recommended rate adjustments.

2.4 Organization of this Report

The Study presents an overview of the financial planning concepts employed in the development of the analyses contained herein. The overview is followed by a discussion of the data, assumptions and results associated with each component of the analysis. Finally, appendices with detailed schedules

are presented for further investigation and insight into the data, assumptions, and calculations which drive the results presented in the Study. The report is organized as follows:

- Section 1 – Executive Summary
- Section 2 – Introduction
- Section 3 – Overview of Financial Planning Principles, Processes, and Issues
- Section 4 – Financial Plan Development and Results
- Section 5 – Conclusions and Recommendations
- Appendix A – Sanitation Service Financial Plan

2.5 Reliance on Data

During this project, the City provided Willdan with a variety of technical information, including existing contracts, actual and budgeted financial data, and historical customer data. This data was used by Willdan to develop the financial plan and recommended rate adjustments. Willdan did not independently assess or test the accuracy of such data but worked with City staff to better understand the data and its sources and believes it to be the best available information at the time of the Study.

Section 3 – Overview of Financial Planning Principles, Processes, and Issues

3.1 Introduction

The scope of the Study included development of a financial plan for the planning period FY 2024 through FY 2028 (Projection Period). The Study utilized generally accepted rate-setting principles and standards. The principles used resulted in rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the Fund, and 2) address the need to recover costs from users in a manner which is proportionate to the cost of providing service on a fair and equitable basis relative to the service provided, and which does not exceed the cost of providing the service.

3.2 Discussion of General Financial Planning Principles

While the individual rates vary based on a variety of factors, rates should be consistent with general rate-making principles set forth in sanitation service rate-making practice and literature. The principle by which rate practitioners are guided is that rates should strike a reasonable balance between several key factors. In general, rates designed should:

- Generate a stable rate revenue stream which, when combined with other sources of revenue such as late fees, penalties, interest income etc., is sufficient to meet the financial requirements and goals of the Fund;
- Be based upon the proportionate cost of providing the service and not exceed the cost of providing the service, which meets the requirements of Proposition 218;
- Be fair and equitable – that is, they should generate revenue from customer classes which is reasonably in proportion to the cost to provide service to that customer class;
- Be easy to understand by customers; and
- Be easy to administer by the City.

Striking the appropriate balance between rate-making principles is the result of an evaluation of revenue requirements and how those translate into the rate alternatives which meet legal requirements and the specific objectives of the City.

3.3 The Revenue Sufficiency Process

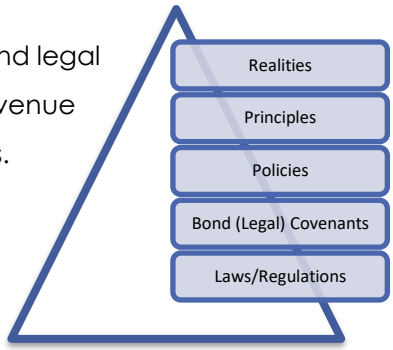
The first step in the process is the development of a Revenue Sufficiency Analysis. The Revenue Sufficiency Analysis compares the forecasted revenues of the Fund under its existing rates to its forecasted operations and maintenance expenses, non-operating expenses, and reserve requirements to determine the adequacy of the existing rates to recover the Fund's costs.

The Revenue Sufficiency Analysis involves a rigorous review of budgeted operating and maintenance expenses for the Fund and identifies projected revenue requirements of the Fund. These revenue requirements are then compared to the total sources of funds available during each FY of the Projection Period to determine the adequacy of projected revenues to meet projected revenue requirements. To the extent revenues under existing rates are projected to be insufficient to meet the annual revenue requirements of the Fund during the Projection Period, a series of recommended rate adjustments are calculated which, if implemented, would provide revenue sufficient to meet those requirements.

3.3.1 Determination of the Revenue Requirements

Considerations in Setting Revenue Requirements

There are a multitude of considerations, including financial, political, and legal issues that must be analyzed or discussed to establish projected revenue requirements. This section provides an overview of such considerations.



Capital Budgeting and Financing

Given the nature of the Fund and the sanitation operations (i.e., reliance on contractors for collection and disposal services), no capital needs were identified during the projection period. Should such expenses be incurred they would be funded by revenues from Fund rates and available reserves.

The City, as is typical for public sanitation services, operates its Fund on a "cash basis". Under the "cash basis" approach, revenues and expenses are recognized at the time physical cash is received or paid out. Revenue requirements are determined for a specified period (in the case of the City an annual fiscal year), by summing the total anticipated expenses to be paid out during the FY. Where cash flows and balances are insufficient, the revenue requirements analysis recommends additional cash flows, generated by adjustments to existing rates, to meet funding goals.

Financial Planning

In developing the Fund revenue requirements, certain parameters are utilized to project future expenditures, growth in customers, and necessary revenue adjustments. The City's budget documents are used as the baseline, which are then projected over a planning horizon to account for fluctuations in expenses from year to year. Growth assumptions and prudent financial planning are fundamental in ensuring adequate rate revenue to promote financial stability. The financial model developed for this Study considers the operating cash balances (cash on hand).

3.4 Financial Management Goals of the City

Establishing specific financial management goals of the Fund is a key step in developing financial plans which will ensure the financial health of the Fund remains strong. The financial management goals of the City are described below.

3.4.1 Enterprise Fund Requirements

The City operates the Fund as an enterprise fund or a business-type activity that is required to recover its full costs through revenues generated by the Fund's fees and charges. This means the Fund cannot rely on other sources of funds (i.e., transfers in from other City funds) to meet its financial needs. To meet this requirement, the City periodically reviews sanitation fees and charges and adjusts as necessary.

3.4.2 Cash Reserve Targets

For the purposes of the Study, the City's reserve goal has been established at 30 days of operations and maintenance expenses, based on the annual budget for the Fund. The purpose of this reserve is to maintain a financially stable and sustainable sanitation service and to manage the timing differences between revenue receipt and expense payments.

This reserve target is not a legal obligation and, therefore, it is not required that the City meet the reserve target each year. However, prudent financial planning suggests that the City should strive to maintain the reserve target and should not dip below the minimum balances on a continuous basis. The projected cash balances under proposed rates are presented in **Table 10** of **Section 4.1.7.5**.

Section 4 – Financial Plan Development and Results

4.1 Revenue Sufficiency Analysis

4.1.1 General Methodology

To develop rates and charges which will generate sufficient revenue to meet the fiscal requirements of the Fund, a Revenue Sufficiency Analysis (RSA) was completed. An RSA determines the level of revenue, from rates and other sources, that will provide sufficient funds to meet those fiscal requirements.

The RSA identified the revenue requirements of the Fund to cover forecasted operating expenses and maintain cash reserves at appropriate levels. These revenue requirements were then compared to the total sources of funds during each FY of the Projection Period to determine the adequacy of projected revenues to meet requirements. To the extent that the existing revenue stream is not sufficient to meet the annual revenue requirements of the Fund, a series of rate revenue increases are calculated, which if implemented, would provide revenue sufficient to meet those needs.

4.1.2 Data Items

Key data items reviewed, discussed, and incorporated into the RSA were:

- Financial management goals of the City
- FY 2024 beginning of year fund balances;
- FY 2024 Adopted budget;
- Adjustments for the contract with R&F Disposal, Inc.;
- General assumptions related to:
  - Customer growth;
  - Cost escalation factors;

A discussion regarding the above data items is presented below.

4.1.3 Historical Operating Results

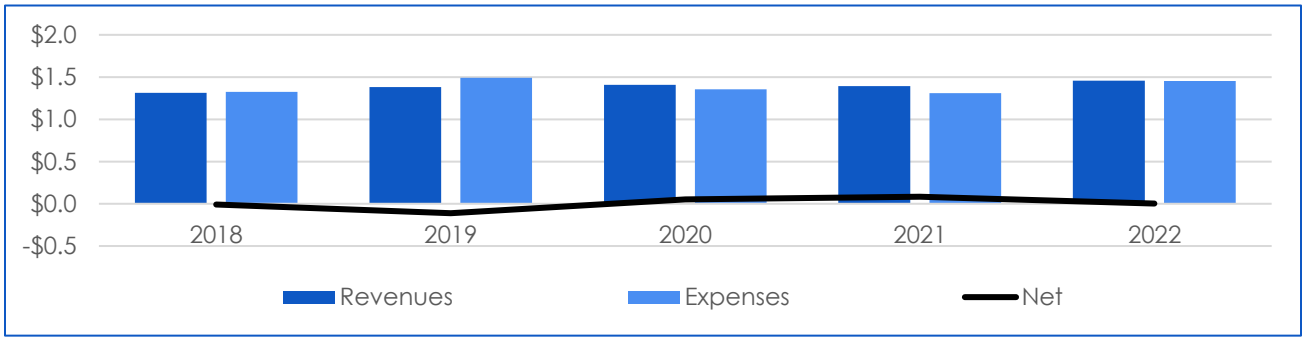
The historical revenues and expenses of the City for FYs ended June 30, 2018 through 2022 are summarized in **Table 2**. FY 2018 through FY 2021 are as found in the Annual Comprehensive Financial Reports (ACFRs), while FY 2022 figures are unaudited amounts. The City's historical operating results indicate that Fund revenues fully offset operational costs, depreciation between FY 2018 and FY 2022.

A summary of the Fund's historical operating results is provided below in **Table 2**, as well as in **Figure 1**. A more detailed presentation of the historical operating results is presented in **Schedule A-1** of the Appendix.

Table 2 – Historical Operating Results ($1,000s)

Description	Fiscal Year ending June 30,				
	2018	2019	2020	2021	2022
Operating Revenues	$1,298	$1,363	$1,365	$1,389	$1,408
Operating Expenses (including depreciation)	$1,301	$1,451	$1,329	$1,291	$1,441
Operating Income	**$(4)**	**$(88)**	**$36**	**$98**	**$(33)**
Nonoperating Rev. (Exp.)	$16	$17	$43	$5	$48
Income (Loss) Before Transfers	**$12**	**$(71)**	**$79**	**$103**	**$15**
Transfer Out	$(22)	$(41)	$(25)	$(20)	$(11)
Net Income (Loss)	**$(10)**	**$(112)**	**$53**	**$83**	**$3**

Figure 1 – Historical Operating Results



4.1.4 FY 2022-23 Beginning of Year Cash Balance

The City provided the estimated fiscal year-end 2023 cash balance which served as the beginning cash balance for the Projection Period. As show below in **Table 3**, this amount was estimated to be $0.00.

Table 3 – Beginning Fund Balance

Description	2024
Beginning Cash Balance [1]	$0

Notes:
[1] Amount is an indication of the Fund's liquidity and was provide by the City.

4.1.5 Projected Revenue Requirements

Staff provided Willdan with the Fund's FY 2024 adopted budget (2024 Budget) which was used as the basis to project future costs for the remainder of the Projection Period. Cost escalation factors developed from historical information and reviewed with staff were used to project increases in costs beyond the FY 2024 budget. Such factors were based on historical information as well as known and measurable changes anticipated by staff.

As discussed herein, Fund revenue requirements consist of the operating, maintenance, and other monetary expenditures necessary to provide, maintain and perpetuate quality service to the City's sanitation customers. The 2024 Budget, as prepared by the City, allocates the anticipated requirements between identifiable sanitation departments and functions. The budgeted revenue requirements have been further divided into Operating and Maintenance (O&M) expenses and Non-Operating expenses. The O&M expenses are primarily those ongoing costs for labor, materials, supplies, services, etc., that are required to manage and operate the Fund on a day-to-day basis while maintaining a dependable level of service. No Non-Operating expenses were budgeted, and none were anticipated for the Projection Period.

The future revenue requirements for the Projection Period are developed by escalating the costs identified in the 2024 Budget in accordance with assumed future activities and events that may impact the provision of sanitation services. Such adjustments may include increasing applicable O&M expenses by inflationary and/or customer growth factors depending upon the nature of the expense.

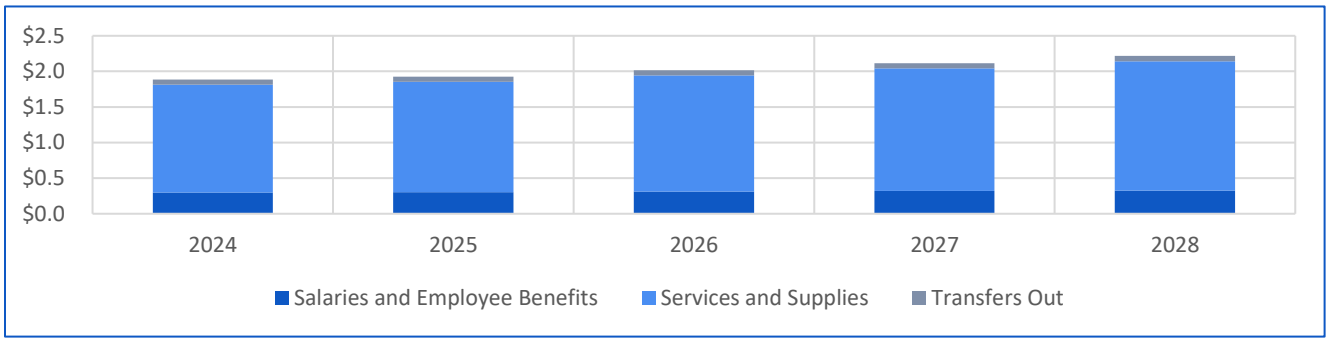
Contractual Services include costs associated with The City's contract with R&F Disposal, Inc. These costs are escalated through the Projection Period based on the provisions of the contract and customer growth. Materials and supplies expenses are assumed to increase from 2024 Budget levels based on inflationary factors. Other Operating Costs are comprised of City Administration Fees and other miscellaneous expenses and are assumed to increase from the 2024 Budget amounts based on historical trends or inflationary factors.

A summary of the FY 2024 budget and subsequent projected expenses are presented below in **Table 4** and **Figure 2**. A more detailed presentation of the line-item budgeted and projected revenues and expenses is presented in **Schedule A-2** of the Appendix.

Table 4 – Budgeted and Projected Expenses ($1,000)

Sanitation Service	Fiscal Years Ending June 30,				
	2024	2025	2026	2027	2028
Salaries and Employee Benefits	$296	$303	$311	$319	$327
Services and Supplies	$1,515	$1,548	$1,633	$1,722	$1,817
Transfers Out	$74	$74	$74	$74	$74
Total	**$3,909**	**$3,950**	**$4,044**	**$4,142**	**$4,245**

Figure 2 – Budgeted and Projected Expenses



4.1.7 General Assumptions

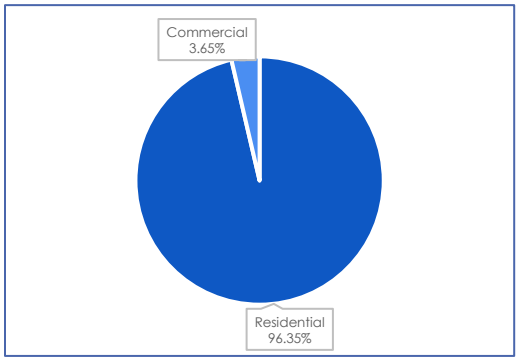
To develop the financial and rate projections, certain assumptions were made regarding elements of the revenue sufficiency analysis. A summary of those assumptions is presented below.

4.1.7.1. HISTORICAL AND PROJECTED CUSTOMER STATISTICS

Willdan analyzed historical customer billing data provided by the City for the period FY 2018 through FY 2023. This information included customer accounts or units for customers in each rate code. Willdan analyzed billing data to obtain an understanding of the historical growth trends for each rate class.

The City's sanitation customer base is largely comprised of residential customers. As shown below in **Figure 3**, residential customers represent approximately 96.4% of the sanitation customer accounts and commercial customers represent approximately 3.7%.

Figure 3 – Number of Customers by Class



The historic and projected number of accounts for sanitation services are summarized in **Table 5**, as well as in **Figure 4**. Based on discussions with the City, this analysis assumes growth in new accounts consistent with historical trends.

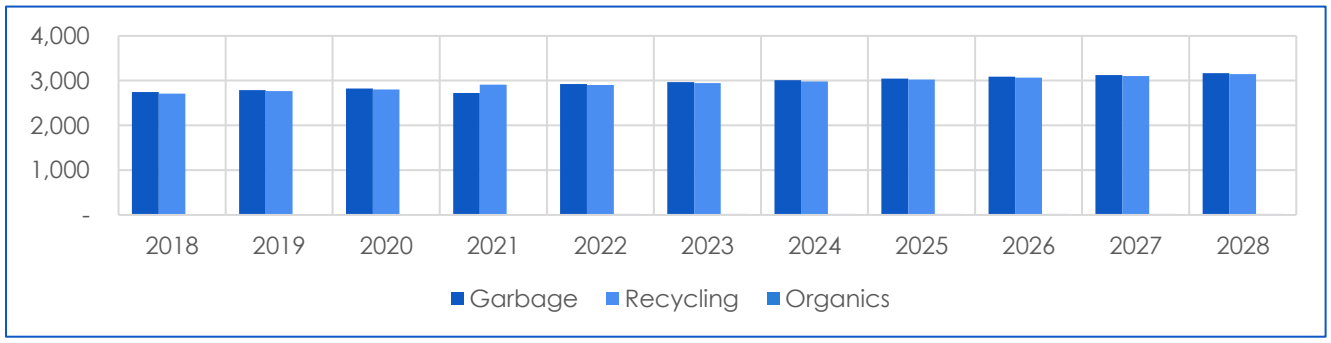
Table 5 – Historical and Projected Number of Accounts

Description	Actual						Projected				
	2018	2019	2020	2021	2022	2023 [1]	2024	2025	2026	2027	2028
Garbage	2,747	2,787	2,824	2,724	2,928	2,968	3,008	3,048	3,088	3,128	3,168
New Accounts		*40*	*37*	*(100)*	*204*	*40*	*40*	*40*	*40*	*40*	*40*
Recycling	2,709	2,766	2,803	2,907	2,905	2,945	2,985	3,025	3,065	3,105	3,145
New Accounts		*57*	*37*	*104*	*(2)*	*40*	*40*	*40*	*40*	*40*	*40*
Organics	-	-	-	-	23	19	19	19	19	19	19
New Accounts		-	-	-	*23*	*(4)*	-	-	-	-	-

Note:

[1] FY 2023 was estimated based on historical data and discussions with the City.

Figure 4 – Historical and Projected Number of Accounts



Historical customer account information for the period FY 2018 through 2023 indicates that the Fund has added an average of approximately 44 new customers annually. This was discussed with staff and for the Projection Period assumed growth in the number of accounts includes 40 new accounts in each year for garbage and recycling services and no growth in organics services. A more detailed presentation of the customer data is presented in **Schedule A-3** of the appendix.

4.1.7.2. Existing Rate Structure

The City's sanitation rate structure has different rates depending upon the customer class, size of container, and frequency of collection. Single-family and multi-family residences with container service are billed per dwelling unit based on the size of the container, while commercial customers and multi-family customers with bin service are billed based on the size of the container and frequency of collection. Also, the City currently offers a senior citizen discount of approximately 5.4% to qualifying accounts. FY 2022 billing data indicates approximately 14 sanitation customers are billed under these discounted rates. Current and projected rates for sanitation are provided in **Schedule A-4** of the Appendix.

4.1.7.2. O&M Escalation Factors

As discussed herein, projected costs of operation and maintenance of the Fund were based on the City's proposed budget for FY 2024. Escalation rates for future costs of operation and maintenance were estimated based on a review of historical trends and the City's projections of future increases for certain expenses. Certain other adjustments are made based on discussions with City staff.

4.1.7.3. Projected R&F Disposal Costs and Administrative Fees

The City has entered in to multi-year franchise agreement with R&F Disposal, LLC (R&F) to provide collection and disposal services. The current and projected contract rates charged to the City are presented below in **Table 6**. These rates were escalated based on the provisions of the contract and applied to projected customers to develop the projected costs associated with the R&F contract. For FY 2024, the costs associated with the R&F contract are estimated to be approximately $1.4 million. This is an increase over FY 2023 of approximately 9.6%. Additionally, this expense represents approximately 76.0% of total Fund operating expenses.

These amounts are also shown below in **Table 6** and **Figure 5**. The development of current and projected rates and costs for services are provided in **Schedule A-5** of the appendix.

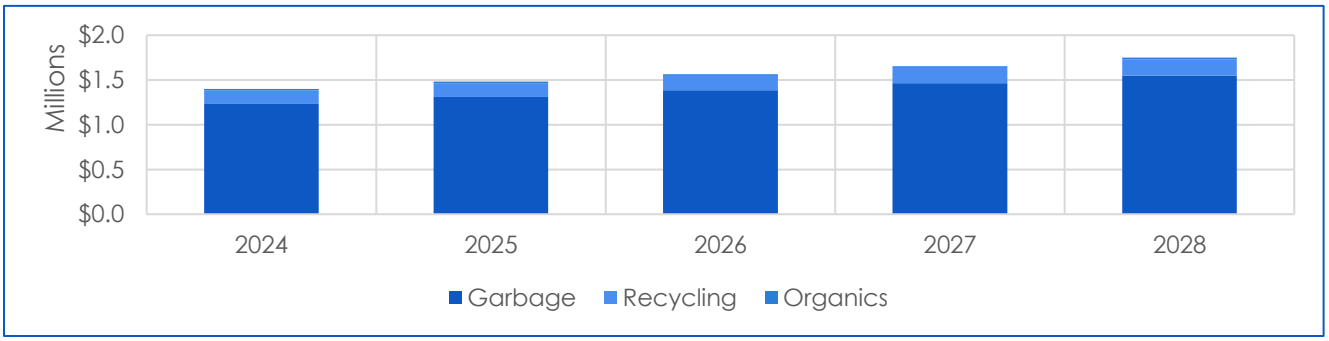
Table 6 – Current and Projected R&F Rates and Estimated Costs

Description	2024	2025	2026	2027	2028
RATES					
Garbage					
Residential (Cans)					
1x per week	$23.69	$24.52	$25.75	$27.03	$28.38
2x per week	$47.38	$49.04	$51.49	$54.06	$56.77
3x per week	$71.07	$73.56	$77.24	$81.10	$85.15
4x per week	$94.77	$98.09	$102.99	$108.14	$113.55
5x per week	$118.45	$122.60	$128.73	$135.16	$141.92
Senior Citizen (Cans)	$22.41	$23.19	$24.35	$25.57	$26.85
Business (Cans)	$23.69	$24.52	$25.75	$27.03	$28.38
Business 1.5 CY (Bins)					
1x per week	$68.07	$70.45	$73.98	$77.67	$81.56
2x per week	$102.10	$105.67	$110.96	$116.51	$122.33
3x per week	$136.11	$140.87	$147.92	$155.31	$163.08
4x per week	$170.15	$176.11	$184.91	$194.16	$203.86
5x per week	$-	$-	$-	$-	$-
Business 2.0 CY (Bins)					
1x per week	$94.50	$97.81	$102.70	$107.83	$113.22
2x per week	$141.77	$146.73	$154.07	$161.77	$169.86
3x per week	$186.61	$193.14	$202.80	$212.94	$223.59
4x per week	$236.29	$244.56	$256.79	$269.63	$283.11
5x per week	$-	$-	$-	$-	$-

Description	2024	2025	2026	2027	2028
Business 2.5 CY (Bins)					
1x per week	$103.94	$107.58	$112.96	$118.60	$124.53
2x per week	$155.94	$161.40	$169.47	$177.94	$186.84
3x per week	$207.91	$215.19	$225.95	$237.24	$249.11
4x per week	$259.95	$269.05	$282.50	$296.63	$311.46
5x per week	$-	$-	$-	$-	$-
Business 3.0 CY (Bins)					
1x per week	$122.83	$127.13	$133.49	$140.16	$147.17
2x per week	$184.26	$190.71	$200.24	$210.26	$220.77
3x per week	$245.71	$254.31	$267.03	$280.38	$294.40
4x per week	$307.14	$317.89	$333.78	$350.47	$368.00
5x per week	$-	$-	$-	$-	$-
Business 4.0 CY (Bins)					
1x per week	$140.02	$144.92	$152.17	$159.78	$167.76
2x per week	$209.89	$217.24	$228.10	$239.50	$251.48
3x per week	$280.03	$289.83	$304.32	$319.54	$335.52
4x per week	$350.06	$362.31	$380.43	$399.45	$419.42
5x per week	$-	$-	$-	$-	$-
Recycling					
Residential & City Approved Commercial Small Business (Cans)					
64-GALLON CART	$2.82	$2.97	$3.11	$3.27	$3.43
96-GALLON CART	$6.14	$6.45	$6.77	$7.11	$7.47
MF 64 Multi-family 96-GALLON CART	$2.82	$2.97	$3.11	$3.27	$3.43
M - MISC (FIXED) RECYCLING CHARGE CANS	$6.14	$6.45	$6.77	$7.11	$7.47
Commercial 1.5 CY (Bins)					
1x per week	$33.47	$35.15	$36.91	$38.75	$40.69
2x per week	$50.20	$52.71	$55.35	$58.11	$61.02
3x per week	$66.93	$70.27	$73.79	$77.48	$81.35
4x per week	$83.66	$87.85	$92.24	$96.85	$101.69
5x per week	$100.39	$105.41	$110.68	$116.21	$122.03
6x per week	$117.12	$122.97	$129.12	$135.58	$142.36
Commercial 2.0 CY (Bins)					
1x per week	$46.47	$48.80	$51.24	$53.80	$56.49
2x per week	$69.70	$73.18	$76.84	$80.69	$84.72
3x per week	$83.22	$87.38	$91.75	$96.34	$101.16
4x per week	$104.02	$109.22	$114.69	$120.42	$126.44
5x per week	$124.82	$131.07	$137.62	$144.50	$151.72
6x per week	$145.64	$152.92	$160.56	$168.59	$177.02
Commercial 3.0 CY (Bins)					
1x per week	$60.41	$63.43	$66.60	$69.93	$73.42
2x per week	$90.60	$95.13	$99.89	$104.89	$110.13
3x per week	$120.82	$126.86	$133.21	$139.87	$146.86
4x per week	$151.03	$158.58	$166.51	$174.84	$183.58
5x per week	$181.25	$190.31	$199.83	$209.82	$220.31
6x per week	$211.47	$222.04	$233.15	$244.80	$257.04
Commercial 4.0 CY (Bins)					
1x per week	$68.83	$72.27	$75.88	$79.68	$83.66
2x per week	$103.26	$108.42	$113.84	$119.53	$125.51
3x per week	$137.69	$144.57	$151.80	$159.39	$167.36
4x per week	$172.12	$180.72	$189.76	$199.25	$209.21
5x per week	$206.55	$216.87	$227.72	$239.10	$251.06
6x per week	$240.98	$253.02	$265.67	$278.96	$292.91

Description	2024	2025	2026	2027	2028
Commercial 6.0 CY (Bins)					
1x per week	$109.04	$114.49	$120.22	$126.23	$132.54
2x per week	$147.03	$154.38	$162.10	$170.21	$178.72
3x per week	$185.02	$194.27	$203.99	$214.18	$224.89
4x per week	$223.01	$234.16	$245.87	$258.16	$271.07
5x per week	$261.00	$274.05	$287.75	$302.14	$317.25
6x per week	$298.99	$313.94	$329.63	$346.12	$363.42
Commercial 8.0 CY (Bins)					
1x per week	$158.29	$166.20	$174.51	$183.24	$192.40
2x per week	$207.74	$218.13	$229.04	$240.49	$252.51
3x per week	$256.78	$269.62	$283.10	$297.25	$312.11
4x per week	$306.02	$321.32	$337.39	$354.26	$371.97
5x per week	$355.27	$373.03	$391.68	$411.27	$431.83
6x per week	$404.50	$424.73	$445.96	$468.26	$491.67
Organics					
48 Gal Cart					
1x per week	$53.15	$55.81	$58.60	$61.53	$64.61
2x per week	$106.30	$111.62	$117.20	$123.06	$129.21
3x per week	$159.45	$167.43	$175.80	$184.59	$193.82
4x per week	$212.60	$223.23	$234.40	$246.12	$258.42
5x per week	$265.76	$279.04	$292.99	$307.64	$323.03
64 Gal Cart					
1x per week	$56.07	$58.87	$61.82	$64.91	$68.15
2x per week	$112.14	$117.75	$123.63	$129.82	$136.31
3x per week	$168.21	$176.62	$185.45	$194.72	$204.46
4x per week	$224.28	$235.49	$247.27	$259.63	$272.61
5x per week	$280.35	$294.37	$309.09	$324.54	$340.77
1.0 Cubic Yard					
1x per week	$166.64	$174.97	$183.72	$192.90	$202.55
2x per week	$333.27	$349.93	$367.43	$385.80	$405.09
3x per week	$499.91	$524.90	$551.15	$578.70	$607.64
4x per week	$666.54	$699.87	$734.86	$771.60	$810.18
5x per week	$833.18	$874.83	$918.58	$964.50	$1,012.73
Contract Costs					
Garbage	$1,203,035	$1,253,968	$1,325,934	$1,401,963	$1,482,279
Recycling	$144,976	$153,292	$162,078	$171,359	$181,163
Organics	$17,256	$18,119	$19,025	$19,976	$20,975
Total Contract Costs	**$1,365,266**	**$1,425,379**	**$1,507,037**	**$1,593,297**	**$1,684,416**

Figure 5 – Projected Contract Costs



In addition to the costs associated with the R&F contract, the City incurs other operating and non-operating expenses. These expenses include such things as salaries and benefits, professional services, insurance, and supplies. In designing the proposed rates, an Administrative Fee was developed to recover these projected expenses. The non-contract related costs were divided by the total number of customers to determine the monthly Administrative Fee per customer. The rates proposed herein are comprised of the rates charged by R&F combined with the proposed Administrative Fee and are charged to each respective customer monthly. The calculation of the Administrative Fee is shown below in **Table 7**.

Table 7 – Projected Administrative Fees

Description	Projected for Fiscal Year Ending June 30				
	2024	2025	2026	2027	2028
Contract Costs	$1,365	$1,425	$1,507	$1,593	$1,684
Other Expenses	$520	$500	$511	$522	$533
Total Revenue Requirements	**$1,885**	**$1,925**	**$2,018**	**$2,115**	**$2,217**
Less					
Non-Rate Revenues	**$(79)**	**$(81)**	**$(82)**	**$(83)**	**$(85)**
Net Revenue Requirements	**$1,806**	**$1,844**	**$1,935**	**$2,031**	**$2,132**
Calculation of Administrative Fee					
Other Revenue Requirements	$440	$419	$428	$438	$448
Total Customers	6,012	6,092	6,172	6,252	6,332
Administrative Fee	**$6.10**	**$5.73**	**$5.78**	**$5.84**	**$5.89**

4.1.7.3. Results of the Revenue Sufficiency Analysis

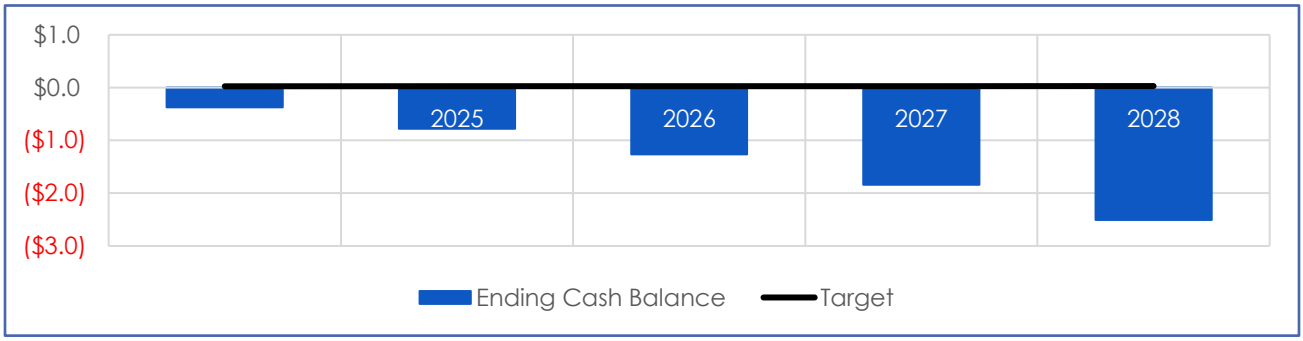
After a thorough review of the above-mentioned data elements, a draft of the RSA was developed and reviewed with City staff.

The resulting financial plan presented herein is the embodiment of the data, assumptions, and review process undertaken with City staff through the course of several conversations. **Table 8** and **Figure 6** below provide a summary of the revenue requirements and projected ending cash balances for the Fund, assuming no rate adjustments and incorporating the assumptions in **Section 4.1** of this report. As indicated in **Table 8**, projected revenue would not be sufficient to meet expected increases in ongoing expenses through FY 2028.

Table 8 – Revenue Requirements vs. Revenue Under Existing Rates

Description	Fiscal Years Ending June 30,				
	2022	2023	2024	2025	2026
Beginning Cash Balance	$-	$(375)	$(779)	$(1,266)	$(1,839)
Revenue Under Existing Rates	$1,510	$1,521	$1,531	$1,541	$1,552
Revenue Requirements	$(1,885)	$(1,925)	$(2,018)	$(2,115)	$(2,217)
Net Cashflow	$(375)	$(405)	$(487)	$(574)	$(665)
Ending Cash Balance	$(375)	$(779)	$(1,266)	$(1,839)	$(2,505)
Targeted Balance	$25	$25	$27	$28	$29
Note: Values are rounded to the nearest $1,000					

Figure 6 – Ending Cash Balance Under Existing Rates



4.1.7.4. Proposed Rates

Our analysis of the Fund indicates that if assuming expenses and customer growth occur as projected, existing rates will not generate sufficient operating revenue to fund ongoing operations throughout the Projection Period. Therefore, rate adjustments will be necessary to sufficiently cover increasing operating costs over the Projection Period. The proposed rates also align the City's rate structure and with the rate structure set forth in the R&F contract. While this alignment of the respective rate structures results in cost of service-based rates, it impacts individual customer classes differently. In order to mitigate the impact on customers, and at the direction of the City, it is proposed the necessary rate adjustments be phased-in gradually over the next five years. This phasing-in of rates delays full cost recovery and results in a revenue shortfall in each year of the projection period. It is Willdan's understanding this shortfall will be supported as needed by transfers from the General Fund. Proposed rates are summarized in **Table 9**.

Table 9 – Proposed Rates: Willdan Recommendations

Description	Existing	2024	2025	2026	2027	2028
RATES						
Garbage						
Residential (Cans)						
1x per week	$25.76	$27.27	$28.88	$30.58	$32.37	$34.28
2x per week	$51.52	$53.58	$55.72	$57.94	$60.25	$62.66
3x per week	$77.28	$79.86	$82.52	$85.27	$88.11	$91.04
4x per week	$103.04	$106.13	$109.31	$112.59	$115.96	$119.44
5x per week	$128.80	$132.40	$136.09	$139.89	$143.80	$147.81
Senior Citizen (Cans)	$24.62	$26.06	$27.59	$29.21	$30.93	$32.74
Business (Cans)	$25.76	$27.27	$28.88	$30.58	$32.37	$34.28
Business 1.5 CY (Bins)						
1x per week	$73.80	$76.35	$78.98	$81.71	$84.53	$87.45
2x per week	$114.18	$116.86	$119.60	$122.41	$125.28	$128.22
3x per week	$156.81	$159.17	$161.57	$164.00	$166.47	$168.98
4x per week	$201.92	$203.46	$205.02	$206.59	$208.17	$209.76
5x per week	$-	$-	$-	$-	$-	$-
Business 2.0 CY (Bins)						
1x per week	$102.63	$105.73	$108.93	$112.23	$115.62	$119.12
2x per week	$158.56	$161.86	$165.23	$168.66	$172.17	$175.75
3x per week	$217.73	$220.03	$222.36	$224.70	$227.08	$229.48
4x per week	$280.36	$282.07	$283.79	$285.51	$287.25	$289.00
5x per week	$-	$-	$-	$-	$-	$-
Business 2.5 CY (Bins)						
1x per week	$112.89	$116.20	$119.60	$123.11	$126.71	$130.43
2x per week	$174.41	$177.93	$181.52	$185.18	$188.92	$192.73
3x per week	$239.50	$242.52	$245.58	$248.68	$251.82	$255.00
4x per week	$308.42	$310.19	$311.96	$313.75	$315.54	$317.35
5x per week	$-	$-	$-	$-	$-	$-
Business 3.0 CY (Bins)						
1x per week	$133.39	$137.11	$140.93	$144.87	$148.91	$153.06
2x per week	$206.09	$210.05	$214.08	$218.20	$222.39	$226.66
3x per week	$283.07	$286.43	$289.84	$293.28	$296.76	$300.29
4x per week	$364.48	$366.34	$368.22	$370.10	$371.99	$373.89
5x per week	$-	$-	$-	$-	$-	$-
Business 4.0 CY (Bins)						
1x per week	$152.02	$156.12	$160.33	$164.65	$169.10	$173.66
2x per week	$234.76	$239.12	$243.56	$248.08	$252.68	$257.37
3x per week	$322.60	$326.28	$330.00	$333.76	$337.56	$341.41
4x per week	$415.36	$417.33	$419.31	$421.30	$423.30	$425.31
5x per week	$-	$-	$-	$-	$-	$-
Recycling						
Residential & City Approved Commercial Small Business (Cans)						
64-GALLON CART	$2.99	$3.75	$4.71	$5.92	$7.43	$9.33
96-GALLON CART	$6.44	$7.45	$8.62	$9.98	$11.54	$13.36
MF 64 Multi-family 96-GALLON CART	$2.99	$3.75	$4.71	$5.92	$7.43	$9.33
M - MISC (FIXED) RECYCLING CHARGE CANS	$6.44	$7.45	$8.62	$9.98	$11.54	$13.36

Description	Existing	2024	2025	2026	2027	2028
Commercial 1.5 CY (Bins)						
1x per week	$35.07	$37.12	$39.29	$41.58	$44.01	$46.58
2x per week	$52.60	$55.19	$57.92	$60.77	$63.77	$66.91
3x per week	$70.12	$73.25	$76.52	$79.94	$83.51	$87.24
4x per week	$87.65	$91.32	$95.14	$99.12	$103.27	$107.59
5x per week	$105.18	$109.38	$113.74	$118.29	$123.01	$127.92
6x per week	$122.70	$127.43	$132.34	$137.45	$142.75	$148.25
Commercial 2.0 CY (Bins)						
1x per week	$48.69	$51.16	$53.76	$56.49	$59.36	$62.38
2x per week	$73.02	$76.24	$79.60	$83.12	$86.78	$90.61
3x per week	$87.19	$90.84	$94.65	$98.61	$102.75	$107.05
4x per week	$108.98	$113.30	$117.78	$122.44	$127.29	$132.33
5x per week	$130.77	$135.75	$140.91	$146.27	$151.84	$157.62
6x per week	$152.57	$158.21	$164.05	$170.11	$176.40	$182.91
Commercial 3.0 CY (Bins)						
1x per week	$63.29	$66.21	$69.27	$72.47	$75.82	$79.32
2x per week	$94.92	$98.81	$102.86	$107.07	$111.46	$116.02
3x per week	$126.58	$131.43	$136.46	$141.69	$147.12	$152.75
4x per week	$158.23	$164.04	$170.06	$176.30	$182.77	$189.47
5x per week	$189.89	$196.65	$203.66	$210.91	$218.42	$226.20
6x per week	$221.54	$229.26	$237.25	$245.52	$254.08	$262.94
Commercial 4.0 CY (Bins)						
1x per week	$72.11	$75.30	$78.64	$82.12	$85.76	$89.55
2x per week	$108.18	$112.47	$116.93	$121.57	$126.39	$131.40
3x per week	$144.25	$149.63	$155.22	$161.01	$167.02	$173.25
4x per week	$180.32	$186.79	$193.50	$200.45	$207.65	$215.10
5x per week	$216.38	$223.95	$231.78	$239.88	$248.27	$256.95
6x per week	$252.45	$261.11	$270.06	$279.32	$288.89	$298.80
Commercial 6.0 CY (Bins)						
1x per week	$114.24	$118.71	$123.36	$128.20	$133.22	$138.43
2x per week	$154.04	$159.72	$165.61	$171.71	$178.05	$184.61
3x per week	$193.84	$200.72	$207.85	$215.23	$222.87	$230.79
4x per week	$233.63	$241.72	$250.08	$258.74	$267.70	$276.96
5x per week	$273.43	$282.72	$292.32	$302.25	$312.52	$323.14
6x per week	$313.23	$323.72	$334.56	$345.77	$357.35	$369.31
Commercial 8.0 CY (Bins)						
1x per week	$165.83	$171.87	$178.12	$184.61	$191.33	$198.29
2x per week	$217.64	$225.24	$233.11	$241.25	$249.68	$258.40
3x per week	$269.01	$278.16	$287.63	$297.42	$307.54	$318.01
4x per week	$320.60	$331.31	$342.38	$353.82	$365.65	$377.86
5x per week	$372.19	$384.46	$397.14	$410.23	$423.75	$437.72
6x per week	$423.77	$437.60	$451.88	$466.62	$481.84	$497.57
Organics						
48 Gal Cart						
1x per week	$55.68	$58.37	$61.19	$64.15	$67.25	$70.50
2x per week	$111.36	$115.75	$120.31	$125.05	$129.98	$135.10
3x per week	$167.04	$173.12	$179.41	$185.94	$192.70	$199.71
4x per week	$222.72	$230.48	$238.51	$246.82	$255.42	$264.31
5x per week	$278.40	$287.84	$297.60	$307.70	$318.13	$328.92

Description	Existing	2024	2025	2026	2027	2028
64 Gal Cart						
1x per week	$58.74	$61.52	$64.44	$67.50	$70.69	$74.05
2x per week	$117.48	$122.05	$126.81	$131.74	$136.87	$142.20
3x per week	$176.22	$182.57	$189.15	$195.97	$203.03	$210.35
4x per week	$234.96	$243.09	$251.50	$260.19	$269.19	$278.51
5x per week	$293.70	$303.60	$313.84	$324.42	$335.35	$346.66
1.0 Cubic Yard						
1x per week	$174.57	$180.87	$187.40	$194.17	$201.18	$208.44
2x per week	$349.14	$360.72	$372.67	$385.03	$397.80	$410.98
3x per week	$523.71	$540.55	$557.94	$575.89	$594.41	$613.53
4x per week	$698.28	$720.39	$743.21	$766.74	$791.03	$816.08
5x per week	$872.85	$900.23	$928.47	$957.60	$987.64	$1,018.62

The projected revenues as developed herein include revenues generated from the user rates and revenues generated from other sources (i.e., interest earnings) or Fund activities. The projected user rate revenues would provide the estimated additional revenue (and applicable annual percentage rate adjustments) necessary to meet the projected revenue requirements for a given FY, including operating expenses and targeted operating reserves. For purposes of this Study, proposed rates are assumed to take effect on January 1 of each respective FY of the Projection Period.

4.1.7.5. Summary of Revenue Sufficiency Analysis

The proposed financial plan, including recommended revenue adjustments, is presented in **Table 10** and **Figure 7** which provides funding for projected revenue requirements during the forecast period. **Figure 7** indicates that with the proposed adjustments and the anticipated transfers from the General Fund for FY 2024 through FY 2028, the ending cash balance will exceed the targeted amount each year. It is recommended the City monitor its cash reserves to ensure sufficient reserves are available in FY 2028. It is also recommended to build up the balance for the Fund reserve above the City's minimum reserve policy to allow for the fund balance to be used for unforeseen expenditures.

A more detailed presentation of the financial plan, including fund balance reconciliations is presented in **Schedule A-7** of the appendix.

Table 10 – Revenue Requirements vs. Revenue Under Proposed Rates

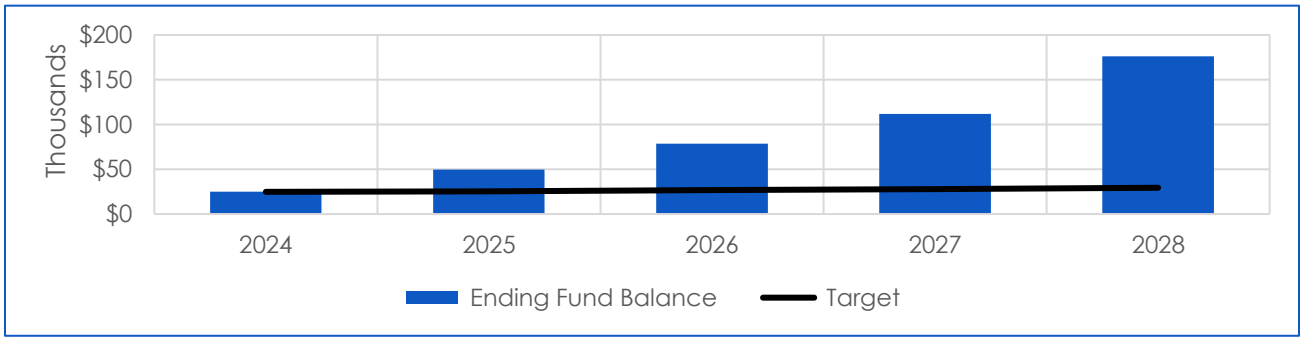
Description	Fiscal Years Ending June 30,				
	2024	2025	2026	2027	2028
Beginning Cash Balance	$-	$25	$50	$79	$112
Revenue Under Proposed Rates [2]	$1,910	$1,950	$2,046	$2,148	$2,281
Revenue Requirements	$(1,885)	$(1,925)	$(2,018)	$(2,115)	$(2,217)
Net Cashflow	$25	$25	$29	$33	$64
Ending Cash Balance	$25	$50	$79	$112	$176
Targeted Balance	$25	$25	$27	$28	$29

Note:

[1] Values are rounded to the nearest $1,000

[2] Revenues include transfers from General Fund.

Figure 7 – Ending Cash Balance Under Proposed Rates



Section 5 – Regulatory Issues

Short-Lived Climate Pollutants Reduction Act - California SB 1383

It is important to note that the Fund is expected to incur significant operating expenses as a result of State of California SB 1383 (Chapter 395, Statutes of 2016). Gov. Jerry Brown signed SB 1383, which requires cities in California to implement universal organic waste recycling programs for all customers beginning January 1, 2022. Organic waste is primarily comprised of biodegradable waste such as food, landscaping and pruning waste.

SB 1383 also requires that by 2025 at least 20 percent of edible food currently sent to landfills be recovered for human consumption. To meet these requirements, local governments need to actively participate in organic material collection and food recovery programs on or before January 1, 2022. Jurisdictions must adopt enforceable ordinances to ensure that all residential and commercial generators are compliant. The regulations also require cities to purchase set amounts of organic derived products each year in an effort to create markets for finished compost and organic-derived energy. Finally, the new, unfunded State mandates require mandatory customer education and outreach programs as well as compliance reviews, waste audits and inspections, rigorous recordkeeping, and reporting efforts. Penalties for noncompliance can be assessed by CalRecycle beginning in 2022 — and by local jurisdictions beginning in 2024.

Through the City's contract with R&F, it is estimated that SB 1383 and related programs will potentially result in substantial incremental cost to the Fund. These incremental costs may be comprised of:

- Increased cost of processing organic material,
- Hauling collected organic material to composting facility,
- Meeting mandatory organic material procurement thresholds set by the State of California,
- Specialized environmental consulting services to assist with public education and outreach, waste audits, facility inspections, compliance reviews, and tracking and enforcement efforts,
- Increased costs related to ongoing distribution of public education materials and advertising; and
- Purchase of additional containers associated with expanding the services to include the collection of organics.

Section 6 – Conclusions and Recommendations

6.1 Principal Assumptions and Considerations

In preparation of this Study and the conclusions that follow, Willdan has made certain assumptions with respect to conditions which may exist or to events which may occur in the future. While we believe these assumptions are reasonable for the purpose of this Study, they are dependent on future events and actual conditions may differ from those assumed. In addition, Willdan has used and relied upon certain information and assumptions provided to us by the City and others. While Willdan believes the use of such information and assumptions to be reasonable for the purpose of this Study, Willdan has not independently verified the accuracy or validity of the information and offers no assurances with respect thereto, and some assumptions may vary significantly due to unanticipated events and circumstances. To the extent that actual conditions differ from those assumed by Willdan herein or provided to Willdan by others, the actual results will vary from those projected herein. The Study summarizes Willdan's work up to the date of this report. Thus, changed conditions occurring or becoming known after such date could affect the material presented to the extent of such changes.

In making the projections and estimates for the Projection Period summarized in this Study and shown on **Table 10** above, the principal considerations and assumptions made by Willdan and the principal information and assumptions provided to Willdan by others include the following:

1) Customer account growth for the Fund was derived largely from an analysis of historical billing information. This information was reviewed with the City to identify trends and establish estimated growth rates for the Projection Period.

2) No assumptions or provisions have been made or included in the projections herein to reflect unforeseen changes in customer usage characteristics which may affect, among other things, the cost of disposal and may be the result of, but not limited to, existing and potential changes in legislation, deviations from normal weather conditions, including natural disasters such as earthquakes, or other unforeseen events.

3) Projected revenues have been based on the following:

   a) for bills rendered during the period July 1, 2024 through June 30, 2028, Revenues have been projected based on rates reflecting the proposed rates shown in **Table 9**, which are assumed to be adopted for each respective FY by the City; and

   b) the proposed rates utilized herein to develop projected revenues are assumed to take effect on July 1 of each respective Fiscal Year.

4) Projected costs of operation and maintenance of the Sanitation Service were based on the City's estimated budget for Fiscal Year 2024. Escalation rates for future costs of operation and maintenance of the Sanitation Service were estimated based on a review of historical trends and the City's projections of future increases for certain expenses.

5) For the Projection Period, interest earnings have been projected based on projected average annual balances in the operating fund, and annual reinvestment rates as shown in **Table 11** applied to projected fund balances.

Table 11 – Assumed Investment Earning Interest Rate

Fiscal Year	Assumed Investment Earning Interest Rate
2024	1.75%
2025	1.75%
2026	1.75%
2027	1.75%
2028	1.75%

6) Other operating revenues have been projected based on the budgeted Fiscal Year ending June 30, 2024 amounts, and are increased annually thereafter in proportion to projected customer growth, inflation or other established escalators.

7) The revenue and expenditures projections herein do not reflect the effects of any material adverse change in the receipt of revenues and the payment of expenditures.

8) No assumption has been made to reflect any other changes in federal or State laws and/or regulations to reflect, among other things, more stringent environmental requirements, and changes in tax laws.

6.2 Conclusions

Based upon the foregoing assumptions and considerations, Willdan is of the opinion that:

- The projected customers and sales of the Fund represent reasonable projections based on historical and planned growth and form a reasonable basis for the projected operating results set forth in this Study.
- The Fund expenses are anticipated to be adversely impacted by the effects of SB 1383 regulatory requirements, changes to global recycling markets and the corresponding revenue loss and increase cost to provide recycling services. The incremental increase in operating

expenses from Fiscal Years 2023 to 2024 is projected to be approximately $295,000, or approximately 19.0%.

- For the Fiscal Years ending June 30, 2024 through June 30, 2028, the City's projected revenues under proposed rate adjustments outlined in this report, including transfers, are projected to be sufficient under the herein proposed rates, fees, and charges to:
  a) pay the projected costs of operation and maintenance;
  b) meet stated goals for cash reserves.
- The proposed rates presented herein are in conformance with industry standard rate-making practices and Proposition 218 with respect to:
  a) The fair and equitable recovery of costs through sanitation rates; and
  b) Generation of sufficient revenue to recover Fund revenue requirements and reserve requirements.

6.3 Recommendations

- It is recommended that the City implement the proposed rates and charges presented in this Study for FY 2024, beginning with the first adjustment in January 2024.
- It is recommended that the City update the revenue sufficiency analysis portion of this study each year to ensure projected revenue continues to be sufficient to fund projected expenses going forward, as assumptions made during this analysis may change and have a material impact upon the analysis.

City of McFarland, CA

Sanitation Rate Study

October 3, 2023

Appendices

Schedule	Description
A-1	Historical Operating Results
A-2	Historical, Budgeted, and Projected Revenues and Expenses
A-3	Historical and Projected Number of Accounts
A-4	Existing and Proposed Customer Rates
A-5	Estimated Contract Costs
A-6	Projected Administrative Fee
A-7	Projected Operating Results

Sanitation Rate Study
Appendices

A-1	Historical Operating Results

WILLDAN
Financial Services

CITY OF MCFARLAND, CA

Schedule A-1

HISTORICAL OPERATING RESULTS [1]

SANITATION FUND

Line	Description	Fiscal Year Ended June 30				
		2018	2019	2020	2021	2022
	Operating revenues					
1	Charges for Services	$1,297,578	$1,363,185	$1,364,920	$1,388,813	$1,407,955
2	Other Revenue	-	180	-	-	-
3	**Total Operating revenues**	**$ 1,297,578**	**$ 1,363,365**	**$ 1,364,920**	**$ 1,388,813**	**$ 1,407,955**
	Operating Expenses					
4	Salaries and Employee Benefits	$ 199,949	$ 198,999	$ 65,238	$ 61,575	$ 123,473
5	Services and Supplies	1,081,153	1,234,624	1,252,432	1,220,373	1,313,005
6	Utilities	-	-	-	-	-
7	Franchise Fees	-	-	-	-	-
8	Depreciation	20,044	17,294	11,306	8,843	4,711
9	**Total Operating Expenses**	**$ 1,301,146**	**$ 1,450,917**	**$ 1,328,976**	**$ 1,290,791**	**$ 1,441,189**
10	**Operating Income (Loss)**	**$ (3,568)**	**$ (87,552)**	**$ 35,944**	**$ 98,022**	**$ (33,234)**
	Non-operating Revenues (Expenses)					
11	Interest Income	$ 355	$ -	$ -	$ 1,627	$ 86
12	Rent Income	-	-	-	-	-
13	Connection Fees	-	-	-	-	-
14	Local Transportation Funding	-	-	-	-	-
15	Grants	15,321	17,042	42,659	3,435	47,891
16	Other non-operating revenues (expenses)	-	-	-	-	-
17	**Total Non-operating Revenues (Expenses)**	**$ 15,676**	**$ 17,042**	**$ 42,659**	**$ 5,062**	**$ 47,977**
18	**Income (Loss) Before Transfers and Special Items**	**$ 12,108**	**$ (70,510)**	**$ 78,603**	**$ 103,084**	**$ 14,743**
19	**Capital Contributions**	$ -	$ -	$ -	$ -	$ -
	Transfers					
20	Transfers In	$ -	$ -	$ -	$ -	$ -
21	Transfers Out	(21,659)	(41,460)	(25,348)	(19,955)	(11,475)
22	**Change in Net Position**	**$ (9,551)**	**$ (111,970)**	**$ 53,255**	**$ 83,129**	**$ 3,268**
23	Beginning of Year - Beginning, as Previously Reported	$ 126,385	$ 116,834	$ 4,864	$ 58,119	$ 141,248
24	Restatements	-	-	-	-	-
25	**Beginning of Year, as Restated**	**$ 126,385**	**$ 116,834**	**$ 4,864**	**$ 58,119**	**$ 141,248**
26	**End of Fiscal Year**	**$ 116,834**	**$ 4,864**	**$ 58,119**	**$ 141,248**	**$ 144,516**

Notes

[1] Financial information obtained from the City's AnnualComprehensive Financal Reports.

Sanitation Rate Study
Appendices

A-2	Historical, Budgeted, and Projected Revenues and Expenses

WILLDAN
Financial Services

CITY OF MCFARLAND, CA
BUDGETED AND PROJECTED EXPENSES
SANITATION FUND

Schedule A-2

					BUDGET	PROJECTED			
DESCRIPTION	2020	2021	2022	2023	2024	2025	2026	2027	2028
Operating Expenses									
Salaries and Employee Benefits	$ 61,159	$ 61,577	$ 122,595	$ 228,510	$ 296,000	$ 303,400	$ 310,985	$ 318,760	$ 326,729
Services and Supplies	$ 1,145,125	$ 1,220,371	$ 1,220,031	$ 1,322,851	$ 1,515,237	$ 1,548,348	$ 1,633,081	$ 1,722,492	$ 1,816,841
Utilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Franchise Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation	$ -	$ 8,843	$ 4,711	$ -	$ -	$ -	$ -	$ -	$ -
Total Operating Expenses	**$ 1,206,284**	**$ 1,290,791**	**$ 1,347,337**	**$ 1,551,361**	**$ 1,811,237**	**$ 1,851,748**	**$ 1,944,066**	**$ 2,041,252**	**$ 2,143,570**
Non-operating Revenues (Expenses)									
Interest Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rent Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Connection Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Local Transportation Funding	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other non-operating revenues (expenses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Non-operating Revenues (Expenses)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Transfers Out	$ -	$ -	$ -	$ -	$ 73,581	$ 73,581	$ 73,581	$ 73,581	$ 73,581
Total Expenses	**$ 1,206,284**	**$ 1,290,791**	**$ 1,347,337**	**$ 1,551,361**	**$ 1,884,818**	**$ 1,925,329**	**$ 2,017,647**	**$ 2,114,833**	**$ 2,217,151**
CHECK ====>	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**
DETAILS									
Salaries - Permanent Employees	$ 36,710	$ 38,772	$ 76,456	$ 145,089	$ 206,475	$ 211,637	$ 216,928	$ 222,351	$ 227,910
Overtime	$ 98	$ 1,019	$ 902	$ 4,965	$ 5,000	$ 5,125	$ 5,253	$ 5,384	$ 5,519
Payroll Taxes	$ 2,979	$ 3,466	$ 6,622	$ 12,522	$ 16,682	$ 17,099	$ 17,527	$ 17,965	$ 18,414
Stipends	$ 28	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retirement (401K)	$ 2,990	$ 3,517	$ 6,296	$ 13,231	$ 20,968	$ 21,492	$ 22,030	$ 22,580	$ 23,145
Health Insurance Premiums	$ 12,990	$ 11,436	$ 26,536	$ 37,637	$ 32,085	$ 32,887	$ 33,710	$ 34,552	$ 35,416
Dental/Vision Premiums	$ 1,024	$ 838	$ 2,388	$ 5,184	$ 3,708	$ 3,801	$ 3,896	$ 3,993	$ 4,093
Workers Compensation Insurance	$ 4,061	$ 1,987	$ 3,134	$ 9,051	$ 10,502	$ 10,765	$ 11,034	$ 11,310	$ 11,593
Life Insurance	$ 53	$ 80	$ 137	$ 298	$ 179	$ 183	$ 188	$ 193	$ 198
Auto Allowance	$ 224	$ 460	$ 121	$ -	$ -	$ -	$ -	$ -	$ -
Bank Charges	$ 7,661	$ 9,907	$ 10,570	$ 10,000	$ 10,000	$ 10,250	$ 10,506	$ 10,769	$ 11,038
Clothing Allowance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Conferences/Meetings/Travel	$ 2	$ 2	$ 3	$ 533	$ 400	$ 410	$ 420	$ 431	$ 442
Contract Services	$ 23,936	$ 14,922	$ 9,322	$ 2,510	$ 2,600	$ 2,665	$ 2,732	$ 2,800	$ 2,870
Contract Services - Refuse/Green Waste	$ 970,839	$ 980,671	$ 991,028	$ 1,066,453	$ 1,220,291	$ 1,272,086	$ 1,344,959	$ 1,421,939	$ 1,503,254
Contract Services - Recycling	$ 42,257	$ 135,717	$ 124,914	$ 143,358	$ 144,976	$ 153,292	$ 162,078	$ 171,359	$ 181,163
County Waste Management Charge	$ 48,168	$ 52,192	$ 51,972	$ 68,561	$ 70,000	$ 71,750	$ 73,544	$ 75,382	$ 77,267
Equipment (Capital)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation	$ -	$ 8,843	$ 4,711	$ -	$ -	$ -	$ -	$ -	$ -
Grant Expenditures	$ 10,713	$ 2,706	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Dues & Subscriptions	$ 283	$ 13	$ 18	$ -	$ -	$ -	$ -	$ -	$ -
Fuel	$ 79	$ -	$ -	$ 11	$ -	$ -	$ -	$ -	$ -
Insurance - CSJV Rsk Mgmt.	$ 4,702	$ 1,730	$ 4,366	$ 11,953	$ 14,271	$ 14,627	$ 14,993	$ 15,368	$ 15,752
Postage	$ 6,817	$ 8,827	$ 6,023	$ 6,570	$ 6,800	$ 6,970	$ 7,144	$ 7,323	$ 7,506
Printing & Legal Notices	$ 69	$ 15	$ 249	$ 1,254	$ 1,300	$ 1,333	$ 1,366	$ 1,400	$ 1,435
Professional Services - Other	$ 1,789	$ 5,576	$ -	$ -	$ 30,000	$ -	$ -	$ -	$ -
Accounting/Auditing Services	$ 9,400	$ -	$ 15,578	$ 8,400	$ 9,600	$ 9,840	$ 10,086	$ 10,338	$ 10,597
Legal Services	$ 10,543	$ 784	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Supplies - Office	$ 5,394	$ 5,692	$ 3,531	$ 2,396	$ 4,000	$ 4,100	$ 4,203	$ 4,308	$ 4,415
Supplies - Operating	$ 2	$ 128	$ 2	$ 242	$ -	$ -	$ -	$ -	$ -
Telephone & Communications	$ 2,473	$ 1,491	$ 2,458	$ 1,143	$ 1,400	$ 1,435	$ 1,471	$ 1,508	$ 1,545
Transfer Out - MIS	$ -	$ -	$ -	$ -	$ 73,581	$ 73,581	$ 73,581	$ 73,581	$ 73,581
Transfer Out - Facilities Maint.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Calculated									
Garbage Contract Costs					$ 1,203,035	$ 1,253,968	$ 1,325,934	$ 1,401,963	$ 1,482,279
Recycling Contract Costs					$ 144,976	$ 153,292	$ 162,078	$ 171,359	$ 181,163
Organics Contract Costs					$ 17,256	$ 18,119	$ 19,025	$ 19,976	$ 20,975

CITY OF MCFARLAND, CA

Schedule A-2

BUDGETED AND PROJECTED REVENUES

SANITATION FUND

				BUDGET	PROJECTED			
DESCRIPTION	2020	2022	2023	2024	2025	2026	2027	2028
Operating revenues								
Charges for Services	$ 1,364,920	$ 1,388,813	$ 1,407,955	$ 1,661,019	$ 1,779,731	$ 1,913,692	$ 2,065,955	$ 2,240,316
Other Revenue	$ (26,132)	$ 3,435	$ 47,891	$ -	$ -	$ -	$ -	$ -
Total Operating revenues	**$ 1,338,788**	**$ 1,392,248**	**$ 1,455,846**	**$ 1,661,019**	**$ 1,779,731**	**$ 1,913,692**	**$ 2,065,955**	**$ 2,240,316**
Non-operating Revenues (Expenses)								
Interest Income	$ -	$ 1,627	$ 86	$ -	$ 1,287	$ 1,751	$ 2,291	$ 3,138
Rent Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Connection Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Local Transportation Funding	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other non-operating revenues (expenses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Non-operating Revenues (Expenses)	**$ -**	**$ 1,627**	**$ 86**	**$ -**	**$ 1,287**	**$ 1,751**	**$ 2,291**	**$ 3,138**
DETAILS								
Refuse Fees	$ 1,154,051	$ 1,173,372	$ 1,178,858	$ 1,378,262	$ 1,454,429	$ 1,535,325	$ 1,621,253	$ 1,712,537
Recycling/Blue Can Fees	$ 137,357	$ 139,439	$ 151,127	$ 184,764	$ 225,838	$ 277,380	$ 342,138	$ 423,582
Gate Fees	$ 48,159	$ 52,171	$ 51,962	$ 52,741	$ 52,741	$ 52,741	$ 52,741	$ 52,741
Penalty Fees - Refuse	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Administration Fee	$ 25,353	$ 23,831	$ 26,008	$ 26,398	$ 27,058	$ 27,734	$ 28,428	$ 29,138
State Grant	$ -	$ -	$ 38,177	$ -	$ -	$ -	$ -	$ -
State Grant - Beverage Container Recycling	$ 27,659	$ 3,435	$ 9,714	$ -	$ -	$ -	$ -	$ -
Interest Income	$ -	$ 1,627	$ 86	$ -	$ 1,287	$ 1,751	$ 2,291	$ 3,138
Miscellaneous Revenue	$ (53,791)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Organics Fees				$ 18,854	$ 19,665	$ 20,512	$ 21,395	$ 22,318
TOTAL	$ 1,338,788	$ 1,393,875	$ 1,455,932	$ 1,661,019	$ 1,781,018	$ 1,915,443	$ 2,068,246	$ 2,243,454

Sanitation Rate Study
Appendices

A-3	Historical and Projected Number of Accounts

WILLDAN
Financial Services

Line	Group	2018	2019	2020	2021	2022	Estimated 2023	Projected 2024	2025	2026	2027	2028
	Number of Units-Garbage											
	Summary											
1	Garbage-0.55 YD BIN (CANS)	2,647	2,689	2,729	2,636	2,824	2,864	2,904	2,944	2,984	3,024	3,064
2	1.50 YD BIN (CANS)	9	6	1	1	1	1	1	1	1	1	1
3	2.00 YD BIN (CANS)	4	5	7	7	9	9	9	9	9	9	9
4	2.50 YD BIN (CANS)	4	4	3	3	3	3	3	3	3	3	3
5	3.00 YD BIN (CANS)	60	62	65	58	70	70	70	70	70	70	70
6	4.00 YD BIN (CANS)	10	8	7	7	7	7	7	7	7	7	7
7	Senior Citizens (CANS)	13	13	12	12	14	14	14	14	14	14	14
8	**Total Number of Units-Garbage**	**2,747**	**2,787**	**2,824**	**2,724**	**2,928**	**2,968**	**3,008**	**3,048**	**3,088**	**3,128**	**3,168**
	Garbage-0.55 YD BIN (CANS)											
9	1x per week	2,528	2,560	2,600	2,497	2,698	2,738	2,778	2,818	2,858	2,898	2,938
10	2x per week	97	107	106	117	103	103	103	103	103	103	103
11	3x per week	13	13	13	13	14	14	14	14	14	14	14
12	4x per week	8	7	8	7	7	7	7	7	7	7	7
13	5x per week	1	2	2	2	2	2	2	2	2	2	2
	1.50 YD BIN (CANS)											
14	1x per week	8	6	1	1	1	1	1	1	1	1	1
15	2x per week	1	1	-	-	-	-	-	-	-	-	-
16	3x per week	-	-	-	-	-	-	-	-	-	-	-
17	4x per week	-	-	-	-	-	-	-	-	-	-	-
18	5x per week	-	-	-	-	-	-	-	-	-	-	-
	2.00 YD BIN (CANS)											
19	1x per week	3	4	7	7	9	9	9	9	9	9	9
20	2x per week	1	1	-	-	-	-	-	-	-	-	-
21	3x per week	-	-	-	-	-	-	-	-	-	-	-
22	4x per week	-	-	-	-	-	-	-	-	-	-	-
23	5x per week	-	-	-	-	-	-	-	-	-	-	-

Line	Group	2018	2019	2020	2021	2022	Estimated 2023	Projected 2024	2025	2026	2027	2028
	2.50 YD BIN (CANS)											
24	1x per week	4	4	3	3	3	3	3	3	3	3	3
25	2x per week	-	-	-	-	-	-	-	-	-	-	-
26	3x per week	-	-	-	-	-	-	-	-	-	-	-
27	4x per week	-	-	-	-	-	-	-	-	-	-	-
28	5x per week	-	-	-	-	-	-	-	-	-	-	-
	3.00 YD BIN (CANS)											
29	1x per week	47	53	38	37	42	42	42	42	42	42	42
30	2x per week	11	6	15	13	17	17	17	17	17	17	17
31	3x per week	2	3	5	6	11	11	11	11	11	11	11
32	4x per week	-	-	7	2	-	-	-	-	-	-	-
33	5x per week	-	-	-	-	-	-	-	-	-	-	-
	4.00 YD BIN (CANS)											
34	1x per week	4	3	3	3	3	3	3	3	3	3	3
35	2x per week	5	4	3	3	3	3	3	3	3	3	3
36	3x per week	1	1	1	1	1	1	1	1	1	1	1
37	4x per week	-	-	-	-	-	-	-	-	-	-	-
38	5x per week	-	-	-	-	-	-	-	-	-	-	-
	Senior Citizens (CANS)											
39	1x per week	12	13	12	12	14	14	14	14	14	14	14
40	2x per week	1	-	-	-	-	-	-	-	-	-	-
41	3x per week	-	-	-	-	-	-	-	-	-	-	-
42	4x per week	-	-	-	-	-	-	-	-	-	-	-
43	5x per week	-	-	-	-	-	-	-	-	-	-	-
44	**Total Garbage Units**	**2,747**	**2,787**	**2,824**	**2,724**	**2,928**	**2,968**	**3,008**	**3,048**	**3,088**	**3,128**	**3,168**

Line	Group						Estimated	Projected				
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	GROWTH											
	Garbage-0.55 YD BIN (CANS)											
45	1x per week		32	40	(103)	201	40	40	40	40	40	40
46	2x per week		10	(1)	11	(14)	-	-	-	-	-	-
47	3x per week		-	-	-	1	-	-	-	-	-	-
48	4x per week		(1)	1	(1)	-	-	-	-	-	-	-
49	5x per week		1	-	-	-	-	-	-	-	-	-
	1.50 YD BIN (CANS)											
50	1x per week		(3)	(5)	-	-	-	-	-	-	-	-
51	2x per week		(1)	(1)	-	-	-	-	-	-	-	-
52	3x per week		-	-	-	-	-	-	-	-	-	-
53	4x per week		-	-	-	-	-	-	-	-	-	-
54	5x per week		-	-	-	-	-	-	-	-	-	-
	2.00 YD BIN (CANS)											
55	1x per week		1	3	-	2	-	-	-	-	-	-
56	2x per week		(1)	(1)	-	-	-	-	-	-	-	-
57	3x per week		-	-	-	-	-	-	-	-	-	-
58	4x per week		-	-	-	-	-	-	-	-	-	-
59	5x per week		-	-	-	-	-	-	-	-	-	-

Line	Group	2018	2019	2020	2021	2022	Estimated 2023	Projected 2024	2025	2026	2027	2028
	2.50 YD BIN (CANS)											
60	1x per week		(0)	(1)	-	-	-	-	-	-	-	-
61	2x per week		-	-	-	-	-	-	-	-	-	-
62	3x per week		-	-	-	-	-	-	-	-	-	-
63	4x per week		-	-	-	-	-	-	-	-	-	-
64	5x per week		-	-	-	-	-	-	-	-	-	-
	3.00 YD BIN (CANS)											
65	1x per week		6	(15)	(1)	5	-	-	-	-	-	-
66	2x per week		(5)	9	(2)	4	-	-	-	-	-	-
67	3x per week		1	2	1	5	-	-	-	-	-	-
68	4x per week		-	7	(5)	(2)	-	-	-	-	-	-
69	5x per week		-	-	-	-	-	-	-	-	-	-
	4.00 YD BIN (CANS)											
70	1x per week		(1)	-	-	-	-	-	-	-	-	-
71	2x per week		(1)	(1)	-	-	-	-	-	-	-	-
72	3x per week		0	0	(0)	-	-	-	-	-	-	-
73	4x per week		-	-	-	-	-	-	-	-	-	-
74	5x per week		-	-	-	-	-	-	-	-	-	-
	Senior Citizens (CANS)											
75	1x per week		1	(1)	-	2	-	-	-	-	-	-
76	2x per week		(1)	-	-	-	-	-	-	-	-	-
77	3x per week		-	-	-	-	-	-	-	-	-	-
78	4x per week		-	-	-	-	-	-	-	-	-	-
79	5x per week		-	-	-	-	-	-	-	-	-	-

Line	Group	2018	2019	2020	2021	2022	Estimated 2023	Projected 2024	2025	2026	2027	2028
	Number of Units-Recycling											
	Summary											
1	Residential & City Approved Commercial Small Business (Cans)	2,685	2,735	2,773	2,876	2,870	2,910	2,950	2,990	3,030	3,070	3,110
2	Commercial 1.5 CY (Bins)	1	2	1	1	1	1	1	1	1	1	1
3	Commercial 2.0 CY (Bins)	2	4	4	4	5	5	5	5	5	5	5
4	Commercial 3.0 CY (Bins)	15	16	18	19	22	22	22	22	22	22	22
5	Commercial 4.0 CY (Bins)	3	5	3	3	3	3	3	3	3	3	3
6	Commercial 6.0 CY (Bins)	3	4	4	4	4	4	4	4	4	4	4
7	Commercial 8.0 CY (Bins)	-	-	-	-	-	-	-	-	-	-	-
8	**Total Number of Units-Recycling**	**2,709**	**2,766**	**2,803**	**2,907**	**2,905**	**2,945**	**2,985**	**3,025**	**3,065**	**3,105**	**3,145**
	Residential & City Approved Commercial Small Business (Cans)											
9	64-GALLON CART	2,499	2,555	2,597	2,672	2,692	2,732	2,772	2,812	2,852	2,892	2,932
10	96-GALLON CART	34	33	33	34	35	35	35	35	35	35	35
11	MF 64 Multi-family 96-GALLON CART	55	56	55	56	57	57	57	57	57	57	57
12	M - MISC (FIXED) RECYCLING CHARGE CANS	97	91	88	114	86	86	86	86	86	86	86
	Commercial 1.5 CY (Bins)											
13	1x per week	1	2	1	1	1	1	1	1	1	1	1
14	2x per week	-	-	-	-	-	-	-	-	-	-	-
15	3x per week	-	-	-	-	-	-	-	-	-	-	-
16	4x per week	-	-	-	-	-	-	-	-	-	-	-
17	5x per week	-	-	-	-	-	-	-	-	-	-	-
18	6x per week	-	-	-	-	-	-	-	-	-	-	-
	Commercial 2.0 CY (Bins)											
19	1x per week	2	4	4	4	5	5	5	5	5	5	5
20	2x per week	-	-	-	-	-	-	-	-	-	-	-
21	3x per week	-	-	-	-	-	-	-	-	-	-	-
22	4x per week	-	-	-	-	-	-	-	-	-	-	-
23	5x per week	-	-	-	-	-	-	-	-	-	-	-
24	6x per week	-	-	-	-	-	-	-	-	-	-	-

Line	Group						Estimated	Projected				
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Commercial 3.0 CY (Bins)											
25	1x per week	12	13	13	14	16	16	16	16	16	16	16
26	2x per week	2	2	4	4	5	5	5	5	5	5	5
27	3x per week	1	1	1	1	1	1	1	1	1	1	1
28	4x per week	-	-	-	-	-	-	-	-	-	-	-
29	5x per week	-	-	-	-	-	-	-	-	-	-	-
30	6x per week	-	-	-	-	-	-	-	-	-	-	-
	Commercial 4.0 CY (Bins)											
31	1x per week	3	3	2	2	2	2	2	2	2	2	2
32	2x per week	-	2	1	1	1	1	1	1	1	1	1
33	3x per week	-	-	-	-	-	-	-	-	-	-	-
34	4x per week	-	-	-	-	-	-	-	-	-	-	-
35	5x per week	-	-	-	-	-	-	-	-	-	-	-
36	6x per week	-	-	-	-	-	-	-	-	-	-	-
	Commercial 6.0 CY (Bins)											
37	1x per week	3	2	2	2	2	2	2	2	2	2	2
38	2x per week	-	2	2	2	2	2	2	2	2	2	2
39	3x per week	-	-	-	-	-	-	-	-	-	-	-
40	4x per week	-	-	-	-	-	-	-	-	-	-	-
41	5x per week	-	-	-	-	-	-	-	-	-	-	-
42	6x per week	-	-	-	-	-	-	-	-	-	-	-
	Commercial 8.0 CY (Bins)											
43	1x per week	-	-	-	-	-	-	-	-	-	-	-
44	2x per week	-	-	-	-	-	-	-	-	-	-	-
45	3x per week	-	-	-	-	-	-	-	-	-	-	-
46	4x per week	-	-	-	-	-	-	-	-	-	-	-
47	5x per week	-	-	-	-	-	-	-	-	-	-	-
48	6x per week	-	-	-	-	-	-	-	-	-	-	-
49	**Total Recycling Units**	**2,709**	**2,766**	**2,803**	**2,907**	**2,905**	**2,945**	**2,985**	**3,025**	**3,065**	**3,105**	**3,145**

Line	Group	2018	2019	2020	2021	2022	Estimated 2023	Projected 2024	2025	2026	2027	2028
	GROWTH											
	Residential & City Approved Commercial Small Business (Cans)											
50	64-GALLON CART		56	42	75	20	40	40	40	40	40	40
51	96-GALLON CART		(1)	-	1	1	-	-	-	-	-	-
52	MF 64 Multi-family 96-GALLON CART		1	(1)	1	1	-	-	-	-	-	-
53	M - MISC (FIXED) RECYCLING CHARGE CANS		(6)	(3)	26	(28)	-	-	-	-	-	-
	Commercial 1.5 CY (Bins)											
54	1x per week		1	(1)	-	-	-	-	-	-	-	-
55	2x per week		-	-	-	-	-	-	-	-	-	-
56	3x per week		-	-	-	-	-	-	-	-	-	-
57	4x per week		-	-	-	-	-	-	-	-	-	-
58	5x per week		-	-	-	-	-	-	-	-	-	-
59	6x per week		-	-	-	-	-	-	-	-	-	-
	Commercial 2.0 CY (Bins)											
60	1x per week		2	-	-	1	-	-	-	-	-	-
61	2x per week		-	-	-	-	-	-	-	-	-	-
62	3x per week		-	-	-	-	-	-	-	-	-	-
63	4x per week		-	-	-	-	-	-	-	-	-	-
64	5x per week		-	-	-	-	-	-	-	-	-	-
65	6x per week		-	-	-	-	-	-	-	-	-	-
	Commercial 3.0 CY (Bins)											
66	1x per week		1	-	1	2	-	-	-	-	-	-
67	2x per week		-	2	0	1	-	-	-	-	-	-
68	3x per week		-	-	-	-	-	-	-	-	-	-
69	4x per week		-	-	-	-	-	-	-	-	-	-
70	5x per week		-	-	-	-	-	-	-	-	-	-
71	6x per week		-	-	-	-	-	-	-	-	-	-

Line	Group						Estimated	Projected				
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Commercial 4.0 CY (Bins)											
72	1x per week		-	(1)	-	-	-	-	-	-	-	-
73	2x per week		2	(1)	(0)	-	-	-	-	-	-	-
74	3x per week		-	-	-	-	-	-	-	-	-	-
75	4x per week		-	-	-	-	-	-	-	-	-	-
76	5x per week		-	-	-	-	-	-	-	-	-	-
77	6x per week		-	-	-	-	-	-	-	-	-	-
	Commercial 6.0 CY (Bins)											
78	1x per week		(1)	-	-	-	-	-	-	-	-	-
79	2x per week		2	-	-	-	-	-	-	-	-	-
80	3x per week		-	-	-	-	-	-	-	-	-	-
81	4x per week		-	-	-	-	-	-	-	-	-	-
82	5x per week		-	-	-	-	-	-	-	-	-	-
83	6x per week		-	-	-	-	-	-	-	-	-	-
	Commercial 8.0 CY (Bins)											
84	1x per week		-	-	-	-	-	-	-	-	-	-
85	2x per week		-	-	-	-	-	-	-	-	-	-
86	3x per week		-	-	-	-	-	-	-	-	-	-
87	4x per week		-	-	-	-	-	-	-	-	-	-
88	5x per week		-	-	-	-	-	-	-	-	-	-
89	6x per week		-	-	-	-	-	-	-	-	-	-

Schedule A-3

Line	Group						Estimated	Projected				
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Number of Units-Organic											
	Summary											
1	48 Gal Cart	-	-	-	-	23	18	18	18	18	18	18
2	64 Gal Cart	-	-	-	-	-	1	1	1	1	1	1
3	1.0 Cubic Yard	-	-	-	-	-	-	-	-	-	-	-
4	**Total Number of Units-Organic**	**-**	**-**	**-**	**-**	**23**	**19**	**19**	**19**	**19**	**19**	**19**
	Number of Units-Organic											
	48 Gal Cart											
5	1x per week					19	14	14	14	14	14	14
6	2x per week					2	2	2	2	2	2	2
7	3x per week					1	1	1	1	1	1	1
8	4x per week					-	-	-	-	-	-	-
9	5x per week					1	1	1	1	1	1	1
	64 Gal Cart											
10	1x per week						1	1	1	1	1	1
11	2x per week						-	-	-	-	-	-
12	3x per week						-	-	-	-	-	-
13	4x per week						-	-	-	-	-	-
14	5x per week						-	-	-	-	-	-
	1.0 Cubic Yard											
15	1x per week						-	-	-	-	-	-
16	2x per week						-	-	-	-	-	-
17	3x per week						-	-	-	-	-	-
18	4x per week						-	-	-	-	-	-
19	5x per week						-	-	-	-	-	-

Line	Group						Estimated	Projected				
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	GROWTH											
	48 Gal Cart											
20	1x per week		-	-	-	19	-	-	-	-	-	-
21	2x per week		-	-	-	2	-	-	-	-	-	-
22	3x per week		-	-	-	1	-	-	-	-	-	-
23	4x per week		-	-	-	-	-	-	-	-	-	-
24	5x per week		-	-	-	1	-	-	-	-	-	-
	64 Gal Cart											
25	1x per week		-	-	-	-	-	-	-	-	-	-
26	2x per week		-	-	-	-	-	-	-	-	-	-
27	3x per week		-	-	-	-	-	-	-	-	-	-
28	4x per week		-	-	-	-	-	-	-	-	-	-
29	5x per week		-	-	-	-	-	-	-	-	-	-
	1.0 Cubic Yard											
30	1x per week		-	-	-	-	-	-	-	-	-	-
31	2x per week		-	-	-	-	-	-	-	-	-	-
32	3x per week		-	-	-	-	-	-	-	-	-	-
33	4x per week		-	-	-	-	-	-	-	-	-	-
34	5x per week		-	-	-	-	-	-	-	-	-	-

Sanitation Rate Study
Appendices

A-4	Existing and Proposed Customer Rates

WILLDAN
Financial Services

Line	Group	Existing	Projected				
		2023	2024	2025	2026	2027	2028
	Monthly Garbage Rates						
	Residential (Cans)						
1	1x per week	$ 25.76	$ 27.27	$ 28.88	$ 30.58	$ 32.37	$ 34.28
2	2x per week	$ 51.52	$ 53.58	$ 55.72	$ 57.94	$ 60.25	$ 62.66
3	3x per week	$ 77.28	$ 79.86	$ 82.52	$ 85.27	$ 88.11	$ 91.04
4	4x per week	$ 103.04	$ 106.13	$ 109.31	$ 112.59	$ 115.96	$ 119.44
5	5x per week	$ 128.80	$ 132.40	$ 136.09	$ 139.89	$ 143.80	$ 147.81
6	Senior Citizen (Cans)	$ 24.62	$ 26.06	$ 27.59	$ 29.21	$ 30.93	$ 32.74
7	Business (Cans)	$ 25.76	$ 27.27	$ 28.88	$ 30.58	$ 32.37	$ 34.28
	Business 1.5 CY (Bins)						
8	1x per week	$ 73.80	$ 76.35	$ 78.98	$ 81.71	$ 84.53	$ 87.45
9	2x per week	$ 114.18	$ 116.86	$ 119.60	$ 122.41	$ 125.28	$ 128.22
10	3x per week	$ 156.81	$ 159.17	$ 161.57	$ 164.00	$ 166.47	$ 168.98
11	4x per week	$ 201.92	$ 203.46	$ 205.02	$ 206.59	$ 208.17	$ 209.76
12	5x per week	$ -					
	Business 2.0 CY (Bins)						
13	1x per week	$ 102.63	$ 105.73	$ 108.93	$ 112.23	$ 115.62	$ 119.12
14	2x per week	$ 158.56	$ 161.86	$ 165.23	$ 168.66	$ 172.17	$ 175.75
15	3x per week	$ 217.73	$ 220.03	$ 222.36	$ 224.70	$ 227.08	$ 229.48
16	4x per week	$ 280.36	$ 282.07	$ 283.79	$ 285.51	$ 287.25	$ 289.00
17	5x per week	$ -					
	Business 2.5 CY (Bins)						
18	1x per week	$ 112.89	$ 116.20	$ 119.60	$ 123.11	$ 126.71	$ 130.43
19	2x per week	$ 174.41	$ 177.93	$ 181.52	$ 185.18	$ 188.92	$ 192.73
20	3x per week	$ 239.50	$ 242.52	$ 245.58	$ 248.68	$ 251.82	$ 255.00
21	4x per week	$ 308.42	$ 310.19	$ 311.96	$ 313.75	$ 315.54	$ 317.35
22	5x per week	$ -					

Line	Group	Existing	Projected				
		2023	2024	2025	2026	2027	2028
	Business 3.0 CY (Bins)						
23	1x per week	$ 133.39	$ 137.11	$ 140.93	$ 144.87	$ 148.91	$ 153.06
24	2x per week	$ 206.09	$ 210.05	$ 214.08	$ 218.20	$ 222.39	$ 226.66
25	3x per week	$ 283.07	$ 286.43	$ 289.84	$ 293.28	$ 296.76	$ 300.29
26	4x per week	$ 364.48	$ 366.34	$ 368.22	$ 370.10	$ 371.99	$ 373.89
27	5x per week	$ -					
	Business 4.0 CY (Bins)						
28	1x per week	$ 152.02	$ 156.12	$ 160.33	$ 164.65	$ 169.10	$ 173.66
29	2x per week	$ 234.76	$ 239.12	$ 243.56	$ 248.08	$ 252.68	$ 257.37
30	3x per week	$ 322.60	$ 326.28	$ 330.00	$ 333.76	$ 337.56	$ 341.41
31	4x per week	$ 415.36	$ 417.33	$ 419.31	$ 421.30	$ 423.30	$ 425.31
32	5x per week	$ -					

Line	Group	Existing	Projected				
		2023	2024	2025	2026	2027	2028
	Monthly Recycling Rates						
	Residential & City Approved Commercial Small Business (Cans)						
1	64-GALLON CART	$ 2.99	$ 3.75	$ 4.71	$ 5.92	$ 7.43	$ 9.33
2	96-GALLON CART	$ 6.44	$ 7.45	$ 8.62	$ 9.98	$ 11.54	$ 13.36
3	MF 64 Multi-family 96-GALLON CART	$ 2.99	$ 3.75	$ 4.71	$ 5.92	$ 7.43	$ 9.33
4	M - MISC (FIXED) RECYCLING CHARGE CANS	$ 6.44	$ 7.45	$ 8.62	$ 9.98	$ 11.54	$ 13.36
	Commercial 1.5 CY (Bins)						
5	1x per week	$ 35.07	$ 37.12	$ 39.29	$ 41.58	$ 44.01	$ 46.58
6	2x per week	$ 52.60	$ 55.19	$ 57.92	$ 60.77	$ 63.77	$ 66.91
7	3x per week	$ 70.12	$ 73.25	$ 76.52	$ 79.94	$ 83.51	$ 87.24
8	4x per week	$ 87.65	$ 91.32	$ 95.14	$ 99.12	$ 103.27	$ 107.59
9	5x per week	$ 105.18	$ 109.38	$ 113.74	$ 118.29	$ 123.01	$ 127.92
10	6x per week	$ 122.70	$ 127.43	$ 132.34	$ 137.45	$ 142.75	$ 148.25
	Commercial 2.0 CY (Bins)						
11	1x per week	$ 48.69	$ 51.16	$ 53.76	$ 56.49	$ 59.36	$ 62.38
12	2x per week	$ 73.02	$ 76.24	$ 79.60	$ 83.12	$ 86.78	$ 90.61
13	3x per week	$ 87.19	$ 90.84	$ 94.65	$ 98.61	$ 102.75	$ 107.05
14	4x per week	$ 108.98	$ 113.30	$ 117.78	$ 122.44	$ 127.29	$ 132.33
15	5x per week	$ 130.77	$ 135.75	$ 140.91	$ 146.27	$ 151.84	$ 157.62
16	6x per week	$ 152.57	$ 158.21	$ 164.05	$ 170.11	$ 176.40	$ 182.91
	Commercial 3.0 CY (Bins)						
17	1x per week	$ 63.29	$ 66.21	$ 69.27	$ 72.47	$ 75.82	$ 79.32
18	2x per week	$ 94.92	$ 98.81	$ 102.86	$ 107.07	$ 111.46	$ 116.02
19	3x per week	$ 126.58	$ 131.43	$ 136.46	$ 141.69	$ 147.12	$ 152.75
20	4x per week	$ 158.23	$ 164.04	$ 170.06	$ 176.30	$ 182.77	$ 189.47
21	5x per week	$ 189.89	$ 196.65	$ 203.66	$ 210.91	$ 218.42	$ 226.20
22	6x per week	$ 221.54	$ 229.26	$ 237.25	$ 245.52	$ 254.08	$ 262.94
	Commercial 4.0 CY (Bins)						
23	1x per week	$ 72.11	$ 75.30	$ 78.64	$ 82.12	$ 85.76	$ 89.55
24	2x per week	$ 108.18	$ 112.47	$ 116.93	$ 121.57	$ 126.39	$ 131.40
25	3x per week	$ 144.25	$ 149.63	$ 155.22	$ 161.01	$ 167.02	$ 173.25
26	4x per week	$ 180.32	$ 186.79	$ 193.50	$ 200.45	$ 207.65	$ 215.10
27	5x per week	$ 216.38	$ 223.95	$ 231.78	$ 239.88	$ 248.27	$ 256.95
28	6x per week	$ 252.45	$ 261.11	$ 270.06	$ 279.32	$ 288.89	$ 298.80

Line	Group	Existing	Projected				
		2023	2024	2025	2026	2027	2028
	Commercial 6.0 CY (Bins)						
29	1x per week	$ 114.24	$ 118.71	$ 123.36	$ 128.20	$ 133.22	$ 138.43
30	2x per week	$ 154.04	$ 159.72	$ 165.61	$ 171.71	$ 178.05	$ 184.61
31	3x per week	$ 193.84	$ 200.72	$ 207.85	$ 215.23	$ 222.87	$ 230.79
32	4x per week	$ 233.63	$ 241.72	$ 250.08	$ 258.74	$ 267.70	$ 276.96
33	5x per week	$ 273.43	$ 282.72	$ 292.32	$ 302.25	$ 312.52	$ 323.14
34	6x per week	$ 313.23	$ 323.72	$ 334.56	$ 345.77	$ 357.35	$ 369.31
	Commercial 8.0 CY (Bins)						
35	1x per week	$ 165.83	$ 171.87	$ 178.12	$ 184.61	$ 191.33	$ 198.29
36	2x per week	$ 217.64	$ 225.24	$ 233.11	$ 241.25	$ 249.68	$ 258.40
37	3x per week	$ 269.01	$ 278.16	$ 287.63	$ 297.42	$ 307.54	$ 318.01
38	4x per week	$ 320.60	$ 331.31	$ 342.38	$ 353.82	$ 365.65	$ 377.86
39	5x per week	$ 372.19	$ 384.46	$ 397.14	$ 410.23	$ 423.75	$ 437.72
40	6x per week	$ 423.77	$ 437.60	$ 451.88	$ 466.62	$ 481.84	$ 497.57

Line	Group	Existing	Projected				
		2023	2024	2025	2026	2027	2028
	Monthly Organics Rates						
	48 Gal Cart						
1	1x per week	$ 55.68	$ 58.37	$ 61.19	$ 64.15	$ 67.25	$ 70.50
2	2x per week	$ 111.36	$ 115.75	$ 120.31	$ 125.05	$ 129.98	$ 135.10
3	3x per week	$ 167.04	$ 173.12	$ 179.41	$ 185.94	$ 192.70	$ 199.71
4	4x per week	$ 222.72	$ 230.48	$ 238.51	$ 246.82	$ 255.42	$ 264.31
5	5x per week	$ 278.40	$ 287.84	$ 297.60	$ 307.70	$ 318.13	$ 328.92
	64 Gal Cart						
6	1x per week	$ 58.74	$ 61.52	$ 64.44	$ 67.50	$ 70.69	$ 74.05
7	2x per week	$ 117.48	$ 122.05	$ 126.81	$ 131.74	$ 136.87	$ 142.20
8	3x per week	$ 176.22	$ 182.57	$ 189.15	$ 195.97	$ 203.03	$ 210.35
9	4x per week	$ 234.96	$ 243.09	$ 251.50	$ 260.19	$ 269.19	$ 278.51
10	5x per week	$ 293.70	$ 303.60	$ 313.84	$ 324.42	$ 335.35	$ 346.66
	1.0 Cubic Yard						
11	1x per week	$ 174.57	$ 180.87	$ 187.40	$ 194.17	$ 201.18	$ 208.44
12	2x per week	$ 349.14	$ 360.72	$ 372.67	$ 385.03	$ 397.80	$ 410.98
13	3x per week	$ 523.71	$ 540.55	$ 557.94	$ 575.89	$ 594.41	$ 613.53
14	4x per week	$ 698.28	$ 720.39	$ 743.21	$ 766.74	$ 791.03	$ 816.08
15	5x per week	$ 872.85	$ 900.23	$ 928.47	$ 957.60	$ 987.64	$ 1,018.62

Sanitation Rate Study
Appendices

A-5	Estimated Contract Costs

WILLDAN
Financial Services

Schedule A-5

Line	Group	Estimated	Projected				
		2023	2024	2025	2026	2027	2028
	Contract Costs-Garbage						
	Summary						
1	Garbage-0.55 YD BIN (CANS)	$ 886,438	$ 970,938.01	$ 1,013,747.73	$ 1,073,703.36	$ 1,137,120.18	$ 1,204,194.42
2	1.50 YD BIN (CANS)	$ 752	$ 816.84	$ 845.43	$ 887.70	$ 932.09	$ 978.69
3	2.00 YD BIN (CANS)	$ 7,921	$ 8,599.50	$ 8,900.48	$ 9,345.51	$ 9,812.78	$ 10,303.42
4	2.50 YD BIN (CANS)	$ 3,447	$ 3,741.84	$ 3,872.80	$ 4,066.44	$ 4,269.77	$ 4,483.26
5	3.00 YD BIN (CANS)	$ 177,080	$ 192,249.20	$ 198,977.92	$ 208,926.82	$ 219,373.16	$ 230,341.82
6	4.00 YD BIN (CANS)	$ 20,888	$ 22,677.84	$ 23,471.56	$ 24,645.14	$ 25,877.40	$ 27,171.27
7	Senior Citizens (CANS)	$ 3,695	$ 4,011.39	$ 4,151.79	$ 4,359.38	$ 4,577.35	$ 4,806.21
8	**Total Contract Costs-Garbage**	**$ 1,100,219**	**$ 1,203,034.62**	**$ 1,253,967.73**	**$ 1,325,934.35**	**$ 1,401,962.72**	**$ 1,482,279.09**
	Garbage-0.55 YD BIN (CANS)						
9	1x per week	$ 706,837	$ 775,942	$ 811,927	$ 861,792	$ 914,613	$ 970,562
10	2x per week	$ 107,093	$ 116,271	$ 120,340	$ 126,357	$ 132,675	$ 139,309
11	3x per week	$ 30,635	$ 33,261	$ 34,425	$ 36,146	$ 37,953	$ 39,851
12	4x per week	$ 29,326	$ 31,843	$ 32,957	$ 34,605	$ 36,335	$ 38,152
13	5x per week	$ 12,547	$ 13,622	$ 14,099	$ 14,803	$ 15,544	$ 16,321
	1.50 YD BIN (CANS)						
14	1x per week	$ 752	$ 817	$ 845	$ 888	$ 932	$ 979
15	2x per week	$ -	$ -	$ -	$ -	$ -	$ -
16	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
17	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
18	5x per week	$ -	0	$ -	$ -	$ -	$ -
	2.00 YD BIN (CANS)						
19	1x per week	$ 7,921	$ 8,600	$ 8,900	$ 9,346	$ 9,813	$ 10,303
20	2x per week	$ -	$ -	$ -	$ -	$ -	$ -
21	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
22	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
23	5x per week	$ -	$ -	$ -	$ -	$ -	$ -

Schedule A-5

Line	Group	Estimated	Projected				
		2023	2024	2025	2026	2027	2028
	2.50 YD BIN (CANS)						
24	1x per week	$ 3,447	$ 3,742	$ 3,873	$ 4,066	$ 4,270	$ 4,483
25	2x per week	$ -	$ -	$ -	$ -	$ -	$ -
26	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
27	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
28	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
	3.00 YD BIN (CANS)						
29	1x per week	$ 48,084	$ 52,203	$ 54,030	$ 56,731	$ 59,568	$ 62,546
30	2x per week	$ 61,099	$ 66,334	$ 68,655	$ 72,088	$ 75,692	$ 79,477
31	3x per week	$ 67,896	$ 73,713	$ 76,293	$ 80,108	$ 84,113	$ 88,319
32	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
33	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
	4.00 YD BIN (CANS)						
34	1x per week	$ 4,643	$ 5,041	$ 5,217	$ 5,478	$ 5,752	$ 6,039
35	2x per week	$ 6,960	$ 7,556	$ 7,821	$ 8,212	$ 8,622	$ 9,053
36	3x per week	$ 9,285	$ 10,081	$ 10,434	$ 10,956	$ 11,503	$ 12,079
37	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
38	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
	Senior Citizens (CANS)						
39	1x per week	$ 3,695	$ 4,011	$ 4,152	$ 4,359	$ 4,577	$ 4,806
40	2x per week	$ -	$ -	$ -	$ -	$ -	$ -
41	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
42	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
43	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
44	**Total Contract Costs-Garbage**	**$ 1,100,219**	**$ 1,203,034.62**	**$ 1,253,967.73**	**$ 1,325,934.35**	**$ 1,401,962.72**	**$ 1,482,279.09**

Schedule A-5

Line	Group	Estimated 2023	Projected 2024	2025	2026	2027	2028
	Rervenues-Recycling						
	Summary						
1	Residential & City Approved Commercial Small Business (Cans)	$ 109,385	$ 115,871	$ 122,733	$ 129,990	$ 137,667	$ 145,786
2	Commercial 1.5 CY (Bins)	$ 383	$ 402	$ 422	$ 443	$ 465	$ 488
3	Commercial 2.0 CY (Bins)	$ 2,124	$ 2,231	$ 2,342	$ 2,459	$ 2,582	$ 2,711
4	Commercial 3.0 CY (Bins)	$ 16,569	$ 17,397	$ 18,267	$ 19,180	$ 20,139	$ 21,146
5	Commercial 4.0 CY (Bins)	$ 2,753	$ 2,891	$ 3,035	$ 3,187	$ 3,347	$ 3,514
6	Commercial 6.0 CY (Bins)	$ 5,889	$ 6,184	$ 6,493	$ 6,818	$ 7,158	$ 7,516
7	Commercial 8.0 CY (Bins)	$ -	$ -	$ -	$ -	$ -	$ -
8	**Total Rervenues-Recycling**	**$ 137,104**	**$ 144,976**	**$ 153,292**	**$ 162,078**	**$ 171,359**	**$ 181,163**
	Residential & City Approved Commercial Small Business (Cans)						
9	64-GALLON CART	$ 87,204	$ 92,581	$ 98,278	$ 104,313	$ 110,706	$ 117,477
10	96-GALLON CART	$ 2,387	$ 2,506	$ 2,631	$ 2,763	$ 2,901	$ 3,046
11	MF 64 Multi-family 96-GALLON CART	$ 13,687	$ 14,371	$ 15,090	$ 15,844	$ 16,636	$ 17,468
12	M - MISC (FIXED) RECYCLING CHARGE CANS	$ 6,107	$ 6,413	$ 6,733	$ 7,070	$ 7,424	$ 7,795
	Commercial 1.5 CY (Bins)						
13	1x per week	$ 383	$ 402	$ 422	$ 443	$ 465	$ 488
14	2x per week	$ -	$ -	$ -	$ -	$ -	$ -
15	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
16	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
17	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
18	6x per week	$ -	$ -	$ -	$ -	$ -	$ -
	Commercial 2.0 CY (Bins)						
19	1x per week	$ 2,124	$ 2,231	$ 2,342	$ 2,459	$ 2,582	$ 2,711
20	2x per week	$ -	$ -	$ -	$ -	$ -	$ -
21	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
22	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
23	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
24	6x per week	$ -	$ -	$ -	$ -	$ -	$ -

Line	Group	Estimated 2023	Projected 2024	2025	2026	2027	2028
	Commercial 3.0 CY (Bins)						
25	1x per week	$ 9,665	$ 10,148	$ 10,656	$ 11,188	$ 11,748	$ 12,335
26	2x per week	$ 4,142	$ 4,349	$ 4,566	$ 4,795	$ 5,035	$ 5,286
27	3x per week	$ 2,762	$ 2,900	$ 3,045	$ 3,197	$ 3,357	$ 3,525
28	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
29	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
30	6x per week	$ -	$ -	$ -	$ -	$ -	$ -
	Commercial 4.0 CY (Bins)						
31	1x per week	$ 1,573	$ 1,652	$ 1,734	$ 1,821	$ 1,912	$ 2,008
32	2x per week	$ 1,180	$ 1,239	$ 1,301	$ 1,366	$ 1,434	$ 1,506
33	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
34	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
35	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
36	6x per week	$ -	$ -	$ -	$ -	$ -	$ -
	Commercial 6.0 CY (Bins)						
37	1x per week	$ 2,389	$ 2,508	$ 2,633	$ 2,765	$ 2,903	$ 3,048
38	2x per week	$ 3,501	$ 3,676	$ 3,860	$ 4,053	$ 4,255	$ 4,468
39	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
40	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
41	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
42	6x per week	$ -	$ -	$ -	$ -	$ -	$ -
	Commercial 8.0 CY (Bins)						
43	1x per week	$ -	$ -	$ -	$ -	$ -	$ -
44	2x per week	$ -	$ -	$ -	$ -	$ -	$ -
45	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
46	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
47	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
48	6x per week	$ -	$ -	$ -	$ -	$ -	$ -
49	**Total Rervenues-Recycling**	**$ 137,104**	**$ 144,976**	**$ 153,292**	**$ 162,078**	**$ 171,359**	**$ 181,163**

CITY OF MCFARLAND, CA **Schedule A-5**

PROJECTED CONTRACT COSTS

ORGANICS

Line	Group	Estimated 2023	Projected 2024	2025	2026	2027	2028
	Summary						
1	48 Gal Cart	$ 15,793	$ 16,583	$ 17,412	$ 18,283	$ 19,197	$ 20,157
2	64 Gal Cart	$ 641	$ 673	$ 706	$ 742	$ 779	$ 818
3	1.0 Cubic Yard	$ -	$ -	$ -	$ -	$ -	$ -
4	**Total Contract Costs-Organics**	**$ 16,434**	**$ 17,256**	**$ 18,119**	**$ 19,025**	**$ 19,976**	**$ 20,975**
	48 Gal Cart						
5	1x per week	$ 8,504	$ 8,929	$ 9,376	$ 9,845	$ 10,337	$ 10,854
6	2x per week	$ 2,430	$ 2,551	$ 2,679	$ 2,813	$ 2,953	$ 3,101
7	3x per week	$ 1,822	$ 1,913	$ 2,009	$ 2,110	$ 2,215	$ 2,326
8	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
9	5x per week	$ 3,037	$ 3,189	$ 3,349	$ 3,516	$ 3,692	$ 3,876
	64 Gal Cart						
10	1x per week	$ 641	$ 673	$ 706	$ 742	$ 779	$ 818
11	2x per week	$ -	$ -	$ -	$ -	$ -	$ -
12	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
13	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
14	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
	1.0 Cubic Yard						
15	1x per week	$ -	$ -	$ -	$ -	$ -	$ -
16	2x per week	$ -	$ -	$ -	$ -	$ -	$ -
17	3x per week	$ -	$ -	$ -	$ -	$ -	$ -
18	4x per week	$ -	$ -	$ -	$ -	$ -	$ -
19	5x per week	$ -	$ -	$ -	$ -	$ -	$ -
20	**Total Contract Costs-Organics**	**$ 16,434**	**$ 17,256**	**$ 18,119**	**$ 19,025**	**$ 19,976**	**$ 20,975**

Sanitation Rate Study
Appendices

A-6	Projected Administrative Fee

WILLDAN
Financial Services

CITY OF MCFARLAND, CA

PROJECTED ADMINISTRATIVE FEES
SANITATION FUND

Schedule A-6

Line No.	Description	Projected for Fiscal Year Ending June 30				
		2024	2025	2026	2027	2028
1	Contract Costs	$ 1,365,266	$ 1,425,379	$ 1,507,037	$ 1,593,297	$ 1,684,416
2	Other Expenses	$ 519,552	$ 499,951	$ 510,610	$ 521,536	$ 532,735
3	**Total Revenue Requirements**	**$ 1,884,818**	**$ 1,925,329**	**$ 2,017,647**	**$ 2,114,833**	**$ 2,217,151**
	Less Non-Rate Revenues:					
4	Interest Income	$ -	$ (1,287)	$ (1,751)	$ (2,291)	$ (3,138)
5	Rent Income	$ -	$ -	$ -	$ -	$ -
6	Connection Fees	$ -	$ -	$ -	$ -	$ -
7	Local Transportation Funding	$ -	$ -	$ -	$ -	$ -
8	Grants	$ -	$ -	$ -	$ -	$ -
9	Other non-operating revenues (expenses)	$ -	$ -	$ -	$ -	$ -
10	Gate Fees	$ (52,741)	$ (52,741)	$ (52,741)	$ (52,741)	$ (52,741)
11	Administration Fee	$ (26,398)	$ (27,058)	$ (27,734)	$ (28,428)	$ (29,138)
12	**Net Revenue Requirements**	**$ 1,805,679**	**$ 1,844,243**	**$ 1,935,420**	**$ 2,031,374**	**$ 2,132,133**
	Calculation of Administrative Fee					
13	Other Revenue Requirements	$ 440,413	$ 418,865	$ 428,384	$ 438,076	$ 447,717
14	Total Customers	6,012	6,092	6,172	6,252	6,332
15	**Administrative Fee**	**$ 6.10**	**$ 5.73**	**$ 5.78**	**$ 5.84**	**$ 5.89**
	Rate Revenues Under Proposed Rates					
16	Garbage	$ 1,378,262	$ 1,454,429	$ 1,535,325	$ 1,621,253	$ 1,712,537
17	Recycling	$ 184,764	$ 225,838	$ 277,380	$ 342,138	$ 423,582
18	Organics	$ 18,854	$ 19,665	$ 20,512	$ 21,395	$ 22,318
19	**Total Rate Revenues Under Proposed Rates**	**$ 1,581,880**	**$ 1,699,932**	**$ 1,833,217**	**$ 1,984,786**	**$ 2,158,436**
20	**Revenues over/(under) Revenue Requirements**	**$ (223,799)**	**$ (144,311)**	**$ (102,203)**	**$ (46,587)**	**$ 26,303**

Sanitation Rate Study
Appendices

A-7	Projected Operating Results

CITY OF MCFARLAND, CA

Schedule A-7

PROJECTED OPERATING RESULTS [1]

SANITATION FUND

Rate Scenario - Phased-In Rates

Line	Description	Budgeted 2024	Projected for Fiscal Year Ending June 30 2025	2026	2027	2028
	Operating revenues					
1	Charges for Services	$ 1,661,019	$ 1,779,731	$ 1,913,692	$ 2,065,955	$ 2,240,316
2	Other Revenue	-	-	-	-	-
3	**Total Operating revenues**	**$ 1,661,019**	**$ 1,779,731**	**$ 1,913,692**	**$ 2,065,955**	**$ 2,240,316**
	Operating Expenses					
4	Salaries and Employee Benefits	$ 296,000	$ 303,400	$ 310,985	$ 318,760	$ 326,729
5	Services and Supplies	1,515,237	1,548,348	1,633,081	1,722,492	1,816,841
6	Utilities	-	-	-	-	-
7	Franchise Fees	-	-	-	-	-
8	Depreciation	-	-	-	-	-
9	**Total Operating Expenses**	**$ 1,811,237**	**$ 1,851,748**	**$ 1,944,066**	**$ 2,041,252**	**$ 2,143,570**
10	**Operating Income (Loss)**	**$ (150,218)**	**$ (72,018)**	**$ (30,373)**	**$ 24,703**	**$ 96,746**
	Non-operating Revenues (Expenses)					
11	Interest Income	$ 856	$ 1,287	$ 1,751	$ 2,291	$ 3,138
12	Rent Income	-	-	-	-	-
13	Connection Fees	-	-	-	-	-
14	Local Transportation Funding	-	-	-	-	-
15	Grants	-	-	-	-	-
16	Other non-operating revenues (expenses)	-	-	-	-	-
17	**Total Non-operating Revenues (Expenses)**	**$ 856**	**$ 1,287**	**$ 1,751**	**$ 2,291**	**$ 3,138**
18	**Income (Loss) Before Transfers and Special Items**	**$ (149,363)**	**$ (70,730)**	**$ (28,622)**	**$ 26,994**	**$ 99,884**
19	**Capital Contributions**	-	-	-	-	-
	Transfers					
20	Transfers In	248,000	169,000	131,000	80,000	38,000
21	Transfers Out	(73,581)	(73,581)	(73,581)	(73,581)	(73,581)
22	**Net Results of Operations**	**$ 25,056**	**$ 24,689**	**$ 28,797**	**$ 33,413**	**$ 64,303**
	FUND BALANCE CALCULATION					
	SANITATION FUND					
23	Beginning Fund Balance	$ -	$ 25,056	$ 49,745	$ 78,542	$ 111,954
24	Deposit/(Withdrawal) from Operations	25,056	24,689	28,797	33,413	64,303
25	Capital Projects Funded with Cash	-	-	-	-	-
26	**Ending Fund Balance**	**$ 25,056**	**$ 49,745**	**$ 78,542**	**$ 111,954**	**$ 176,257**
27	**Targeted Fund Balance**	**$ 24,811**	**$ 50,733**	**$ 79,893**	**$ 111,849**	**$ 176,184**
28	**Variance**	**$ 245**	**$ (988)**	**$ (1,352)**	**$ 105**	**$ 73**
29	**Days Cash on Hand**	**5**	**10**	**15**	**20**	**30**
30	**Targeted Days Cash on Hand**	**5**	**10**	**15**	**20**	**30**

WILLDAN

27368 Via Industria, Suite 200
Temecula, CA 92590
800.755.6864 | Fax: 888.326.6864
www.willdan.com

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 11.
Section: PUBLIC HEARINGS
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Paul Saldaña , Community Development Director

SUBJECT: Approval of Resolution No. 2023-156 A Resolution of the City Council of the City of McFarland resolving its intention to initiate procedures for establishing and implementing district-based elections.

SUMMARY:

On November 30, 2023, the City Council adopted Resolution 2023-141 declaring its intention to transition from at-large to by-district elections and authorization an appropriation to engage a demographer to assist in the development of the mapping process.

Staff has engaged National Demographics Corporation (NDC) to assist in the distracting process. NDC has conducted over 450 local government districting and/or redistricting projects, including 215 such projects in the 2021/2022 post-Census redistricting cycle alone. NDC performed the districting work for over 85% of the nearly 200 California cities that moved from at-large to by-district elections since the 2001 passage of the California Voting Rights Act.

NDC and City staff have developed a schedule that will provide for consideration of district maps within the 90 day process and provide for the required five (5) public hearings, beginning with this first public hearing tonight. Staff along with the consultants will receive feedback into the process and scheduling. Likewise, now that the schedule is finalized it is recommended that the Council amend Resolution 2023-141 therein adopting the proposed schedule.

FINANCIAL IMPACT:

None.

RECOMMENDATION:

City Council conduct public hearing number 1 for the distracting process and adopt Resolution 2023-156 restatring the resolution of intent and adopting a public hearing schedule.

ATTACHMENTS:

1. Attachment A

RESOLUTION NO. 2023-156

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND RESOLVING ITS INTENTION TO INITIATE PROCEDURES FOR ESTABLISHING AND IMPLEMENTING DISTRICT BASED ELECTIONS

WHEREAS, the City of McFarland, is a California municipal corporation, duly organized under the constitution and the laws of the State of California;
WHEREAS, four members of the McFarland City Council are currently elected in at-large elections, in which each City Council member is elected by registered voters of the entire City, with the mayor being separately elected by registered voters of the entire City, pursuant to California Government Code sections 34871 and 34900 et seq.;
WHEREAS, Government Code section 34886 authorizes any city to change to a district based system with an elective mayor without the need to put such a change to the voters;
WHEREAS, the City Council has determined that it is in the best interest of the City to move from its current at-large elections system to a by-district elections system for members of the City Council in furtherance of the purposes of the California Voting Rights Act;
WHEREAS, the City intends to transition from an at-large system to a by-district system in accordance with the procedural rules outlined in Government Code section 34886 and Elections Code section 10010;
WHEREAS, at-large electoral systems like the one currently used by the District are subject to challenge under the California Voting Rights Act, Elections Code sections 14025-14032 ("CVRA"); in contrast, by-trustee area elections are not subject to challenge under the CVRA; and
WHEREAS, CVRA litigation is very costly to defend; and
WHEREAS, a successful plaintiff under the CVRA will typically be entitled to reasonable attorneys' fees, creating great financial risk to any jurisdiction sued; jurisdictions sued under the CVRA have been forced to pay high attorneys' fee claims to plaintiffs' counsel, as well as paying their own attorneys; and
WHEREAS, the City does not wish to risk costly litigation; and
WHEREAS, adoption of this resolution is not based on an admission by the City that a court would find its election system violates the CVRA. Rather, the public interest may be better served by voluntarily transitioning to district-based elections for a number of reasons, including the uncertainty of any potential litigation and the extraordinary costs of such a lawsuit even if the City were to prevail; and
WHEREAS, the probability of success defending a CVRA claim on the merits is uncertain without guidance from the California Supreme Court. This is due to the absence of clear objective standards on how a plaintiff is supposed to prove a case and how a city is to defend it. There is very little precedent regarding the CVRA's application, including the elements of a violation and how they are applied to cities; and
WHEREAS, the City's policy is to uphold the federal and California constitutions and to take any steps necessary to ensure equal protection under the law and the right to vote; and
WHEREAS, the City will retain and begin working with a demographer to assist the City in establishing maps for district based elections; and
WHEREAS, before drawing a draft map of the proposed boundaries of the districts, the City will hold at least two public hearings over no more than 30 days, at which time the public is invited to provide input regarding the composition of the districts; and
WHEREAS, the City will then publish and make available for release at least one draft map of the new electoral districting, including the potential sequence of elections shown;
WHEREAS, once the draft map has been publicized for at least seven days, the City will hold at least two additional public hearings, over no more than 45 days, at which time the public is invited to provide

input regarding the content of the draft map and the proposed sequence of elections prior to the public hearing at which the City Council adopts a map; and

WHEREAS, if a draft map is revised at or following a public hearing, the revised map will be published and made available to the public at least seven days before the City chooses to adopt it; and

WHEREAS, in determining the final sequence of staggered district elections, the City Council will give special consideration to the purposes of the CVRA, and will consider the preferences expressed by the members of the districts; and

WHEREAS, the City Council now wishes to adopt criteria to guide the establishment of electoral districts consistent with legal requirements including reasonable equal population and Section 2 of the federal Voting Rights Act of 1965, as well as other concerns and considerations important to the City; and

WHEREAS, the City of McFarland determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Guidelines"), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities 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. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. The City Council hereby resolves, pursuant to Elections Code section 10010, its intention to adopt a by-district election system by ordinance as authorized by California Government Code section 34886.
3. The City Council resolves to retain a qualified demographer, hold at least five public hearings, and publish at least one draft map and staggering sequence.
4. The City's demographer, acting under the supervision of the City Manager or designee, is hereby authorized to direct and formulate one or more electoral district scenarios for review by the public and the City Council at two or more public hearings, in accordance with the City's proposed timeline.
5. Working with the demographer, City staff is directed to publicize relevant maps, information, notices, agendas, and other materials regarding by-district elections and to establish a means of communication to answer questions from the public.
6. The City will complete the process prescribed by Elections Code section 10010 within 90 days of passage of this Resolution. Exhibit A to this Resolution is the City's initial schedule, subject to change as necessary.
7. The City Manager or designee is authorized to take all other necessary actions to give effect to this Resolution, including entering into an agreement with demographer.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on

December 14, 2023 by the following vote:

	Aye	Nae	Abstain	Absent
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				
María T. Pérez				

CITY OF MCFARLAND

_____
Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

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

_____
Francisca Alvarado, City Clerk

EXHIBIT "A"

DRAFT TIMELINE

Date	Event	Comment
November 30, 2023 Regular City Council Meeting	City Council adopts Resolution declaring its intention to transition from at-large to by-district elections and holds first public hearing.	
December 14, 2023 Regular City Council Meeting	First Public Hearing	Before maps are drafted Elections Code 10010(a)(1)
January 11, 2024 Regular City Council Meeting	Second Public Hearing	Before maps are drafted Must occur within 30 days of first public hearing. Elections Code 10010(a)(1)
January 15, 2024	Initial Public Map submission deadline	Last day for public to submit maps for consideration at the Jan. 25 hearing
January 18, 2024	Post draft maps with sequence of elections	Draft maps must be posted for at least 7 days before the third public hearing.
January 25, 2024 Regular City Council Meeting	Third Public Hearing	Regarding content of draft maps and sequence of elections. Elections Code 10010(a)(2)
January 29, 2024	Final Public Map submission deadline	Last day for public to submit maps for consideration at the Feb. 8 hearing
February 1, 2024	Post any new or amended maps with sequence of elections	Draft maps must be posted at least 7 days before fourth public hearing
February 8, 2024 Regular City Council Meeting	Fourth public hearing: • Select Map. • Council introduces ordinance establishing district elections, including district boundaries and election sequence	Regarding content of draft maps and sequence of elections. Fourth public hearing must be within 45 days of third public hearing. Elections Code 10010(a)(2)
February 22, 2024 Regular City Council Meeting	2nd reading of Ordinance	Ordinance adopted
Feb. 28, 2024	90 days after adoption of resolution of intent	See Elections Code section 10010.
2024-2026	Transition to district elections in respective districts	

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 12.
Section: PUBLIC HEARINGS
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Paul Saldaña , Community Development Director

SUBJECT: Approval of Ordinance No. 13-2023 Establishing a Development Agreement with OTC McFarland LLC and the City of McFarland.

SUMMARY:

On February 23, 2023 the City Council adopted Ordinance No 02-2023 which added Chapter 19.04 to provide for and regulate commercial cannabis businesses within the City of McFarland. The regulations and supplemental application were made available to interested parties to apply for a Commercial Cannabis Business Permit ("Permit"). Additionally, the City Council modified Chapter 19.04 to allow for commercial cannabis business operations within a C-2 zone subject to a Development Agreement.

OTC McFarland LLC ("OTC") submitted an application pursuant to Chapter 19.04 with a request for a Permit for a commercial cannabis business to be located at 981 Frontage Avenue. The property is owned by Guadalupe Garcia Diaz who signed the appropriate agreement indicating that OTC had authority to submit the permit. Staff reviewed the application provided by the OTC and upon determine that it was complete, forwarded the application to the Cannabis Committee. Concurrently, the City began negotiations with OTC regarding the development agreement and reached agreement on the framework for the agreement, the draft of which is attached. The agreement provides for the following:

- Provides for a 10 year term commencing on the effective date of the agreement.
- Provides for permitted use of the commercial cannabis operation in a C-2 zone and subjects the conditions of the approval to the measures outlined in Chapter 19.04 and the specific measures outlined in the Commercial Cannabis Permit which will be issued upon the effective date of the agreement.
- Provides for a combined cannabis tax and exaction equivalent to 15% of gross receipts each month from operations.
- Establishes a public benefit fund equal to 1% of gross receipts from operations.
- Sets in place the standards for inspection to ensure compliance with the City's regulations and conditions for which the development agreement may be terminated and the permit revoked, concurrent with Chapter 19.04.

Upon consideration of the ordinance approving the agreement, the additional actions by Council to be completed at second reading will be the approval and issuance of the Commercial Cannabis Business Permit and approval of the Indemnification Agreement

between the City and OTC. Following the approvals, it is expected that OTC will file for a building permit for site improvements and commence operation in Spring 2024.

City staff has determined that the project is exempt from CEQA pursuant to Sections 15061(b)(3) and 15301 (Existing Facilities) of the CEQA guidelines. A notice of exemption will be filed upon final reading of the ordinance.

FINANCIAL IMPACT:

$2.25 million is anticipated annually to the City's General fund from the operation of the business at full build out.
$150,000 is anticipated as the annual amount to support local nonprofits, community events and activities.

RECOMMENDATION:

City Council conduct a public hearing and introduce Ordinance No. 1-2023 adopting an unmodified Ordinance approving a Development Agreement between the City of McFarland, OTC McFarland LLC and Guaadalupe F. Garcia Diaz for the development of a commercial cannabis business at 981 Frontage Road.

ATTACHMENTS:

1. McFarland DA_Final Version 2.0

ORDINANCE NO. 13-2023

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCFARLAND, CALIFORNIA, APPROVING ADOPTING AN UNCODIFIED ORDINANCE, APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MCFARLAND AND OTC MCFARLAND, LLC AND GUADALUPE F. GARCIA DIAZ FOR THE DEVELOPMENT OF A COMMERCIAL CANNABIS BUSINESS AT 981 FRONTAGE ROAD, MCFARLAND CA

Section 1. Recitals

WHEREAS, Sections 65864-65869.5 of the California Government Code authorize the City of McFarland ("City") to enter into development agreements and requires the planning agency of the City to find the proposed development agreement to be consistent with the policies and programs of the General Plan and any applicable specific plan, which the Planning Commission has done; and

WHEREAS, Government Code section 65865 authorizes the City to enter into development agreements with any person having a legal or equitable interest in real property; and

WHEREAS, OTC McFarland LLC ("Developer") has filed the a commercial cannabis permit application with the City for development of 981 Frontage Road, in McFarland , California, APN: 201-031-03-00-0, ("Property") for the development of commercial cannabis business under Chapter 19.04 of the McFarland Municipal Code (the "Project"); and

WHEREAS, the City performed a preliminary environmental assessment pursuant to the requirements of the California Environmental Quality Act (California Public Resources Code section 21000, *et seq*.) and the Guidelines thereunder (14 California Code of Regulations section 15000, *et seq*.) (collectively, "CEQA"), and determined the Project Approvals were subject to exemptions pursuant to CEQA Guidelines Section 15061(b)(3) and 15301 (Existing Facilities); and

WHEREAS, On December 12, 2023 at a duly noticed public meeting and after due review and consideration of (i) the report of City staff on the Project Applications, (ii) all other evidence heard and submitted at the public hearing, and (iii) all other appropriate documentation and circumstances, the Planning Commission of the City adopted resolutions recommending that the City Council: (1) adopt the exemption pursuant to CEQA Guidelines Sections 15061(b)(3) and 15301(Existing Facilities) in compliance with CEQA; and (3) approve this Development Agreement

WHEREAS, On December 14, 2023, at a duly noticed public meeting and after introduction of the ordinance due review and consideration of (i) the report of City staff on the Project Applications, (ii) the recommendations of the Planning Commission, (iii) all other evidence heard and submitted at the duly noticed public hearing conducted and closed, and (iv) all other appropriate documentation and circumstances.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MCFARLAND DOES ORDAIN AS FOLLOWS:

1. The above recitals are true, correct and hereby incorporated by reference.

2. The City Council adopts the exemption pursuant to CEQA Guidelines Sections 15061(b)(3) and 15301(Existing Facilities) in compliance with CEQA and adopt any attendant findings required by CEQA;

3. The City Council approves the Development Agreement by and between The City Of McFarland and OTC McFarland LLC and Guadalupe F. Garcia Diaz as an uncodified ordinance attached hereto as Exhibit "A,"

3. Direct the Mayor or the City Manager or his/her designee to finalize and execute this Agreement on behalf of the City.

4. This Ordinance shall take effect and be in full force and effect from and after thirty (30) calendar days after its final passage and adoption.

INTRODUCED, at a regular meeting of the City Council of the City of McFarland, California on 12/14/2023, by the following vote:

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on by the following vote:

	Aye	**Nae**	**Abstain**	**Absent**
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				
María T. Pérez				

_____
Francisca Alvarado, City Clerk

I hereby certify that the foregoing Ordinance was duly and regularly adopted by the City Council of the City of McFarland by a regular meeting thereof held on December 14, 2023.

ATTEST:

_____
Saul Ayon, Mayor

APPROVED AS TO FORM:

_____

Francisca Alvarado, City Clerk

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Community Development Director
City of McFarland
401 W. Kern Ave.
McFarland, CA 93250

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Recording Fee Exempt per Government Code §6103

DEVELOPMENT AGREEMENT

by and between

The City of McFarland,
a California municipal corporation

and

OTC McFarland LLC,
a California limited liability company

and

Guadalupe F. Garcia Diaz

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Development Agreement") is made and entered into this ___ day of _____, 2023 (the "Record Date"**)**, by and among the City of McFarland, a municipal corporation organized and existing under the laws of the State of California (the "City") on one hand, and OTC Mc Farland LLC, a California limited liability company, ("Developer") and Guadalupe F. Garcia Diaz ("Owner" or "Landlord") on the other hand. The Parties to this Development Agreement may be referred to hereinafter individually as a "Party" or jointly as the "Parties."

RECITALS

A) In 1996, the California Legislature approved Proposition 215, also known as the Compassionate Use Act ("CUA"), which was codified under Health and Safety Code section 11262.5 et sec., and was intended to enable persons in need of medical marijuana for specified medical purposes, such as cancer, anorexia, AIDS, chronic pain, glaucoma and arthritis, to obtain and use marijuana under limited circumstances and where recommended by a physician. The CUA provides that "nothing in this section shall be construed or supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes."

B) In 2004, the California Legislature enacted the Medical Marijuana Program Act Health & Safety Code, § 11362.7 et seq.) ("MMP"), which clarified the scope of the CUA, created a state-approved voluntary medical marijuana identification card program, and authorized cities to adopt and enforce rules and regulations consistent with the MMP. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the MMP to expressly recognize the authority of counties and cities to "[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective" and to enforce such ordinances civilly and criminally.

C) In September 2015, the California State Legislature enacted, and Governor Brown signed into law three bills – Assembly Bill 243, Assembly Bill 266, and Senate Bill 643 –which together comprise the Medical Marijuana Regulation and Safety Act (the "MMRSA"). The MMRSA created a comprehensive dual state licensing system for the cultivation, manufacture, retail, sale, transport, distribution, delivery, and testing of medical cannabis.

D) The MMRSA was renamed the Medical Cannabis Regulation and Safety Act (the MCRSA"), under Senate Bill 837 in June 2016, which also made included substantive changes to the applicable state laws, which affect the various state agencies involved in regulating cannabis businesses as well as potential licensees.

E) On November 8, 2016, the Control, Regulate, and Tax Adult Use of Marijuana Act AUMA") was approved California voters as Proposition 64 and became effective on November 9, 2016, pursuant to the California Constitution (Cal. Const., art. II,

§ 10(a).). Proposition 64 legalized the nonmedical use of cannabis by persons 21 years of age and over, and the personal cultivation of up to six (6) cannabis plants.

F) AUMA also created a state regulatory and licensing system governing the commercial cultivation, testing, and distribution of nonmedical cannabis, and the manufacturing of nonmedical cannabis products.

G) On June 27, 2017, Governor Brown signed the Legislature-approved Senate Bill 94. Senate Bill 94 combined elements of the MCRSA and AUMA to establish a streamlined singular regulatory and licensing structure for both medical and nonmedical cannabis activities. The new consolidated provisions under Senate Bill 94 is now known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA") to be governed by the California Bureau of Cannabis Control. MAUCRSA refers to medical cannabis as "medicinal cannabis" and nonmedical/recreational cannabis as "adult-use cannabis."

H) On September 16, 2017, Governor Brown signed Assembly Bill 133 into law, which provided cleanup and substantive changes to MAUCRSA, including the removal of the requirement that licensed premises remain "separate and distinct" for each license type.

I) MAUCRSA grants local jurisdictions discretion over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction and, if authorized, where within such jurisdiction.

J) On February 23, 2023, the City Council approved Ordinance No. 0002-2023 amending the McFarland Municipal Code ("MMC") to add Chapter 19.04 to: (i) allow commercial cannabis businesses to operate within the City; (ii) require all cannabis businesses in the City to have a State license and a City cannabis business permit; (iii) establish procedures for the review and issuance of a cannabis business permits; and (iv) establish regulations related to such commercial cannabis business activities.

K) The MMC allows persons to engage in a permissible "Cannabis Business" upon the City's issuance of a "Cannabis Business Permit," which requires City approval of a Cannabis Permit, a development agreement if the business will operate within a C-2 zone, and other applicable approvals.

L) Developer is the owner of the Property (or) Developer affirms that it has an equitable interest in the real Property located at: 981 Frontage Road, in the City of McFarland, County of Kern, State of California, Assessor's Parcel Number 201-031-03-00-0 ("Property"), evidenced in a writing which is attached hereto and incorporated herein as Exhibit A for the purpose of carrying out the Project,

M) The Property is more particularly described in the legal description attached hereto as Exhibit B and the combined Property Plan and Floor Plan is attached hereto as Exhibit C.

N) Developer proposes to improve, develop, and use the Property for a Cannabis

Business (as defined below), in accordance with California Cannabis Laws (as defined below) and the MMC, as each may be amended from time to time (the "Project").

O) To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 et seq. (the "Development Agreement Statute"), which authorizes the City and an individual with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.

P) Consistent with the requirements of the Development Agreement Statute, the City adopted MMC, Chapter 19.04.200 ("Development Agreement Ordinance") authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City.

Q) MMC, Sections 19.04.110, 19.04.190 and 19.04.200 requires submittal of an application along with information and supporting data as requested by the Director of Community Development for consideration of any development agreement for a Project located within C-2 zoning. Developer has satisfied this requirement. The following application(s) have been filed by the Developer with the City for the Property for the development of commercial cannabis related uses (the **"**Project**"**):

1) An application for this Development Agreement (the "DA Application").

2) An application for a site development permit filed by the Developer (the "Site Development Application") for architectural treatment, drainage, site aesthetics, and similar development within the Project Area (as more particularly described in the Site Plan Application).

3) An application filed by the Developer (the "Commercial Cannabis Permit Application") for a Commercial Cannabis Permit, as required by Chapter 19.04 of the McFarland Municipal Code, for cannabis uses in the Project Area (as more particularly described in the Commercial Cannabis Permit application).

The Site Development Application and the Commercial Cannabis Permit Application are hereinafter sometimes collectively referred to as the "Project Applications". Approval of the Project Applications is hereinafter sometimes collectively referred to as the "Project Approvals."

R) All required fees and costs have been paid for the filing, and the City's processing of, the Project Applications except for the payment of the City Preparation Costs (as hereinafter defined) which will be paid within thirty (30) days of the Effective Date (as hereinafter defined) of this Agreement.

S) Subsequent to the filing of the Project Applications, the City performed a preliminary environmental assessment pursuant to the requirements of the California Environmental Quality Act (California Public Resources Code section 21000, *et seq*.) and the Guidelines thereunder (14 California Code of Regulations section 15000, *et seq*.) (collectively, "CEQA"), and determined the Project Approvals were subject to exemptions pursuant to CEQA Guidelines Section 15061(b)(3) and 15301 (Existing Facilities).

T) Developer filed the DA Application for approval of this Agreement in order to: (1) vest the land use and zoning policies established in the Existing City Requirements (as hereinafter defined) as of the Adoption Date (as hereinafter defined) of this Agreement for the duration of the Term (as hereinafter defined) with respect to the Project Area and the Project; and (2) memorialize certain other agreements made between the City and Developer with respect to the Project Area and the Project.

U) The City has determined that this Agreement furthers the public health, safety and general welfare, and that the provisions of this Agreement are consistent with the goals and policies of the currently adopted McFarland General Plan. For the reasons recited herein, the City and Developer have determined that the Project is a development for which this Agreement is appropriate. This Agreement will eliminate uncertainty regarding Project Approvals and certain subsequent development approvals which could discourage and deter Developer from making the long-term commitments necessary to fully develop the property, thereby encouraging planning for, investment in, and commitment to use and develop the Project Area. Continued use and development of the Project Area is anticipated to, in turn, provide the following substantial benefits and contribute to the provision of needed infrastructure for area growth, thereby achieving the goals and purposes for which the Development Agreement Laws were enacted: (1) Provide for the development of unused land; (2) Provide increased tax revenues for the City; (3) Provide for jobs and economic development in the City; and (4) Provide infrastructure improvements that can be utilized by regional users and future users. It is based upon these benefits to the City that the City is agreeable to proceeding with the proposed Project Applications and Project Approvals.

V) The City has further determined that the provisions of this Agreement, including the uses and activities authorized herein, are compatible with the uses authorized in, and the regulations prescribed for, the zoning district and area in which the Property is located, and will not adversely affect the orderly development of property or the preservation of property values in the City.

W) The City has further determined that this Agreement, will provide for or result in contributions, services, or facilities that benefit the community and provides for payment by the Developer of all costs associated with preparing and entering into this Agreement as stated this Agreement.

X) The City has further determined that this Agreement provides reasonable remedies for violation of its terms, as stated in Section 10 hereof.

Y) The City, by electing to enter into contractual agreements such as this one,

acknowledges that the obligations of the City shall survive beyond the term or terms of the present City Council members, that such action will serve to bind the City and future City Councils to the obligations thereby undertaken, and this Development Agreement shall limit the future exercise of certain governmental and proprietary powers of the City. By approving this Development Agreement, the City Council has elected to exercise certain governmental powers at the time of entering into this Development Agreement, rather than deferring its actions to some undetermined future date. The terms and conditions of this Development Agreement have been found to be fair, just, and reasonable, and the City has concluded that the pursuit of this Development will serve the best interests of its citizens and the public health, safety, and welfare will be best served by entering into this obligation. The City acknowledges that Developer would not consider or engage in the Development without the assurances of development entitlements that this Development Agreement is designed to provide.

Z) On December 12, 2023, at a duly noticed public meeting and after due review and consideration of (i) the report of City staff on the Project Applications, (ii) all other evidence heard and submitted at the public hearing, and (iii) all other appropriate documentation and circumstances, the Planning Commission of the City adopted resolutions recommending that the City Council: (1) adopt the exemption pursuant to CEQA Guidelines Sections 15061(b)(3) and 15301(Existing Facilities) in compliance with CEQA; and (2) approve this Development Agreement.

AA) On December 14, 2023, at a duly noticed public meeting and after introduction of the ordinance due review and consideration of (i) the report of City staff on the Project Applications, (ii) the recommendations of the Planning Commission, (iii) all other evidence heard and submitted at the duly noticed public hearing conducted and closed, and (iv) all other appropriate documentation and circumstances, the City Council adopted an ordinance to: (a) adopt the exemption pursuant to CEQA Guidelines Sections 15061(b)(3) and 15301(Existing Facilities) in compliance with CEQA and adopt any attendant findings required by CEQA; (b) to effectuate the approval of this Agreement, upon making the findings required by section 19.04.200 of the McFarland Municipal Code; and (c) direct the Mayor or the City Manager or his/her designee to finalize and execute this Agreement on behalf of the City (collectively, the "City Council Ordinance").

BB) This Development Agreement will promote and encourage the development of the Property by providing Developer with a greater degree of certainty of the Developer's ability to expeditiously and economically complete the development effort, and the Parties agree that the consideration to be received by the City pursuant to this Development Agreement and the rights secured to the Developer hereunder constitute sufficient consideration to support the covenants and agreements of the City and Developer. By entering into this Development Agreement, the City desires to allow the Development pursuant to the Development Agreement utilizing the land-use ordinances, rules, regulations and policies applicable on the Effective Date, as defined in Section 3 of this Development Agreement and, pursuant to this Development Agreement, to vest in Developer and Owner, to the fullest extent possible under the law, all development entitlements required as of the Effective Date by the City in order to complete the Development.

AGREEMENT

NOW, THEREFORE, with reference to the above Recitals, which are incorporated herein by reference, and in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the Parties do hereby agree as follows:

1. Interests of Developer.

1.1 Recordation. This Agreement shall be recorded in the Official Records of the County of Kern County, and the City and Developer shall execute any documents reasonably required by the other to effectuate such recordation. This Agreement must be recorded with the Kern County Recorder prior to commencement of any commercial cannabis use on the Property, regardless of the existence of any conditional use permit, site plan, entitlement, City-issued commercial cannabis permit or State-issued license for cannabis operations at the Property or in the Property Area.

1.2 Recordation of Agreement. Within ten (10) calendar days following mutual execution of this Agreement by the City and Developer, the City shall cause this Agreement to be recorded in the official records of Kern County, California (the "Official Records") with respect to the Property. Following the recordation of this Agreement in the Official Records, the City shall deliver to Developer a confirmed copy of this Agreement evidencing the recording information.

1.3 Binding Covenants. The Developer represents: (1) it has a legal right of possession to the Property and/or equitable interest in the Project Area; (2) it has provided proof of such interest to the satisfaction of the City Manager; (3) it has provided proof of the authority of any agent or representative to act for the Developer in connection with this Agreement to the satisfaction of the City Manager; and (4) all other persons holding legal title in the Project Area are bound by this Agreement. It is intended and determined that the provisions of this Agreement shall constitute covenants which shall run with the land in the Project Area, and the burdens and benefits hereof shall bind an inure to all successors in interest to the Parties.

2. Term of Agreement.

2.1 Definitions. For purposes of this Agreement, the following shall have the meanings set forth below:

"Adoption Date" means the date on which the City Council adopted the ordinance approving this Agreement and authorizing the City Manager to execute this Agreement on behalf of the City.

"Effective Date" means Term Commencement Date, which shall be thirty (30) days after the Adoption Date.

"Laws" means the Constitution and laws of the State, the Constitution of the United States, and any codes, statutes, regulations, or executive mandates thereunder, and any court decision, State or federal, thereunder, provided that, any codes, statutes, regulations, or executive mandates under federal law that render cannabis illegal shall be excluded from this definition.

"State" means the State of California.

"Terminate" means the expiration of the Term of this Agreement, whether by the passage of time or by any earlier occurrence pursuant to any provision of this Agreement. The term "Terminate" includes any grammatical variant thereof, including "Termination" or "Terminated".

2.2 Term. The term of this Agreement (the "Term") shall commence on the Effective Date and shall continue for a period of ten (10) years following the Effective Date. The Term of this Agreement shall be extended for another five (5) years upon the mutual written agreement of Developer and the City, provided that, City shall not withhold its approval to extend the Term if Developer is in material compliance of this Agreement (collectively, "Renewal Term"). Any Term or Renewal Term shall be extended for any events pursuant to Section 12.1 and during the pendency of legal action, if any, challenging the Project Approvals, the adoption of an environmental finding or document for the Project pursuant to CEQA, or any legal action challenging or contesting the adoption of this Agreement. Any extension based upon an event described in this Section 2.2 shall be granted pursuant to the procedures set forth in Section 12. If any federal codes, statutes, regulations, or executive mandates are enacted or decreed after the Effective Date that render this Agreement economically unfeasible for Developer, then Developer and City agree to discuss in good faith an amendment to this Agreement to render this Agreement economically reasonable for Developer. Notwithstanding the foregoing, Developer shall be required to comply with the permit requirements of McFarland Municipal Code 19.04 et seq.

2.3 Termination. This Agreement shall terminate upon the occurrence of any of the following events:

2.3.1 The expiration of the Term;

2.3.2 The Developer no longer has a possessory, legal or other equitable interest in the Property;

2.3.3 The Developer has ceased all operations related to the Project on the Property for a period of one (1) year or more, unless Developer has received written consent by the city for such cessation;

2.3.4 Mutual written consent of the Parties;

2.3.5 The failure of the Developer to commence construction

operation of the Project on the Property within the nine (9) months following the Effective Date of this Agreement;

2.3.6 Following the Term Commencement Date, the failure to have a valid Cannabis Business Permit for the Project;

2.3.7 Following the Term Commencement Date, the failure to have a valid State Cannabis Permit for the Project;

2.3.8 Unauthorized assignment of interest of the Project or the Property;

2.3.9 A breach of this Agreement, after proper notice provided, and the failure of the Developer to cure.

2.4 Effect of Termination. Upon any Termination of this Agreement, each Party shall retain any and all of the respective benefits that it received as of the date of Termination under or in connection with this Agreement. Termination of this Agreement shall not: (a) alter, impair or otherwise affect any City Permits for the Project that were issued by the City prior to the date of Termination; or (b) prevent, impair or delay Developer from (i) commencing, performing or completing the construction of any buildings or improvements in the Project or (ii) obtaining any certificates of occupancy or similar approvals from the City for the use and occupancy of completed buildings or improvements in the Project, that were authorized pursuant to City Permits for such construction issued by the City prior to the date of Termination. Nothing herein shall preclude the City, in its discretion, from taking any action authorized by Laws or Existing City Requirements to prevent, stop or correct any violation of Laws or Existing City Requirements occurring before, during or after construction of the buildings and improvements in the Project by Developer.

3. Development of the Project.

3.1 For purposes of this Agreement, the following shall have the meanings set forth below:

"Applicable Rules" collectively means: (a) the terms and conditions of the Project Approvals; (b) the terms and conditions of this Agreement; and (c) the Existing City Requirements.

"City Agency" means any office, board, commission, department, division or agency of the City.

"City Manager" means the City Manager of the City of McFarland, or designee.

"City Permits" collectively means any and all permits or approvals

that are required under the City Requirements in order to develop, use and operate the Project, other than: (a) the Plan Amendments; (b) the Zoning Amendments; (c) the Project Approvals (except for a commercial cannabis permit); and (d) Future Discretionary Approvals (as hereinafter defined) that the Developer may elect to obtain from the City pursuant to Section 3.4. "City Permits" specifically include, without limitation, commercial cannabis permits, building permits and Technical City Permits.

"City Requirements" collectively means all of the following which are in effect from time to time: (a) the McFarland Municipal Code; and (b) all rules, regulations and official plans and policies, including the 2040 McFarland General Plan and any applicable Specific Plan, of the City governing development, subdivision and zoning that are applicable to the Project Area. The City Requirements may include, without limitation, requirements governing building height, maximum floor area, permitted and conditionally permitted uses, floor area ratios, maximum lot coverage, building setbacks and setbacks, parking, signage, landscaping, Exactions (as hereinafter defined) and dedications, growth management, environmental consideration, grading, construction, security measures, odor control and other items**.**

"Developer Approved Changes" means those amendments, revisions or additions to the City Requirements adopted or enacted after the Adoption Date that: (a) Developer elects, in its sole discretion, to have applied to the development and occupancy of the Project and the Project Area during the Term of this Agreement; and (b) the City Manager approves such application, which approval shall not be unreasonably withheld.

"Existing City Requirements" means the City Requirements that are in effect as of the Adoption Date of this Agreement.

"Permitted Rules Revisions" collectively means the following: (a) any Minor Changes to this Agreement that are proposed by Developer and approved by the City in accordance with Section 3.3; (b) any commercial cannabis activity regulations enacted by the City Manager; (c) any Future Discretionary Approvals that are applied for by Developer and approved by the City pursuant to Section 3.4; (d) any Authorized Code Revisions under Section 3.5 that are uniformly applied on a City-wide basis; and (e) written amendments to this Agreement that are mutually executed by City and Developer pursuant to Section 15.2.

"Technical City Permits" collectively means any of the following technical permits issued by the City or any City Agency in connection with any building or improvement in the Project: (a) demolition, excavation and grading permits; (b) foundation permits; (c) permits for the installation of underground lines and facilities for utilities, including without limitation, water, sewer, storm drain and dry utilities (electrical, gas, phone and cable); (d) any encroachment permits; and (e) any street improvement permits, including without limitation, permits for street lighting and traffic signals. "Technical City Permits" specifically excludes building permits from the City or any City Agency for the construction of particular buildings or improvements in the Project.

3.2 Development Approval. The following elements of the Project are

hereby approved:

3.2.1 Permitted Uses of the Property. The Parties agree that the Developer's Project and use of the Property are currently permitted by the City and State of California. Notwithstanding any other terms and conditions contained herein, this Development Agreement is subject to the right of the City to: (i) take appropriate action to abate any public nuisance, excluding the Developer's Project and use at the Property, which is the retail sale of cannabis; (ii) to enforce all laws that do not conflict with Existing Development Regulations, as defined hereinafter; (iii) to enforce compliance with the conditions of approval expressed in any Cannabis Business Permit/ ("CBP") issued by the City with respect to the Project (and notwithstanding anything to the contrary contained herein or in the McFarland Municipal Code); (iv) to enforce the obligations and requirements of this Development Agreement; and (v) to exercise the police powers of the City in order to safeguard the health, safety, and wellbeing of the public, excluding the Developer's Project and use at the Property, which is the retail sale of cannabis.

3.2.2 Nothing in this Development Agreement shall be construed to prohibit uses other than the Project on the Property, provided such other uses are in conformity with: (i) the provisions of this Development Agreement; and (ii) the ordinances, regulations and standards of the City as they may from time to time be amended. The vested rights granted to Developer under this Development Agreement apply only to the Project and the use of the Project approved herein.

3.2.3 Development Standards. The City agrees to allow Development of the Project in accordance with the Existing Development Regulations as defined in Section 5 of this Development Agreement and any CBP. The purpose of this provision is to limit changes to the City's development standards as of the Effective Date.

3.3 Applicable Rules.

3.3.1 Except for the Permitted Rules Revisions and any Developer Approved Changes, Developer shall have the right to develop and occupy the Project during the Term in accordance with the Applicable Rules. In the event of any conflict between the provisions in this Agreement, the Project Approvals and the Existing City Requirements, such conflict shall be resolved in the following order of priority: (a) first, the requirements of Chapter 19.04 of the McFarland Municipal Code; (b) then, commercial cannabis activity regulations enacted by the City Manager; (c) then, this Agreement; (d) then, the Project Approvals; and (e) finally, any other Existing City Requirements.

3.3.2 Except for the Permitted Rules Revisions and any Developer Approved Changes, no amendment to, revision of, or addition to any of the City Requirements that is adopted or enacted after the Effective Date shall (i) be effective or enforceable by the City with respect to the Project or the Project Area or (ii) modify or impair the rights of Developer under this Agreement during the Term without the Developer's written approval, whether such amendment, revision or addition is adopted or approved by: (a) the City Council; (b) any City Agency; or (c) by the people of the City through

referendum or initiative measure.

3.4 Minor Changes.

3.4.1 The Parties acknowledge that further planning and development of the Project may demonstrate that refinements and changes are appropriate with respect to the details and performance of the Parties under this Agreement. The Parties desire that Developer retain a certain degree of flexibility with respect to the details of the development of the Project and with respect to those items covered in general terms under this Agreement. If and when Developer finds that Minor Changes (as hereinafter defined) are necessary or appropriate, then upon written request by Developer, the Parties shall, unless otherwise required by federal, state or local ordinance and/or regulation, effectuate such changes or adjustments through administrative amendments executed by the Developer and the City Manager or his or her designee, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by the City Manager and the Developer.

3.4.2 The term "Minor Changes" collectively means: (a) minor deviations to the Project Approvals, including, the addition of cannabis permits, that are permitted under the Existing City Requirements and are reasonably approved by the City Manager; (b) a reduction in the parking ratio requirements for the Project consistent with the McFarland Municipal Code, provided that (i) the reduction does not exceed ten percent (10%) of the Code requirement, and (ii) the reduction is approved by the City Manager, which approval shall not be unreasonably withheld or denied; or (c) such other changes, modifications or adjustments to the Project Approvals, which the City Manager determines are consistent with the overall intent of the Project Approvals and which do not materially alter the overall nature, scope, or design of the Project, and which are consistent with the requirements of Chapter 19.04 of the McFarland Municipal Code and any commercial cannabis activity regulations enacted by the City Manager.

3.4.3 In effecting any Minor Changes, the City shall cooperate with the Developer, provided that the permitted uses are not modified from those in the Project Approvals and any changes are in accordance with the Existing City Requirements. Minor Changes shall not be deemed to be an amendment to this Agreement under California Government Code Section 65868 but are ministerial clarifications and adjustments, and unless otherwise required by law, no such administrative amendments shall require prior notice or hearing by the Planning Commission and City Council. Any amendment or change requiring an environmental impact report, or a supplement thereto, pursuant to CEQA shall not be considered a Minor Change, but shall be considered a substantive amendment which shall be reviewed and approved by the Planning Commission or the City Council as determined by the applicable provisions of the McFarland Municipal Code relating to the hearing and approval procedures for the specific Project Approval.

3.5 Future Discretionary Approvals. Nothing in this Agreement is intended, should be construed or shall operate to preclude or otherwise impair the rights of Developer from applying to the City during the Term of this Agreement for any of the

following new approvals with respect to any proposed buildings and improvements in the Project (collectively, the "Future Discretionary Approvals"): (a) any new variance or conditional use permit that is required under the Existing City Requirements; (b) any subsequent Cannabis Business Permit/Commercial Cannabis Permit; and (c) any other approval (i) which is not otherwise addressed or set forth in this Agreement and (ii) which the Existing City Requirements mandate must be reviewed and approved by the Planning Commission or City Council. The City shall process, review and approve or disapprove any application for a Future Discretionary Approval filed by Developer in accordance with the City Requirements then in effect. The approval by the City of an application by Developer for a Future Discretionary Approval shall not require an amendment of this Agreement.

3.6 Authorized Code Revisions. This Agreement shall not prevent the City from applying to the Project the following rules, regulations and policies adopted or enacted after the Adoption Date, if uniformly applied on a City-wide basis (collectively, the "Authorized Code Revisions"):

3.6.1 Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure, provided that such changes in procedural regulations do not have the effect of materially interfering with the substantive benefits conferred to Developer by this Agreement.

3.6.2 Regulations which are not in conflict with this Agreement and which would not, alone or in the aggregate, cause development of the Project by Developer to be materially different, more burdensome, time consuming or expensive.

3.6.3 Regulations which are necessary to avoid serious threats to the public health and safety, provided that, to the maximum extent possible, such regulations shall be construed and applied in a manner to preserve the substantive benefits conferred to Developer by this Agreement.

3.6.4 Mandatory regulations of the State and the United States of America applicable to the Project, provided that, to the maximum extent if possible, such regulations shall be construed and applied in a manner to preserve to the Developer the substantive benefits conferred to Developer by this Agreement.

3.6.5 City Requirements imposing life safety, fire protection, mechanical, electrical and/or building integrity requirements with respect to the design and construction of buildings and improvements, including the then current applicable building codes.

3.6.6 Any commercial cannabis activity regulations enacted by the City Manager which are in compliance with the mandatory requirements of the McFarland Municipal Code.

3.7 Timing of Development. The actual timing and order of the

development of any particular building(s), and/or site improvements within the Project shall be determined by Developer, in its sole discretion, based upon the then projected needs and resources of Developer, as long as all requirements set forth in this Agreement and the Project Approvals related to each designated building or buildings are satisfied by Developer.

3.8 No Obligation to Develop. Nothing in this Agreement is intended, should be construed nor shall require Developer to proceed with the construction of any improvements in the Project Area. The decision to proceed or to forbear or delay in proceeding with the implementation or construction of the Project or any buildings or improvements on the Project Area shall be in the sole discretion of Developer and the failure of Developer to proceed with construction of the Project or any such buildings or improvements on the Project Area shall not: (a) give rise to any rights of the City to terminate this Agreement; or (b) constitute an Event of Default (as hereinafter defined) or give rise to any liability, claim for damages or cause of action against Developer.

3.9 Hold on Certificate of Occupancy. Except as otherwise provided in Section 6.2.3, the City reserves the right to place a hold on the issuance of any required Certificate of Occupancy for a building in the Project in the event the Existing City Requirements or Conditions of Approval with respect to that building and any site improvements have not been substantially completed by Developer.

4. City Permits.

4.1 Review and Processing of City Permits. Except as otherwise expressly provided in this Agreement, all City Permits required for the construction, development and operation of the Project and any buildings and improvements therein which comply with the requirements of the Applicable Rules: (a) shall be issued by the City Manager or the director of the other applicable City Agency having responsibility for the issuance of such City Permits, such as the City Manager for commercial cannabis permits; (b) shall not require the approval of the Planning Commission, City Council or any other City board or commission; and (c) shall not require a public hearing.

4.2 Building Permits. It is understood by the Parties to this Development Agreement that, pursuant to the City's Building Code, building permit applications and issued building permits do not remain valid for the term of this Development Agreement, but only for the term set by the Building Code. Accordingly, the Developer shall have the right to file new building permit applications for the Development or any portion thereof where such previously approved building permit applications or issued building permits have expired, provided no Certificate of Occupancy has been issued with respect to the relevant portion of the Project. Any such new building permit applications filed for the Development shall be reviewed in accordance with this Development Agreement. However, any alternations or modifications to the Project or any separate portion thereof, which occur during the Term, but after the Project is completed and issued its initial Certificate of Occupancy, will be subject to whatever building codes and standards as are in effect at the time of application for building permits, as well as the fees then in effect.

5. Developer's Obligations Regarding Property.

5.1 Operate Project. Developer is obligated, after the Effective Date, to operate the Project as provided herein and in the Commercial Cannabis License, and a failure to do so is inconsistent with the City's Goals and shall be a breach of this Development Agreement.

5.2 Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Site for Commercial Cannabis Activity consistent with the following license type (the "Authorized License"): Type 10 – Store Front Retail Dispensary.

Pursuant to this Agreement, Developer shall be permitted to use the Property consistent with the Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Developer shall begin operations of the Cannabis Business Project under the Authorized License within nine (9) months of the adoption of the operative ordinance approving this Agreement, unless Developer is prevented from doing so due to any event or circumstance set forth in Section 12 of this Agreement. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Authorized License to Developer, Developer shall immediately cease Commercial Cannabis Activity and any other operations on the respective site. Developer shall also, within thirty (30) days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of the Authorized License. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Conditional Use Permit to serve as the definitive and controlling documents for all subsequent actions, discretionary or ministerial, relating to development of the Site and the Cannabis Business Project.

5.3 Components of Project. Developer leases the Property and has developed and is legally operating the Project. However, various component businesses located on the Property may be owned by other entities to operate various other Businesses, including those related to the Project (the "Tenants"). The following will apply with respect to the Tenants and their relationship to Developer:

5.3.1 Any Tenant, as well as Developer, will be responsible for obtaining and maintaining any required license with respect to the nature of its business as required by state law and the ordinances of the City ("Licensing" or "Licenses").

5.3.2 Developer may lease portions of the Property to Tenants, which may operate one or more Businesses on the Property, including those related to the Project. All of the provisions of this Development Agreement pertain to Developer as an operator of a Business and apply equally to the Tenants if those Tenants operate a Business related to the Project, even if Developer is ultimately not an operator of the Project, and to Developer in its business role as the sublessor of the Property and/or the Project. Developer covenants that all Tenants conducting Businesses associated with the Project on the Property

will be businesses subject to Licensing directly with the City in order to come under the purview of this Development Agreement and must comply with all City zoning and permit requirements. Developer covenants and agrees to include an express acknowledgement and assumption of each Tenant's respective obligations under this Development Agreement in a lease of any portion of the Project or Property to any Tenant conducting a Business specifically associated with the Project. Notwithstanding the foregoing, it is understood and agreed that portions of the Property may be leased to other businesses not associated with or involved in the Project as the leasing market may require, and that such businesses are not subject to this Development Agreement or the payment of Additional Revenues. Nothing in this paragraph is meant to modify the City's authority to regulate land use, enforce regulations, or otherwise regulate or provide any land use entitlement.

6. Exactions and City Development Fees.

6.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"City Application Fees" means fees levied or assessed by the City and any City Agency to review and process applications for City Permits.

"City Development Fees" means any and all fees and assessments, other than City Application Fees, charged or required by the City or any City Agency as a condition of, or in connection with, the Project Approvals or any City Permits: (a) to defray, offset or otherwise cover the cost of public services, improvements or facilities; or (b) that are imposed for a public purpose.

"Exaction" means any exactions or mitigation measures, other than the payment of City Development Fees and City Application Fees, that are imposed by the City or any City Agency, as a condition of, or in connection with, the Project Approvals. "Exactions" includes, without limitation: (a) a requirement for the dedication of any portion of the Project Area to the City or any City Agency; (b) an obligation for the construction of any on-site or off-site improvements, including any Off-Site Improvements; (c) an obligation to provide services; or (d) the requirement to dedicate any easements, rights or privileges with respect to the Project or any portion thereof to the City or any City Agency.

6.2 Exactions.

6.2.1 All of the Exactions that Developer shall be required to perform or caused to be performed in connection with the development, construction, use and occupancy of the Project, during the term of the Agreement (collectively, the "Required Exactions"), and the timing requirements for the performance of such Required Exactions, are set forth in this Agreement. The Required Exactions include the following:

6.2.1.1 The Parties acknowledge and agree that this Agreement, and the Cannabis Business Project, confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods.

Accordingly, the Parties intend to provide consideration to City to offset these impacts that commensurate with the private benefits conferred on Developer. Thus, Developer shall tender payment to the City as follows:

Effective Date	Amount Due
Within ten (10) days following each month of operation, following the commencement of Commercial Cannabis Activity	15% of Gross Receipts from Operations each month.
Within ten (10) days following the end of each quarter of operation, following the commencement of Commercial Cannabis Activity	A list of contributions made to community organizations, which are recommended by the Cannabis Committee and approved by Council, equaling 1% of Gross Receipts from Operations

6.2.1.2 Developer shall pay the City a monthly amount, to be determined at all times based on the tax structure promulgated in MMC 3.30.050. The first payment shall be due on the first month following the commencement of Commercial Cannabis Activity. The monthly amount shall be determined based on gross receipts. Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of the Cannabis Business Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City. Upon request of the City, Developer shall allow City staff to independently verify the Developer's gross receipts, provided that, such verification shall be supervised by Developer and such verification shall be consistent with California law. In addition to any other remedies, failure to permit City staff to verify Developer's gross receipts shall be grounds for the City to terminate this Agreement.

6.2.1.3 Developer shall pay to the City an amount of seven thousand five hundred dollars ($7,500 USD) to be utilized on for the City's costs to process the Developer's application(s) relating to its proposed commercial cannabis business. Should the restricted funds be exhausted prior to the City completing its processing of the application(s), Developer shall pay an additional amount to the City sufficient to process the application(s). The restricted funds shall be paid in full by Developer on or before 90 days after approval of this Agreement. Any excess payment from the Developer shall be returned by the City within thirty (30) calendar days after all processing costs have been satisfied. City shall provide Developer with an itemized accounting for City's costs on a monthly basis.

6.2.1.4 Developer shall pay Required Exactions and fees set forth in Exhibit "D." In addition, the Required Exactions include, without limitation,

all Conditions of Approval imposed by the City, to fully mitigate potential adverse impacts resulting from, and reasonably related to, the development of the Project. In the event that the federal government legalizes cannabis and Developer's regulatory costs increase, City and Developer agree to negotiate in good faith an adjustment to the Required Exactions and fees set forth in Exhibit "D".

6.2.2 Except for the Required Exactions and fees listed in this Agreement, no Exaction shall be imposed by the City or any City Agency during the Term of this Agreement in connection with: (a) the development, construction, use or occupancy of the Project; or (b) any applications filed for any City Permit for the development, construction, use or occupancy of the Project or any portion thereof.

6.3 City Development Fees.

6.3.1 All of the City Development Fees that Developer shall be required to pay to the City and all City Agencies in connection with the development, construction, use and occupancy of the Project (collectively, the "Required Development Fees"), and the timing requirements for the payment of such Required Development Fees, if any, shall be agreed upon by the Parties after Developer submits an application for a building permt.

6.3.2 Notwithstanding the provisions of Section 6.3.1, Developer shall be responsible for paying: (a) any fees that Developer is obligated to directly pay to any Federal, State, County or local agency (other than any City Agency) under applicable Federal, State, County or local law; and (b) any fees the City is legally required to collect for other State or Federal agencies pursuant to (i) State or Federal law, or (ii) any City agreement or City ordinance that the City is legally mandated or required to adopt or enter into to comply with State or Federal law or a judgment of a court of law, but only to the extent necessary to satisfy such compliance.

6.3.3 Except for the Required Development Fees listed on Exhibit "G" to this Agreement, or other fees identified in this Agreement, and any fees for a required building inspection or other required process for occupancy to be charged at the then current rate charged by the City to other developers, no City Development Fees shall be imposed by the City or any City Agency during the Term of this Agreement in connection with: (a) the development, construction, use or occupancy of the Project; or (b) any application filed for any City Permit for the development, construction, use or occupancy of the Project. After the Term of this Agreement, development and use of the Property shall comply with all laws, regulations, enactments (including taxes), ordinances, then currently in effect.

6.4 City Application Fees. Developer shall pay to the City the City Application Fees chargeable in accordance with the City's Fee Schedule that is in effect at the time the relevant application for a City Permit is made; provided that such City Application Fees are uniformly imposed by the City and any City Agency at similar stages of project development on all similar applications for development in the City.

7. Actions by City.

7.1 Other Governmental Permits. The City agrees to cooperate with Developer in Developer's endeavors to obtain permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project Area or portions thereof (such as, for example, but not by way of limitation, public utilities or utility districts and agencies having jurisdiction over transportation facilities and air quality issues) so long as the cooperation by the City will not require the City to exercise legislative action or incur any cost, liability or expense without adequate indemnity against or right of reimbursement therefore from Developer.

7.2 Cooperation in Dealing with Legal Challenge. If any action or other proceeding is instituted by a third party or parties, other governmental entity or official challenging the validity of any provision of this Agreement (collectively, a "Third Party Action"), the Parties shall cooperate in the defense of the Third-Party Action to the maximum extent reasonably possible under the circumstances unless otherwise required by law.

7.3 Indemnification.

7.3.1 Third-Party Actions. To the furthest extent allowed by law, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees, consultants, attorneys, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, damages and costs (including reasonable attorneys' fees, litigation expenses and administrative record preparation costs) arising from, resulting from, or in connection with any Third-Party Action (as hereinafter defined). The term "Third-Party Action" collectively means any legal action or other proceeding instituted by (i) a third party or parties or (ii) a governmental body, agency or official other than the City or a City Agency, that: (a) challenges or contests any or all of this Agreement, the Project Applications and Approvals, and the Project Approvals; or (b) claims or alleges a violation of CEQA or another law by the City Council; or (c) challenges or contests the grant, issuance or approval by the City of any or all of this Agreement, the Project Applications and Approvals, and the Project Approvals. Developer's obligations under this Section 7.3.1 shall apply regardless of whether City or any of its officers, officials, employees, agents or volunteers are actively or passively negligent, but shall not apply to any loss, liability, fines, penalties forfeitures, costs or damages caused solely by the active negligence or willful misconduct of the City or any of its officers, officials, employees, consultants, attorneys, agents or volunteers. The provisions of this Section 7.3.1 shall survive the termination of this Agreement.

7.3.2 Additional Claims. To the fullest extent permitted by law, Developer shall indemnify, hold harmless and defend the City and each of its officers, officials, employees, consultants, attorneys, agents and volunteers ("City Indemnitees") from any and all loss, liability, fines, penalties, forfeitures, costs and damages, including but not limited to personal injury, death at any time, and property damage, and including further reasonable attorneys' fees, litigation and legal expenses incurred by the City Indemnitees or

held to be the liability of the City Indemnitees (including plaintiff's or petitioner's reasonable attorney's fees if awarded, in connection with the City Indemnitee's defense of its actions in any proceeding) (collectively, "Losses") incurred by any City Indemnitees from any and all claims, demands and actions in law or equity (collectively, a "Claim"), whether in contract, tort or strict liability, resulting from, arising or alleged to have arisen directly or indirectly out of performance or in any way connected with: (i) the making of this Agreement; (ii) the performance of this Agreement; (iii) the issuance of the CUP, permits, licenses, or other entitlements related to commercial cannabis operations; or (iv) the City's granting, issuing or approving use of this Agreement. If any portion of a claim, demand or action in law gives rise to indemnification under this Agreement, Developer shall be responsible for indemnifying, holding harmless or defending the City consistent with the Indemnity Agreement between Developer and the City which shall be incorporated by reference herein. Developer's indemnification obligations under the proceeding portions of this paragraph shall apply regardless of whether the City Indemnitees are negligent, but shall not apply to any Losses caused solely by the gross negligence or willful misconduct of any City Indemnitees.

In addition, Developer shall indemnify, hold harmless and defend the City Indemnitees from any and all federal enforcement action(s) arising from (i) the execution of this Agreement, (ii) the issuance of the CUP, permits, licenses, or other entitlements, and/or (iii) any other entitlements or approvals by the City to operate the Developer's commercial cannabis business. Further, Developer shall indemnify, hold harmless and defend the City Indemnitees from any and all violation(s) of federal, state and/or local law by Developer, its officers, officials, employees, agents, subcontractors, independent contractors and volunteers.

If Developer should subcontract all or any portion of the work to be performed under this Agreement, Developer shall require each subcontractor to indemnify, hold harmless and defend the City Indemnitees in accordance with the terms of the two prior paragraphs of this Section. Notwithstanding the preceding sentence, any subcontractor who is a "design professional" as defined in Section 2782.8 of the California Civil Code shall, in lieu of indemnity requirements set forth in the two prior paragraphs of this Section, be required to indemnify, hold harmless and defend the City Indemnitees to the fullest extent allowed by law, from any and all Claims and Losses that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

7.3.3 Damage Claims. The nature and extent of Developer's obligations to indemnify, defend and hold harmless the City with regard to events or circumstances not addressed in Section 7.3.1 and 7.3.2 shall be governed by this Section 7.3.3. To the furthest extent allowed by law, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees, consultants, attorneys, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by City, Developer or any other person, and from any and all claims, demands and actions in law or equity (including reasonable attorneys' fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of performance

of this Agreement or the performance of any or all work to be done by Developer or its contractors, agents, successors and assigns pursuant to this Agreement (including, but not limited to design, construction and/or ongoing operation and maintenance of any required Off-Site Improvements unless and until such Off-Site Improvements are dedicated to and officially accepted by the City). Developer's obligations under the preceding sentence shall apply regardless of whether City or any of its officers, officials, employees, consultants, attorneys, agents, or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active or sole negligence, or the willful misconduct, of City or any of its officers, officials, employees, consultants, attorneys, agents or volunteers.

If Developer should subcontract all or any portion of the services to be performed under this Agreement, Developer shall require each subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees, consultants, attorneys, agents and volunteers in accordance with the terms of the preceding paragraph. The Developer further agrees that the use for any purpose and by any person of any and all of the streets and improvements required under this Agreement, shall be at the sole and exclusive risk of the Developer, at all times prior to final acceptance by the City of the completed street and other improvements, unless any loss, liability, fines, penalties, forfeitures, costs or damages arising from said use were caused by the active or sole negligence, or the willful misconduct, of the City or any of its officers, officials, employees, consultants, attorneys, agents or authorized volunteers.

Notwithstanding the preceding paragraph, to the extent that Subcontractor is a "design professional" as defined in section 2782.8 of the California Civil Code and performing work hereunder as a "design professional" shall, in lieu of the preceding paragraph, be required to indemnify, hold harmless and defend City and each of its officers, officials, employees, consultants, attorneys, agents and volunteers to the furthest extent allowed by law, from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in Agreement, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorneys' fees and litigation expenses) that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, its principals, officers, employees, consultants, attorneys, agents or volunteers in the performance of this Agreement.

This Section 7.3 shall survive termination or expiration of this Agreement.		
Initials	Developer: _____	Owner/Landlord: _____

7.4 Insurance. Except for any Off-Site Improvements constructed pursuant to the terms of this Agreement (in which case insurance for the Off-Site Improvements shall be required through the date of the City's final formal acceptance of Off-Site Improvements

constructed), from the Effective Date of this Agreement and at all times herein (the "Insurance Period"), Developer shall obtain and pay for and maintain in full force and effect all policies of comprehensive commercial general liability insurance described in this section with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "B+ VII" in Best's Insurance Rating Guide. The following policies of insurance are required:

7.4.1 Commercial General Liability. Insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and shall include insurance for bodily injury, property damage and personal injury with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, contractual liability (including indemnity obligations under this Agreement),with limits of liability of not less than $2,000,000.00 per occurrence for bodily injury and property damage, $1,000,000.00 per occurrence for personal injury, $2,000,000.00 general aggregate and $2,000,000.00 aggregate for products and completed operations.

7.4.2 Commercial Automobile Liability. Prior to, and as a condition of, any Delivery Operations, Insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 B Any Auto), with combined single limits of liability of not less than $2,000,000.00 per accident for bodily injury and property damage.

7.4.3 Workers' Compensation. Insurance as required under the California Labor Code.

7.4.4 Employers' Liability. With minimum limits of liability of not less than $1,000,000.00 each employee incident, $1,000,000.00 policy limit.

In the event Developer purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

Developer shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Developer shall also be responsible for payment of any self-insured retentions.

The above-described policies of insurance shall be endorsed to provide an unrestricted thirty (30) calendar day written notice in favor of City of policy cancellation of coverage, except for the Workers' Compensation policy which shall provide a ten (10) calendar day written notice of such cancellation of coverage. In the event any policies are due to expire during the Term of this Agreement, Developer shall provide a new certificate evidencing renewal of such policy not less than fifteen (15) calendar days prior to the expiration date of the expiring policy(ies). Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, Developer shall file with City a new certificate and all applicable endorsements

for such policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name City, its officers, officials, agents, employees, consultants, attorneys, and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Developer's insurance shall be primary and no contribution shall be required of City. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, agents, employees, consultants, attorneys, and volunteers. Developer shall have furnished City with the certificate(s) and applicable endorsements for all required insurance prior to start of construction of any phase of development. Developer shall furnish City with copies of the actual policies upon the request of City's City Manager at any time during the life of the Agreement or any extension, and this requirement shall survive termination or expiration of this Agreement.

If at any time during the Insurance Period, Developer fails to maintain the required insurance in full force and effect, the City Engineer, or his/her designee, may order that the Developer, or its contractors or subcontractors, immediately discontinue any further work under this Agreement and take all necessary actions to secure the work site to insure that public health and safety is protected until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. The insurance requirements set forth in this Section 7.4 are material terms of this Agreement.

If Developer should hire a general contractor to provide all or any portion of the services or work to be performed under this Agreement, Developer shall require the general contractor to provide insurance protection in favor of City, its officers, officials, employees, consultants, attorneys, volunteers and agents in accordance with the terms of each of the preceding paragraphs, except that the general contractor's certificates and endorsements shall be on file with Developer and City prior to the commencement of any work by the general contractor.

If the general contractor should subcontract all or a portion of the services or work to be performed under this Agreement to one or more subcontractors, Developer shall require the general contractor to require each subcontractor to provide insurance protection in favor of City, its officers, officials, employees, consultants, attorneys, volunteers and agents in accordance with the terms of each of the preceding paragraphs, except that each subcontractor shall be required to pay for and maintain Commercial General Liability insurance with limits of liability of not less than $1,000,000.00 per occurrence for bodily injury and property damage, $1,000,000.00 per occurrence for personal injury, $2,000,000.00 aggregate for products and completed operations and $2,000,000.00 general aggregate and Commercial Automobile Liability insurance with limits of liability of not less than less than $1,000,000.00 per accident for bodily injury and property damage. Subcontractors' certificates and endorsements shall be on file with the general contractor, Developer and City prior to the commencement of any work by the subcontractor. Developer's failure to comply with these requirements shall constitute an "Event of Default" as that term is defined in Section 10.1.

8. Benefits

8.1 Benefits to the City. The City has extensively reviewed the terms and conditions of this Agreement and, in particular, has specifically considered and approved the impact and benefits of the Project upon the regional welfare. The terms and conditions of this Agreement have been found by the City to be fair, just, and reasonable, and to provide appropriate benefits to the City. This Agreement and the development of the Project will serve the best interests, and the public health, safety, and welfare of the residents and invitees, of the City and the general public. This Agreement will help provide effective and efficient development of any Off-Site Improvements and other Required Exactions in the vicinity of the Project Area; help maximize effective utilization of resources within the City; increase City tax revenues; and provide other substantial public benefits to the City and its residents by achieving the goals and purposes of the Development Agreement Laws, the McFarland Municipal Code and the 2040 McFarland General Plan (as may have been amended).

8.2 Benefits to the Developer. The Developer has expended and will continue to expend substantial amounts of time and money on the planning and development of the Project. In addition, the Developer may expend substantial amounts of time and money for the construction of Off-Site Improvements, if required, and other Required Exactions and for the payment of the Required Development Fees in connection with the Project. The Developer would not make such expenditures except in reliance upon this Agreement. The benefit to the Developer under this Agreement consists of the assurance that the City will preserve the rights of Developer to develop the Project Area as planned and as set forth in the Project Approvals and this Agreement.

9. Annual Review of Compliance**.**

9.1 Annual Review. City and Developer shall annually review this Agreement, and all actions taken pursuant to the terms of this Agreement with respect to the Project in accordance with the provisions of California Government Code section 65865.1 and this Section 9. The Parties recognize that this Agreement and the Project Approvals and City Permits referenced herein contain extensive requirements and that evidence of each and every requirement would be a wasteful exercise of the Parties' resources. Accordingly, Developer shall be deemed to have satisfied its duty of demonstration if it presents evidence satisfactory to the City of its good faith compliance, as that term is used in Government Code, section 65865.1, with the material provisions of this Agreement.

9.2 Developer Report. Not later than the first anniversary date of the Effective Date, and not later than each anniversary date of the Effective Date thereafter during the Term, Developer shall apply for annual review of this Agreement. Developer shall submit with such application a report to the City Manager describing Developer's good faith compliance with the terms of this Agreement during the preceding year (the "Developer Report"). The Developer Report shall include a statement that the report is submitted to City pursuant to the requirements of California Government Code section 65865.1. Additionally,

as part of the Developer Report, Developer shall include a statement and evidence in support thereof that Developer has complied with the annual permit requirements of McFarland Municipal Code 19.04.060.

9.3 Finding of Compliance. Within thirty (30) days after Developer submits the Developer Report under Section 9.2, the City Manager shall review Developer's submission to ascertain whether Developer has demonstrated good faith compliance with the material terms of this Agreement. If the City Manager finds and determines that Developer has in good faith complied with the material terms of this Agreement, or does not determine otherwise within thirty (30) days after delivery of the Developer Report, the annual review shall be deemed concluded. If the City Manager initially determines that the Developer Report is inadequate in any respect, he or she shall provide written notice to that effect to Developer, and Developer may supply such additional information or evidence as may be necessary to demonstrate good faith compliance with the material terms of this Agreement. If the City Manager concludes that Developer has not demonstrated good faith compliance with the material terms of this Agreement, he or she shall so notify Developer prior to the expiration of the thirty (30) day period herein specified and prepare a staff report to the City Council with respect to the conclusions of the City Manager and the contentions of Developer with respect thereto (the "Staff Report").

9.4 Hearing Before City Council to Determine Compliance. Should City Manager determine that Developer has not demonstrated good faith compliance with the material terms of this Agreement, City Manager shall submit a Staff Report to the City Council. Thereafter, City Council shall conduct a noticed public hearing to determine the good faith compliance by Developer with the material terms of this Agreement. At least sixty (60) days prior to such hearing, the City Manager shall provide to the City Council, Developer, and to all other interested Persons requesting the same, copies of the Staff Report and other information concerning Developer's good faith compliance with the material terms of this Agreement and the conclusions and recommendations of the City Manager. At such public hearing, Developer and any other interested Person shall be entitled to submit evidence, orally or in writing, and address all the issues raised in the Staff Report on, or with respect or germane to, the issue of Developer's good faith compliance with the material terms of this Agreement. If, after receipt of any written or oral response of Developer, and after considering all of the evidence at such public hearing, the City Council finds and determines, on the basis of substantial evidence, that Developer has not complied in good faith with the material terms of this Agreement, then the City Council shall specify to Developer the respects in which Developer has failed to comply, and shall also specify a reasonable time for Developer to meet the terms of compliance, which time shall be not less than thirty (30) days after the date of the City Council's determination, and shall be reasonably related to the time adequate to bring Developer's performance into good faith compliance with the material terms of this Agreement. If the areas of noncompliance specified by the City Council are not corrected within the time limits prescribed by the City Council hereunder, subject to Force Majeure pursuant to Section 12.1, then the City Council may by subsequent noticed public hearing extend the time for compliance for such period as the City Council may determine (with conditions, if the City Council deems appropriate), Terminate or modify this Agreement, or take such other actions as may be specified in the Development Agreement

Laws. Any notice to Developer of a determination of noncompliance by Developer hereunder, or of a failure by Developer to perfect the areas of noncompliance hereunder, shall specify in reasonable detail the grounds therefor and all facts demonstrating such noncompliance or failure, so that Developer may address the issues raised in the notice of noncompliance or failure on a point-by- point basis in any hearing held by the City Council hereunder.

9.5 Meet and Confer Process. If either the City Manager or the City Council makes a determination that Developer has not demonstrated good faith substantial compliance with the material terms of this Agreement, the City Manager and/or designated City Council representatives may initiate a meet and confer process with Developer pursuant to which the Parties shall meet and confer in order to determine a resolution acceptable to both Parties of the basis upon which the City Manager or City Council has determined that Developer has not demonstrated good faith substantial compliance with the material terms of this Agreement. If, as a result of such meet and confer process, the Parties agree on a resolution on the basis related to the determination that Developer has not demonstrated good faith substantial compliance with the material terms of this Agreement, the results and recommendations of the meet and confer process shall be presented to the City Council for review and consideration at its next regularly scheduled public meeting, including consideration of such amendments to this Agreement as may be necessary or appropriate to effectuate the resolution achieved through such meet and confer process. Developer shall be deemed to be in good faith substantial compliance with the material terms of this Agreement, only upon City Council acceptance of the results and recommendations of the meet and confer process.

9.6 Certificate of Compliance. If the City Manager (or the City Council, if applicable) finds good faith substantial compliance by Developer with the material terms of this Agreement, the City Manager shall issue a certificate of compliance within ten (10) days thereafter, certifying Developer's good faith compliance with the material terms of this Agreement through the period of the applicable annual review. Such certificate of compliance shall be in recordable form and shall contain such information as may be necessary in order to impart constructive record notice of the finding of good faith compliance hereunder. Developer shall have the right to record the certificate of compliance in the Official Records.

9.7 Effect of City Council Finding of Noncompliance; Rights of Developer. If the City Council determines that Developer has not substantially complied in good faith with the material terms of this Agreement pursuant to Section 9.4 and takes any of the actions specified in Section 9.4 with respect to such determination of noncompliance, Developer shall have the right to contest any such determination of noncompliance by the City Council pursuant to a legal action filed in accordance with Section 16.5.

9.8 City Costs. Developer shall reimburse the City for all of the City's reasonable costs, (including but not limited to, staff time, reasonable attorneys' fees, and administrative costs) incurred in connection with Sections 9.1 through 9.8 of this Agreement. Pursuant to this section, Developer shall remit a deposit of Two Thousand Dollars

($2,000.00) to the City at the time of submission of the required Developer Report. If the deposit is insufficient to reimburse the City, the City may submit an invoice to Developer, who shall render payment to the City within thirty (30) days of receiving an invoice from the City for its costs. Any excess monies deposited by Developer to the City pursuant to this Section 9.8 shall be returned to Developer by the City within thirty (30) days after issuance of the certificate of compliance or completion of any of the actions set forth in Section 9.7 of this Agreement.

10. Events Of Default; Remedies; Estoppel Certificates.

10.1 Events of Default.

10.1.1 The failure by a Party to perform any material term or provision of this Agreement (including but not limited to the failure of a Party to approve a matter or take an action within the applicable time periods governing such performance under this Agreement) shall, subject to the provisions of this Agreement, constitute an "Event of Default", if: (a) such defaulting Party does not cure such failure within thirty (30) days following delivery of a Notice (as hereinafter defined) of default from the other Party ("Notice of Default"), where such failure is of a nature that can be cured within such thirty (30) day period; or (b) where such failure is not of a nature which can be cured within such thirty (30) day period, the defaulting Party does not within such thirty (30) day period commence substantial efforts to cure such failure, or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Any Notice of Default given hereunder shall specify in reasonable detail the nature of the failures in performance by the defaulting Party and the manner in which such failures of performance may be satisfactorily cured in accordance with the terms and conditions of this Agreement.

10.1.2 Any Notice of Default to the defaulting Party pursuant to Section 10.1.1 shall satisfy the requirements of Section 15 of this Agreement and shall include a provision in at least fourteen face bold type substantially as follows: "YOU HAVE FAILED TIMELY TO PERFORM OR RENDER AN APPROVAL OR TAKE AN ACTION REQUIRED UNDER THE DEVELOPMENT AGREEMENT: [SPECIFY IN DETAIL]. YOUR FAILURE TO COMMENCE TIMELY PERFORMANCE AND COMPLETE SUCH PERFORMANCE AS REQUIRED UNDER THE AGREEMENT OR RENDER SUCH APPROVAL TO TAKE SUCH ACTION WITHIN THIRTY (30) DAYS AFTER THE DATE OF THIS NOTICE SHALL ENTITLE THE UNDERSIGNED TO TAKE ANY ACTION OR EXERCISE ANY RIGHT OR REMEDY TO WHICH IT IS ENTITLED UNDER THE AGREEMENT AS A RESULT OF THE FOREGOING CIRCUMSTANCES."

10.2 Remedies. Upon the occurrence of an Event of Default, each Party shall have the right, in addition to all other rights and remedies available under this Agreement, to: (a) bring any proceeding in the nature of specific performance, injunctive relief or mandamus; and/or (b) bring any action at law or in equity as may be permitted by laws of the State of California or this Agreement. In no event shall either Party be entitled to damages against the other Party based on the other Party's Breach, except for recovery by

the City of accrued but unpaid Exactions as defined in this Agreement.

10.3 Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict or timely performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of any failure of performance, including an Event of Default, shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such failure. No express written waiver shall affect any other action or inaction, or cover any other period of time, other than any action or inaction and/or period of time specified in such express waiver. One or more written waivers under any provision of this Agreement shall not be deemed to be a waiver of any subsequent action or inaction. Nothing in this Agreement shall limit or waive any other right or remedy available to a Party to seek injunctive relief or other expedited judicial and/or administrative relief to prevent irreparable harm.

10.4 Estoppel Certificate. Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such other Party to certify in writing: (a) that this Agreement is in full force and effect and a binding obligation of the Parties; (b) that this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments; (c) to the knowledge of such other Party, that neither Party has committed an Event of Default under this Agreement, or if an Event of Default has to such other Party's knowledge occurred, to describe the nature of any such Event of Default; and (d) such other certifications that may be reasonably requested by the other Party or a mortgagee. A Party receiving a request hereunder shall execute and return such certificate within twenty (20) days following the receipt thereof, and if a Party fails so to do within such twenty (20) day period, the information in the requesting Party's notice shall conclusively be deemed true and correct in all respects. The City Manager, as to the City, shall execute certificates requested by Developer hereunder. Each Party acknowledges that a certificate hereunder may be relied upon by Transferees (as hereinafter defined) and mortgagees. No Party shall, however, be liable to the requesting Party, or other Person requesting or receiving a certificate hereunder, on account of any information therein contained, notwithstanding the omission for any reason to disclose correct and/or relevant information, but such Party shall be estopped with respect to the requesting Party, or such third Person, from asserting any right or obligation, or utilizing any defense, which contravenes or is contrary to any such information.

11. Transfers.

11.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" means any Person directly or indirectly Controlling, Controlled by or under Common Control with Developer and/or Property Owner.

"Control" means the ownership (direct or indirect) by one Person of

an interest in the profits and capital and the right to manage and control the day to day affairs of another Person. The term "Control" includes any grammatical variation thereof, including "Controlled" and "Controlling".

"Common Control" means that two Persons are both controlled by the same other Person.

"Person" means an individual, partnership, firm, association, corporation, trust, governmental agency, administrative tribunal or other form of business or legal entity.

"Transfer" means the sale, assignment, or other transfer by Developer of this Agreement, or any right, duty or obligation of Developer under this Agreement, including by foreclosure, trustee sale, or deed in lieu of foreclosure, under a mortgage, but excluding: (a) a dedication of any portion of the Project Area to the City or another governmental agency; (b) a mortgage; (c) ground leases, leases, subleases, licenses and operating agreements entered into by Developer with tenants or occupants of the Project for occupancy of space in any buildings or improvements (together with any appurtenant tenant rights and controls customarily included in such leases or subleases) in the Project, and any assignment or transfer of any such ground lease, lease, sublease, license or operating agreement by either party thereto; (d) any sale of a building pad and surrounding area in the Project Area to a future retail or restaurant occupant (or its affiliated entity) for the intended purpose of the development and occupancy of a building or improvement thereon; and (e) any collateral assignment of this Agreement to a mortgagee.

"Transferee" means the Person to whom a Transfer is effected.

11.2 Conditions Precedent to Developer Right to Transfer. Except as otherwise provided in this Section 11, Developer shall only have the right to effect a Transfer subject to and upon fulfillment of the following conditions precedent:

11.2.1 No Event of Default by Developer shall be outstanding and uncured as of the effective date of the proposed Transfer, unless the City Council has received adequate assurances satisfactory to the City Council that such Event of Default shall be cured in a timely manner either by Developer or the Transferee under the Transfer.

11.2.2 Prior to the effective date of the proposed Transfer, Developer or the proposed Transferee has delivered to the City an executed and acknowledged assignment and assumption agreement (the "Assumption Agreement") in recordable form. Such Assumption Agreement shall include provisions regarding: (a) the rights and interest proposed to be Transferred to the proposed Transferee; (b) the obligations of Developer under this Agreement that the proposed Transferee will assume; and (c) the proposed Transferee's acknowledgment that such Transferee has reviewed and agrees to be bound by this Agreement. The Assumption Agreement shall also include the name, form of entity, and address of the proposed Transferee, and shall provide that the Transferee assumes the obligations of Developer in connection with the proposed Transfer. The Assumption

Agreement shall be recorded in the Official Records concurrently with the consummation of the Transfer.

11.2.3 Prior to the effective date of the proposed Transfer, City consents in writing to the Transfer. City's consent shall not be unreasonably withheld or denied. Factors the City may consider in determining whether to consent to the transfer include the financial capacity of the proposed Transferee to comply with all of the terms of the Agreement and the history, if any, of compliance of Transferee, its principals, officers or owners with the provisions of federal or state law, the McFarland Municipal Code or agreements with the City relating to development projects within the City of McFarland, and whether the Transferee has sought, qualified for, and obtained a commercial cannabis permit as required by Chapter 19.04 of the McFarland Municipal Code.

11.3 Transfer to Affiliate. Notwithstanding the provisions of Section 11.2, Developer shall have the right to Transfer all of its rights, duties and obligations under this Agreement to an Affiliate of Developer. Such Affiliate shall become a Transferee upon: (a) the acquisition by such Affiliate of the affected interest of Developer under this Agreement; (b) delivery to the City of an Assumption Agreement executed by the Affiliate pursuant to which the Affiliate assumes, from and after the date such Affiliate so acquires its interest, the applicable rights, duties and obligations of Developer under this Agreement and (c) delivery to the City of documents and other evidence establishing the Affiliate's financial capacity to meet all of its duties and obligations under this Agreement. By virtue of its demonstrated status as an Affiliate of Developer and recognizing that Transfers to Affiliates will facilitate Developer's ability to develop the Project consistent with this Agreement, the City hereby consents to any Transfer to an Affiliate in accordance with this Section and no further consent of the City shall be required for any Transfer by Developer to an Affiliate.

11.4 Mortgagee as Transferee. No mortgage (including the execution and delivery thereof to the mortgagee) shall constitute a Transfer. A mortgagee shall be a Transferee only upon: (a) the acquisition by such mortgagee of the affected interest of Developer encumbered by such mortgagee's mortgage; and (b) delivery to the City of an Assumption Agreement executed by the mortgagee pursuant to which the mortgagee assumes, from and after the date such mortgagee so acquires its interest, the applicable rights, duties and obligations of Developer under this Agreement. No further consent of the City shall be required for any such Transfer to a mortgagee.

11.5 Effect of Transfer. A Transferee shall become a Party to this Agreement only with respect to the interest transferred to it under the Transfer and then only to the extent set forth in the Assumption Agreement delivered under Sections 11.2.2, 11.3 and 11.4. When and if Developer Transfers all of its rights, duties and obligations under this Agreement in accordance with Section 11.2, 11.3 or 11.4, Developer shall be released from any and all obligations accruing after the date of the Transfer under this Agreement. If Developer effectuates a Transfer as to only some but not all of its rights, duties and obligations under this Agreement, Developer shall be released only from its obligations accruing after the date of the Transfer which the Transferee assumes in the Assumption Agreement.

11.6 No Transfer of Commercial Cannabis Permit. Notwithstanding any other provision of this Agreement, a commercial cannabis permit shall not be subject to the transfer process, and prior to any transfer Transferee must seek, qualify for, and obtain a commercial cannabis permit as required by Chapter 19.04 of the McFarland Municipal Code.

12. Enforced Delay; Extension of Time of Performance; Excused Performance.

12.1 Except as otherwise provided by specific provisions of this Development Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to:

12.1.1 Force Majeure. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or failures to perform are due to pandemics, war, insurrection, strikes, walk-outs, riots, floods, earthquakes, civil unrest, the discovery and remediation of hazardous waste or significant geologic, hydrologic, archaeologic or paleontologic problems on the Project Area, fires, casualties, acts of God, shortages of labor or material, governmental restrictions imposed or mandated by governmental agencies or entities other than the City, enactment of conflicting state or federal statutes or regulations, judicial decisions, litigation not commenced by a Party to this Agreement claiming the enforced delay, or any other basis for excused performance which is not within the reasonable control of the Party to be excused. Causes for delay as set forth above are collectively referred to as "Force Majeure."

12.1.1.1 Notice of Force Majeure. If Notice (as hereinafter defined) of such delay or impossibility of performance is provided to a Party within thirty (30) days after the commencement of such delay or condition of impossibility, an extension of time for such cause shall not be unreasonably denied by such Party. The extension shall be for the period of the enforced delay, or longer as may be mutually agreed upon by the applicable Parties in writing. Any performance rendered impossible shall be excused in writing by the Party so notified.

12.1.2 Development Factors. Inability to secure necessary labor, materials or tools, strikes, lockouts, other labor disputes, or delays of any contractor, subcontractor, or supplier.

12.1.3 Extensions. An extension of time in writing for any of the causes set forth in this Section 12 above shall be granted for the period of the enforced delay if of a known duration, or longer as mutually agreed upon, or for a reasonable time as determined by the City if the parties cannot agree, which period shall commence to run from the time of commencement of cause.

13. Project Approvals Independent. Except to the extent otherwise recognized by CEQA, all City Permits which may be granted pursuant to this Agreement, and all Project Approvals which have been issued or granted by the City with respect to the Project Area and the Project, constitute independent actions and approvals by the City. If any provision

of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, or if this Agreement is Terminated for any reason, then such invalidity, unenforceability or Termination of this Agreement, or any part hereof, shall not affect the validity or effectiveness of any such City Permits or the Project Approvals. In such cases, such City Permits and Project Approvals will remain in effect pursuant to their own terms, provisions, and conditions of approval. As such, the City may place conditions of approval on all City Permits which may be granted pursuant to this Agreement, and Project Approvals which have been issued or granted by the City with respect to the Project Area and the Project, so long as such conditions are consistent with the terms of this Agreement.

14. Notices

14.1 Form of Notices; Addresses. All notices and other communications (the "Notices") required or permitted to be given by any Party to another Party pursuant to this Agreement shall be properly given only if the Notice is: (a) made in writing (whether or not so stated elsewhere in this Agreement); (b) given by one of the methods prescribed in Section 14.2; and (c) sent to the Party (to which it is addressed at the address set forth below (with a copy to the appropriate entity as indicated below) or at such other address as such Party (or the addressee required to be sent a copy) may hereafter specify by at least five (5) calendar days' prior to written notice being sent:

If to City: City of McFarland
Attn: City Manager
401 W. Kern Ave
McFarland, CA 93250
Facsimile: (661) 854-0817

And to: Hodges Law Group
Attn: Nathan M. Hodges
1925 G Street
Bakersfield, CA 93301

If to Developer: OTC McFarland, LLC
Attn: Norman Yousif
771 Jamacha Road, 358
El Cajon, CA 92019

And to: Maddocks Law, P.C.
Attn: Sean Maddocks
23 Corporate Plaza Dr., #150
Newport Beach, CA 92660

If to Landlord: Guadalupe F. Garcia Diaz
641 Drake Avenue
Fullerton, CA 93832

14.2 Methods of Delivery. Notices may be either: (a) delivered by hand; or (b) delivered by a nationally recognized overnight courier which maintains evidence of receipt. Notices shall be effective two on the date of personal delivery, or two (2) days after date of mailing.

15. General Provisions.

15.1 City's Reservation of Authority. The Parties acknowledge and agree that the intent of the Parties is that this Agreement be construed in a manner that protects the vested rights granted to Developer herein. Except for the limitations on the exercise by the City of its police power which are provided in this Agreement or which are construed in accordance with the immediately preceding sentence, the Parties further acknowledge and agree that: (a) the City reserves all of its police power and/or statutory or other legal powers or responsibilities; (b) the City reserves all of its authority to enact additional regulations, whether enacted by the City Council or the City Manager, relating to commercial cannabis business activities; and (c) this Agreement shall not be construed to limit the authority or obligation of the City to hold necessary public hearings, to limit the discretion of the City or any of its officers or officials with regard to rules, regulations, ordinances, laws, and entitlement of use which require the exercise of discretion by the City or any of its officers or officials. This Agreement shall not be construed to limit the obligations of the City to comply with CEQA or any other federal or state law.

15.2 Amendment or Cancellation. Subject to meeting the notice and hearing requirements of section 65867 of the California Government Code, this Agreement may be amended from time to time, or canceled in whole or in part, by mutual written consent of the City and Developer, or their respective successors in interest in accordance with the provisions of section 65868 of the California Government Code.

15.3 Successor and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties, and any subsequent owners of all or any portion of the Project Area and their respective successors and assigns. Any successors in interest to the City shall be subject to the provisions set forth in sections 65865.4 and 65868.5 of the California Government Code.

15.4 Interpretation and Governing State Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objective and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, both Parties having been represented by counsel in the negotiation and preparation hereof. All legal actions brought to enforce the terms of this Agreement shall be brought and heard solely in the Superior Court of the State of California, County of Kern.

15.5 No Third-Party Beneficiaries. This Agreement is made and entered

into for the sole protection and benefit of the Parties and their successors and assigns. No other Person shall have any right of action based upon any provision of this Agreement.

15.6 Future Acquisitions. In the event that Developer or an affiliate of Developer acquires or obtains a legal or equitable interest in any portion of the Project Area other than the Project Area (the "After Acquired Land") during the Term of this Agreement, the City and Developer shall engage in good faith negotiations for a development agreement between the City and Developer pursuant to the Development Agreement Laws for the development of a portion of the Project on the After Acquired Land.

15.7 Attorneys' Fees. If either Party commences any action for the interpretation, enforcement, termination, cancellation or rescission hereof, or for specific performance of the breach hereof, the prevailing party shall be entitled to its reasonable attorneys' fees and litigation expenses and costs, and any judgment, order or decree rendered in such action, suit or proceeding shall include an award thereof. Attorneys' fees under this Section shall include attorneys' fees on any appeal and any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

15.8 Limitation of Legal Acts. Except as provided in Section 15.7, in no event shall the City, or its officers, agents or employees, be liable in damages for any breach or violation of this Agreement, it being expressly understood and agreed that the Developer's sole legal remedy for a breach or violation of this Agreement by the City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement, provided that, City's limitation of liability in this Section 15.8 shall not apply to any gross negligence and/or willful misconduct caused by City on Developer's premises.

15.9 Validation. If so requested in writing by the Developer, the City agrees to initiate appropriate procedure under California Code of plans Procedure section 860 *et seq*., in order to validate this Agreement, and the obligations thereunder. Any validation undertaken at the request of the Developer shall be at the sole cost of the Developer.

15.10 Successor Statutes Incorporated. All references to a statute or ordinance, shall incorporate any, or all, successor statute or ordinance enacted to govern the activity now governed by the statute or ordinance, noted herein to the extent, however, that incorporation of such successor statute or ordinance does not adversely affect the benefits and protections granted to the Developer under this Agreement.

15.11 Incorporation of Attachments. All recitals and attachments to this Agreement, including all exhibits referenced herein, and all subparts thereto, are incorporated herein by this reference.

15.12 Negation of Partnership. The Parties specifically acknowledge that the Project is a private development, that neither Party is acting as the agent of the other in

any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Developer, the affairs of the City, or otherwise, or cause them to be considered joint venturers or members of any joint enterprise. This Agreement is not intended and shall not be construed to create any third-party beneficiary rights in any Person who is not a Party or a Transferee; and nothing in this Agreement shall limit or waive any rights Developer may have or acquire against any third Person with respect to the terms, covenants or conditions of this Agreement.

15.13 Not A Public Dedication. Except for Required Exactions specifically set forth in this Agreement and then only when made to the extent so required, nothing herein contained shall be deemed to be a gift or dedication of the Project Area or any buildings or improvements constructed in the Project, to the general public, for the general public, or for any public use or purpose whatsoever, it being the intention and understanding of the Parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Project Area as private property.

15.14 No Consideration to any Third Party. Each of the Parties warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section, shall not include persons to whom fees are paid for professional services if rendered by attorneys, financial or other consultants, accountants, engineers, architects and the like when such fees are considered necessary by the Party. For the purposes of this paragraph, third parties shall include any elected official, officer, employee, or agent of the City. This warranty includes each Party's assurance that it has not employed any licensed real estate broker or salesperson, or other person, licensed or unlicensed, to whom a commission or other form of compensation is due.

15.15 Independent Legal Advice/Interpretation of Agreement. Each Party represents and warrants the following; it has carefully read this Development Agreement, and in signing this Development Agreement, and agreeing to be bound by the same, it has received independent legal advice from legal counsel as to the matters set forth in this Development Agreement, or has knowingly chosen not to consult legal counsel as to the matters set forth in this Development Agreement, and it has freely signed this Development Agreement and agreed to be bound by it without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or its officers, agents, employees, or attorneys, except as specifically set forth in this Development Agreement, and without duress or coercion, whether economic or otherwise. This Development Agreement shall be interpreted as though prepared jointly and severally by both of the Parties.

15.16 Entire Agreement. This Development Agreement and the Exhibits therein contain the entire agreement between the Parties, and is intended by the Parties to completely state the Development Agreement in full. Any agreement or representation respecting the matters dealt with herein or the duties of any Party in relation thereto, not expressly set forth in this Development Agreement, is null and void. Any amendment hereto

is not valid unless signed by both parties.

15.17 Severability. Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any Person, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other Person or circumstance and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

15.18 Headings. Titles or headings of sections, paragraphs or provisions of this Development Agreement are provided as an aid and are to be considered part of the Agreement itself.

15.19 Counterparts. This Agreement may be executed in two or more identical counterparts, each of which shall be deemed to be an original and each of which shall be deemed to be one and the same instrument when each Party signs each such counterpart.

15.20 Additional Documents. The Parties each agree to execute any additional forms, notices, applications, or other documents that are reasonably necessary to carry out the intent of this Development Agreement.

15.21 Days. Unless otherwise specified in this Agreement, the term "days" means calendar days.

SIGNATURES ARE ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement.

Dated: _____, 2023

OWNER/LANDLORD:
Guadalupe F. Garcia Diaz

By: _____
Guadalupe F. Garcia Diaz

Dated: _____, 2023

DEVELOPER:
OTC McFarland, LLC

By: _____
Norman Yousif, Manager & CEO

Dated: _____, 2023

DEVELOPER:
OTC McFarland, LLC

By: _____
Norman Yousif, Manager & CEO

Dated: _____, 2023

CITY OF MCFARLAND

By: _____
Saul Ayon, Mayor

APPROVED AS TO FORM:

By: _____
Nathan Hodges, City Attorney

ATTEST:

By: _____
Francisca Alvarado, City Clerk

EXHIBIT A

	City of McFarland **Commercial Cannabis Permit** **Application** **CCP #_____** **Address: _____ APN_____**	**401 W Kern Ave** **McFarland CA 93250** **661-792-3091** **www.mcfarlandcity.org**

Real Property Authorization Form
PROPERTY OWNER CONSENT FORM
(Section 3)
Commercial Cannabis Businesses

PROPERTY OWNER INFORMATION	
Name:	Guadalupe F. Garcia Diaz
Title:	Owner
Phone Number:	[redacted]
Mailing Address:	
E-mail Address:	
PREMISES INFORMATION	
Physical Address	981 FRONTAGE Rd. MCFARLAND, CA 93250
Tenant/Buyer Business:	OTC MCFARLAND, LLC
Name of Tenant/Buyer:	NORMAN YOUSIF

DECLARATIONS AND SIGNATURE

I hereby certify that I am the property owner of the premises referenced in the Premises Information section 3 of the application and authorized to complete this form. As the property owner, I acknowledge that the above mentioned tenant/buyer has the legal right to occupy the property and acknowledges and consents to the conduct of legal commercial cannabis activities on the property, including, but not limited to: cannabis cultivation, cannabis manufacturing, cannabis distribution, and cannabis delivery.

Signature must be notarized.

[redacted]

Signature

9/15/2023
Date

EXHIBIT B

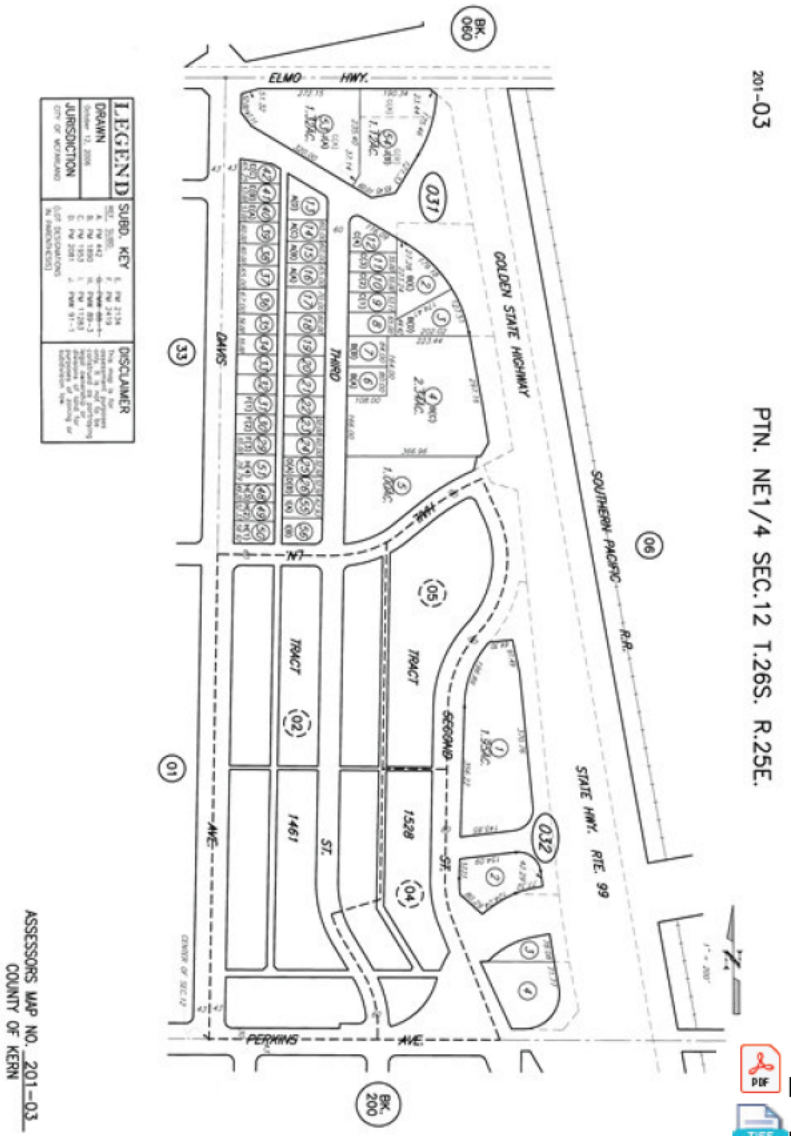
Fidelity National Title PASSPORT

Assessor Map Report

Subject Property Location

Report Date: 09/29/2023
Order ID: R127841883

Property Address	981 FRONTAGE RD		
City, State & Zip	MC FARLAND, CA 93250-1005		
County	KERN COUNTY	**Parcel Number**	201-031-03-00-0



Download the map in PDF

Download the map in TIFF

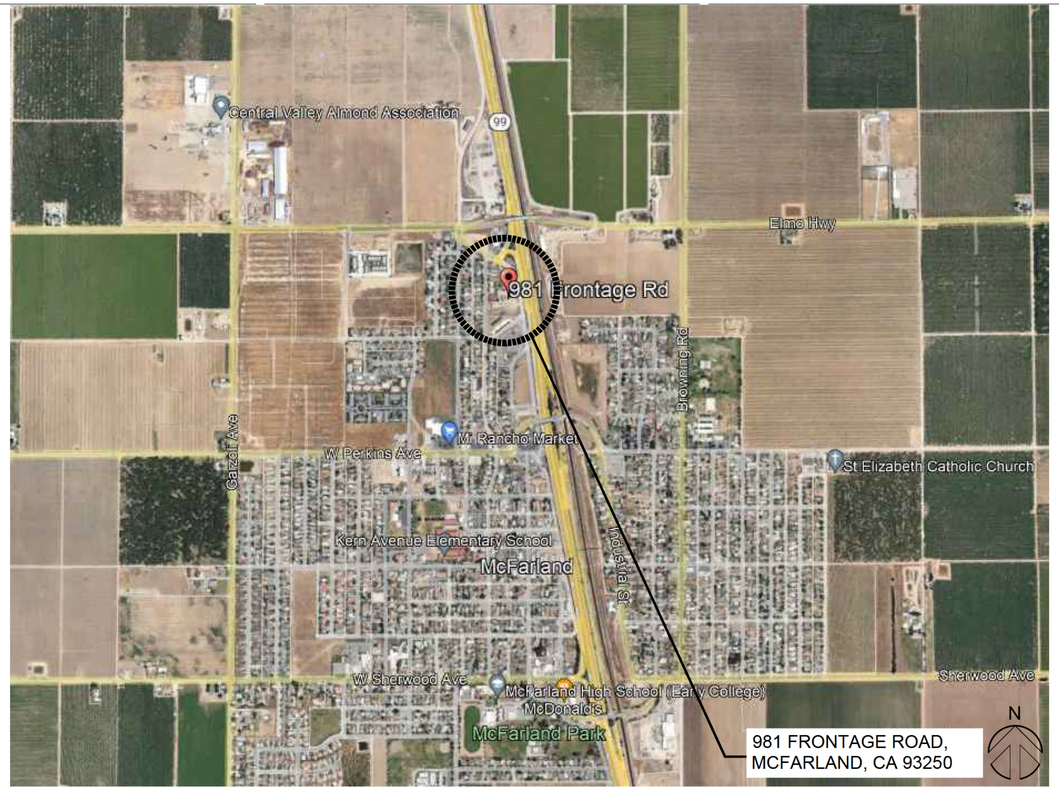
Disclaimer

THIS REPORT IS INTENDED FOR USE BY YOU AS AN END USER SOLELY FOR YOUR INTERNAL BUSINESS PURPOSES. YOU SHALL NOT RESELL, RELICENSE OR REDISTRIBUTE THIS REPORT, IN WHOLE OR IN PART. THE USE OF THIS REPORT BY ANY PARTY OTHER THAN YOURSELF FOR ANY PURPOSE IS STRICTLY PROHIBITED. THIS REPORT IS PROVIDED AS-IS WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. BLACK KNIGHT SHALL HAVE NO LIABILITY IN CONTRACT, TORT, OR OTHERWISE ARISING OUT OF OR IN CONNECTION WITH THIS REPORT. BLACK KNIGHT DOES NOT REPRESENT OR WARRANT THAT THE REPORT IS COMPLETE OR FREE FROM ERROR. YOU UNDERSTAND AND ACKNOWLEDGE THAT THE AVAILABILITY, COMPLETENESS AND FORMAT OF THE DATA ELEMENTS MAY VARY SUBSTANTIANLLY FROM AREA-TO-AREA. THE INFORMATION CONTAINED IN THIS REPORT IS DERIVED FROM PUBLICLY AVAILABLE SOURCES FOR THE SUBJECT PROPERTY OR COMPARABLE PROPERTIES LISTED ABOVE AND HAS NOT BEEN INDEPENDENT VERIFIED BY BLACK KNIGHT THROUGH ANY FORM OF INSPECTION OR REVIEW. THIS REPORT DOES NOT CONSTITUTE AN APPRAISAL OF ANY KIND AND SHOULD NOT BE USED IN LIEU OF AN INSPECTION OF A SUBJECT PROPERTY BY A LICENSED OR CERTIFIED APPRAISER. THIS REPORT CONTAINS NO REPRESENTATIONS, OPINIONS OR WARRANTIES REGARDING THE SUBJECT PROPERTY'S ACTUAL MARKETABILITY, CONDITION (STRUCTURAL OR OTHERWISE), ENVIRONMENTAL, HAZARD OR FLOOD ZONE STATUS, AND ANY REFERENCE TO ENVIRONMENTAL, HAZARD OR FLOOD ZONE STATUS IS FOR INFORMATIONAL PURPOSES ONLY AND SHALL BE INDEPENDENTLY VERIFIED BY THE END USER. THE INFORMATION CONTAINED HEREIN SHALL NOT BE UTILIZED: (A) TO REVIEW OR ESTABLISH A CONSUMER'S CREDIT AND/OR INSURANCE ELIGIBILITY OR FOR ANY OTHER PURPOSE THAT WOULD CAUSE THE REPORT TO CONSTITUTE A "CONSUMER REPORT" UNDER THE FAIR CREDIT REPORTING ACT, 15 U.S.C. § 1681 ET SEQ.; OR (B) IN CONNECTION WITH CERTIFICATION OR AUTHENTICATION OF REAL ESTATE OWNERSHIP AND/OR REAL ESTATE TRANSACTIONS. ADDITIONAL TERMS AND CONDITIONS SHALL APPLY PURSUANT TO THE APPLICABLE AGREEMENT.

Copyright

CONFIDENTIAL, PROPRIETARY AND/OR TRADE SECRET. TM SM ® TRADEMARK(S) OF BLACK KNIGHT IP HOLDING COMPANY, LLC, OR AN AFFILIATE.
© 2023 BLACK KNIGHT TECHNOLOGIES, LLC. ALL RIGHTS RESERVED.

EXHIBIT C



Vicinity Map 15

Site Map 15

ARCHITECTURAL

A0.00	Cover Sheet
A1.01	Site Plan
A1.01A	Site Plan - Floor Plan
A2.00	Existing Floor Plan
A2.01	Proposed Floor Plan
A9.00	Supporting Documents

Drawing List 4

SITE ADDRESS	981 FRONTAGE ROAD, MCFARLAND, CA
ZIP	93250
ASSESSOR'S PARCEL NUMBER	201-031-03-6
LAND USE	201
LOT SIZE	16,989 SF
LEGAL DESCRIPTION	PM 1890 LOT D *PAR MAP 1890 LOT D

AREA BREAKDOWN:

LOBBY	-127 SF
RETAIL	- 932 SF
SECURE CHECK-IN	- 50 SF
EMPLOYEE BREAK AREA	- 160 SF
ADA RESTROOMS	- 138 SF
VAULT	- 98 SF
OFFICE	- 203 SF
STORAGE	- 210 SF
HALLWAYS	- 128 SF
TOTAL	**2,046 SF**

Project Information 2

OWNER: GREEN CONSULTING PARTNERS
23 CORPORATE PLAZA DR#150,
NEWPORT BEACH, CA 2660
TEL. (619) 955 9433
CONTACT: NORM YOUSIF

ARCHITECT: GIBBS ARCHITECTS
3575 LONG BEACH BLVD.
LONG BEACH, CA 90807
TEL: (562) 981-2000
CONTACT: KURT GIBBS

Project Team 3a

Project Scope:
Work shall include but not limited to the following:
- 540 sf addition to an existing 1,506 sf retail building
- tenant improvement

Scope Of Work 1B

2023 California Building Code

Applicable Building Code Information 1

981 Frontage Road, McFarland, CA 93250

OFF THE CHARTS

SEAN MADDOCKS
GREEN CONSULTING PARTNERS
23 CORPORATE PLAZA DR#150,
NEWPORT BEACH, CA 2660
TEL. (619) 955 9433

GIBBS ARCHITECTS
Kurt Gibbs AIA
3575 Long Beach Blvd.
Long Beach CA, 90807
T: 562 981 2000
E: kurt@gibbs1934.com

LICENSED ARCHITECT KURT GIBBS SIGNATURE 10/23 EXP. DATE LIC. NO. C-22273 STATE OF CALIFORNIA

Revisions:

No.	Issue	Date
1		

Project Number:

Date: 14 September 2023

File:

Scale: Scale As Noted

Sheet Title: **Cover Sheet**

Drawing Number: **A0.00**

0 8 16 24 32 FT

N

Site Plan SCALE: 1/16" = 1'-0" FILE: 1

981 Frontage Road,
McFarland, CA 93250

OFF THE CHARTS

SEAN MADDOCKS
GREEN CONSULTING PARTNERS
23 CORPORATE PLAZA DR#150,
NEWPORT BEACH, CA 2660
TEL. (619) 955 9433

GIBBS ARCHITECTS

Kurt Gibbs AIA
3575 Long Beach Blvd.
Long Beach CA, 90807
T: 562.981 2000
E: kurt@gibbs1934.com

LICENSED ARCHITECT KURT GIBBS SIGNATURE 10/23 EXP. DATE LIC. NO. C-22022 STATE OF CALIFORNIA

Revisions:

No.	Issue	Date
1		

Project Number:

Date: 14 September 2023

File:

Scale: Scale As Noted

Sheet Title: **Site Plan**

Drawing Number: **A1.00**

0 8 16 24 32 FT

N

Site Plan SCALE: 1/16" = 1'-0" FILE: 1

981 Frontage Road,
McFarland, CA 93250

OFF THE CHARTS

SEAN MADDOCKS
GREEN CONSULTING PARTNERS
23 CORPORATE PLAZA DR#150,
NEWPORT BEACH, CA 2660
TEL. (619) 955 9433

GIBBS ARCHITECTS

Kurt Gibbs AIA
3575 Long Beach Blvd.
Long Beach CA, 90807
T: 562.981 2000
E: kurt@gibbs1934.com

LICENSED ARCHITECT KURT GIBBS SIGNATURE: 10/23 EXP. DATE: LIC. NO. C-32875 STATE OF CALIFORNIA

Revisions:

No.	Issue	Date
1		

Project Number:

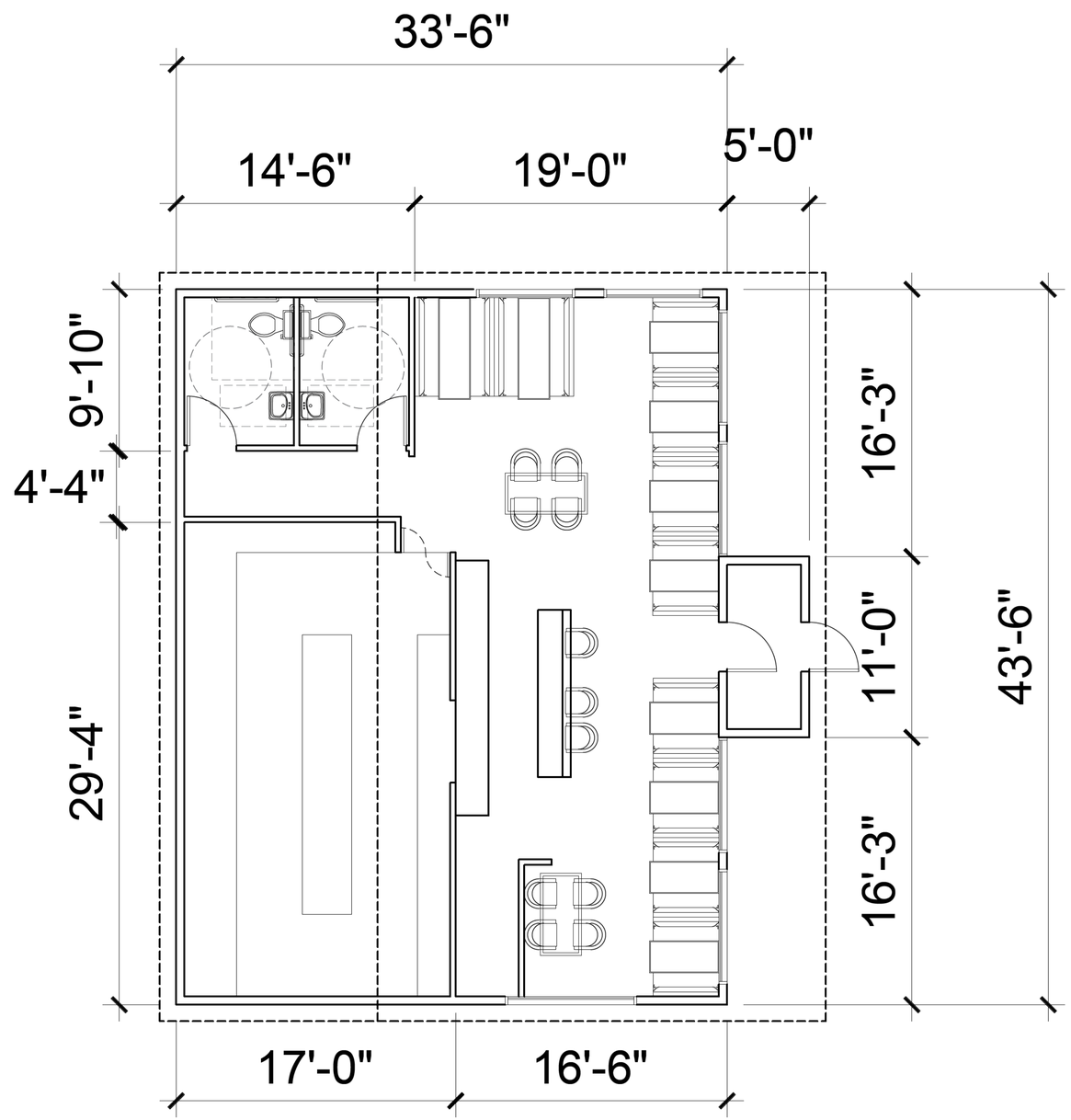
Date: 14 September 2023

File:

Scale: Scale As Noted

Sheet Title: **Site Plan**

Drawing Number: **A1.01A**



0 2 4 6 8 FT

N

Existing Floor Plan | SCALE: 1/4" = 1'-0" | FILE: | 1

981 Frontage Road,
McFarland, CA 93250

OFF THE CHARTS

SEAN MADDOCKS
GREEN CONSULTING PARTNERS
23 CORPORATE PLAZA DR#150,
NEWPORT BEACH, CA 2660
TEL. (619) 955 9433

GIBBS ARCHITECTS

Kurt Gibbs AIA
3575 Long Beach Blvd.
Long Beach CA, 90807
T: 562.981 2000
E: kurt@gibbs1934.com

LICENSED ARCHITECT KURT GIBBS SIGNATURE 10/23 EXP. DATE LIC. NO. C-22875 STATE OF CALIFORNIA

Revisions:

No.	Issue	Date
1		

Project Number:

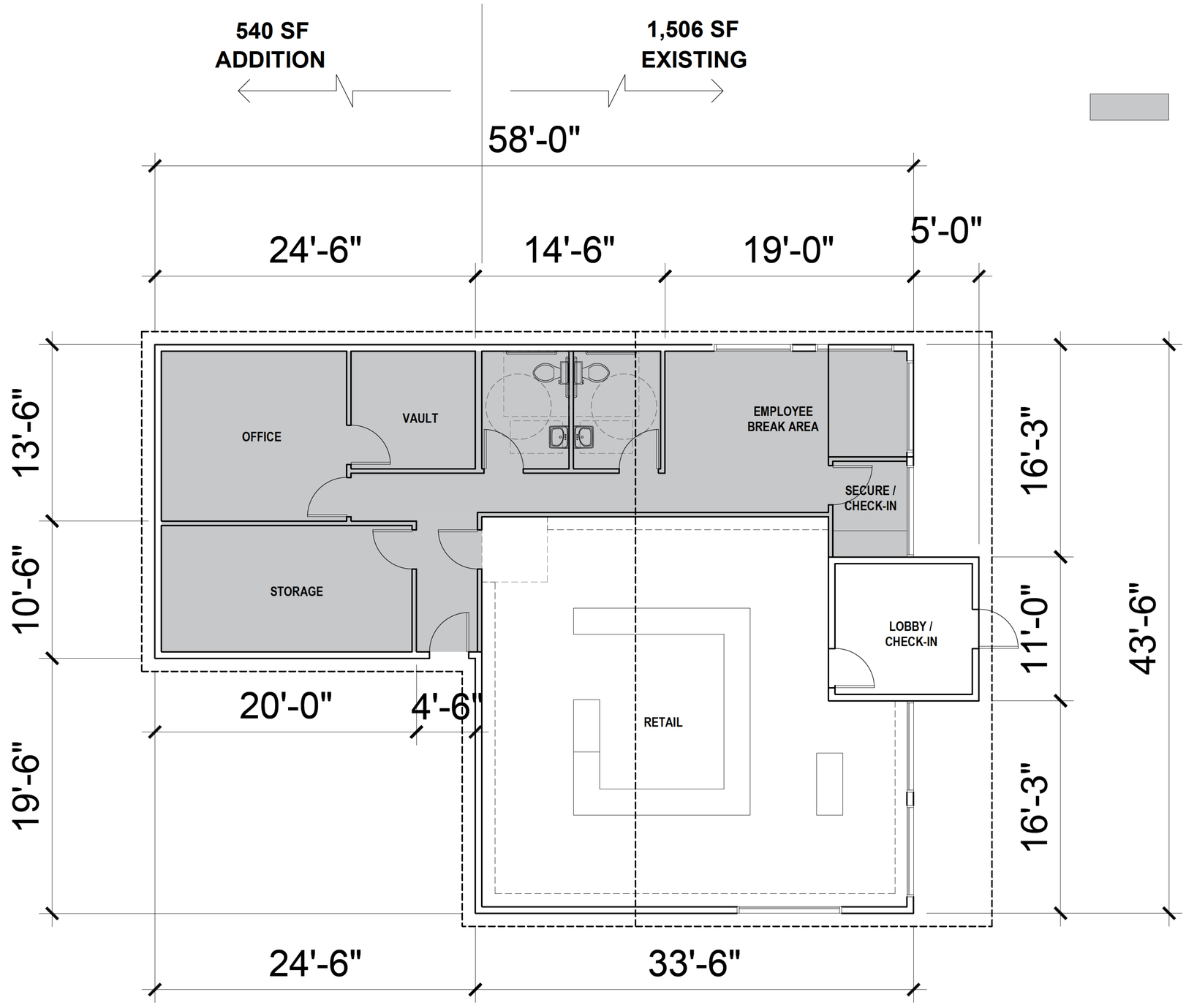
Date: 14 September 2023

File:

Scale: Scale As Noted

Sheet Title: **Existing Floor Plan**

Drawing Number: **A2.00**



EMPLOYEE ACCESS ONLY

AREA BREAKDOWN:

LOBBY	-127 SF
RETAIL	- 932 SF
SECURE CHECK-IN	- 50 SF
EMPLOYEE BREAK AREA	- 160 SF
ADA RESTROOMS	- 138 SF
VAULT	- 98 SF
OFFICE	- 203 SF
STORAGE	- 210 SF
HALLWAYS	- 128 SF
TOTAL	**2,046 SF**

0 2 4 6 8 FT

N

Proposed Floor Plan SCALE: 1/4" = 1'-0" FILE: 1

981 Frontage Road,
McFarland, CA 93250

OFF THE CHARTS

SEAN MADDOCKS
GREEN CONSULTING PARTNERS
23 CORPORATE PLAZA DR#150,
NEWPORT BEACH, CA 2660
TEL. (619) 955 9433

GIBBS ARCHITECTS
Kurt Gibbs AIA
3575 Long Beach Blvd.
Long Beach CA, 90807
T: 562.981 2000
E: kurt@gibbs1934.com

LICENSED ARCHITECT KURT GIBBS SIGNATURE 10/23 EXP. DATE LIC. NO. C-22207 STATE OF CALIFORNIA

Revisions:

No.	Issue	Date
1		

Project Number:

Date: 14 September 2023

File:

Scale: Scale As Noted

Sheet Title: **Proposed Floor Plan**

Drawing Number: **A2.01**

EXHIBIT D

Effective Date	Amount Due
Within ten (10) days following each month of operation, following the commencement of Commercial Cannabis Activity	15% of Gross Receipts from Operations each month.
Within ten (10) days following the end of each quarter of operation, following the commencement of Commercial Cannabis Activity	A list of contributions made to community organizations, which are recommended by the Cannabis Committee and approved by Council, equaling 1% of Gross Receipts from Operations

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 13.
Section: ADMINISTRATIVE AGENDA
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Paul Saldaña , Community Development Director

SUBJECT: Approval of Resolution No. 2023-150 A Resolution of the City Council of the City of McFarland, California, Approving the Position of Development Services Manager in the Community Development Department.

SUMMARY:

On September 14, 2023, the City Council adopted resolution 2023-108 appropriating funds and authorizing the creation of the Community Development Technician and Grants Manger position to the Community Development Department. The transition of the Grant Administrator in Training to the Community Development Technician was completed. The Grants Manager position recruitment began immediately after the position was authorized and did not yield a strong pool of candidates at the caliber and experience expected for the position. Likewise, the Building Inspector/Code Enforcement Officer position has been vacant and an ongoing recruitment has yielded limited candidates. Building inspection and plan check services have been provided through contracts with Interwest Consulting and CSG Consulting.

In the interim time that the vacancies and recruitment have occurred, the Community Development Director has assumed additional responsibilities in grant procurement, project management and intergovernmental relations. This has provided the opportunity to evaluate the staffing plan in light of the lack of qualified candidates for Grants Manager position, particularly since it is a narrow scope and responsibility that requires a strong background and ability to work independently in seeking and managing grants. Consequently, staff has looked for opportunities to better position the City for success and utilize staffing in a more efficient manner commensurate with their skill sets.

Staff is recommending the creation of Development Service Manager within the Community Development Department. The job description (attached) would place this position at a management level with direct supervision of building, planning and code enforcement staff. It is expected that the individual hired for this position will be experienced to also provide services in planning, plan check, building and code enforcement. The manager would manage work flow and assignments and ensure that development services are applicable managed in an efficient manner. They will be able to pick up a lot of the day-to-day work that either the Director currently provides or is provided by outside consulting.

The Director will oversee grant administration, economic development and lead out major development initiatives, as well as other major city priorities and projects. It is anticipated that as projects increase a Management Analyst position will be added to provide technical support

for the Department. This position will be considered during budget deliberations.

FINANCIAL IMPACT:

The City Council previously increased the Department budget on September 14, 2023. Additional costs will be absorbed in the current budget due to cost savings from vacant position savings and a decrease in outside consulting costs.

RECOMMENDATION:

Staff recommends City Council Report, discuss, and possibly approve Resolution No. 2023-150 approving the creation of Development Services Manager in the Community Development Department.

ATTACHMENTS:

1. Development Services Manager Job Description

RESOLUTION NO. 2023-150

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND AUTHORIZING THE ESTABLISHMENT OF THE DEVELOPMENT SERVICES MANAGER POSITION IN THE COMMUNITY DEVELOPMENT DEPARTMENT

WHEREAS, the Community Development Department of the City of McFarland has identified a growing need for additional managerial expertise to handle development services projects; and

WHEREAS, the City has reviewed the functions and responsibilities of the Community Development Department, finding the creation of the Development Services Manager position is imperative for the effective functioning of the City's building and planning functions; and

WHEREAS, the Community Development Department and Human Resources Department have conducted a compensation review and has proposed a new salary range for the Development Services Manager position , classified at Range 48 with pay rates of $40.04 to $52.25 per hour.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. The foregoing recitals are true and correct and incorporated herein as if set forth in full.
2. The City Council hereby authorizes the establishment of the Development Services Manager position within the Community Development Department.
3. The City Council approves the salary range for the Development Services Manager position, classified as Range 48, with pay rates of $40.04 to 51.25 per hour.
4. The City Clerk shall certify to the passage and adoption of this resolution.
5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on December 14, 2023 by the following vote:

	Aye	Nae	Abstain	Absent
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				
María T. Pérez				

CITY OF MCFARLAND

_____
Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

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

_____
Francisca Alvarado, City Clerk

CITY OF MCFARLAND
Development Services Manager

Salary Range: $40.04 - $ 51.25 (Exempt)
$ 3,202.97 - $4,100.04 (Bi-Weekly)

POSITION SUMMARY: The Development Services Manager plays a pivotal role within our organization, overseeing and coordinating various aspects of our development projects. This position requires a highly organized, detail-oriented, and results-driven individual who can effectively manage teams, budgets, timelines, and resources to ensure the successful execution of our development initiatives. As the Development Services Manager, you will be responsible for driving the growth and success of our projects while maintaining a commitment to quality, compliance, and client satisfaction.

Job Duties:

Important responsibilities and duties may include, but are not limited to, the following:

- Assume management responsibility for all planning, building, and code enforcement services and activities.
- Manage and participate in the development and implementation of goals, objectives, policies, and priorities of assigned planning and community development programs and functions.
- Continuously monitor and evaluate the efficiency and effectiveness of service delivery methods and procedures; assess and monitor workload, administrative and support systems, and internal reporting relationships; identify opportunities for improvement and review with Community Development Director; implement improvements.
- Select, train, motivate, and evaluate assigned staff; provide or coordinate staff training; work with employees to correct deficiencies; implement discipline and termination procedures.
- Serve as Acting Community Development Director in the Director's absence when designated.
- Plan, direct, coordinate, and review the work plan for assigned planning functions; meet with staff to identify and resolve problems; assign work activities, projects, and programs; monitor workflow; review and evaluate work products, methods, and procedures.
- Manage and participate in the development and administration of the Community Development Department's annual budget; direct the forecast of additional funds needed for staffing, equipment, materials, and supplies; direct the monitoring of and approve expenditures; direct and implement adjustments as necessary.

- Serve as a liaison with other City departments, divisions, and outside agencies; negotiate and resolve significant and controversial issues.
- Provide responsible staff assistance to the Community Development Director and the Planning Commission as necessary; prepare and present staff reports and other related correspondence.
- Assist in the administration of contracts with engineers, planners, building and safety services and consultants in support of assigned activities and programs; evaluate quality of products and approve contractor payments.
- Prepare and present complex planning-related reports for the City's Planning Commission, and City Council regarding Department findings and recommendations.
- Review, assign, and process development permit applications including those for new subdivisions, lot line adjustments, variance, land-use permits, and zoning amendments.
- Interpret and apply land-use, environmental, subdivision, and general planning laws and regulations to ensure compliance with City development projects and municipal code amendments.
- Interpret and enforce the building codes adopted by the City as well as other City codes related to property development and building construction.
- Issue building permits, construction trades permits, fire sprinkler, fire alarm, life safety permits, and other similar permits as assigned.
- Administer plan review and field inspection industry contacts.
- Perform inspections and construction plan review, as needed.
- Conduct a variety of organizational studies, investigations, and operational studies; recommend modifications to assigned planning programs, policies, and procedures as appropriate.
- Establish and maintain customer service standards.
- Ensure that customers receive timely assistance and accurate information.
- Receive complaints and resolve difficult issues and situations with customers.
- Investigate various citizen inquiries concerning building and safety violations.
- Provide timely response to complaints and take necessary steps to resolve issues and code related violations.
- Provide information, professional advice, and assistance for individuals, departments, groups, or the general public on planning, building and development construction issues.
- Gain cooperation regarding complaints and code violation issues through discussion and negotiation.
- Perform other duties as assigned.

MINIMUM QUALIFICATIONS

- Operational characteristics, services, and activities of urban planning programs.
- Organizational and management practices as applied to the analysis and evaluation of programs, policies, and operational needs.

- Modern and complex principles and practices of urban planning and community development program development and administration.
- Urban planning theory, principles, and practices and their application to a wide variety of community development activities.
- Contract service planning, bidding, negotiation, administration, and performance evaluation.
- Research methods and sources of information related to urban growth and development.
- Research developments, current literature, and trends relating to municipal planning and community development program administration.
- Principles and practices of municipal budget preparation and control.
- Principles of supervision, training, and performance evaluation.
- Pertinent Federal, State, and local laws, codes, and regulations.
- English usage, spelling, grammar, and punctuation.
- Business letter writing and technical report preparation.

Ability to:

- Manage, direct, and coordinate the work of Professional, Technical, and Clerical staff.
- Select, supervise, train, and evaluate staff.
- Provide administrative and professional leadership and direction for assigned
- planning division.
- Recommend and implement goals, objectives, and practices for providing effective and efficient community development and urban planning services.
- Prepare and administer large and complex budgets.
- Prepare clear and concise administrative and technical reports.
- Analyze problems; identify alternative solutions; project consequences of proposed actions; implement recommendations in support of goals.
- Research, analyze, and evaluate new service delivery methods, procedures, and techniques.
- Interpret and apply Federal, State, and local policies, procedures, laws, and regulations.
- Perform responsible and difficult work involving the use of independent judgment and personal initiative.
- Understand the organization and operation of the City and of outside agencies as necessary to assume assigned responsibilities.
- Interpret and apply administrative and departmental policies and procedures.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective working relationships.

Experience and Training:

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:

Four years of increasingly responsible professional urban planning and/or building inspection experience including at least one year of supervisory responsibility.

Equivalent to a Bachelor's degree from an accredited college or university with major coursework in planning, public or business administration, or a related field.

Master's degree in public administration or business administration preferred

Licenses:

Possession of, or ability to obtain, a valid California Driver's License.

COMPENSATION AND BENEFITS:

The City of McFarland offers an excellent benefits package including:

- Comprehensive City paid medical, dental, and vision benefits for the employee and dependents
- Life insurance equal to 1-year base salary with a minimum of $50,000
- Retirement: Deferred Compensation 401(k) -The City of McFarland contributes an additional 10% of an employee's pay each pay period into a 401K plan, at no cost to the employee. The City is not a PERS (Public Employees Retirement System) Agency
- Supplemental life insurance (Optional)
- Deferred Compensation 457 Plan (Optional)
- Section 125 plan participation'
- 1 Personal Day
- 12 Days' Vacation/ 12 Days' Sick pay accrued annually
- 12 Days Holiday Pay
- Monday through Friday 8 am to 5 pm (We are pleased to offer a 9/80 work schedule as an option to our team members, upon meeting job performance expectations.)

APPLICATION: To apply, please complete and application online at www.mcfarlandcity.org. **Resumes will not be accepted in lieu of a City employment application.** To be considered for this position, please submit complete employment application and resume.

EQUAL OPPORTUNITY EMPLOYER: The City of McFarland is an Equal Opportunity Employer. In accordance with the Americans with Disabilities Act of 1990 (ADA), requests for special accommodations during any stage of the examination process should be made in advance to the Human Resources Department.

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 14.
Section: ADMINISTRATIVE AGENDA
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Diego Viramontes, Finance Director

SUBJECT: Approval of Resolution No. 2023-152 A Resolution of the City Council of the City of McFarland, California, Approving the Appropriation of Funds for the Executime Electronic Time & Attendance Project.

SUMMARY:

This report seeks approval for the appropriation of $15,000 from the General Fund's Management Information Systems division. This funding is crucial for the successful implementation of the Executime electronic Time & Attendance project, a Tyler Technologies product. Executime integrates seamlessly with our ERP Pro 10 accounting and payroll software.

Background:

Initiated in April 2021, the Executime project initially received an investment of approximately $40,000 for upgraded server costs, Tyler Technologies programming/implementation costs, and miscellaneous expenses. However, due to departmental turnover and instability, the project stalled. We are now re-engaging with a planned implementation date of 7/1/2024. The current server, however, no longer meets necessary standards.

Benefits of Executime Implementation:

- **Efficiency:** Executime's electronic timekeeping system will significantly reduce the inefficiencies of our current paper-based timesheets.
- **Accuracy:** It will minimize errors inherent in manual time recording, improving payroll accuracy.
- **Integration**: The system will integrate seamlessly with our existing accounting and payroll software, enhancing our financial management capabilities.

FINANCIAL IMPACT:

The total request of $15,000 encompasses the following items:

1. **Server Upgrades:** Necessary upgrades to our server system are estimated at $4,565.78,
2. **Time Clock Replacements:** To replace three analog time clocks with touch screen, barcode-enabled clocks compatible with Executime, we estimate a cost of $7,244.

3. **Contingencies and Installation Costs:** An additional $3,190.22 is requested to cover any unforeseen expenses and installation costs.

RECOMMENDATION:

Given the significant benefits of transitioning to an electronic timekeeping system and the urgency to update our current infrastructure, we recommend the City Council to Discuss and Approve Resolution No. 2023-152 A Resolution of the City Council of the City of McFarland, California, Approving the Appropriation of Funds for the Executime Electronic Time & Attendance Project. This approval would appropriate $15,000 from the Management Information Systems division of the General Fund. This will enable us to move forward with the Executime project, aligning with our commitment to efficient and accurate financial management.

ATTACHMENTS:

1. Quote for Server Upgrades
2. Quote for Time Clock Replacements

RESOLUTION NO. 2023-152

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND, CALIFORNIA, APPROVING THE APPROPRIATION OF FUNDS FOR THE EXECUTIME ELECTRONIC TIME & ATTENDANCE PROJECT

WHEREAS, the City Council has already approved and passed a budget for the fiscal year 2023/24; and

WHEREAS, the City Council recognizes the Executime electronic Time & Attendance was not included in the approved budget; and

WHEREAS, the City of McFarland has recognized the need to improve the efficiency and accuracy of its timekeeping and payroll systems; and

WHEREAS, the Executime electronic Time & Attendance project, a product of Tyler Technologies, was initiated in April 2021 with an initial investment of approximately $40,000 covering server upgrades, programming/implementation costs, and miscellaneous expenses; and

WHEREAS, due to unforeseen turnover and instability within the Finance Department, the Executime project has faced delays, necessitating a re-engagement with a projected implementation date of July 1, 2024; and

WHEREAS, it has been determined that the current server system no longer meets the necessary standards for the Executime software, thereby requiring an upgrade; and

WHEREAS, the transition from analog to modern, touch screen, barcode-enabled time clocks is essential for the integration and optimal functioning of the Executime system; and

WHEREAS, the Finance Director has submitted a Staff Report requesting the appropriation of an additional $15,000 from the General Fund's Management Information Systems division to cover software upgrades, time clock replacements, contingencies, and installation costs;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. The foregoing recitals are true and correct and incorporated herein as if set forth in full.
2. The City Council hereby approves the appropriation of $15,000 from the Management Information Systems division of the General Fund for the Executime electronic Time & Attendance project.
3. The Finance Department is tasked with the oversight and implementation of the Executime

project, ensuring its completion by the projected date of July 1, 2024.

4. The City Clerk shall certify to the passage and adoption of this resolution.
5. This resolution is effective immediately.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on December 14, 2023 by the following vote:

	Aye	Nae	Abstain	Absent
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				
María T. Pérez				

CITY OF MCFARLAND

_____
Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

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

_____
Francisca Alvarado, City Clerk

American Office Solutions LLC
Estimate

Prepared for:

Diego Viramontes
City of McFarland City Hall
401 West Kern Avenue
McFarland, CA 93250
United States

Prepared by:

American Office Solutions LLC
819 18th Street, Bakersfield,
CA 93301

Date Prepared:

11/28/2023

Corporate Headquarters
819 18th Street, Bakersfield, CA 93301
(661) 869-1001 **P**
www.aoffs.com

11/28/2023

Diego Viramontes
City of McFarland City Hall
401 West Kern Avenue
McFarland, CA 93250
United States

Dear Diego:

Here is the quote you requested.

Upon review, if you would like us to modify any of the contents of this estimate please feel free to contact me and I will address your requests.

Best Regards,

American Office Solutions LLC
jamie@aoffs.com

Solution Summary

QTY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	PowerEdge R250	$4,217.81	$4,217.81

SUBTOTAL	$4,217.81
SALES TAX	$347.97
TOTAL (ONE TIME)	$4,565.78
YEARLY LICENSE	$0.00

To place order please Sign and Date

IMPORTANT NOTE: All equipment is subject to withdrawal or modification and a possible 10% increase due to availability and the ongoing chip shortage effecting IT equipment. The final pricing and configuration may need to be adjusted to include items such as: additional products, licenses, professional services, shipping, or taxes. Drive Time to and from site will be billed additionally. If project is delayed on behalf of the client, progress billing will go into effect.

City of McFarland City Hall

City of McFarland City Hall
401 West Kern Avenue
McFarland, CA 93250
United States

_____
Signature

_____ _____
Printed Name/Title Date

Sales Quotation For:
City of McFarland
401 W Kern Ave
Mc Farland CA 93250-1352
Diego Viramontes
+1 (661) 586-3970
dviramontes@mcfarlandcity.org

Quoted BY	Robin Reeves
Quote Expiration	6/2/24
Quote Name	Touchscreen 7 Timeclocks

Third Party Software & Hardware Description	Quantity	Unit Price	Extended Price	Annual
Tyler One				
Time & Attendance powered by ExecuTime				
Touchscreen 7 : Barcode Reader	3	$ 2,195	$ 6,585	$ 659
TOTAL:			**$ 6,585**	**$ 659**

Summary	One Time Fees	Recurring Fees
Total Third Party Hardware, Software, Services	$ 6,585	$ 659
Total Tyler Services		
Summary Total	**$ 6,585**	**$ 659**
Contract Total	**$ 7,244**	

Comments

Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms, subject to payment terms in an agreement, amendment, or similar document in which this sales quotation is included:

- License fees for Tyler and third-party software are invoiced upon the earlier of (i) delivery of the license key or (ii) when Tyler makes such software available accessible.
- Fees for hardware are invoiced upon delivery.
- Fees for year one of hardware maintenance are invoiced upon delivery of the hardware.
- Annual Maintenance and Support fees, SaaS fees, Hosting fees, and Subscription fees are first payable when Tyler makes the software accessible to the Client (for Maintenance) or on the first day of the month following the date this quotation was signed (for SaaS, Hosting, and Subscription), and any such fees are prorated to align with the applicable term under the agreement, with renewals invoiced annually thereafter in accord with the Agreement.

Fees for services included in this sales quotation shall be invoiced as indicated below.

- Implementation and other professional services fees shall be invoiced as delivered.
- Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.
- Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, Tyler will invoice Client the actual services delivered on a time and materials basis.
- Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
- If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
- Notwithstanding anything to the contrary stated above, the following payment terms shall apply to fees specifically for migrations: Tyler will invoice Client 50% of any Migration Services Fees listed above upon Client approval of the product suite migration schedule. The remaining 50%, by line item, will be billed upon the go-live of the applicable product suite. Tyler will invoice Client for any Project Management Fees listed above upon the go-live of the first product suite. Annual SaaS Fees will be invoiced upon availability of the hosted environment.

Any SaaS or hosted solutions added to an agreement containing Client-hosted Tyler solutions are subject to Tyler's SaaS Services terms found here: https://www.tylertech.com/terms/tyler-saas-services.

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held
For six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____

Print Name: _____ P.O.#: _____

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 15.
Section: ADMINISTRATIVE AGENDA
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Adam Cabrera , Assistant Public Works Director

SUBJECT: Approval of Resolution No. 2023-153 A Resolution of the City Council of the City of McFarland Approving Funds from the City's General Fund to Construct a Block Wall at City Hall.

SUMMARY:

City staff has identified a potential liability issue at the driveway exit onto fourth street from city hall. This driveway exit places pedestrians directly in the path of city vehicles exiting the city hall yard onto fourth street. Because police vehicles use this exit when responding to emergencies, they are often traveling at a higher rate of speed, which increases the hazard. Although staff has made efforts to curtail the pedestrian traffic by placing barricades, pedestrian traffic continues to use fourth street as a walkway.

In addition to the hazard, the city has been involved in an ongoing expansion project at the same location, which is now reflecting negatively on the city. Currently, the city has temporary barricades blocking fourth street and an empty lot directly east of city hall. The barricades and the empty lot both reflect negatively on the city.

To eliminate the hazard and provide a more professional image, staff would like to construct a masonry block wall at the north end of the vacant lot adjacent and to the east of City Hall. The purpose of the block wall is to eliminate hazards and improve the professional image of the city. Additionally, the block wall will provide security and privacy around this vacant lot, which will be utilized to expand the parking lot to City Hall. Eventually, this project will include the relocation of the existing automatic gate on fourth Street to just north of the alley between Harlow Ave. and W. Kern Street. The excavation, grading and construction of the block wall is beyond the capabilities of the City Staff.

City staff sought three bids for the project. However, only two were responsive. The city determined the lowest bid was $25,000.

It shall be noted that the portion of fourth Street, north of the alley, was previously vacated and closed for public use per Resolution 2015-0248, as shown on Lot Merger 19-01. See attached site map.

FINANCIAL IMPACT:

At this time, the impact to the general fund is $25,000.

RECOMMENDATION:

Staff recommends the City Council approve Resolution No. 2023-153 approving funds from the general fund for the block wall project and authorizing the construction phase of the City Hall Block Wall.

ATTACHMENTS:

1. Estimate- Raul Martinez
2. Estimate- Aldana's Conctruction, Inc

RESOLUTION NO. 2023-153

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING FUNDS FROM THE CITY'S GENERAL FUND TO CONSTRUCT A BLOCK WALL AT CITY HALL.

WHEREAS, the City Council has already approved and passed a budget for the fiscal year 2023/24; and

WHEREAS, the City Council recognizes that the construction of the block wall was not approved in the 2023/24 budget; and

WHEREAS, the City Council desires to construct a masonry block wall around the vacant lot adjacent and to the east of City Hall; and

WHEREAS, the City Council desires to have the block wall built to eliminate the hazard and improve the professional image of the city; and

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1) The foregoing recitals are true and correct and incorporated herein as if set forth in full.
2) The City Council Authorizes the construction of the City Hall Block Wall project.
3) The City Council authorizes the allocation of funds in the amount of $25,000.00 for the construction of the block wall.
4) The City Council authorizes the City Manager or his designee to take all action necessary, including the approval of and execution of documents necessary to complete the construction of the City Hall Block Wall project.
5) The City Clerk shall certify the passage and adoption of this resolution.
6) This resolution is effective immediately.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on December 14, 2023 by the following vote:

	Aye	**Nae**	**Abstain**	**Absent**
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				
María T. Pérez				

CITY OF MCFARLAND

_____
Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

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

_____
Francisca Alvarado, City Clerk

ESTIMATE

Prepared For

City Of McFarland
McFarlan
McFarland, California 93250
(661) 869-5106

Raul Martinez

10000 Greenacres Dr
Bakersfield, Ca 93312
Phone: (602) 718-7092
Email: raulin091573@gmail.com

Estimate #	44
Date	11/14/2023

Description	**Total**
Block Wall Labor and Materials 150 lineal foots blocks 8x8x16 regular Grey color completely filled with concrete Rebars Footing bi City specifications Clean up after job finish	$25,000.00

Subtotal	$25,000.00
Total	**$25,000.00**

By signing this document, the customer agrees to the services and conditions outlined in this document.

Aldana's Construction Inc.

Home improvement, Remodeling & construction
Residential & Commercial.
Ca. Lic. 1070022
9530 Hageman Rd. B394. Bakersfield, CA.
661-833-6033

Kitchen & bathroom remodeling, additions, drywall, texture, Wallpaper Removal, Interior & exterior painting, acoustic ceiling Removal, Ceramic tile, laminate floors & more
Fast, clean, reliable affordable

Proposal

Submitted to: City of McFarland (Adam Cabrera) **Date: 11/22/2023.**
Address: 401 W. Kern Avenue. McFarland, CA 93250 **Tel: 661-792-3091**

We hereby propose to furnish all materials (unless otherwise specified) and necessary equipment and perform all labor necessary to complete the following work:

Installation of 142 linear feet of block wall (8 x 8 x 16, grey smooth sides). By 8 feet high, layout of 4, ½ inch rebars at footing, and 2 more distributed at 3 feet intervals horizontally, and a ½ rebar vertically every 2 feet and filling each cell containing the rebar with concrete. $60,296.00

if customer prefers the whole wall filled with concrete $64,296.00

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for the above work and completed in a workmanlike manner.
Deposit $1,000.00 or 10 % whichever, is the lesser. $ 1,000.00
Mobilization cost (to acquire all materials) $ 0.00.
1st progress payment after footing is done $10,000.00.
2nd progress payment after _____is done $
3rd progress payment after _____ are complete. $
Final payment at completion of work $ balance of the amount depending on filling of wall option.

Any alteration or deviation from the above specifications involving extra cost of material and or labor will be executed upon written orders for the same and will become an extra charge over the sum mentioned in this contract. All agreements must be in writing.
Contractors are required by law to be Licensed and regulated by the Contractor's State License Board. Any questions concerning a Contractor may be referred to the registrar of the Board whose address is:

Contractor's State License Board
3132 Bradshaw Rd.
Sacramento, Ca. 95820

NOTE: This proposal is valid for 7 days
If accepted, work will begin (approximately) on_____ and will be substantially completed (approximately) in ____days, or by _____

ACCEPTANCE

You are hereby authorized to furnish all material and labor required to complete the work mentioned in the above proposal, for which agree to pay the amount mentioned in said proposal, and according to terms thereof.

ACCEPTED _____ NAME _____ DATE: _____

CONTRACTOR _____ DATE _____

---

3 DAY RIGHT TO CANCEL

NOTICE OF CANCELLATION DATE_____

You may cancel this transaction, without any penalty or obligation, within three days from the above date. If you cancel, any property trade in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, call or text contractor at 661-833-6033 to let him know, or deliver a signed and dated copy of this cancellation notice, or any other written notice, at 9530 Hageman Rd. Suite B 394 Bakersfield CA. 93312 or not later than midnight of, _____

I hereby cancel this transaction _____ Date _____

_____ Contractor explain and provided a copy of 3 days right to cancel
(Initials)

City of McFarland

City Council Meeting
STAFF REPORT

Agenda Item No. 16.
Section: ADMINISTRATIVE AGENDA
Meeting Date: December 14, 2023

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Nathan Hodges, City Attorney / Legal

SUBJECT: Approval of Resolution No. 2023-158 A Resolution of the City Council of the City of McFarland adopting the procedural rules for the conduct of City Council Meetings.

SUMMARY:

The City Council has never adopted formal written Procedural Rules for the Conduct of City Council Meetings, such as procedural rules, sometimes also referred to as “Bylaws”. When in place, these rules assist the council with the processes of council meetings and help provide guidance regarding appropriate behavior and the expectations of their duties.

This structure will assist the council in ensuring the appropriate representation of the interests of their constituents as well as providing guidance for proposing, passing and ratifying ordinance, managing budgets, establishing administrative, budgetary and taxation polices and creating the vision for the city’s future.

These rules are an important part of safeguarding the ethical obligations of the city council and ensuring the integrity of its members when exercising their official duties.

FINANCIAL IMPACT:

There will be no cost to the city for the implementation of these procedures.

RECOMMENDATION:

Staff recommends City Council Discuss, and Possible Approve Resolution No. 2023-158 A Resolution of the City Council of the City of McFarland adopting the procedural rules for the conduct of City Council Meetings.

ATTACHMENTS:

1. Council-Rules-of-Procedure

RESOLUTION NO. 2023-158

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND ADOPTING THE PROCEDURAL RULES FOR THE CONDUCT OF CITY COUNCIL MEETINGS

WHEREAS, the City Council has never adopted formal written Procedural Rules for the Conduct of City Council Meetings ("Procedural Rules," and sometimes also referred to as "Bylaws"); and

WHEREAS, the City Council now desires to promulgate and clarify its Procedural Rules, and consolidate all Procedural Rules into a single resolution.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of McFarland hereby finds and determines as follows:

1. The City Council of the City of McFarland hereby adopts the Procedural Rules for the Conduct of City Council Meetings, attached as Exhibit "A" and incorporated herein by reference.
2. All prior versions of Procedural Rules, whether written or oral, are superseded.
3. The City Council finds that this resolution is in the best interests of the City of McFarland.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on December 14, 2023 by the following vote:

	Aye	**Nae**	**Abstain**	**Absent**
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				
María T. Pérez				

CITY OF MCFARLAND

_____

Saul Ayon, Mayor

ATTEST:

_____
Francisca Alvarado, City Clerk

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

_____
Francisca Alvarado, City Clerk

“Exhibit A”

McFarland
CALIFORNIA

Council Rules of Procedure

Resolution No. 2023-158
Adopted on December 14, 2023

401 W. Kern Avenue. McFarland, CA 93250.
City Clerk: falvarado@mcfarlandcity.org
Phone: 661-792-3091

Chapter 1 – Authority/Administration

A. General Authorities and Applicability

1. These Council Rules of Procedure ("Rules") apply when not in conflict with the Constitution, laws of the State of California, including the Ralph M. Brown Act (Government Code, § 54950 et seq) ("Brown Act"), of the McFarland Municipal Code. Until such time as they are amended or new rules are adopted by resolution, these Rules govern the order and conduct of business of the city council legislative bodies that meet concurrently with the council, council committees, and council-established boards, commissions, and committees (collectively, "legislative bodies").

2. These rules are applicable to council-established boards, commissions, and committees, as well as to the persons sitting on those boards, commissions, and committees. Those council-established boards, commissions, and committees that are authorized to adopt rules of procedure shall adopt rules that are consistent with these Rules and may not be in conflict with the McFarland Municipal Code, the Constitution, or laws of the State of California.

B. General Administration

1. The council shall review and revise these Rules at least annually, or as needed.

2. During council discussions, deliberations, and proceedings, the presiding officer has the primary responsibility to ensure that the council, staff, and members of the public adhere to these Rules.

3. Any member who thinks the Rules are being violated may make a "point of order" to call for the presiding officer to enforce the Rules.

C. Amendment

Any rule may be adopted, altered, amended, or repealed by resolution at any time by a majority vote of the council, provided that at least 120 hour notice of such proposed rule change is given to the councilmembers.

D. Suspension

1. Any rule may be temporarily suspended by a majority vote of all councilmembers present.

E. Rosenberg's Rules of Order

To the extent these Rules do not address an issue of parliamentary procedure for legislative body meetings, *Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century* shall apply.

Chapter 2 – Duties

A. Duties of Members and Staff

1. Members and city staff shall conduct the business of the City of McFarland:

    a. Recognize that stewardship of the public interest is of primary concern;

    b. Work for the common good of the people of McFarland; and

    c. Assuring fair and equal treatment of all persons, claims, and transactions coming before the council, council committees, and council-established boards, commissions, and committees.

B. Duties of Mayor and Vice Mayor

1. The Mayor is:

    a. The presiding officer of the City and of all meetings of the council;

    b. The official head of the City for performance of duties lawfully delegated to the Mayor by the Council, the laws of the State of California, or the McFarland Municipal Code;

    c. Referred to as "chair" or "chairperson" when acting as presiding officer of legislative body meetings other than the council;

    d. Considered a member of the council;

    e. Entitled to make and second motions on matters before the council and vote on actions, but possesses no veto power over actions of the council;

    f. The primary, but not the only, person responsible for interpreting the policies, programs, and needs of city government to the people; and for informing the people of any major change in policies or programs; and

    g. Empowered, but not exclusively empowered, to make recommendations to the council on all policies and programs that require council decisions; and to perform such other duties as prescribed by the Council, the laws of the State of California, or the McFarland Municipal Code.

2. The vice mayor and mayor pro tempore shall be elected annually from among the members of the council, other than the mayor, by a majority vote at the council's first meeting in January.

    a. In the absence of the mayor from the city or a council meeting, the vice mayor shall possess all powers of the office of the mayor and be subject to all prescribed duties for that office.

    b. In the absence of the mayor and vice mayor from the city or a council meeting, the mayor pro tem shall possess all powers of the office of the mayor.

Chapter 3 – Conduct of Members

A. Norms and Expectations

1. Members shall:

   a. Put constituents first at all times;

   b. Treat each other, staff, and members of the public with dignity, courtesy, and respect;

   c. Value all opinions, be tolerant of new and different ideas, and encourage creativity and innovation;

   d. Follow through on commitments and be accountable to each other;

   e. Clarify when items are discussed in confidence and maintain appropriate confidentiality;

   f. Be attentive to others, limiting interruptions and distractions;

   g. Encourage dissent in debate while being mindful not to prolong discourse or block consensus;

   h. Be candid with each other about ideas and feelings, and resolve conflicts directly;

   i. Keep comments clear, concise, and on-topic to maximize opportunities for all to express themselves;

   j. Continuously strive to improve how members work as a team;

   k. Place clear and realistic demands on staff resources and time when requesting action;

   l. Start and end meetings on time, work from an agenda, and be present, attentive, and prepared;

   m. Present problems in a way that promotes discussion and resolution; and

   n. Continually work to build trust in each other.

B. General Conduct

1. Members shall:

   a. Treat each other and everyone with courtesy and refrain from inappropriate behavior and derogatory comments;

   b. Be fair, impartial, and unbiased when voting on quasi-judicial actions;

c. Wait to be acknowledged by the presiding officer before speaking;

d. Move to require the presiding officer to enforce these Rules, and the presiding officer shall do so upon an affirmative vote of a majority of the members present;

e. Preserve order and decorum during the meeting;

f. Not delay or interrupt the proceedings or the peace of the council, nor disturb any member while speaking, by conversation or otherwise, nor disobey the orders of the council, or the presiding officer, except as otherwise herein provided;

g. Abide by the Confidential Information Policy prohibiting disclosure of confidential communications and authorizing public censure for failure to comply with the policy;

h. Support the laws established by the council; and

i. Abide by these Rules in conducting the business of the City of McFarland.

C. Conduct with Members

1. Members shall:

a. Value each other's time;

b. Attempt to build consensus on an item through an opportunity for dialogue; but when this is not possible, the majority vote shall prevail, and the majority shall show respect for the opinion of the minority;

c. Have the right to dissent from, protest, or comment upon any action of the council;

d. Respect each other's opportunity to speak and, if necessary, agree to disagree;

e. Avoid offensive negative comments and practice civility and decorum during discussions and debate; and

f. Assist the presiding officer's exercise of the affirmative duty to maintain order.

D. Conduct with City Manager and Staff

1. Members of the city council shall:

a. Speak to the city manager directly on issues and concerns;

b. Direct the city manager to implement council's policy decisions through the administrative functions of the city;

c. Treat staff professionally and refrain from publicly criticizing individual employees;

d. Avoid involvement in personnel issues except during council closed sessions regarding council-appointed staff, including but not limited to the city attorney, city clerk, city manager, finance director, or chief of police;

e. Discuss directly with the city attorney, city clerk, city manager, finance director, or chief of police as appropriate, any displeasure with a department or staff; and

f. Request answers to questions on council agenda items from the city attorney, city clerk, city manager, finance director, or chief of police, or department directors prior to the meeting whenever possible.

2. General Direction

a. Council requests that deal with policy issues and council requests that may be construed as direction must be directed to the city manager, except for general inquiries or questions, in which case the council may go to the department directors or key staff in the City Manager's Office. Members may also deal directly with the city attorney, city clerk, finance director, chief of police, or other staff appointed by the council.

E. Conduct with the Public

1. Members shall:

a. Make the public feel welcome;

b. Be impartial, respectful, and without prejudice toward the public;

c. Listen courteously and attentively to public comment;

d. Not argue back and forth with members of the public; and

e. Make no promises to the public on behalf of the legislative body.

F. Conduct with Other Agencies

1. Members shall:

a. Project a positive image of the city when dealing with other agencies;

b. Show tolerance and respect for other agencies' opinions and issues and, if necessary, agree to disagree;

c. Represent official policies or positions of the council when designated as delegates of a legislative body;

d. Explicitly state when their opinions and positions do not represent the legislative body when representing their individual opinions and positions, and not allow the inference that they do (see also Rule 13.A.1.c); and

e. Have the ability to lobby or discuss issues that have been adopted by legislative bodies or are standing policies of the legislative bodies with other legislators, government officials, applicants, or other interested persons.

G. Conduct with Boards and Commissions

1. Councilmembers shall:

a. Treat all members of boards, commissions, and committees with appreciation and respect; and

b. Refrain from participation at board, commission, and committee meetings with the purpose of influencing the outcome of those meetings.

H. Conduct with the Media

1. Members shall not discuss – or go "off the record" with the media to discuss – confidential or privileged information pertaining to closed sessions, or attorney-client privileged or attorney work product communications, including personnel, litigation, or real property negotiations.

2. Providing non-confidential, non-privileged background information is acceptable.

I. Ethical Conduct

1. Members shall conduct themselves in accordance with the following policies, including but not limited to:

a. Members shall comply with a citywide nepotism policy adopted or approved by city council resolution.

b. Members shall comply with the citywide whistleblower protection policy adopted or approved by city council resolution.

c. Members shall receive ethics training material, as required by Assembly Bill 1234 within 30 days of taking office and at least every two years.

d. Members shall receive sexual harassment training material, as required by Assembly Bills 1825 and 1661 within 30 days of taking office and at least every two years.

e. Members shall follow the Political Reform Act and Fair Political Practices Commission regulations.

f. Members shall conduct themselves in accordance with such policies and training.

Chapter 4 – Conduct of City Staff

A. General Conduct

1. Staff shall:

   a. Prepare well-written staff reports and provide accompanying documents on all agenda items in accordance with the agenda format and preparation schedule;

   b. Be available for questions from members in accordance with the Brown Act prior to and during meetings;

   c. Respond to questions from the public during meetings only when requested to do so by members or the city manager;

   d. Refrain from arguing with the public or members; and

   e. Switch electronic equipment such as cellular telephones to silent or off mode during council meetings.

2. Staff shall remain objective on issues and not be advocates for issues unless so directed by the legislative body.

3. To the extent permitted by the Brown Act, the city manager and staff shall, as soon as possible, inform the mayor and members representing the districts affected of controversial, significant-impact issues that are coming before the legislative body.

4. The city manager shall advise management staff of potentially political or controversial issues coming before the legislative body and direct staff to be present and appropriately prepared.

Chapter 5 – Conduct of the Public

A. General Conduct

1. Decorum.

   a. Members of the public attending council meetings shall observe the same rules and decorum applicable to the members and staff as noted in chapters 3 and 4 of these Rules.

   b. No person shall engage in conduct that is intended to or is likely to provoke violent or riotous behavior, nor shall any person engage in conduct that disturbs the orderly conduct of the council meeting. Examples of disorderly conduct include:

      (i) Feet-stamping.

      (ii) Whistling or other abrupt noises.

      (iii) Yelling or shouting or interrupting a speaker who is addressing the council.

      (iv) Organized silent demonstrations and other demonstrations intended to disturb the progress of the meeting.

      (v) Physically threatening conduct.

      (vi) Verbal threats.

      (vii) Banging, slamming, or throwing objects.

      (viii) Interfering with other attendees' ability to participate or address the council.

      (ix) Entering areas of the chamber not intended for the public.

      (x) Incitement to commit unlawful or disturbing acts or disrupt proceedings.

      (xi) Refusing to abide speaker time limits and leave the podium when directed.

      (xii) Placing physical objects in a manner that creates a disturbance or disrupts proceedings.

      (xiii) Interjection when not at the podium.

      (xiv) Refusing to heed the presiding officer's call for order.

(xv) Approaching the podium or dais without permission of the presiding officer.

(xvi) Signs may not be mounted to any solid item that would facilitate holding or waving and may not impede the view of other attendees.

c. Enforcement. In addition to the presiding officer, the sergeant-at-arms shall have primary responsibility for enforcing council meeting decorum. Additionally, any member may at any time call for a point of order, to request the timely enforcement of these rules of decorum.

(i) The presiding officer shall request that a person who is breaching the rules of decorum cease the conduct. If the person does not cease the conduct immediately, the presiding officer may order the person to leave the council meeting or order the sergeant-at-arms to remove the person.

(ii) The sergeant-at-arms shall assist in enforcing the rules of decorum, including removing disorderly persons upon order of the presiding officer or decorum officer.

2. Lobbyists shall identify themselves and the client(s), business, or organization they represent before speaking to the council.

3. Members of the public wishing to provide documents to the council shall comply with Rule 7.D.

B. Addressing the City Council

1. Purpose of public comment. During regular meetings, the city provides opportunities for the public to address the council as a whole in order to listen to the public's opinions regarding agendized items and unagendized matters within the subject matter jurisdiction of the city. At all other (special) meetings, public comment is limited to agendized items.

a. Public comments should not be addressed to individual members nor to city officials, but rather to the council as a whole regarding city business.

b. While members of the public may speak their opinions on city business, personal attacks on members and city officials, use of swear words, and signs or displays of disrespect for individuals are discouraged as they impede good communication with the council.

c. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be "question and answer" periods or conversations with the council and city officials. The limited circumstances under which members may respond to public comments are set out in Rule 8.D.2.

d. The presiding officer may stop a member of the public whose comments are not confined to the agendized item being heard. During the public comment portion of the agenda, the presiding officer may stop a member of the public whose comments are not within the subject matter jurisdiction of the city.

2. Speaker time limits. In the interest of facilitating the council's conduct of the city's business, the following time limits apply to members of the public (speakers) who wish to address the council during the meeting.

a. Matters not on the agenda: two minutes per speaker.

b. Consent calendar items. The consent calendar is considered a single item and speakers are therefore subject to the two-minute time limit for the entire consent calendar. Consent calendar items can be pulled at a member's request and will be considered individually, with up to two minutes of public comment per speaker.

c. Discussion calendar items: two minutes per speaker.

d. Time limits per meeting. In addition to the above time limits per item, the total amount of time any one speaker may address the legislative body at a meeting is eight minutes.

(i) Each speaker shall limit their remarks to the specified time allotment.

(ii) The presiding officer shall consistently utilize the timing system, which provides speakers with notice of their remaining time to complete their comments.

(iii) In the further interest of time, speakers may be asked to limit their comments to new materials and not repeat what a prior speaker said. Organized groups may choose a single spokesperson who may speak for the group, but with no increase in time.

(iv) Speakers shall not concede any part of their allotted time to another speaker.

(v) The presiding officer may further limit, or expand, the time allotted for public comments per speaker or in total for the orderly conduct of the meeting; such limits shall be fairly applied.

(vi) A Total of 15 minutes will be allotted for any one subject.

2. Speaker slips. Members of the public in chambers wishing to speak to the legislative body must submit to the city clerk a completed speaker's slip indicating the agenda

item or matters not on the agenda item that they wish to address before the item is called. After the first speaker concludes, no speaker slips will be accepted in chambers.

C. Electronic Devices

1. Members of the public shall turn their electronic devices that are capable of emitting sound – including cellular telephones, personal data devices, digital tablets, laptop computers, etc. – to the off- or silent-mode during council meetings.

2. Cameras. Cameras and recording equipment may be used during council meetings only if:

   a. the devices are silent during use; and

   b. the devices are used in a manner and at locations that do not impede walkways or others views of the meeting or disrupt the conduct of the meeting.

   c. Continual lighting may not be used with video recording.

   d. Flash photography is not allowed.

D. Location of Speaker

1. Members of the public shall not approach the dais without the express consent of the presiding officer or city clerk.

2. Members of the public wishing to address the legislative body must approach the podium when recognized by the presiding officer or city clerk and speak only from the podium.

Chapter 6 – Meeting Types and Schedules

A. Regular Meetings

1. The city council shall hold regular meetings and provide the time, place, and manner of holding its meetings by annual resolution. A majority of regular council meetings must be held after 6:00 p.m. All meetings of the council must be open to the public, except as permitted by state law.

2. The council shall generally meet on the Second and Fourth Thursday of each month at 6:00 p.m. in the Veterans Community Center, 103 W Sherwood Avenue, McFarland, CA 93250, except as otherwise provided in the annually adopted meeting schedule or as otherwise revised by the council.

3. City boards, commissions, and committees shall hold regular meetings and provide the time, place, and manner of holding its meetings. All meetings of the city's legislative bodies must be open to the public, except as permitted by state law. The city council shall annually adopt a meeting schedule for all legislative bodies.

B. Adjourned Meetings

As permitted by law, the legislative body may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the motion of adjournment.

C. Special Meetings

1. The mayor or a majority of the members of the City Council may direct the city clerk to call a special meeting by providing notice 24 hours in advance of the meeting to the mayor, to all members, and to all media outlets and persons having requested in writing notification of such meetings pursuant to state law.

2. Whenever practicable, special meetings must take place in the council chamber and be recorded for viewing later.

D. City Council Emergency Meetings

1. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities or services, the City Council may hold an emergency meeting without complying with either the 72-hour (regular meeting) or 24-hour (special meeting) notice and posting requirements but shall otherwise comply with the Brown Act procedures generally stated below.

2. Each local newspaper of general circulation and radio or television station that has requested notice of emergency meetings pursuant to the Brown Act shall be notified by the City Clerk, or designee thereof, at least one hour prior to the emergency

meeting, or in the case of a dire emergency, at or near the time that the presiding officer or designee notifies the members of the emergency meeting.

3. This notice shall be given by telephone call or text message to the numbers provided in the most recent request for notification.

4. In the event that telephone services are not functioning, the notice requirements of this section are deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

5. During an emergency meeting, the legislative body may meet in closed session pursuant to the Brown Act if agreed to by a two-thirds vote of the members present, being not less than five votes of the council.

6. All special meeting requirements in the Brown Act are applicable to an emergency meeting, except for the 24-hour notice and posting requirement.

7. The minutes of an emergency meeting; a list of persons who the presiding officer of the legislative body, or designee of the council, notified or attempted to notify; a copy of the roll call vote; and any actions taken at the meeting, shall be posted for a minimum of ten days in a public place as soon after the meeting as possible.

E. Closed Sessions

1. Closed sessions generally shall be special meetings held immediately after regular meetings.

2. In accordance with the Brown Act, the public may speak regarding any closed session item prior to the closed session.

3. All closed session information, verbal or written, is privileged and confidential and shall not be shared with any person not at the closed session. Any member sharing information in violation of this rule may be subject to censure by the council consistent with the council's confidentiality policy then in effect.

4. The city attorney shall report out in public session any reportable actions that were taken by council and the vote on such actions in accordance with the Brown Act.

F. Public Hearings

1. The city clerk shall set council hearing dates and notify the council via the preliminary draft agenda on all matters that require a notice and public hearing before the council, such as matters received from the planning division and appeals to the council.

2. Public hearings will not be withdrawn or continued without the full knowledge and concurrence of the councilmembers.

3. The council may refuse to grant a continuance of any hearing unless there is a valid legal reason why the hearing must be continued.

4. Continuances.

   a. Any person (applicant, appellant, or designated representative) scheduled for a public hearing before the legislative body:

      (i) May obtain one continuance for a period not to exceed the second regular meeting after the original scheduled hearing date, as a matter of right, without personally appearing on the scheduled hearing date, provided a written request for the continuance must be delivered to the city clerk by noon on the day prior to the scheduled public hearing. Any person who has once obtained a continuance by any procedure may not obtain a subsequent continuance under this Rule 6.F.4.a(i).

      (ii) Who wants to obtain a continuance of the hearing beyond the second regular meeting after the original scheduled hearing date, or who has not notified the city clerk as provided in Rule 6.F.4.a(i), may obtain a continuance only by appearing before the legislative body at the time the original hearing is scheduled and requesting a continuance. This continuance is not a matter of right and will not be granted unless the legislative body is satisfied that good cause exists for the continuance and that a substantial number of people will not be inconvenienced by such continuance.

      (iii) Who has once obtained a continuance of a hearing either by notice to the city clerk under Rule 6.F.4.a(i) or by personal appearance under Rule 6.F.4.a(ii) may obtain a further continuance only by appearing before the legislative body at the scheduled hearing and satisfying the legislative body that extraordinary circumstances exist that would justify this second continuance.

      (iv) Who has twice obtained a continuance of a hearing may obtain an additional continuance only by appearing before the legislative body at the scheduled hearing and satisfying the legislative body that a miscarriage of justice would result from the refusal of the legislative body to grant a continuance.

   b. City staff may obtain a continuance based on the need of the originating department or on behalf of a member. Department staff may request, via the city clerk, as many continuances as needed to complete and ready the project or appeal for the hearing process; however, staff may not serve as a requestor on behalf of an applicant or appellant.

c. Any organized group of residents or neighborhood associations not recognized as an applicant or appellant may contact their councilmember and request a continuance as needed to complete and ready the project or appeal for the hearing process. The member, in their sole discretion, may request the legislative body approve the continuance for good cause.

d. At the meeting when the hearing is scheduled, but before the hearing starts, any member may request the council approve a continuance.

e. Disputes regarding the length of a continuance will be decided by the council at the scheduled hearing if city staff or the city clerk cannot obtain mutual agreement between the parties beforehand.

G. Teleconference Meetings

a. Members of the City Council may participate via a teleconference platform only in accordance with the Brown Act.

H. Televised Meetings – Intentionally Omitted

Chapter 7 – Meeting Agendas

A. Requirements for Agenda Item Submission

1. The city manager and city clerk shall develop the agenda for council meetings in consultation with the mayor and/or vice mayor.
2. Department directors, subject to the discretion of the city manager, may submit staff reports or descriptions of oral reports to the city clerk for placement on the agenda.
3. Outside agencies and advisory bodies, and city boards, committees and commissions may submit agenda items in accordance with the following:

   a. Items must be sponsored for agenda placement by the mayor, councilmembers, charter officers, or department staff; and

   a. All agenda items must be submitted at least five (5) days prior to the scheduled meeting.

4. Prior to an agenda item being brought to the city council, it should be brought to any relevant city board, committee, or commission and the staff report should include the board, committee, or commission recommendation.

B. Declaration of Policy

1. No ordinance, resolution, motion, or item of business may be introduced or acted upon at a meeting of a legislative body of the city without it appearing on a duly noticed and posted agenda in accordance with the Brown Act. Exceptions to this rule are limited to those provided by state law.
2. No ordinance, resolution, motion, or item of business will be considered that:

   a. Does not affect the conduct of the business of the City of McFarland or its powers or duties as a municipal corporation, or

   b. Supports or disapproves of any legislation or action:

      (i) Of the State of California;

      (ii) Of the President or Congress of the United States; or

      (iii) Before any officer or agency of the state or nation, unless the proposed legislation or action, if adopted, will affect the conduct of the municipal business or the powers or duties of the City of McFarland or its officers or employees.

   c. Rule 7.B.2 may be invoked only before public comment or council deliberation on the matter and by five affirmative votes on the question: "Shall the council consider this matter?"

C. Procedures for Submission of Reports

1. A written staff report should be prepared and submitted in accordance with the agenda review procedure and reviewed by the relevant departments including but not limited to finance, city manager, and city attorney.
2. Continued items do not require a new report if there are no changes other than the agenda date. If there is any other change, a new report meeting all applicable requirements must be submitted.
3. Staff reports should include sufficient information for members of the council and the public to understand the action being considered including any board, commission, or committee recommendation, and the appropriate legislative history.

D. Written Communications from the City and the Public

1. The city clerk shall manage communications to members regarding meeting topics to ensure compliance with the Brown Act.

   a. Except for records exempt from disclosure under the California Public Records Act (Government Code, § 54957.5, subd. (b)) and otherwise by law, agendas and any other writings distributed to all or a majority of the members of a legislative body for discussion or consideration at a public meeting are disclosable to the public and shall be made available upon request without delay.

   b. Materials distributed to the members during the meeting shall be available for viewing by the public during the meeting if the materials were prepared by the city or a member, or at the conclusion of the meeting if prepared by another person (Government Code, § 54957.5, subd. (b)).

2. Interested parties or their authorized representatives may address the council by written communications regarding agenda items.

   a. Written communications received by the city clerk will be delivered to members as soon as possible or at the city council meeting if related to an item on that meeting agenda. However, written communications will not be considered by the council unless such communications are accompanied by a verbal public comment.

   b. Documents (20 copies recommended) that members of the public submit to the legislative body at the meeting shall be given directly to the city clerk for distribution and shall not be given directly to the members. The documents will be made available to the public.

E. Preparation of the Agenda Packet

1. No later than 120 hours prior to each regularly scheduled meeting, the city clerk shall finalize the agenda packet for final review by City staff and the City Attorney.
2. Agenda Packet Contents.

   a. The agenda packet will include the agenda, the staff reports, draft resolutions and

ordinances, contracts, and other attachments. Items approved by Department Directors, the City Manager and the City Attorney will be delivered and published to the city's website upon receipt by the city clerk. No item is required to be considered by the legislative body if the applicable written material is not delivered to the members before the meeting and made available to the public at the same time.

b. Corrections or supplements to a staff report or other written materials already included in the agenda packet may be delivered separately.

c. All agreements on the agenda must be available for review by the council and the public prior to the meeting, or at the meeting location during the meeting, unless determined otherwise by the city attorney.

d. Unless waived by a two-thirds vote of council, all city labor agreements and all agreements greater than $1,000,000 must be posted on the city's website and be made available to the public at least ten days prior to council action.

F. Distribution of the Packet

1. The city clerk shall distribute the agenda packet to the members and post it to the website no later than 72 hours prior to a regularly scheduled meeting.

G. Posting of Agenda

1. The city clerk shall post the agenda of each regular meeting of the legislative body at least 72 hours in advance of the meeting in a location that is freely accessible to members of the public, as required by the Brown Act.

2. The city clerk shall maintain an affidavit indicating the location, date, and time of posting each agenda.

3. If technical difficulties occur, the agenda and reports will be published on the city's website as soon as those difficulties are resolved.

H. Failure to Meet Agenda Deadlines

1. The city clerk shall not, without the concurrence of the city manager and city attorney, accept any agenda item or revised agenda item after the deadlines established and noted in these Rules.

2. Any agenda items or revised agenda items submitted after the established deadlines will be reviewed by relevant departments as identified by the agenda workflow approval process.

I. Exceptions to the Agenda Requirement

1. Matters not included on the published agenda may be discussed and acted upon by the legislative body only in the following situations:

a. at a meeting during which a majority of the members determine in open session that the matter in question constitutes an "emergency" (Government Code, §

54956.5); or

b. upon a determination by a majority of the members that:

(i) There is a need to take immediate action; and

(ii) The need for action came to the attention of the city after the agenda had been posted.

J. Order of Business and Types of Agenda Items

The order of business should be carried out as listed on the agenda in the order as set out below; however, the presiding officer may reorder the items at the meeting, unless members object. Members may request items be reordered by motion.

1. Call to Order
2. Roll Call
3. Invocation
4. Pledge of Allegiance
5. Approve Agenda as to Form
6. Featured Pet
7. Presentations, Introductions and Awards: The presentation and receipt of ceremonial resolutions and celebrations not requiring formal legislative body action.
8. Public Comments – Matters Not on the Agenda: oral communications from the audience regarding matters not on the agenda but within the subject matter jurisdiction of the city.
9. Departmental Reports – Reports from City Department Directors, as needed
10. Consent Agenda: considered one item, consisting of matters routine in nature and not likely to be subject to debate or inquiry by the members or the public; typically adopted in one motion.
11. Public Hearings: duly noticed hearings as mandated by local, state, or federal law, providing an opportunity for public review and comment of a proposed action by the council.
12. Administrative Calendar: non-routine items requiring an oral presentation and discussion before action is taken.
13. Committee/Special District Meeting Reports: Council Updates on committee and special district meetings.
14. Council Statements and Reports:

    a. Brief oral or written reports summarizing meeting or conference attendance at city expense, as required by Assembly Bill 1234 (Government Code, § 53232.3);

b. Requests for the city manager or staff to report on various issues;

c. Requests to place items on a future council meeting agenda;

d. Requests to refer preparation or review of non-binding resolutions or ordinances to the Law and Legislation Committee; and

e. Reports on district and citywide activities or news.

15. Closed Session: confidential discussions with the legislative body as permitted by the Brown Act.

16. Adjournment

K. Ordinances and Non-Binding Resolutions

1. Ordinance and non-binding resolution preparation must be referred to the City Attorney before coming to council, as described in Rule 13.

2. Ordinances on the agenda may be passed for publication or adopted in accordance with the procedures set by California Law.

3. Ordinance changes during the review and adoption process.

a. The text of an ordinance as approved by the City Attorney, receiving the necessary votes to bring the matter to council under Rule 13, must be the text that is included in the published agenda as pass-for-publication.

b. If an ordinance is brought to council under Rule 13, the text of the ordinance brought to council must be the same text as was submitted to the City Attorney.

c. The text of an ordinance passed for publication must be the text that is included in the published agenda for the meeting at which the adoption of the ordinance is discussed.

d. Notwithstanding subsections a, b, and c, typographical and clerical errors may be corrected at any time during the ordinance review and adoption process.

e. If a member intends to make a substantive (i.e., anything not typographical or clerical) change to an ordinance after it is included in a published agenda, at or before the time the ordinance adoption item is called on the agenda, the member shall distribute sufficient written copies of the proposed change so that all other members, the charter officers, relevant city staff, and the public audience have copies.

f. If the legislative body's motion to adopt a resolution or ordinance includes a change to the resolution or ordinance text from that published in the agenda, prior to the vote the city clerk shall repeat verbatim the proposed change or otherwise indicate the change is reflected in the circulated written copy of the change.

g. Ordinances bypassing the pass-for-publication requirement are subject to this Rule 7.K.3, as applicable.

Chapter 8 – Conduct of Meeting

A. Call to Order – Presiding Officer

1. The mayor, or in the mayor's absence the vice mayor, shall take the chair at the hour appointed for the meeting and shall immediately call the meeting of the council to order.
2. In the absence of the mayor and vice mayor, the mayor pro tem shall preside over the meeting.
3. Upon the arrival of the mayor, the vice mayor shall immediately relinquish the chair at the conclusion of the business then before the council.
4. For council standing committees the chair shall call to order and preside over the meeting. In the absence of the chair, the vice chair shall perform the duties and obligations of the chair.
5. For all other city established legislative bodies the chair shall call to order and preside over the meeting. In the absence of the chair, the vice chair shall perform the duties and obligations of the chair. In the absence of chair and vice chair, the city clerk shall call the meeting to order, and a temporary chairperson shall be elected from among the members present. Upon arrival of the chair or vice chair, the temporary chairperson shall relinquish the position upon conclusion of the item then before the legislative body.

B. Roll Call/Attendance

1. A majority of the members of the council then in office constitutes a quorum.
2. A majority of members of the council established legislative body constitutes a quorum.
3. Before the legislative body proceeds with the business before it, the city clerk shall note the members present for the minutes. The late arrival and early departure of members will be entered into the action minutes.
4. A councilmember is considered present at a meeting if the member is either physically in the council chamber or is participating in the meeting through teleconference in accordance with the Brown Act. Meeting attendance of the mayor or councilmembers through teleconference is permitted only in extraordinary circumstances.
5. Members must be physically present at the council chamber dais or teleconference location to vote. Proxy or absentee voting is not permitted.

C. Order of Discussion

The order of business must be carried out as listed on the agenda as set out above; however, the presiding officer may reorder the items at the meeting, unless members object. Members may request items be reordered by motion.

1. Consent calendar items removed for discussion

   a. Members, the city manager, or other charter officers may request that any matter be removed from the consent calendar and a separate vote taken.

   b. All matters remaining on the consent calendar shall be approved by a single action, such single action to have the legal effect of individual action on each matter.

   c. If consent calendar items are removed, they shall be discussed immediately after adoption of the balance of the consent calendar.

2. Public Hearings.

   a. The order of public hearings will generally be as follows:

      (i) **Open the public hearing.**

      (ii) Member report of ex parte communications.

      (iii) Staff comments, information, and reports, followed by member questions.

      (iv) Proponent, if applicable, speaks, followed by member questions.

      (v) Opponent, if applicable, speaks, followed by member questions.

      (vi) If the public hearing is on an appeal that does not require council de novo review, then the appellant (opponent) speaks before the applicant (proponent) in accordance with the allotted time.

      (vii) Public comments.

      (viii) If the public hearing is a de novo review appeal, the applicant speaks in rebuttal, but if not a de novo review appeal, the appellant speaks in rebuttal.

      (ix) Closure of public comment period.

      (x) Further member discussion.

      (xi) **Motion to close public hearing and take action**.

b. The presiding officer may direct speakers to avoid repetition in order to permit maximum information to be provided the legislative body within the time allotted for the hearing.

c. The appellant and applicant shall be allocated sufficient time to address the legislative body. However, reasonable time limits on persons addressing the legislative body, including applicants, proponents, and opponents may be imposed if necessary for the orderly conduct of the hearing and the limits are fairly applied.

3. Administrative Agenda.

a. The order of discussion after introduction of an item will generally be as follows:

(i) Staff comments, information, and reports, followed by questions from the members.

(ii) Public comments and information, followed by questions from the members.

(iii) Member discussion, motion, and action.

b. Once the item is placed before the council for discussion, motion, or action, no member of staff or the public is allowed to address the council without the consent of the mayor or members.

4. Public Comment for matters not on the agenda will be held at the beginning of each regular meeting.

D. Public Comment for Matters Not on the Agenda

1. As required by the Brown Act, a portion of each council meeting agenda will provide an opportunity for members of the public to address the council on any agendized item, including closed session and consent calendar items. Regular meeting agendas also will provide for public comment on any non-agendized matter that is within the subject matter jurisdiction of the city.

2. In response to public comment on non-agendized items, the members may individually:

a. briefly respond to statements made or questions posed by members of the public;

b. ask questions for clarification;

c. provide a reference to staff or other resources for factual information or response;

d. request staff to report to the council at a subsequent meeting; and

e. request staff to place a matter of business on a future agenda as needed.

E. Quorum Call

1. During the course of the meeting, should the presiding officer note a quorum is lacking, the presiding officer shall call this fact to the attention of the city clerk.
2. The presiding officer then shall issue a quorum call. If a quorum has not been restored within two minutes of a quorum call, the presiding officer may declare a recess for a reasonable period of time in order to reestablish a quorum.
3. If no quorum is reestablished within a reasonable time, the presiding officer shall adjourn the meeting.
4. Continuation of a meeting extending past 9:30 p.m. requires a majority vote of the members present.

F. Obtaining the Floor

1. Any member wishing to speak must first obtain the floor by being recognized by the presiding officer. The presiding officer shall recognize any member who seeks the floor when appropriately entitled to do so.
2. With the concurrence of the presiding officer, a member holding the floor may address a question to another member and that member may respond while the floor is still held by the member asking the question. A member may opt not to answer a question while another member has the floor.

G. Motions

1. *Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century* governs the management of motions.

H. Voting

1. Requirements for Action.
   a. Unless a higher vote is required by the city code, or otherwise by law, the affirmative votes of at least a majority of those members present:
      (i) For the council to take action on an item of business;
      (ii) To pass any ordinance, resolution, or motion; or
      (iii) To make or approve any order for the payment of money requiring council approval.
   b. Any ordinance declared by the council to be necessary as an emergency measure and containing a statement of the facts constituting such emergency may be introduced and adopted at the same meeting if passed by at least four affirmative votes.

2. Voting Disqualification.

   a. A member shall not vote upon a matter if the member is disqualified from voting on that matter due to a conflict of interest. Nor shall any member vote on a quasi-judicial matter if the member is biased regarding that matter.

   b. A member shall openly state an abstention due to a conflict of interest or bias.

   c. A member who is abstaining due to a financial conflict of interest shall publicly identify the financial interest in detail sufficient to be understood by the public, except that disclosure of the exact street address of a residence is not required.

   d. As to any other conflict of interest, the member's determination may be accompanied by an oral or written disclosure of the conflict of interest.

   e. A member who is disqualified by a conflict of interest in any matter shall not remain on the dais during the discussion and shall not vote on that matter. However, the member may remain on the dais for Consent Calendar items if the member states the abstention from the vote due to the described conflict of interest before the Consent Calendar is voted on in one motion.

Chapter 9 – Council Vacancies

A. Procedures

1. Absence from five consecutive regular meetings of the council, unless excused by resolution of the council, operates to vacate the seat of the mayor or councilmember so absent.

2. A vacancy in the office of councilmember or mayor may be filled by special election called by the council or may be filled by appointment. The city clerk shall take the necessary actions to accomplish the special election or recruitment and appointment of candidates as provided by council Resolution.

Chapter 10 - Facilities

A. Meeting Locations

1. Whenever practical, legislative body meetings shall be held at the McFarland Veterans Community Center, located at 103 W Sherwood Avenue, McFarland, CA 93250.

B. Meeting Capacity

1. Council chamber attendance is limited to the posted seating capacity. The city manager shall appropriately regulate entrance to the council chamber when the council chamber capacity is likely to be exceeded. When legislative bodies are in session, members of the public shall not remain standing in the seating area or aisles of the council chamber. Sitting on the floor is not permitted. The sergeant-at-arms shall enforce this chapter.

2. In compliance with the Americans with Disabilities Act, meeting locations are accessible to the public. If a member of the public needs special assistance, a disability-related modification or accommodation, agenda materials in an alternative format, or auxiliary aids to participate in this meeting, they should contact the Office of the City Clerk at 661-792-3091 or falverado@mcfarlandcity.org as soon as possible. Providing at least 72 hours' notice will help ensure that reasonable arrangements can be made.

Chapter 11 - City Council Committees and Regional Organizations

A. General

1. The mayor shall make all appointments to council standing committees, subject to the approval of the council. The mayor shall make all appointments to council ad hoc committees.

2. A standing committee is a permanent committee of the council established to consider subjects of a particular class, with regularly scheduled meeting dates and times.

3. An ad hoc committee is a temporary committee of the council established for a special purpose and of limited duration.

4. Standing and ad hoc committees have fact-finding, informative, and recommendatory powers only, and such other powers delegated by the council.

5. The council intends that council committees, to the extent possible, conduct a full hearing on any matter referred to that committee before the committee refers the matter back to the council.

6. The city clerk shall maintain and keep on file a list of the standing committees, ad hoc committees, regional organizations, and joint powers agencies to which councilmembers are appointed.

B. Council Standing Committees

1. General Guidelines

   a. Standing committee appointments shall be made by the mayor at the beginning of each calendar year or as necessary.

   b. Standing committees shall meet at the city hall complex.

   c. Standing committees are subject to the Brown Act. Standing committee agendas shall be prepared, posted, and distributed in accordance with the Brown, stating the time and place of the meeting and the subject matters to be discussed.

   d. A councilmember who is not a member of the standing committee may attend a standing committee meeting, provided the member attends only as an observer, does not testify or otherwise participate in any discussion, and sits amongst the public.

   e. Except as provided in subsection f, all items on a standing committee's agenda must first be referred to the committee by the council for review, with a recommendation returned to the council within 120 days, subject to the exceptions set forth below or as otherwise modified by the council.

f. With approval of the city clerk, city manager, or committee chair, an item may be sent directly to a standing committee without council referral. If a matter is so referred to a standing committee, the committee agenda must note that fact on the face of the agenda and the committee chair shall notify the council. Such referrals are not required to be forwarded to the council unless council action is recommended by the standing committee.

g. The city clerk shall assist the committee chair with the operation of the committee.

C. Council Ad Hoc Committees

1. Establishment.

a. The mayor or a majority of the council may request the creation of an ad hoc committee.

b. The city manager or a department director, together with the city attorney, shall work with the appropriate supporting department(s) and determine the scope and approximate duration the ad hoc committee.

c. The department director shall submit a request to the mayor, with a copy to the city clerk, requesting the creation of and appointment of two members to an ad hoc committee.

2. Scheduling Ad Hoc Committee Meetings.

a. Once an ad hoc committee has been established, a meeting calendar will be established and adopted by the ad hoc committee.

b. A councilmember who is not a member of the ad hoc committee may attend an ad hoc committee meeting, provided the member attends only as an observer, does not testify or otherwise participate in any discussion, and sits amongst the public.

3. Dissolution.

a. Once an ad hoc committee has completed its task, the supporting department shall submit a report to the mayor, with a copy to the city clerk, stating completion of the ad hoc committee tasks and request the dissolution of the ad hoc committee.

b. An ad hoc committee is automatically dissolved one year after its first meeting, unless it is dissolved earlier under Rule 12.C.3.a.

c. The city clerk will provide a periodic report to council announcing the dissolution of ad hoc committees.

D. Regional Organizations

The mayor shall appoint council representatives to regional organizations and joint powers agencies listed in the documents maintained by the city clerk. Appointments shall be made at the beginning of each calendar year or as necessary.

Chapter 12 – Councilmember Proposal Requests

A. General

1. This chapter outlines the process for councilmembers to propose an idea for council action. It modulates the agenda requests of individual councilmembers by referring those requests to the relevant city council committee for review, as appropriate, and in so doing provides clear guidance to the council appointees that their work demands are serving the council as a whole. It also ensures councilmember requests are duly tracked and assigned, thus promoting transparency and accountability.

B. Procedures

1. Councilmember proposal requests must be submitted in writing to the city clerk. The proposal must include a brief summary and background, identify the applicable strategic plan/priority, estimate any budget adjustment or impact, and include additional information sufficient for committee deliberation.

2. The mayor, in consultation with the city manager, city attorney, and city clerk, shall review all requests and may assign each proposal to a committee based on committee jurisdiction, unless an exception applies.

    a. Exceptions:

        i. Urgent matter that requires quick council action;

        ii. A matter related to a pending council matter;

        iii. A matter that on its face falls fully outside the jurisdiction of the City;

        iv. A matter within the City Manager's executive function that does not need council authorization; or

        v. A matter that should receive a city-established board, commission, or committee input before going to a city council standing committee.

A. Vacancies and Appointments

1. When any vacancy occurs on a board, commission, or committee (advisory body) the city clerk shall announce that vacancy pursuant to the standard outreach procedures. The city clerk's office maintains the board and commission files and performs all clerical and administrative support tasks related to the application process.
2. At the close of the application period, all applications received for the vacancy are referred by the city clerk to the appropriate nominating body or person for review and recommendation.
3. If the recommending body is a councilmember, following review, the member shall send the board and commission recommendation(s) to the city clerk who will forward to the mayor for review.
4. After reviewing the submitted recommendation(s), the mayor shall make the appointment to fill the vacancy at the next council meeting. Concurrence in an appointment for a seat on a city board, commission or committee shall be by vote of the city council, if necessary.
    a. If the council does not approve the appointment, then the mayor shall make another appointment, and at the soonest regular meeting following the meeting at which the subsequent appointment was made, the council shall vote whether to confirm the new appointment.
    b. This procedure shall be followed until an appointment has been approved by the council. No request by a member to delay the appointment or approval will be allowed unless approved by a majority vote of the council.
5. At the direction of the council, all vacancies, application periods, and close of application periods for boards and commissions shall be monitored and maintained by the city clerk.

6. In making nominations and appointments to city boards and commissions, the mayor, and members should consider persons of various ethnicities, ages, genders, education, and occupational experience as reflected in the general population of the city; and should, as appropriate for the vacancy, consider persons from all districts of the city.

B. Requests for Future Agenda Items

1. Members may submit items under the purview of the advisory body for inclusion on a future agenda by orally making the request under Council Statements and Reports.

   a. The department staff shall add a member's requests to a chronologically-ordered log that contains all pending requests, i.e., those not having been heard as an agenda item or not otherwise having been removed from the log.

C. Advisory Body Reports

1. Advisory body recommendations and reports to the city council shall follow the procedure set forth in this Rule 17.C.

2. Annual report preparation.

   a. Each advisory body shall provide an annual report for review by the City Council.

   b. The annual report shall be provided in a format established by the city clerk and should include highlights and accomplishments from the prior year's work; proposed projects, priorities, and recommendations for the upcoming year.

   c. The city clerk shall manage an advisory body annual report calendar so that city staff can gather input to prepare a proposed report to the advisory body in a timely manner.

   d. Each advisory body must approve its annual report before presentation to the City Council. When presenting proposed reports to advisory bodies, staff should include information on the feasibility of any recommendations therein.

3. Review by City Council.

   a. Annual reports approved by advisory bodies shall be placed on a City Council meeting agenda.

   b. The city clerk shall act as a liaison and collaborate with city staff to collect any additional information that may be helpful to the council's evaluation of advisory body annual reports.

   c. The City Council shall review advisory body annual reports and give staff direction on those reports' stated projects, priorities, and recommendations.

4. Other recommendations. If an advisory body has recommendations outside the annual review process, the city clerk shall coordinate with the advisory body to have

those recommendations brought before the City Council, which may consider and act on those recommendations in the same way it does advisory body annual reports.

Chapter 14 – Censure Procedures for the McFarland City Council

A. It shall be a violation of this section for any Council member to violate any general law or regulation, and any, rule, law, ordinance or resolution of the City of McFarland. It shall also be a violation of this section for any sitting Council member to violate an administrative policy of the City which has been adopted following a vote of the City Council on the matter and which by its terms is expressly made applicable to the City Council.

B. Any violation of the foregoing paragraph by a Council member may be punished through the administration of a public censure of the member by the City Council. Such censure may be in addition to any other punishment applicable to the violation.

C. When evaluating a request for defense made by the censured member in litigation arising from the censured conduct, the record of the censure shall be considered by the City Council. Such record shall not be determinative. Failure of the City Council to censure the conduct of a Council member does not constitute waiver of the Council's right to refuse to defend the Council member in an action.

D. The charged Council member shall be given notice and an opportunity to be heard as follows:

    a. Only a sitting Council member may initiate proceedings for censure.

    b. Proceedings shall be commenced by providing a written statement of charges to the Clerk by the Council member initiating the charge. The statement of charges shall contain, at a minimum, the designation of the specific rule, law regulation, etc. which the Council member is claimed to have violated and a statement of the date, place and time at which the violation occurred. The statement shall further contain a description of the conduct of the Council member which is alleged to constitute the violation. The Clerk shall deliver the statement of charges to all other Council members. The statement of charges shall be delivered to the charged Council member at least ten (10) days prior to the meeting at which the censure motion is proposed to be brought. Initiation shall not require the prior approval of the City Council.

    c. Within seven (7) days after delivery of the statement of charges, the charged Council member may deliver a written response to all other members of the City Council unless the charged Council member chooses to defer to response to the hearing.

E. The motion for censure shall be agendized and considered at the first regular meeting occurring ten (10) days following the delivery of the statement of changes to the Clerk and charged Council member. The hearing may not be continued except upon the absence from the meeting of a Council member other than the Council member bringing the charge or the Council member who is the subject of the charge.

a. The hearing shall be conducted in an open session by the Mayor unless the Mayor is being charged, in which case the Mayor Pro Tern or some other Council member shall conduct the proceedings.

b. The hearing shall generally proceed by a reading of the charges by the charging Council member. The charging Council member may present witnesses; the charged Council member may answer in rebuttal; members of the public may speak in favor or opposed to the charge; and the remaining Council members may speak to the charges.in that order.

c. Passage of the motion for censure shall require a majority vote of the members of the City Council. The voting members shall not go into closed session for deliberation.

F. If the motion for censure does not pass the proceedings shall be at an end. If the motion for censure passes, such motion shall become a part of the public record, a copy of which shall be made available upon demand to any member of the public and notice of same shall be placed in the administrative file of the Council member.

G. Proclamations. Any two Council members may place a proclamation item on the Agenda. Proclamations will be considered for approval on the Consent calendar by the City Council, with any presentation following immediately thereafter, unless otherwise pulled for earlier consideration bv the Presiding Officer or a majority of the City Council. If a majority of the Council votes in favor of the proclamation, it shall be deemed to be a proclamation of the City Council acting as a body.

H. Use of Letterhead. Members of the City Council may use official City letterhead to correspond with other public officials and with consultants, as well as letters of recognition, congratulations, support or similar sorts of correspondence to the extent allowed under California law. Any such correspondence shall state that the views expressed therein are personal and not the position of the City unless the City Council has officially adopted such position. Additionally, the letterhead shall also note the Office from which it is being sent, such as “From the Office of Councilmember “From the Office of the Mayor Pro Tem” or “From the Office of the Mayor." No commission or Sub-Legisiative Body may take a position officially representing the City unless authorized to do so by the City Council.

I. Interpretation. References in these Procedural Rules for the Conduct of City Council Meetings to '“Council members" shall include the Mayor and Mayor Pro Tem.

Chapter 18 – Annual Review of City Council Appointive Officers

A. Purposes

1. The city council is committed to performing regular annual reviews of its appointive officers, which include the following positions: city attorney, city clerk, city manager, finance director, and chief of police. These positions report directly to the city council.
2. Clear communication and performance metrics are at the core of the work of the council and the city. To evaluate council appointive officers on a consistent basis, the City Council will assume the role and responsibility of developing and leading annual performance metrics and evaluations.

B. Procedures

1. The city clerk shall coordinate and schedule appointive officer annual reviews.
2. The city council shall meet in closed session to conduct a performance evaluation of an appointive officer. The council may appoint one or more of its members to be the point of contact with the appointive officer and the Human Resources Department for the negotiation of any compensation adjustments.
3. Final approval of compensation adjustments, by resolution or contract, shall be made at an open meeting of the city council.

et seq

et seq means “and the following one or ones”.

Ex Parte Communications

An ex parte communication is a written or oral communication between a decisionmaker and an interested person concerning any issue in a formal proceeding, other than procedural matters that does not occur in a public forum established in the proceeding or on the record of the proceeding.

Members shall disclose the substance of all ex parte communications at the beginning of a public hearing for any item brought before the legislative body for hearing, consideration, or action.

Non-Binding Resolution

A non-binding resolution is a resolution in which the council declares its position and opinions on an issue, policy, or other matter that the council lacks legal authority to establish or regulate, but that the council determines is of such importance that the council should make the symbolic gesture of adopting a resolution declarative of council’s position.

Presiding Officer

The Presiding Officer is the person who presides over a meeting and is charged with maintaining order and decorum, recognizing members to speak, and interpreting the rules, practices, and precedents. In the city council the presiding officer is the Mayor. In advisory bodies established by the city council the presiding officer is the Chair. In the absence of Mayor or Chair, the Vice Mayor or Vice Chair shall preside.

Quasi-judicial

Quasi-judicial action means any council action that implicates constitutionally protected property or liberty interests, such as issuance or denial of discretionary land use permits, subdivision maps, business licenses, and other similar action in which a property interest is at stake and the council is charged with applying legal standards to a specific factual situation.

Sergeant-at-Arms

The sergeant-at-arms is the principal law enforcement official of the legislative body and is charged with maintaining security within the chamber (meeting location) and surrounding areas. The sergeant-at-arms also enforces protocol and ensures public decorum is followed as noted in the body’s rules of procedure.

Teleconference

A meeting conducted among participants in different locations via telecommunications equipment such as telephones, computers, or other devices.