

**ALL CELL PHONES AND ELECTRONIC DEVICES MUST BE  
TURNED OFF IN THE COUNCIL CHAMBERS**

**A G E N D A  
REEDLEY CITY COUNCIL MEETING**

**7:00 P.M.**

**TUESDAY, August 25, 2020**

**Meeting Held in the Council Chambers  
845 "G" Street, Reedley, California**

The Council Chambers are accessible to the physically disabled. Requests for additional accommodations for the disabled, including auxiliary aids or services, should be made 48 hours prior to the meeting by contacting the City Clerk at 637-4200 ext. 212.

Any document that is a public record and provided to a majority of the City Council regarding an open session item on the agenda will be made available for public inspection at City Hall, in the City Clerk's office, during normal business hours. In addition, such documents may be posted on the City's website.

Unless otherwise required by law to be accepted by the City at or prior to a Council meeting or hearing, no documents shall be accepted for Council review unless they are first submitted to the City Clerk by the close of business one day prior to said Council meeting/hearing at which the Council will consider the item to which the documents relate, pursuant to the adopted City Council Protocols.

**In recognition of the guidance from the California Department of Public Health in response to the COVID-19 pandemic, those who choose to attend the City Council meeting physically must wear a mask or face covering and practice social distancing by remaining at least 6 feet apart from other attendees. Hand sanitizer will be available at the entrance to the Council Chambers for use upon entering and exiting the room. If you are sick, please do not attend the meeting in person. The meeting is available via live stream at the web link noted below following the City's website address and public comments will be accepted during the appropriate comment periods by calling (559) 637-4200 ext. 290. Please note there is approximately a 60 second delay for the live stream. Thank you for your cooperation. Our community's health and safety is our highest priority.**

City of Reedley's Internet Address is [www.reedley.ca.gov](http://www.reedley.ca.gov)  
City Council Meeting live stream is available at <http://www.reedley.com/livestream.php>

Frank Piñon, Mayor

Mary Fast, Mayor Pro Tem  
Anita Betancourt, Council Member

Robert Beck, Council Member  
Ray Soleno, Council Member

**MEETING CALLED TO ORDER**

**INVOCATION** – Miriam Aleman, Community Pastor for LifeHouse Valley Church

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**AGENDA APPROVAL – ADDITIONS AND/OR DELETIONS**

**PRESENTATION**

- 1. PRESENTATION OF NEW PART-TIME CODE ENFORCEMENT OFFICER, CHANTEL SANCHEZ. – Fire

**PUBLIC COMMENT** – Provides an opportunity for members of the public to address the City Council on items of interest to the public within the Council’s jurisdiction and which are not already on the agenda this evening. It is the policy of the Council not to answer questions impromptu. Concerns or complaints will be referred to the City Manager’s office. Speakers should limit their comments to not more than three (3) minutes. No more than ten (10) minutes per issue will be allowed. For items which are on the agenda this evening, members of the public will be provided an opportunity to address the Council as each item is brought up for discussion.

**NOTICE TO PUBLIC**

**CONSENT AGENDA** items are considered routine and a recommended action for each item is included, and will be voted upon as one item. If a Councilmember has questions, requests additional information, or wishes to comment on an item, the vote should not be taken until after questions have been addressed or comments made, and the public has had an opportunity to comment on the **Consent Agenda** items. If a Councilmember wished to have an item considered individually or wishes to change the recommended action, then the item should be removed and acted upon as a separate item. A Councilmember’s vote in favor of the **Consent Agenda** is considered and recorded as a separate affirmative vote in favor of each action listed. Motions in favor of the **Consent Agenda** are deemed to include a motion to waive the full reading of any ordinance on the **Consent Agenda**. For adoption of ordinances, only those that have received a unanimous vote upon introduction are considered **Consent** items.

**CONSENT AGENDA (Item 2-6)**

Motion \_\_\_\_\_<sup>2<sup>nd</sup></sup>\_\_\_\_\_

- 2. APPROVAL OF MINUTES OF THE REGULAR COUNCIL MEETINGS OF JUNE 9, 2020 - (City Clerk)  
Staff Recommendation: Approve
- 3. RECOMMENDATION OF REJECTION OF CLAIM – ANMED, ABDULRAZZAK (Administrative Services)  
Staff Recommendation: Approve Rejection
- 4. APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AMENDMENT #2 TO PROFESSIONAL SERVICES AGREEMENT WITH THE GREATER REEDLEY CHAMBER OF COMMERCE FOR ADDITIONAL COMPENSATION OF \$25,000 IN FY 2020-2021 FOR CONTINUED EMERGENCY BUSINESS RESPONSE RELATED TO THE COVID-19 PANDEMIC. – (Administrative Services)  
Staff Recommendation: Approve

5. RATIFY THE AUTHORIZATION FOR CITY MANAGER TO EXECUTE THE GRANT AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) FOR THE REEDLEY MUNICIPAL AIRPORT APRON REHABILITATION DESIGN PROJECT. – (Community Services)  
Staff Recommendation: Approve
6. ADOPT RESOLUTION NO. 2020-068 AWARDDING A CONSTRUCTION CONTRACT TO JT2 INC. DBA TODD COMPANIES FOR THE EAST AVENUE SIDEWALK PROJECT BETWEEN LINCOLN AVE AND AUGUST AVE. – (Engineering)  
Staff Recommendation: Approve

**PUBLIC HEARING**

7. ADOPT RESOLUTION NO. 2020-071 FOR PROPOSED ANNEXATION OF TRACT NO. 5263, MONTE VISTA ESTATES, INTO THE CITY OF REEDLEY’S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1.
  - A. OPEN PUBLIC HEARING FOR THE ANNEXATION OF TRACT NO. 5263 MONTE VISTA ESTATES, INTO THE CITY OF REEDLEY’S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1, ZONE W. CLOSE THE PUBLIC HEARING AND OPEN THE BALLOT.
  - B. ADOPT RESOLUTION NO. 2020-071 APPROVING THE ANNEXATION OF TRACT NO. 5263, MONTE VISTA ESTATES, INTO THE CITY OF REEDLEY’S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1, ZONE W.

Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. – (Public Works)  
Staff Recommendation: Approve

**ADMINISTRATIVE BUSINESS**

8. ADOPT RESOLUTION NO. 2020-023 APPROVING THE FINAL MAP FOR TENTATIVE PARCEL MAP NO. 2019-1. - Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. – (Community Development)  
Staff Recommendation: Approve
9. ADOPT RESOLUTION NO. 2020-072 ACCEPTING THE SEWER RATE STUDY PRESENTED BY HDR ENGINEERING, SELECTING THE PROPOSED SEWER RATE STRUCTURE, AND SETTING THE PUBLIC HEARING DATE TO CONSIDER THE PROPOSED RATE CHANGES. - Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. – (Public Works)  
Staff Recommendation: Approve
10. APPROVAL OF ITEMS PERTAINING TO THE REMAINING UNALLOCATED 2020 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT.
  - A. ADOPT RESOLUTION NO. 2020-074 AMENDING THE FY 2020-21 ADOPTED BUDGET APPROPRIATING \$295,001 IN THE GENERAL FUND OF REMAINING UNALLOCATED 2020 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT FUNDS FOR VARIOUS PUBLIC HEALTH, SAFETY & ECONOMIC RELIEF ACTIVITIES, AND RECOGNIZING TRANSFERS INTO THE GENERAL FUND RESERVE AND AIRPORT FUND OF \$37,000 AND \$1,697, RESPECTIVELY.

B. AUTHORIZE THE CITY MANAGER TO APPROVE AND ANNUAL LEASE PAYMENT REDUCTION OF \$1697 WITH PAUL & DONNA HUEBERT FOR THE BICYCLE MOTOCROSS TRACK AT THE REEDLEY AIRPORT.

Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. – (Administrative Services)

Staff Recommendation: Approve

**RECEIVE INFORMATION & REPORTS**

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- 11. RECEIVE, REVIEW, AND FILE THE QUARTERLY INVESTMENT REPORT FOR 4<sup>TH</sup> QUARTER ENDING JUNE 30, 2020 FOR FISCAL YEAR 2019-20. – Administrative Services
- 12. RECEIVE & REVIEW THE RESULTS OF THE REFUNDING OF THE FORMER REEDLEY REDEVELOPMENT AGENCY BONDS. – Administrative Services
- 13. RECEIVE & REVIEW THE ACTUARIAL VALUATION OF THE CITY OF REEDLEY RETIREE HEALTHCARE PLAN AS OF JUNE 30, 2019. – Administrative Services

**COUNCIL REPORTS**

- 14. BRIEF REPORT BY COUNCIL MEMBERS ON CITY RELATED ACTIVITIES AS AUTHORIZED BY THE BROWN ACT AND REQUESTS FOR FUTURE AGENDA ITEMS.

**STAFF REPORTS**

- 15. UPDATES AND/OR REPORTS BY CITY MANAGER AND/OR STAFF MEMBERS.

**ADJOURNMENT**

<p><u>Dates to Remember:</u> September 8, 2020 – Regular-Council Meeting September 22, 2020 – Regular-Council Meeting</p>
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*I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing revised agenda was posted in accordance with the applicable legal requirements. Dated this 20th day of August 2020.*

  
Sylvie B. Plata, City Clerk

# REEDLEY CITY COUNCIL MEETING – June 9, 2020

A complete audio record of the minutes is available at [www.reedley.ca.gov](http://www.reedley.ca.gov)

The meeting of Reedley City Council called to order by Mayor Pro-Tem Mary Fast at 7:04 p.m. on Tuesday, June 9, 2020 in the City Hall Council Chambers, 845 “G” Street, Reedley, California.

**INVOCATION** – Russ Robertson, Public Work Director

## PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Beck.

## ROLL CALL

Council Members

Present: Robert Beck, Anita Betancourt, Mary Fast, Ray Soleno.

Absent: Frank Piñon – (Excuse)

## AGENDA APPROVAL – ADDITIONS AND/OR DELETIONS

City Manager recommended that item #3 from consent items and be placed as the first item under Administrative Business.

Council Member Betancourt moved, Council Member Soleno seconded to accept and approve agenda.

AYES: Beck, Soleno, Betancourt, Fast.

NOES: None.

ABSTAIN: None.

ABSENT: Piñon

## PRESENTATION

### 1. PRESENTATION OF NEW RESERVE POLICE OFFICERS, KYLE CAREY AND ANTONIO MARTINEZ.

Council welcomed both Officers after Police Chief Garza’s introductions.

*City Manager, Nicole Zieba asked that it be noted for Public Record that our Council meeting was being livestreamed and public comments would be accepted from the public during the appropriate periods. The public would be able to call (559) 637-4200 ext. 290 and since there was a 1 minute delay from the livestream, Council would need to wait to give the opportunity for the public to call in.*

## PUBLIC COMMENT

None.

## CONSENT AGENDA (Item 2-5)

Motion \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Per Nicole Zieba, City Manager’s request item #3 has been moved to Administrative Business.

Council Member Betancourt moved, Council Member Beck seconded to accept, approve and adopt all items listed under the **CONSENT AGENDA** as follow:

### 2. APPROVAL OF MINUTES OF THE REGULAR COUNCIL MEETINGS OF MAY 12, 2020 - *Approved*

### 3. ADOPT RESOLUTION NO. 2020-052 AWARDING A CONSTRUCTION CONTRACT TO R.J. BERRY JR., INC. FOR THE BUTTONWILLOW AVENUE WIDENING, CDBG PROJECT NO. 18571. – *Removed and added to Administrative Business*

## REEDLEY CITY COUNCIL MEETING – June 9, 2020

4. ADOPT RESOLUTION NO. 2020-053 STATING THE COUNCIL’S INTENTION TO ANNEX TRACT NO. 5263, MONTE VISTA ESTATES, INTO THE CITY’S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1 AND SETTING A DATE FOR A PUBLIC HEARING ON JULY 28, 2020. – *Approved*
5. ADOPT RESOLUTION NO. 2020-054, A RESOLUTION OF THE CITY OF REEDLEY REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF FRESNO TO CONSOLIDATE AND CANVASS THE ELECTION AND PERMIT THE COUNTY CLERK/REGISTRAR OF VOTERS OF FRESNO COUNTY TO RENDER SPECIFIED SERVICES TO THE CITY OF REEDLEY RELATING TO THE CONDUCT OF THE MUNICIPAL ELECTION TO BE HELD IN THE CITY OF REEDLEY, NOVEMBER 3, 2020, AND APPROPRIATING FUNDS TO PAY FOR SAID SERVICES. – *Approved*

Remaining consent items approved with the following motion:

AYES: Betancourt, Beck, Soleno, Fast.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Piñon

### ADMINISTRATIVE BUSINESS

3. ADOPT RESOLUTION NO. 2020-052 AWARDED A CONSTRUCTION CONTRACT TO R.J. BERRY JR., INC. FOR THE BUTTONWILLOW AVENUE WIDENING, CDBG PROJECT NO. 18571.

Marilu Morales, City Engineer stated that this item was staff’s recommendation to award the construction contract to R.J. Berry Jr., Inc. for the Buttonwillow Avenue Widening, CDBG Project No. 18571. Ms. Morales was aware the Mrs. Perez, a neighboring resident and member of the public had some questions regarding the project.

Virginia Perez, 523 N Buttonwillow – Said that they had received a letter from the city advising them of the widening of the road. Ms. Perez explained that they had been dealing with city staff on this issue for approximately 15 years and received various verbal agreements but they had not been fulfilled. The only thing that had been done was the covered canal by Alta Irrigation District. Ms. Perez also asked about their pond and tree on city’s right of way, the driveway approach and underground wiring. City Manager acknowledged the Perez Family’s situation and thought that staff could find a solution for the driveway approach issue, however was not sure that anything could be done with the undergrounding since the undergrounding project in the last five years had decade. She stated that the City Engineer was able to modify the design in order to keep the pond however the city would have to remove and relocate a new tree. Ms. Zieba guaranteed Mrs. Perez that staff would get together to look at all the issues and would get back to her in writing.

Council questioned the undergrounding situation and City Engineer explained the difference with the undergrounding on the new development and existing, however would contact PG&E for possibilities.

Council Member Soleno moved, Council Member Betancourt seconded to accept, approve and ADOPT RESOLUTION NO. 2020-052 AWARDED A CONSTRUCTION CONTRACT TO R.J. BERRY JR., INC. FOR THE BUTTONWILLOW AVENUE WIDENING, CDBG PROJECT NO. 18571.

AYES: Soleno, Betancourt, Beck, Fast.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Piñon

6. APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE A LETTER OF INTENT AND ASSOCIATED DOCUMENTS WITH VISTA SOLAR, DOING BUSINESS AS CENTRICA BUSINESS SOLUTIONS, TO DEVELOP AND INSTALL A PHOTOVOLTAIC PROJECT WITH EXPECTED IMMEDIATE AND LONG-TERM ENERGY SAVINGS FOR THE CITY.

Russ Robertson, Public Works Director said that several years ago State Legislature had passed a series of bills establishing the method in which local governments could utilize renewable generating facilities to export energy to the grid and in return receive generation credits to benefitting accounts of the same local government. The bill he

## REEDLEY CITY COUNCIL MEETING – June 9, 2020

said were combined to establish a specific program called the RES-BCT program, which stands for Local Government Renewal Energy Self-Generation Bill Credit Transfer. Mr. Robertson explained how the project worked and the energy cost savings anticipated. Mr. Robertson stated that all costs associated with engineering, permitting, construction, and maintenance for the solar power arrays were born by the solar energy provider. The city of Reedley would have no cost associated with this project other than the agreement to purchase the power produced by the system. The project would result in energy costs savings to various city funds, primarily to the Water and Wastewater Enterprise funds.

Council Member Beck moved, Council Member Soleno seconded to accept and APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE A LETTER OF INTENT AND ASSOCIATED DOCUMENTS WITH VISTA SOLAR, DOING BUSINESS AS CENTRICA BUSINESS SOLUTIONS, TO DEVELOP AND INSTALL A PHOTOVOLTAIC PROJECT WITH EXPECTED IMMEDIATE AND LONG-TERM ENERGY SAVINGS FOR THE CITY.

AYES: Beck, Soleno, Betancourt, Fast.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Piñon

### 7. ADOPT RESOLUTION NO. 2020-050 APPROVING A 2.5% INCREASE IN WATER RATE CHARGES BEGINNING JULY 1, 2020.

Public Works Director, Russ Robertson stated that staff recommended the adoption of Resolution, approving a 2.5% increase in water rate beginning July 1, 2020. He explained that on May of 2016, an independent engineering consulting firm had performed a comprehensive water rate study and Council approved the water rate study findings, establishing water service rates and authorizing an annual inflationary increase in water service rates each July 1<sup>st</sup> based on the 10-year rolling average of the Consumer Price Index (CPI). He said that the current 10 year rolling average of the CPI was 2.7%, however Resolution No. 2016-070 specifically stated that no annual increase would exceed 2.5% of the previous year's rate. This 2.5% increase was needed to cover inflationary increases in personnel, operations and maintenance costs, as well as ongoing infrastructure replacement needs.

Council Member Anita moved, Council Member Soleno seconded to accept, approve and ADOPT RESOLUTION NO. 2020-050 APPROVING A 2.5% INCREASE IN WATER RATE CHARGES BEGINNING JULY 1, 2020.

AYES: Betancourt, Soleno, Beck, Fast.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Piñon

## WORKSHOP

### 8. PROVIDE UPDATE ON TEMPORARY BUSINESS UTILITY BILL FORGIVENESS PROGRAM. – (City Manager)

City Manager, Nicole Zieba stated that a few weeks ago the City established a Temporary Business Utility Bill Forgiveness Program in response to the local economic impacts from the COVID-19 pandemic. She said the program was currently funded with a \$25,000 transfer from the General Fund Reserve and that response to the program had been very strong with request for relief outpacing the program funds. She provided up to date information on the program since applications were still being received on a daily basis. She stated that people have been very appreciative and that while it was not a large amount of money, it was a recognition of what has happened to them as businesses in our city. Ms. Zieba said that seventy-four applications were received but only fifty-two were funded reaching the \$25,000 limit and that the program funds distribution were on a first come, first served basis. City Manager explained that the city had not been able to fund 22 of those requests, which was an equivalent of \$8000. She believed it could be appropriate if Council wished to increase the funding cap by \$10,000, so all applications in process could be captured. Ms. Zieba explained that this item was for providing Council with information, however Council could provide Staff with their thoughts on whether they would like it brought back at the next Council meeting for consideration.

## REEDLEY CITY COUNCIL MEETING – June 9, 2020

### RECEIVE INFORMATION & REPORTS

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9. REEDLEY TRANSIT UPDATE PROVIDED BY FRESNO COUNTY RURAL TRANSIT AGENCY.

### COUNCIL REPORTS

17. BRIEF REPORT BY COUNCIL MEMBERS ON CITY RELATED ACTIVITIES AS AUTHORIZED BY THE BROWN ACT AND REQUESTS FOR FUTURE AGENDA ITEMS.

#### Council Member Soleno

- Asked about the signage coming into Reedley with information about population.

### STAFF REPORTS

18. UPDATES AND/OR REPORTS BY CITY MANAGER AND/OR STAFF MEMBERS.

#### City Manager, Nicole Zieba

- Updated Council on CDBG-CV funding for COVID expense.
- Updated Council on the candle light vigil for George Floyd proposed for that week.
- The Budget Document would coming to Council at the next meeting for consideration.
- Updated Council on the businesses that would be able to open under new guidelines.

#### Community Development Director, Rob Terry & Sarah Reid, Community Services Director

- Provided an update on the Reedley Parkway Master Plan.

### ADJOURNMENT

Mayor Fast adjourned the regular meeting at 8:20 p.m.

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Mayor Pro Tempore Fast

ATTEST:

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Sylvia B. Plata, City Clerk

## REEDLEY CITY COUNCIL MEETING – June 9, 2020

4. ADOPT RESOLUTION NO. 2020-053 STATING THE COUNCIL’S INTENTION TO ANNEX TRACT NO. 5263, MONTE VISTA ESTATES, INTO THE CITY’S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1 AND SETTING A DATE FOR A PUBLIC HEARING ON JULY 28, 2020. – *Approved*
5. ADOPT RESOLUTION NO. 2020-054, A RESOLUTION OF THE CITY OF REEDLEY REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF FRESNO TO CONSOLIDATE AND CANVASS THE ELECTION AND PERMIT THE COUNTY CLERK/REGISTRAR OF VOTERS OF FRESNO COUNTY TO RENDER SPECIFIED SERVICES TO THE CITY OF REEDLEY RELATING TO THE CONDUCT OF THE MUNICIPAL ELECTION TO BE HELD IN THE CITY OF REEDLEY, NOVEMBER 3, 2020, AND APPROPRIATING FUNDS TO PAY FOR SAID SERVICES. – *Approved*

Remaining consent items approved with the following motion:

AYES: Betancourt, Beck, Soleno, Fast.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Piñon

### ADMINISTRATIVE BUSINESS

3. ADOPT RESOLUTION NO. 2020-052 AWARDED A CONSTRUCTION CONTRACT TO R.J. BERRY JR., INC. FOR THE BUTTONWILLOW AVENUE WIDENING, CDBG PROJECT NO. 18571.

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Council questioned the undergrounding situation and City Engineer explained the difference with the undergrounding on the new development and existing, however would contact PG&E for possibilities.

Council Member Soleno moved, Council Member Betancourt seconded to accept, approve and ADOPT RESOLUTION NO. 2020-052 AWARDED A CONSTRUCTION CONTRACT TO R.J. BERRY JR., INC. FOR THE BUTTONWILLOW AVENUE WIDENING, CDBG PROJECT NO. 18571.

AYES: Soleno, Betancourt, Beck, Fast.  
NOES: None.  
ABSTAIN: None.  
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AYES: Betancourt, Soleno, Beck, Fast.  
NOES: None.  
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## WORKSHOP

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- Updated Council on the businesses that would be able to open under new guidelines.

Community Development Director, Rob Terry & Sarah Reid, Community Services Director

- Provided an update on the Reedley Parkway Master Plan.

### ADJOURNMENT

Mayor Fast adjourned the regular meeting at 8:20 p.m.

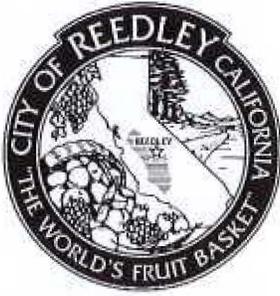
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Mayor Pro Tempore Fast

ATTEST:

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Sylvia B. Plata, City Clerk



## REEDLEY CITY COUNCIL

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- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 3

**DATE:** August 25, 2020

**TITLE:** RECOMMEND REJECTION OF CLAIM – Anmed, Abdulrazzak

**SUBMITTED:** Paul A. Melikian, Assistant City Manager *PM*

**APPROVED:** Nicole R. Zieba, City Manager *NZ*

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### RECOMMENDATION

That the City Council deny a claim received from the claimant Anmed Abdulrazzak on July 28, 2020. The claim has been forwarded to AIMS for further investigation.

### BACKGROUND

The Claim Form for Anmed Abdulrazzak states that on June 12, 2020, a tree fell on his vehicle near the Reedley Beach area, which caused damage to his vehicle. Upon investigation, a sudden and unexpected wind storm spread through the region on that particular day, which may have caused the tree to fall.

The City is only liable for this type of incident if there was prior notification that there was a problem, in this case, with the tree. Per AIMS initial investigation, the City had no notice, complaints and/or issues with the subject tree. The claimant also had no prior issues and/or incidents with the tree. For these reasons, AIMS found no evidence of negligence and/or liability on the part of the City. Therefore, based on past similar incidents in Reedley and other valley cities that are part of the Central San Joaquin Valley Risk Management Authority, it is the recommendation of staff to proceed with rejecting the claim.

Pursuant to Government Code Section 912.4, the City Council must act upon a claim within 45 days after receipt. If there is no official action by Council, the claim is deemed to be rejected on the last day. Denial by minute order action provides a clearly defined rejection date and allows AIMS to begin their investigation and take appropriate action to resolve the claim in a timely manner.

### ATTACHMENTS

1. Claim

CLAIM FORM

(Please Type Or Print)

CLAIM AGAINST falling tree at reedley beach

(Name of Entity)

Claimant's name: Abdulrazzak Ahmed

SS#: \_\_\_\_\_ DOB: ~~\_\_\_\_\_~~ Gender: Male  Female \_\_\_\_\_

Claimant's address: 1555 south ave Apt 1012

Address where notices about claim are to be sent, if different from above: \_\_\_\_\_

Date of incident/accident: 06-12-20

Date injuries, damages, or losses were discovered: 06-12-20

Location of incident/accident: Reedley beach

What did entity or employee do to cause this loss, damage, or injury? \_\_\_\_\_

A big tree fell over the car & did a lots of damage  
(Use back of this form or separate sheet if necessary to answer this question in detail.)

What are the names of the entity's employees who caused this injury, damage, or loss (if known)? \_\_\_\_\_

~~was damaged & the car hood~~

What specific injuries, damages, or losses did claimant receive? The engine of the car, the

glass & hood was damaged.  
(Use back of this form or separate sheet if necessary to answer this question in detail.)

What amount of money is claimant seeking or, if the amount is in excess of \$10,000, which is the appropriate court of jurisdiction. Note: If Superior and Municipal Courts are consolidated, you must represent whether it is a "limited civil case" [see Government Code 910(f)]

\$ 8,600 full price of the car

How was this amount calculated (please itemize)? The price of the car was

calculated by the amount spent on car from seller to buyer.

(Use back of this form or separate sheet if necessary to answer this question in detail.)

Date Signed: 07-28-20 Signature: A. Ahmed

If signed by representative:

Representative's Name \_\_\_\_\_ Address \_\_\_\_\_

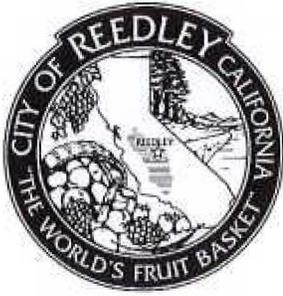
Telephone # \_\_\_\_\_

Relationship to Claimant \_\_\_\_\_

RECEIVED  
CITY OF REEDLEY

JUL 28 2020

845 G Street  
Reedley, CA 93654



# REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing
- Receive/Review

ITEM NO: 4

**DATE:** August 25, 2020

**TITLE:** APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AMENDMENT #2 TO PROFESSIONAL SERVICES AGREEMENT WITH THE GREATER REEDLEY CHAMBER OF COMMERCE FOR ADDITIONAL COMPENSATION OF \$25,000 IN FY 2020-2021 FOR CONTINUED EMERGENCY BUSINESS RESPONSE RELATED TO THE COVID-19 PANDEMIC

**SUBMITTED:** Paul A. Melikian, Assistant City Manager

**APPROVED:** Nicole R. Zieba, City Manager

## RECOMMENDATION

Staff recommends that the City Council approve and authorize the City Manager to execute Amendment #2 to Professional Services Agreement with the Greater Reedley Chamber of Commerce, revising the compensation provision in the Agreement to align with the enhanced funding included in the FY 2020-2021 City Adopted Budget.

## BACKGROUND

Beginning in March 2020, the effects and impact of the mitigation efforts and community response to the coronavirus (COVID-19) pandemic caused the City to request additional services and support from the Chamber. On March 24, 2020, the City Council approved Amendment #1 to the Professional Services Agreement with the Chamber for the fiscal year ending June 30, 2020, whereupon the City paid the Chamber an additional \$5,000 for services rendered to the City and in support of the business community. The need for the Chamber's enhanced support of the business community continues into the new fiscal year, and an additional \$25,000 of compensation was included in the City's 2020-2021 Adopted Budget for this purpose, for total compensation of \$75,000. Approval of this amendment updates the Agreement to align with the additional budget allocation for this fiscal year only.

On June 26, 2012, the City Council approved a Professional Services Agreement with the Greater Reedley Chamber of Commerce stipulating a \$50,000 annual fee for services provided to the City and local business community.

## FISCAL IMPACT

The additional compensation of \$25,000 was included in the City's 2020-2021 Adopted Budget, for a total allocation to the Chamber of \$75,000 this fiscal year. Approval of Amendment #2 has no additional impact to the General Fund, and annual funding for the Chamber will revert to the previous amount in the following fiscal year beginning July 1, 2021 unless additional funding is again approved by the City Council.

## ATTACHMENTS

Amendment #2 to Professional Services Agreement

**AMENDMENT #2 TO PROFESSIONAL SERVICES AGREEMENT**

This Amendment to Professional Services Agreement (“Agreement”), is made and entered into by the City of Reedley (“City”) and the Greater Reedley Chamber of Commerce (“Chamber”), a California non-profit public benefit corporation.

**RECITALS**

**WHEREAS**, On June 26, 2012, the City Council approved a Professional Services Agreement with the Greater Reedley Chamber of Commerce stipulating a \$50,000 annual fee for services provided to the City and Community; and

**WHEREAS**, Beginning in March 2020, the effects and impact of the mitigation efforts and community response to the coronavirus (COVID-19) pandemic caused the City to request additional services and support from the Chamber; and

**WHEREAS**, on March 24, 2020, the City Council approved Amendment #1 to the Professional Services Agreement with the Chamber for the fiscal year ending June 30, 2020, whereupon the City paid the Chamber an additional \$5,000 for services rendered to the City and in support of the business community in light of the unprecedented effects and containment efforts of the coronavirus (COVID-19) pandemic; and

**WHEREAS**, the need for the Chamber’s enhanced support of the business community continues into the new fiscal year, and an additional \$25,000 of compensation was included in the City’s 2020-2021 Adopted Budget for this purpose.

**NOW, THEREFORE**, The parties hereto agree to amend and add to the existing Agreement as follows:

4. Compensation

For the fiscal year ending June 30, 2021 only, the City shall pay to the Chamber an additional \$25,000 for services rendered to the City and in support of the business community in light of the unprecedented effects and mitigation efforts of the coronavirus (COVID-19) pandemic, for total compensation of \$75,000.

**IN WITNESS WHEREOF**, the parties have executed this Amendment #2 effective as of the date first above written.

**City of Reedley**

**Greater Reedley Chamber of  
Commerce**

By: \_\_\_\_\_  
Nicole R. Zieba  
City Manager

By: \_\_\_\_\_  
Erik Valencia  
Executive Director

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

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



# REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 5

**DATE:** August 25, 2020

**TITLE:** RATIFY THE AUTHORIZATION FOR CITY MANAGER TO EXECUTE THE GRANT AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) FOR THE REEDLEY MUNICIPAL AIRPORT APRON REHABILITATION DESIGN PROJECT.

**SUBMITTED:** Sarah Reid  
Community Services Director

**APPROVED:** Nicole R. Zieba  
City Manager

## RECOMMENDATION

Ratify the authorization for City Manager to execute the Grant Agreement with the Federal Aviation Administration (FAA) for the Reedley Municipal Airport Apron Rehabilitation Design Project.

## BACKGROUND

The design work for the Apron Pavement Reconstruction was identified in the City of Reedley's Airport Capital Improvement Program (ACIP). The project was originally slated for the 2019/20 City of Reedley Fiscal Year Budget. The FAA did not award a design grant to the Reedley Airport for the FY19 due to the concern of having the federal match amount once the construction phases start. Because this project is larger than the Reedley entitlement funds will cover, the FAA has to use the discretionary funding which was not available in FY19. After staff met with the FAA in September of 2019 it was agreed to phase the project one additional year to bring down the match amount.

Once the design work is complete the Apron Construction phases will begin and extend over the next five years. These phases are identified in the Airport Capital Improvement Program.

## FISCAL IMPACT

The City received a grant offer from FAA for \$155,347. The CARES Act will cover the State and City match obligations for all FY20 projects. Because of the Cares Act funding there will be a savings to the Airport Enterprise account in the amount of \$8,544.

## PRIOR COMMISSION ACTIONS

The Airport Commission recommended approval at their meeting on November 21, 2019 to submit the application to fund a design grant for FY20.

**PRIOR COUNCIL ACTIONS**

Airport Layout Plan approved by Reedley City Council on January 22, 2019.

On December 10, 2019, City Council approved the submittal of a grant application to the FAA, for a Design Grant for the Apron Pavement Reconstruction.

**ATTACHMENTS**

1. Grant Agreement with the Federal Aviation Administration
2. Airport Capital Improvement Program 2020-2025



U.S. Department  
of Transportation  
Federal Aviation  
Administration

## GRANT AGREEMENT

### PART I – OFFER

Federal Award Offer Date	<u>July 21, 2020</u>
Airport/Planning Area	<u>Reedley Municipal</u>
AIP Grant Number	<u>3-06-0196-020-2020</u>
Unique Entity Identifier	<u>004940631</u>
TO:	<u>City of Reedley</u>
	(herein called the “Sponsor”)

FROM: **The United States of America**(acting through the Federal Aviation Administration, herein called the “FAA”)

**WHEREAS**, the Sponsor has submitted to the FAA a Project Application dated July 2, 2020, for a grant of Federal funds for a project at or associated with the Reedley Municipal Airport, which is included as part of this Grant Agreement; and

**WHEREAS**, the FAA has approved a project for the Reedley Municipal Airport (herein called the “Project”) consisting of the following:

Reconstruct Apron (including existing drainage improvements) - Design

which is more fully described in the Project Application.

**NOW THEREFORE**, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. § 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. § 47101, et seq., (herein the AAIA grant statute is referred to as “the Act”), the representations contained in the Project Application, and in consideration of (a) the Sponsor’s adoption and ratification of the Grant Assurances dated March 2014, as applied and interpreted consistent with the FAA Reauthorization Act of 2018 (see 2018 FAA Reauthorization grant condition.), (b) and the Sponsor’s acceptance of this Offer; and, (c) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided.

**THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay one hundred (100) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.**

**Assistance Listings Number (Formerly CFDA Number): 20.106**

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

### CONDITIONS

- 1. Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$155,347.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$0 for planning

\$155,347 airport development or noise program implementation; and,

\$0 for land acquisition.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR §200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR §200.343).

The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
4. **Indirect Costs - Sponsor.** Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies, and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies, and procedures of the Secretary. Per 2 CFR § 200.308, the Sponsor agrees to report to the FAA any disengagement from performing the project that exceeds three months. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the assurances which are part of this agreement.
7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before August 4, 2020, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other

final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

- 10. United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.
- 11. System for Award Management (SAM) Registration And Universal Identifier.**
- A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
  - B. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/SAM/pages/public/index.jsf>.
- 12. Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.
- 13. Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.
- The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of condition No. 1.
- The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.
- An informal letter amendment has the same force and effect as a formal grant amendment.
- 14. Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this agreement.
- 15. Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
- 16. Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.
- 17. Maximum Obligation Increase.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
- A. May not be increased for a planning project;

- B. May be increased by not more than 15 percent for development projects if funds are available;
- C. May be increased by not more than 15 percent for land project if funds are available.

**18. Audits for Public Sponsors.** The Sponsor must provide for a Single Audit or program specific audit in accordance with 2 CFR part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Provide one copy of the completed audit to the FAA if requested.

**19. Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR §180.200, the Sponsor must:

- A. Verify the non-federal entity is eligible to participate in this Federal program by:
  - 1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-federal entity is excluded or disqualified; or
  - 2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
  - 3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
- B. Require prime contractors to comply with 2 CFR §180.330 when entering into lower-tier transactions (e.g. Sub-contracts).
- C. Immediately disclose to the FAA whenever the Sponsor (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debar a contractor, person, or entity.

**20. Ban on Texting While Driving.**

- A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
  - 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
  - 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
    - a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
    - b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.

**21. AIP Funded Work Included in a PFC Application.**

Within 90 days of acceptance of this award, Sponsor must submit to the Federal Aviation Administration an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this grant award. The airport sponsor may not make any expenditure under this award until project work addressed under this award is removed from an approved PFC application by amendment.

**22. Exhibit "A" Property Map.** The Exhibit "A" Property Map dated 10/2013, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.

**23. Employee Protection from Reprisal.**

A. Prohibition of Reprisals –

1. In accordance with 41 U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (A)(2), information that the employee reasonably believes is evidence of:
  - i. Gross mismanagement of a Federal grant;
  - ii. Gross waste of Federal funds;
  - iii. An abuse of authority relating to implementation or use of Federal funds;
  - iv. A substantial and specific danger to public health or safety; or
  - v. A violation of law, rule, or regulation related to a Federal grant.
2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:
  - i. A member of Congress or a representative of a committee of Congress;
  - ii. An Inspector General;
  - iii. The Government Accountability Office;
  - iv. A Federal office or employee responsible for oversight of a grant program;
  - v. A court or grand jury;
  - vi. A management office of the grantee or subgrantee; or
  - vii. A Federal or State regulatory enforcement agency.
3. Submission of Complaint – A person who believes that they have been subjected to a reprisal prohibited by paragraph A of this grant term may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.
4. Time Limitation for Submittal of a Complaint - A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.
5. Required Actions of the Inspector General – Actions, limitations and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b)
6. Assumption of Rights to Civil Remedy - Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c).

**24. 2018 FAA Reauthorization.** This grant agreement is subject to the terms and conditions contained herein including the terms known as the Grant Assurances as they were published in the Federal Register on April 3, 2014. On October 5, 2018, the FAA Reauthorization Act of 2018 made certain amendments to 49 U.S.C. chapter 471. The Reauthorization Act will require FAA to make certain amendments to the assurances in order to best achieve consistency with the statute. Federal law requires that FAA publish any amendments to the assurances in the Federal Register along with an opportunity to comment. In order not to delay the offer of this grant, the existing assurances are attached herein; however, FAA shall interpret and apply these assurances consistent with the Reauthorization Act. To the extent there is a conflict between the assurances and Federal statutes, the statutes shall apply. The full text of the Act is at <https://www.congress.gov/bill/115th-congress/house-bill/302/text>.

**SPECIAL CONDITIONS**

- 25. Plans and Specifications Prior to Bidding.** The Sponsor agrees that it will submit plans and specifications for FAA review prior to advertising for bids.
- 26. Consultant Contract and Cost Analysis.** The Sponsor understands and agrees that no reimbursement will be made on the consultant contract portion of this grant until the FAA has received the consultant contract, the Sponsor's analysis of costs, and the independent fee estimate.
- 27. Design Grant.** This grant agreement is being issued in order to complete the design of the project. The Sponsor understands and agrees that within 2 years after the design is completed that the Sponsor will accept, subject to the availability of the amount of federal funding identified in the Airport Capital Improvement Plan (ACIP), a grant to complete the construction of the project in order to provide a useful and useable unit of work. The Sponsor also understands that if the FAA has provided federal funding to complete the design for the project, and the Sponsor has not completed the design within four (4) years from the execution of this grant agreement, the FAA may suspend or terminate grants related to the design.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**UNITED STATES OF AMERICA  
FEDERAL AVIATION ADMINISTRATION**

*Alberto Cruz*

Alberto Cruz (Jul 21, 2020 12:08 PDT)

*(Signature)*

Alberto Cruz

*(Typed Name)*

SFO ADO Assistant Manager

*(Title of FAA Official)*

**PART II - ACCEPTANCE**

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.<sup>1</sup>

Executed this 21 day of July, 2020.

City of Reedley

*(Name of Sponsor)*

  
Nicole Zieba (Jul 21, 2020 14:18 MDT)

*(Signature of Sponsor's Authorized Official)*

**By:** Nicole Zieba

*(Typed Name of Sponsor's Authorized Official)*

**Title:** City Manager

*(Title of Sponsor's Authorized Official)*

**CERTIFICATE OF SPONSOR'S ATTORNEY**

I, Scott G. Cross, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of California. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Fresno, CA (location) this 29th day of July, 2020

**By:** Scott G. Cross  
Scott G. Cross (Jul 29, 2020 08:45 PDT)

*(Signature of Sponsor's Attorney)*

\_\_\_\_\_

<sup>1</sup>Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.

## ASSURANCES

### AIRPORT SPONSORS

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#### A. General.

- a. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
- b. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
- c. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

#### B. Duration and Applicability.

##### 1. Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.

The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

##### 2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.

The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

##### 3. Airport Planning Undertaken by a Sponsor.

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

#### C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

##### 1. General Federal Requirements.

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

**FEDERAL LEGISLATION**

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- a. Title 49, U.S.C., subtitle VII, as amended.
- b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.<sup>1</sup>
- c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- d. Hatch Act – 5 U.S.C. 1501, et seq.<sup>2</sup>
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.<sup>1,2</sup>
- f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).<sup>1</sup>
- g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.<sup>1</sup>
- h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended.
- j. Coastal Zone Management Act, P.L. 93-205, as amended.
- k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.<sup>1</sup>
- l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))
- m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.<sup>1</sup>
- s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.<sup>1</sup>
- t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.<sup>1</sup>
- u. Copeland Anti-kickback Act - 18 U.S.C. 874.1
- v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.<sup>1</sup>
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.<sup>2</sup>
- y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

**EXECUTIVE ORDERS**

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- a. Executive Order 11246 - Equal Employment Opportunity<sup>1</sup>
- b. Executive Order 11990 - Protection of Wetlands
- c. Executive Order 11998 –Flood Plain Management

- d. Executive Order 12372 - Intergovernmental Review of Federal Programs
- e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction<sup>1</sup>
- f. Executive Order 12898 - Environmental Justice

## FEDERAL REGULATIONS

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- a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].<sup>4, 5, 6</sup>
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment
- d. 14 CFR Part 13 - Investigative and Enforcement Procedures 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
- e. 14 CFR Part 150 - Airport noise compatibility planning.
- f. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.
- g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
- h. 29 CFR Part 1 - Procedures for predetermination of wage rates.<sup>1</sup>
- i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.<sup>1</sup>
- j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).<sup>1</sup>
- k. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).<sup>1</sup>
- l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.<sup>3</sup>
- m. 49 CFR Part 20 - New restrictions on lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.
- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.<sup>1, 2</sup>
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.<sup>1</sup>

- s. 49 CFR Part 28 –Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
- t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
- u. 49 CFR Part 32 –Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
- v. 49 CFR Part 37 –Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

## **SPECIFIC ASSURANCES**

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Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

## **FOOTNOTES TO ASSURANCE C.1.**

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- <sup>1</sup> These laws do not apply to airport planning sponsors.
- <sup>2</sup> These laws do not apply to private sponsors.
- <sup>3</sup> 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
- <sup>4</sup> On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.
- <sup>5</sup> Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- <sup>6</sup> Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

### **2. Responsibility and Authority of the Sponsor.**

#### **a. Public Agency Sponsor:**

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

#### **b. Private Sponsor:**

It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

**3. Sponsor Fund Availability.**

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

**4. Good Title.**

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.
- b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

**5. Preserving Rights and Powers.**

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.
- b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.
- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

**6. Consistency with Local Plans.**

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

**7. Consideration of Local Interest.**

It has given fair consideration to the interest of communities in or near where the project may be located.

**8. Consultation with Users.**

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

**9. Public Hearings.**

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

**10. Metropolitan Planning Organization.**

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy

of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

**11. Pavement Preventive Maintenance.**

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

**12. Terminal Development Prerequisites.**

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

**13. Accounting System, Audit, and Record Keeping Requirements.**

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

**14. Minimum Wage Rates.**

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

**15. Veteran's Preference.**

It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title

49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

**16. Conformity to Plans and Specifications.**

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

**17. Construction Inspection and Approval.**

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

**18. Planning Projects.**

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

**19. Operation and Maintenance.**

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be

required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

- 1) Operating the airport's aeronautical facilities whenever required;
  - 2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
  - 3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.
- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

#### 20. **Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

#### 21. **Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

#### 22. **Economic Nondiscrimination.**

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-
  - 1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
  - 2) charge reasonable, and not unjustly discriminatory, prices for each unit or service,

provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

- a.) Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
- b.) Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
- c.) Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.
- d.) It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.
- e.) In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
- f.) The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
- g.) The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

### **23. Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental

and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

#### 24. **Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

#### 25. **Airport Revenues.**

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
  - 1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.
  - 2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
  - 3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.
    - a.) As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a

manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

- b.) Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

## 26. Reports and Inspections.

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and
- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
  - 1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
  - 2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

## 27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

- a. by gross weights of such aircraft) is in excess of five million pounds Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied.

## 28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at

Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

#### 29. Airport Layout Plan.

- a. It will keep up to date at all times an airport layout plan of the airport showing:
- 1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
  - 2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
  - 3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and
  - 4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.
- a.) If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

#### 30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

- a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.
- b. Applicability
- 1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the

sponsor's programs and activities.

- 2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
- 3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

- 1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
- 2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The City of Reedley, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

e. Required Contract Provisions.

- 1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
- 2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
- 3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
- 4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
  - a.) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and

- b.) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
- g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

### 31. Disposal of Land.

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.
- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.
- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was

notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

- d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

### **32. Engineering and Design Services.**

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

### **33. Foreign Market Restrictions.**

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

### **34. Policies, Standards, and Specifications.**

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated April 18, 2019, and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

### **35. Relocation and Real Property Acquisition.**

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
- b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

### **36. Access By Intercity Buses.**

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

### **37. Disadvantaged Business Enterprises.**

The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ACDBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure

nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

**38. Hangar Construction.**

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

**39. Competitive Access.**

- a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-
  - 1) Describes the requests;
  - 2) Provides an explanation as to why the requests could not be accommodated; and
  - 3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.
- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.



## FAA Airports

# Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 4/18/2019

View the most current versions of these ACs and any associated changes at:

[http://www.faa.gov/airports/resources/advisory\\_circulars](http://www.faa.gov/airports/resources/advisory_circulars) and  
[http://www.faa.gov/regulations\\_policies/advisory\\_circulars/](http://www.faa.gov/regulations_policies/advisory_circulars/)

NUMBER	TITLE
70/7460-1L Change 2	Obstruction Marking and Lighting
150/5000-9A	Announcement of Availability Report No. DOT/FAA/PP/92-5, Guidelines for the Sound Insulation of Residences Exposed to Aircraft Operations
150/5000-17	Critical Aircraft and Regular Use Determination
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5070-6B Changes 1- 2	Airport Master Plans
150/5070-7 Change 1	The Airport System Planning Process
150/5100-13B	Development of State Standards for Nonprimary Airports
150/5200-28F	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-30D Change 1	Airport Field Condition Assessments and Winter Operations Safety
150/5200-31C Changes 1-2	Airport Emergency Plan
150/5210-5D	Painting, Marking, and Lighting of Vehicles Used on an Airport
150/5210-7D	Aircraft Rescue and Fire Fighting Communications

NUMBER	TITLE
150/5210-13C	Airport Water Rescue Plans and Equipment
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools and Clothing
150/5210-15A	Aircraft Rescue and Firefighting Station Building Design
150/5210-18A	Systems for Interactive Training of Airport Personnel
150/5210-19A	Driver's Enhanced Vision System (DEVIS)
150/5220-10E	Guide Specification for Aircraft Rescue and Fire Fighting (ARFF) Vehicles
150/5220-16E Changes 1	Automated Weather Observing Systems (AWOS) for Non-Federal Applications
150/5220-17B	Aircraft Rescue and Fire Fighting (ARFF) Training Facilities
150/5220-18A	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-20A	Airport Snow and Ice Control Equipment
150/5220-21C	Aircraft Boarding Equipment
150/5220-22B	Engineered Materials Arresting Systems (EMAS) for Aircraft Overruns
150/5220-23	Frangible Connections
150/5220-24	Foreign Object Debris Detection Equipment
150/5220-25	Airport Avian Radar Systems
150/5220-26 Changes 1-2	Airport Ground Vehicle Automatic Dependent Surveillance - Broadcast (ADS-B) Out Squitter Equipment
150/5300-13A Change 1	Airport Design
150/5300-14C	Design of Aircraft Deicing Facilities
150/5300-16A	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17C Change 1	Standards for Using Remote Sensing Technologies in Airport Surveys
150/5300-18B Change 1	General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Field Data Collection and Geographic Information System (GIS) Standards

NUMBER	TITLE
150/5320-5D	Airport Drainage Design
150/5320-6F	Airport Pavement Design and Evaluation
150/5320-12C Changes 1-8	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces
150/5320-15A	Management of Airport Industrial Waste
150/5235-4B	Runway Length Requirements for Airport Design
150/5335-5C	Standardized Method of Reporting Airport Pavement Strength - PCN
150/5340-1L	Standards for Airport Markings
150/5340-5D	Segmented Circle Airport Marker System
150/5340-18F	Standards for Airport Sign Systems
150/5340-26C	Maintenance of Airport Visual Aid Facilities
150/5340-30J	Design and Installation Details for Airport Visual Aids
150/5345-3G	Specification for L-821, Panels for the Control of Airport Lighting
150/5345-5B	Circuit Selector Switch
150/5345-7F	Specification for L-824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10H	Specification for Constant Current Regulators and Regulator Monitors
150/5345-12F	Specification for Airport and Heliport Beacons
150/5345-13B	Specification for L-841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26D	FAA Specification For L-823 Plug and Receptacle, Cable Connectors
150/5345-27E	Specification for Wind Cone Assemblies
150/5345-28G	Precision Approach Path Indicator (PAPI) Systems
150/5345-39D	Specification for L-853, Runway and Taxiway Retro reflective Markers
150/5345-42H	Specification for Airport Light Bases, Transformer Housings, Junction Boxes, and Accessories
150/5345-43H	Specification for Obstruction Lighting Equipment

NUMBER	TITLE
150/5345-44K	Specification for Runway and Taxiway Signs
150/5345-45C	Low-Impact Resistant (LIR) Structures
150/5345-46E	Specification for Runway and Taxiway Light Fixtures
150/5345-47C	Specification for Series to Series Isolation Transformers for Airport Lighting Systems
150/5345-49D	Specification L-854, Radio Control Equipment
150/5345-50B	Specification for Portable Runway and Taxiway Lights
150/5345-51B	Specification for Discharge-Type Flashing Light Equipment
150/5345-52A	Generic Visual Glideslope Indicators (GVGI)
150/5345-53D	Airport Lighting Equipment Certification Program
150/5345-54B	Specification for L-884, Power and Control Unit for Land and Hold Short Lighting Systems
150/5345-55A	Specification for L-893, Lighted Visual Aid to Indicate Temporary Runway Closure
150/5345-56B	Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)
150/5360-12F	Airport Signing and Graphics
150/5360-13A	Airport Terminal Planning
150/5360-14A	Access to Airports By Individuals With Disabilities
150/5370-2G	Operational Safety on Airports During Construction
150/5370-10H	Standards for Specifying Construction of Airports
150/5370-11B	Use of Nondestructive Testing in the Evaluation of Airport Pavements
150/5370-13A	Off-Peak Construction of Airport Pavements Using Hot-Mix Asphalt
150/5370-15B	Airside Applications for Artificial Turf
150/5370-16	Rapid Construction of Rigid (Portland Cement Concrete) Airfield Pavements
150/5370-17	Airside Use of Heated Pavement Systems
150/5390-2C	Heliport Design

NUMBER	TITLE
150/5395-1A	Seaplane Bases

**THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY**

Updated: 3/22/2019

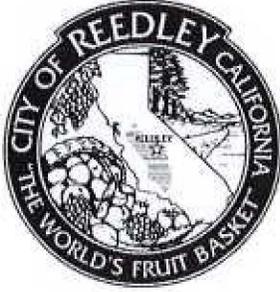
<b>NUMBER</b>	<b>TITLE</b>
150/5100-14E Change 1	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5100-17 Changes 1 - 7	Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects
150/5300-15A	Use of Value Engineering for Engineering Design of Airport Grant Projects
150/5320-17A	Airfield Pavement Surface Evaluation and Rating Manuals
150/5370-12B	Quality Management for Federally Funded Airport Construction Projects
150/5380-6C	Guidelines and Procedures for Maintenance of Airport Pavements
150/5380-7B	Airport Pavement Management Program
150/5380-9	Guidelines and Procedures for Measuring Airfield Pavement Roughness



**CITY OF REEDLEY - REEDLEY MUNICIPAL AIRPORT  
AIRPORT CAPITAL IMPROVEMENT PROGRAM  
FY 2020-2025**

DATE: 9/27/2019

Airport: City of Reedley	State:	California			NPIAS#:	3-06-0196	LOCID:	O32
Project Description & Year	Federal Funds	State Funds	Local	Total	NPIAS	Environmental	Start Date	Comp. Date
<b>2020</b>								
Apron Pavement Reconstruction Design (Tie-Down Areas)	\$157,500	\$7,875	\$9,625	\$175,000	60	CATEX 2019	June 2020	October 2021
TOTAL (FY2020)	\$ 157,500	\$ 7,875	\$ 9,625	\$ 175,000				
<b>2021</b>								
Apron Pavement Reconstruction Construction (Tie-Down Apron) , Phase I	\$562,500	\$28,125	\$34,375	\$625,000	60	CATEX 2019	June 2021	August 2022
TOTAL (FY2021)	\$ 562,500	\$ 28,125	\$ 34,375	\$ 625,000				
<b>2022</b>								
Apron Pavement Reconstruction Construction (Tie-Down Apron), Phase II	\$720,000	\$36,000	\$44,000	\$800,000	60	CATEX 2019	June 2022	August 2023
TOTAL (FY2022)	\$ 720,000	\$ 36,000	\$ 44,000	\$ 800,000				
<b>2023</b>								
Apron Pavement Reconstruction Construction (Tie-Down Apron), Phase III	\$495,000	\$24,750	\$30,250	\$550,000	60	CATEX 2019 Revalidate 2022	June 2023	August 2024
ALP Narrative and Obstruction Survey	\$180,000	\$9,000	\$11,000	\$200,000	68	N/A	June 2023	Dec. 2024
TOTAL (FY2023)	\$ 675,000	\$ 33,750	\$ 41,250	\$ 750,000				
<b>2024</b>								
Apron Pavement Reconstruction Design (Transient Apron, Fuel Apron and Hangar Areas)	\$207,000	\$10,350	\$12,650	\$230,000	60	CATEX 2023	June 2024	October 2025
Taxiway Pavement Preservation Design	\$67,500	\$3,375	\$4,125	\$75,000	66	CATEX 2023	June 2024	October 2025
TOTAL (FY2024)	\$ 274,500	\$ 13,725	\$ 16,775	\$ 305,000				
<b>2025</b>								
Apron Pavement Reconstruction Construction (Transient Apron), Phase I	\$1,080,000	\$54,000	\$66,000	\$1,200,000	60	CATEX 2023	June 2025	August 2026
TOTAL (FY2025)	\$ 1,080,000	\$ 54,000	\$ 66,000	\$ 1,200,000				
<b>TOTAL (FY2020 - FY2025)</b>	<b>\$ 3,468,500</b>	<b>\$ 173,475</b>	<b>\$ 212,025</b>	<b>\$ 3,855,000</b>				



## REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 6

DATE: August 25, 2020

TITLE: ADOPT RESOLUTION NO. 2020-068 AWARDING A CONSTRUCTION CONTRACT TO JT2 INC. DBA TODD COMPANIES FOR THE EAST AVENUE SIDEWALK PROJECT BETWEEN LINCOLN AVE AND AUGUST AVE

PREPARED: Seth Regier *SR*  
Engineering Assistant

SUBMITTED: Marilu S. Morales, P.E. *mm*  
City Engineer

APPROVED: Nicole Zieba *NZ*  
City Manager

### RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 2020-068, awarding a construction contract to JT2 Inc. DBA Todd Companies for the East Avenue Sidewalk Project taking place on East Avenue between Lincoln Avenue and August Avenue.

### EXECUTIVE SUMMARY

Staff is requesting that the City Council adopt Resolution No. 2020-068 awarding the East Avenue Sidewalk Project to JT2 Inc. DBA Todd Companies in the amount of \$305,700 and authorize the City Manager to execute the Public Improvement Agreement for the Project with JT2, Inc. DBA Todd Companies. Execution of the Agreement is subject to the submittal of the necessary bonds, insurance certificates and other necessary documents as required by the specifications, special provisions for this project and State law.

The Project will remove and replace existing concrete improvements, signage and fencing along the East side of East Avenue. Improvements include curb, gutter, sidewalk, drive approaches and curb returns on East Avenue between Lincoln Avenue and August Avenue.

Staff is also requesting that a contingency of 10% of the total bid or \$30,570.00 be included in the Council action to cover any unforeseen incidentals.

### PROJECT DESCRIPTION/BACKGROUND

The City of Reedley received federal funding for improvements to the pedestrian path of travel along the east side of East Avenue between Lincoln Avenue and August Avenue. This project will remove and replace sections of curb, gutter, sidewalk, and non-compliant ADA ramps along the stretch of roadway. Additionally, this project will relocate existing fencing that is located within the City Right of Way and place it on the property line.

On July 8, 2020, a Notice to Bidders for the Project was advertised in The Sentinel and was posted on our website and on local builders exchanges for a period of approximately five (5) weeks. During the bidding period, five (5) contractors requested bid documents from the City for this project. Two (2) addenda were issued during the project bidding period, one to address the mandatory 10-day federal wage check as required for Davis-Bacon Act prevailing wage compliance and provide clarification of the plans and specifications.

On July 30, 2020, City staff conducted the bid opening for this project where four (4) bids were received, opened, and read aloud. The bids received for the total Base Bid ranged from \$305,700 to \$452,820 as shown in the attached Bid Tabulation. The engineer's estimate of probable cost for the Base Bid was \$342,300.

### **PRIOR COUNCIL ACTIONS**

City Resolution No. 2020-013 authorized the execution of the purchase agreement and to sign the grant deeds to accept street right of way and/or temporary construction easements from 12 properties along East Avenue.

City Resolution No. 2020-022 authorized the execution of the purchase agreement and to sign the grant deeds to accept street right of way and temporary construction easements from 2 additional properties along East Avenue.

### **FISCAL IMPACT**

This project will be federally funded through a combination of CMAQ and Measure C Flexible Funding. There will be no impact to the General Fund.

### **ATTACHMENTS**

1. Resolution No. 2020-068
2. Bid Tabulation

**RESOLUTION NO. 2020-068**  
**A RESOLUTION TO THE CITY COUNCIL OF THE CITY OF REEDLEY**  
**AWARDING A CONSTRUCTION CONTRACT TO JT2 INC DBA TODD**  
**COMPANIES FOR THE EAST AVENUE SIDEWALK PROJECT BETWEEN**  
**LINCOLN AVE AND AUGUST AVE**

**WHEREAS**, the City of Reedley issued a Notice to Bidders for East Avenue Sidewalk Project; and

**WHEREAS**, the City received, opened and read aloud four (4) bids which the total Base Bid ranged from \$305,700.00 to \$452,820.00; and

**WHEREAS**, the lowest, most responsive and responsible bid was submitted by JT2 Inc. DBA Todd Companies; and

**WHEREAS**, the City Council, using their independent judgment desires to award a construction contract for the lowest responsible responsive bid for total Base Bid in the amount of \$305,700.00.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Reedley, using their independent judgment, hereby approves Resolution No. 2020-068 based on the following:

1. The above recitals are true and correct; and
2. That the contract for the East Avenue Sidewalk Project is awarded to JT2 Inc. dba Todd Companies for the unit and lump sum prices as bid, the total amount of the contract being \$305,700.00.
3. That the City Manager is authorized and directed to promptly execute the contract for the subject work with JT2 Inc. DBA Todd Companies subject to the submittal of the necessary bonds, insurance certificates and other necessary documents required by the specifications and special provisions for this project, all for the approval by and to the satisfaction of the City Engineer and the City Attorney.
4. The City Manager or her designee, is hereby authorized to execute contract change orders to the contract for this project and shall not exceed 10% of the total bid or \$30,570.00 without prior approval of this City Council.
5. The total construction budget for this project, including the construction contract and contingency costs, shall not exceed approximately \$336,720.00.
6. This resolution is effective immediately upon adoption.

This forgoing resolution is hereby approved at a regular meeting of the City Council of the City of Reedley held on the 25th day of August 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Frank Piñon, Mayor

ATTEST:

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Sylvia B. Plata, City Clerk

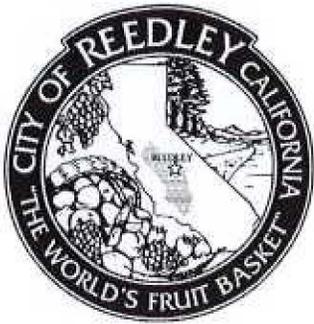
East Ave Sidewalk Improvement  
Bid Tabulation

Prepared By: S. Gonzalez  
Checked By: S. Regier  
Approved By: M. Morales  
Date: 7/30/2020

Item No.	Description	Quantity	Units	JT2 Inc dba Todd Co.		Avison Construction, Inc.		D.O.D. Construction		Seal Rite Paving	
				Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
1	Mobilization	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 15,000.00	\$ 15,000.00	\$ 50,000.00	\$ 50,000.00	\$ 6,720.00	\$ 6,720.00
2	Insurance and Bonds	1	LS	\$ 5,402.00	\$ 5,402.00	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00	\$ 6,000.00	\$ 8,064.00	\$ 8,064.00
3	Traffic Control	1	LS	\$ 3,500.00	\$ 3,500.00	\$ 8,500.00	\$ 8,500.00	\$ 10,000.00	\$ 10,000.00	\$ 16,800.00	\$ 16,800.00
4	Dust Control and BMP Compliance	1	LS	\$ 1,200.00	\$ 1,200.00	\$ 1,000.00	\$ 1,000.00	\$ 3,500.00	\$ 3,500.00	\$ 4,256.00	\$ 4,256.00
5	Clearing and Grubbing	1	LS	\$ 26,500.00	\$ 26,500.00	\$ 25,000.00	\$ 25,000.00	\$ 20,000.00	\$ 20,000.00	\$ 189,633.52	\$ 189,633.52
6	Concrete Removal and Disposal (F)	235	CY	\$ 90.00	\$ 21,150.00	\$ 200.00	\$ 47,000.00	\$ 133.00	\$ 31,255.00	\$ 84.00	\$ 19,740.00
7	Sawcutting	1,370	LF	\$ 1.00	\$ 1,370.00	\$ 2.00	\$ 2,740.00	\$ 3.00	\$ 4,110.00	\$ 2.80	\$ 3,836.00
8	Concrete Sidewalk	5,990	SF	\$ 8.00	\$ 47,920.00	\$ 8.00	\$ 47,920.00	\$ 4.50	\$ 26,955.00	\$ 4.48	\$ 26,835.20
9	Concrete Curb & Gutter	785	LF	\$ 49.00	\$ 38,465.00	\$ 45.00	\$ 35,325.00	\$ 23.00	\$ 18,055.00	\$ 33.60	\$ 26,376.00
10	Concrete Curb Ramp - Mid Block	2	EA	\$ 2,330.00	\$ 4,660.00	\$ 3,500.00	\$ 7,000.00	\$ 2,500.00	\$ 5,000.00	\$ 5,023.20	\$ 10,046.40
11	Concrete Curb Ramp - One Way Crossing	2	EA	\$ 4,150.00	\$ 8,300.00	\$ 2,400.00	\$ 4,800.00	\$ 2,500.00	\$ 5,000.00	\$ 1,960.00	\$ 3,920.00
12	Concrete Curb Ramp - Two Way Crossing	10	EA	\$ 3,020.00	\$ 30,200.00	\$ 1,700.00	\$ 17,000.00	\$ 2,500.00	\$ 25,000.00	\$ 1,232.00	\$ 12,320.00
13	Concrete Residential Driveway Approach	1,735	SF	\$ 16.00	\$ 27,760.00	\$ 11.00	\$ 19,085.00	\$ 8.00	\$ 13,880.00	\$ 7.84	\$ 13,602.40
14	Concrete Alley Approach	420	SF	\$ 23.00	\$ 9,660.00	\$ 15.00	\$ 6,300.00	\$ 9.00	\$ 3,780.00	\$ 8.96	\$ 3,763.20
15	CMU Retaining Wall	207	LF	\$ 119.00	\$ 24,633.00	\$ 118.00	\$ 24,426.00	\$ 350.00	\$ 72,450.00	\$ 363.05	\$ 75,151.35
16	Street Structural Section	1,840	SF	\$ 18.00	\$ 33,120.00	\$ 12.00	\$ 22,080.00	\$ 5.00	\$ 9,200.00	\$ 8.28	\$ 15,235.20
17	Adjust Utility Valve	5	EA	\$ 300.00	\$ 1,500.00	\$ 500.00	\$ 2,500.00	\$ 600.00	\$ 3,000.00	\$ 952.00	\$ 4,780.00
18	Relocate Water Meter	4	EA	\$ 840.00	\$ 3,360.00	\$ 2,200.00	\$ 8,800.00	\$ 1,500.00	\$ 6,000.00	\$ 1,456.00	\$ 5,824.00
19	Miscellaneous Facilities and Operations	1	LS	\$ 7,000.00	\$ 7,000.00	\$ 20,000.00	\$ 20,000.00	\$ 15,000.00	\$ 15,000.00	\$ 5,936.73	\$ 5,936.73
Subtotal for Base Bid:					\$ 305,700.00		\$ 317,476.00		\$ 328,185.00		\$ 452,820.00

Subcontractors

Misc.		Ace Fence Co.	
Facilities/Operations			
Cement Sidewalk			Fresno Concrete



## REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 7

DATE: August 25, 2020

TITLE: ADOPT RESOLUTION NO. 2020-071 FOR PROPOSED ANNEXATION OF TRACT NO. 5263, MONTE VISTA ESTATES, INTO THE CITY OF REEDLEY'S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1

- A) OPEN PUBLIC HEARING FOR THE ANNEXATION OF TRACT NO. 5263, MONTE VISTA ESTATES, INTO THE CITY OF REEDLEY'S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1, ZONE W. CLOSE THE PUBLIC HEARING AND OPEN THE BALLOT
- B) ADOPT RESOLUTION NO. 2020-071 APPROVING THE ANNEXATION OF TRACT NO. 5263, MONTE VISTA ESTATES, INTO THE CITY OF REEDLEY'S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1, ZONE W

SUBMITTED: Marilu S. Morales, P.E.   
City Engineer

APPROVED: Nicole R. Zieba   
City Manager

### RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 2020-071 approving the annexation of Tract 5263, Monte Vista Estates, into the City's Landscaping and Lighting Maintenance District (LLMD) No. 1, Zone W.

### BACKGROUND

On June 9, 2020, the City Council adopted Resolution No. 2020-053 initiating proceedings and setting a public meeting and public hearing on July 28, 2020, relative to Landscaping and Lighting Maintenance District No. 1, Annexation Zone-W in the City of Reedley. State law requires that notice is given by mail at least 45 days prior to the date of the public hearing, therefore, City Council adopted Resolution No. 2020-063 revising the public hearing date to August 25, 2020. The public was notified of this public hearing in accordance with State Law.

In order to maintain and provide for ongoing costs to future landscaping, street trees and street light utility cost within the public right of way, Tract No. 5263, Monte Vista Estates (the property), is being annexed into the LLMD No. 1. Pursuant to the provisions of the Landscaping and Lighting Act of 1972 of the California Streets and Highways Code (the Act), Section 22500 et seq., the City may annex territory into an existing maintenance district to provide for the continued maintenance of landscaping and lighting improvements. This places the cost of maintaining the improvements upon the property owners(s) directly benefitting from them. Annexation of the property is required so that an assessment may be levied to cover maintenance cost for the improvements within the District.

In accordance with State Law, an assessment diagram, attached as Exhibit "A" and assessment roll, attached as Exhibit "B", was prepared indicating the property to benefit and the amount of the assessment to the property. This report is on file with the City Clerk. In addition to the public meeting, the City Council is required to conduct a public hearing. Notice of the public meeting and public hearing has been provided in compliance with State Law.

### **FISCAL IMPACT**

The estimated maximum annual maintenance cost is \$8,465.32 and will be assessed against the benefitting properties within proposed Annexation Zone W. After the Fiscal Year 2021-22, the property's LLMD assessment will be subject to an increase based on the amount of increase in the United States Department of Labor Consumer Price Index, Western Urban, Size B/C.

### **PRIOR COUNCIL ACTIONS**

On June 9, 2020, the City Council adopted Resolution No. 2020-053 initiating proceedings and setting the public hearing for July 28, 2020. On June 23, 2020, the City Council adopted Resolution No. 2020-063 revising the public hearing date to August 25, 2020.

### **ATTACHMENTS**

1. Resolution No. 2020-071
2. Exhibit "A" Assessment Diagram
3. Exhibit "B" Assessment Roll

**RESOLUTION NO. 2020-071**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY CONFIRMING THE  
DIAGRAM AND ASSESSMENT ORDERING THE ANNEXATION AND INCLUSION OF  
TRACT NO. 5263, MONTE VISTA ESTATES, INTO THE CITY OF REEDLEY'S  
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1, ZONE W**

**WHEREAS**, the City of Reedley did declare its intention to annex Tract 5263, Monte Vista Estates, (Property) into Zone W of the Landscape and Lighting Maintenance District of the City of Reedley (District) under the provisions of the Landscaping Act of 1972, Section 22500 of the California Streets and Highways Code (Act); and

**WHEREAS**, a published and mailed notice of a public hearing on the proposed annexation has been provided pursuant to State law; and

**WHEREAS**, the City Engineer as per the Act prepared a diagram and assessment of the proposed annexation into the District showing the area to be annexed into the District to be directly and specially benefitted by and assessed for the improvements, the cost of operating, maintaining, and servicing the improvements and the amount to be assessed to the property within the proposed annexation to the District; and

**WHEREAS**, a public hearing and levy of assessments was held on Tuesday, August 25, 2020 to take testimony regarding the annexation; and

**WHEREAS**, the majority owner of all property within the Property to be annexed to the District has in writing consented to the annexation and waived all resolutions, report, notices, and right major protest; and

**WHEREAS**, the improvements consist of landscaping, street, tree(s), street lighting and other permanent improvements authorized by the Act, which are a portion of the public street and sidewalk within or adjacent to the Property; and

**WHEREAS**, the amount of the proposed assessment on each lot or parcel in Property is proportional to and no greater than the special benefits conferred on such lot or parcel from operation and maintenance of the improvements; and

**WHEREAS**, the City Council has conducted the public hearing, heard, and considered all objections and protest to the proposed annexation assessment, and at the conclusion of the hearing tabulated all assessment ballots submitted and not withdrawn in support of or opposition to the proposed annexation and assessment; and

**WHEREAS**, after tabulation of the ballot(s) received a majority protest does not exist.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Reedley, using their independent judgement, approves Resolution No. 2020-071 based on the following:

1. The foregoing recitals are true and correct and incorporated herein by reference.
2. That this City Council is satisfied with the correctness of the diagram and assessment including tabulation of the ballot(s), the proceedings and all matters relating thereto.
3. All territory within the Property is annexed to and made part of the District indicated in the Resolution of Intention herein referred to. The boundaries of the territory annexed are shown in the diagram Exhibit "A".

4. The amounts to be assessed against the individual lot described in the assessment roll, Exhibit "B", and shown on the diagram of the Proposed Annexation into Zone W is hereby approved and confirmed as the special assessments against said lot for servicing and maintenance of the improvements by the City.
5. To the extent allowed by law, for each fiscal year after 2021-2022, the maximum annual assessment on the lots described in the assessment roll, Exhibit "B", shall be subject to an increase based on the amount of increase in the United State Department of Labor, Western Urban, Size B/C, since the previous year. The actual amount of the annual assessment levied for each fiscal year shall be proportional to and no greater than the direct special benefits conferred on the lot from operation and maintenance of the improvements during the fiscal year, as established by the engineer's report approved and confirmed by Council for that year.
6. The annual assessments on the lot shall be levied and collected for the fiscal year 2021-2022 together with all other annual assessments in the District, as provided in the Act.
7. The original diagram and assessment are finally approved and confirmed and are on file of the City Clerk of the City of Reedley.
8. The amended map of the boundaries of the District, prepared by the City Engineer and showing the annexation of the territory within the Property, is hereby approved.
9. This City Council determined that all monies received representing assessments collected for the District shall be deposited by the City Finance Director/Treasurer in an improvement fund entitled "Landscape Maintenance District" and shall be expended only for the servicing and maintenance of the improvements authorized by the District.
10. This resolution is effective upon adoption.

This foregoing resolution is hereby approved and adopted at a regular meeting of the City Council of the City of Reedley held on 25<sup>th</sup> day of August, 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

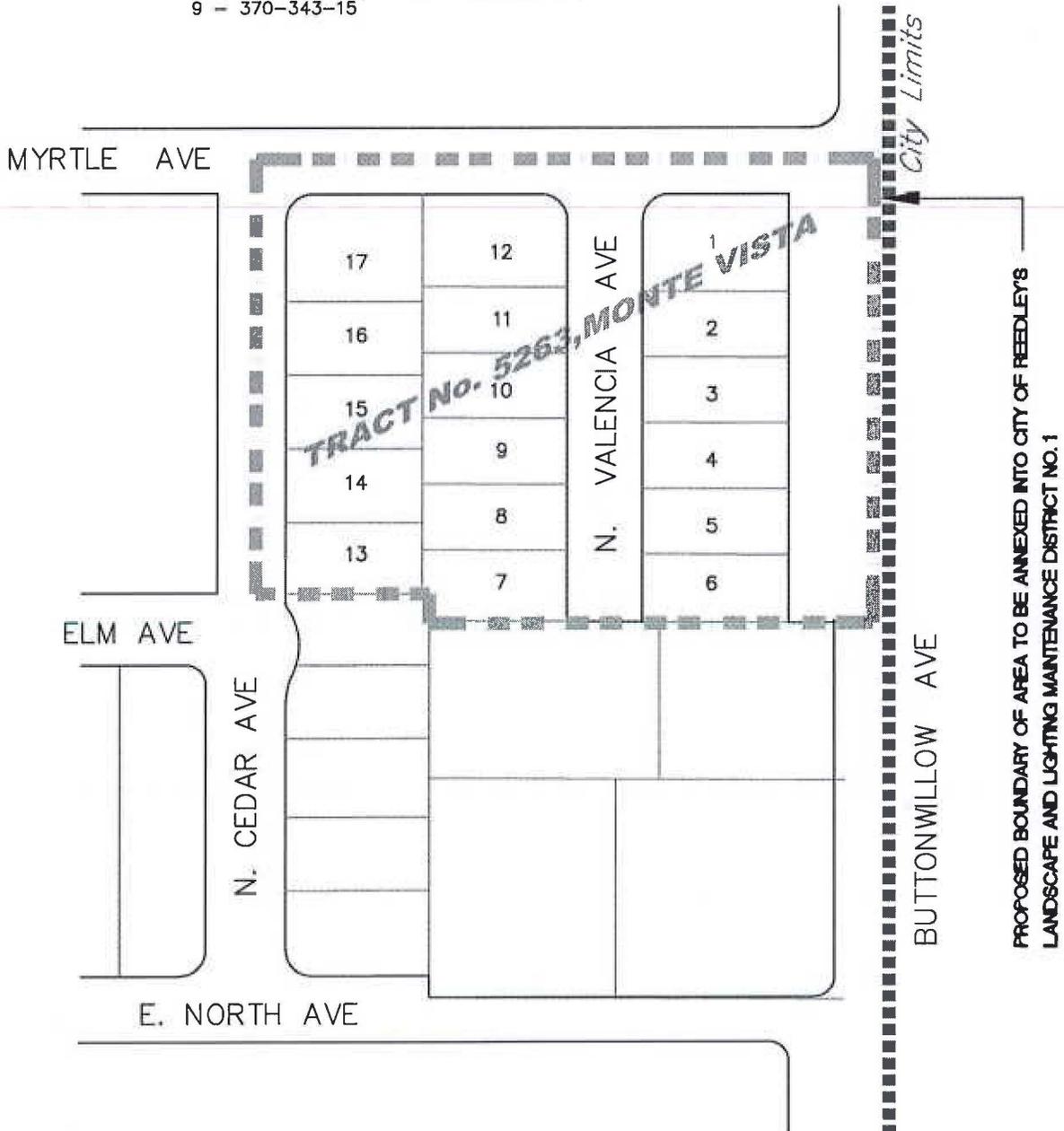
ATTEST:

\_\_\_\_\_  
Frank Piñon, Mayor

\_\_\_\_\_  
Sylvia B. Plata, City Clerk

TRACT No. 5263

- |                |                 |
|----------------|-----------------|
| 1 - 370-343-18 | 10 - 370-343-14 |
| 2 - 370-343-19 | 11 - 370-343-13 |
| 3 - 370-343-20 | 12 - 370-343-12 |
| 4 - 370-343-21 | 13 - 370-343-07 |
| 5 - 370-343-22 | 14 - 370-343-08 |
| 6 - 370-343-23 | 15 - 370-343-09 |
| 7 - 370-343-17 | 16 - 370-343-10 |
| 8 - 370-343-16 | 17 - 370-343-11 |
| 9 - 370-343-15 |                 |



PROPOSED BOUNDARY OF AREA TO BE ANNEXED INTO CITY OF REEDLEYS  
LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 1



SCALE: 1" = 250'

CITY OF REEDLEY  
PUBLIC WORKS DEPARTMENT  
1733 NINTH STREET  
REEDLEY, CA 93654  
PHONE (559)637-4200, EXT. 214

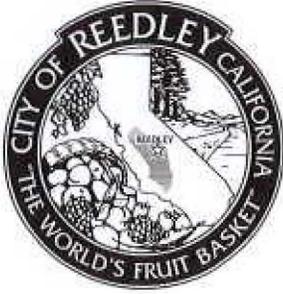
**EXHIBIT 'A'**  
DIAGRAM OF TRACT NO. 5263, MONTE VISTA ESTATES  
Annexation Into Landscaping & Lighting Maintenance  
District No. 1, Zone W

DATE: JUNE 1, 2020	DRWN BY: LT	SHEET NO. 1 OF 1
--------------------	-------------	------------------

**EXHIBIT "B"**  
**ASSESSMENT ROLL**  
**SCHEDULE-A**  
**L&LMD NO. 1, ZONE-W**

**TRACT NO. 5263, Monte Vista Estates**  
**City of Reedley, County of Fresno, State of California**

<b>Assessor's Parcel No.</b>	<b>Tract Lot No.</b>	<b>2021-2022 Assesment</b>	<b>Property Owner</b>
370-343-18	1	\$ 497.96	Yanez Properties LLC
370-343-19	2	\$ 497.96	Yanez Properties LLC
370-343-20	3	\$ 497.96	Yanez Properties LLC
370-343-21	4	\$ 497.96	Yanez Properties LLC
370-343-22	5	\$ 497.96	Yanez Properties LLC
370-343-23	6	\$ 497.96	Yanez Properties LLC
370-343-17	7	\$ 497.96	Yanez Properties LLC
370-343-16	8	\$ 497.96	Yanez Properties LLC
370-343-15	9	\$ 497.96	Yanez Properties LLC
370-343-14	10	\$ 497.96	Yanez Properties LLC
370-343-13	11	\$ 497.96	Yanez Properties LLC
370-343-12	12	\$ 497.96	Yanez Properties LLC
370-343-07	13	\$ 497.96	Yanez Properties LLC
370-343-08	14	\$ 497.96	Yanez Properties LLC
370-343-09	15	\$ 497.96	Yanez Properties LLC
370-343-10	16	\$ 497.96	Yanez Properties LLC
370-343-11	17	\$ 497.96	Triton Real Estate LLC
		\$ 8,465.32	



# REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 8

**DATE:** August 25, 2020

**TITLE:** ADOPT RESOLUTION NO. 2020-023 APPROVING THE FINAL MAP FOR TENTATIVE PARCEL MAP NO. 2019-1

**SUBMITTED:** Rob Terry, AICP *RT*  
Community Development Director

**APPROVED:** Nicole R. Zieba  
City Manager *NZ*

## RECOMMENDATION

Adopt Resolution No. 2020-023, approving the Final Map for Tentative Parcel Map Application No. 2019-1.

## EXECUTIVE SUMMARY

The owner of Tentative Parcel Map Application No. 2019-1 is requesting the City Council approve the final map associated with the application in accordance with Reedley Municipal Code 11-3-13.

## BACKGROUND

Parcel Map Application 2019-1 was approved by the Reedley Planning Commission on March 5, 2020; consisting of the subdivision of land to accommodate 4 lots for single family and commercial development ranging from 4.19 to 18.20 acres, with access to public streets identified through direct access or easements, located on the northeastern corner of Frankwood Avenue and South Avenue. This parcel map is proposed to be subdivided along the phase lines of Tentative Subdivision Map No. 6178 (Frankwood Commons), as identified by the developer, and is sought to allow for the individual sale/purchase of each phase from the current property owner to the developer. The tentative parcel map is consistent with both the Reedley General Plan and Reedley Municipal Code. At this time, the developer has submitted a final map for the project site for the City's approval in accordance with Reedley Municipal Code section 11-3-13.

Due to the nature of the parcel map, which is being completed in preparation of the development of Tentative Subdivision Map 6178, there are no public improvements that are currently required associated with this request; and as such, there is no associated

improvement agreement. All such public improvements are associated with Tentative Subdivision Map 6178, for which this parcel map seeks to create individual lots coinciding with the phase lines of said map, allowing the purchase of each individual phase area by the proposed developer prior to construction.

Similar to all actions previously taken by the Reedley Planning Commission and City Council related to this project, all approvals must be, and are, consistent with the approval/completion of Sphere of Influence Amendment Application No. 2018-1 and Annexation Application No. 2017-1, both of which were subject to the Local Agency Formation Commission (LAFCo) application process and approved by said Commission on April 8, 2020. It should be noted that the developer has recently approached staff with a request to deviate from current zoning standards in relation to lot coverage and setbacks during the development of TSM 6178, which would need to be processed as a Planned Unit Development (through the Conditional Use Permit process). Staff anticipates delivering such request to the Planning Commission in the coming months. Council will be delivered draft subdivision improvement agreements and final map requests associated with the development of Tentative Subdivision Map No. 6178 following such actions by the Planning Commission, as appropriate.

The City Surveyor and staff have reviewed the final parcel map submission for conformance to boundaries, public easement locations, dedications, closure calculations and other required information. The Community Development Director has consequently found the map to be in substantial compliance to the tentative map approval, with engineering staff having determined that the identified easements will allow for the improvements required for construction of Tentative Subdivision Map 6178. As such, staff submits said map to the Council for their approval consideration.

The developer has agreed to provide signed initiation documentation associated with annexation into both the LLMD and CFD prior to parcel map recordation.

**FISCAL IMPACT**

All fees associated with the processing of Parcel Map Application 2019-1 were paid prior to Planning Commission action.

**PRIOR COUNCIL ACTIONS**

On January 8, 2019, via Resolution 2019-003, the City Council adopted Environmental Assessment No. 2017-1, a Mitigated Negative Declaration, dated November 8, 2018, prepared for Annexation Application No. 2017-1, General Plan Amendment 2017-1, Change of Zone (Pre-Zone) Application No. 2017-1, and Tentative Subdivision Map No. 6178. On that same date, via Resolution 2019-004, City Council requested the LAFCo take proceedings to annex the project area into the City of Reedley. Approval of such items took place at LAFCo public hearings on April 8, 2020. Approval of this final parcel map is consistent with previous local approvals, as well as LAFCo actions.

**ATTACHMENTS**

1. Resolution No. 2020-023
2. Tentative Parcel Map 2019-1 and Phasing Exhibit

Motion: \_\_\_\_\_  
Second: \_\_\_\_\_

## RESOLUTION NO. 2020-023

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING THE FINAL MAP FOR PARCEL MAP NO. 2019-1.

**WHEREAS**, Tentative Parcel Map Application No. 2019-1, on APN 363-220-01, was approved by the Reedley Planning Commission on March 5, 2020; and

**WHEREAS**, the owner of Tentative Parcel Map Application No. 2019-1 is requesting the City Council approve the final map for the project in accordance with Reedley Municipal Code 11-3-13; and

**WHEREAS**, the approval of this parcel map is sought to allow for the individual purchase and consequent development of each phase associated with Tentative Subdivision Map No. 6178, which was approved by the Reedley Planning Commission on December 5, 2018, by Resolution No. 2018-16; and

**WHEREAS**, due to this parcel map's association with Tentative Subdivision Map No. 6178, and the public improvements and Conditions of Approval associated with development of said subdivision map to take place in the future, no public improvements are associated with this map, however, the easements to accommodate placement of such improvements for Tentative Subdivision Map No. 6178 are required.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Reedley using their independent judgment hereby resolves as follows:

1. That certain final map of Tentative Parcel Map Application No. 2019-1, having heretofore, on March 24, 2020, been reviewed by the City Engineer, that all provisions of law and of Chapters 1 through 5 of Title 8 of the Reedley City Code, have been complied with, and that said parceling as shown is substantially the same as it appears on the tentative map thereof, as approved by the Planning Commission on March 5, 2020, by Resolution No. 2020-2, is hereby approved and the dedication of easements and right-of-ways made on said map are hereby accepted subject to the installation of improvements therein, and technical corrections made, in accordance with the following conditions:

All required easements required for ultimate placement of public services, based on the approved Tentative Subdivision Map No. 6178 for which this parcel map follows the proposed phase lines thereof, are properly identified and listed on the parcel map; and

Technical corrections relating to monument placement and notation, closure calculations, and other minor drafting notations as deemed appropriate by the City Engineer; and

2. Be it further resolved that the City Engineer and Community Development Director shall review the technical corrections made to the map, and provide concurrence that all required corrections have been made to said map; and

3. Be it further resolved that following review and approval of the technical corrections previously notated, and completion of Tentative Subdivision Map No. 6178 associated items, including but not limited to Sphere of Influence Amendment Application No. 2018-1 and Annexation Application No. 2017-1, both of which are subject to the Local Agency Formation Commission (LAFCo) application process, the City Council of the City of Reedley directs the Clerk of the City of Reedley to execute the Final Map and transmit said Final Map to the Fresno County Recorder's Office for recordation.

This foregoing resolution is hereby approved the 25th day of August, 2020, in the City of Reedley, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Frank Piñon, Mayor

ATTEST:

---

Sylvia Plata, City Clerk

PARCEL 63 GRANT DEED RECORDED JUL. 15, 2011  
AS DOC. NO. 2011-0093257, FCR

PARCEL 3  
12.88± ACRES

PARCEL 2  
8.75± ACRES

PARCEL 1  
18.20± ACRES

PARCEL 4  
4.19± ACRES

## PARCEL MAP

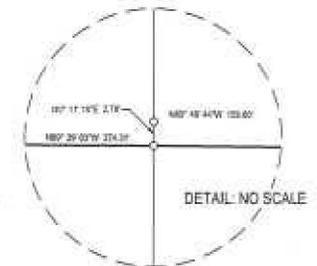
IN THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 15 SOUTH, RANGE 23 EAST, MOUNT DWAIN  
BASE & MERIDIAN IN THE CITY OF REEDLEY, COUNTY OF FRESNO, STATE OF CALIFORNIA,  
SURVEYED AND PLATTED IN JULY 2011 BY 4 CREEKS, INC.

### LEGEND

- RECORDED DATA PER RECORD OF SURVEY RECORDED  
BK. 48, SURVEYS AT PG. 90, FCR
- RECORDED DATA PER PARCEL MAP NO. 1018,  
RECORDED BK. 4, PARCEL MAPS AT PG. 66, FCR
- ▲ FOUND MONUMENT AS NOTED
- FOUND BRASS DISC STAMPED PLS 886, 10.00 FEET  
SOUTH OF SECTION LINE
- PARCEL BOUNDARY LINE
- FRESNO COUNTY OFFICIAL RECORDS
- 3/4" X 3/4" IRON PIPE TAGGED PLS 810 AT ALL  
PARCEL CORNERS

### BASIS OF BEARINGS

THE NORTH LINE OF THE MERIDIAN OF SECTION 20-15-23, TAKEN  
AS N89°29'37"W PER RECORD OF SURVEY RECORDED BK. 48,  
SURVEYS AT PG. 90, FCR.



S. FRANKWOOD AVE.

DOC. NO. 2010-0033300, FRESNO  
COUNTY OFFICIAL RECORDS

SW COR. SEC. 14-15-23  
FOUND 5/8" IRON PIPE TAGGED PLS 810  
DOWN 70'  
FIT TIES PER CORNER  
RECORD 5481, FCR

LOT 33 MERRITT COLONY NO. 2  
BK. 3, RECORDED SURVEYS PG. 37, FCR

1314.47' (1314.46) (1314.25)  
N89°29'37"W 2628.94' (2628.83) N89°41'W 2628.45'  
BASIS OF BEARINGS

REEDLEY ESTATES TRACT NO. 5355  
BK. 74, PLATS PG. 96, FCR

GRANT DEED REC. DECEMBER 24, 2000 AS  
DOC. NO. 2000-0147994, FCR

PARCEL A PM NO. 1018  
BK. 4, PARCEL MAPS, PG. 66, FCR

SW COR. SEC. 14-15-23  
FOUND 3/4" IRON PIPE TAGGED PLS 810  
CORNER RECORDED 5481, FCR



1018 S. SANTA FE BL., STE. #  
P.O. BOX 7003  
MORAGA, CA 94556  
TEL. 555.803.3355  
FAX. 555.802.3215

SHEET 2 OF 2

Exhibit A

JUNE 2017  
**FRANKWOOD COMMONS**  
**SUBDIVISION**  
**TENTATIVE SUBDIVISION MAP**  
**6178**

BEING A PARTIAL PAVED, 1 RECORDED IN BOOK 363 OF PUBLIC MAPS AND INSTRUMENTS, PART OF THE 1/4 SECTION 15, TOWNSHIP 15 SOUTH, RANGE 23 EAST, MOUNT CASSID BASE 4 MERIDIAN.

ACROSS THE SECTION 15, TOWNSHIP 15 SOUTH, RANGE 23 EAST, MOUNT CASSID BASE 4 MERIDIAN.

LANDS: 343,228.01  
 30,830 AC

ADVERTISE: 15-18 & 19  
 15-18 & 19 (COUNTY)  
 ZONING (EXISTING): EXCLUSIVE AGRICULTURE (COUNTY)  
 ZONING (PROPOSED): MCKEAN DENSITY RESIDENTIAL  
 GENERAL PLAN (EXISTING): SERVICE COMMERCIAL  
 GENERAL PLAN (PROPOSED): NONE

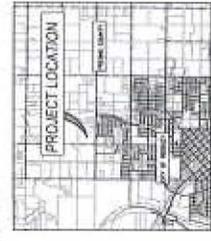
DESIGN DISTRICT: NONE  
 ELECTRICITY: NONE  
 FIRE: NONE  
 GAS: NONE  
 TELEPHONE: NONE  
 REFUSE: NONE  
 NATURAL GAS: NONE  
 EXISTING USE: NONE  
 PROPOSED USE: RESIDENTIAL AND COMMERCIAL

R-1-E  
 TOTAL LOTS: 100 (2)  
 GROSS ACREAGE: 36.1 AC  
 NET ACREAGE: 36.1 AC  
 NET MESSAGE: 1.0 AC  
 NET FERTILITY: 1.0 AC  
 GROSS ACREAGE: 371 AC  
 GROSS ACREAGE: 1,871 AC

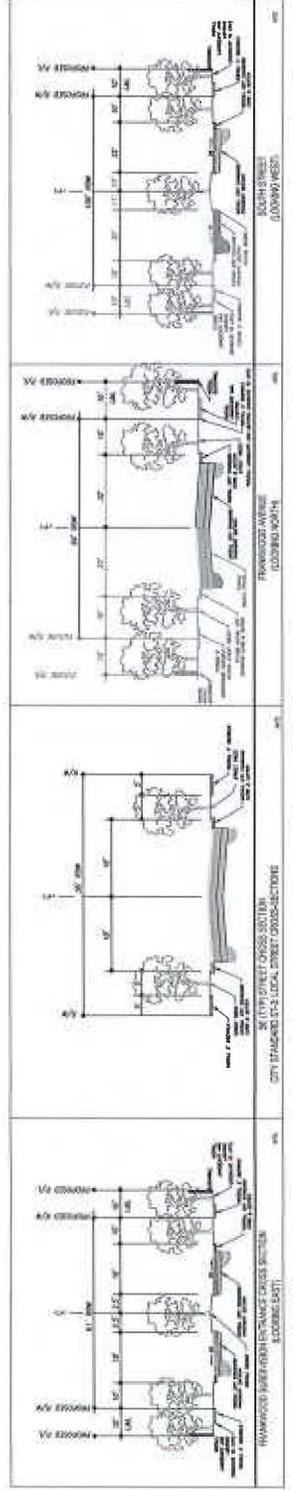
ON: NONE  
 BANK: NONE

LOT SIZES: MINIMUM: 1,000 SF  
 MAXIMUM: 11,000 SF

LANDSCAPE LOTS: A) 7,284 SF  
 B) 4,523 SF  
 C) 2,993 SF  
 D) 1,932 SF  
 E) 1,884 SF



VICINITY MAP



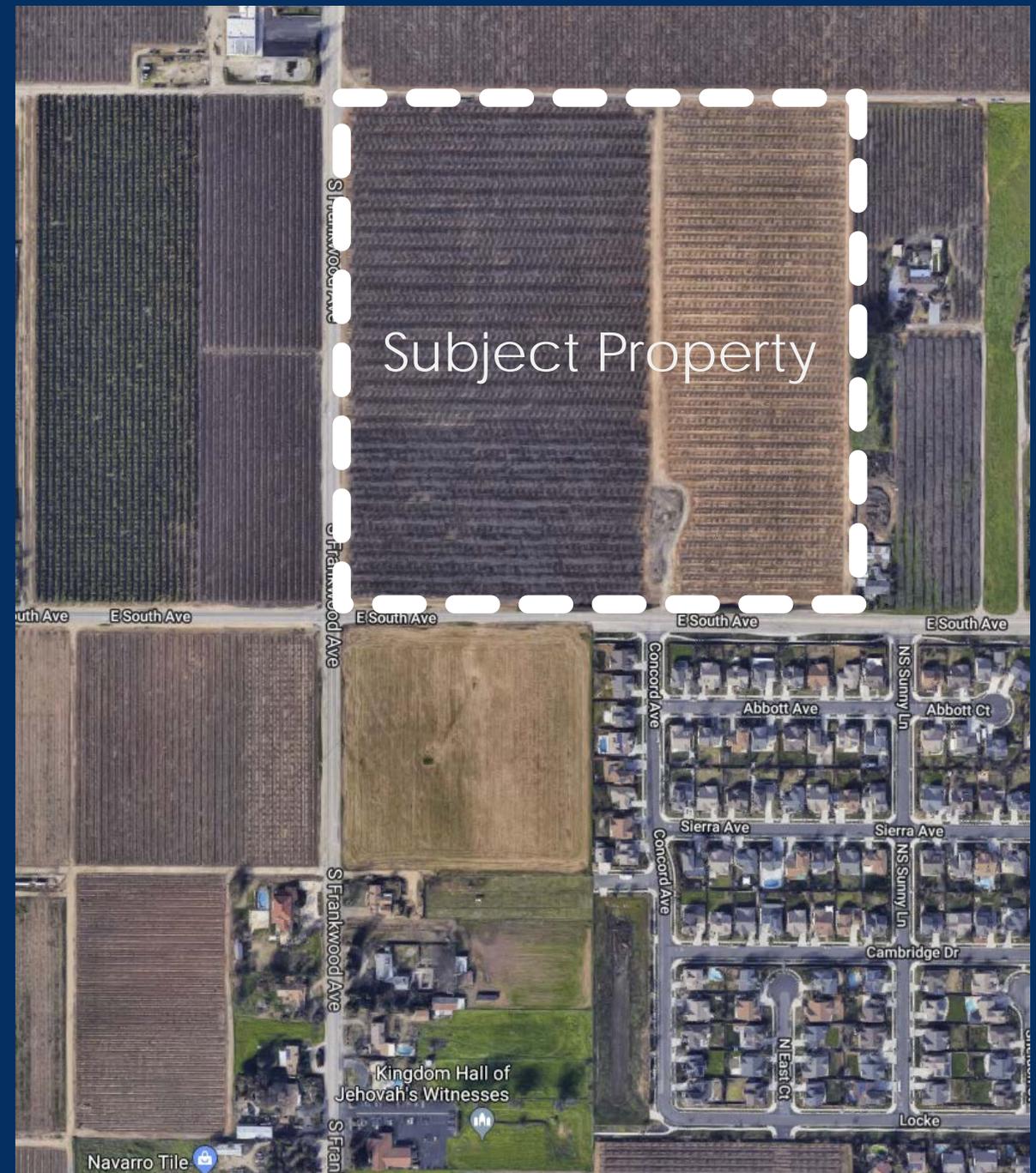
# CONSIDERATION OF FINAL PARCEL MAP APPLICATION NO. 2019-1

City Council Presentation

August 25, 2020

# PROJECT LOCATION

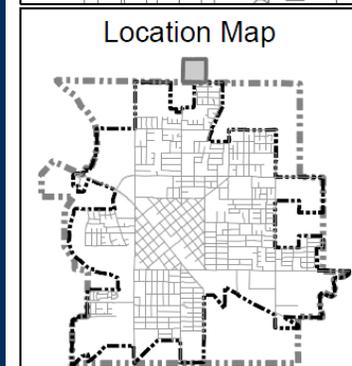
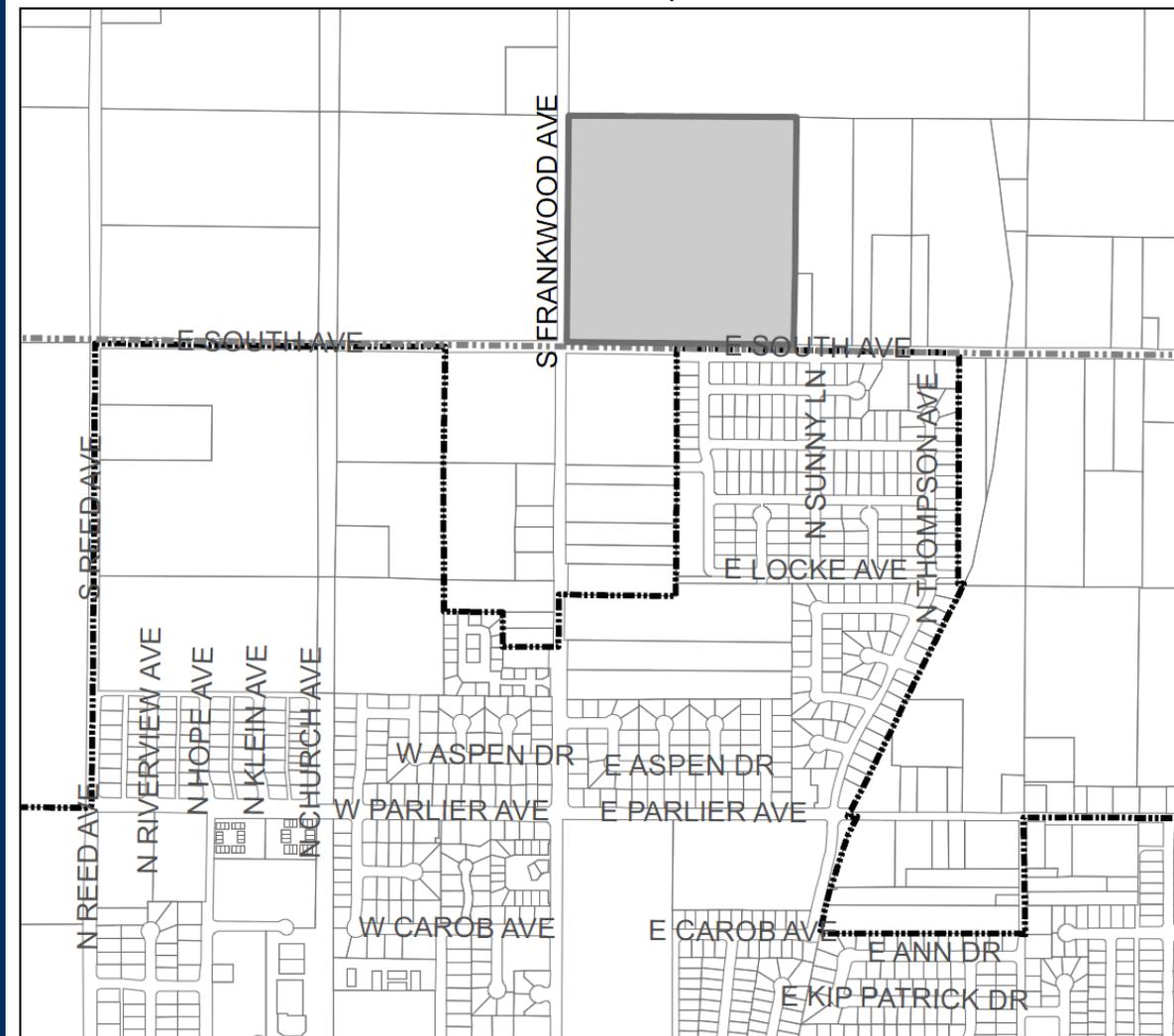
- ▶ Northern Sector of City of Reedley
- ▶ Northeast corner of South Frankwood Avenue and East South Avenue
- ▶ 40 gross acres
- ▶ Agricultural land





# EXISTING CONDITIONS

- ▶ Pending Annexation Application with Fresno LAFCo
- ▶ Pending SOI Amendment & Municipal Service Review with Fresno LAFCo
- ▶ 40-acre property is owned by one entity



## Legend

- Reedley Existing Sphere of Influence
- Reedley City Limits
- Project Location (40 acres)

0 350 700 1,400 Feet



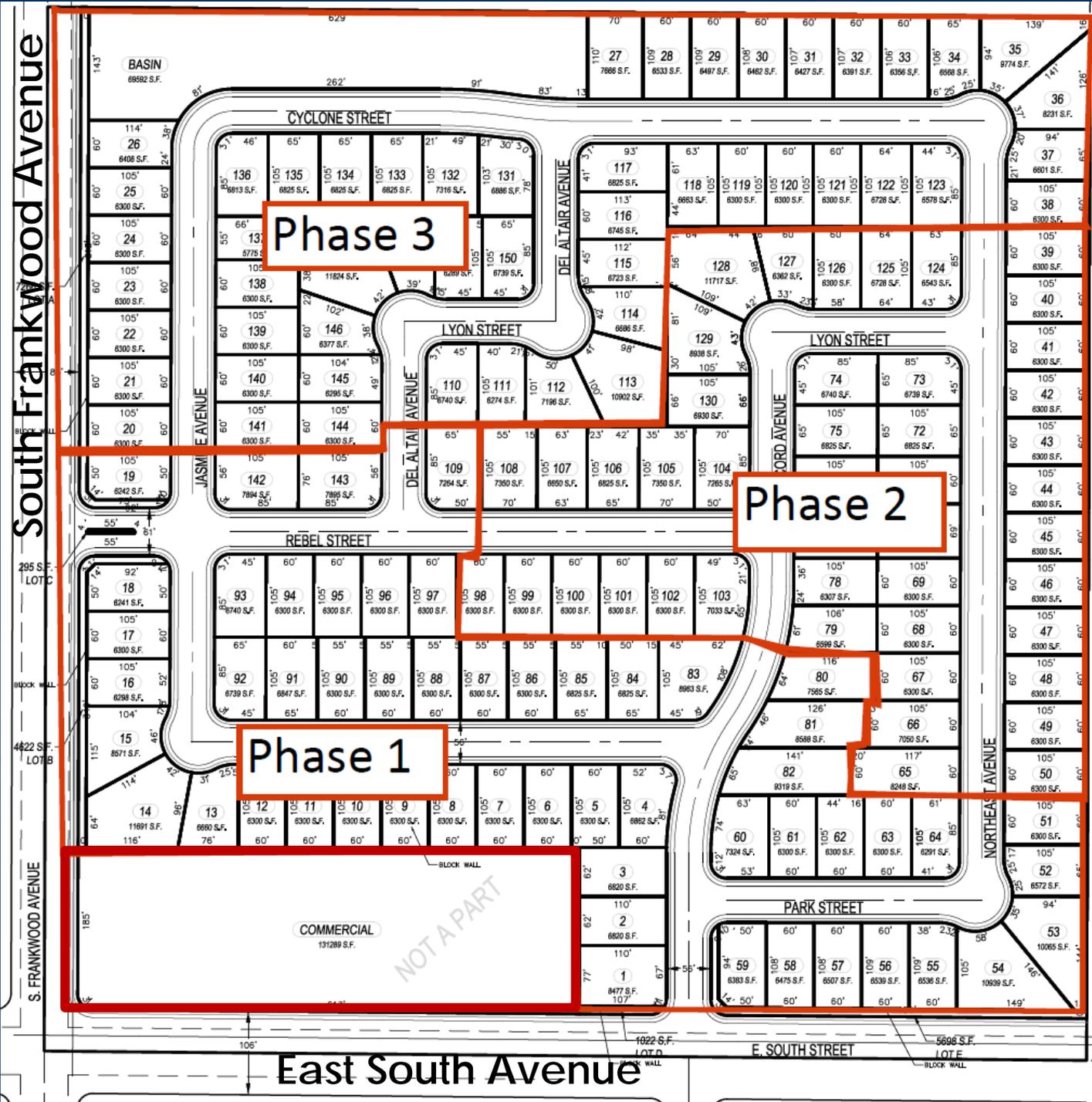
# TENTATIVE SUBDIVISION MAP NO. 6178

- ▶ 150 single family homes
- ▶ 3 acre commercial land
- ▶ Approved January 9, 2019



# PARCEL MAP APPLICATION NO. 2019-1

- ▶ Subdividing property into 4 lots for phasing purposes
- ▶ Consistent with Reedley Municipal Code and Subdivision Map Act





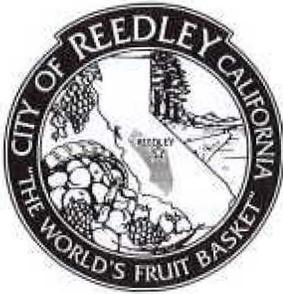
# CONDITIONS OF APPROVAL FOR PARCEL MAP NO. 2019-1

- ▶ Development consistent with LAFCo approval of SOI Amendment, Municipal Service Review, and Annexation Application approvals
- ▶ Development in substantial accordance with TSM 6178 (Frankwood Commons)
- ▶ Access easements required between parcels

# RECOMMENDATION

Through Resolution No. 2020-023:

APPROVE the Final Map for Tentative Parcel Map Application No. 2019-1



# REEDLEY CITY COUNCIL

- Consent Calendar
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 9

**DATE:** 8/25/2020

**TITLE:** ADOPT RESOLUTION NO. 2020-072 ACCEPTING THE SEWER RATE STUDY PRESENTED BY HDR ENGINEERING, SELECTING THE PROPOSED SEWER RATE STRUCTURE, AND SETTING THE PUBLIC HEARING DATE TO CONSIDER THE PROPOSED RATE CHANGES.

**SUBMITTED:** Russ Robertson, Public Works Director *UR*

**APPROVED:** Nicole Zieba, City Manager *NZ*

## RECOMMENDATION

That the City Council of the City of Reedley adopt Resolution 2020-072, approving the comprehensive sewer rate study as performed by HDR Engineering, selecting Exhibit "A" as the proposed rate structure, and scheduling a date and time for the public hearing to consider approval of the proposed rate changes.

## EXECUTIVE SUMMARY

On January 14, 2020, the City Council approved an agreement with HDR Engineering to perform a comprehensive sewer rate study per State law to provide a full detailed analysis of the Sewer Enterprise fund and determine if rate changes are necessary for the fund to remain solvent.

The Final Draft Study has been completed along with the proposed sewer rate structure for City Council to consider. Copies of the Study will be distributed to the City Council and an in-depth review of the study will be presented at the August 25, 2020 City Council meeting. The Study will also be made available for the public on the City of Reedley website and hard copies will be available at City Hall. The Study concluded that only small inflationary increases to sewer rates will be required to offset increasing costs in materials, supplies, labor, and infrastructure improvements. No other rate changes are required at this time.

The adoption of Resolution 2020-072 will simply approve of the sewer rate study, select the proposed sewer rate structure, and set the date for the Public Hearing regarding the proposed sewer rate structure for October 27, 2020. The Resolution does not approve new sewer rates and sewer rates will not change until the new rate structure is heard and adopted by the City Council at the October 27, 2020 Public Hearing.

## ATTACHED:

Resolution 2020-072

**RESOLUTION NO. 2020-072**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY  
ACCEPTING THE SEWER RATE STUDY AS COMPLETED BY HDR  
ENGINEERING, SELECTING THE PROPOSED RATE STRUCTURE AS  
SHOWN ON THE ATTACHED EXHIBIT "A", AND SETTING A PUBLIC  
HEARING DATE TO CONSIDER THE PROPOSED RATE CHANGES**

WHEREAS, the City Council authorized a sewer rate study to be performed by HDR Engineering on January 14, 2020 for the purpose of performing a comprehensive sewer rate study for the City of Reedley sewer utility; and

WHEREAS, Government Code Section 54344 and Reedley Municipal Code Section 8-4-2 authorize the City Council to establish, fix, impose and collect rates and charges for providing sewer collection and treatment services; and

WHEREAS, the proposed sewer rates set forth in the rate schedule attached hereto as Exhibit "A" are required to cover the cost of providing such services to the users thereof, and the rates and charges set forth therein are nondiscriminatory and do not exceed the cost of providing sewer services for which the rates and charges are imposed.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Reedley as follows:

1. The sewer rate study completed and presented by HDR Engineering Inc. is hereby accepted.
2. A public hearing is set for Tuesday, October 27, 2020, at 7:00 p.m., at which time the proposed sewer rate changes as shown in Exhibit "A" attached hereto will be considered. Written notice of the public hearing shall be provided in accordance with applicable law.

The foregoing resolution is hereby approved this August 25, 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Frank Piñon, Mayor of the City of Reedley

ATTEST:

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Sylvia Plata, City Clerk



# Summary of the Sewer Rate Study Update

August 25, 2020



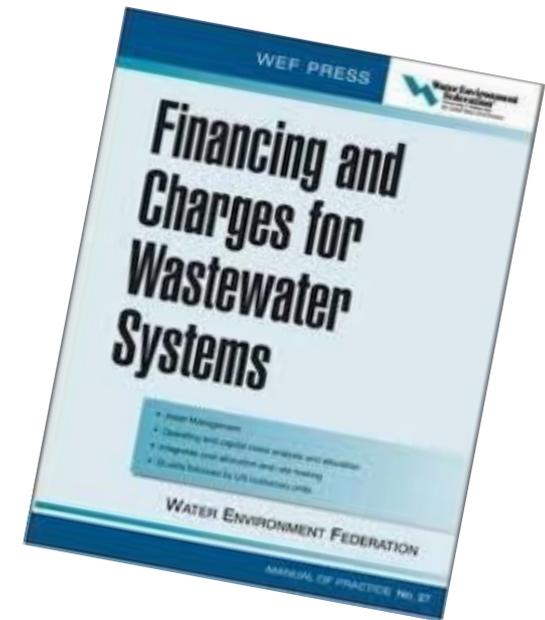
# Presentation Summary

- Purpose of the Sewer rate Study
- Overview of the Rate Setting Process
- Review Results of the Sewer rate Study
  - Revenue Requirement
  - Cost of Service
  - Rate Design
- Next Steps

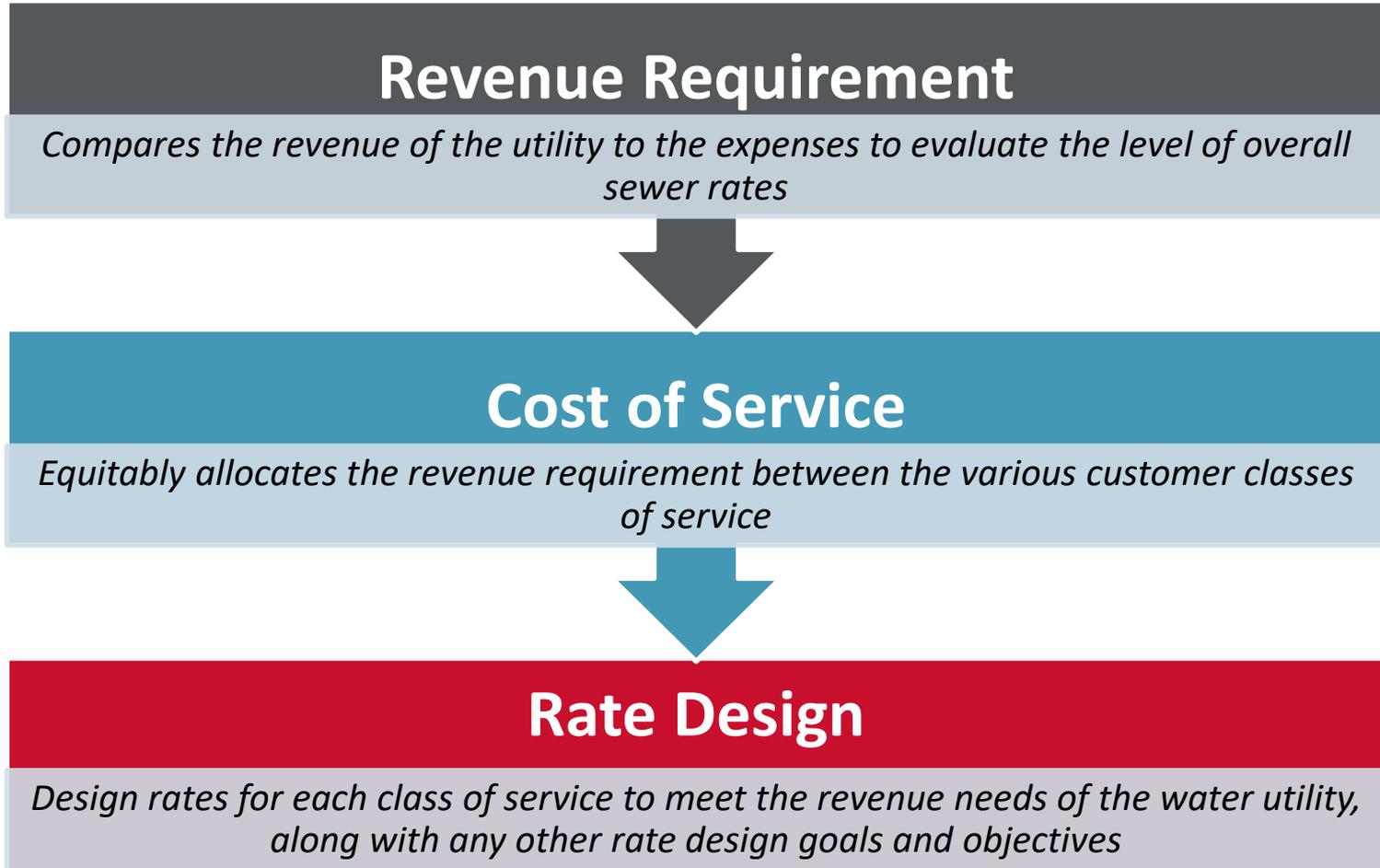


# Purpose of the Sewer Rate Study

- Provide a sufficient level of revenues to operate and maintain the City's wastewater system
- Develop equitable and cost-based rates
  - Meet the intent of Proposition 218
- Reflect prudent financial planning criteria
  - Maintain target debt service coverage (DSC) ratio
  - Prudent rate funding of capital
  - Meet target reserve balances
- Develop the study using generally accepted methodologies
  - Tailored to the City's wastewater system operation and unique customer characteristics



# Developing Cost-Based Wastewater Rates





**Revenue  
Requirement**

# Overview of the Revenue Requirement

Compares utility revenues to expenses

- Determines the level of rate adjustment necessary

Uses prudent financial planning criteria

- Adequate funding of renewal and replacements
- Maintaining sufficient ending reserve balances

Reviews a specific time period

- Typically a five to ten year period

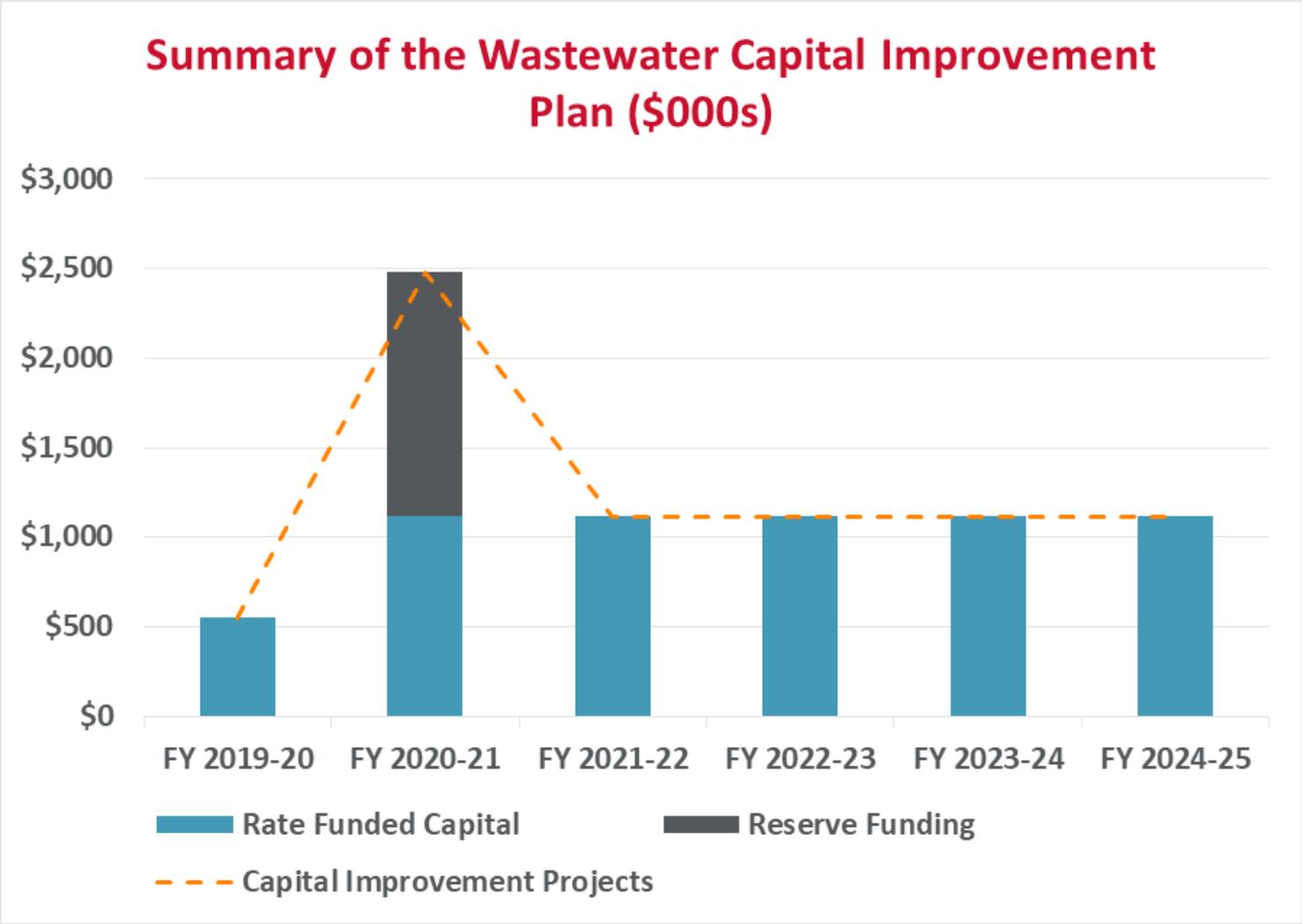
Utility is analyzed on a “stand-alone basis”

- No transfer of funds from other City funds
- Sewer rates need to support operations and capital

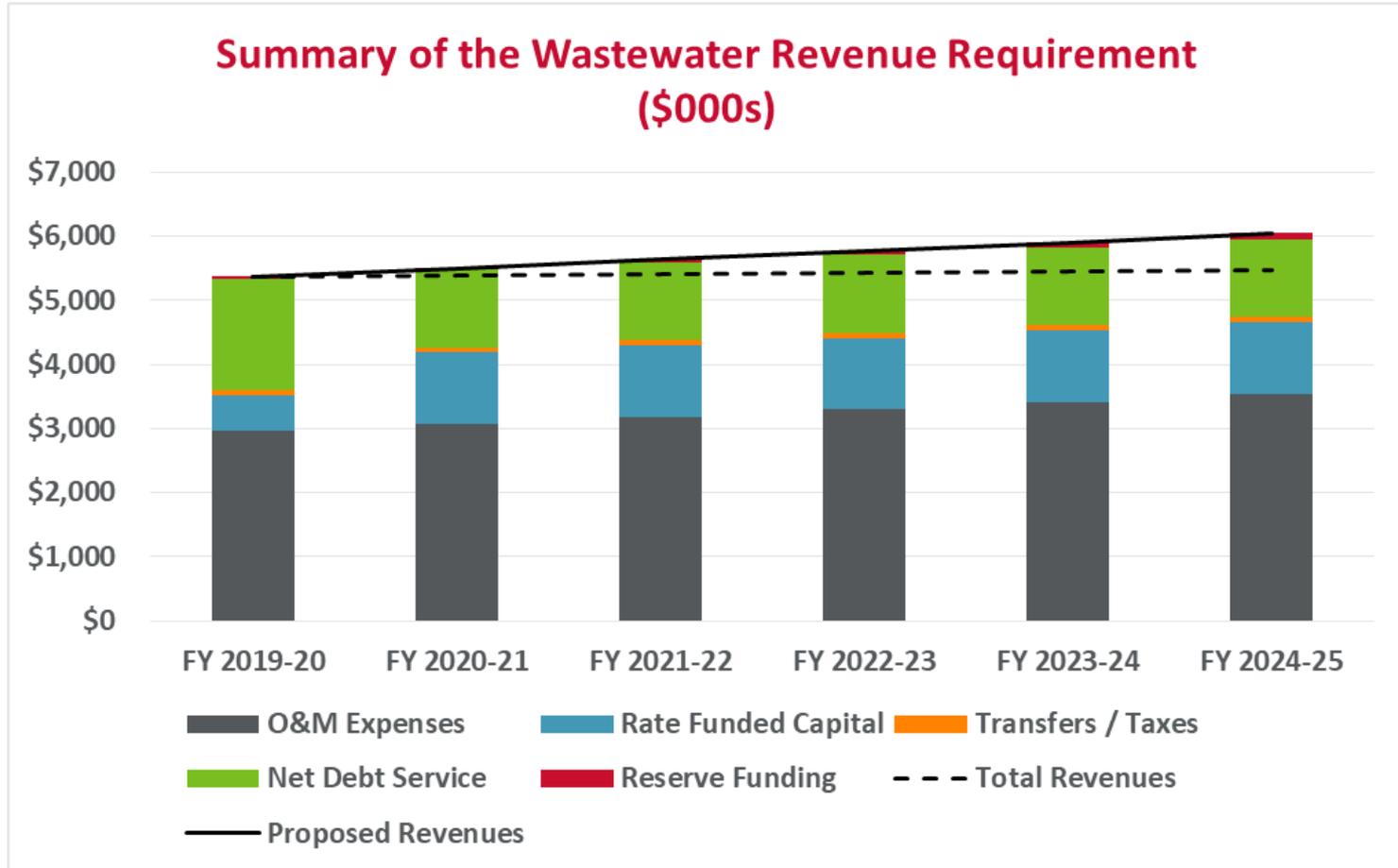
Utilizes the “cash basis” methodology

- Generally accepted method for municipal utilities

# Revenue Requirement – Capital Improvement Plan



# Revenue Requirement Summary



	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
<b>Proposed Rate Adj.</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>



**Cost of Service**

# Overview of the Wastewater Cost of Service

## What is cost of service?

- Analysis to equitably allocate the sewer revenue requirement to the customer classes of service

## Why cost of service

- Generally accepted as “fair and equitable”
- Avoids subsidies
- Revenues reflect costs
- Meet the intent of Proposition 218

## Objectives of Cost of Service

- Determine if subsidies exist
- Develop average unit costs

# Cost of Service Analysis – Key Assumptions

- Analysis is based on the FY 2020-21 revenue requirement
  - Rate setting period
  - Reflects overall revenue needs = 2.0% annual increase
- Functionalized the revenue requirement
  - Collection
  - Treatment
- Allocate costs into the appropriate components
  - Volume / Flow
  - Biochemical Oxygen Demand
  - Total Suspended Solids
  - Customer
- Distribute costs proportionally to the corresponding customer class

# Cost of Service Analysis – Plant in Service & Distribution Factors

	Vol	BOD	TSS	Customer	RR / DA
Net Plant In Service	53.5%	22.2%	22.2%	2.0%	0.0%

Distribution Factors	Vol	BOD	TSS	Customer	RR / DA
Residential	58.8%	54.9%	56.7%	61.2%	0.0%
Duplex / Triplex	2.5%	2.4%	2.4%	1.6%	0.0%
Non-Residential	35.8%	39.6%	37.8%	35.8%	0.0%
Industrial	2.9%	3.2%	3.1%	1.5%	0.0%

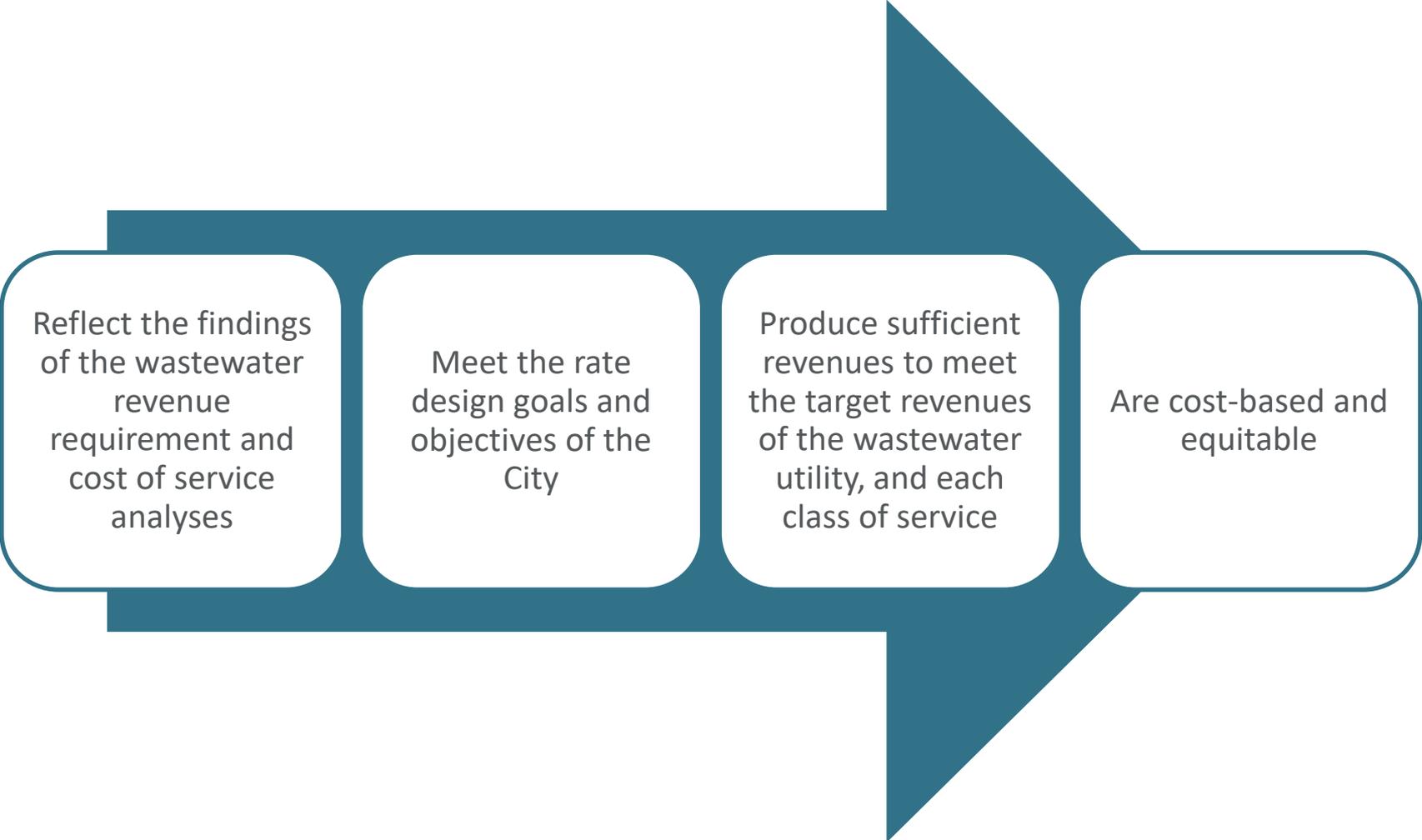
# Cost of Service Analysis – Summary

Class of Service	Present Rate Revenues	Allocated Costs	\$ Difference	% Difference
Residential	\$3,149	\$3,219	(\$69)	2.2%
Duplex / Triplex	121	118	2	-1.9%
Non-Residential	1,966	2,004	(38)	1.9%
Industrial	<u>131</u>	<u>134</u>	<u>(2)</u>	<u>1.6%</u>
<b>Total</b>	<b>\$4,966</b>	<b>\$5,065</b>	<b>(\$99)</b>	<b>2.0%</b>



## Rate Design

# Overview of the Rate Design



# Current Rates

	Fixed Charge	Variable Charge
Residential	\$51.80	n/a
Duplex / Triplex	\$46.10	n/a
<b>Non-Residential &amp; Industrial</b>		
3/4"	\$19.36	
1"	32.32	
1 1/2"	64.40	
2"	103.13	
3"	193.47	
4"	322.51	
6"	644.82	
8"	1,031.81	
<b>Non-Residential</b>		\$6.24
<b>Industrial</b>		\$3.55
BOD (\$ / lb.)		\$0.82
TSS (\$ / lb.)		\$0.59

## Rate Design Summary

- First cost of service study since *San Juan Capistrano Ruling*
  - Cost of service must now demonstrate cost basis for each customer class
    - Unit costs are the basis for the proposed rates
- First cost of service study since the completion of metering all customers' water usage
- Rate structure maintained for all customer classes
  - Rate levels are adjusted based on the revenue requirement and cost of service results
- Proposed rates have been developed for FY 20/21
  - December 2020 implementation
- Proposed rates for FY 21/22- FY 24/25 are based on a CPI inflationary factor annual (each July 1)

# Proposed Rates

Proposed FY 20/21 Residential Rates		
	Current	December 2020
Residential	\$51.80	\$52.94
Duplex / Triplex	\$46.10	\$45.23

Proposed FY 20/21 Non-Residential and Industrial Rates		
	Current	December 2020
<b>Fixed Charge</b>		
3/4"	\$19.36	\$20.01
1"	32.32	33.41
1 1/2"	64.40	66.56
2"	103.13	106.59
3"	193.47	199.97
4"	322.51	333.34
6"	644.82	666.47
8"	1,031.81	1,066.45
<b>Variable Charge</b>	\$6.24	\$6.31
<b>Strength Charge (Industrial)</b>		
BOD (\$ / lb.)	0.82	\$0.78
TSS (\$ / lb.)	0.59	0.62

## Next Steps...

- Incorporate City Council input and direction
- Set public hearing date
- Send customer notification
- Hold a public hearing (October 27)
- Adopt proposed rates
  - If no majority protest (<50%)
- Implement adopted rates (December 2020)



**Thank you for your input!**



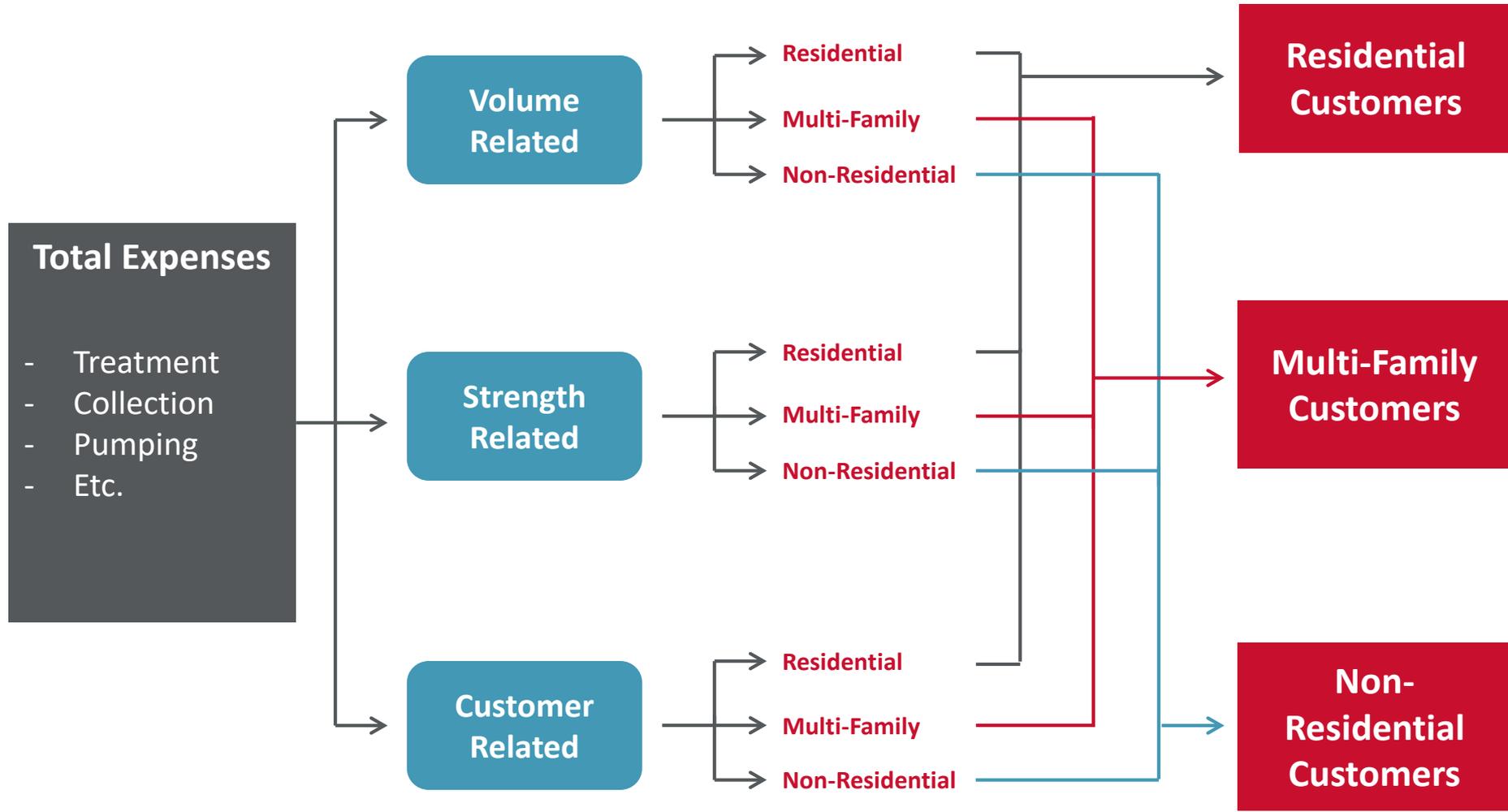
# Proposed Rates - Residential

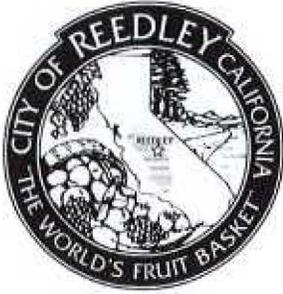
	Current	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Residential	\$51.80	\$52.94	\$54.00	\$55.08	\$56.18	\$57.30
Duplex / Triplex	\$46.10	\$45.23	\$46.13	\$47.05	\$47.99	\$48.95

# Proposed Rates – Non-Residential & Industrial

	Current	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
<b>Fixed Charge</b>						
3/4"	\$19.36	\$20.01	\$20.41	\$20.82	\$21.24	\$21.66
1"	32.32	33.41	34.07	34.75	35.45	36.16
1 1/2"	64.40	66.56	67.89	69.25	70.64	72.05
2"	103.13	106.59	108.72	110.89	113.11	115.37
3"	193.47	199.97	203.96	208.04	212.20	216.44
4"	322.51	333.34	340.00	346.80	353.74	360.81
6"	644.82	666.47	679.80	693.40	707.27	721.42
8"	1,031.81	1,066.45	1,087.78	1,109.54	1,131.73	1,154.36
<b>Variable Charge</b>	\$6.24	\$6.31	\$6.44	\$6.57	\$6.70	\$6.83
<b>Strength Charge (Industrial)</b>						
BOD (\$ / lb.)	0.82	\$0.78	\$0.80	\$0.82	\$0.84	\$0.86
TSS (\$ / lb.)	0.59	0.62	0.63	0.64	0.65	0.66

# Generic Wastewater Cost of Service Methodology





## REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing
- Receive/Review

ITEM NO: 10

DATE: August 25, 2020

TITLE: APPROVAL OF ITEMS PERTAINING TO THE REMAINING UNALLOCATED 2020 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

- A) ADOPT RESOLUTION NO. 2020-074 AMENDING THE FY 2020-21 ADOPTED BUDGET APPROPRIATING \$295,001 IN THE GENERAL FUND OF REMAINING UNALLOCATED 2020 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT FUNDS FOR VARIOUS PUBLIC HEALTH, SAFETY & ECONOMIC RELIEF ACTIVITIES, AND RECOGNIZING TRANSFERS INTO THE GENERAL FUND RESERVE AND AIRPORT FUND OF \$37,000 AND \$1,697, RESPECTIVELY
- B) AUTHORIZE THE CITY MANAGER TO APPROVE AN ANNUAL LEASE PAYMENT REDUCTION OF \$1,697 WITH PAUL & DONNA HUEBERT FOR THE BICYCLE MOTOCROSS TRACK AT THE REEDLEY AIRPORT

SUBMITTED: Paul A. Melikian, Assistant City Manager 

APPROVED: Nicole R. Zieba, City Manager 

### RECOMMENDATION

Staff recommends that the City Council consider and adopt Resolution No. 2020-074 amending the FY 2020-21 Adopted Budget appropriating \$295,001 in the General Fund of remaining unallocated 2020 Coronavirus Aid, Relief and Economic Security (CARES) Act funds for various public health, safety, and economic relief activities, and recognizing transfers into the General Fund Reserve and Reedley Airport Enterprise Fund of \$37,000 and \$1,697, respectively. Council Resolution No. 2020-070, adopted on August 6, 2020 previously allocated \$25,000 of the CARES Act funding towards establishing a temporary City Utility Bill and Streetscape Assessment Forgiveness program. In addition, staff recommends that the City Council authorize the City Manager to approve an annual lease payment reduction of \$1,697 with Paul & Donna Huebert for the Bicycle Motocross Track at the Reedley Airport.

### DISCUSSION

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by the President on March 27th, 2020. This over \$2 trillion economic relief package was intended to protect the American people from the public health and economic impacts of COVID-19. Based on the state's population, California received a total of \$15.3 billion Coronavirus Relief Funds (CRF) provided in the CARES Act.

In June 2020, the California State Budget for FY 2020-21 was signed into law that included an authorization for the Department of Finance (DOF) to allocate \$500 million of CARES Act funds directly to cities to cover

expenses related to the public health and public safety impacts of COVID-19. Cities with populations of less than 300,000 were allocated \$275 million. Generally, the population of the city was used to determine their share of the allocation, with no city receiving less than \$50,000.

The City of Reedley was allocated \$320,001. Federal law specifies that these funds may only be used for unbudgeted costs incurred between March 1, 2020 and December 30, 2020. All funds must be spent (not merely encumbered) by the end of the year. The following discussion and attached budget resolution detail the proposed allocation of the City's share of CARES Act funding.

\$37,000 - April & May 2020 Temporary Business Utility Bill Forgiveness Program

In May 2020, the City Council established a Temporary Business Utility Bill Forgiveness Program to provide relief to eligible Reedley businesses affected by the COVID-19 pandemic, by offering up to two months of City utility bill forgiveness, to include charges for water, wastewater and solid waste services. The program was initially funded by a \$25,000 transfer from the City's General Fund Reserve. Due to strong response from Reedley businesses, the program was amended in June 2020 to increase available funding to \$37,000. Staff recommends that \$37,000 of the CARES Act allocation be used to reimburse the General Fund Reserve for this expenditure, consistent with the City's Reserve Policy.

\$30,000 - Additional Contributions to the Greater Reedley Chamber of Commerce

Beginning in March 2020, the effects and impact of the mitigation efforts and community response to the coronavirus (COVID-19) pandemic caused the City to request additional services and support from the Chamber. On March 24, 2020, the City Council approved Amendment #1 to the Professional Services Agreement with the Chamber for the fiscal year ending June 30, 2020, whereupon the City paid the Chamber an additional \$5,000 for services rendered to the City and in support of the business community. The need for the Chamber's enhanced support of the business community continues into the new fiscal year, and an additional \$25,000 of compensation was included in the City's 2020-2021 Adopted Budget for this purpose, for total compensation of \$75,000. Staff recommends that the two additional contributions to the Chamber, totaling \$30,000 this year from the General Fund, be reimbursed from the CARES Act allocation.

\$39,024 – Reedley Business Assistance Activities

The City is currently renting temporary barricades to assist several downtown businesses in operating outdoors. Due to high demand, the temporary barricades cost \$10,000 per month, and staff anticipate covering this cost for the months of July, August and September 2020 for a total anticipated rental cost of \$30,000. In addition, other planned Reedley business assistance activities include rental and purchase of portable cooling units, canopies/shade covers, and raised parklet/parking area platforms to support outdoor dining and retail infrastructure.

\$25,000 – FY 2020/21 Temporary Utility Bill and Streetscape Assessment Forgiveness program

Council Resolution No. 2020-070, adopted on August 6, 2020 allocated \$25,000 towards establishing a temporary City Utility Bill and Streetscape Assessment Forgiveness program. Unlike the previous City utility bill relief program, which ended on June 30, 2020, this program also includes Streetscape Assessments and is applicable primarily to licensed and eligible Reedley barbershops, salons, and other personal care service businesses (such as nail salons and massage therapy businesses). This temporary program is funded from a \$25,000 allocation from the City's allocation of 2020 CARES Act Coronavirus Relief funds.

\$9,100 – River City Theater Company Rent Waiver

In April 2020, the City Council authorized staff to waive the monthly rent payments from the River City Theater Company for use of the Opera House for the months of April and May 2020. As the pandemic stretched on and restrictions remained in place, the River City Theater Company was forced to cancel its 2020 season and requested a rent waiver for the remainder of the calendar year. In July 2020, the City Council formally authorized a waiver for the months of June through December 2020.

#### \$1,697 – BMX Facility Rent Waiver

In January 2020, the City Council approved a successor agreement for the lease of Reedley Airport premises for Bicycle Motocross Track operations. The track operators, Paul and Donna Huebert, have been significantly impacted by the COVID-19 pandemic with a large number of their events canceled or postponed. They are in the process of requesting a partial lease payment reduction for 2020. Staff recommends that the City Council authorize the City Manager to grant a lease payment reduction not to exceed \$1,697, which is roughly equivalent to half of the annual rent for the facility. By including this in the CARES Act allocation, the Reedley Airport fund will still be able to receive the full amount of the negotiated revenue for 2020.

#### \$330 – Senior Program Canceled Trips

The Reedley Senior Program routinely books excursions and activities well in advance. Unfortunately, at the time the economic shutdown began, some of the events that had been pre-booked could not be canceled and fully refunded.

#### \$3,000 – Touchless Credit Card Machines

The City's utility billing and collection counter has been open to the public throughout the pandemic, albeit with precautions in place to limit the spread of COVID-19. The City was able to keep the lobby open to the public because of glass partitions that were installed in 2013 for staff safety. Staff are recommending that \$3,000 of the CARES Act allocation be used for the purchase of "touchless" credit card processing machines that will further limit the contact the customer has with frequently used and shared equipment.

#### \$5,000 – Personal Protective Equipment

The City has recently made a large purchase of N95 face masks for staff to use in the performance of their field duties. Staff requests to use \$5,000 of the CARES Act allocation to cover this purchase.

#### \$24,850 – Partitions for Public and Staff Areas

As a result of the COVID-19 pandemic, staff evaluated City facilities to determine where there were opportunities to improve social distancing between the public and staff, while retaining the ability to effectively communicate. Improvements were identified at City Hall, the Community Center and the Police Department which include counter partitions, electronic intercoms, and constructing a partition in a staff office that is shared by numerous employees in close quarters.

#### \$10,000 – Touchless Water Faucets & Toilet Flushers

Staff recommends utilizing \$10,000 to replace approximately 20 fixtures in restroom facilities that are shared by the public and staff. This will include facilities at the Fire Department, Community Center, and City Hall.

#### \$135,000 Emergency Back Up Generator for City Hall and Police Department

Reedley City Hall and Police Department share a backup power generator that is well over 40 years old, is not robust enough to power the entire facility, and does not meet current clean air standards. The City has recently tried on two occasions, both unsuccessfully, to obtain grants from CalOES and FEMA for this vital piece of public safety infrastructure. The replacement of this equipment was included in the FY 2020-21 Adopted Budget; however, the timing of the project was delayed due to economic uncertainty surrounding the pandemic. Given the critical nature of this equipment, and in light of current California power grid woes, staff recommends the use of the City's CARES Act allocation for this project.

#### **FISCAL IMPACT**

There is no impact to the General Fund as all proposed allocations will be covered by revenue received from the 2020 CARES Act.

#### **ATTACHMENTS**

Resolution No. 2020-074

# BUDGET AMENDMENT RESOLUTION 2020-074

The City Council of the City of Reedley does hereby amend the 2020-21 Budget as follows:

## SECTION I - ADDITIONS

Account Number	Account Description	Amount
001-2710	General Fund Balance	\$ 174,430
001-4670.2020	Government Buildings - Special Supplies	5,000
001-4670.4030	Government Buildings - Bldg Repairs & Maint	16,850
001-4670.4210	Government Buildings - Police Bldg Repairs	18,000
001-4140.6021	Administrative Svcs - Computers & Peripherals	3,000
001-4410.3000	Community Development - Professional Svcs	39,024
001-9090	General Fund Transfer Out (BMX Rent Reduction)	1,697
001-9090	General Fund Transfer Out (Reimburse GF Reserve)	37,000
002-2710	General Fund Reserve Balance	37,000
041-2710	Airport Fund Balance	1,697
<b>Total</b>		<b>\$ 333,698</b>

**Purpose:** To allocate remaining CARES Act funding for various public health, safety and economic relief activities, and recognizing transfers into the General Fund Reserve and Airport Fund of \$37,000 and \$1,697, respectively. As detailed in the August 25, 2020 staff report to the City Council.

## SECTION II - SOURCE OF FUNDING

Account Number	Account Description	Amount
001-3520	CARES Act - Coronavirus Relief Fund	\$ 295,001
002-3799	General Fund Reserve - Transfer In	37,000
041-3799	Airport Fund - Transfer In (BMX Rent Reduction)	1,697
<b>Total</b>		<b>\$ 333,698</b>

**Impact:** There is no impact to the General Fund as all proposed allocations will be covered by revenue received from the 2020 CARES Act.

REVIEWED:

RECOMMENDED:

  
Assistant City Manager *5/20/20*

  
City Manager

The foregoing resolution was approved by the City Council of the City of Reedley on August 25, 2020, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

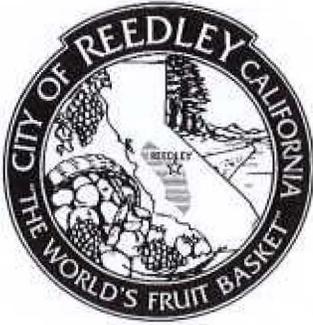
APPROVED:

\_\_\_\_\_  
Frank Piñon, Mayor

ATTEST:

\_\_\_\_\_  
Sylvia Plata, City Clerk

Resolution 2020-074



## REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing
- Receive/Review

ITEM NO: 11

**DATE:** August 25, 2020

**TITLE:** RECEIVE, REVIEW, AND FILE THE QUARTERLY INVESTMENT REPORT FOR 4<sup>th</sup> QUARTER ENDING JUNE 30, 2020 FOR FISCAL YEAR 2019-20

**SUBMITTED:** Paul A. Melikian, Assistant City Manager

**APPROVED:** Nicole R. Zieba, City Manager

### RECOMMENDATION

That the City Council receive, review, and file the Quarterly Investment Report for 4<sup>th</sup> Quarter Fiscal Year 2019-20, ending June 30, 2020, as required by the City's Investment Policy last adopted on March 24, 2020. No action is required other than to receive, review, and file the report.

### EXECUTIVE SUMMARY

Interest earnings, net of fees, for fiscal year ending June 30, 2020 total \$764,767, which is 251% of annual budgeted interest earnings of \$304,424 across all funds, and equates to \$251,070 in earnings for the quarter – which is slightly ahead of \$238,837 in earnings for the 3<sup>rd</sup> quarter. The prior 4<sup>th</sup> quarter net interest earnings for the same 12 month period one year ago (4<sup>th</sup> quarter FY 2018-19) were \$746,137. The attached investment/pooled cash report shows additional detail for cash balances by City fund prior to closing entries still being performed for fiscal year end. The treasury pool for the City totals \$22,409,145 as of June 30, 2020.

While all financial investment instruments are constantly monitored and assessed for safety, liquidity and yield, given the current situation surrounding the COVID-19 pandemic, City staff have regular contact with account representatives to ensure City funds are secure. Interest rates have been severely impacted by the pandemic, therefore staff have reduced expectations for income from interest earnings going forward into the new fiscal year. In addition, the City's treasury pool (funds available to invest) decreased by almost \$3 million in July 2020 due to the planned advanced refunding of the former Reedley Redevelopment Agency Bonds. (California statute requires all agencies with frozen bond proceeds to defease/pay down outstanding bonds.)

All investments in the portfolio are in compliance with the City's current Investment Policy, and staff does not anticipate any issues with regard to the City's ability to meet expenditure requirements for the next six months. (Government Code section 53646)

### BACKGROUND

The cash balances in the funds are at a point in time only, and do not reflect pending receivable or payable amounts. All financial investment instruments are constantly monitored and assessed for safety, liquidity and yield. The City's idle funds are currently in principal safe investments that protect its pooled cash, such as a money market account at Five-Star Bank, rolling Certificates of Deposit through Multi-Bank Securities in various FDIC insured accounts, and the Central San Joaquin Valley Risk Management Authority investment pool, managed by Chandler Asset Management.

On March 24, 2020 the City Council approved the annual statement of investment policy. The policy includes a self-imposed, 'best practice' reporting requirement to implement a Government Finance Officers Association (GFOA) recommendation that an agency's investment policy explicitly require periodic reporting. The attached Pooled Cash Report for the end of 4<sup>th</sup> quarter fiscal year 2019-20 shows cash balances/market value and interest earnings for every cash account and investment vehicle as of June 30, 2020. It is important to note that the pooled cash report also includes restricted funds such as unused/'frozen' RDA bond proceeds, deposits in trust, funds held for groundwater treatment, and RDA Successor Agency funds. Full account statements for all accounts are on file with the Administrative Services Department and available for inspection at any time.

Cash balances are pooled for investment and banking purposes, as it is not practical to have separate investment accounts for each City fund. Interest earnings are apportioned to each City fund based upon the percentage that a particular fund balance makes up of the total. For instance, if the City's General Fund balance was 10% of the total cash balances of the City, it would be credited with 10% of the investment interest earnings for the period.

#### **ATTACHMENTS**

4<sup>th</sup> Quarter Fiscal Year 2019-20 Investment/Pooled Cash Report

**POOLED CASH REPORT**  
**June 2020**

	ACTUAL CASH BALANCE OR PORTFOLIO MARKET VALUE	2019-20 FYTD INTEREST EARNINGS
PETTY CASH / CASH REGISTERS	\$ 5,000	\$ -
LAIF - LOCAL AGENCY INVESTMENT FUND	\$ 1,358	\$ 31
MECHANICS BANK MONEY MARKET (CLOSED ACCOUNT)	\$ -	\$ 667
MECHANICS BANK CHECKING ACCOUNTS (OPERATING & PAYROLL)	\$ 867,452	\$ -
CHANDLER ASSET MANAGEMENT PORTFOLIO	\$ 5,318,191	\$ 261,668
MULTI BANK SECURITIES PORTFOLIO	\$ 9,887,821	\$ 441,073
FIVE STAR BANK MONEY MARKET	\$ 6,329,163	\$ 71,721
FIVE STAR BANK PUBLIC DONATION CHECKING ACCOUNT	\$ 159	\$ -
<b>ACTUAL FYTD TOTAL CASH ~ ALL FUNDS</b>	<b>\$ 22,409,145</b>	<b>\$ 775,162</b>

2019-20 ALL FUNDS COMBINED ACTUAL FYTD INTEREST EARNINGS	\$ 775,162
2019-20 ALL FUNDS COMBINED ACTUAL FYTD BANK FEES	\$ (10,394)
2019-20 ALL FUNDS COMBINED NET ACTUAL BANK INTEREST	\$ 764,767
2019-20 ALL FUNDS COMBINED BUDGETED INTEREST EARNINGS	\$ 304,424
2019-20 PERCENTAGE OF ACTUAL NET YTD INTEREST EARNINGS TO BUDGET	251.218%

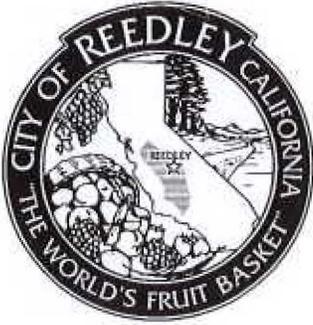
*Prior Fiscal Year Comparison - Same Period*

2018-19 ALL FUNDS COMBINED ACTUAL FYTD INTEREST EARNINGS	\$ 749,743
2018-19 ALL FUNDS COMBINED ACTUAL FYTD BANK FEES	\$ (3,606)
2018-19 ALL FUNDS COMBINED NET ACTUAL BANK INTEREST	\$ 746,137
2018-19 ALL FUNDS COMBINED BUDGETED INTEREST EARNINGS	\$ 146,900
2018-19 PERCENTAGE OF ACTUAL NET YTD INTEREST EARNINGS TO BUDGET	507.922%

# POOLED CASH REPORT

June 2020

FUND	FUND NAME	CASH BALANCE
001	General Fund	\$ 1,033,133
002	General Fund Reserve Set Aside	\$ 1,914,526
003	Public Safety Sales Tax	\$ 589,185
004	Public Safety Sales Tax Police Capital Set Aside	\$ 2,992
005	Gas Tax	\$ (14,858)
007	Street Projects Federal and State Funding	\$ (27,936)
010	LTF - Article 3 Sidewalks	\$ 24,289
011	LTF - Article 8 Streets	\$ 349,771
013	FCTA - New Technology Sustainable Aviation	\$ -
014	FCTA - Flexible Funding	\$ 64,589
015	FCTA - Americans with Disabilities Act (ADA)	\$ (26,004)
016	FCTA - Street Maintenance	\$ 600,083
017	FCTA - Pedestrian and Trails	\$ 158,700
018	FCTA - Bike Facilities	\$ 39,808
023	Road Repair Accountability Act	\$ 443,889
024	Community Development Block Grant (CDBG)	\$ 25,801
027	Senior Nutrition Federal Grant	\$ (285)
029	Public Education and Governmental Access (PEG)	\$ (1,910)
030	Landscape Lighting and Maintenance District	\$ 180,176
031	Sustainable Ag Land Conservation Program	\$ (55,045)
032	Community Facilities District	\$ 11,042
034	Streetscape	\$ 30,673
041	Airport	\$ 196
047	Groundwater Treatment	\$ 5,316,742
048	Water Rate Stabilization	\$ 162,335
049	Water Capital	\$ 393,316
050	Water	\$ 464,774
051	Sewer Capital	\$ 3,001,650
052	Sewer	\$ 1,089,975
053	Solid Waste	\$ (104,199)
054	Solid Waste Capital	\$ 286,686
055	Vehicle Impact Fee	\$ 505,060
060	Equipment Shop ISF	\$ 110,003
065	Dental Benefit ISF	\$ 50,022
073	Deposits in Trust	\$ 240,996
075	COPS Program	\$ 8,493
078	CASp Certification	\$ 22,279
080	City Bond Funds	\$ 1,006,626
083	Transitional Housing Grant	\$ 68,074
100	DIF - Transportation	\$ 224,445
102	DIF - Law	\$ (1,873)
103	DIF - Fire	\$ 229,303
104	DIF - Storm Drain	\$ 135,322
105	DIF - Wastewater Facilities	\$ 305,309
109	DIF - Parks & Recreation Facilities	\$ 20,271
110	DIF - General Government Facilities	\$ 107,851
111	DIF - Water Facilities	\$ 44,228
895	RDA Successor Bond Fund	\$ 2,961,440
896	RDA Successor Low and Moderate Income Housing	\$ 5,133
897	RDA Successor Retirement	\$ 412,069
<b>All Funds - Cash Total</b>		<b>\$ 22,409,145</b>



## REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing
- Receive/Review

ITEM NO: 12

DATE: August 25, 2020

TITLE: RECEIVE & REVIEW THE RESULTS OF THE REFUNDING OF THE FORMER REEDLEY REDEVELOPMENT AGENCY BONDS

SUBMITTED: Paul A. Melikian, Assistant City Manager

APPROVED: Nicole R. Zieba, City Manager

### RECOMMENDATION

That the City Council receive and review the results of the refunding of the former Reedley Redevelopment Agency (RDA) Bonds.

### EXECUTIVE SUMMARY

In November 2019 and January 2020, the City Council, acting as Successor Agency to the former Reedley Redevelopment Agency, approved, then confirmed, respectively, the advance refunding (refinancing) of the 2011 RDA bonds in order to take advantage of then favorable market conditions to generate savings to the City and other taxing entities. The process of bringing the bonds to market was delayed several times, most recently by unfavorable market conditions created by the COVID-19 pandemic. At one point, due to what was essentially a non-functioning municipal bond market, staff looked into a private placement of the bonds with a bank. This too proved problematic when the chosen lender reneged on the interest rate they had offered the City through a competitive RFP process.

The delays proved beneficial, however, as market conditions steadily improved and staff began working with the financing team to prepare the bonds. Due to the delay, Standard & Poor's was required to re-evaluate the City's bond rating, which was affirmed at A+/Stable. From July 8<sup>th</sup> to July 15<sup>th</sup>, the bonds were marketed to potential investors and final pricing was set on July 16<sup>th</sup>. Due to strong demand, in part due to the City's strong bond rating, all bonds were sold in one day at a final interest rate of 2.57% - much lower than the original interest rate of 3.78% projected in November 2019. The historically low interest rate (for a *taxable* bond issue) translates into greater savings to the City of \$50,375 annually in the General Fund.

### BACKGROUND

The Reedley Redevelopment Agency issued \$8,275,000 of Tax Allocation Bonds in 2011. The 2011 Bonds were issued to refinance the Agency's Reedley Redevelopment Project 1998 Tax Allocation Bonds and finance additional redevelopment activities.

### ATTACHMENTS

Final Pricing Information Book – July 16, 2020



## **SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY 2020 TAXABLE TAX ALLOCATION REFUNDING BONDS**

FINAL PRICING INFORMATION BOOK

Thursday, July 16, 2020



# Schedule of Events

Date	Event
July 8, 2020	Distribute Preliminary Official Statement to Investors
July 8– July 15, 2020	Marketing of Bonds to Potential Investors
July 15, 2020 2:30pm	Preliminary Pricing Conference Call Dial: 1-855-777-2962, Passcode: 2030559#
July 16, 2020 7:00am - 8:00am 9:00am	Indication of Interest Period Launch Period
10:00am	Final Pricing Call Dial: 1-855-777-2962, Passcode: 2030559#
10:15am	Set Coupons
July 30, 2020	Close Financing

# Market Commentary – July 16, 2020

## **10-year Treasury Yield**

10:15 am: 0.612%      down 2 bps from yesterday

## **30-year Treasury Yield**

10:15 am: 1.305%      down 3 bps from yesterday

***Weekly jobless claims totaled 1.30 million***, but close to a million new claims were also filed through the federal-relief program. Thirty million people are still unemployed.

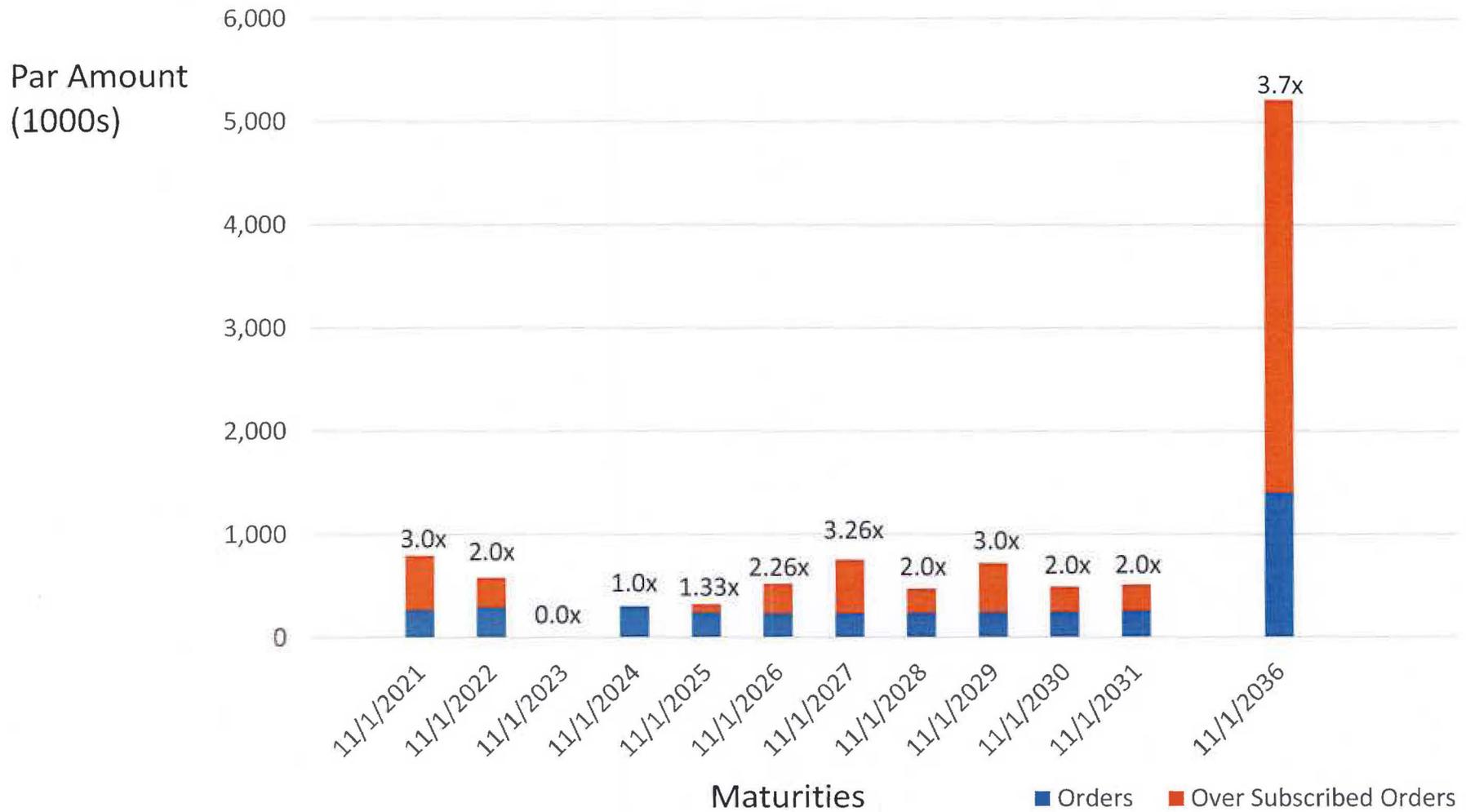
US Retail Sales jumped 7.5% in June, after an 18% increase in May, due to pent-up demand that built during the lockdown.

The Philly Fed Manufacturing Index retreated to 24.1 from last month's 27.5, but was better than expected and indicates conditions are improving.

By mid-morning ***Treasury yields were lower—the 10-year dipped as low as 0.60%***.

The ***30-year was down 3 bps from yesterday, at 1.30%***.

# Order Period Demand





# Sales Comparables

Sale Date	Final Pricing Book - 7/16/2020						6/18/2020					6/17/2020				
Issue Name	Successor Agency to the Reedy RDA 2020 Taxable Tax Allocation Refunding Bonds						El Monte Public Financing Authority Lease Revenue Refunding Bonds, 2020 Series A					Transbay Joint Powers Authority Senior Tax Allocations Bonds, Series 2020A-T				
Issue Size	\$4,230,000						\$21,000,000					\$28,355,000				
U/W	Brandis Tallman LLC						Raymond James					Citigroup				
Type	Tax Allocation Bonds						Lease Revenue Bonds					Tax Allocation Bonds				
Insurer	AGM						N/A					N/A				
Insured Rating	AA						N/A					N/A				
U/L Rating	A+						A					A-				
Call Feature	11/1/2030 at par						6/1/2030 at par					4/1/2030 at par				
10 YR T-Bond	0.612						0.694					0.733				
30 YR T-Bond	1.305						1.461					1.520				
	7/16 10:15am Treasury						6/18/2020 Treasury					6/17/2020 Treasury				
Maturity	Coupon	Yield	YTM	Spread	Treasuries	Term	Coupon	Yield	Spread	Treasuries	Term	Coupon	Yield	Spread	Treasuries	Term
2020												1.970	1.970	177.7	0.193	2-Yr
2021	0.815	0.815	67.0	0.145	2-yr							2.050	2.050	185.7	0.193	2-Yr
2022	1.075	1.075	93.0	0.145	2-yr	4.000	2.143	194.8	0.195	2-Yr	2.170	2.170	197.3	0.193	2-Yr	
2023	1.269	1.269	110.0	0.169	3-yr	4.000	2.291	207.0	0.221	3-Yr	2.330	2.330	210.4	0.226	3-Yr	
2024	1.474	1.474	120.0	0.274	5-yr	4.000	2.396	217.5	0.221	5-Yr	2.420	2.420	208.1	0.339	5-Yr	
2025	1.634	1.634	136.0	0.274	5-yr	4.000	2.556	223.0	0.326	5-Yr	2.480	2.480	214.1	0.339	5-Yr	
2026	1.814	1.814	136.0	0.454	7-yr	4.000	2.823	249.7	0.326	5-Yr						
2027	2.014	2.014	156.0	0.454	7-yr	4.000	2.973	245.0	0.523	7-Yr						
2028	2.172	2.172	156.0	0.612	10-yr	4.000	3.172	264.9	0.523	7-Yr						
2029	2.272	2.272	166.0	0.612	10-yr	4.000	3.292	259.8	0.694	10-Yr						
2030	2.372	2.372	176.0	0.612	10-yr	4.000	3.392	269.8	0.694	10-Yr						
2031	2.472	2.472	186.0	0.612	10-yr											
2032						3.592	3.592	289.8	0.694	10-Yr	3.580	3.580	284.7	0.733	10-Yr	
2033																
2034																
2035						3.842	3.842	314.8	0.694	10-Yr						
2036	2.912	2.912	230.0	0.612	10-yr						4.050	4.050	331.7	0.733	10-yr	
2037																
2038						4.046	4.046	335.2	0.694	10-Yr						
2039																
2040																
2041						4.206	4.206	274.5	1.461	30-Yr						
2042																
2043																
2044																
2045																

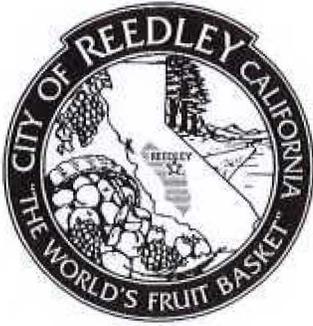
# Sales Comparables

Sale Date	Final Pricing Book - 7/16/2020						6/10/2020					5/8/2020				
Issue Name	Successor Agency to the Reedly RDA 2020 Taxable Tax Allocation Refunding Bonds						Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020					Successor Agency to Grass Valley RDA Tax Allocation Refunding Bonds, Series B				
Issue Size	\$4,230,000						\$30,705,000					\$8,255,000				
U/W	Brandis Tallman LLC						Stifel					Hilltop				
Type	Tax Allocation Bonds						Tax Allocation Bonds					Tax Allocation Bonds				
Insurer	AGM						AGM					BAM				
Insured Rating	AA						AA					AA				
U/L Rating	A+						BBB+					A+				
Call Feature	11/1/2030 at par						Not Callable					10/1/2030 at par				
10 YR T-Bond	0.612						0.748					0.681				
30 YR T-Bond	1.305						1.530					1.390				
Maturity	Coupon	Yield	YTM	Spread	7/16 10:15am Treasuries	Term	Coupon	Yield	Spread	6/10/2020 Treasuries	Term	Coupon	Yield	Spread	5/8/2020 Treasuries	Term
2020																
2021	0.815	0.815		67.0	0.145	2-yr	1.151	1.151	96.6	0.179	2-Yr					
2022	1.075	1.075		93.0	0.145	2-yr	1.381	1.381	120.2	0.179	2-Yr					
2023	1.269	1.269		110.0	0.169	3-yr	1.563	1.563	134.7	0.216	3-Yr					
2024	1.474	1.474		120.0	0.274	5-yr	1.782	1.782	144.5	0.337	5-Yr					
2025	1.634	1.634		136.0	0.274	5-yr	1.982	1.982	164.5	0.337	5-Yr	2.080	2.080	175.6	0.324	5-Yr
2026	1.814	1.814		136.0	0.454	7-yr	2.210	2.210	164.6	0.564	7-Yr					
2027	2.014	2.014		156.0	0.454	7-yr	2.410	2.410	184.6	0.564	7-Yr					
2028	2.172	2.172		156.0	0.612	10-yr	2.544	2.544	198.0	0.564	7-Yr					
2029	2.272	2.272		166.0	0.612	10-yr	2.644	2.644	189.6	0.748	10-Yr					
2030	2.372	2.372		176.0	0.612	10-yr	2.744	2.744	199.6	0.748	10-Yr	2.770	2.770	208.9	0.681	10-Yr
2031	2.472	2.472		186.0	0.612	10-yr	2.894	2.894	214.6	0.748	10-Yr					
2032							2.994	2.994	224.6	0.748	10-Yr					
2033							3.044	3.044	229.6	0.748	10-Yr					
2034																
2035																
2036	2.912	2.912		230.0	0.612	10-yr										
2037							3.307	3.307	255.9	0.748	10-yr					
2038												3.700	3.700	301.9	0.681	10-yr
2039																
2040																
2041																
2042																
2043																
2044																
2045																

# Numerical Results

	11/12/19 – SA MEETING 12/18/19 – OB MEETING	PRE-PRICING 7/15/2020	FINAL PRICING 7/16/2020*
Arbitrage Yield	3.78%	2.67%	2.57%
Total Savings	\$7.237 million	\$7.566 million	\$7.602 million
Average Annual Savings to the City (15.5%)	\$46,500	\$49,910	\$50,375
NPV Savings (\$)	\$1.753 million	\$2.697 million	\$2.785 million
NPV Savings (%)	23.90%	36.77%	37.96%

*\*Final coupons were set today at 10:15am*



## REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing
- Receive/Review

ITEM NO: 13

DATE: August 25, 2020

TITLE: RECEIVE & REVIEW THE ACTUARIAL VALUATION OF THE CITY OF REEDLEY RETIREE HEALTHCARE PLAN AS OF JUNE 30, 2019

SUBMITTED: Paul A. Melikian, Assistant City Manager *Pm*

APPROVED: Nicole R. Zieba, City Manager *NZ*

### RECOMMENDATION

That the City Council receive and review the required actuarial valuation of the City of Reedley Retiree Healthcare Plan as of June 30, 2019.

### EXECUTIVE SUMMARY

The City's actuary, Bartel Associates, LLC, recently completed the required actuarial valuation of the Retiree Healthcare Plan ('Plan') as of June 30, 2019. The Plan was established by resolution in 2013 and has been amended from time to time. The latest valuation report illustrates that the financial status of the Plan continues to improve, with unfunded liability decreasing from \$8,560,000 at June 30, 2017 to \$6,807,000 as of June 30, 2019. Most importantly, the Plan's funded ratio has increased from 1.2% to 3.3%. This improvement is due to several factors that are highlighted below:

- The City Council's commitment to making regular additional annual contributions to prefund the plan. The prefunding contribution was recently increased in the FY 2020-21 Adopted Budget from 15% to 25% of expected annual premiums.
- A reduction in the number of current employees who are eligible for the future benefit. Only full-time employees originally hired before January 1, 2014 are eligible to participate.
- Fewer retirees have elected coverage than expected.
- Plan premiums have not increased as much as originally assumed.

### BACKGROUND

The Governmental Accounting Standards Board Statement No. 75 requires that an actuarial valuation of the total OPEB liability is required to be performed at least every two years and information to be included in the City's financial statements. The City is compliant with this requirement.

### ATTACHMENTS

June 30, 2019 Actuarial Valuation



**B**ARTEL  
ASSOCIATES, LLC

**CITY OF REEDLEY  
RETIREE HEALTHCARE PLAN**  
June 30, 2019 Actuarial Valuation

**Mary Beth Redding, Vice President & Actuary**  
Daniel Park, Actuarial Analyst  
Joseph Herm, Senior Actuarial Analyst

**Bartel Associates, LLC**

July 24, 2020

## Contents

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Results	16
Actuarial Certification	20
Exhibits	21



## BENEFIT SUMMARY

<p>■ Eligibility</p>	<p>■ Retire directly from the City under CalPERS with 10 years City service</p> <ul style="list-style-type: none"> <li>• 10 years not required for active with Tier 1 benefits;</li> <li>• Future disability retirements assumed to require 10 years City service</li> </ul>
<p>■ Tiers</p>	<p>■ Tier 1:</p> <ul style="list-style-type: none"> <li>• Current retirees age 55 before 10/24/2013 and;</li> <li>• Current actives <math>\geq</math> age 55 at retirement and retiring <math>&lt;</math> 12/31/2016</li> </ul> <p>■ Tier 2:</p> <ul style="list-style-type: none"> <li>• Current actives <math>\geq</math> age 55 at retirement and retiring <math>\geq</math> 1/1/2017</li> </ul> <p>■ Tier 3:</p> <ul style="list-style-type: none"> <li>• Current actives hired or first becoming full time <math>\geq</math> 1/1/14 (not eligible for any City-paid retiree medical benefits)</li> </ul>



## BENEFIT SUMMARY

<p>■ Benefits Effective 1/1/14</p>	<p>■ Retiree pre-Medicare benefit:</p> <ul style="list-style-type: none"> <li>• Tier 1: Up to active contribution<sup>1</sup></li> <li>• Tier 2 with 10 years City service: Smaller of 50% of retiree premium or active contribution</li> <li>• Tier 2 with 20 years City service: Smaller of 80% of retiree premium or active contribution</li> </ul> <p>■ Dependent pre-Medicare benefit:</p> <ul style="list-style-type: none"> <li>• Tier 1: Up to \$500 per month total for all dependents</li> <li>• Tier 2: Up to \$250 per month for only one dependent</li> </ul> <p>■ Retiree and one dependent post-Medicare benefit:</p> <ul style="list-style-type: none"> <li>• Tier 1: 100% of City Medicare Supplement premium (less \$10 per month if outside of City plans: "Freedom of Choice")</li> <li>• Tier 2 with 10 years City service: Smaller of 50% of City Medicare Supplement premium or active contribution</li> <li>• Tier 2 with 20 years City service: Smaller of 80% of City Medicare Supplement premium or active contribution</li> </ul>
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<sup>1</sup> \$627.45, \$1,313.20, & \$1,799.31 for single, 2-party, & family coverage, respectively in 2019.



## BENEFIT SUMMARY

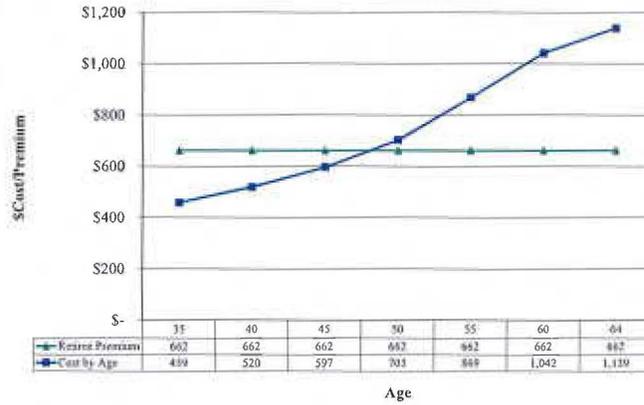
■ Other OPEB

■ No City contribution for retiree dental, vision, life insurance, or Medicare Part B reimbursement

■ Implied Subsidy

■ Employer cost for allowing retirees to participate at active premium rates  
 ■ Active employee premiums subsidize retiree cost

Anthem HMO - Single Coverage



■ Active “implied subsidy” included with retiree cost  
 ■ Implied subsidy not valued for Medicare premiums



## BENEFIT SUMMARY

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**PREMIUMS**

**Monthly Active Premiums<sup>2</sup>**

Medical Plan	2020		
	Single	2-Party	Family
Blue Shield HMO	\$ 678.77	\$ 1,420.77	\$ 2,027.72
Blue Shield PPO	653.32	1,367.52	1,951.86
Kaiser	696.03	1,388.00	1,803.19

**Pre-65 Retiree Premiums**

Medical Plan	2020		
	Single	2-Party	Family
Blue Shield HMO	\$ 681.62	\$ 1,423.72	\$ 2,030.67
Blue Shield PPO (\$500/\$1,000)	656.27	1,370.47	1,954.81
Kaiser HMO	698.98	1,390.95	1,806.14

<sup>2</sup> Effective January 1<sup>st</sup>, 2020.



**PREMIUMS**

**Monthly Post-65 Retiree Premiums<sup>3</sup>**

Medical Plan	2020		
	Single	2-Party	Family
RetireeFirst/United American and Blue Shield HMO	\$ 328.10	\$ 656.20	\$ 1,337.82
RetireeFirst/United American and Blue Shield PPO	328.10	656.20	1,312.47
RetireeFirst/United American and Kaiser	328.10	656.20	1,355.18
Freedom of Choice <sup>4</sup>	318.10	636.20	n/a

<sup>3</sup> Effective January 1<sup>st</sup>, 2020.

<sup>4</sup> City's Contribution.



**PARTICIPANT STATISTICS**

**Participant Statistics - Actives**

	Miscellaneous	Fire	Police	Total
■ Count	87	2	26	115
■ Average:				
• Age	42.0	47.9	38.1	41.2
• City Service	9.1	8.7	7.9	8.8
• Entry Age	31.8	38.8	28.2	31.1
• Salary	\$ 54,000	\$ 94,600	\$ 67,200	\$ 57,700
■ Total Salary (000's)	4,700	189	1,747	6,636



**PARTICIPANT STATISTICS**

**Participant Statistics - Actives**

	Tier 2	Tier 3	Total
■ Count	64	51	115
■ Average:			
• Age	47.4	33.4	41.2
• City Service	13.8	2.7	8.8
• Entry Age	32.4	29.6	31.1
• Salary	\$ 67,700	\$ 45,200	\$ 57,700
■ Total Salary (000's)	4,330	2,307	6,636



**PARTICIPANT STATISTICS**

**Participant Statistics – Retirees**

	Miscellaneous	Fire	Police	Total
■ Count				
• Retired	32	-	1	33
• Disabled	1	-	2	3
• Survivor	<u>4</u>	<u>-</u>	<u>1</u>	<u>5</u>
• Total	37	-	4	41
■ Average:				
• Age	72.4	N/A	68.4	72.0
• Service Retirement Age	57.7	N/A	55.9	57.7
• Disabled Retirement Age	62.8	N/A	46.3	51.8



**ACTUARIAL ASSUMPTIONS HIGHLIGHTS**

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Valuation Date	<ul style="list-style-type: none"> <li>■ June 30, 2017</li> <li>■ Fiscal Year 2017/18 &amp; 2018/19</li> </ul>	<ul style="list-style-type: none"> <li>■ June 30, 2019</li> <li>■ Fiscal Years 2019/20 &amp; 2020/21</li> </ul>
■ Funding Policy	<ul style="list-style-type: none"> <li>■ Pay-Go + 15% of Cash Benefit Payments contributed to CERBT annually (Option 1)</li> </ul>	<ul style="list-style-type: none"> <li>■ Pay-Go + 25% of Cash Benefit Payments contributed to CERBT annually (Option 1)</li> </ul>
■ General Inflation	<ul style="list-style-type: none"> <li>■ 2.75%</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>
■ Discount Rate	<ul style="list-style-type: none"> <li>■ 6.75%<sup>5</sup> - Long-term expected rate of return on assets for CERBT Option 1</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>

<sup>5</sup> Based on the City's current funding policy and GASBS 75 Implementation Guide exposure draft Illustration B2, the plan is projected to have sufficient funds to pay projected benefit payments.



**ACTUARIAL ASSUMPTIONS HIGHLIGHTS**

■ Medical Trend	June 30, 2017 Valuation			June 30, 2019 Valuation		
		<u>Non-Medicare</u>	<u>Medicare</u>		<u>Non-Medicare</u>	<u>Medicare</u>
	<u>Year</u>	<u>All Plans</u>		<u>Year</u>	<u>All Plans</u>	
	2017	Actual Premiums		2017	n/a	
	2018	7.50%	6.50%	2018	6.50%	n/a
	2019	7.50%	6.50%	2019	Actual Premiums	
	2020	7.50%	6.50%	2020	Actual Premiums	
	2021	7.25%	6.30%	2021	7.25%	6.30%
	2022	7.00%	6.10%	2022	7.00%	6.10%
		↓	↓		↓	↓
	2030	5.20%	4.70%	2030	5.20%	4.70%
	31-35	5.05%	4.60%	31-35	5.05%	4.60%
	36-45	4.90%	4.50%	36-45	4.90%	4.50%
	46-55	4.75%	4.45%	46-55	4.75%	4.45%
	56-65	4.60%	4.40%	56-65	4.60%	4.40%
	66-75	4.30%	4.20%	66-75	4.30%	4.20%
	2076+	4.00%	4.00%	2076+	4.00%	4.00%



**ACTUARIAL ASSUMPTIONS HIGHLIGHTS**

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Cap Increases	<ul style="list-style-type: none"> <li>■ Unrepresented active employee contribution: medical trend</li> <li>■ Dollar caps for Dependents: 3.00% per year</li> </ul>	■ Same
■ Retirement, Mortality, Termination, Disability	<ul style="list-style-type: none"> <li>■ CalPERS 1997-2011 Experience Study</li> <li>■ Mortality Improvement Scale MP-2016</li> </ul>	<ul style="list-style-type: none"> <li>■ CalPERS 1997-2015 Experience Study</li> <li>■ Mortality Improvement Scale MP-2019</li> </ul>
■ Participation at Retirement	<ul style="list-style-type: none"> <li>■ Currently covered actives: 90%</li> <li>■ Currently waived actives: 15%</li> </ul>	<ul style="list-style-type: none"> <li>■ Retire with 20 years of service: 80%</li> <li>■ Retire with &lt;20 years of service: 70%</li> </ul>
■ Medical Plan at Retirement	<ul style="list-style-type: none"> <li>■ Based on current election</li> <li>■ 50% with dependent</li> </ul>	■ Same



## ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation	June 30, 2019 Valuation
<ul style="list-style-type: none"> <li>■ Basis for Assumptions</li> </ul>	<ul style="list-style-type: none"> <li>■ No experience study performed for this plan.</li> <li>■ CalPERS experience study based on 1997 to 2015 demographic experience</li> <li>■ Mortality improvement based on most recent Society of Actuaries table</li> <li>■ Inflation based on our estimate for the Plan's very long time horizon</li> <li>■ Participation and coverage assumptions based in part on Plan experience</li> <li>■ Estimated claims costs based on premiums and City's demographics for active employee plan + retiree plans and Axene Health Partners' aging factors</li> <li>■ Medical Trend:                             <ul style="list-style-type: none"> <li>➢ Short-term trend was developed in consultation with Axene Health Partners' healthcare actuaries</li> <li>➢ Long-term trend was developed using Society of Actuaries' Getzen Model of Long-Run Medical Cost Trends</li> </ul> </li> </ul>	



## ACTUARIAL METHODS

Method	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Cost Method	■ Entry Age Normal	■ Same
■ Amortization Method	■ N/A	■ N/A – no actuarially determined contribution is calculated
■ Unfunded Liability Amortization	■ N/A	■ N/A – no actuarially determined contribution is calculated
■ Actuarial Value of Assets	■ Market Value of Assets	■ Same



## ASSETS

### Market Value of Plan Assets

(Amounts in 000's)

	15/16	16/17	17/18	18/19
■ <b>Market Value (Beginning of Year)</b>	\$ -	\$ 49	\$ 103	\$ 161
• Contributions	46	46	51	53
• Benefit Payments	-	-	-	-
• Expenses	(0)	(0)	(0)	(0)
• Investment Earnings	3	9	7	15
■ <b>Market Value (End of Year)</b>	49	103	161	230
■ <b>Approximate Annual Return<sup>6</sup></b>	14.1%	12.3%	5.6%	8.2%

<sup>6</sup> Net of expenses.



## RESULTS

### Actuarial Obligations

June 30, 2019

(Amounts in 000's)

	6/30/13	6/30/15	6/30/17	6/30/19
■ <b>Discount Rate</b>	4.00%	4.50%	6.75%	6.75%
■ <b>Present Value of Benefits</b>				
• Actives (future retirees)	\$ 19,165	\$ 11,993	\$ 5,840	\$ 4,212
• Retirees	<u>5,933</u>	<u>4,474</u>	<u>4,769</u>	<u>4,052</u>
• Total	25,098	16,467	10,609	8,264
■ <b>Actuarial Accrued Liability</b>				
• Actives (future retirees)	8,491	6,345	3,894	2,985
• Retirees	<u>5,933</u>	<u>4,474</u>	<u>4,769</u>	<u>4,052</u>
• Total	14,424	10,819	8,663	7,037
■ <b>Value of Assets</b>	-	-	103	230
■ <b>Unfunded AAL</b>	14,424	10,819	8,560	6,807
■ <b>Funded Ratio</b>	n/a	n/a	1.2%	3.3%
■ <b>Normal Cost</b>	907	546	254	152
■ <b>Pay-As-You-Go Cost – Cash</b>	113	230	300	304
■ <b>Pay-As-You-Go Cost – Implied Subsidy</b>	23	61	114	109



## RESULTS

### (Gain)/Loss Analysis

(Amounts in 000's)

	AAL	(AVA)	UAAL
■ 6/30/2017 Actual Value	\$ 8,663	\$ (103)	\$ 8,560
■ 6/30/2019 Expected Value	9,550	(213)	9,337
■ <b>Experience (Gains)/Losses</b>			
• Demographic – mainly fewer retirees electing coverage than expected.	(615)	-	(615)
• 2020 premiums below expected	(1,489)	-	(1,489)
■ <b>Assumption Changes</b>			
• Participation at Retirement	(424)	-	(424)
• CalPERS 1997-2015 Experience Study	(28)	-	(28)
• Updated mortality improvement: MP-19	42	-	42
■ <b>Asset (Gains)/Losses</b>	-	(16)	(16)
■ <b>Total Changes</b>	(2,514)	(16)	(2,529)
■ 6/30/2019 Actual Value	7,037	(230)	6,807



## RESULTS

### 10-Year Contribution Projection

(Amounts in 000's)

Fiscal Year End	Cash Benefit Payments	Implied Subsidy Benefit Payments	Trust Contributions: 25% of Cash Benefit Payments <sup>7</sup>	Total Contributions
2020	\$ 304	\$ 109	\$ 46	\$ 459
2021	306	76	77	459
2022	317	81	79	477
2023	336	102	84	522
2024	339	103	85	527
2025	352	103	88	543
2026	370	112	93	575
2027	375	92	94	561
2028	401	81	100	582
2029	418	86	105	609

<sup>7</sup> 15% of cash benefit payments in FY19/20, 25% of cash benefit payments starting fiscal year 20/21.



## RESULTS

### Actuarial Obligations

**June 30, 2019**

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total Cost
<b>■ Present Value of Benefits</b> <ul style="list-style-type: none"> <li>• Actives (future retirees)</li> <li>• Retirees</li> <li>• Total</li> </ul>	\$ 2,889 <u>3,745</u> 6,634	\$ 1,101 <u>307</u> 1,408	\$ 4,212 <u>4,052</u> 8,264
<b>■ Actuarial Accrued Liability (AAL)</b> <ul style="list-style-type: none"> <li>• Actives (future retirees)</li> <li>• Retirees</li> <li>• Total</li> </ul>	2,092 <u>3,745</u> 5,837	738 <u>307</u> 1,045	2,985 <u>4,052</u> 7,037
<b>■ Value of Assets<sup>8</sup></b>	<u>190</u>	<u>34</u>	<u>230</u>
<b>■ Unfunded Actuarial Accrued Liability</b>	5,647	1,011	6,807
<b>■ Normal Cost</b>	99	53	152
<b>■ Pay-As-You-Go Cost</b>	304	109	413

<sup>8</sup> Allocated in proportion to AAL



## ACTUARIAL CERTIFICATION

This report presents the City of Reedley Retiree Healthcare Plan ("Plan") June 30, 2019 actuarial valuation. The purpose of this valuation is to determine the Plan's June 30, 2019 Funded Status,

Information provided in this report may be useful to the City for the Plan's financial management. Future valuations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions, participant data, and asset information provided by the City as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of my knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the actuarial results and opinions herein.

Respectfully submitted,

*Mary Elizabeth Redding*

Mary Elizabeth Redding, FSA, MAAA, FCA, EA  
 Vice President  
 Bartel Associates, LLC  
 July 24, 2020



## EXHIBITS

<u>Topic</u>	<u>Page</u>
Data Summary	E- 1
Actuarial Assumptions	E- 8
Definitions	E-10



## DATA SUMMARY

### Current Retiree Medical Coverage Pre 65

Plan	Single	2-Party	Family	Total
Blue Shield HMO	3	5	-	8
Blue Shield PPO	-	1	-	1
Kaiser HMO	1	-	-	1
Waived	-	-	-	1
Total	4	6	-	11



**DATA SUMMARY**

**Current Retiree Medical Coverage**  
**Post 65**

Plan	Single	2-Party	Family	Total
Blue Shield HMO	12	14	1	27
Blue Shield PPO	-	1	-	1
Kaiser HMO	-	-	-	-
Freedom of Choice	-	2	-	2
Waived	-	-	-	-
<b>Total</b>	<b>12</b>	<b>17</b>	<b>1</b>	<b>30</b>



**DATA SUMMARY**

**Covered Retiree Medical Plan Coverage by Age**  
**Miscellaneous**

Age	Medical Coverage			
	Single	2-Party	Family	Total
Under 50	-	-	-	-
50-54	-	-	-	-
55-59	-	2	-	2
60-64	2	4	-	7
65-69	3	5	-	8
70-74	1	5	1	7
75-80	1	3	-	4
80-85	3	1	-	4
85 & Over	4	1	-	5
<b>Total</b>	<b>14</b>	<b>21</b>	<b>1</b>	<b>37</b>
<b>Average Age</b>	<b>77.3</b>	<b>69.5</b>	<b>73.7</b>	<b>72.4</b>



**DATA SUMMARY**

**Covered Retiree Medical Plan Coverage by Age**  
**Safety**

Age	Medical Coverage			
	Single	2-Party	Family	Total
Under 50	-	-	-	-
50-54	-	-	-	-
55-59	-	-	-	-
60-64	2	-	-	2
65-69	-	-	-	-
70-74	-	2	-	2
75-80	-	-	-	-
80-85	-	-	-	-
85 & Over	-	-	-	-
Total	2	2	-	4
Average Age	64.0	72.8	N/A	68.4



**DATA SUMMARY**

**Actives by Age and Service**  
**Miscellaneous**

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	3	1	-	-	-	-	-	4
25-29	-	9	2	-	-	-	-	11
30-34	1	9	3	2	-	-	-	15
35-39	-	9	2	5	-	-	-	16
40-44	-	1	3	1	1	-	-	6
45-49	1	2	3	2	-	1	-	9
50-54	-	-	2	5	1	-	-	8
55-59	-	-	2	1	2	-	6	11
60-64	-	-	2	-	-	2	1	5
≥ 65	-	-	1	-	-	1	-	2
Total	5	31	20	16	4	4	7	87



**DATA SUMMARY**

**Actives by Age and Service**  
**Safety**

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	1	1	-	-	-	-	-	2
25-29	1	3	-	-	-	-	-	4
30-34	-	6	-	-	-	-	-	6
35-39	1	2	2	1	-	-	-	6
40-44	-	-	-	-	1	-	-	1
45-49	-	-	1	1	-	2	1	5
50-54	-	1	-	1	-	1	-	3
55-59	-	-	-	-	-	-	-	-
60-64	-	-	-	1	-	-	-	1
≥ 65	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>13</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>28</b>



**DATA SUMMARY**

**Actives by Age and Service**  
**Total**

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	4	2	-	-	-	-	-	6
25-29	1	12	2	-	-	-	-	15
30-34	1	15	3	2	-	-	-	21
35-39	1	11	4	6	-	-	-	22
40-44	-	1	3	1	2	-	-	7
45-49	1	2	4	3	-	3	1	14
50-54	-	1	2	6	1	1	-	11
55-59	-	-	2	1	2	-	6	11
60-64	-	-	2	1	-	2	1	6
≥ 65	-	-	1	-	-	1	-	2
<b>Total</b>	<b>8</b>	<b>44</b>	<b>23</b>	<b>20</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>115</b>



**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2017 Valuation</b>	<b>June 30, 2019 Valuation</b>																																									
■ Payroll Increases	<ul style="list-style-type: none"> <li>■ 3% Aggregate increase</li> <li>■ CalPERS 1997-2011 Experience Study for Merit and Longevity increase</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> <li>■ CalPERS 1997-2015 Experience Study for Merit and Longevity increases</li> </ul>																																									
■ 2019/20 Medical Claims Cost	<ul style="list-style-type: none"> <li>■ Sample monthly claims costs by age: Non-Medicare Eligible</li> </ul> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Age</th> <th colspan="2">Anthem HMO</th> <th colspan="2">Anthem PPO</th> <th colspan="2">Kaiser</th> </tr> <tr> <th>M</th> <th>F</th> <th>M</th> <th>F</th> <th>M</th> <th>F</th> </tr> </thead> <tbody> <tr> <td>50</td> <td>\$611</td> <td>\$800</td> <td>\$ 699</td> <td>\$ 924</td> <td>\$710</td> <td>\$929</td> </tr> <tr> <td>55</td> <td>809</td> <td>942</td> <td>948</td> <td>1,102</td> <td>940</td> <td>1,093</td> </tr> <tr> <td>60</td> <td>1,021</td> <td>1,070</td> <td>1,216</td> <td>1,265</td> <td>1,186</td> <td>1,242</td> </tr> <tr> <td>64</td> <td>1,136</td> <td>1,142</td> <td>1,365</td> <td>1,358</td> <td>1,320</td> <td>1,326</td> </tr> </tbody> </table>		Age	Anthem HMO		Anthem PPO		Kaiser		M	F	M	F	M	F	50	\$611	\$800	\$ 699	\$ 924	\$710	\$929	55	809	942	948	1,102	940	1,093	60	1,021	1,070	1,216	1,265	1,186	1,242	64	1,136	1,142	1,365	1,358	1,320	1,326
Age	Anthem HMO			Anthem PPO		Kaiser																																					
	M	F	M	F	M	F																																					
50	\$611	\$800	\$ 699	\$ 924	\$710	\$929																																					
55	809	942	948	1,102	940	1,093																																					
60	1,021	1,070	1,216	1,265	1,186	1,242																																					
64	1,136	1,142	1,365	1,358	1,320	1,326																																					
■ Medicare Eligible Rate	<ul style="list-style-type: none"> <li>■ 100%</li> <li>■ Everyone eligible for Medicare will elect Part B coverage</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>																																									
■ Spouse Coverage at Retirement	<ul style="list-style-type: none"> <li>■ Currently covered: Same as current elections</li> <li>■ Currently waived: 80%</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>																																									



**ACTUARIAL ASSUMPTIONS**

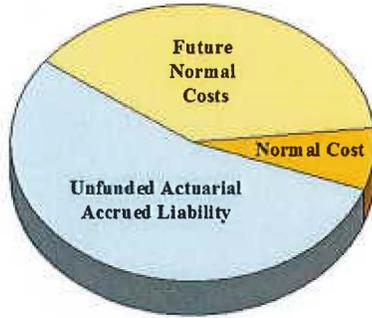
	<b>June 30, 2017 Valuation</b>	<b>June 30, 2019 Valuation</b>
■ Surviving Spouse Participation	<ul style="list-style-type: none"> <li>■ 100% if participant has spouse coverage</li> </ul>	<ul style="list-style-type: none"> <li>■</li> </ul>
■ Dependent (Child) Coverage at Retirement	<ul style="list-style-type: none"> <li>■ Pre-65                             <ul style="list-style-type: none"> <li>• Actives: Not covered</li> <li>• Retirees: same as current coverage until 65</li> </ul> </li> <li>■ Post-65: 0%</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>
■ Spouse Age	<ul style="list-style-type: none"> <li>■ Current actives: males 3 years older than females</li> <li>■ Current retirees: males 3 years older than females if spouse birth date not provided</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>
■ Future New Participants	<ul style="list-style-type: none"> <li>■ None: closed group</li> </ul>	



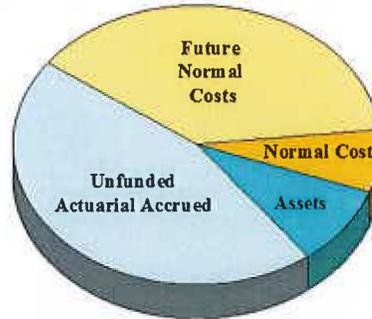
## DEFINITIONS

### Present Value of Benefits

**Present Value of Benefits  
(Without Plan Assets)**



**Present Value of Benefits  
(With Plan Assets)**



## DEFINITIONS

<p>■ Present Value of Benefits (PVB)</p>	<ul style="list-style-type: none"> <li>When an actuary prepares an actuarial valuation, (s)he first gathers participant data (including active employees, former employees not in payment status, participants and beneficiaries in payment status) at the valuation date (for example June 30, 2017). Using this data and actuarial assumptions, the actuary projects future benefit payments. (The assumptions predict, among other things, when people will retire, terminate, die or become disabled, as well as what salary increases, general (and healthcare) inflation and investment return might be.) Those future benefit payments are discounted, using expected future investment return, back to the valuation date. This discounted present value is the plan's present value of benefits. It represents the amount the plan needs as of the valuation date to pay all future benefits – if all assumptions are met and no future contributions (employee or employer) are made.</li> </ul>
<p>■ Actuarial Accrued Liability (AAL)</p>	<ul style="list-style-type: none"> <li>This represents the portion of the present value of benefits that participants have earned (on an actuarial, not actual, basis) through the valuation date.</li> </ul>



## DEFINITIONS

<ul style="list-style-type: none"> <li>■ Plan Assets</li> </ul>	<ul style="list-style-type: none"> <li>• This includes funds that have been segregated and restricted in a trust so they can only be used to pay plan benefits.</li> </ul>
<ul style="list-style-type: none"> <li>■ Unfunded Actuarial Accrued Liability (UAAL)</li> </ul>	<ul style="list-style-type: none"> <li>• This is the difference between the Actuarial Accrued Liability and Plan Assets. This represents the amount of the Actuarial Accrued Liability that must still be funded. If the Plan Assets exceed the Actuarial Accrued Liability, the plan has Surplus Assets.</li> </ul>
<ul style="list-style-type: none"> <li>■ Normal Cost (NC)</li> </ul>	<ul style="list-style-type: none"> <li>• The Normal Cost represents the portion of the present value of benefits expected to be earned (on an actuarial, not actual, basis) in the coming year.</li> </ul>
<ul style="list-style-type: none"> <li>■ Actuarial Cost Method</li> </ul>	<ul style="list-style-type: none"> <li>• This determines the method in which benefits are actuarially earned (allocated) to each year of service. It has no effect on the Present Value of Benefits, but has significant effect on the Actuarial Accrued Liability and Normal Cost. The City's June 30, 2019 retiree healthcare valuation was prepared using the Entry Age Normal cost method. Under the Entry Age Normal cost method, the Plan's Normal Cost is developed as a level percentage of payroll throughout the participant's working lifetime.</li> </ul>



## DEFINITIONS

<ul style="list-style-type: none"> <li>■ PayGo Cost</li> </ul>	<ul style="list-style-type: none"> <li>• Cash subsidy is employer pay-as-you-go benefit payments for retirees</li> <li>• Implied subsidy is difference between actual cost of retiree benefits and retiree premiums subsidized by active employee premiums</li> </ul>
<ul style="list-style-type: none"> <li>■ Implied Subsidy</li> </ul>	<ul style="list-style-type: none"> <li>• An implied subsidy exists when the premium for a group of early retirees is determined by aggregating their experience with active employees. GASBS 75 requires that the implied subsidy for retirees be included in the AAL and the ADC.</li> </ul>
<ul style="list-style-type: none"> <li>■ Annual Determined Contribution (ADC)</li> </ul>	<ul style="list-style-type: none"> <li>• GASBS 75 does not require an agency to make up any shortfall (unfunded liability) immediately or take an immediate credit for any excess assets (surplus). Instead, the unfunded liability or surplus is amortized over time. An agency's Annual Determined Contribution is simply the current employer Normal Cost plus an amortization of the unfunded liability or less an amortization of the excess assets. In other words, the contribution is the value of benefits earned during the year plus an amount to keep the plan on track for funding.</li> <li>• Contributing the ADC is not actually required, but the difference between the ADC and amounts contributed will increase the unfunded liability, as well the UAAL amortization, for the following year.</li> </ul>

