



# City of San Juan Bautista

The "City of History"

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## AGENDA

### REGULAR CITY COUNCIL MEETING

CITY HALL COUNCIL CHAMBERS  
311 Second Street  
San Juan Bautista, California

TUESDAY – OCTOBER 20, 2020

**~ PUBLIC PARTICIPATION BY ZOOM ONLY ~**

**DO NOT ATTEND THIS MEETING IN PERSON\***

Join Zoom Meeting at <https://zoom.us/j/84282604882>

Meeting ID# 842 8260 4882

NO PASSWORD

Dial by your location +1 669 900 6833 US (San Jose)

ZOOM TUTORIAL - <https://www.youtube.com/watch?v=fMUxzrgZvZQ>

**MEETING LIVE STREAMED AT [CMAPT.V.ORG](http://CMAPT.V.ORG), CHANNEL 17**

*\*All residents to follow the Governor's Shelter in Place Order and the CDC Guidelines regarding preventative measures. We can all do our part to flatten the curve and prevent further spread of COVID-19.*

Written comments may be mailed to City Hall (P.O. Box 1420, San Juan Bautista, CA 95045), or emailed to [deputycityclerk@san-juan-bautista.ca.us](mailto:deputycityclerk@san-juan-bautista.ca.us) not later than 5:00 p.m., October 20, 2020, and will be read into the record during public comment on the item.

1. Call to Order  
Pledge of Allegiance  
Roll Call

**6:00 PM**

2. Public Comment

3. Consent Items

All matters listed under the Consent Agenda may be enacted by one motion authorizing actions indicated for those items so designated. There will be no separate discussion of these items unless requested by a member of the City Council, a staff member, or a citizen.

- A. Approve Affidavit of Posting Agenda
- B. Approve Minutes of Regular Meeting of September 15, 2020
- C. Waive Reading of Ordinances and Resolutions on Tonight's Agenda Beyond Title

- 4. Presentations, Informational Items and Reports**
  - A. Monthly Financial Statements**
  - B. City Manager's Report**
  - C. Reports from City Council Appointees to Regional Organizations and Committees**
- 5. Public Hearing**
  - A. Consider Approval of a First Amendment to the Franchise Agreement with Recology San Benito County**
- 6. Action Items**
  - A. Consider an Agreement with CMAP and the Cities of Gilroy and Hollister for Public, Education, and Government Services (PEG)**
  - B. Approve a Change Order to The Don Chapin Construction, Inc. to Install an 8" Sanitary Sewer Line on Old San Juan Hollister Road and Coke Water Service**
  - C. Approve a Memorandum of Understanding with San Benito County for CARES Act Funding in the Amount of \$23,333 to Support Small and Local Businesses.**
  - D. Consider Adoption of a Joint Powers Agreement and ByLaws for California Intergovernmental Risk Authority (CIRA), which will Permit the Merger of PARSAC and REMIF**
  - E. Award of Contract to Central Electric for Installation of a New Panel on the San Juan Hollister Road Lift Station**
  - F. Fiscal Year 2020-2021 Budget**
    - i. Budget Presentation and Discussion**
    - ii. Consider Resolution 2020-XX to Extend Adoption of the Fiscal Year 2020-2021 Municipal Budget to November 17, 2020**
- 7. Discussion Items**
  - A. COVID-19 Update**
  - B. Water Update**
  - C. November 3, 2020 Election: Write-in Period for City Clerk and City Treasurer Ended Today, October 20, 2020 – City Clerk**
- 8. Comments**
  - A. City Council**
  - B. City Manager**
  - C. City Attorney**
- 9. Adjournment**

*Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the meeting and in the City Clerk's office located at City Hall, 311 Second Street, San Juan Bautista, California during normal business hours.*

**AFFIDAVIT OF POSTING**

I, TRISH PAETZ, DO NOW DECLARE, UNDER THE PENALTIES OF PERJURY THAT I AM THE DEPUTY CITY CLERK FOR THE CITY OF SAN JUAN BAUTISTA, AND THAT I POSTED THREE (3) TRUE COPIES OF THE ATTACHED CITY COUNCIL MEETING AGENDA. I FURTHER DECLARE THAT I POSTED SAID AGENDA ON THE 16<sup>th</sup> DAY OF OCTOBER 2020, AND I POSTED THEM IN THE FOLLOWING LOCATIONS IN SAID CITY OF SAN JUAN BAUTISTA, COUNTY OF SAN BENITO, CALIFORNIA.

1. ON THE BULLETIN BOARD AT CITY HALL, 311 SECOND STREET.
2. ON THE BULLETIN BOARD AT THE CITY LIBRARY, 801 SECOND STREET.
3. ON THE BULLETIN BOARD AT THE ENTRANCE TO THE UNITED STATES POST OFFICE, 301 THE ALAMEDA

SIGNED AT SAN JUAN BAUTISTA, COUNTY OF SAN BENITO, CALIFORNIA,  
ON THE 16<sup>th</sup> DAY OF OCTOBER 2020.



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TRISH PAETZ, DEPUTY CITY CLERK

**CITY OF SAN JUAN BAUTISTA  
CITY COUNCIL REGULAR MEETING  
COUNCIL CHAMBER, SAN JUAN BAUTISTA CITY HALL  
AND INTERNET VIDEO/AUDIO CONFERENCE SERVICE  
SEPTEMBER 15, 2020  
DRAFT MINUTES**

**1. CALL TO ORDER** – Mayor Edge called the meeting to order at 6:02 P.M.

**PLEDGE OF ALLEGIANCE** – Vice Mayor Jordan led the Pledge of Allegiance.

**ROLL CALL Present:** Mayor Edge, Vice Mayor Jordan.  
Council Members Flores and Freeman present via internet video/audio conference service. Council Member DeVries joined at 6:15 P.M. via internet video/audio conference service.

**Staff Present:** City Manager Reynolds and City Clerk Cent.  
City Attorney Mall, Senior Planner Mack, Public Information Officer Eagen, Community Liaison Turner and Public Works Supervisor Bryan were present via internet video/audio conference service.

**2. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

Mayor Edge asked those joining via internet video/audio conference service for public comment. Cara Vonk thanked all staff and the contractor for the Third Street repair work. Irene Guevara and Rosa Vivian Fernandez, both of the San Benito Health Foundation, announced two projects in San Juan Bautista: The Foundation closed on a property on The Alameda for employee housing and a property on Muckelemi & Monterey for a learning health center. They are looking forward to working with City staff and the City Council.

**3. CONSENT ITEMS**

**A. Approve Affidavit of Posting Agenda**

**B. Approve Minutes of Regular Meeting of August 18, 2020**

**C. Approve Minutes of Special Meeting of August 25, 2020**

**D. Approve Resolution 2020-46 Authorizing a Continuation Budget Appropriation for the Period September 15, 2020 through October 20, 2020**

**E. Waive Reading of Ordinances and Resolutions on Tonight's Agenda Beyond Title**

Vice Mayor Jordan made a motion to approve all items in Item 3. Consent Items.

Second by Council Member Flores. A roll call vote was taken: The motion passed 4-0-1 with Council Member DeVries absent.

**4. PRESENTATIONS, INFORMATIONAL ITEMS AND REPORTS**

**A. Proclamation Declaring September as Childhood Cancer Awareness Month**

Mayor Edge read the proclamation. It will be mailed to the recipients. There was no public comment.

**B. Presentation by Clay Kempf, Executive Director of Area Agency on Aging for Santa Cruz and San Benito Counties**

Mayor Edge and City Manager Reynolds introduced Clay Kempf, the Executive Director of the Area Agency on Aging for Santa Cruz and San Benito counties. Mr. Kempf made a shared screen presentation, which included what services the agency provides. Council members asked questions and provided comments. Cara Vonk suggested putting an informational flyer on the Agency in the City's utility bills; Mr. Kempf would follow up with staff on the suggestion.

**C. Monthly Financial Statements**

City Manger Reynolds reviewed the statements and offered to answer questions. There was no public comment.

**D. City Manager's Report**

City Manager Reynolds reviewed his report. Council members provided comments and asked Mr. Reynolds questions. There was no public comment.

**E. Reports from City Council Appointees to Regional Organizations and Committees**

Council Member Freeman reported on the AMBAG meeting from the previous week and Monterey Bay Community Power's name change goes into effect on September 4 to Central Coast Community Energy (C3E). Council Member Flores reported LAFCo did not meet this month. Council Member DeVries would report on the Urban Growth Boundary Committee when the item comes up later on tonight's agenda. Vice Mayor Jordan reported the Water Resources Association did not meet; she would have news from the League of California Cities Monterey Bay Division in the future. Mayor Edge thanked Clay Kempf of AAA for his presentation.

**5. ACTION ITEMS**

**A. Review the Draft Water and Wastewater Master Plans and Consider a Resolution to Accept the Plans**

City Manager Reynolds presented his report with an on-screen presentation. Mr. Reynolds reported the survey on income to determine DAC status needs to be out as soon as possible. He also announced there would be a Town Hall meeting on Tuesday, September 29, 2020, to receive comments from the public regarding the possible compliance projects. He reported the Council would need to select the compliance projects by October 15, 2020. City Manager Reynolds answered questions from Council members. Nicole Franco commented public comment was not asked for during the City Manager's Report earlier in the meeting. Council Member Flores made a motion to approve Resolution 2020-47 Accepting The Draft Water and Waste Water Master Plans. Second by Vice Mayor Jordan. A roll call vote was taken: The motion passed 5-0.

**B. Consider a Contract Agreement with Harris and Associates, not to exceed \$22,500, to Conduct a Sphere of Influence Study and Authorize the City Manager to Sign the Contract**

City Manager Reynolds presented his report, which included the Mission statement of the Urban Growth Boundary ad-hoc committee: The mission of this committee is to establish limits to and boundaries from growth that will serve and protect the City of San Juan Bautista now and into the future. Council Member DeVries reported the current status of the City's Urban Growth Boundary and Sphere of Influence. Senior Planner Mack gave a summary of the scope of work for the project, including working on the

Sphere of Influence first to present to LAFCo. There was no public comment. Council Member Freeman made a motion to approve Resolution 2020-48 Authorizing the City Manager to Execute a Contract Agreement With Harris & Associates in an Amount Not To Exceed \$22,500 To Conduct A Sphere of Influence Study. Second by Council Member DeVries. A roll call vote was taken: The motion passed 5-0.

**C. Approve a Resolution Enforcing San Juan Bautista Ordinance 2020-02, that added Section 28 to Title 5: Banning the Use of Certain Plastics and Establishing a Sustainable Food Service Ware and Retail Bags Ordinance**

City Manager Reynolds presented his report which included the history of the Ordinance, provisions in the Ordinance and the plan for compliance by December 31, 2020. Council members provided comments. Public comment was received from Dan Fernandez who was pleased the report completed by his students could be used and his class could work with the City successfully. Nicole Franco asked why \$40,000 was needed for new blue prints of the Verutti Park Rest Rooms and what was wrong with the ones that had been done. Mayor Edge made a point of order. City Manager Reynolds would address Ms. Franco's question later in the meeting during City Manager Comments. Council Member DeVries made a motion to approve Resolution 2020-49 Enforcing San Juan Bautista Ordinance 2020-02, that added Section 28 to Title 5: Banning the Use of Certain Plastics and Establishing a Sustainable Food Service Ware and Retail Bags Ordinance and as listed in the staff report. Second by Council Member Flores. A roll call vote was taken: The motion passed 5-0.

## **6. DISCUSSION ITEMS**

### **A. COVID-19 Update**

City Manager Reynolds presented a report, which confirmed a State of Emergency. Mr. Reynolds also described the current methods by Code Enforcement regarding wearing masks and keeping distance. Council members asked questions of staff and made comments, including concerns about Halloween Trick-or-Treating. Nicole Franco thanked those wearing masks in public, wanted to know who was doing enforcement when Code Enforcement Officer Brown was out, and what Mr. Brown's schedule was. Jackie Morris-Lopez supports the City taking the lead to enforce the mask ordinance, and felt there needs to be more effort on businesses serving alcohol and food as she felt people were too close and is concerned about the spread of the virus.

### **B. November 3, 2020 Election: Write-in Period Open Until October 20, 2020 – City Clerk**

City Clerk Cent reported the write-in filing dates for candidates goes until October 20, 2020, and those wishing to be write-in candidates must submit all the required forms, and for interested individuals to contact the Deputy City Clerk at City Hall with questions or for the required paperwork. There was no public comment.

## **7. COMMENTS**

### **A. City Council**

Council Member Freeman was looking forward to working with Dan Fernandez in the future. Council Member Flores thanked all those who showed up to tonight's meeting. Council Member DeVries suggested having a mural contest for the large sheets of plywood put up next to the Bakery.

### **B. City Manager**

City Manger Reynolds reported the Verrutti Park Rest Room plans were not for an industrial strength building. Bids from architect firms were \$40,000; a pre-fabricated building would be more affordable, and the project would have to return to the Planning Commission for consideration.

**C. City Attorney**

No comments received.

**8. ADJOURNMENT**

Vice Mayor Jordan made a motion to adjourn. Second by Council Member Flores. Mayor Edge adjourned the meeting at 7:51 P.M.

\_\_\_\_\_  
Mary Vasquez Edge, Mayor

ATTEST:

\_\_\_\_\_  
Laura Cent, City Clerk

## **WAIVER OF READING OF ORDINANCES**

State law requires that an ordinance be read in its entirety prior to adoption unless the City Council waives reading beyond the title. Reading an entire ordinance at the meeting is extremely time-consuming; reading of the title alone usually gives the audience sufficient understanding of what the Council is considering.

To ensure that this waiver is consistently approved by the Council, Council should make the waiver at each meeting, thus, you should do it at this point on the Consent Agenda. The Council then does not have to worry about making this motion when each ordinance comes up on the agenda.

GC36934



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GC36934

**City of San Juan Bautista  
Warrant Listing  
As of September 30, 2020**

October 20, 2020

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
<b>101.000 · Union Bank</b>			
<b>101.001 · Operating Acct. 1948</b>			
09/09/2020	213988	3T Equipment Company Inc.	-1,529.01
09/09/2020	213989	4Leaf, Inc.	-15,295.38
09/09/2020	213990	Abbott's Pro Power	-503.28
09/09/2020	213991	Akel Engineering Group, Inc.	-43,994.40
09/09/2020	213992	All Clear Water Services	-4,185.00
09/09/2020	213993	att.com	-70.08
09/09/2020	213994	AVAYA	-250.66
09/09/2020	213995	Bartle Wells Associates	-1,535.00
09/09/2020	213996	CALNET	-253.13
09/09/2020	213997	Charter Communications	-551.63
09/09/2020	213998	CSG Consultants, Inc.	-71,952.50
09/09/2020	213999	Cypress Water Services	-3,390.00
09/09/2020	214000	Data Ticket Inc.	-200.00
09/09/2020	214001	Domitila Cabrera.	-2,208.64
09/09/2020	214002	Employment Development Department	0.00
09/09/2020	214003	Fastenal Company	-169.21
09/09/2020	214004	FedEx	-22.15
09/09/2020	214005	Fehr Engineering Company, Inc.	-446.00
09/09/2020	214006	Hamner Jewell Associates	-175.00
09/09/2020	214007	Hollister Auto Parts, Inc.	-799.66
09/09/2020	214008	Hollister Landscape Supply	-133.86
09/09/2020	214009	Home Depot Credit Services	-223.73
09/09/2020	214010	Kettle Creek Corporation	-1,953.60
09/09/2020	214011	Level 1 Private Security.	-4,824.00
09/09/2020	214012	Midwest Tape	-16.74
09/09/2020	214013	Monterey Bay Analytical Services	-6,220.80
09/09/2020	214014	Monterey Bay Economic Partnership	-3,000.00
09/09/2020	214015	P G & E	-12,126.08
09/09/2020	214016	Quadient Leasing USA, Inc.	-602.37
09/09/2020	214017	R & B Company	-27.88
09/09/2020	214018	Rx-Tek	-555.00
09/09/2020	214019	San Benito Engineering & Surveying, Inc.	-750.00
09/09/2020	214020	Sentry Alarm System	-150.00
09/09/2020	214021	Silver Leaf Tree Service	-2,640.00
09/09/2020	214022	Smith & Enright Landscaping	-1,210.00
09/09/2020	214023	Staples	-174.37
09/09/2020	214024	State Compensation Insurance Fund	-1,972.67
09/09/2020	214025	Statewide Traffic Safety Signs	-469.94
09/09/2020	214026	True Value Hardware	-102.69
09/09/2020	214027	Univar Solutions	-718.28
09/09/2020	214028	Wells Fargo Bank, N.A.	-471,803.71
09/09/2020	214029	Wendy L. Cumming, CPA	-4,386.25
09/15/2020	214030	Employment Development Department	-1,516.50

**City of San Juan Bautista  
Warrant Listing  
As of September 30, 2020**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
09/15/2020	214031	USABlueBook	-782.27
09/29/2020	214032	3T Equipment Company Inc.	-116.48
09/29/2020	214033	ACWA Health Benefits Authority	-7,479.36
09/29/2020	214034	AFLAC	-290.69
09/29/2020	214035	at&t	-79.75
09/29/2020	214036	CALNET	-251.73
09/29/2020	214037	Central Electric	-1,493.78
09/29/2020	214038	Clark Pest Control	-95.00
09/29/2020	214039	CMAP	-343.75
09/29/2020	214040	CSG Consultants, Inc.	-67,737.50
09/29/2020	214041	Cypress Water Services	-2,642.00
09/29/2020	214042	Data Ticket Inc.	-200.00
09/29/2020	214043	Design Line & Granger	-253.46
09/29/2020	214044	Fastenal Company	-126.69
09/29/2020	214045	FedEx	-75.51
09/29/2020	214046	Fehr Engineering Company, Inc.	-914.00
09/29/2020	214047	Ferguson Enterprises LLC	-12.44
09/29/2020	214048	First Alarm	-440.37
09/29/2020	214049	Harris & Associates	-2,115.00
09/29/2020	214050	Hollister Auto Parts, Inc.	-219.97
09/29/2020	214051	Home Depot Credit Services	-96.30
09/29/2020	214052	Iconix Waterworks (US) inc.	-287.34
09/29/2020	214053	J.V. Orta's Rent A Fence	-225.00
09/29/2020	214054	Jardines, Inc.	-150.00
09/29/2020	214055	Jim Freethy Excavating Inc.	-500.00
09/29/2020	214056	KBA Docusys	-252.83
09/29/2020	214057	Laura Cent.	-100.00
09/29/2020	214058	Level 1 Private Security.	-4,522.50
09/29/2020	214059	Martha K. Brown.	-1,500.00
09/29/2020	214060	Monterey Bay Analytical Services	-3,367.20
09/29/2020	214061	P G & E	-5,993.25
09/29/2020	214062	Patricia Paetz	-45.53
09/29/2020	214063	Ready Refresh	-94.53
09/29/2020	214064	Rich Brown.	-40.00
09/29/2020	214065	rrm design group	-3,588.18
09/29/2020	214066	San Benito Engineering & Surveying, Inc.	-4,500.00
09/29/2020	214067	San Juan Trading Post.	-30.00
09/29/2020	214068	Sentry Alarm System	-552.00
09/29/2020	214069	Smith & Enright Landscaping	-1,694.64
09/29/2020	214070	Sprint	-167.72
09/29/2020	214071	State Compensation Insurance Fund	-1,972.67
09/29/2020	214072	Tesla Solar.	-598.95
09/29/2020	214073	United Site Services of California, Inc.	-356.15
09/29/2020	214074	US Bank	-1,479.96
09/29/2020	214075	US Bank Equipment Finance	-249.61

**City of San Juan Bautista  
Warrant Listing**

**As of September 30, 2020**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
09/29/2020	214076	Valero Wex Bank	-720.36
09/29/2020	214077	Wellington Law Offices	-2,500.00
Total 101.001 · Operating Acct. 1948			<u>-784,363.67</u>
Total 101.000 · Union Bank			<u>-784,363.67</u>
<b>TOTAL</b>			<u><u>-784,363.67</u></u>

**City of San Juan Bautista**  
**Expenditures ~ Budget Vs. Actual**

**For the Two Monthly Period Ended August 31, 2020**

<b>EXPENDITURES</b>	<b>FY20</b>	<b>FY21</b>	<b>Annual</b>		<b>YTD</b>	
<b>Fund</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Budget</b>	<b>Variance</b>	<b>17%</b>	<b>Note</b>
<b>General Fund</b>	200,960	234,946	1,740,248	(1,505,302)	14%	
<b>Special Revenue Funds:</b>						
Capital Projects Fund	21,546	255,271	1,763,000	(1,507,729)	14%	A
Community Development	99,067	111,125	553,058	(441,933)	20%	
COPS	16,666	16,666	100,000	(83,334)	17%	
Parking & Restroom Fd	2,624	607	15,000	(14,393)	4%	
Gas Tax Fund	2,462	2,447	53,851	(51,404)	5%	
Affordable Housing Fund	33,694	-	18,877	(18,877)	0%	
Valle Vista LLD	3,081	3,207	26,717	(23,510)	12%	
Rancho Vista CFD	1,225	1,362	40,904	(39,542)	3%	
Copperleaf CFD	1,225	1,603	21,523	(19,920)	7%	
<b>Development Impact Fee Funds</b>						
Public/Civic Facility	451	451	33,000	(32,549)	1%	
Library	740	740	24,000	(23,260)	3%	
Storm Drain	572	572	196,000	(195,428)	0%	
Park In-Lieu	50	50	115,000	(114,950)	0%	
Public Safety	143	143	25,000	(24,857)	1%	
Traffic	72	72	109,000	(108,928)	0%	
<b>Internal Service Funds:</b>						
Blg Rehab. & Replace	-	-	20,000	(20,000)	0%	
Vehicle Replacement	1,797	1,794	11,890	(10,096)	15%	
<b>Enterprise Funds:</b>						
Water:						
Operations	109,839	102,273	738,921	636,648	14%	
Capital	128,243	24,460	349,979	325,519	7%	A
Sewer						
Operations	124,693	128,128	1,608,450	1,480,322	8%	
Capital	2,312	33,193	638,979	605,786	5%	A
<b>TOTAL Funds</b>	<b>550,502</b>	<b>684,164</b>	<b>8,203,397</b>	<b>7,519,233</b>	<b>8%</b>	

**Footnotes:**

A ~ Capital costs occur sporadically during the year, and do not always align with the to date percentages, or prior year amounts.

**City of San Juan Bautista**  
**Revenues ~ Budget Vs. Actual**  
**For the Two Month Period Ended August 31, 2020**

<b>REVENUES</b>	<b>FY20</b>	<b>FY21</b>	<b>Annual</b>		<b>YTD</b>	
<b>Fund</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Budget</b>	<b>Difference</b>	<b>17%</b>	<b>Notes</b>
<b>General Fund</b>	195,386	173,268	1,854,841	(1,681,573)	9%	
<b>Special Revenue Funds:</b>						
Capital Projects Fund	-	92,000	1,722,000	(1,630,000)	5%	<b>C</b>
Community Development	30,711	22,637	553,058	(530,421)	4%	<b>B</b>
COPS	28,095	16,667	100,000	(83,333)	17%	
Parking & Restroom Fd	3,028	1,278	32,200	(30,922)	4%	
Gas Tax Fund	14,770	12,712	53,851	(41,139)	24%	<b>A</b>
Valle Vista LLD	3,620	3,620	21,717	(18,098)	17%	
Rancho Vista CFD	15,457	9,610	57,657	(48,048)	17%	
Copperleaf CFD	5,732	3,546	21,278	(17,732)	17%	
<b>Development Impact Fee Funds:</b>						
Public/Civic Facility	3,028	-	25,000	(25,000)	0%	<b>B</b>
Library	9,509	-	33,000	(33,000)	0%	<b>B</b>
Storm Drain	-	-	80,000	(80,000)	0%	<b>B</b>
Park In-Lieu	-	-	10,000	(10,000)	0%	<b>B</b>
Public Safety	7,354	-	15,000	(15,000)	0%	<b>B</b>
Traffic	-	-	10,000	(10,000)	0%	<b>B</b>
<b>Internal Service Funds:</b>						
Blg Rehab. & Replace	6,333	6,333	38,000	(31,667)	17%	
Vehicle Replacement	10,000	10,000	60,000	(50,000)	17%	
<b>Enterprise Funds:</b>						
<b>Water</b>						
Operations	178,768	202,810	979,000	(776,190)	21%	
Capital	-	-	100,000	(100,000)	0%	<b>C</b>
<b>Sewer</b>						
Operations	179,414	191,989	1,010,600	(818,611)	19%	
Capital	-	-	100,000	(100,000)	0%	<b>C</b>
<b>TOTAL Funds</b>	<b>495,819</b>	<b>573,202</b>	<b>6,877,202</b>	<b>6,304,000</b>	<b>8%</b>	

**A** ~ Prop. 1B funds are coming in greater than anticipated at the time of last year's budget preparation.

**B** ~ These funds are developer derived and are recognized when received.

**C** ~ The timing of the projects and the related revenue does not always align with the year-to-date percentages.



# CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

**AGENDA TITLE:** Approval of the First Amendment to the Franchise Agreement with Recology San Benito County

**DATE:** October 20, 2020

**DEPARTMENT HEAD:** Kathleen Gallagher, Integrated Waste Management

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## Recommendation

Approve Resolution No. 2020 – XX authorizing the City Manager to execute Amendment No. 1 to the Franchise Agreement with Recology San Benito County regarding deferral of a compensation adjustment for FY 20/21, establishing a balancing account and delaying rate increase for a six-month period. The Amendment is attached as Exhibit A to the Resolution.

## Background

Per the Franchise Agreement requirements, Recology submitted an annual rate adjustment application for a 4.5% increase in solid waste rates for the period of July 1, 2020 through June 30, 2021. The three Integrated Waste Management Regional Agency (RA) Members have not acted, as required per the Franchise Agreement, to approve the rate adjustment given concerns over the financial impacts to customers of the rate increases happening during the COVID-19 pandemic. The RA Members are still contractually obligated to compensate Recology for the revenues it would receive from the 4.5% rate increase for FY20/21; this revenue for six-month deferral totals \$251,914.

Several meetings were held between RA Member senior staff, RA staff, and Recology to discuss mechanisms for how Recology would be paid the \$251,914; these options are collectively referred to as rate delay or deferral options. On July 13, 2020, Recology presented two options to Regional Agency Members which were not deemed acceptable and Recology was asked to provide additional options. On August 19, 2020 Recology provided four additional “Rate Delay Options” and all options were for a six-month deferral. On September 9, 2020, the Regional Agency Member senior staff unanimously recommended an option for Recology to be compensated the \$251, 914 for the deferral. This will happen through a balancing account mechanism summarized below.

The balancing account will reflect any payments due from Recology to the Member Agencies for liquidated damages and performance disincentives as a credit towards paying off the \$251,914 in rate revenue owed to Recology for the six-month deferral. The rate increase didn't occur July 1, 2020 per the Franchise Agreement and is now delayed to Jan 1, 2021 and these rates had been posted and sent in the Public Hearing Notice and had presented at the June 2020 meeting. The balancing account credits will be applied until the \$251,914 is paid off. The Franchise Agreement includes provisions for liquidated damages and performance disincentives to be paid to the Member Agencies if certain performance standards and diversion requirements are not met. The balancing account option is recommended because it delays the rate impact to the current FY20/21 with a six-month deferral for the solid waste rate adjustment and pays this balance over time. The new rates will be effective January 1, 2021 and were included in the Public Notice process and presented at the June 2020 meeting. The future annual rate adjustment process per the franchise agreement will remain unaffected.

### **Attachments**

Resolution

Exhibit A – Amendment No. 1 to Franchise Agreement with Recology San Benito County



**RESOLUTION 2020-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA APPROVING  
AMENDMENT NO. 1 TO THE FRANCHISE AGREEMENT WITH RECOLOGY SAN BENITO COUNTY**

**WHEREAS**, on November 1, 2018, a new Franchise Agreement with Recology San Benito County as the collection hauler within the City of Hollister took effect, which includes specific provisions related to an annual index-based rate adjustment process; and

**WHEREAS**, the annual rate adjustment process required Recology San Benito County to submit its application for a rate adjustment on or before April 1 of each year and it was received on March 30, 2020, and staff reviewed the rate adjustment application and found it to be complete; and

**WHEREAS**, the Integrated Waste Management Regional Agency staff received Recology San Benito County's application for a rate adjustment on March 30, 2020 for the maximum allowable rate adjustment of 4.5%; and the proposed Solid Waste Rates were included in a Public Hearing Notice; and

**WHEREAS**, while not currently required by law, the Council is following the noticing procedure set forth in Article XIID §6 of the California Constitution (Proposition 218) and in accordance with Proposition 218, the Council authorized staff to proceed with noticing and protest proceedings for the proposed solid waste collection rate adjustments; and

**WHEREAS**, on April 28, 2020 the Council adopted a resolution authorizing and directing staff to send a Proposition 218 notice of the proposed maximum allowable solid waste collection rates and their opportunity to submit written protests to affected rate payers and such a notice was mailed to property owners and rate payers within Hollister on April 29, 2020; and

**WHEREAS**, the City Council held a public hearing on June 15, 2020 to consider the proposed Solid Waste Rates and to receive and consider any protests received; and

**WHEREAS**, at the public hearing, the City Council heard and received all oral and written testimony and evidence that was made, presented, or filed, and all persons present at the hearing were given ample opportunity to hear and be heard with respect to any matter related to the Solid Waste Rates; and

**WHEREAS**, at the conclusion of public testimony, the City Council closed the public hearing, determined that due to COVID-19 they requested Recology to provide additional options and present these options to the Regional Agency Members for review and consideration; and

**WHEREAS**, On July 13, 2020, Recology presented two options to Regional Agency members which were not deemed acceptable and Recology was asked to provide additional options; on August 19, 2020 Recology provided four additional "Rate Delay Options."

**WHEREAS**, on September 9, 2020, the Regional Agency Member senior staff met to review the options and unanimously approved the option for Recology to establish a balancing account for a six-month rate deferral as further detailed in Exhibit A. This balancing account will reflect any payments due from Recology to the Member Agencies for liquidated damages and performance disincentives as a credit towards paying off the rate revenue owed to Recology for the six-month deferral and the new rates, as noticed in the Public Hearing Notice process and as presented at the June 2020 meeting, will not be effective until January 1, 2021.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of San Juan Bautista hereby approves Amendment No. 1 to the Franchise Agreement with Recology San Benito County and authorizes the City Manager to execute the Amendment.

**PASSED AND ADOPTED** by the San Juan Bautista City Council, State of California, this 20<sup>th</sup> day of October, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Mary V. Edge, Mayor

ATTEST:

\_\_\_\_\_  
Laura Cent, City Clerk

**EXHIBIT A**  
**FIRST AMENDMENT TO FRANCHISE AGREEMENT**  
**BETWEEN RECOLOGY SOUTH VALLEY AND SAN BENITO COUNTY REGIONAL**  
**AGENCY MEMBERS, CITY OF HOLLISTER, CITY OF SAN JUAN BAUTISTA AND**  
**SAN BENITO COUNTY**

This First Amendment to Franchise Agreement is made and entered into as of October \_\_\_\_, 2020 between the City of Hollister, the City of San Juan Bautista and the County of San Benito, (collectively, the "RA Members"), on the one hand, and Recology South Valley (d/b/a Recology San Benito County), on the other hand.

WHEREAS, each of the RA Members is a party to a Franchise Agreement for Recyclables, Organics and Solid Waste Collection Services with Contractor, dated November 1, 2018 (the "Franchise Agreement");

WHEREAS, pursuant to the rate methodology set forth in Section 9.2 and Exhibit E of the Franchise Agreement, a 4.5% rate adjustment was due to take effect on July 1, 2020;

WHEREAS, given the extraordinary circumstances arising from COVID-19 and the related economic slowdown, the parties have agreed to defer such rate adjustment by 6 months, until January 1, 2021;

WHEREAS, to compensate Contractor for the revenue loss caused by such 6-month delay, the parties have further agreed to allow Contractor to use such shortfall as a credit against future liquidated damages and/or performance disincentives that may be assessed against Contractor.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The 4.5% Rate increase due to take effect on July 1, 2020 under the terms of the Franchise Agreement shall be deferred until January 1, 2021. No further action by any RA Member or the Regional Agency shall be required for Contractor to implement such increase on January 1, 2021. Such deferral shall not affect the amount or timing of any other Rate adjustment provided for under the Franchise Agreement.
2. On or before January 31, 2021, Contractor shall notify the RA Members and the Regional Agency in writing of its revenue shortfall resulting from such deferral (the "Deferral Shortfall"). The Deferral Shortfall shall be calculated as follows:
  - (a) Determine the total amount billed to customers under the Franchise Agreement for services rendered during the period July-December 2020;
  - (b) Deduct from the amount in clause (a) the amount of Franchise Fees, AB 939/Statutory Fees, HHW Fees, and Litter Abatement Fees payable to the RA Members or the Regional Agency with respect to the amount in clause (a); and
  - (c) Multiply the result by 4.5%.

Contractor shall provide supporting documentation, including a spreadsheet detailing the aforementioned calculation, with its notification. Contractor shall additionally provide such information as the RA Members or the Regional Agency may reasonably request in order to validate Contractor's calculations.

3. The amount of the Deferral Shortfall shall be treated as a credit (the "Shortfall Credit") which Contractor may apply from time to time to offset, on a dollar-for-dollar basis, the amount of any Liquidated Damages or Performance Disincentives assessed by any RA Member or the Regional Agency under the Franchise Agreement at any time on or after January 1, 2021 (regardless whether the nonperformance that is the subject of the assessment occurred before or after such date). Contractor may apply the Shortfall Credit by providing written notice to the RA Members and the Regional Agency of the same. To assist in tracking use of the Shortfall Credit, each such notice shall state the initial amount of the credit (i.e. the amount of the Deferral Shortfall), the amount and date of any previous applications of the credit, the amount currently being applied, the specific Liquidated Damages or Performance Disincentives to which it is being applied, and the amount remaining. Application of the credit shall be deemed to be payment by Contractor of the amount applied as of the date of Contractor's notice.

4. In the event of any conflict between this Amendment and the Franchise Agreement, this Amendment shall govern. Except as expressly set forth in this Amendment, all provisions of the Franchise Agreement shall remain unchanged and in full force and effect. Capitalized terms used but not defined herein shall have the meanings given to them in the Franchise Agreement. Each party represents and warrants that the individuals appearing under such party's name on the signature page hereof have been duly authorized to execute and deliver this Amendment on behalf of such party and have duly executed and delivered this Amendment. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument. This Amendment or any counterpart may be executed via electronic signature (e.g. DocuSign) and delivered by emailing a PDF copy of the signed document. If any provision of this Amendment is held unenforceable, the invalidity of such provision shall not invalidate the remainder of this Amendment, which shall remain in full force and effect.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Franchise Agreement as of the date first written above.

**HOLLISTER, California, a municipal corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SAN JUAN BAUTISTA, California, a municipal corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**RECOLOGY SOUTH VALLEY (d/b/a Recology San Benito County), a California corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SAN BENITO COUNTY, California, a political subdivision**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



# CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

**AGENDA TITLE:** Consider an agreement with CMAP and the Cities of Gilroy and Hollister for Public, Education, and Government services (PEG)

**DATE:** October 20, 2020

**DEPARTMENT HEAD:** Trish Paetz, Administrative Services Manager

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Consider a Resolution executing an agreement with the cities of San Juan Bautista, Gilroy, Hollister and the Community Media Access Partnership (CMAP) for public, education, and government (PEG) services.

**DESCRIPTION:** The cities of San Juan Bautista, Hollister and Gilroy entered into an agreement with the Community Media Access Partnership (CMAP) in 2001 to create a media center to provide Public, Education, and Government access facilities, services, and programming to these communities and surrounding areas. An updated agreement has been negotiated between the cities and CMAP to provide continued and enhanced PEG services.

**RECOMMENDATION:** Staff recommends that the City Council ADOPT a Resolution approving an agreement with the cities of Gilroy, Hollister, and the Community Media Access Partnership (CMAP) for continued public, education, and government (PEG) services.

**SUMMARY:** In 2001, the cities of San Juan Bautista, Hollister, and Gilroy entered into an agreement with CMAP to provide a media center for the community members to learn, create and broadcast video programming over PEG Access Channels provided by Charter Communications. It was also determined that CMAP would cover, record and broadcast City Council meetings for Hollister and San Juan Bautista as part of the agreement. Gilroy decided at that time to continue to cover their own government meeting with city staff and have CMAP broadcast the meetings on the PEG government channel.

The Digital Infrastructure and Video Competition Act ("DIVCA") of 2006 changed the capabilities of local agencies to negotiate local franchises with cable companies and requires these companies to apply for state franchises. This eliminated the ability for our local agencies to directly negotiate franchise agreements with the cable companies. In 2009, the cities passed DIVCA Ordinances to protect PEG (3%) and Franchise Fee (5%) funding from the cable companies.

In 2010, the cities and Charter Communication entered into a settlement agreement for services not followed through in the original franchise agreement with the cities. This provided funding to upgrade antiquated video broadcasting equipment from analog to digital signals, and allowed Charter to take back control of their INET fiber network put in place with the original franchise agreement.

Recently, representatives from each city and CMAP started working on a new agreement to cover additional needs and rectify concerns outlined in the original agreement. Some concerns are the ability of cities to replace antiquated equipment related to covering public meetings at the respective City Halls, addition of staffing to cover City of Gilroy meetings, and ability to do more community outreach using social media and video production services. This updated agreement addresses these concerns and retains the funding needed for CMAP to provide media services to the cities.

Highlights of the new agreement are as follows:

- Added references to DIVCA and State Franchising that were not in play in the original agreement
- Added reference to Settlement Agreement between Cities and Charter in 2010
- Enhanced services provided to the Cities by CMAP, including:
  - Coverage of San Juan Bautista Council Meetings and Planning Commission/Historic Resources Board Meetings, and three special meetings designated by the City Annually (Max 27 meetings annually)
  - Coverage of Gilroy Council Meetings, Study Sessions and Planning Commission (Max 44 meetings annually)
  - Coverage of Hollister Council Meetings, Study Sessions, Planning Commission, and Airport Advisory (Max 48 meetings annually)
  - Additional Services CMAP rate sheet attached, meetings exceeding 4 hours in length charged at rate provided in Exhibit A
  - CMAP to produce up to 4 videos, twice a year, at the request of each City
  - CMAP will set aside 10% of PEG funds for each City for Council Chambers video equipment
  - Develop a 10 year equipment replacement plan for equipment used to record and broadcast City Council Meetings
  - Additional CMAP video services provided at rates shown on Exhibit A

CMAP will continue to provide Annual Plan and Budget Reports to the Cities, as well as a Fiscal Audit by independent CPA at least every 3 years.

Funding is as follows:

- Cities continue PEG funding from Cable Companies directly to CMAP (3% of Gross Revenues)
  - (10% will be set aside for each city for equipment upgrades, stipulated in Enhanced Services Section)

- Franchise Fees received by each City:
  - 20% for years 2020 and 2021; and
    - This will include San Juan Bautista, which currently does not pay a percentage of Franchise Fees
  - 22% for year 2022 until end of initial term of agreement
    - Based on 2019 Franchise Fees, possible increase of \$1,100 per Quarter for Hollister (Approx \$4,400/annually)
    - Based on 2019 Franchise Fees, possible increase of \$1,500 per Quarter for Gilroy (Approx \$6,200/annually)
    - No Franchise Fee numbers available for San Juan Bautista at this time for forecasting (could be as much as \$3,120 annually)
  - Funds continue to be disbursed quarterly with CMAP invoicing Cities quarterly

This provides CMAP with continued PEG funding of 3% of gross revenues from Cable Franchises (Charter Communications and AT&T) for capital purchases related to programming and broadcasting PEG feed, as well as new funding of 20% of the Franchise Fees paid to the City of San Juan Bautista by the Cable Franchises for the year ending 2021, and increase to 22% for years 2022 until end of contract 2025. Cable companies are required to pay 5% of gross revenues as Franchise Fees. Based on first two quarters of 2020, this could be as much as \$780 per quarter (\$3,120/year), or even less depending on households utilizing less cable services over the last few years. Current State Franchise Video Cable Providers in San Juan Bautista are Charter Communications and AT&T.

Term is 5 years, with 5 year extension periods upon approval by the cities of written request by CMAP filed within 120 days before the expiration of initial term.

Therefore, Staff is recommending City Council approve this updated agreement with the cities of Gilroy, Hollister and CMAP for a period of five years commencing 2020 through year 2025.

**FINANCIAL IMPACT:** Continued PEG funding of 3% of gross revenues from Cable Franchises for capital expenses, as well as funding of 20% of Franchise Fees paid to the City of San Juan Bautista by the Cable Franchises for the year ending 2021, and increase to 22% for years 2022 until end of contract, 2025. This increase could be as much as \$780 per quarter (\$3,120/year), or less, based on current franchise fee payments received for the first two quarters of 2020.

\$1300/mo. franchise fees. At 20% = \$260



**RESOLUTION 2020-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA  
EXECUTING AN AGREEMENT WITH THE CITIES OF GILROY, HOLLISTER, AND THE COMMUNITY  
MEDIA ACCESS PARTNERSHIP (CMAP) FOR  
PUBLIC, EDUCATION, AND GOVERNMENT (PEG) SERVICES**

**WHEREAS**, the cities of San Juan Bautista, Hollister, and Gilroy entered into an agreement with Community Media Access Partnership (CMAP) in 2001 to create a media center and provide the communities with access to Public, Education, and Government (PEG) facilities, services, and programming; and

**WHEREAS**, the agreement has been extended over the last 10 years continuing services contained within the original agreement; and

**WHEREAS**, the cities have a need for additional services and equipment for recording and broadcasting of public meetings to provide extended community media and social outreach; and

**WHEREAS**, a new agreement has been negotiated for continued and enhanced PEG services to the cities by CMAP.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of San Juan Bautista approves an agreement with the cities of San Juan Bautista, Gilroy, and the Community Media Access Partnership (CMAP) for continued and enhanced public, education, and government (PEG) services.

**PASSED AND ADOPTED** by the San Juan Bautista City Council, State of California, this 20<sup>th</sup> day of October, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Mary V. Edge, Mayor

ATTEST:

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Laura Cent, City Clerk

CONTRACT BETWEEN THE CITIES OF GILROY,  
HOLLISTER & SAN JUAN BAUTISTA  
AND  
COMMUNITY MEDIA ACCESS PARTNERSHIP  
OF SOUTHERN SANTA CLARA AND SAN BENITO COUNTIES

**AGREEMENT**

This Agreement is made this 1st day of January, 2021, by and between the Cities of Gilroy, Hollister and San Juan Bautista ("the Cities"), and Community Media Access Partnership of Southern Santa Clara and San Benito Counties ("CMAP"), a nonprofit corporation, who agree as follows:

**RECITALS**

1. Charter Communications ("Charter") has been granted a state franchise ("State Franchisee") to provide cable/video services in Gilroy, Hollister, and San Juan Bautista pursuant to the Digital Infrastructure and Video Competition Act of 2006 ("DIVCA") (hereinafter the Charter DIVCA franchise).
2. A.T.&T. has been granted a state franchise ("State Franchisee") to provide cable/video services in Hollister pursuant to the Digital Infrastructure and Video Competition Act of 2006 ("DIVCA") (hereinafter the AT&T DIVCA franchise).
3. DIVCA provides that certain channel capacity shall be provided for public, educational, and government ("PEG") access.
4. DIVCA authorizes the Cities to receive certain grant payments from State Franchisees for PEG access purposes as defined by Section 5870(n) of DIVCA.
5. The Cities have each authorized the receipt of such PEG channels and payments via City of Gilroy Municipal Code Chapter 24.22, City of Hollister Code Chapter 5.21.070, and City of San Juan Bautista Code Chapter 5-20-1830.
6. A Settlement Agreement and Release between each of the Cities and Charter, enacted on or about June 11, 2010, provides that certain payments and in-kind services shall be provided by Charter to support the operations of the PEG access facilities, equipment and channels.

7. The Cities have determined that they wish to designate CMAP as the access management organization to develop, manage, and administer the PEG access channels and to operate one or more community media centers.
8. CMAP has managed a community access center and managed certain PEG access channels since 2001.
9. CMAP has agreed to continue to serve the Cities by developing, programming, and administering the PEG channels, and operating one or more community media centers to support the services as described herein.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

**SECTION 1. SCOPE OF SERVICES.** In exchange for the resources provided by the Cities to CMAP, pursuant to this Agreement, CMAP shall provide the following services:

- A. *OPERATE PUBLIC, EDUCATIONAL, AND GOVERNMENT ACCESS CABLE CHANNEL(S).* Operate the public, educational, and government access cable channel(s) in accordance with this Agreement and applicable state and federal law, with the primary purpose being to bring to the community programming and information not otherwise readily available in commercial and national media.
- B. *OPERATE A COMMUNITY MEDIA CENTER.* Manage a community media production facility and equipment ("Community Media Center"), available for public use at such hours and times as are determined by CMAP. Access to equipment and facilities shall be open to all those who qualify within membership, training, and/or other requirements or standards deemed appropriate by CMAP to further the media access objectives of CMAP.
- C. *PROVIDE NONDISCRIMINATORY ACCESS.* Provide access to the equipment, facilities, channels, and services provided hereunder on a non-discriminatory basis to all residents of the Cities for non-commercial programming purposes, whether individuals or organizations, on a non-discriminatory basis, pursuant to operating rules issued by CMAP.

- D. *DEVELOP OPERATING POLICIES AND PROCEDURES.* Develop policies and procedures for use and operation of the PEG access equipment, facilities, and channels and file such policies and procedures with the Cities.
- E. *COMPLIANCE WITH LAWS RULES, AND REGULATIONS.* Administer the PEG access channels and facilities in compliance with applicable laws, rules, and regulations.
- F. *TRAINING.* Train residents of the Cities and, when requested, employees of the Cities and local school or college employees in the techniques of media production, and provide technical advice in the execution of productions.
- G. *PLAYBACK/CABLECAST.* Provide for distribution of PEG access programs through playback/cablecasting/webcasting and other innovative or readily available means of distribution of PEG access channels and program content.
- H. *MAINTENANCE OF EQUIPMENT.* Provide regular maintenance and repair of all equipment purchased with monies received pursuant to this Agreement.
- I. *PROMOTION.* Actively promote the use and benefits of the PEG access channels and facilities to cable subscribers, the public, and PEG access users.
- J. *PERFORMANCE REVIEW.* CMAP shall, after four (4) years of operation under this Agreement, contract with an entity from outside the Cities chosen upon approval of the CMAP Board of Directors, that is expert in PEG access matters to conduct a performance review of CMAP's operations. This review shall include an opportunity for PEG access users and cable subscribers to provide input. Upon completion, a copy of the performance review shall be submitted to the Cities.
- K. *OTHER ACTIVITIES.* Undertake other PEG access programming activities and services as deemed appropriate by CMAP and consistent with the obligation to facilitate and promote PEG access programming and provide non-discriminatory access.

## SECTION 2. ENHANCED GOVERNMENT SERVICES

- A. In addition to those services specified in Section 1, CMAP shall provide the staffing for professional video production services for the following meetings taking place at the City Hall of each of the Cities.
1. Gilroy: Regular City Council meetings, Council Study Sessions, Planning Commission meetings. (Maximum of 44 meetings per year.)
    - a. On the effective date of this Agreement, the City of Gilroy staffed these meetings. Hereafter, CMAP will provide these services. CMAP will coordinate with the City to have a smooth and timely transition of the meeting coverage from City staff to CMAP. It anticipated that it will take several months after the initiation of this agreement for that transition to occur. The transition period will be part of the 44 meetings per year. There will be no additional charges for CMAP staff to develop familiarity with and be trained to use the equipment located at City Hall.
  2. Hollister: Regular Council meetings, Council Study Sessions, Planning Commission meetings, and Airport Advisory Committee meetings. (Maximum of 48 meeting per year.)
  3. San Juan Bautista: Regular City Council meetings, regular Planning Commission meetings, and three special meetings designated by the City annually. (Maximum of 27 meetings per year.)
  4. If a meeting exceeds four (4) hours in length (including set-up and take down) the Cities will be charged at the special discounted rates provided in Exhibit A, attached hereto.
- B. CMAP shall at the request of each City produce a video of up to four (4) minutes twice in each calendar year.
- C. Pursuant to Section 1. CMAP shall be responsible for purchasing, maintenance, and replacement of equipment related to its media services and playback/webcasting/cablecasting of PEG access channels and programming and any related INET fiber networking equipment.

- D. DIVCA authorizes each City to receive certain grant payments from State Franchisees for PEG access purposes. The Cities have agreed pursuant Section 15. B. of this Agreement to provide that funding to CMAP. CMAP shall set aside 10% of that PEG DIVCA funding provided by each City in a special banking sub-account for that City for the purchase of City Council Chambers video equipment. At the request and in consultation with each City, CMAP shall budget for video equipment for City Council Chambers. CMAP shall provide funding for these purchases based upon the fund balances set aside in bank sub-accounts for each City individually.
- E. On or before July 1, 2021, develop a ten (10) year plan for regular updates to equipment used to record and broadcast City Council meetings.
- F. Upon request by one of more of the Cities, CMAP agrees to provide video productions services and other media services in addition to those listed in this Agreement at the rates described in Exhibit A to this Agreement.

SECTION 3. PUBLIC ACCESS CHANNELS OPEN TO PUBLIC: CMAP agrees to keep the public access channel(s) open to all potential users regardless of their viewpoint, subject to FCC regulations and other relevant laws. Neither the Cities, nor State Franchisees, nor CMAP shall have the authority to control the content of programming placed on the public access channel(s) so long as such programming is lawful. Provided that, nothing herein shall prevent CMAP, the Cities, or State Franchisees from producing or sponsoring programming, prevent the Cities or State Franchisees from underwriting programming, or prevent the Cities, State Franchisees, or CMAP from engaging in activities designed to promote production of certain types of programming or use by targeted groups as consistent with applicable law and rules for use of the channel(s). CMAP may develop and enforce policies and procedures which are designed to promote local use of the channel(s) and make programming accessible to the viewing public, consistent with such time, place, and manner regulations as are appropriate to provide for and promote use of PEG access channels, equipment and facilities.

#### SECTION 4. INDEMNIFICATION.

- A. CMAP shall indemnify, defend, and hold harmless the Cities, their officers, agents, and employees and volunteers from and against any and all claims, suits, actions, causes of action, losses, damage, or liabilities of any kind, nature or description, including payment of litigation costs and attorneys' fees, brought by any person or persons for or on account of any loss, damage or injury to person, property or any other interest, tangible or intangible, sustained by or accruing to any person or persons, howsoever the same may be caused, directly or indirectly arising or resulting from any alleged acts or omission of CMAP, its officers, employees, agents, subcontractors, or volunteers arising out of or resulting from the performance of this Agreement.
- B. CMAP shall indemnify and hold harmless the Cities, their officers, agents, employees and volunteers from and against any and all claims or other injury, including costs of litigation and attorney's fees, arising from or in connection with claims or loss or damage to person or property arising out of the failure to comply with any applicable laws, rules, regulations or other requirements of local, state or federal authorities, for claims of libel, slander, invasions of privacy, or infringement of common law or statutory copyright, for breach of contract or other injury or damage in law or at equity which claims, directly or indirectly, result from CMAP's use of channels, funds, equipment, facilities or staff granted under this Agreement or franchise agreements between the Cities and State Franchisees.
- C. Each of the Cities, respectively, shall indemnify, defend, and hold harmless CMAP, its officers, agents, volunteers, and employees from and against any and all claims, losses, liabilities, or damage including payment of reasonable attorneys' fees arising out of or resulting from the performance of this Agreement, caused in whole or part by any act or omission of the respective City.

SECTION 5. COPYRIGHT CLEARANCE. Before cablecasting program material, CMAP shall require all users to agree in writing that they shall make all appropriate arrangements to obtain all rights to all material cablecast or distributed through other means such as the Internet and clearances from broadcast stations, networks, sponsors, music licensing organizations' representatives, and without limitation from the foregoing, any and all other persons as may be necessary to transmit their program material over the PEG access channels or other means such as the Internet that are operated and managed by CMAP. CMAP shall maintain copies of all such user agreements for inspection by the Cities, upon reasonable notice by the Cities and for the term of the applicable statute of limitations.

SECTION 6. COPYRIGHT AND OWNERSHIP. CMAP shall own the copyright of any programs which it may choose from time to time to produce. Copyright of programming produced by other parties shall be held by such persons who produced said programming.

SECTION 7. DISTRIBUTION RIGHTS.

- A. CMAP shall require that all programs produced with funds, equipment, facilities, or staff granted under this Agreement shall be distributed on the channels whose use is authorized by this Agreement. This subsection shall not be interpreted to restrict, limit, or otherwise affect CMAP's lawful authority to manage programming shown on the PEG access channels. This subsection shall not be interpreted to restrict distribution (beyond distribution on channels authorized by this Agreement), so long as such other distribution is consistent with any pertinent guidelines established in the PEG access operating policies and procedures.
- B. At least at the beginning and end of each day that programming is cablecast on the PEG access channels whose use is authorized by this Agreement, CMAP shall display a credit stating "Partial funding for the operation of this channel is provided by the Cities of Gilroy, Hollister and San Juan Bautista." Such credit shall also state that opinions expressed in PEG access programs are the sole responsibility of the program producers.



## SECTION 8. EQUIPMENT AND FACILITIES.

- A. CMAP shall be responsible for maintenance of all equipment and facilities owned, leased or loaned to it under this Agreement or purchased with funds provided pursuant to this Agreement.
- B. The City of Gilroy currently houses CMAP's Master Control equipment in the City of Gilroy data center and provides access to certain network infrastructure. CMAP shall continue to pay the City of Gilroy \$3,600 annually for such storage/services. This annual fixed payment of \$3,600 shall be due to the City on September 1st of each year of this Agreement until such time that CMAP determines the need for such storage/services unnecessary.
- C. CMAP shall own all equipment and facilities acquired by it and purchased with funds received pursuant to this Agreement, except that upon termination or non-renewal of this Agreement all such equipment or facilities purchased with funds received pursuant to this Agreement shall become the property of the Cities (in a manner determined by the Cities), which shall ensure that all such equipment or facilities shall be used for PEG access purposes.

To secure all of its obligations under this Agreement, CMAP hereby grants to the Cities a security interest in all of the assets and interests owned or hereafter acquired by CMAP with funds provided by the Cities, and the proceeds thereof, including but not limited to CMAP deposit accounts, inventory, and all equipment and fixtures that are or were acquired with funds provided by the Cities. CMAP agrees to take all steps reasonably requested by the Cities to perfect and enforce the security interest of the Cities, including the execution and processing of financing statements and continuation statements under the California Uniform Commercial Code. CMAP will also notify any institution with whom it now or hereafter maintains any deposit account of the existence of a security interest by the Cities in the account.

The Cities agree to subordinate their interest if necessary to finance the purchase of equipment or property. The subordination shall only be with respect to the specific equipment or property that CMAP might wish to finance.

- D. Upon the earlier of termination, expiration, or dissolution of CMAP, it shall, subject to the approval of the Cities, transfer all assets of CMAP representing equipment and facilities funded by the Cities, and/or the proceeds of either to the Cities, or at the option of the Cities, to such organization or organizations designated by the Cities to manage PEG access which shall at the time qualify as a tax exempt organization(s) under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provisions of any future United States Internal Revenue Law).

SECTION 9. INSURANCE. CMAP shall maintain in full force and effect at all times during the term of this Agreement insurance as required by this Section. The cost of such insurance shall be borne by CMAP and may be included in its annual budget.

- A. *COMPREHENSIVE LIABILITY INSURANCE.* Comprehensive liability insurance, including protective, completed operations and broad form contractual liability, property damage and personal injury coverage, and comprehensive automobile liability including owned, hired, and non-owned automobile coverage. The limits of such coverage shall be: (1) bodily injury including death, \$1,000,000 for each person, each occurrence and aggregate; and (2) property damage, \$1,000,000 for each occurrence and aggregate.
- B. *EQUIPMENT INSURANCE.* Insurance shall be maintained on all equipment and facilities, including fixtures, funded in whole or in part under this Agreement to replacement cost. The insurance shall include, at a minimum, insurance against loss or damage beyond the user's control, theft, fire or natural catastrophe. The Cities shall be shown as lien holders on all policies.
- C. *WORKERS' COMPENSATION.* Full Workers' Compensation Insurance and Employer's Liability with limits as required by California law with an insurance carrier satisfactory to the Cities. Such policy shall contain a waiver of subrogation as to the Cities, and the officials, officers, agents, employees and volunteers.

- D. *CABLECASTER'S ERRORS AND OMISSIONS INSURANCE.* Insurance shall be maintained to cover the content of productions which are cablecast on the PEG access channels or other means such as the Internet in, at minimum, the following areas: libel and slander; copyright or trademark infringement; infliction of emotional distress, invasion of privacy; plagiarism; misuse of musical or literary materials. This policy shall not be required to cover individual PEG access producers.
- E. *CITIES AS CO-INSURED OR ADDITIONAL INSURED.* The Cities shall be named as a co-insured or additional insured on all aforementioned insurance policies. The policies shall provide that no cancellation, major change in coverage or expiration may be affected by the insurance company or CMAP without first giving the Cities thirty (30) days written notice prior to the effective date of such cancellation or change in coverage. Any insurance or self-insurance maintained by the Cities, their officers, agents, employees, or volunteers shall be in excess of CMAP's insurance and shall not contribute to it.
- F. *NOTIFICATION OF COVERAGE.* CMAP shall file with the Cities proof of insurance coverage as follows: (1) Comprehensive Liability and Workers' Compensation upon commencement of the employment of the Executive Director; (2) equipment insurance upon the acquisition of any equipment; and (3) cablecaster's errors and omissions insurance. All required insurance coverage shall be maintained by CMAP at all times in accordance with the requirements of this Agreement.

SECTION 10. NON-DISCRIMINATION IN EMPLOYMENT AND SERVICE.

- A. CMAP shall not discriminate against any person, employee or applicant for employment or subcontractor on the basis of race, color, creed, religion, sex, sexual orientation, marital status, ancestry, national origin or physical or mental handicap.
- B. CMAP shall not discriminate in the delivery of services on the basis on race, color, creed, religion, sex, sexual orientation, marital status, ancestry, national origin or physical or mental handicap.

SECTION 11. INDEPENDENT CONTRACTOR. It is understood and agreed that CMAP is an independent contractor and that no relationship of principal/agent or employer/employee exists between the Cities and CMAP. If in the performance of this Agreement any third persons are employed by CMAP, such persons shall be entirely and exclusively under the control, direction and supervision of CMAP. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment shall be determined by CMAP and the Cities shall have no right or authority over such persons or terms of employment. No third party shall be a beneficiary under this Agreement.

SECTION 12. ASSIGNMENT AND SUBLETTING. Neither this Agreement nor any interest herein shall be assigned or transferred by CMAP, except as expressly authorized in writing by the Cities.

SECTION 13. ANNUAL REPORTS. During the second quarter of its fiscal year, CMAP shall submit to the Cities an annual report regarding its activities during the preceding fiscal year. This report shall contain, at a minimum, the following information:

- A. Statistics on programming and services provided;
- B. Current and complete listing of CMAP's Board of Directors;
- C. Year-end financial statements including the previous year's actuals reviewed by an independent certified public accountant.

SECTION 14. RECORDS, FISCAL AUDIT.

- A. CMAP shall maintain all necessary books and records, in accordance with generally accepted accounting principles.
- B. Upon reasonable request from any of the Cities, CMAP shall, at any time during normal business hours, make available all of its records with respect to all matters covered by this Agreement.
- C. CMAP shall prepare (or have prepared) and submit to the Cities a fiscal audit by an outside independent certified public accountant approved by the CMAP Board, at least every three (3) years.

SECTION 15. FUNDING AND OTHER RESOURCES. The Cities agree to make the following funds and resources available to CMAP:

- A. The California Public Utilities Commission has granted to each State Franchisee a franchise to provide video services in the Cities. Pursuant to those State Franchises and City of Gilroy Municipal Code Chapter 24.22, City of Hollister Code Chapter 5.21.070 and City of San Juan Bautista Code Chapter 5-20-1830, each State Franchisee is obligated to provide to the Cities four channels for PEG access purposes. The Cities agrees to permit CMAP to manage that bandwidth/channel capacity for PEG access programming purposes.
- B. Pursuant to those State Franchises and to City of Gilroy Municipal Code Chapter 24.22, City of Hollister Code Chapter 5.21.070 and City of San Juan Bautista Code Chapter 5-20-1830, each State Franchisee is obligated to provide to the City for PEG access purposes three percent (3%) of its gross revenues derived from the provision of video services in the City. The Cities shall direct any State Franchisee to pay said PEG funds to CMAP or shall transfer to CMAP those PEG funds received from the State Franchisees to CMAP no later than thirty (30) days after the City receives the quarterly PEG fee payment from a State Franchisee.
- C. Pursuant to Section 8 of a Settlement Agreement and Release between Charter and each of the Cities individually entered into on or about June 11, 2010, Charter is obligated to provided at no cost to the Cities or CMAP dedicated fiber linkage between CMAP and the Charter headend for transport of PEG signals and connectivity and functionality necessary for PEG access signals to be transmitted from each City Hall as well as the locations of certain educational institutions. The Cities shall authorize CMAP to utilize those links and or connections for the transport of PEG programming.

D. The Cities agrees that they will provide funding to CMAP for the provision of PEG access services described in this Agreement, as follows:

1. Year 2021: 20% of franchise fees received by the Cities from State Franchisees.
2. Year 2022-until end of initial term of this Agreement: 22% of franchise fees received by the Cities from State Franchisees.

These funds shall be disbursed to CMAP on a quarterly basis, upon submission of a written request in accordance with the timeline specified in Section 18 of this Agreement.

E. Upon request by one of more of the Cities, CMAP agrees to provide video productions services and other media services in addition to those listed in this Agreement at the rates described in Appendix 1 to this Agreement.

#### SECTION 16. ANNUAL PLAN AND BUDGET.

A. On or before September 30 of each year in which this Agreement is in effect, CMAP shall provide to the Cities an "Annual Plan and Budget" outlining activities and programs planned for the following fiscal year with funds and other resources provided by the Cities. Such plan shall contain:

1. A statement of the anticipated number of hours of PEG access programming to be cablecast;
2. Training classes to be offered and frequency of classes;
3. Other PEG access activities planned by CMAP; and
4. A detailed operating and capital equipment and facilities budget which shows projected revenues and expenditures for the next fiscal year, planned capital improvements and planned purchases of new or replacement equipment.

SECTION 17. EXPENDITURE OF FUNDS. CMAP shall spend funds received from the Cities solely for the purposes listed in its Annual Plan and Budget and Section 1 (“Scope of Services”) of this Agreement. Funds not expended in the year covered by the Annual Plan and Budget may be carried over by CMAP into succeeding years. Upon termination of this Agreement all funds of any kind received from the Cities and not expended by CMAP shall be returned to the Cities, in proportion to the amounts previously provided by the Cities. All such returned funds shall be used by the Cities for PEG access purposes. CMAP shall provide for such fiscal control and accounting procedures as are necessary to assure proper disbursement and accounting for funds received from the Cities.

SECTION 18. RECEIPT OF APPROVED FUNDING. For each year in which CMAP has submitted the Annual Plan and Budget to the Cities as required under Section 16 of this Agreement, the Cities shall make quarterly payments to CMAP. Those payments shall be made on or before March 15, June 15, September 15, and December 15<sup>1</sup>. The amounts paid to CMAP by these Cities shall be calculated as specified in Section 15.D of this Agreement. If any payment to CMAP required by this Agreement is not received by CMAP on or before the date fixed above, the City shall pay interest thereon, from the due date to the date paid, at a rate of one percent (1%) per month.

SECTION 19. FUNDING FROM OTHER SOURCES. CMAP may, during the course of this Agreement, receive supplemental funds from other sources, including but not limited to fundraising activities.

SECTION 20. TERM OF AGREEMENT. This Agreement shall be for a period of five (5) years commencing on January 1, 2021 and ending on December 31, 2025 unless terminated earlier, as provided for in this Agreement. This Agreement may be extended, by mutual agreement of the Cities and CMAP, in writing, for additional periods of five (5) years each in accordance with Section 22 of this Agreement.

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<sup>1</sup> Due dates calculated at 30 days after PEG access and franchise fee payments from Video Franchisee are due to the cities pursuant to State Law.

SECTION 21. TERMINATION OF AGREEMENT: TRANSFER OF ASSETS.

- A. The Cities shall have the right upon one hundred twenty (120) days written notice to CMAP to terminate this Agreement for:
  - 1. Breach of any provision of this Agreement by CMAP;
  - 2. Malfeasance, misfeasance, misappropriation of funds; or
  - 3. Loss of 501(c)(3) status by CMAP.
- B. The written contract violation notice provided by the Cities shall cite the specific section of this Agreement which the Cities believe CMAP to have breached and provide sufficient detail to permit CMAP to clearly understand the nature of the cure request by the Cities.
- C. CMAP may avoid termination by curing any such breach to the satisfaction of the Cities within one hundred twenty (120) days of notification or within a time frame agreed to by the Cities and CMAP. If the nature of the default is such that more than one hundred twenty (120) days are reasonably required for its cure, then CMAP shall not be deemed to be in default if it has commenced a cure within the one hundred twenty (120) day period and thereafter diligently proceeds with such cure to completion within the time period reasonably established by the Cities.
- D. The Cities may also terminate this Agreement at the expiration of its term, or any extension thereof.
- E. Upon termination of this Agreement, CMAP shall immediately transfer to the Cities all equipment, real property, fixtures, contracts, leases, deposit accounts or other assets received by or purchased by CMAP with funds received pursuant to this Agreement to such organization or organizations designated by the Cities to manage PEG access, which shall at the time qualify as a tax exempt organizations(s) under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provisions of any superseding law).



SECTION 22. EXTENSION OF AGREEMENT. This Agreement may be renewed or extended for additional periods of five (5) years upon the Cities approval of a written request by CMAP filed with the Cities at least one hundred and twenty days (120) before the expiration of the initial term of this agreement provided that CMAP is in compliance with the terms of this Agreement. CMAP shall be deemed in compliance with this Agreement unless the Cities provide CMAP with a notice of violation and such violations is not timely cured

SECTION 23. TIME. Time is of the essence in this Agreement and for the performance of all covenants and conditions of this Agreement.

SECTION 24. COOPERATION. Each party agrees to execute all documents and do all things necessary and appropriate to carry out the provisions of this Agreement.

SECTION 25. APPLICABLE LAW. This Agreement shall be interpreted and enforced under the laws of the State of California.

SECTION 26. NOTICES. All notices and other communications to be given by either party may be given in writing, depositing the same in the United States mail, postage prepaid and addressed to the appropriate party as follows:

To the City of Gilroy:

City Administrator  
7351 Rosanna Street  
Gilroy, CA 95020

To the City of Hollister:

City Manager  
375 Fifth Street  
Hollister, CA 95023

To the City of San Juan Bautista:

City Manager  
311 Second Street  
P.O. Box 1420  
San Juan Bautista, CA 95045

To CMAP:

Executive Director  
7500 Monterey Road  
P.O. Box 1822  
Gilroy, CA 95021

Any party may change its address by written notice to the other parties at any time.

SECTION 27. SEVERABILITY.

If any term, provision, covenant or condition of this Agreement shall be determined to be invalid, void, or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected to the extent the remaining provision are not rendered impractical to perform taking into consideration the purposes of this Agreement.

SECTION 28. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

SECTION 29. ENTIRE AGREEMENT. This Agreement is the entire agreement of the parties and supersedes all prior negotiations and agreements whether written or oral. This Agreement may be amended only by written agreement and no purported oral amendment to this Agreement shall be valid.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

CITY OF GILROY, a municipal corporation

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

Date: \_\_\_\_\_

CITY OF HOLLISTER, a municipal corporation

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

Date: \_\_\_\_\_

CITY OF SAN JUAN BAUTISTA, a municipal corporation

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

Date: \_\_\_\_\_

COMMUNITY MEDIA ACCESS PARTNERSHIP OF SOUTHERN SANTA CLARA AND SAN BENITO COUNTIES, a nonprofit corporation

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

Date: \_\_\_\_\_

# EXHIBIT A

## CMAP Fiscal Year 2020/21 Enhanced Government Services Rate Sheet Schedule

CMAP shall charge according to the following schedule of rates for performing the following services related to government programming. All rates are subject to annual cost of living increases and/or PEG funding uncertainty.

*Doc. Date: July 2020. This document will be updated annually with the CMAP Annual Plan and Budget*

### GOVERNMENT MEETING SERVICES

#### Council Chamber Meeting Coverage

Meeting coverage in addition to that outlined in Section 2: A. of this agreement **\$85 per hour**

#### Equipment Maintenance/Expansion of Government Installations

CMAP provides routine inspection, maintenance, troubleshooting, and repairs of CMAP-installed equipment in city facilities. Governments may also request new functionality that requires installation of additional equipment. **\$100 per hour**

### ADDITIONAL OFF-SITE VIDEO SERVICES (provided with field equipment by CMAP staff)

#### Single Camera Field Production

Includes operator, professional camera and mic. This provides adequate coverage for off-site meetings, workshops and other public events. **\$250** (up to 3 hours)  
**\$400** (3-5 hours)  
**\$500** (5-7 hours)

#### 3-Camera Switched Field Production

Includes TriCaster switcher, 3 person crew, live or post-produced graphics, web archive or DVD. **\$1,000** (up to 3 hours)  
**\$200** (each additional hour)

#### Audio Support/PA in the Field

Includes mixer, multiple mics, public address system, and one operator. **\$500** (up to 3 hours)  
**\$100** (each additional hour)

#### Editing/Post Production/Graphics

Video field work typically requires that video material be edited and have graphics edited before being cablecast and web streamed/archived. This provides that basic service. Depending on the production and quality desired, extended hours of editing may be required. Estimates are provided prior to start of work. **\$85 per hour**

#### Live Web Streaming

CMAP can provide live web streaming of any field production. Requires an adequate internet connection on location. CMAP can also provide a simple embed code to place the streaming video on a government web site. **\$100 per event**

#### Live Cablecast/Web Stream

Same as above but with live cablecast to Charter/AT&T cable channels. **\$150 per event**

### IN-HOUSE PRODUCTIONS AT CMAP STUDIO

#### Studio Production

Includes two CMAP crew members for technical production. **\$100 per hour**

#### Studio Show Producer

Responsible for show production, crew coordination, graphics, etc. **\$150 per 30-60 minute program**

#### DVD Creation

Includes DVD menus and cover. **\$75 per master**  
**\$10 per copy**



## CITY OF SAN JUAN BAUTISTA STAFF REPORT

**AGENDA TITLE:** APPROVE A CHANGE ORDER TO THE DON CHAPIN CONSTRUCTION, INC. TO INSTALL AN 8” SANITARY SEWER LINE IN OLD SAN JUAN HOLLISTER ROAD AND COKE WATER SERVICE

**MEETING DATE:** October 20, 2020

**SUBMITTED BY:** Julie Behzad, PE, City Engineer

**DEPARTMENT HEAD:** Don Reynolds, City Manager

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### **RECOMMENDED ACTION(S):**

That the City Council:

1. Approve a change order to the Don Chapin Construction, Inc. in the amount of \$177,000 to install an 8” sanitary sewer line on Old San Juan Hollister Road and Coke water service
2. Approve a project contingency fund of \$17,700 and authorizes the City Manager to approve potential contract change orders and other construction contingencies within said fund

### **BACKGROUND INFORMATION:**

Back in August 2018, the City and Coke Farms agreed to exchange wells when Well 3 was forced out of service due to high nitrates. This exchange included among other things, new sewer and water connections allowing Coke Farms to develop their industrially zoned land, modifying Well 3 for agricultural uses, and establishing a City service meter with PGE at the Sewer Lift Station on San Juan Hollister Road. The sewer line and lift station improvement are also necessary components for the City’s new treatment plant at Well 6. The iron and manganese filtration system required for Wells 5 and 6 requires periodic flushing and relies upon the sanitary sewer lines to process the wash water. Lastly, this new sewer line will serve the adjacent property site 451 San Juan Hollister Road.

The City engaged in the competitive bid process during the advertising of the Third Street Reconstruction Project from Tahuallami Street to Muckelemei Street. A Notice to Bidders was published in the Hollister Free Lance. Staff sent the Notice to Bidders to eight (8) Builders

Exchanges, covering Alameda County, Santa Clara County, Contra Costa County, the Peninsula area, and the San Francisco Bay Area.

Five (5) bids were received and opened on March 16, 2020. The lowest responsive bidder is The Don Chapin Company, Inc., which has extensive experience providing roadway reconstruction and utility installation projects.

On April 21, 2020, the City Council adopted Resolution 2020-17 to award the contract to Don Chapin Construction, Inc. The proposed project replaced roughly 760 linear feet of damaged and deteriorated roadway; installed an 8-inch sanitary sewer main and 8-inch water main, reconnected existing services; installed storm drain system; removed damaged concrete; constructed new curb, gutter, sidewalk, pedestrian ramps, and driveways; and installed striping and pavement markings.

This project is substantially complete, and the resulting street improvements and utilities were successfully completed within the approved budget and time.

During the construction of Third Street Project, it became clear that there is an immediate need to install an 8" sanitary sewer line in Old San Juan Hollister Road to serve the City's Well No. 6, as well as a development being proposed to the north of Well No. 6. Currently, there is not an existing sanitary sewer line serving this segment of Old San Juan Hollister Road. Additionally, there is a urgent need to complete the installation of this sanitary sewer line before the rainy season. Staff considered that, because Don Chapin was working in the City completing the Third Street project, the City could save funding by not paying additional mobilization cost and asked the Don Chapin's construction team to prepare a change order to complete the installation of this sanitary sewer line.

In addition to installing an 8" sanitary sewer line, the City was obligated; per Coke Well Agreement; to install a water service including backflow prevention devices and flow meter for the remainder parcel. Staff asked Don Chapin Construction, Inc. to include the scope of installation of Coke water service in their proposal as well. When these properties are developed for industrial or cannabis use, the developer will help pay for reconstructing the road.

Based on the Engineer's estimate, the change order submitted by Don Chapin Construction, Inc. is reasonable and competitive.

Recommendations

Staff recommends that the City Council approve the change order received from The Don Chapin Company, Inc.

Staff also recommends approving a change order budget that includes a contingency to address potential unforeseen conditions during construction, administration, and project closeout. Breakdown of the change order construction costs is as follows:

Construction Contract	\$	177,000.00
<u>Construction Contingency</u>	<u>\$</u>	<u>17,700.00</u>
Total Estimated Construction Contract	\$	194,700.00

**FISCAL IMPACT:**

This change order will be funded by both water and sewer funds. The sewer capital improvement fund 48 (development impact fees) portion is estimated to be at \$162,250 including \$14,750 contingency. The water fund 46 (development impact fees) portion is estimated at \$32,450 which also includes \$2,950 for contingency.

**SCHEDULE:**

The following is the anticipated schedule for this project: Actual schedule will be developed and confirmed with the contractor based upon completion of the required contract documents, approval of pre-submittals, and their availability.

Approval of Change Order	October 20, 2020
Begin Construction	October 2020
Construction Completion	November 2020



# Contract Change of Orders

C.C.O. No.: 7

Original Contract Amount: \$1,329,000.00

Sheet: 1 of 1

Previous Change Orders  
Amount: \$52,539.84

Date: 10/15/2020

This Change Order Amount: \$177,000.00

City of San Juan Bautista

Project: Third St. Project

Revised Contract Total: \$1,558,539.84

Per the City's direction, Don Chapin Company was to prepare a change order to complete the installation of this sanitary sewer line and Coke Water Service:

**TOTAL COST: \$177,000.00**

**(For further details, please see the attached proposals from Don Chapin Company. The cost of the Coke Water service was reduced since the City agreed to provide the water meter. Staff also was able to reduce the cost of installing the sanitary sewer line due to packaging both proposals)**

You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications of this contract. All new work herein described shall be done in accordance with the applicable provisions of the plans and specifications, except as specifically modified by this contract change order.

NOTE: This change order is not effective until approved by the City. This change order includes all costs and time required to complete the additional work described herein and the contractor shall be entitled to no other compensation.

**Perform the following work @ Item Increase/New Item Price/Lump\_Sum/Force Account**

**Total (Not To Exceed): \$177,000.00**

Consideration of time adjustment will be deferred till after work is completed. (Only if you don't agree on a time extension with contractor) in which case you state deferred in the "days" line below.

By reason of this proposed change **(73)** days extension of time will be allowed

The adjusted contract completion date will be **Nov 30, 2020**



We, the undersigned contractor, have given careful consideration to the change(s) proposed and hereby agree. If this change order is approved, we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted by: \_\_\_\_\_

Date: \_\_\_\_\_

Contractor: \_\_\_\_\_

Date: \_\_\_\_\_

City Approval: \_\_\_\_\_

Date: \_\_\_\_\_

**RESOLUTION NO. 2020-XX\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA  
AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDER #7 WITH  
THE DON CHAPIN CO, INC. TO INSTALL AN 8" SANITARY SEWER  
LINE IN SAN JUAN HOLLISTER ROAD AND COKE WATER SERVICE**

WHEREAS, at the April 21, 2020 meeting, the City Council approved a contract with The Don Chapin Co., Inc. for the Third Street Reconstruction Project from Tualami Street to Muckelemi Street in the amount of \$1,329,000 with a contingency budget of \$132,900; and

WHEREAS, after executing the contract and holding a preconstruction meeting, the Third Street Reconstruction Project began in May 2020; and

WHEREAS, after the reconstruction work was underway, it became clear that there is an immediate need to install an 8" sanitary sewer line in San Juan Hollister Road to serve the City's Well No. 6, as well as a development being proposed to the north of Well No. 6, this extra work was needed; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of San Juan Bautista that;

1. The City Manager is hereby authorized to execute Change Order #7 with The Don Chapin Co., Inc. for additional scope of work in the amount of \$177,000.
2. The City Manager is hereby authorize to approve change orders in an amount of not to exceed \$17,700.

PASSED AND ADOPTED at a regular meeting of the San Juan Bautista City Council duly held on October 20, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Mary V. Edge, Mayor

ATTEST:

\_\_\_\_\_  
Laura Cent, City Clerk



August 25, 2020

**To:** CSG Consultants, Inc.  
550 Pilgrim Dr.  
Foster City, Ca. 94404

**Attn:** Julie Behzad

**Re:** Third Street Reconstruction Project – Sanitary Sewer Addition  
San Juan, Ca.

Dear Julie,

As per your request, the Don Chapin Company has compiled a Cost Estimate Proposal for the above referenced project. This proposal is based on the attached plans by Freitas & Freitas dated 1/07/20. This proposal is as follows:

**QUALIFICATIONS:**

- This Proposal is based on the Proposed Sanitary Sewer Main be installed in the Shoulder of the road. It includes sawcut and patch paving of 80 lineal feet of roadway.
- This Proposal is based on being able to shut down the roads while work is being completed.
- Excavation, demolition, disposal, removal and or backfill of underground irrigation pipe or other utilities is excluded.
- Handling and or processing of wet and or unsuitable material is excluded.
- Redesign and or relocation of wet and or dry utilities in conflict with new improvements is excluded.
- Dewatering is excluded.

**POTHOLE EXISTING UTILITIES (PER DAY AS NEEDED)**

- This item of work includes a cost for 2 days to Pothole and verify existing utilities to confirm the proposed Sanitary Sewer design will work with the existing in ground utilities. This item of work includes the following:
  - Foreman - 1 ea.
  - Labor - 2 ea.
  - Operator - 1 ea.
  - Teamster - 1 ea.
  - Cat 420 Backhoe - 1ea.
  - Vacuum Trailer - 1 ea.
  - Towable Compressor - .5 ea.
  - Jack Hammer - .5 ea.
  - Bobtail Truck - 1 ea.
  - Pickup Truck - 2 ea.



#### **INSTALL NEW 48" MANHOLE OVER EXISTING 8" SEWER MAIN**

- Excavate and expose the existing 8" Sanitary Sewer Main in 1 each location and prepare to tie-in.
  - Per City of Hollister Standards, furnish and install 1 each 48" Standard Sanitary Sewer Manhole.
  - Grout 1 each manhole.
  - After the completion of the paving, raise the iron to grade and patch back.
- Note: This Proposal has no inclusions and or contingencies to furnish and or install T-Lock liner and or any type of liner to the proposed Storm Drain Manholes.**

#### **DIG, LAY AND BACKFILL 8" SEWER PIPE**

- Layout and receive materials for the proposed improvements.
- Dig lay and backfill w/ Sand Envelope and native cap 8" SDR26 Gasketed PVC Pipe over approximately 650 lf.
- After the completion of the Sewer Improvements, prior to Paving complete the following tests:
  - Air Test
  - Video

#### **INSTALL NEW 48" MANHOLE OVER EXISTING 6" SEWER LATERAL @ WELL #6**

- Excavate and expose the existing 6" Sanitary Sewer Lateral in 1 each location and prepare to tie-in.
  - Per City of Hollister Standards, furnish and install 1 each 48" Standard Sanitary Sewer Manhole.
  - Grout 1 each manhole.
  - After the completion of the paving, raise the iron to grade and patch back.
  - Upon completion, demo and dispose of the existing adjacent Sewer Manhole.
- Note: This Proposal has no inclusions and or contingencies to furnish and or install T-Lock liner and or any type of liner to the proposed Storm Drain Manholes.**

#### **INSTALL 48" SANITARY SEWER MANHOLE**

- Per City of Hollister Standards, furnish and install 2 each 48" Standard Sanitary Sewer Manholes.
  - Grout 2 each manholes.
  - After the completion of the paving, raise the iron to grade and patch back.
- Note: This Proposal has no inclusions and or contingencies to furnish and or install T-Lock liner and or any type of liner to the proposed Sanitary Sewer Manholes.**

**TOTAL FOR IMPROVEMENTS: Please review attached Bid Item Sheet with Schedule of Values**

#### **EXCLUSIONS:**

- Permits, fees and or bonds are excluded.
- Testing, layout, Staking and or Engineering is excluded.
- Any items not specifically shown as included are excluded.

If you have any other questions or concerns, please don't hesitate to call me.

Sincerely,

Cody Skow  
Estimator  
Direct Line: 831-444-4143



<b>To:</b> Don Chapin Company, Inc	<b>Contact:</b>
<b>Address:</b> 560 Crazy Horse Canyon Rd Salinas, CA 93907	<b>Phone:</b> (831) 449-4273
<b>Project Name:</b> Third Street Reconstruction - Change Order For Offsite Sewer	<b>Bid Number:</b> 20073-CS
<b>Project Location:</b>	<b>Bid Date:</b>

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
1	Pothole Existing Utilities	2.00	WDAY	\$6,200.00	\$12,400.00
2	Install New Manhole Over Existing 8" Gravity Line	1.00	EACH	\$13,950.00	\$13,950.00
3	Dig Lay And Backfill 8" Sanitary Sewer Pipe	650.00	LF	\$147.00	\$95,550.00
4	Install New Manhole Over Existing 6" Lateral @ Well 6	1.00	EACH	\$12,800.00	\$12,800.00
5	Install 48" Sanitary Sewer Manhole	2.00	EACH	\$7,300.00	\$14,600.00

**Total Bid Price: \$149,300.00**

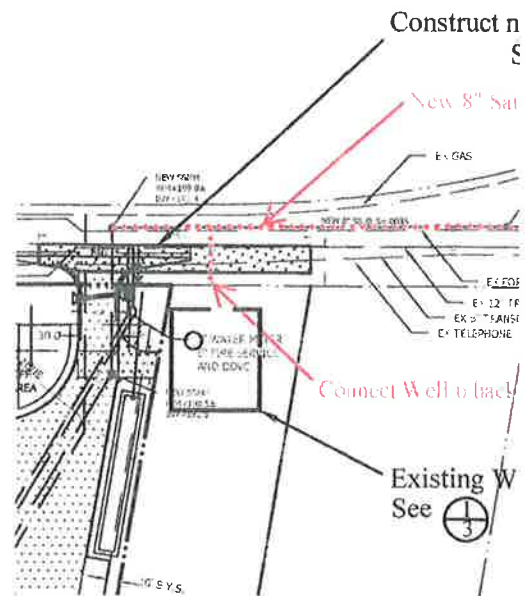
<p><b>ACCEPTED:</b> The above prices, specifications and conditions are satisfactory and are hereby accepted.</p> <p><b>Buyer:</b> _____</p> <p><b>Signature:</b> _____</p> <p><b>Date of Acceptance:</b> _____</p>	<p><b>CONFIRMED:</b> <b>Don Chapin Company</b></p> <p><b>Authorized Signature:</b> _____</p> <p><b>Estimator:</b> Cody Skow (831) 444-4143 cskow@donchapin.com</p>
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**General Notes**

1. All construction must conform to the City of San Juan Bautista standards and accepted by the public works inspector. Standard plans are available at the office of the public works inspector. City uses Hollister Standard Plans.
2. Contractor shall meet with the City of San Juan Bautista at least 48 hours prior to start of construction. 24 hour notice is required on all inspections.
3. Contractor is responsible to make all arrangements for site inspections and insure that all current standards for the City of San Juan Bautista are followed prior to beginning any phase of construction work.
4. The Contractor shall obtain an encroachment permit for any work within the public right of way.
5. Construction shall be limited to the hours of 7:30 a.m. and 6:00 p.m., Monday thru Friday, and 9:00 a.m. to 6:00 p.m. Saturdays. No construction will be allowed on Sundays.
6. Applicant shall restrict all loud noises, vibratory equipment, trucks backup devices, and gas powered compaction tools to hours between 7:30 a.m. to 4:00 p.m. during the permitted days of the week for construction. Inspection requests shall be limited to normal city business hours: 8:00 a.m. to 5:00 p.m., Monday thru Friday. Arrangements for any overtime inspection services should be made 48 hours in advance and are subject to inspection availability and approval by the city engineer.
7. The Contractor is responsible for arrangements to pay for all material testing required by the public works inspector. It is the Contractor's responsibility to see that all testing required by the public works inspector is performed. Any retesting required due to failure of the initial test is the responsibility of the Contractor.
8. Contractor shall field review site prior to submitting the bid.
9. Saw cut all trenches in existing pavement.
10. Contractor is responsible for compaction of all trenches. Spoils generated by these same trenches shall be hauled off and disposed of by the Contractor.
11. Contractor to verify location of all utilities prior to construction. The Contractor shall call U.S.A. 1-(800) 642-2444 and City of San Juan Bautista Public Works (831) 513-1007, 48 hours prior to any digging.
12. The Contractor shall furnish and supply all construction staking.
13. The Contractor shall replace any street or sidewalk improvements or utility services that are removed or damaged during the construction of the project as determined by the City Engineer.
14. The Contractor is responsible for any permits and associated fees.
15. Contractor shall coordinate all utility company work.
16. Contractor shall furnish submittals and test reports on all pipes, valves, fittings and other integral items to the City.
17. Contractor is required to clean the existing improved streets at the end of each working day and other times as required by the City Engineer.
18. The Contractor shall maintain no less than one ten foot wide travel lane in each direction at all times, or with the approval of the public works inspector, during daylight hours: one twelve foot wide travel lane for both directions with traffic control devices as required by the public works inspector.
19. The Contractor shall provide a detailed construction schedule & traffic control plan and receive approval from the City of San Juan Bautista Engineering Department prior to commencement of any construction. Traffic control shall address construction signing away from the site, storm drain crossings, spoils handling, utilities, paving operations and business notifications of interruptions (which shall be kept to a minimum).
20. Any improvements constructed without inspection as provided above or constructed contrary to the order or instructions of the City Engineer will be deemed as not complying with standard specifications and will not be accepted by City of San Juan Bautista for maintenance purposes, and may be cause for issuance of a correction notice or stop work order.
21. Within ten days after receiving the request for final inspection, the City Engineer shall inspect the work. The Contractor will be notified in writing as to any particular defects or deficiencies to be remedied. The Contractor shall proceed to correct any particular defects or deficiencies at the earliest possible date. At such time as the work has been completed, a second inspection shall be made by the city engineer to determine if the previously mentioned.
22. The Contractor is to provide a detailed construction schedule & traffic control plan and receive approval from the City of San Juan Bautista engineering department prior to commencement of any construction. Traffic control shall address construction signing away from the site, storm drain crossings, spoils handling, utilities, paving operations and business notifications of interruptions (which shall be kept to a minimum).
23. The city will ensure that the provisions of the approved plans and specifications are complied with, especially with regard to the quality of workmanship and materials. In the event of any discrepancy or matter of judgement, the decision of the city engineer or their Authorized representative will be binding on the Contractor and design engineer.
24. All work shall be performed in accordance with accepted workmanship practice and these improvement standards orders given by the city relating to quality of materials and workmanship shall be complied with promptly by the Contractor.
25. All materials used shall be subject to the inspection and approval of the department at all times, and shall not be used before being inspected and approved by the inspector. The department has the right to perform any testing deemed necessary to ensure compliance of the materials with the materials specifications. Failure or neglect on the part of the department to condemn or reject work of materials not in accordance should their inferiority become evident at any time. Materials rejected by the city shall be immediately removed from the job site.
26. Contractor shall be in possession of plans approved by the City Engineer prior to construction.
27. Contractor shall notify all utility companies prior to beginning of work.
28. Contractor shall be responsible for the protection of all existing monuments and shall notify city engineer of any damaged or removed city, state or bureau monuments.
29. The property shall be continually maintained and kept free of trash and clutter. Outdoor storage of any and all materials and equipment shall be located behind a structure, vegetation, or a solid wood fence that provides screening from public view. Solid waste shall be stored in closed containers, which will be screened from public view, and transported to an approved dumpsite on a regular basis.
30. If prehistoric or historic archaeological resources or human remains are accidentally discovered during construction work shall be halted within 50 meters (160 feet more or less) of the find until it can be evaluated by a qualified professional archaeologist. If the find is determined to be significant, appropriate mitigation measures shall be formulated and implemented.
31. Sanitary Sewer Material shall be Class 150 C900 PVC Pipe with bell and spigot joints.
32. Concrete shall be Class A 3000 psi concrete.



**LOCATION MAP**



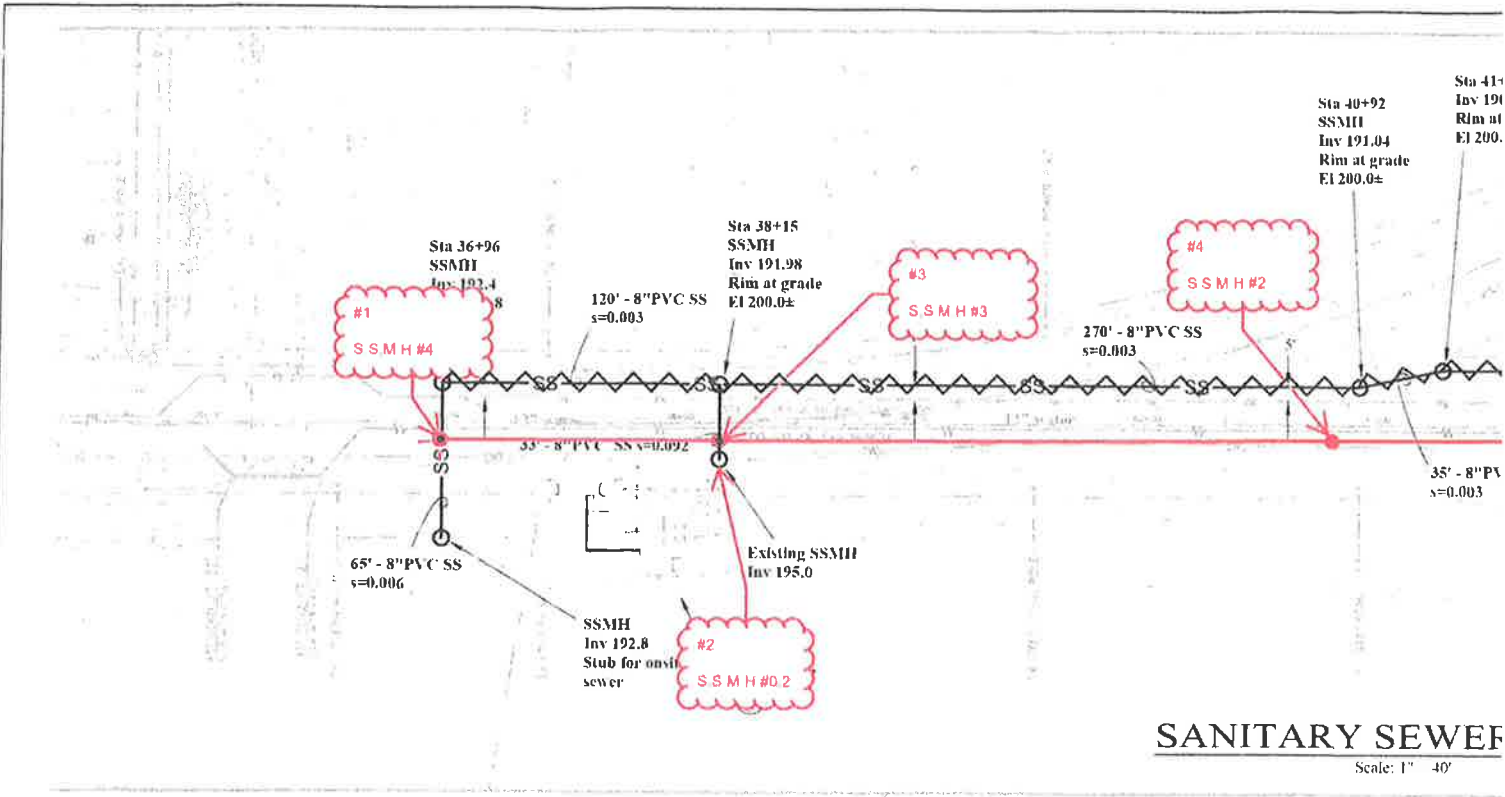
NOTE:  
POTHOLE AND VERIFY DEPTH, LOCATION,  
& DIMENSION OF ALL EXISTING UTILITIES  
PRIOR TO ANY CONSTRUCTION

NOTE:  
CONTRACTOR TO VERIFY UTILITY TYPE  
& SIZE PRIOR TO ORDERING MATERIALS  
FOR CONSTRUCTION

**NOTICE TO CONTRACTORS**  
CONTRACTOR SHALL NOTIFY USA (UNDERGROUND SERVICE ALERT)  
AT 800-227-2600 A MINIMUM OF 24 HOURS BEFORE BEGINNING  
UNDERGROUND WORK FOR VERIFICATION OF THE LOCATION OF  
UNDERGROUND UTILITIES

**EXP.**





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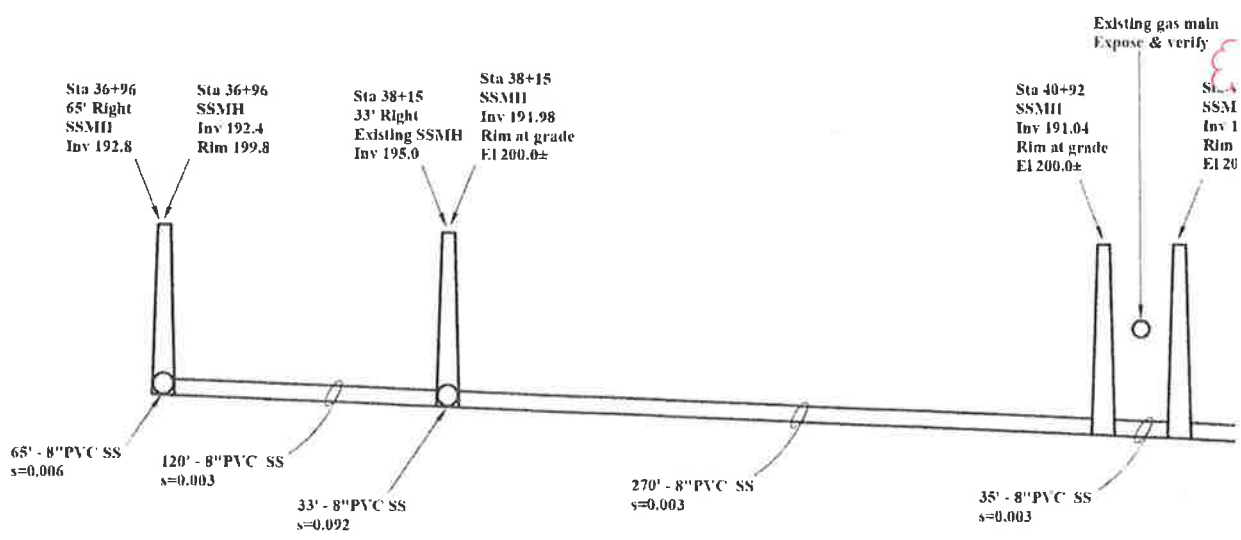
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July 24, 2020

**To:** CSG Consultants, Inc.  
550 Pilgrim Dr.  
Foster City, Ca. 94404

**Attn:** Julie Behzad

**Re:** Third Street Reconstruction Project – Coke Water Improvements  
San Juan, Ca.

Dear Julie,

As per your request, the Don Chapin Company has compiled a Cost Estimate Proposal for the above referenced project. This proposal is based on our onsite meeting Tuesday July 14, 2020. This proposal is as follows:

**COKE WATER IMPROVEMENTS**

- Furnish and install Labor, Material and Equipment to complete the proposed Water Improvements as per Plan Sheet 1 of 1 by Freitas & Freitas Engineering dated 8/2019 (and attached to this proposal).

<b>Labor</b>	-	<b>\$ 8,379.00</b>
<b>Equipment</b>	-	<b>\$ 2,451.45</b>
<b>Material</b>	-	<b>\$ 23,769.55</b>
<b>Trucking</b>	-	<b>\$</b>

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**TOTAL FOR PROPOSED CHANGE ORDER** - **\$ 34,600.00**

**Exclusion/Qualifications:**

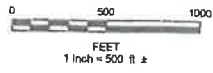
- Permits, fees and or bonds are excluded.
- Excavating, potholing and or improvements underground are excluded.
- Any items not specifically shown as included are excluded.

If you have any other questions or concerns please don't hesitate to call me.

Sincerely,

Cody Skow  
Estimator  
Direct Line: 831-444-4143





**LOCATION MAP**   
 Scale: 1" = 500'±



Remove existing valve, 45° fitting and 8" x 8" x 8" tee

New piping to go here  
 See 

**EXISTING WELL & DEMOLITION PLAN**   
 NTS



**Bid Proposal**  
**Coke Water Service**

**DON CHAPIN CO INC**

**Job Location:** San Juan Bautista  
**Engineer:**  
**Bid Date:** 07/20/2020  
**Core & Main Bid #:** 1418806

**Core & Main**

3050 S Cedar Ave  
Fresno, CA 93725 0000  
Phone: 559-237-7488  
Fax: 559-237-6423

Seq #	Product #	Qty	Description	UoM	Sell	Ext Sell
10	25108FP0400E	1	8 FLGXPE DI PIPE E/L 4' IMP	EA	1,035.39	1,035.39
20	DFBR0804	1	8X4 FLG 90 C110 IMP	EA	193.99	193.99
ABOVE WILL BE EXPOY COATED						
40	5104A236219	4	4 A2362-19 MJXFL GV OL L/ACC	EA	664.34	2,657.36
50	900405SSOSY	1	AMES 4 5000-SS W/OSY GV REDUCED PRESSURE DETECTOR	EA	4,164.40	4,164.40
60	2410BR04FE	1	8X4 FLG RED C110 EPXY IMP	EA	304.62	304.62
70	211049ME	1	4 MJ 90 C153 EPXY IMP	EA	52.76	52.76
80	25104FP0400E	3	4 FLGXPE DI PIPE E/L 4' IMP	EA	561.54	1,684.62
90	25104FP0300E	1	4 FLGXPE DI PIPE E/L 3' IMP	EA	441.54	441.54
100	96SDC9204	6	4" STANDON C9204 FULL CIRCLE PIPE SUPPORT ABOVE REQUIRES 2 INCH GALV STEEL PIPE TO CUT AND FIT ON PIPE SUPPORTS	EA	172.31	1,033.86
140	17020GPE	21	2 SCH40 GALV STL PIPE PE	FT	4.37	91.77
150	NS	1	4 EVOQ4 ELCTROMAG METER	EA	4,210.00	4,210.00
160	NS	2	4-1/2 0 - 150 PSI GAUGE	EA	282.75	565.50
170	NS	2	1/4 PULSE DAMPNER	EA	159.84	319.68
180	3404BVNL	2	1/4 BRS BV FIPT NO LEAD 700-200-00205	EA	24.00	48.00
190	3002N030I	2	1/4X3 BRASS NIPPLE NO LEAD (I)	EA	4.38	8.76
200	71BR2B0474IP075	2	BR2B0474IP075 SAD 4X3/4IP 4.74-5.32 DBL STRAP BRNZ SAD	EA	118.74	237.48
210	4BNKS	5	4 316SS HEX BOLT & NUT KIT	EA	17.40	87.00
220	24AFGFN04	5	4X1/16 FLG FF NEOPRENE GASKET	EA	4.70	23.50
230	8BNKS	2	8 316SS HEX BOLT & NUT KIT	EA	27.28	54.56
240	24AFGFN08A	2	8X1/8 FLG FF NEOPRENE GASKET	EA	5.92	11.84
250	21AMF7041104DSC	6	4 EBAA MEGALUG WIACC 1104DSC W/STD MJ GASKET	SET	40.00	240.00

Seq #	Product #	Qty	Description	UoM	Sell	Ext Sell
260	1108	1	& 4 BOLTS&NUTS (3/4") INCLUDED F/DI 8 EBAA MEGALUG MJ DI 1108 RSTR F/DI PIPE , BLACK	EA	45.19	45.19

**Grand Total**

**17,511.82**

*Actual taxes may vary*

UNLESS OTHERWISE SPECIFIED HEREIN, PRICES QUOTED ARE VALID IF ACCEPTED BY CUSTOMER AND PRODUCTS ARE RELEASED BY CUSTOMER FOR MANUFACTURE WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THIS QUOTATION. CORE & MAIN LP RESERVES THE RIGHT TO INCREASE PRICES UPON THIRTY (30) CALENDAR DAYS' NOTICE TO ADDRESS FACTORS, INCLUDING BUT NOT LIMITED TO, GOVERNMENT REGULATIONS, TARIFFS, TRANSPORTATION, FUEL AND RAW MATERIAL COSTS. DELIVERY WILL COMMENCE BASED UPON MANUFACTURER LEAD TIMES. ANY MATERIAL DELIVERIES DELAYED BEYOND MANUFACTURER LEAD TIMES MAY BE SUBJECT TO PRICE INCREASES AND/OR APPLICABLE STORAGE FEES. THIS BID PROPOSAL IS CONTINGENT UPON BUYER'S ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS OF SALE, AS MODIFIED FROM TIME TO TIME, WHICH CAN BE FOUND AT:

<https://coreandmain.com/TandC/>

## evoQ<sub>4</sub> Electromagnetic Meter

Size 2" to 12"

### Operation

The evoQ<sub>4</sub> is a battery powered electromagnetic water meter that is suitable for a wide range of metering applications. Using Faraday's law of electromagnetic induction, two magnets provide a magnetic field within the pipe; two electrodes measure the induced voltage that is proportional to the flow of conductive water through the field in the pipe. Every 0.5 seconds the measurement is taken and the totalized volume is calculated and updated on the LCD display.

The meter is designed for 10 years of continuous operation with no battery changes necessary.

### Application

The meter is for general use with potable cold water up to 120°F. The meter will typically register at +/-0.75% accuracy at normal and high flows and better than 95% accuracy at extended low flows. The evoQ<sub>4</sub> product line is suited for metering utility customer services for potable water. With the addition of outputs described below, the meter can fulfill a number of distribution management roles as well.

### Pulse or encoder output

The meter can be fitted with a pulse output device that can be attached to a radio transceiver module or a data logger. The pulse output can be programmed in the factory to meet the needs of the utility. For utilities preferring encoded output technologies, an encoder module is available for interface with AMR or AMI systems.

### Remote display

The meter can be fitted with a remote display. A two channeled output can provide both forward and reverse pulses.

### Connections

The evoQ<sub>4</sub> comes in AWWA C701 Class II Turbine meter lay lengths. The flanges are epoxy coated cast iron to reduce weight and prevent corrosion. The 2" comes with an oval flange and the 3"- 12" come with a round flange. All flanges conform to ANSI B16.1 Class 125 standards. Allow for 5 pipe diameters of straight pipe upstream and 3 pipe diameters of straight pipe downstream for optimum performance.



*The evoQ<sub>4</sub> is a single meter that meets the needs of traditional turbine, compound, single jet and magnetic meters.*

### FEATURES AND BENEFITS

**10 year continuous life:** No need for costly and time-consuming replacement.

**No moving parts:** Maintenance free.

**0.5 second sampling rate:** Highest accuracy.

**Wide measuring range:** Suitable for all commercial applications.

**Simple installation:** No additional training required.

**Pulse or encoder connectivity:** Pre-equipped or retrofitted for your AMR and telemetry needs.

**AWWA lay lengths:** Simple changeout.

**IP68 sealed:** Provides long, trouble-free life.

**NSF61 Annex G listed:** Zero lead contaminants.

## LCD

Bright, large and easy-to-read LCD incorporating totalized volume and a reference flow-rate indicator. Alarm functions provide in-situ status ensuring no loss in measuring continuity. An IP68 seal ensures the meter electronics are safely protected providing long term reliability.

## Materials

**Body:** Stainless steel grade 304

**Flow tube:** Stainless steel grade 316

**Liner:** Polyethylene epoxy

**Electrodes:** Stainless steel grade 316

**Flanges:** Epoxy coated cast iron

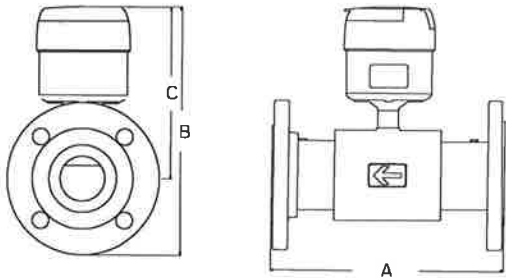
**Register:** Stainless steel with glass lens

**Register housing/lid:** UV-resistant plastic

**Environmental class:** IP68 hermetically sealed unit waterproof to 30 ft depth

## Dimensions and net weight

Meter Size	A		B		C		Weight	
	in	(mm)	in	(mm)	in	(mm)	lbs	(kg)
2"	10	(254.0)	11.24	(285.5)	8.12	(206.2)	11.0	(5)
3"	12	(304.8)	12.27	(311.7)	8.52	(216.3)	22.5	(10)
4"	14	(355.6)	13.22	(335.8)	8.72	(221.5)	35.5	(16)
6"	18	(457.2)	15.32	(389.1)	9.82	(249.4)	55.5	(25)
8"	20	(508.0)	17.16	(435.9)	10.71	(272.0)	81.5	(37)
10"	17.75	(450)	19.50	(495.3)	11.50	(292.1)	120.0	(55)
12"	19.7	(500)	21.00	(533.4)	11.50	(292.1)	159.0	(72)



## Find Out More

WaterMeters@honeywell.com  
www.elsteramcowater.com

## Honeywell Smart Energy

10 SW 49th Avenue, Bldg. 100  
Ocala, FL 34474  
T +1 800 874 0890  
F +1 352 368 1950

1100 Walker's Line, Suite 302  
Burlington, Ontario L7N 2G3  
T 866 703 7582  
F 905 634 6705  
www.HoneywellSmartEnergy.com

Performance	Inches	2	3	4	6	8	10	12
	mm	50	80	100	150	200	250	300
> 95% Accuracy	GPM	0.25	0.6	1.7	4	8	32	32
	m <sup>3</sup> /h	0.06	0.14	0.4	0.9	1.8	7.3	7.3
98.5% - 101.5% Accuracy	GPM	1-220	2-550	4-880	8-1400	16-3500	50-5500	65-5500
	m <sup>3</sup> /h	0.23-50	0.5-125	0.9-200	1.8-318	3.6-795	11.4-1249	14.8-1249
Maximum flow	GPM	220	550	880	1400	3500	5500	5500
	m <sup>3</sup> /h	50	125	200	318	795	1249	1249
Max. operating pressure	psi	230	230	230	230	230	150	150
	Bar	16	16	16	16	16	10	10

**Low-Battery**  
The indicator blinks when the meter has approximately 3 months working life remaining.

**End of Life Battery**  
Measurement stopped. The indicator appears permanently when the meter life expires. Data is displayed for up to 9 months.

**No-Water**  
The indicator blinks when there is an empty pipe condition.

**Flow Rate**  
If water is flowing in the reverse direction a minus sign is displayed to the left of the value.

**Net Volume**  
Any reverse flow is subtracted from the volume display. The top line displays billable units with the multiplier shown in upper right corner. Measurement resolution is provided in the lower right for testing.



SEW-DS-NAEN-EVOQ4 | 08/2017  
Supercedes evoQ4/05-13

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**Honeywell**



# evoQ<sub>4</sub> Outputs

## evoQ<sub>4</sub> Pulse Output Module

### Operation

The evoQ<sub>4</sub> pulse module provides a reliable output communication for connection to all common data management devices, including data-loggers, AMR/I and SCADA systems. The pulse unit is self powered using its own batteries and does not affect the meter life.

Communication between the meter and the pulse module is via an infra-red LED and an optical sensor. A rubber grommet maintains a clear pathway.

### Installation

The pulse unit can be fitted at any time to the evoQ<sub>4</sub> meter, either pre-shipment or in-the-field. Simply connect the pulser to the meter for instant functionality. The unit is fully hermetically sealed and is suitable for use in flooded pits up to a water depth of 30 feet. See evoQ<sub>4</sub> installation operation manual for details.

### Pulse output

The evoQ<sub>4</sub> pulser features a dual channel, bi-directional capable pulse output and alarm indicator.

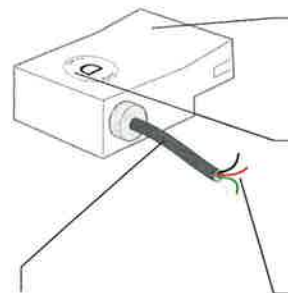
### Alarm<sup>1</sup>

The alarm output channel can provide an output signal to indicate:

- Meter low battery
- Pulser low battery
- Measurement stopped / No water
- Tamper (pulser removed from meter)



SPECIFICATIONS	
Operating temperature	15 °F to 120 °F, -10 °C to +55 °C
Pulse output signal	Open drain NPN current sink
Maximum load current	20mA
Maximum load voltage	30V DC
Power	Battery powered, 10 years
Maximum pulse transmitter distance	200 meters, 650 feet
Standard cable length	10 meters (30 ft), 30 meters optional (98 ft)
Environmental rating	IP 68 / NEMA 6P
Dimensions (mm, in)	H 35 x W 55 x D 70, 1.4" x 2.2" x 2.75"
Weight	1.7oz, approx. 500 grams with 10m cable (30ft)
Minimum pulse width	100ms ± 10ms



Robust communication cable in standard 10m (30 ft) length; 30m (98ft) version is also available.

### Pulser

The evoQ<sub>4</sub> pulser is fully sealed, IP68 unit suitable for installation in flooded environments.

Pulse option label denotes the pulse configuration of the unit (see table below).

A4-wire outputs:  
Red - Pulse channel 1  
White - Pulse channel 2  
Black - Alarm output\*  
Green - Common..

PULSE OUTPUT OPTIONS					
Wire color	Red	White	Black	Green	
Function	Channel 1	Channel 2	Alarm	Common / Ground	
Pulse option label	Pulse weight				Note
F	1 USG / 0.1 Cuft / 1 L	1 USG / 0.1 Cuft / 1 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
K	10 USG / 1 Cuft / 10 L	10 USG / 1 Cuft / 10 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
M	100 USG / 10 Cuft / 100 L	100 USG / 10 Cuft / 100 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
P	1000 USG / 100 Cuft / 1000 L	1000 USG / 100 Cuft / 1000 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
G	1 USG / 0.1 Cuft / 1 L	10 USG / 1 Cuft / 10 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
D*	10 USG / 1 Cuft / 10 L	100 USG / 10 Cuft / 100 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
L	10 USG / 1 Cuft / 10 L	1000 USG / 100 Cuft / 1000 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
N	100 USG / 10 Cuft / 100 L	1000 USG / 100 Cuft / 1000 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
H	1 USG / 0.1 Cuft / 1 L	100 USG / 10 Cuft / 100 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
J	1 USG / 0.1 Cuft / 1 L	1000 USG / 100 Cuft / 1000 L	Alarm	Common / Ground	Net total (Fwd - Rev); Net total (Fwd - Rev)
E	1 USG / 0.1 Cuft / 1 L	Direction Flag	Alarm	Common / Ground	Ch1 Pulse Fwd AND Rev; Ch2 Direction flag
B	1 USG / 0.1 Cuft / 1 L	1 USG / 0.1 Cuft / 1 L	Alarm	Common / Ground	Ch1 Pulse Fwd; Ch2 Pulse Rev
S					Non Standard Configuration

1. Standard configuration if no pulse weight specified  
Fwd - Rev: Forward pulses net of any reverse flow using compensation method internal to pulse module  
Fwd AND Rev: Forward and Reverse pulses (direction flag outputs high state on forward flow)  
Users should check compatibility with electrical requirements of data loggers, SCADA systems, PLC etc.

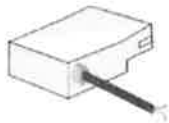
## evoQ<sub>4</sub> Electromagnetic Meter Elster Protocol Encoder Module

### Operation

The evoQ<sub>4</sub> electronic water meter offers users flexibility in output choices. The modular design of the output interface allows utilities to easily retrofit meters to upgrade from direct reading or switch among different output modules. The Elster protocol encoder module is appropriate for interface where Honeywell mechanical water meters using Invision™ Encoder register connected the meter to the utility Automatic Meter Reading system or Automated Metering Infrastructure. Touch reading via inductive pads is supported as well. Upgrading from Touch reading to AMR does not require a module change.

The module operates via optical interface with the evoQ<sub>4</sub> register output. The meter register and the potted encoder module remain fully protected from water ingress, retaining the outstanding reliability inherent to the evoQ<sub>4</sub> product line. The electronic register information is decoded by the encoder and translated to the ASCII standard frame message. Endpoints and interrogation devices obtain the reading through normal transmission processes.

Optional connection variants include bare wire with field splice kits for indoor or submerged locations, Nicor Connector, or Itron In-Line Connector™.



#### Generic Wire Diagram:

Red: Data  
White: V+ (power)  
Black: V0 (ground)



SPECIFICATIONS	
Protocol	Elster K frame
Encoded digits	6 most significant
Encoder ID.	10 digit fixed
Power source.	Lithium battery (10 yr)
Environmental rating (with appropriate splice kit)	NEMA 6P / IP68
Cable lengths (bare wire)	30 feet, 90 feet
Optional connectors (25')	Itron In Line Connector™ Nicor Connector™
Compatibility	Honeywell EnergyAxis® MegaNet™ Enc MTU Itron™ 60W, 60W-R, 200W, 100W Datamatic™ Firefly, MOSAIC Others, contact AMI provider tech support
Materials module	ABS Resin 3 conductor AWG 22 cable
Six digit resolution	1000 US Gallons 100 Cubic Feet 1 Cubic Meter

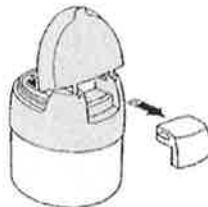
## INSTALLATION



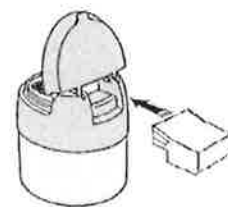
Lift the lid, using a small screwdriver blade, carefully remove the pulser clip.



Remove the blank cover by lifting up...



...and then slide out.



Fit the Encoder unit in the opposite manner to the cover removal.



Replace the securing clip (lugs uppermost).

**Warning:** Take care not to dislodge the rubber gasket on the underside of the unit when fitting / removing.

# evoQ<sub>4</sub> Electromagnetic Meter

## Sensus Encoder Module



### Operation

The Honeywell AMCO Water evoQ<sub>4</sub> Sensus Protocol encoder module is designed for use with 3 wire radio endpoints. The 3 wire to 2 wire adapter module is necessary to allow the encoder to interface with 2 wire endpoints such as wall or pit pads for touch reading or AMR devices that utilize a 2 wire coupler integrated into the radio module.

The encoder reading is obtained through the normal means of interrogation of the reading point via radio endpoint.

The Sensus (also called V frame) protocol is transmitted from the encoder module and reported to the interrogating device.

Reading resolution is determined by the version of Sensus protocol encoder module used and the programming set in the handheld. Either 6 digit or 8 digit reads are transmitted.



#### Generic Wire Diagram:

- Red: Data
- White: V+ (power)
- Black: VO (ground)

SPECIFICATIONS	
Protocol	Sensus V frame
Encoded digits	v_6 -6 most significant v_8-8 most significant
Encoder ID.	10 digit fixed
Power source.	Lithium battery (10 yr)
Environmental rating (with appropriate splice kit)	NEMA 6P / IP68
Cable lengths (bare wire)	30 feet, 90 feet
Optional connectors (25')	Itron In Line Connector™ Nicol Connector™
Compatibility	Honeywell EnergyAxis® MegaNet™ Enc MTU Itron™ 60W, 60W-R, 200W, 100W Datamatic™ Firefly, MOSAIC Others, contact AMI provider tech support
Materials module	ABS Resin 3 conductor AWG 22 cable

Six digit resolution	1000 US Gallons 100 Cubic Feet 1 Cubic Meter
Eight digit resolution	10 US Gallons 1 Cubic Foot 1 Liter

evoQ <sub>4</sub> Size and Units	1.5"-4" USG	6"-12" USG	1.5"-4" CuFt	6"-12" CuFt	1.5"-4" M <sup>3</sup>	6"-12" M <sup>3</sup>
Resolution						
6 Digit Sensus encoder module	123456 x 1000 USG	123456 x 1000 USG	123456 x 100 CuFt	123456 x 100 CuFt	123456 x 1 M <sup>3</sup>	123456 x 1 M <sup>3</sup>
8 Digit Sensus encoder module	12345678 x 10 USG	12345678 x 10 USG	12345678 x 1 CuFt	12345678 x 1 CuFt	12345678 x 10 L	12345678 x 10 L

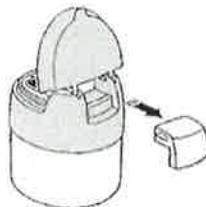
### INSTALLATION



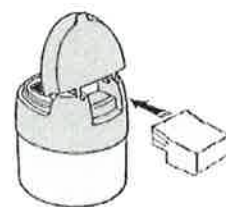
Lift the lid, using a small screwdriver blade, carefully remove the pulser clip.



Remove the blank cover by lifting up...



...and then slide out.



Fit the Encoder unit in the opposite manner to the cover removal.



Replace the securing clip (lugs uppermost).

**Warning:** Take care not to dislodge the rubber gasket on the underside of the unit when fitting / removing

## evoQ4 Electromagnetic Meter

### MX 42 VP Module - Pulse and Encoder Module

#### Operation

The VP module for evoQ4 combines a sensus protocol encoder channel and a high resolution pulse channel for use with both an AMR/I radio end point and typical industrial monitoring systems using the pulse input. Remote counters, PLC, and SCADA systems are typical.

#### Specify encoder resolution (6 digit or 8 digit).

Encoder connection types include three wire bare - for splicing to three wire radio endpoints, and Itron or Nicor connectors.

#### Bare wire cable function:

Red: Data

Green: V+ (power)

Black: VO (ground)

Pulse resolution is fixed but depends on the units of registration of the meter to which the module is attached.

USG: 1 pulse = 1 USG

CuFt: 1 pulse = 0.1 Cuft

M<sup>3</sup>: 1 pulse = 1 Liter

#### The pulse logic is fixed at Forward Net.

Reverse totalization will not cause an output, but reverse total is stored in a memory buffer. As forward flow resumes, The reverse total buffer will decrease until forward flow has equaled the buffer, in effect zeroing it out. The pulse train then resumes as normal with continued forward flow.

#### Pulse cable function:

Green: Pulse signal

Black: VO (ground).



SPECIFICATIONS	
Power source	3 V Lithium battery (10 yr)
Environmental rating	NEMA 6P / IP68
Operating temp.	14 to 131°F (-10 to 55 °C)
Storage temp.	-4 to 140 °F (-20 to 60 °C)
Materials	ABS Resin

ENCODER	
Protocol	Sensus (specify 6 or 8 digit)
Encoder ID	10 digit fixed
Connection	25' cable with bare wire, Nicor or Itron connector

PULSE	
Pulse logic	Forward Net
Pulse weight	1 pulse = 1 USG / 0.1 Cuft / 1 L
Max. pulse frequency	100 hz
Min. pulse width	5 ms
Signal type	Open drain FET
Connection	Bare wire 25'
Max. load current	20mA
Max. load voltage	30 VDC

#### INSTALLATION



Lift the lid, using a small screwdriver blade, carefully remove the pulser clip.

Remove the blank cover by lifting up...  
...and then slide out.

Fit the Encoder unit in the opposite manner to the cover removal.

Replace the securing clip (lugs uppermost).

**Warning:** Take care not to dislodge the rubber gasket on the underside of the unit when fitting / removing.

#### Find Out More

WaterMeters@honeywell.com  
www.elsteramcowater.com

#### Honeywell Smart Energy

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www.HoneywellSmartEnergy.com

SEW-DS-NAEN-EVOQ4 Pulse Modules 05/2018

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**Honeywell**





## CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

**AGENDA TITLE:**                    **MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY, SAN BENITO COUNTY AND THE CITY OF HOLLISTER TO RECEIVE AND DISBURSE AN ALLOCATION OF CARES ACT FUNDING TO SUPPORT SMALL AND LOCAL BUSINESSES**

**DATE:**                                    October 20, 2020

**DEPARTMENT HEAD:**    Don Reynolds, City Manager

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### **RECOMMENDATION**

It is recommended that the City adopt the attached Resolution and authorize the City Manager to execute a Memorandum of Understanding to receive and disburse an allocation of CARES Act funding to support small and local businesses.

### **BACKGROUND**

The recitals in the attached Resolution serve to document the history of the City's primary response to the COVID 19 State of Emergency since March 1, 2020. After a few weeks of deliberation, on April 14, 2020, the City approved Resolution 2020-12, and hired the Community Liaison. This very important decision has served our local business owners well, and helped greatly to stabilize our economy.

The federal government adopted the Caronavirus Aid, Relief and Economic Security Act, (CARES Act) March 27, 2020. It did not provide aid to local governments with a population less than 500,000 but did provide several grant and loan packages for local business owners. The Community Liaison worked to help our local business owners apply for and receive these funds. In June the State concluded that the federal government was not willing or able to pass additional assistance to local business and local governments, so it released a portion of its CARES Act funding to the cities and counties. San Juan Bautista spent \$183,0000 between March 1 and September 30, 2020, in its response to the COVID Crisis, and received \$50,000 from the State to pay for its effort. The County received approximately \$6 million to pay for its effort, and to help local business owners. Attached behind the proposed Resolution, is the description of the \$1.5 million business grant program it released in July.

The County's program received more than 200 applications from local businesses, seeking grants of between \$5,000 and \$15,000. 18 of these applications came from San Juan Bautista and all but one received approval. The Community Liaison worked for hours sorting through each of the 200 applications and ranking each. Funds were promised by August 31<sup>st</sup>, 2020, but the federal government seems to be holding up these funds until the end of October. The City received its \$50,000 October 14, 2020. Hopefully, the business grants will be funded soon.

### **DISCUSSION**

The County has to spend its CARES Act funds by December 30, 2020. It still has money available for local businesses and has developed the attached Memorandum of Understanding that allows each jurisdiction to develop their own equitable and fair criteria for the distribution of additional grants. The County is releasing \$193,000, and of that amount, San Juan Bautista business owners can expect to receive \$43,333. In an effort to keep this program simple and efficient, staff is recommending that the criteria follow closely the original criteria established by the County as provide in the attachment. The program does emphasize the use of funds to prepare for the winter season, and to prepare business owners for indoor services and personal protective equipment.

### **FISCAL IMPACT**

Because the City has spent more than its allotment of CARE Act funds, unless additional direct federal assistance comes to the City, it will be spending its General Fund to pay for the Community Liaison's efforts to administer this local business grant program. Of course, these businesses generate general fund revenues for the City.

### **ATTACHMENTS:**

- Resolution and MOU
- County Business Grant Program

**RESOLUTION 2020-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA  
AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF  
UNDERSTANDING BETWEEN THE CITY, SAN BENITO COUNTY AND THE CITY  
OF HOLLISTER TO RECEIVE AND DISBURSE AN ALLOCATION OF CARES ACT  
FUNDING TO SUPPORT SMALL AND LOCAL BUSINESSES**

**WHEREAS**, on March 4, 2020, Governor Newsom declared a State of Emergency for the State of California as a result of the COVID-19 pandemic; and

**WHEREAS**, the County of San Benito declared a State of Emergency on March 6, 2020, regarding the COVID-19 Virus. Included in the County's declaration is an aggressive order by the County Public Health Official to all residents ordering them to "shelter in place" to reduce the spread of the COVID-19 Virus; and

**WHEREAS**, the City Council at its meeting March 17, declared a State of Emergency in San Juan Bautista; and

**WHEREAS**, on March 27, 2020, the federal government approved the Coronavirus Aide, Relief and Economic Security Act, (CARES Act"), a \$2 trillion act to help stave off total economic collapse during and following the State of Emergency; and

**WHEREAS**, the shelter in place order has been an effective tool to fight the spread of the virus, but has greatly reduced the business traffic downtown, and the City Council recognizes that helping local businesses survive this disaster is the best approach help strengthen the City's economy during this disaster, and that many of the different State and federal tools for relief are very complicated and subject to frequent changes and interpretations; and

**WHEREAS**, on April 14, 2020, the City approved Resolution 2020-12, and a job description for the "Disaster Services Worker, Community Liaison," and between April and July, the Community Liaison was hired to, among other things, implement the transformation of Third Street and assist business owners with applying for various federal loans and grants from the CARES Act, helping them to stay in business during and after the Pandemic; and

**WHEREAS**, the CARES Act does not provide direct funding for local governments with a population of less than 500,000, and in response to the lack of federal action in this regard, the State released a portion of its CARES Act allocation to cities and counties, and the City received its \$50,000 allocation to pay for a portion of its expenses (\$183,000 to date since March 1, 2020), and the County received approximately \$6 million dollars to reimburse the County for its direct expenses and to help the local economy; and

**WHEREAS**, the County agreed to provide a small business grant program where local small businesses in the County could apply for assistance directly related to losses incurred as a direct result of COVID 19, with applications opening July 6, and closing in August with funding to be disbursed soon thereafter or as soon as the State released its funds for this program (initially it was August 31st, but now it is expected to be the end of October); and

**WHEREAS**, out of more than 230 applications received from businesses within the County, 18 of these were from the City; the Community Liaison reviewed the applications, and helped rank and select recipients, and all but one application from the City was funded; and

**WHEREAS**, the County is offering an additional \$193,333 to fund more grants of this type to local business owners, and the City's share is estimated to be \$43,333, but this time the County is asking each jurisdiction to manage the distribution of the funds to their local businesses through a local grant program; and

**WHEREAS**, the City is prepared to administer this small business grant program using a fair, equitable selection criteria (similar to the County's), focusing on small business owners and helping them to adjust to the winter season, to assure the safety of indoor foot traffic with COVID and PPE needs, and to weatherize the outdoor accommodations already built or under construction; and

**WHEREAS**, all that is needed to initiate the program is to adopt a Resolution and execute a Memorandum of Understanding between the cities and the County (attached by reference and made a part hereto).

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA HEREBY RESOLVES AS FOLLOWS:**

1. The City Council agrees with and approves of the intentions and facts described in the above recitals.
2. The City Council approves this Resolution and authorizes the City Manager to execute the "Memorandum of Understanding" between the City Hollister and the County to administer a local business grant program using federal CARES Act funding from the County, as presented in the attachment to the Resolution.

**PASSED AND ADOPTED** by the City Council of the City of San Juan Bautista on this 20<sup>th</sup> day of October 2020 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

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Mary V. Edge, Mayor

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Laura Cent, City Clerk

# COUNTY OF SAN BENITO ADMINISTRATIVE OFFICE



## COVID-19 Business Recovery Assistance Grant Program

### Overview & Objective

To mitigate the impact of COVID-19 on San Benito County businesses and their employees, the County has committed up to \$1,500,000 in one-time funds to create a Small Business Assistance Grant Program. The objective of this program is to offer immediate financial assistance and small businesses located in San Benito County to aid in maintaining their business and workforce.

**The Program:** San Benito County Work Force Development will administer the COVID-19 Business Recovery Assistance Grant Program, which will provide grants up to \$15,000 each to qualifying San Benito County businesses. The federal funds are provided locally through the CARES Act. Applicants should thoroughly review the eligibility and application process applications will be processed on first come first serve basis, through a three tiers basis and criteria outlined below. Submission of an incomplete or inaccurate application may result in ineligibility for program funding. San Benito County is committed to timely review and processing to ensure award recipients can apply this resource to the successful continuation of business operations.

**Terms:** San Benito County will provide grants up to \$15,000 Relief Grant to an eligible business that has been impacted by the COVID-19 pandemic. If a business closes permanently before receiving the Small Business Relief Grant or, if a business is currently closed and does not open within 30 days of receiving this grant funding (or within 30 days of Governor's announcement to lift closure orders), the Business Relief Grant funds must be returned to the County.

**Tier/Priority:** San Benito County will prioritize application on three tiers or served on first come first serve basis.

- Tier 1: Under Governor's order of reopening stages 3 & 4, non-essential
- Tier 2: Under Governor's order of reopening stages 1 & 2, non-essential
- Tier 3: Essential business that remained open during the executive order.

The following priorities will be used in the application review process:

- Prioritizing business that have not received either SBA Paycheck Protection Program (PPP) or SBA Economic Injury Disaster Loan (EIDL) or other SBA, government or other grant source related to COVID-19.
- Applicants operating out of a physical storefront within the County limits of San Benito will be prioritized.
- Prioritizing locally and independently owned Business.

**Timeline:** Application process: Two-week window, July 6<sup>th</sup>- July 20<sup>th</sup> by 5:00 p.m.  
**Application Review:** July 21- August 11, Initial filter through workforce development board and advisory ad-hoc.  
**Notification to Business:** August 11-18<sup>th</sup>  
**Issues:** funding no later than, Monday, August 31<sup>st</sup>

**Eligibility:**

1. Located in San Benito County.
2. Applicants must verify the business has experienced a loss of income due to COVID-19 by completing the Estimated Disaster Economic Injury Worksheet.
3. Applicants must have an active **Business License**, a copy is required at submission and be in good standing with the local jurisdiction and State. Applicants who are involved or have been involved in legal or financial issues may not qualify.
4. Applicants must have been in operation in the San Benito County for at least one year as of March 1, 2020 and have under than 100 full-time employees.
5. Applicants must submit a current copy of its W-9 form.
6. The business must remain open at least 30 days after receiving grant funding, otherwise business must return the Business Relief Grant funds.

**Use of Funds:** The grant funds must be solely used for expenditures that occur between March 1, 2020 and December 30, 2020 and fall under one or more of the following categories:

- Payroll;
- Business Lease or Rent;
- Business telework equipment costs;
- Inventory Acquisition (inventory needed to reopen or maintain open status);
- Personal Protective Equipment (PPE) purchase; and
- Facility Readiness (social distancing preparedness, business modifications, etc.).
- Reimbursement of loss revenue due to business interruption cost (must provide a schedule c)

**Business Post-award Audit:** Report-Out how the funding was spent 45 days after funding is received. Post-award there will be an opportunity to schedule an appointment with a local business organization to provide additional resources available to the business.

**Application submission:**

1. Application with a copy of business license.
  - a. Reimbursement of loss revenue due to business interruption cost (must provide a schedule c)
2. Essential Disaster Economic worksheet,
3. W-9 Form for business, and
4. Electronic Payment Form with Voided Business Check.

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE COUNTY OF SAN BENITO, THE CITY OF HOLLISTER,  
AND  
THE CITY OF SAN JUAN BAUTISTA**

This Memorandum of Understanding (MOU) between the County of San Benito (COUNTY), the City of Hollister (HOLLISTER), and the City of San Juan Bautista (SAN JUAN), establishes the rights and responsibilities of the parties for the allocation of CARES Act funding to support local small businesses whom have been impacted by COVID-19. The small business recovery assistance will support businesses in preparing their facility to operate outdoors. To mitigate the impact of COVID-19 on the local economy, the County has committed \$193,333 in one-time funds to support the local jurisdictions as they assist businesses and specifically target the downtown region to prepare their facility to continue outdoor operation for the winter months. The objective of this program is to offer immediate financial assistance and to support the cities' local economies to ensure outdoor facility readiness for the upcoming fall and winter months.

**WHEREAS**

1. The COUNTY, HOLLISTER, and SAN JUAN are all public entities;
2. The COUNTY is a political subdivision of the State of California;
3. The City of HOLLISTER and the City of SAN JUAN are both municipal corporations;
4. The COUNTY Board of Supervisors assigned a sum of \$193,333.00 to provide funding assistance to small business address unforeseen financial needs and risks created by the COVID-19 public health emergency within San Benito County which will be distributed among the Parties;
5. The parties recognize the need to collaborate and support the local economy and emphasis assisting local mall business that support the most venerable members of the community and were financially impacted and supporting families impacted by the COVID-19 public health emergency.
6. The parties realize the potential for focusing on a specific region and supporting the local economy within San Benito County to mitigating or responding to the COVID-19 public health emergency.

**PURPOSE**

The City of HOLLISTER and the City of SAN JUAN will administer programing to support small businesses impacted by COVID-19, to support facility readiness and outdoor modifications to business operations model. Recovery Assistance will only be available to small businesses located in each jurisdiction. The federal funds are provided locally through the CARES Act the Catalog of Federal Domestic Assistance (CFDA) number is 21.019, allocated through the State of



California Department of Finance. The City of HOLLISTER and the City of SAN JUAN will follow the terms and conditions of the CARES Act statute and related guidance. Additional terms and conditions are included as Attachment A. In addition, the City of HOLLISTER and the City of SAN JUAN will provide the COUNTY with regular updates on programing.

1. **OBLIGATIONS Funding:** The COUNTY will provide the \$150,000.00, to the City of HOLLISTER and \$43,333 to the City of SAN JUAN BAUTISTA which shall be utilized in accordance with the CARES Act regulations and guidance.
2. **Report/Monitoring:** The City Manager (CM) for HOLLISTER and SAN JUAN will work with the County Staff and two (2) County Supervisors in an advisory capacity. HOLLISTER and SAN JUAN will track and provide the COUNTY with a detailed list and accounting of the disbursement of the Funding.
3. **Deadlines:** HOLLISTER and SAN JUAN shall report on expenditures and summarize collaboration of small business assistance efforts by November 15, 2020 and return any funds that are unspent by November 30, 2020.
4. **Subrecipients.** HOLLISTER and SAN JUAN are a nonfederal entity receiving a subaward from the COUNTY to carry out part of a federal program. Nothing in this MOU shall create in HOLLISTER or SAN JUAN any of the rights, powers, privileges or immunities of any officer or employee of the COUNTY. HOLLISTER and SAN JUAN will determine who is eligible to receive federal assistance and how to administer the funds in accordance with all rules and regulations. HOLLISTER and SAN JUAN agree to:
  - a. Ensure objectives of the federal program, are met;
  - b. Be responsible for programmatic decision making;
  - c. Be responsible for adherence to applicable federal program requirements specified in the federal award;
  - d. Adhere to federal guidance and the state's stay-at-home requirements and other health requirements as directed in gubernatorial Executive Order N-33-20, any subsequent Executive Orders or statutes, and all California Department of Public Health orders, directives, and guidance in response to COVID-19 emergency.
  - e. Use the funds in accordance with all applicable provisions of subdivision (d) of Control Section 11.90 of the Budget Act of 2020.
  - f. Ensure all expenditures,
    - i. are incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.
    - ii. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19), and
    - iii. Were not accounted for in the budget most recently approved as of March 27, 2020, for each jurisdiction.

5. **Post-award Audit:** HOLLISTER and SAN JUAN will require applicants/recipients to report-out how the funding was spent after funding is received. HOLLISTER and SAN JUAN will provide the COUNTY a list of all organizations receiving CARES Act funding and details on the expenditure of the allocation amount.
  
6. **Fund payments may be considered federal financial assistance for purposes of the Single Audit Act:** Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.
  
7. **Hold Harmless:** HOLLISTER and SAN JUAN agrees to indemnify, defend with counsel approved by COUNTY, and hold harmless the COUNTY, its officers, officials, employees, and agents from and against any and all liability, loss, damage, expense, and cost arising out of, related to, or in connection with its negligence, recklessness, or willful misconduct in carrying out these activities. In addition, HOLLISTER and SAN JUAN agrees to indemnify the COUNTY from any financial or tax liability arising from its status as an independent contractor.
  
8. **Third Party Beneficiary Rights.** The Parties do not intend to create in any other individual or entity the status of a third-party beneficiary, and this MOU shall not be construed so as to create such status. The rights, duties and obligations contained in this MOU shall operate only between the Parties to this MOU and shall inure solely to the benefit of the Parties to this MOU. The provisions of this MOU are intended only to assist the Parties in determining and performing their obligations under this MOU. The Parties to this MOU intend and expressly agree that only Parties signatory to this MOU shall have any legal or equitable right to seek to enforce this MOU, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this MOU, or to bring an action for the breach of this MOU.

9. **MOU Administrators:** All matters concerning this MOU which are within the responsibility of the parties shall be under the direction of, or shall be submitted to, the respective MOU administrators or to the party's employee specified, in writing, by the MOU administrator. A party may, in its sole discretion, change its designation of its MOU administrator and shall promptly give written notice to the other party of any such change. The parties' MOU administrators are:

COUNTY's MOU Administrator:

Ray Espinosa, CAO  
481 Fourth Street  
Hollister, CA 95023  
Email: [respinosa@cosb.us](mailto:respinosa@cosb.us)  
Telephone No.: (831) 636-4000  
Facsimile No.: (831) 636-4010

HOLLISTER's MOU Administrator:

Brett I. Miller, City Manger  
375 Fifth Street,  
Hollister, CA 95023  
Email: [Brett.miller@Hollister.ca.gov](mailto:Brett.miller@Hollister.ca.gov)  
Telephone No.: (831) 636-4301  
Extension 1119

SAN JUAN 's MOU Administrator:

Don Reynolds, City Manger  
311 Second Street,  
San Juan Bautistia, CA 95045  
Email: [citymanager@san-juan-bautista.ca.us](mailto:citymanager@san-juan-bautista.ca.us)  
Telephone No.: (831) 623-4661

10. **Notices:** Notices to the parties in connection with the administration of this MOU shall be given to the parties' MOU administrator personally, by regular mail, by email, or by facsimile transmission as more particularly specified in this paragraph. Notices will be deemed given on:
- a. The day the notice is personally delivered to the MOU administrator or the office of the party's MOU administrator; or
  - b. Five days after the date the notice is deposited in the United States mail, addressed to a party's MOU administrator as indicated in this MOU, with first-class postage fully prepaid; or
  - c. On the day that the notice is transmitted by email or facsimile to a party's email address or facsimile number, provided that an original of such notice is deposited in the United States mail, addressed to a party's MOU administrator, on the same day as the email or facsimile transmission is made.
11. **Termination:** The provisions of this MOU may be terminated upon thirty (30) days written notice by any Party.
12. **Amendment:** This MOU may be amended at any time with the mutual consent of all parties involved, but shall only be effective if in writing with signatures from each authorized party representative.
13. **Prohibition Against Assignment and Delegation of Duties:** Except as specifically authorized herein, no rights under this MOU may be assigned and no

duties under this MOU may be delegated by HOLLISTER and SAN JUAN without the prior written consent of the COUNTY, and any attempted assignment or delegation without such consent shall be void.

14. **Compliance With Applicable Laws; Nondiscrimination:** HOLLISTER and SAN JUAN shall comply with all applicable federal, state and local laws now, or hereafter, in force, and with any applicable regulations, in performing the work and providing the services specified in this MOU. HOLLISTER and SAN JUAN shall not discriminate in the employment of persons necessary to perform this MOU on any legally impermissible basis, including on the basis of the race, color, national origin, ancestry, religion, age, sex, or disability of such person.
15. **Applicable Law:** The construction, interpretation and enforcement of this MOU shall be governed by the laws of the State of California. The courts of the State of California shall have jurisdiction over any action arising out of this MOU and over the Parties, and the venue shall be the County of San Benito Judicial District, California.
16. **Sovereign Immunity:** COUNTY, HOLLISTER and SAN JUAN and their respective governing bodies do not waive their sovereign immunity by entering into this MOU, and each fully retains all immunities and defenses provided by law with respect to any action based on or occurring as a result of this MOU.
17. **Conflict of Interest:** HOLLISTER and SAN JUAN covenants that it presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. HOLLISTER and SAN JUAN further covenants that, in the performance of this MOU, no subcontractor or person having such an interest shall be used or employed. HOLLISTER and SAN JUAN certifies that no one who has or will have any financial interest under this MOU is an officer or employee of the COUNTY.
18. **Records to Be Maintained:** HOLLISTER and SAN JUAN shall keep and maintain accurate records of all costs incurred and all time expended for work under this MOU. HOLLISTER and SAN JUAN shall contractually require that all of its subcontractors performing work called for under this MOU also keep and maintain such records. All such records, whether kept by HOLLISTER and or SAN JUAN or any subcontractor, shall be made available to the COUNTY or its authorized representative, or officials of the State of California for review or audit during normal organizations hours, upon reasonable advance notice given by the COUNTY, its authorized representative, or officials of the State of California. The HOLLISTER AND SAN JUAN shall maintain and preserve all records related to this MOU for a period of three years from the close of the fiscal year in which final

payment under this MOU is made. The HOLLISTER AND SAN JUAN shall also contractually require the maintenance of such records in the possession of any third party performing work related to this MOU for the same period of time. Such records shall be retained beyond the three-year period, if any audit involving such records is then pending, until the audit findings are resolved. The obligation to ensure the maintenance of the records beyond the initial three year period shall arise only if the COUNTY notifies HOLLISTER and SAN JUAN of the commencement of an audit prior to the expiration of the three year period.

19. **Negotiated Agreement:** This MOU has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this MOU within the meaning of California Civil Code Section 1654.
20. **Independent Advice:** Each party hereby represents and warrants that in executing this MOU it does so with full knowledge of the rights and duties it may have with respect to the other. Each party also represents and warrants that it has received independent legal advice from its attorney with respect to the matters set forth in this MOU and the rights and duties arising out of this MOU, or that such party willingly foregoes any such consultation.
21. **No Reliance on Representations:** Each party hereby represents and warrants that it is not relying, and has not relied, upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this MOU may hereafter turn out to be other than, or different from the facts now known to such party as true, or believed by such party to be true. The parties expressly assume the risk of the facts turning out to be different and agree that this MOU shall be effective in all respects and shall not be subject to rescission by reason of any such difference in facts.
22. **Severability:** Should any provision herein be found or deemed to be invalid, this MOU shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect. To this end, the provisions of this MOU are declared to be severable.
23. **Entire Agreement:** This MOU is the entire agreement of the parties. There are no understandings or agreements pertaining to this MOU except as are expressly stated in writing in this MOU or in any document attached hereto or incorporated herein by reference.
24. **Materiality:** The parties consider each and every term, covenant, and provision of this MOU to be material and reasonable.
25. **Waiver:** Waiver by either party of a breach of any covenant of this MOU will not be construed to be a continuing waiver of any subsequent breach. COUNTY'S receipt of consideration with knowledge of the HOLLISTER and SAN JUAN 's violation of a covenant does not waive its right to enforce any covenant of this

MOU. The parties shall not waive any provisions of this MOU unless the waiver is in writing and signed by all parties.

**26. Authority and Capacity:** HOLLISTER and SAN JUAN and the signatory each warrant and represent that each has full authority and capacity to enter into this MOU.

**27. Cumulative Remedies:** All of the various rights, options, elections, powers and remedies of the parties shall be construed as cumulative, and no one of them exclusive of any other or of any other legal or equitable remedy which a party might otherwise have in the event of a breach or default of any condition, covenant or term by the other party. The exercise of any single right, option, election, power or remedy shall not, in any way, impair any other right, option, election, power or remedy until all duties and obligations imposed shall have been fully performed.

**28. Counterparts:** This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall together constitute one MOU.

CITY OF HOLLISTER

SAN BENITO COUNTY

\_\_\_\_\_  
By: Brett I. Miller, City Manager

\_\_\_\_\_  
By: Ray Espinosa, CAO

CITY OF SAN JUAN BAUTISTA

\_\_\_\_\_  
By: Don Reynolds, City Manager

APPROVED AS TO LEGAL FORM:  
San Benito County Counsel's Office

\_\_\_\_\_  
By: Reed Gallogly, Deputy County Counsel

## ATTACHMENT A

### TERMS AND CONDITIONS

1. The Funds/Programing/Grants may only be used to cover costs that—
  - a) Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
  - b) Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.2 The guidance that follows sets forth the Department of the Treasury's interpretation of these limitations on the permissible use of Fund payments.
  - c) Support local small business located in the downtown street of each jurisdiction to prepare facilities for the winter and support organizations shift operations outdoors.
2. HOLLISTER AND SAN JUAN will provide a list of eligible expenditures and/or small business grants that have been issued to business impacted by the COVID-19 pandemic that have been evaluated and ranked through a neutral, objective criteria. HOLLISTER AND SAN JUAN will establish the neutral, objective criteria prior to distributing applications, conducting evaluations, or issuing funds. If a small business closes permanently before receiving the assistance, or if the business is currently closed and does not open within 30 days of receiving this funding or assistance, funds must be returned, and HOLLISTER and SAN JUAN shall responsible for recovering such funding or assistance, and, prior to its recovery, shall refund such funding or assistance COUNTY, if requested by the COUNTY.
3. **Priority:** In establishing neutral, objective criteria for the award of funds, HOLLISTER and SAN JUAN must prioritize businesses that have been operating for at least one-year prior to March 1, 2020. In addition, the criteria must also prioritize:
  - a. Revitalization of local business.
  - b. Organizations with businesses with leases for office or commercial and/or storefront operations within the County located within the County of San Benito.

**RESTRICTION ON USE OF FUNDS:** The grant funds provided hereunder must be solely used for expenditures that occur between March 1, 2020 and December 30, 2020 and are related to facility readiness (social distancing preparedness, modifications to operations) made in preparation for maintaining outdoor operations during the Fall/Winter season, such as outdoor seating and heating.



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

**AGENDA TITLE:**                    **Discussion and adoption of Joint Powers Agreement and Bylaws for California Intergovernmental Risk Authority, which permits the Merger of the Public Agency Risk Sharing Authority of California (PARSAC) and the Redwood Empire Municipal Insurance Fund (REMIF)**

**DATE:**                                October 20, 2020

**DEPARTMENT HEAD:**        Trish Paetz, PARSAC Board Member

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**RECOMMENDED ACTION:**

Adopt Joint Powers Agreement and Bylaws for the California Intergovernmental Risk Authority, which permits the merger or joining of the Public Agency Risk Sharing Authority of California and the Redwood Empire Municipal Insurance Fund.

**BACKGROUND:**

Rather than purchase commercial insurance through a commercial insurance carrier, the City of San Juan Bautista participates in an intergovernmental arrangement through which a group of cities and towns (referred to as the members) contribute to a shared fund that pays for liability and workers' compensation claims and provides risk management services. That fund is often commonly referred to as a pool. Pools are empowered to exist through the sections of the California Government Code known as joint powers authority (JPA), which allow two or more like entities to pool funds to pay for claims.

Our pool functions as an extension of the City of San Juan Bautista and is governed by a board of directors comprised of members in the pool.

Public entity pools are fundamentally different from conventional insurance. The primary purpose of any public entity pool is to manage and reduce underlying risks to the benefit of public entity members and the public at large. Conventional insurers exist primarily to finance losses, while public pools are collaborating partners that help public entities create, foster, and manage safe environments in order to minimize personal, physical, and property damages and losses.

**ANALYSIS:**

The Redwood Empire Municipal Insurance Fund (REMIF) is a public entity pool representing 15 small to medium sized cities/towns. It was formed in 1976 with a mission to provide workers'



compensation coverage in response to increasing and unaffordable commercial rates. Coverage was expanded in the mid-1980s to include liability coverage and other services. Other lines of coverage have been added since that time, which are outlined further below.

The Public Agency Risk Sharing Authority of California (PARSAC) is a public entity pool representing 34 small to medium sized cities/towns and one fire district. It was formed in 1986 with a mission to provide liability coverage in response to the insurance crisis that eliminated commercial coverage for cities. Coverage was expanded in 1990 to include workers' compensation coverage and other services. Other lines of coverage have been added since that time, which are outlined further below.

PARSAC and REMIF provide a pooled liability program, pooled workers' compensation program, and coverage for group purchased property, Board of Directors public officials' errors and omissions, auto physical damage, special events, fidelity bonds, cyber liability and other ancillary benefits.

REMIF has a pooled medical/health program.

Through PARSAC's fiscally conservative approach, their liability and workers' compensation programs are funded in excess of the 90% confidence level.

Both pools focus on managing and maintaining a financially stable risk sharing pool for members, and the board of directors have a conservative funding and investment philosophy. They share a similar philosophy to embrace diverse opinions, have discussions that are constructive and collaborative, encourage participation from the members, balance member interests with those of the pool and work together towards a greater good.

Both pools also share a similar culture in that the pool is member owned, member governed, member driven and exists to serve its members. The organizations are also similar in that they serve small to medium sized cities/towns, and share a similar footprint in Northern California, while PARSAC has presence throughout the State.

A comparison matrix of the lines of coverage and services offered by both pools are attached to this staff report.

Given the similarities between the two agencies, REMIF and PARSAC explored a strategic partnership, which ultimately led to a proposed merger between the two organizations. Rather than one pool merging into the other, the Board of Directors for the pools directed the creation of a new pool (called the California Intergovernmental Risk Sharing Authority or CIRA). There will be great benefits in sharing resources, sharing expenses and drawing on strengths. Benefits also include succession planning, more robust, stable programs, shared training resources, long term program sustainability, and eliminating redundancies. While a merger could have realized savings to the members of both pools, the intent of a merger between PARSAC and REMIF is to have long term stability, sustainability and adding depth and breadth to the agencies, with the singular goal of better serving our members.

After over a year of in-depth analysis of such a merger, the Board of Directors for both pools directed the merger of the organizations, effective 07/01/21, creating a new pool, CIRA. To proceed, the individual members must seek adoption of the CIRA agreements, attached hereto. Council is asked to adopt the CIRA Joint Powers Agreement and Bylaws, and further direct staff to work with the CIRA on steps necessary to complete the merger.

**FISCAL IMPACT:**

The merger will consolidate the operations and expenses of both pools. CIRA will work towards eliminating redundant expenses which will lower long term operating costs. Consolidating operations will also achieve greater economies of scale, improve service deliver, and CIRA will be in better position to leverage its larger size for better services, rates and coverage with service providers and excess insurers. A larger organization will also result in more predictable funding and reserving forecasts (with more available data), which reduces the likelihood of future assessments. The merged organization will be more fiscally viable and provide greater long-term stability and sustainability.

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**Attachments:**

- Comparison matrix of the lines of coverage and services offered by both pools
- Frequently Asked Questions
- California Intergovernmental Risk Authority (CIRA) Joint Powers Agreement
- CIRA By-Laws

<b>Lines of coverage</b>	<b>PARSAC</b>	<b>REMIF</b>
Liability	✓	✓
Employment Practices Liability	✓	✓
Automobile Liability	✓	✓
Property Damage (3 <sup>rd</sup> party)	✓	✓
Workers' Compensation	✓	✓
Auto Physical Damage	✓	✓
Public Official Errors and Omissions	✓	✓
Property Damage (for members' property)	✓	✓
Special Events Coverage	✓	✓
Fidelity Bond	✓	✓
Employee Benefits (dental, vision, LTD, life)	✓	✓
Medical benefits (actives, retirees)	⊘	✓

<b>Services Offered</b>	<b>PARSAC</b>	<b>REMIF</b>
Safety Program	✓	✓
Grants	✓	⊘
Consultation and referral services	✓	✓
Customized risk management presentations	✓	⊘
Video and print resource library	✓	⊘
Regional and onsite risk management training	✓	✓
Web-based OSHA safety courses	✓	✓
In person OSHA safety courses	⊘	✓
Web-based employment practices courses	✓	✓
On site risk assessments	✓	✓
Post-accident assistance and mitigation	✓	✓
Operational Best Practices Templates	✓	⊘

Lexipol Fire and LE	✓	✓
Consultation with employment law firms	✓	✓
Liebert Cassidy Whitmore (LCW) Consortium Membership	✓	✓
DMV pull program	✓	⊘
DOT Drug Screening Program	✓	✓
Defensive Driver Training	✓	✓
Pre-employment physicals	⊘	✓

**Who is the other organization that we are merging with?**

*We are forming a partnership with the Redwood Empire Municipal Insurance Fund (REMIF). REMIF is a pool of 15 cities located throughout five counties in Sonoma, Napa, Lake, Mendocino and Humboldt. REMIF offers self-funded general and auto liability, employment liability, workers' compensation, and health programs. A majority of REMIF members are full-service cities providing police and/or fire services. REMIF's total payroll is \$131 million.*

**Why are we merging organizations?**

*The pooling industry has dramatically changed throughout the past decade. Some pools have dissolved due to retirement of key personnel, inability to remain fiscally solvent and have absorbed by larger organizations. The industry has also become very competitive with pools competing for new members in a finite market. Larger organizations may leverage their assets to offer short term rates reductions, programs and services to attract new members; while smaller organizations, such as PARSAC and REMIF, are somewhat vulnerable to these aggressive marketing campaigns.*

*The merger of our organizations will strengthen the pool. It will lead to long term stability and sustainability as we will be able to spread risks and operating costs to a larger base of members. Bigger is not always better. However, when pooling risks, bigger is generally better as there are more members to share losses. The financial impact due to a series of adverse loss years will be diminished because our larger size. A larger membership base will also result in more predictable funding and reserving forecasts (with more available data), which reduces the likelihood of future assessments. Finally, it will ultimately result in lower operating costs. Consolidating operations will eliminate redundancies, achieve economies of scale, improve service deliver, and we will be in better position to leverage our larger size for better services, rates and coverage with service providers and excess insurers.*

**What is the name of the new organization?**

*The new organization will be the California Intergovernmental Risk Authority (CIRA).*

**What is the effective date for CIRA?**

*It is proposed CIRA will begin to provide coverage and services to its members July 1, 2021.*

**Will my agency have representation on the CIRA Board?**

*Yes, each member will be represented by one Board Director and one Alternate Director. Each member will have one vote.*

**What will be the role of the Board?**

*The duties of the CIRA Board will be very similar to the current PARSAC Board. CIRA Board members will adopt the budget, approve new members, approve dividends and assessments, approve new programs and services, elect officers, etc.*

**Will the Executive Committee composition remain the same?**

*No, the Executive Committee will expand from 11 to 13. For the first two election cycles, former REMIF members will occupy at least 5 Committee seats. At least one of these seats will be an officer position (President, Vice President, Treasurer, Auditor Controller). Committee members will be elected to serve a two-year term.*

**How many Board meeting will there be and where will they be located?**

*There will be two semiannual Board meetings each year. Although not yet determined, it is very likely Board meeting will continue to be held in Sacramento and will be held in May and December*

**How long is my agency committed to CIRA membership?**

*Existing PARSAC and REMIF members must participate for two fiscal years. New CIRA members may withdraw after 5 years.*

**Will there be any staffing changes?**

*The staffs of both organizations will be combined. Although there will not be any positions eliminated, job duties and assignments may be reassigned to achieve efficiency and improve service delivery.*

**What happens to my agency's equity in liability and workers' compensation programs?**

*PARSAC program equity and assets will not transfer to CIRA. Each organization will retain their respective equity and liability pre-merger. We will continue to determine equity through the retrospective premium adjustment process annually. PARSAC members will determine, independently, how and when pre-merger equity is ultimately returned.*

**Will my existing claims transfer to CIRA?**

*No, claims with incident dates prior to the merger (June 30, 2021 or before) will remain with each organization. Each organization will determine, independently, how those claims are concluded.*

**What will happen to my agency's grant funds?**

*Grants funds allocated to your agency will remain with you. You may continue to use your grant funds once we become CIRA.*

**Will there be any change in coverage?**

*We will continue to offer the same coverages as currently provided, general liability, employment liability, workers' compensation, property, crime/employee dishonesty, special events, etc. We are currently analyzing excess providers for general liability, workers' compensation, and employment liability programs, and exploring alternative property coverage which will provide broader coverage and potentially lower costs. In the coming months, the analysis will be presented to the Transition Committee for review. In addition, REMIF offers a self-funded health program and this will be available to PARSAC members.*

**How will the merger affect my annual program premium contributions?**

*We will be allocating fixed costs to more members and this will reduce overall administration costs. Funding rates will be more stable (in the long term) as the predictive value of our loss data become more credible with a larger membership base. The actuary will complete his funding analysis later this year. Although there will be normal contribution adjustments due to changes in members' payroll and loss experience, our goal is to limit rate changes to no more than +/- 10% due to the merger.*

**Where will the CIRA office be located?**

*The CIRA office will be based out of our current PARSAC location. REMIF will continue to maintain and provide certain pre-merger programs and services through its Sonoma office, as well as house some CIRA employees. The operating expenses for both buildings relating to CIRA's self-funded and insured programs (liability, workers' compensation, property, etc.) will be allocated to all CIRA members.*

**Will PARSAC members be able to participate in REMIF's self-funded health program?**

*Yes, PARSAC members will eligible to participate in this program if they meet all qualifying underwriting standards.*



## CITY OF SAN JUAN BAUTISTA STAFF REPORT

**AGENDA TITLE:**                   **AWARD OF CONTRACT TO CENTRAL ELECTRIC FOR  
SAN JUAN HOLLISTER ROAD LIFT STATION NEW  
PANEL**

**MEETING DATE:**                October 20, 2020

**SUBMITTED BY:**                Julie Behzad, PE, City Engineer

**DEPARTMENT HEAD:**        Don Reynolds, City Manager

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### **RECOMMENDED ACTION(S):**

That the City Council:

1. Award of a contract for San Juan Hollister Road lift station new panel on San Juan Hollister Road to Central Electric Company in the amount of \$56,850.
2. Approve a project contingency fund of \$5,680 and authorize the City Manager to approve potential contract change orders and other construction contingencies within said fund

### **BACKGROUND INFORMATION:**

When the City accepted Well 6 from Coke Farms, the San Juan Hollister lift station (aka Dias Lift Station) was operating on Coke Farms' PGE meter. The City is required to assume responsibility for this meter, and has to re-design it to meet PGE's current standards.

The City placed the new treatment plant at Well 6 in service in 2019. The treatment plant filters iron and manganese using a media that requires periodic flushing. The flushing has to occur at a high enough volume to avoid flushing the media with the wash water. The wash water is sent to the sanitary sewer system, and the Dias Sewer Lift Station. After its first flushing, it became clear that the sewer line and lift station were far below the required capacity, and improvements are necessary.

As a result of the additional flow, the existing lift station pumps need to be upsized, which the end result is a new electrical panel for the lift station. The City initiated an application for a new panel service with PGE in 2019. Two new pumps are included in the Capital Improvement Project but are not part of this bid.



The City of San Juan Bautista sent out request for proposals to three responsible contractors requesting bids to install the improvements in accordance with the plans titled "New Service and Lift Station Power" by Fehr Engineering Company, Inc. The three contractors were:

1. Collins Electrical Company, Inc.
2. Central Electric Company
3. JM Electric Company

The City received two bids as listed below:

- |                                     |          |
|-------------------------------------|----------|
| 1. Collins Electrical Company, Inc. | \$82,600 |
| 2. Central Electric Company         | \$56,850 |

The low responsive bidder is Central Electric Company which has extensive experience in completing electrical improvement projects.

**RECOMMENDATIONS**

Staff recommends that the City Council accept the bid received from Central Electric Company.

Staff also recommends approving a change order budget that includes a contingency to address potential unforeseen conditions during construction, administration, and project closeout.

Breakdown of the change order construction costs is as follows:

Construction Contract	\$	56,850
<u>Construction Contingency</u>	<u>\$</u>	<u>5,680</u>
Total Estimated Construction Contract	\$	62,530

**FISCAL IMPACT:**

This contract will be funded by sewer funds. The sewer capital improvement fund 48 (development impact fees) is estimated to be at \$62,530 including \$5,680 contingency. CIP 21-05 is budgeted for \$114,000 to include two new pumps (\$20,000), project management and inspections.

**SCHEDULE:**

The following is the anticipated schedule for this project: Actual schedule will be developed and confirmed with the contractor based upon completion of the required contract documents, approval of pre-submittals, and their availability.

Begin Construction	October	2020
Construction Completion	January	2020

(The completion date is based on PG&E's schedule)

**RESOLUTION NO. 2020-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA  
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH  
CENTRAL ELECTRIC COMPANY TO INSTALL THE IMPROVEMENTS IN  
ACCORDANCE WITH THE PLANS TITLED “NEW SERVICES AND LIFT STATION  
POWER” BY FEHR ENGINEERING COMPANY, INC.**

**WHEREAS**, in August 2018, the City agreed to remove Coke farms from the electrical metering at the Dias Lift Station, located on San Juan Hollister Road, and has since engaged an electrical engineer to re-design the station, adding an emergency transfer switch and capacity for larger pumps and to meet the City and PGE’s current industrial standards; and

**WHEREAS**, as a result of placing the City’s new iron and manganese filtration and treatment plant at Well 6 in service in 2019, the sewer lift station intended to receive the wash water from flushing that treatment plant has to increase its capacity to meet the higher demand; and

**WHEREAS**, the City sent out request for proposals to three responsible contractors requesting bids to install the improvements in accordance with the plans titled “New Service and Lift Station Power” by Fehr Engineering Company, Inc; and

**WHEREAS**, the informal bidding closed on September 18, 2020, and two bids were received; and

**WHEREAS**, the City Engineer for the City of San Juan Bautista recommends that the contract for said project be awarded to the low responsible bidder, Central Electric Company, for an amount of \$56,850.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City of San Juan Bautista that:

1. The City Manager is authorized to execute an agreement with Central Electric Company in the amount of \$56,850;
2. The City Manager is hereby authorized to approve change orders in an amount not to exceed \$5,680.

**PASSED AND ADOPTED** at a regular meeting of the San Juan Bautista City Council  
duly held on October 20, 2020 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Mary V. Edge, Mayor

ATTEST:

\_\_\_\_\_  
Laura Cent, City Clerk



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

**AGENDA TITLE:** CONTINUATION OF THE FY 20/21 BUDGET UNTIL  
NOVEMBER 17, 2020

**DATE:** October 20, 2020

**DEPARTMENT HEAD:** Don Reynolds, City Manager

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### **RECOMMENDATION**

It is recommended that the City adopt the attached Resolution and receive the draft budget for Fiscal Year 20/21 October 20, 2020, and approve the continuation of its approval until November 17, 2020.

### **DISCUSSION**

At its September 15, 2020 Council meeting the City Council adopted a Resolution extending the adoption of the City's Fiscal Year 20/21 Budget until October 20, 2020. The draft budget has been completed and will be presented to the City Council Tuesday October 20, 2020, as the public needs time to review it. The Council may wish to schedule a budget meeting specifically for this purpose. Following the review period by Council and the public, Staff is seeking the Council's consideration to adopt the budget on November 17, 2020.

Last year's budget was extrapolated from Quick-Books software, and produced in Microsoft Word. This year, the City invested in new software called "ClearGov." It is designed to increase budget transparency, and is a simple tool for the community to use online. For the first time, the City's budget is integrated with its accounting software, so both rely on the same sources for their fund balances. When the budget is final, the ClearGov budget will be linked to the City's website for easy and simple access by anyone interested.

### **Operational Budget**

Thanks to good decisions made by the City Council in April of 2020, the City's General Fund saved \$500,000 last year. Until things stabilize, this frugal, conservative strategy is highly recommended for fiscal year 20/21.

The draft Operational Budget reflects a reduction in service capacity due to the reduction of Sales Tax experienced from the shelter-in-place orders related to the COVID-19 pandemic. Sales Tax is approximately half of the General Fund. Cities rely on their General Fund to pay public safety, and this is where 60% of San Juan's General Fund is used. Public Safety is locked up in contracts with the City of Hollister and the San Benito County Sheriff. In April it looked like the City's

sales tax and transit occupancy tax would drop as much as 90%. It did drop considerably, however, it has since rebounded. This budget projects a 54% decrease in sales tax. Fortunately, the City has a relatively high reserve that has returned interest earnings that were unanticipated. Savings from the period of April to July 1, 2020 have allowed the City to deposit another \$500,000 into the General Fund Reserve increasing it to \$3 million. Also, many new homes came on line in 2019 and 2020, and this helped to stabilize the property tax which is the balance of the General Fund. This budget requests \$125,000 be used from the General Fund Reserve.

The City spent approximately \$185,000 since March, fighting the economic battle caused by the shelter in place orders stemming from the COVID-19 pandemic and State of Emergency. This amount was advanced from its FY 19/20 General Fund Reserve of \$2.4 million. These funds supported the hiring of the "Disaster Services- Community Liaison" position and eventually the temporary Transformation of Third Street. Hiring the Community Liaison has been a terrific lift for the City during the tough COVID-19 times. It also supported the changing role of the Lead Library Technician and the Code Enforcement Officer. This week, the City received \$50,000 from the CARES Act, however there are no other promising significant relief payments looming on the state or federal horizon. Needless to say, it is critical for our City to remain diligent in our efforts to support and retain our local businesses as a regional destination for tourists and shoppers.

This budget recommends a new position after the State of Emergency ends, in the form of a "Project Coordinator" to continue its economic development efforts. Funds formerly used to pay for the Associate Planner, are recommended to be shifted to pay for this position. This economic development position and program, reports directly to the City Manager so the City Manager's budget has increased 52%, (but not the City Manager's compensation!). Perhaps the City will revisit the possibility of hiring Community Development staff in the future when the General Fund recovers. This position will hopefully evolve into a Deputy City Manager/Planning Director position by July 1, 2021. The City will require a position of this stature to help manage and implement long-term planning goals including the establishment of a sphere of influence and possibly an urban growth boundary.

As mentioned before in a briefing to the City Council, the draft Budget also recommends a second new position, changing the title from Code Enforcement Officer to Public Safety Manager. Twenty hours per week will be dedicated to code enforcement, and 10 hours a week will be dedicated to general public safety efforts. This will enhance our contract with the Sheriff's Office and allow for the continuation of their being the public liaison between our contract with private security, the Sheriff's Office and citizens. The goal is to return to an assigned deputy for the City, and a return to having tighter coordination between agencies as was the case a decade ago. Eventually we hope to rebuild the Neighborhood Watch program to achieve our safety goals.

The last shift recommended in this Budget is changing the Lead Library Technician to a Project Coordinator, as the variety of skills of the current staff member are a great help to our accounts payable function, social media and website management. We are seeking to bring back the part-time Library Tech at 5-8 hours per week to support the Project Coordinator as the library starts to

re-open. In summary, it is recommended that the City consider a broader job description, "Project Coordinator," that better suits the general needs of a small administration.

The contract services provided for City Engineer, Community Development and Building Official serve roles that are well suited for a small city that does not develop often, because City pays them only for the projects they work on, rather than staffing an office that may not always have a demand or constant work load. This flexibility has created a more efficient and more effective permitting system. We are also shifting to a deposit-based community development fee system that allows the City to bill the private development community for actual expenses incurred, reducing the likelihood of General Fund subsidies when flat fees do not cover the actual costs of issuing a development permit.

A number of service requests were received during the budget process last year. Only two are being considered this year. The feral cat and chicken programs have been moved to the Law Enforcement Department. The continuation of the promotion of the City by the San Juan Committee is also preserved. This effort is very effective and especially important as our downtown re-opens. "General Government," Department 45, is budgeted at half of what it was budgeted last year. The Library is half of what it was budgeted in 2019. These budgets can be reconsidered at mid-year assuming the revenues improve.

### **Capital Improvement Plan**

The Capital Improvement Budget is minimal. Numerous inconsistencies exist between the adopted budget and actual fund balances. Many hours in the past month have been spent in an attempt to clean things up. Rather than delay the budget any further, staff is instead recommending that just a few projects move forward and those multi-year projects with contractual obligations be completed while the matters are resolved. If sufficient funds cannot meet one year's priority, they can be pushed in future years. Most CIP's are five-year budgets.

The continued funding of the Sphere of Influence/Urban Growth Boundary efforts are critical for establishing good policies that manage the City's future growth. A contract has been executed to support the technical parts of this project for \$22,500. Staff is recommending a General Fund allocation and budget for this CIP of \$50,000 to help implement the recommendations. There will be many additional steps to consider to take this effort all the way through LAFCO to the finish line.

The SB2, LEAP ("local planning grant") and REAP (regional planning grant) programs are all community development studies paid for by the State, intended to support and improve the Sphere of Influence study and affordable housing policies.

The City has a fairly reliable stream of funds for street repairs and improvements, from Measure G, COG resources, Gas Tax and the State's SB1 funds. These resources are dedicated to completing the Third Street project, which was the City's top priority when Measure G was

approved by the voters in 2018. It is likely at the Mid-Year Budget review, project priorities from the Pavement Management Plan can be considered as other projects are likely to come in under budget.

<b>Street Name</b>	<b>Beg Loc</b>	<b>End Loc</b>	<b>Treatment</b>	<b>Cost</b>
Franklin St	6 <sup>th</sup> St	4 <sup>th</sup> St	Overlay	\$39,000
North St	3 <sup>rd</sup> St	1 <sup>st</sup> St	Overlay	\$42,500
Second St	Monterey St	San Jose St	Overlay	\$58,500
Via Padre	1 <sup>st</sup> ST	Cul-De-Sac North	Overlay	\$22,000
The Alameda	Hwy 156	Lang St	Slurry Seal	\$ 2,500
Monterey St	Church St	4 <sup>th</sup> St	Slurry Seal	\$11,600
The Alameda	Pearce St	Hwy 156	Cr. Sealing	\$ 250
<b>Total:</b>				<b>\$176,350</b>

Water and Sewer projects focus first completing existing work, meeting existing contractual obligations, and providing emergency power. A portable generator is recommended along with the installation of “transfer switches,” which are recommended. Sewer and water impact fees, where fund balances can be verified, are recommended to complete the City’s obligation to Coke Farms related to the acquisition of Well 6. The Iron and Manganese filtration system requires a larger lift station, and this lift station needs to be re-wired to accommodate the new pumps, emergency power, and to remove it from Coke’s PG&E meter. Flushing the filtration system for fresh water requires improvements to the sewer system so this wash water can be processed as needed. In addition, the City is seeking Council approval on October 20<sup>th</sup> to start the construction of a new sewer line on San Juan Hollister Road, between Well 6 and Mission Vineyard Road, and to complete the transformation of Well 3 as required in the Coke Agreement. The City is opening up the use of its industrial zone. With the right infrastructure in place, the Industrial/Cannabis zones can begin to develop.

Perhaps at the Mid-Year Budget Review, the Water Master Plan recommendations shown below can begin pipe replacement at the locations shown below.

**Water Master Plan Proposed Projects**

<u>Segment</u>	<u>Street</u>	<u>Beg Loc</u>	<u>End Loc</u>	<u>Cost</u>
P-1	1 <sup>st</sup>	Thomas Lane	Jefferson St	\$107,500
P-2	1 <sup>st</sup>	Jefferson St	San Jose St	\$ 57,000
P-3	San Jose	1 <sup>st</sup> St	2 <sup>nd</sup> St	\$ 76,000

Fund balances for Park Improvements are less than half (\$53,000), of the amount stated on page 80 of last year’s Budget (\$115,000). This will cause the City to rely on a contribution of \$50,000 from its General Fund Reserve to complete the Verutti Park Restroom. The Luck Park Master Plan, and developing Franklin Park are all on the schedule using Proposition 68 State Park funds and Park Impact funds and are currently being worked on. The City has also executed its State grant agreement to begin the design of a cultural trail system between these assets, the Mission, historic downtown and the De Anza Trail. This is the \$200,000 grant referred to as the “Active Transportation Plan.” This State Grant requires a \$25,000 match which is recommended to be taken from the General Fund, because staff time will be dedicated to support this program.

There are capital improvement funds set aside for the City’s facilities, but it seems unlikely that all of these needs will be met this year. Top priorities include the acoustics at the Community Hall, and technical upgrades to the City Council Chambers. An HVAC system is budgeted for the library using Library Impact fees.

The City Council selected its Water and Waste Water “compliance projects” October 13, 2020. These two large multi-million-dollar capital improvements will require unique financing and budget considerations. Applications are being prepared for state and federal grants and loans. These budgets will be considered independent of this draft CIP, as they come together in the next 2-6 months.

**Summary**

COVID-19 has caused the City to develop an austere budget for FY 20-21, conservatively constructed to account for the many uncertainties that remain in the future due to the State of Emergency. No salary or large contractual increases are recommended. Only \$125,000 is needed to balance the CIP from the General Fund Reserve. It is hopeful that the City will grow in its ability to serve its citizens despite the pandemic. Sufficient reserves are in place to assure the continuity of government in the event things change for the worse. This budget is transparent now, and although ClearGov has been a struggle to get started, the City is now well on its way towards a citizen-based decision-making platform.

**ATTACHMENT:** Resolution



**RESOLUTION 2020-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA  
AUTHORIZING A CONTINUATION BUDGET APPROPRIATION FROM  
SEPTEMBER 15, 2020 UNTIL OCTOBER 20, 2020**

**WHEREAS**, Municipal Code 2-2-115, “City Manager Duties” Section G specifies that the City Manager is responsible for preparation and submittal to the Council an annual budget and capital program for each ensuing fiscal year, based upon estimates of financial needs and resources; and

**WHEREAS**, on March 4, 2020, the Governor declared a State of Emergency for the State of California as a result of the COVID-19 pandemic and since that time, cities across the State have reported loses in revenue of more than \$7 billion, and 90% have had to reduce services and staff levels; and

**WHEREAS**, the County of San Benito declared a State of Emergency on March 6, 2020, regarding the COVID-19 Virus. Included in the County’s declaration is an aggressive order by the County Public Health Official to all residents ordering them to shelter in place (“SIP”) to reduce the spread of the COVID-19 Virus; and

**WHEREAS**, the City Council at its meeting March 17, declared a State of Emergency in San Juan Bautista and has since remained in this State of Emergency; and

**WHEREAS**, since March 17, the SIP caused all non-essential businesses to close down, including almost every restaurant and hotel in the City, ending tourism as we know it; and

**WHEREAS**, as a result of this drastic change, the City in March, estimated it was losing 50% of its General Fund every month the SIP and State of Emergency existed, with drastic losses occurring in the Sales Tax and Transit Occupancy Tax revenues; and

**WHEREAS**, the loss of revenue has caused great uncertainty, may take as long as 18-months of recovery, and because the exact amount and duration of the loss remains undefined; and

**WHEREAS**, beginning on March 31<sup>st</sup>, 2020, the City Manager began regular reporting to the City Council the anticipated impacts of the drastic revenue reductions caused by the SIP order during the State of Emergency to be as high as \$700,000 (April 21<sup>st</sup> Special Meeting), and the Council agreed to reduce staff by two full-time positions and two part-time positions to help protect its General Fund reserve; and

**WHEREAS**, the City Manager provided a revised budget calendar to the City Council at its Special Meeting May 26<sup>th</sup>, seeking consensus to extend the budget process into July by Resolution 2020-30 at its June 16, 2020 Regular Meeting, with a budget presentation July 14, 2020;

**WHEREAS**, the September 15, 2020 date was not obtainable due to rapidly changing priorities and programs related to the COVID 19 response; and

**WHEREAS**, staff is prepared to present its draft budget to the City Council October 20, 2020, but is seeking further extension from October 20, 2020, until November 17, 2020 to allow time for the community to consider its recommendations.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA HEREBY RESOLVES AS FOLLOWS:**

1. A continuation budget appropriation for the period of October 20, 2020, to November 17, 2020, is hereby established and approved. Ordinary and usual costs for personnel, services, supplies and continuing contracts and obligations shall be paid so long as the City Manager and/or City Accountant determine the expenditures do not exceed available or anticipated revenues.
2. Two capital improvement projects will begin immediately, CIP's 21.04 and 21.05, to address the City's sewer system needs on San Juan Hollister Road that will also meet the City's contractual obligations with Coke Farms.
3. No purchases of new equipment from the General Fund shall occur during the continuation budget period.
4. The continuation appropriations operating budget and debt service budget shall include the General Fund, all Enterprise Funds, capital improvements paid by the General Fund, debt service funds, trust funds and special revenue funds necessary for the on-going operations of the City.

**PASSED AND ADOPTED** by the City Council of the City of San Juan Bautista on this 20<sup>th</sup> day of October by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

\_\_\_\_\_  
Mary V. Edge, Mayor

\_\_\_\_\_  
Laura Cent, City Clerk

CAPITAL IMPROVEMENT BUDGET FY 20/21 Projects			IMPACT FEES FROM DEVELOPERS						RESTROOMS	BUILDINGS	LIBRARY	STREETS		PLANNING	WATER	SEWER			
			Project #	Total	General Fund	Park Impact	Storm Drain Impact	Traffic Impact	Public Facility Impact	Public Safety Impact Fees	Dev Contr	Parking & RR Fund	BUILDING Rehab-Rpl Fund	Library Impact	Library Grant	State Funds - Gas Tax SB1	Measure G	State Grants	Impact Fees, Bond, SCIP
<b>Street Projects</b>																			
Third Street reconstruction	19-9 & 11	1,121,161			88,066	128,314								369,034	260,460		125,249	150,038	
Hwy 156 RTL	20.03	615,015							615,015										
<b>Utility projects</b>																			
Sewer Master Plan	20.04	76,673																76,673	
Rancho Vista Lift Station	20.05	50,000																50,000	
Portable Generator & Power	20.06	82,000															57,500	24,500	
Water Masterplan	20.18	66,673															66,673		
Transfer Switches for Wells 1 + 5	21.07	15,000															15,000		
Water Storage tanks for Well 6	21.08	17,500															17,500		
Sewer Line SJ Hollister Rd	21.04	192,000															176,000	16,000	
Dias Lift W#3 Station Upgrades	21.05	122,035															122,035		
<b>Parks Projects</b>																			
Verutti Park Restroom	19-42	164,340	50,000				49,340			65,000									
Luck Park Masterplan	20-10	28,565		28,565															
Franklin Park	21-01	172,690																	
Trail Plan (ATP)	21-02	250,000	25,000														172,690		
<b>Community Facilities Projects</b>																	225,000		
City Hall & Council Chamber	20-13	100,000					75,000				25,000								
Corporation Yard	20-15	20,000					20,000												
Library AC Unit	21.03	20,000										20,000							
Fire Station-City Hall Emerg Gen	21.15	125,000						125,000											
File Storage	20-04	15,000					15,000												
Fire Station Improvements	20-16	5,319						5,319											
<b>Equipment</b>																			
Steel Trench Plates	21.25	2,500																1,250	1,250
Tow behind Valve Exerciser	21.16	7,500																7,500	
Brush Mower	21.17	3,750												1,250				1,250	1,250
Pipe Threader	21.18	2,500																2,500	
Dump Truck Bed	21.19	18,500												4,625				9,250	4,625
Power Inverter 6K watts	20.20	2,000																2,000	
Confined Spaces safety Equip	20.21	3,000																750	2,250
Pipe Locator	20.22	2,750																1,375	1,375
Projector (library)	20.23	1,500																	
Smart Screen (library)	20.24	2,000																	
<b>Studies</b>																			
Water/Sewer Rate Study (Prop 218)	21.09	23,465		Parks															
Impact Fee Nexus Study	21.1	35,000			5,000	7,500	5,000	7,500	5,000				5,000						
Urban Growth/Sphere of Infl	21.11	50,000	50,000																
SB 2 Grant HCD	21.12	160,000																	160,000
LEAP Grant HCD	21.13	60,000																	60,000
REAP Grant HCD	21.14	23,450																	23,450
<b>TOTAL</b>		<b>3,656,886</b>	<b>125,000</b>		<b>33,565</b>	<b>95,566</b>	<b>133,314</b>	<b>166,840</b>	<b>135,319</b>	<b>615,015</b>	<b>65,000</b>	<b>25,000</b>	<b>25,000</b>	<b>3,500</b>	<b>374,909</b>	<b>260,460</b>	<b>641,140</b>	<b>615,565</b>	<b>341,694</b>



## CITY OF SAN JUAN BAUTISTA STAFF REPORT

**AGENDA TITLE:** AWARD OF CONTRACT TO CENTRAL ELECTRIC FOR  
SAN JUAN HOLLISTER ROAD LIFT STATION NEW  
PANEL

**MEETING DATE:** October 20, 2020

**SUBMITTED BY:** Julie Behzad, PE, City Engineer

**DEPARTMENT HEAD:** Don Reynolds, City Manager

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### **RECOMMENDED ACTION(S):**

That the City Council:

1. Award of a contract for San Juan Hollister Road lift station new panel on San Juan Hollister Road to Central Electric Company in the amount of \$56,850.
2. Approve a project contingency fund of \$5,680 and authorize the City Manager to approve potential contract change orders and other construction contingencies within said fund

### **BACKGROUND INFORMATION:**

When the City accepted Well 6 from Coke Farms, the San Juan Hollister lift station (aka Dias Lift Station) was operating on Coke Farms' PGE meter. The City is required to assume responsibility for this meter, and has to re-design it to meet PGE's current standards.

The City placed the new treatment plant at Well 6 in service in 2019. The treatment plant filters iron and manganese using a media that requires periodic flushing. The flushing has to occur at a high enough volume to avoid flushing the media with the wash water. The wash water is sent to the sanitary sewer system, and the Dias Sewer Lift Station. After its first flushing, it became clear that the sewer line and lift station were far below the required capacity, and improvements are necessary.

As a result of the additional flow, the existing lift station pumps need to be upsized, which the end result is a new electrical panel for the lift station. The City initiated an application for a new panel service with PGE in 2019. Two new pumps are included in the Capital Improvement Project but are not part of this bid.

The City of San Juan Bautista sent out request for proposals to three responsible contractors requesting bids to install the improvements in accordance with the plans titled "New Service and Lift Station Power" by Fehr Engineering Company, Inc. The three contractors were:

1. Collins Electrical Company, Inc.
2. Central Electric Company
3. JM Electric Company

The City received two bids as listed below:

- |                                     |          |
|-------------------------------------|----------|
| 1. Collins Electrical Company, Inc. | \$82,600 |
| 2. Central Electric Company         | \$56,850 |

The low responsive bidder is Central Electric Company which has extensive experience in completing electrical improvement projects.

**RECOMMENDATIONS**

Staff recommends that the City Council accept the bid received from Central Electric Company.

Staff also recommends approving a change order budget that includes a contingency to address potential unforeseen conditions during construction, administration, and project closeout.

Breakdown of the change order construction costs is as follows:

Construction Contract	\$	56,850
<u>Construction Contingency</u>	<u>\$</u>	<u>5,680</u>
Total Estimated Construction Contract	\$	62,530

**FISCAL IMPACT:**

This contract will be funded by sewer funds. The sewer capital improvement fund 48 (development impact fees) is estimated to be at \$62,530 including \$5,680 contingency. CIP 21-05 is budgeted for \$114,000 to include two new pumps (\$20,000), project management and inspections.

**SCHEDULE:**

The following is the anticipated schedule for this project: Actual schedule will be developed and confirmed with the contractor based upon completion of the required contract documents, approval of pre-submittals, and their availability.

Begin Construction	October	2020
Construction Completion	January	2020

(The completion date is based on PG&E's schedule)

**RESOLUTION NO. 2020-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA  
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH  
CENTRAL ELECTRIC COMPANY TO INSTALL THE IMPROVEMENTS IN  
ACCORDANCE WITH THE PLANS TITLED “NEW SERVICES AND LIFT STATION  
POWER” BY FEHR ENGINEERING COMPANY, INC.**

**WHEREAS**, in August 2018, the City agreed to remove Coke farms from the electrical metering at the Dias Lift Station, located on San Juan Hollister Road, and has since engaged an electrical engineer to re-design the station, adding an emergency transfer switch and capacity for larger pumps and to meet the City and PGE’s current industrial standards; and

**WHEREAS**, as a result of placing the City’s new iron and manganese filtration and treatment plant at Well 6 in service in 2019, the sewer lift station intended to receive the wash water from flushing that treatment plant has to increase its capacity to meet the higher demand; and

**WHEREAS**, the City sent out request for proposals to three responsible contractors requesting bids to install the improvements in accordance with the plans titled “New Service and Lift Station Power” by Fehr Engineering Company, Inc; and

**WHEREAS**, the informal bidding closed on September 18, 2020, and two bids were received; and

**WHEREAS**, the City Engineer for the City of San Juan Bautista recommends that the contract for said project be awarded to the low responsible bidder, Central Electric Company, for an amount of \$56,850.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City of San Juan Bautista that:

1. The City Manager is authorized to execute an agreement with Central Electric Company in the amount of \$56,850;
2. The City Manager is hereby authorized to approve change orders in an amount not to exceed \$5,680.

**PASSED AND ADOPTED** at a regular meeting of the San Juan Bautista City Council  
duly held on October 20, 2020 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Mary V. Edge, Mayor

**ATTEST:**

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Laura Cent, City Clerk

CONTRACT BETWEEN THE CITIES OF GILROY,  
HOLLISTER & SAN JUAN BAUTISTA  
AND  
COMMUNITY MEDIA ACCESS PARTNERSHIP  
OF SOUTHERN SANTA CLARA AND SAN BENITO COUNTIES

**AGREEMENT**

This Agreement is made this 1st day of January, 2021, by and between the Cities of Gilroy, Hollister and San Juan Bautista ("the Cities"), and Community Media Access Partnership of Southern Santa Clara and San Benito Counties ("CMAP"), a nonprofit corporation, who agree as follows:

**RECITALS**

1. Charter Communications ("Charter") has been granted a state franchise ("State Franchisee") to provide cable/video services in Gilroy, Hollister, and San Juan Bautista pursuant to the Digital Infrastructure and Video Competition Act of 2006 ("DIVCA") (hereinafter the Charter DIVCA franchise).
2. A.T.&T. has been granted a state franchise ("State Franchisee") to provide cable/video services in Hollister pursuant to the Digital Infrastructure and Video Competition Act of 2006 ("DIVCA") (hereinafter the AT&T DIVCA franchise).
3. DIVCA provides that certain channel capacity shall be provided for public, educational, and government ("PEG") access.
4. DIVCA authorizes the Cities to receive certain grant payments from State Franchisees for PEG access purposes as defined by Section 5870(n) of DIVCA.
5. The Cities have each authorized the receipt of such PEG channels and payments via City of Gilroy Municipal Code Chapter 24.22, City of Hollister Code Chapter 5.21.070, and City of San Juan Bautista Code Chapter 5-20-1830.
6. A Settlement Agreement and Release between each of the Cities and Charter, enacted on or about June 11, 2010, provides that certain payments and in-kind services shall be provided by Charter to support the operations of the PEG access facilities, equipment and channels.



7. The Cities have determined that they wish to designate CMAP as the access management organization to develop, manage, and administer the PEG access channels and to operate one or more community media centers.
8. CMAP has managed a community access center and managed certain PEG access channels since 2001.
9. CMAP has agreed to continue to serve the Cities by developing, programming, and administering the PEG channels, and operating one or more community media centers to support the services as described herein.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

**SECTION 1. SCOPE OF SERVICES.** In exchange for the resources provided by the Cities to CMAP, pursuant to this Agreement, CMAP shall provide the following services:

- A. *OPERATE PUBLIC, EDUCATIONAL, AND GOVERNMENT ACCESS CABLE CHANNEL(S).* Operate the public, educational, and government access cable channel(s) in accordance with this Agreement and applicable state and federal law, with the primary purpose being to bring to the community programming and information not otherwise readily available in commercial and national media.
- B. *OPERATE A COMMUNITY MEDIA CENTER.* Manage a community media production facility and equipment ("Community Media Center"), available for public use at such hours and times as are determined by CMAP. Access to equipment and facilities shall be open to all those who qualify within membership, training, and/or other requirements or standards deemed appropriate by CMAP to further the media access objectives of CMAP.
- C. *PROVIDE NONDISCRIMINATORY ACCESS.* Provide access to the equipment, facilities, channels, and services provided hereunder on a non-discriminatory basis to all residents of the Cities for non-commercial programming purposes, whether individuals or organizations, on a non-discriminatory basis, pursuant to operating rules issued by CMAP.

- D. *DEVELOP OPERATING POLICIES AND PROCEDURES.* Develop policies and procedures for use and operation of the PEG access equipment, facilities, and channels and file such policies and procedures with the Cities.
- E. *COMPLIANCE WITH LAWS RULES, AND REGULATIONS.* Administer the PEG access channels and facilities in compliance with applicable laws, rules, and regulations.
- F. *TRAINING.* Train residents of the Cities and, when requested, employees of the Cities and local school or college employees in the techniques of media production, and provide technical advice in the execution of productions.
- G. *PLAYBACK/CABLECAST.* Provide for distribution of PEG access programs through playback/cablecasting/webcasting and other innovative or readily available means of distribution of PEG access channels and program content.
- H. *MAINTENANCE OF EQUIPMENT.* Provide regular maintenance and repair of all equipment purchased with monies received pursuant to this Agreement.
- I. *PROMOTION.* Actively promote the use and benefits of the PEG access channels and facilities to cable subscribers, the public, and PEG access users.
- J. *PERFORMANCE REVIEW.* CMAP shall, after four (4) years of operation under this Agreement, contract with an entity from outside the Cities chosen upon approval of the CMAP Board of Directors, that is expert in PEG access matters to conduct a performance review of CMAP's operations. This review shall include an opportunity for PEG access users and cable subscribers to provide input. Upon completion, a copy of the performance review shall be submitted to the Cities.
- K. *OTHER ACTIVITIES.* Undertake other PEG access programming activities and services as deemed appropriate by CMAP and consistent with the obligation to facilitate and promote PEG access programming and provide non-discriminatory access.

## SECTION 2. ENHANCED GOVERNMENT SERVICES

- A. In addition to those services specified in Section 1, CMAP shall provide the staffing for professional video production services for the following meetings taking place at the City Hall of each of the Cities.
1. Gilroy: Regular City Council meetings, Council Study Sessions, Planning Commission meetings. (Maximum of 44 meetings per year.)
    - a. On the effective date of this Agreement, the City of Gilroy staffed these meetings. Hereafter, CMAP will provide these services. CMAP will coordinate with the City to have a smooth and timely transition of the meeting coverage from City staff to CMAP. It anticipated that it will take several months after the initiation of this agreement for that transition to occur. The transition period will be part of the 44 meetings per year. There will be no additional charges for CMAP staff to develop familiarity with and be trained to use the equipment located at City Hall.
  2. Hollister: Regular Council meetings, Council Study Sessions, Planning Commission meetings, and Airport Advisory Committee meetings. (Maximum of 48 meeting per year.)
  3. San Juan Bautista: Regular City Council meetings, regular Planning Commission meetings, and three special meetings designated by the City annually. (Maximum of 27 meetings per year.)
  4. If a meeting exceeds four (4) hours in length (including set-up and take down) the Cities will be charged at the special discounted rates provided in Exhibit A, attached hereto.
- B. CMAP shall at the request of each City produce a video of up to four (4) minutes twice in each calendar year.
- C. Pursuant to Section 1. CMAP shall be responsible for purchasing, maintenance, and replacement of equipment related to its media services and playback/webcasting/cablecasting of PEG access channels and programming and any related INET fiber networking equipment.

- D. DIVCA authorizes each City to receive certain grant payments from State Franchisees for PEG access purposes. The Cities have agreed pursuant Section 15. B. of this Agreement to provide that funding to CMAP. CMAP shall set aside 10% of that PEG DIVCA funding provided by each City in a special banking sub-account for that City for the purchase of City Council Chambers video equipment. At the request and in consultation with each City, CMAP shall budget for video equipment for City Council Chambers. CMAP shall provide funding for these purchases based upon the fund balances set aside in bank sub-accounts for each City individually.
- E. On or before July 1, 2021, develop a ten (10) year plan for regular updates to equipment used to record and broadcast City Council meetings.
- F. Upon request by one of more of the Cities, CMAP agrees to provide video productions services and other media services in addition to those listed in this Agreement at the rates described in Exhibit A to this Agreement.

SECTION 3. PUBLIC ACCESS CHANNELS OPEN TO PUBLIC: CMAP agrees to keep the public access channel(s) open to all potential users regardless of their viewpoint, subject to FCC regulations and other relevant laws. Neither the Cities, nor State Franchisees, nor CMAP shall have the authority to control the content of programming placed on the public access channel(s) so long as such programming is lawful. Provided that, nothing herein shall prevent CMAP, the Cities, or State Franchisees from producing or sponsoring programming, prevent the Cities or State Franchisees from underwriting programming, or prevent the Cities, State Franchisees, or CMAP from engaging in activities designed to promote production of certain types of programming or use by targeted groups as consistent with applicable law and rules for use of the channel(s). CMAP may develop and enforce policies and procedures which are designed to promote local use of the channel(s) and make programming accessible to the viewing public, consistent with such time, place, and manner regulations as are appropriate to provide for and promote use of PEG access channels, equipment and facilities.

#### SECTION 4. INDEMNIFICATION.

- A. CMAP shall indemnify, defend, and hold harmless the Cities, their officers, agents, and employees and volunteers from and against any and all claims, suits, actions, causes of action, losses, damage, or liabilities of any kind, nature or description, including payment of litigation costs and attorneys' fees, brought by any person or persons for or on account of any loss, damage or injury to person, property or any other interest, tangible or intangible, sustained by or accruing to any person or persons, howsoever the same may be caused, directly or indirectly arising or resulting from any alleged acts or omission of CMAP, its officers, employees, agents, subcontractors, or volunteers arising out of or resulting from the performance of this Agreement.
- B. CMAP shall indemnify and hold harmless the Cities, their officers, agents, employees and volunteers from and against any and all claims or other injury, including costs of litigation and attorney's fees, arising from or in connection with claims or loss or damage to person or property arising out of the failure to comply with any applicable laws, rules, regulations or other requirements of local, state or federal authorities, for claims of libel, slander, invasions of privacy, or infringement of common law or statutory copyright, for breach of contract or other injury or damage in law or at equity which claims, directly or indirectly, result from CMAP's use of channels, funds, equipment, facilities or staff granted under this Agreement or franchise agreements between the Cities and State Franchisees.
- C. Each of the Cities, respectively, shall indemnify, defend, and hold harmless CMAP, its officers, agents, volunteers, and employees from and against any and all claims, losses, liabilities, or damage including payment of reasonable attorneys' fees arising out of or resulting from the performance of this Agreement, caused in whole or part by any act or omission of the respective City.

SECTION 5. COPYRIGHT CLEARANCE. Before cablecasting program material, CMAP shall require all users to agree in writing that they shall make all appropriate arrangements to obtain all rights to all material cablecast or distributed through other means such as the Internet and clearances from broadcast stations, networks, sponsors, music licensing organizations' representatives, and without limitation from the foregoing, any and all other persons as may be necessary to transmit their program material over the PEG access channels or other means such as the Internet that are operated and managed by CMAP. CMAP shall maintain copies of all such user agreements for inspection by the Cities, upon reasonable notice by the Cities and for the term of the applicable statute of limitations.

SECTION 6. COPYRIGHT AND OWNERSHIP. CMAP shall own the copyright of any programs which it may choose from time to time to produce. Copyright of programming produced by other parties shall be held by such persons who produced said programming.

SECTION 7. DISTRIBUTION RIGHTS.

- A. CMAP shall require that all programs produced with funds, equipment, facilities, or staff granted under this Agreement shall be distributed on the channels whose use is authorized by this Agreement. This subsection shall not be interpreted to restrict, limit, or otherwise affect CMAP's lawful authority to manage programming shown on the PEG access channels. This subsection shall not be interpreted to restrict distribution (beyond distribution on channels authorized by this Agreement), so long as such other distribution is consistent with any pertinent guidelines established in the PEG access operating policies and procedures.
- B. At least at the beginning and end of each day that programming is cablecast on the PEG access channels whose use is authorized by this Agreement, CMAP shall display a credit stating "Partial funding for the operation of this channel is provided by the Cities of Gilroy, Hollister and San Juan Bautista." Such credit shall also state that opinions expressed in PEG access programs are the sole responsibility of the program producers.

## SECTION 8. EQUIPMENT AND FACILITIES.

- A. CMAP shall be responsible for maintenance of all equipment and facilities owned, leased or loaned to it under this Agreement or purchased with funds provided pursuant to this Agreement.
- B. The City of Gilroy currently houses CMAP's Master Control equipment in the City of Gilroy data center and provides access to certain network infrastructure. CMAP shall continue to pay the City of Gilroy \$3,600 annually for such storage/services. This annual fixed payment of \$3,600 shall be due to the City on September 1st of each year of this Agreement until such time that CMAP determines the need for such storage/services unnecessary.
- C. CMAP shall own all equipment and facilities acquired by it and purchased with funds received pursuant to this Agreement, except that upon termination or non-renewal of this Agreement all such equipment or facilities purchased with funds received pursuant to this Agreement shall become the property of the Cities (in a manner determined by the Cities), which shall ensure that all such equipment or facilities shall be used for PEG access purposes.

To secure all of its obligations under this Agreement, CMAP hereby grants to the Cities a security interest in all of the assets and interests owned or hereafter acquired by CMAP with funds provided by the Cities, and the proceeds thereof, including but not limited to CMAP deposit accounts, inventory, and all equipment and fixtures that are or were acquired with funds provided by the Cities. CMAP agrees to take all steps reasonably requested by the Cities to perfect and enforce the security interest of the Cities, including the execution and processing of financing statements and continuation statements under the California Uniform Commercial Code. CMAP will also notify any institution with whom it now or hereafter maintains any deposit account of the existence of a security interest by the Cities in the account.

The Cities agree to subordinate their interest if necessary to finance the purchase of equipment or property. The subordination shall only be with respect to the specific equipment or property that CMAP might wish to finance.

- D. Upon the earlier of termination, expiration, or dissolution of CMAP, it shall, subject to the approval of the Cities, transfer all assets of CMAP representing equipment and facilities funded by the Cities, and/or the proceeds of either to the Cities, or at the option of the Cities, to such organization or organizations designated by the Cities to manage PEG access which shall at the time qualify as a tax exempt organization(s) under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provisions of any future United States Internal Revenue Law).

SECTION 9. INSURANCE. CMAP shall maintain in full force and effect at all times during the term of this Agreement insurance as required by this Section. The cost of such insurance shall be borne by CMAP and may be included in its annual budget.

- A. *COMPREHENSIVE LIABILITY INSURANCE.* Comprehensive liability insurance, including protective, completed operations and broad form contractual liability, property damage and personal injury coverage, and comprehensive automobile liability including owned, hired, and non-owned automobile coverage. The limits of such coverage shall be: (1) bodily injury including death, \$1,000,000 for each person, each occurrence and aggregate; and (2) property damage, \$1,000,000 for each occurrence and aggregate.
- B. *EQUIPMENT INSURANCE.* Insurance shall be maintained on all equipment and facilities, including fixtures, funded in whole or in part under this Agreement to replacement cost. The insurance shall include, at a minimum, insurance against loss or damage beyond the user's control, theft, fire or natural catastrophe. The Cities shall be shown as lien holders on all policies.
- C. *WORKERS' COMPENSATION.* Full Workers' Compensation Insurance and Employer's Liability with limits as required by California law with an insurance carrier satisfactory to the Cities. Such policy shall contain a waiver of subrogation as to the Cities, and the officials, officers, agents, employees and volunteers.



- D. *CABLECASTER'S ERRORS AND OMISSIONS INSURANCE.* Insurance shall be maintained to cover the content of productions which are cablecast on the PEG access channels or other means such as the Internet in, at minimum, the following areas: libel and slander; copyright or trademark infringement; infliction of emotional distress, invasion of privacy; plagiarism; misuse of musical or literary materials. This policy shall not be required to cover individual PEG access producers.
- E. *CITIES AS CO-INSURED OR ADDITIONAL INSURED.* The Cities shall be named as a co-insured or additional insured on all aforementioned insurance policies. The policies shall provide that no cancellation, major change in coverage or expiration may be affected by the insurance company or CMAP without first giving the Cities thirty (30) days written notice prior to the effective date of such cancellation or change in coverage. Any insurance or self-insurance maintained by the Cities, their officers, agents, employees, or volunteers shall be in excess of CMAP's insurance and shall not contribute to it.
- F. *NOTIFICATION OF COVERAGE.* CMAP shall file with the Cities proof of insurance coverage as follows: (1) Comprehensive Liability and Workers' Compensation upon commencement of the employment of the Executive Director; (2) equipment insurance upon the acquisition of any equipment; and (3) cablecaster's errors and omissions insurance. All required insurance coverage shall be maintained by CMAP at all times in accordance with the requirements of this Agreement.

#### SECTION 10. NON-DISCRIMINATION IN EMPLOYMENT AND SERVICE.

- A. CMAP shall not discriminate against any person, employee or applicant for employment or subcontractor on the basis of race, color, creed, religion, sex, sexual orientation, marital status, ancestry, national origin or physical or mental handicap.
- B. CMAP shall not discriminate in the delivery of services on the basis on race, color, creed, religion, sex, sexual orientation, marital status, ancestry, national origin or physical or mental handicap.

SECTION 11. INDEPENDENT CONTRACTOR. It is understood and agreed that CMAP is an independent contractor and that no relationship of principal/agent or employer/employee exists between the Cities and CMAP. If in the performance of this Agreement any third persons are employed by CMAP, such persons shall be entirely and exclusively under the control, direction and supervision of CMAP. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment shall be determined by CMAP and the Cities shall have no right or authority over such persons or terms of employment. No third party shall be a beneficiary under this Agreement.

SECTION 12. ASSIGNMENT AND SUBLETTING. Neither this Agreement nor any interest herein shall be assigned or transferred by CMAP, except as expressly authorized in writing by the Cities.

SECTION 13. ANNUAL REPORTS. During the second quarter of its fiscal year, CMAP shall submit to the Cities an annual report regarding its activities during the preceding fiscal year. This report shall contain, at a minimum, the following information:

- A. Statistics on programming and services provided;
- B. Current and complete listing of CMAP's Board of Directors;
- C. Year-end financial statements including the previous year's actuals reviewed by an independent certified public accountant.

SECTION 14. RECORDS, FISCAL AUDIT.

- A. CMAP shall maintain all necessary books and records, in accordance with generally accepted accounting principles.
- B. Upon reasonable request from any of the Cities, CMAP shall, at any time during normal business hours, make available all of its records with respect to all matters covered by this Agreement.
- C. CMAP shall prepare (or have prepared) and submit to the Cities a fiscal audit by an outside independent certified public accountant approved by the CMAP Board, at least every three (3) years.

SECTION 15. FUNDING AND OTHER RESOURCES. The Cities agree to make the following funds and resources available to CMAP:

- A. The California Public Utilities Commission has granted to each State Franchisee a franchise to provide video services in the Cities. Pursuant to those State Franchises and City of Gilroy Municipal Code Chapter 24.22, City of Hollister Code Chapter 5.21.070 and City of San Juan Bautista Code Chapter 5-20-1830, each State Franchisee is obligated to provide to the Cities four channels for PEG access purposes. The Cities agrees to permit CMAP to manage that bandwidth/channel capacity for PEG access programming purposes.
- B. Pursuant to those State Franchises and to City of Gilroy Municipal Code Chapter 24.22, City of Hollister Code Chapter 5.21.070 and City of San Juan Bautista Code Chapter 5-20-1830, each State Franchisee is obligated to provide to the City for PEG access purposes three percent (3%) of its gross revenues derived from the provision of video services in the City. The Cities shall direct any State Franchisee to pay said PEG funds to CMAP or shall transfer to CMAP those PEG funds received from the State Franchisees to CMAP no later than thirty (30) days after the City receives the quarterly PEG fee payment from a State Franchisee.
- C. Pursuant to Section 8 of a Settlement Agreement and Release between Charter and each of the Cities individually entered into on or about June 11, 2010, Charter is obligated to provided at no cost to the Cities or CMAP dedicated fiber linkage between CMAP and the Charter headend for transport of PEG signals and connectivity and functionality necessary for PEG access signals to be transmitted from each City Hall as well as the locations of certain educational institutions. The Cities shall authorize CMAP to utilize those links and or connections for the transport of PEG programming.

D. The Cities agrees that they will provide funding to CMAP for the provision of PEG access services described in this Agreement, as follows:

1. Year 2021: 20% of franchise fees received by the Cities from State Franchisees.
2. Year 2022-until end of initial term of this Agreement: 22% of franchise fees received by the Cities from State Franchisees.

These funds shall be disbursed to CMAP on a quarterly basis, upon submission of a written request in accordance with the timeline specified in Section 18 of this Agreement.

E. Upon request by one of more of the Cities, CMAP agrees to provide video productions services and other media services in addition to those listed in this Agreement at the rates described in Appendix 1 to this Agreement.

#### SECTION 16. ANNUAL PLAN AND BUDGET.

A. On or before September 30 of each year in which this Agreement is in effect, CMAP shall provide to the Cities an "Annual Plan and Budget" outlining activities and programs planned for the following fiscal year with funds and other resources provided by the Cities. Such plan shall contain:

1. A statement of the anticipated number of hours of PEG access programming to be cablecast;
2. Training classes to be offered and frequency of classes;
3. Other PEG access activities planned by CMAP; and
4. A detailed operating and capital equipment and facilities budget which shows projected revenues and expenditures for the next fiscal year, planned capital improvements and planned purchases of new or replacement equipment.

SECTION 17. EXPENDITURE OF FUNDS. CMAP shall spend funds received from the Cities solely for the purposes listed in its Annual Plan and Budget and Section 1 (“Scope of Services”) of this Agreement. Funds not expended in the year covered by the Annual Plan and Budget may be carried over by CMAP into succeeding years. Upon termination of this Agreement all funds of any kind received from the Cities and not expended by CMAP shall be returned to the Cities, in proportion to the amounts previously provided by the Cities. All such returned funds shall be used by the Cities for PEG access purposes. CMAP shall provide for such fiscal control and accounting procedures as are necessary to assure proper disbursement and accounting for funds received from the Cities.

SECTION 18. RECEIPT OF APPROVED FUNDING. For each year in which CMAP has submitted the Annual Plan and Budget to the Cities as required under Section 16 of this Agreement, the Cities shall make quarterly payments to CMAP. Those payments shall be made on or before March 15, June 15, September 15, and December 15<sup>1</sup>. The amounts paid to CMAP by these Cities shall be calculated as specified in Section 15.D of this Agreement. If any payment to CMAP required by this Agreement is not received by CMAP on or before the date fixed above, the City shall pay interest thereon, from the due date to the date paid, at a rate of one percent (1%) per month.

SECTION 19. FUNDING FROM OTHER SOURCES. CMAP may, during the course of this Agreement, receive supplemental funds from other sources, including but not limited to fundraising activities.

SECTION 20. TERM OF AGREEMENT. This Agreement shall be for a period of five (5) years commencing on January 1, 2021 and ending on December 31, 2025 unless terminated earlier, as provided for in this Agreement. This Agreement may be extended, by mutual agreement of the Cities and CMAP, in writing, for additional periods of five (5) years each in accordance with Section 22 of this Agreement.

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<sup>1</sup> Due dates calculated at 30 days after PEG access and franchise fee payments from Video Franchisee are due to the cities pursuant to State Law.

SECTION 21. TERMINATION OF AGREEMENT: TRANSFER OF ASSETS.

- A. The Cities shall have the right upon one hundred twenty (120) days written notice to CMAP to terminate this Agreement for:
  - 1. Breach of any provision of this Agreement by CMAP;
  - 2. Malfeasance, misfeasance, misappropriation of funds; or
  - 3. Loss of 501(c)(3) status by CMAP.
- B. The written contract violation notice provided by the Cities shall cite the specific section of this Agreement which the Cities believe CMAP to have breached and provide sufficient detail to permit CMAP to clearly understand the nature of the cure request by the Cities.
- C. CMAP may avoid termination by curing any such breach to the satisfaction of the Cities within one hundred twenty (120) days of notification or within a time frame agreed to by the Cities and CMAP. If the nature of the default is such that more than one hundred twenty (120) days are reasonably required for its cure, then CMAP shall not be deemed to be in default if it has commenced a cure within the one hundred twenty (120) day period and thereafter diligently proceeds with such cure to completion within the time period reasonably established by the Cities.
- D. The Cities may also terminate this Agreement at the expiration of its term, or any extension thereof.
- E. Upon termination of this Agreement, CMAP shall immediately transfer to the Cities all equipment, real property, fixtures, contracts, leases, deposit accounts or other assets received by or purchased by CMAP with funds received pursuant to this Agreement to such organization or organizations designated by the Cities to manage PEG access, which shall at the time qualify as a tax exempt organizations(s) under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provisions of any superseding law).

SECTION 22. EXTENSION OF AGREEMENT. This Agreement may be renewed or extended for additional periods of five (5) years upon the Cities approval of a written request by CMAP filed with the Cities at least one hundred and twenty days (120) before the expiration of the initial term of this agreement provided that CMAP is in compliance with the terms of this Agreement. CMAP shall be deemed in compliance with this Agreement unless the Cities provide CMAP with a notice of violation and such violations is not timely cured

SECTION 23. TIME. Time is of the essence in this Agreement and for the performance of all covenants and conditions of this Agreement.

SECTION 24. COOPERATION. Each party agrees to execute all documents and do all things necessary and appropriate to carry out the provisions of this Agreement.

SECTION 25. APPLICABLE LAW. This Agreement shall be interpreted and enforced under the laws of the State of California.

SECTION 26. NOTICES. All notices and other communications to be given by either party may be given in writing, depositing the same in the United States mail, postage prepaid and addressed to the appropriate party as follows:

To the City of Gilroy:

City Administrator  
7351 Rosanna Street  
Gilroy, CA 95020

To the City of Hollister:

City Manager  
375 Fifth Street  
Hollister, CA 95023

To the City of San Juan Bautista:

City Manager  
311 Second Street  
P.O. Box 1420  
San Juan Bautista, CA 95045

To CMAP:

Executive Director  
7500 Monterey Road  
P.O. Box 1822  
Gilroy, CA 95021

Any party may change its address by written notice to the other parties at any time.

SECTION 27. SEVERABILITY.

If any term, provision, covenant or condition of this Agreement shall be determined to be invalid, void, or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected to the extent the remaining provision are not rendered impractical to perform taking into consideration the purposes of this Agreement.

SECTION 28. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

SECTION 29. ENTIRE AGREEMENT. This Agreement is the entire agreement of the parties and supersedes all prior negotiations and agreements whether written or oral. This Agreement may be amended only by written agreement and no purported oral amendment to this Agreement shall be valid.



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

CITY OF GILROY, a municipal corporation

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

Date: \_\_\_\_\_

CITY OF HOLLISTER, a municipal corporation

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

Date: \_\_\_\_\_

CITY OF SAN JUAN BAUTISTA, a municipal corporation

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

Date: \_\_\_\_\_

COMMUNITY MEDIA ACCESS PARTNERSHIP OF SOUTHERN SANTA CLARA AND SAN BENITO COUNTIES, a nonprofit corporation

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

Date: \_\_\_\_\_

# EXHIBIT A

## CMAP Fiscal Year 2020/21 Enhanced Government Services Rate Sheet Schedule

CMAP shall charge according to the following schedule of rates for performing the following services related to government programming. All rates are subject to annual cost of living increases and/or PEG funding uncertainty.

*Doc. Date: July 2020. This document will be updated annually with the CMAP Annual Plan and Budget*

### GOVERNMENT MEETING SERVICES

#### Council Chamber Meeting Coverage

Meeting coverage in addition to that outlined in Section 2: A. of this agreement **\$85 per hour**

#### Equipment Maintenance/Expansion of Government Installations

CMAP provides routine inspection, maintenance, troubleshooting, and repairs of CMAP-installed equipment in city facilities. Governments may also request new functionality that requires installation of additional equipment. **\$100 per hour**

### ADDITIONAL OFF-SITE VIDEO SERVICES (provided with field equipment by CMAP staff)

#### Single Camera Field Production

Includes operator, professional camera and mic. This provides adequate coverage for off-site meetings, workshops and other public events. **\$250** (up to 3 hours)  
**\$400** (3-5 hours)  
**\$500** (5-7 hours)

#### 3-Camera Switched Field Production

Includes TriCaster switcher, 3 person crew, live or post-produced graphics, web archive or DVD. **\$1,000** (up to 3 hours)  
**\$200** (each additional hour)

#### Audio Support/PA in the Field

Includes mixer, multiple mics, public address system, and one operator. **\$500** (up to 3 hours)  
**\$100** (each additional hour)

#### Editing/Post Production/Graphics

Video field work typically requires that video material be edited and have graphics edited before being cablecast and web streamed/archived. This provides that basic service. Depending on the production and quality desired, extended hours of editing may be required. Estimates are provided prior to start of work. **\$85 per hour**

#### Live Web Streaming

CMAP can provide live web streaming of any field production. Requires an adequate internet connection on location. CMAP can also provide a simple embed code to place the streaming video on a government web site. **\$100 per event**

#### Live Cablecast/Web Stream

Same as above but with live cablecast to Charter/AT&T cable channels. **\$150 per event**

### IN-HOUSE PRODUCTIONS AT CMAP STUDIO

#### Studio Production

Includes two CMAP crew members for technical production. **\$100 per hour**

#### Studio Show Producer

Responsible for show production, crew coordination, graphics, etc. **\$150 per 30-60 minute program**

#### DVD Creation

Includes DVD menus and cover. **\$75 per master**  
**\$10 per copy**