



**AGENDA SUMMARY
CITY COUNCIL MEETING
TUESDAY, MAY 10, 2016
6:00 P.M.
ARROYO GRANDE CITY COUNCIL CHAMBERS
215 E. BRANCH STREET, ARROYO GRANDE**

1. CALL TO ORDER

2. ROLL CALL

3. MOMENT OF REFLECTION

4. FLAG SALUTE:

Arroyo Grande In Bloom

5. AGENDA REVIEW:

5.a. Closed Session Announcements

The Mayor or City Attorney will announce reportable actions taken, if any, from the following meeting.

April 26, 2016 Regular City Council Meeting:

- Public Employee Performance Evaluation pursuant to Government Code Section 54957:

Title: City Attorney

5.b. Move that all ordinances presented for introduction or adoption be read in title only and all further readings be waived

6. SPECIAL PRESENTATIONS

6.a. Mayor's Commendation Recognizing Richard DeBlauw For Providing A Warming Shelter Location For The Homeless This Past Winter

Documents: [CC 05-10-16_06a Mayors Commendation Richard DeBlauw.pdf](#)

6.b. Honorary Proclamation Declaring May 15-21, 2016 As "Public Works Week"

Documents: [CC 05-10-16_06b Proclamation National Public Works Week.pdf](#)

7. COMMUNITY COMMENTS AND SUGGESTIONS:

This public comment period is an invitation to members of the community to present issues, thought, or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters that are within the jurisdiction of the City Council. The Brown Act restricts the Council from taking formal action on matters not published on the agenda. In response to your comments, the Mayor or presiding Council Member may:

- Direct City staff to assist or coordinate with you.
- A Council Member may state a desire to meet with you.
- It may be the desire of the Council to place your issue or matter on a future Council agenda.

Please adhere to the following procedures when addressing the Council:

- Comments should be limited to 3 minutes or less.
- Your comments should be directed to the Council as a whole and not direct to individual Council member
- Slanderous, profane or personal remarks against any Council Member or member of the audience shall not be permitted.

8. CITY MANAGER REPORT:

Correspondence/Comments as presented by the City Manager.

9. CONSENT AGENDA:

The following routine items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Any Council Member may request that any item be withdrawn from the Consent Agenda to permit discussion or change the recommended course of action. The City Council may approve the remainder of the Consent Agenda on one motion.

9.a. Consideration Of Cash Disbursement Ratification

Recommended Action: Ratify the listing of cash disbursements for the period April 16, 2016 through April 30, 2016.

Documents: [CC 05-10-16_09a Cash Disbursements.pdf](#)

9.b. Consideration Of Approval Of Minutes

Recommended Action: Approve the minutes of the Regular City Council Meeting of April 26, 2016, as submitted.

Documents: [CC 05-10-16_09b Approval of Minutes.pdf](#)

9.c. Consideration Of Approval Of Agreements For Consultant Services For On-Call Building Plan Review And Inspection Services

Recommended Action: 1) Approve Agreements for Consultant Services with the following firms for specified on-call building plan review and inspection services: Bureau Veritas North America, Inc; 4Leaf Inc.; California Code Check; and JAS Pacific; and 2) Authorize staff to issue purchase orders for consultant services if the proposal cost is within the City Council approved project or service budget.

Documents: [CC 05-10-16_09c Agreements_Plan Review and Inspections.pdf](#)

10. PUBLIC HEARINGS:

None.

11. OLD BUSINESS:

11.a. Consideration Of Update And Council Direction On The City's Water Supply And Demand Status, Water Use Restrictions And Water Conservation Incentive Programs

Recommended Action: 1) Receive and file the updated water supply and demand report; 2) Approve funding plan for water conservation programming as proposed; 3) Receive and file report on status of baseline adjustment form requests; 4) Direct staff to use existing measures in the City's Mandatory Water Use Restrictions Ordinance to direct mandatory plumbing retrofit for commercial properties; and 5) Provide direction to staff regarding options for the potential purchase and use of State Water.

Documents: [CC 05-10-16_11a Update_Status of Water Supply and Demand.pdf](#)

11.b. Consideration Of Water And Wastewater Financial Plan And Implementation Of Temporary Drought Rates

Recommended Action: 1) Schedule a public hearing to consider adjustments to water and wastewater rates via drought rates and; 2) Direct staff to prepare and distribute a Proposition 218 notice for the proposed temporary water and wastewater

drought rates.

Documents: [CC 05-10-16_11b Water and Wastewater Financial Plan.pdf](#)

12. NEW BUSINESS

None.

13. COUNCIL COMMUNICATIONS:

Any Council Member may ask a question for clarification, make an announcement, or report briefly on his or her activities. In addition, subject to Council Policies and Procedures, Council Members may request staff to report back to the Council at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda.

14. CLOSED SESSION:

a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Government Code Section 54957:

Title: City Attorney

b. CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6:

Agency Designated Representative: Dianne Thompson, City Manager

Represented Employees: Arroyo Grande Police Officers' Association (AGPOA)

c. CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6:

Agency Designated Representative: Dianne Thompson, City Manager

Unrepresented Employees: Management Employees

Adjourn to Closed Session.

15. RECONVENE TO OPEN SESSION

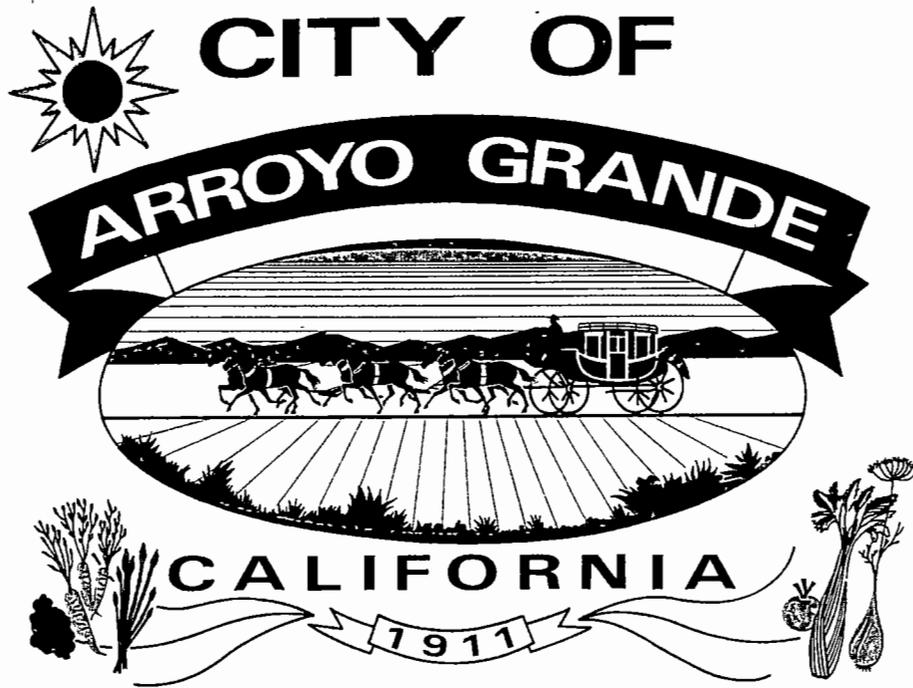
Announcement(s) of any reportable action(s) taken in Closed Session will be made in open session, and repeated at the beginning of the next Regular City Council meeting as this portion of the meeting is not recorded or videotaped.

16. ADJOURNMENT

All Staff reports of other written documentation, including any supplemental material distributed to a majority of the City Council within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the City Clerk's office, 300 E. Branch Street, Arroyo Grande. If requested, the agenda shall be made available in appropriate alternative formats to persons with disability, as required by the Americans with Disabilities Act. To make a request for disability-related modification or accommodation, contact the Legislative and Information Services Department at 805-473-5414 as soon as possible and at least 48 hours prior to the meeting date.

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City Council Meetings are cablecast live and videotaped for replay on Arroyo Grande's Government Access Channel 20. The rebroadcast schedule is published at www.slo-span.org.



Mayor's Commendation
Presented to
Richard DeBlauw

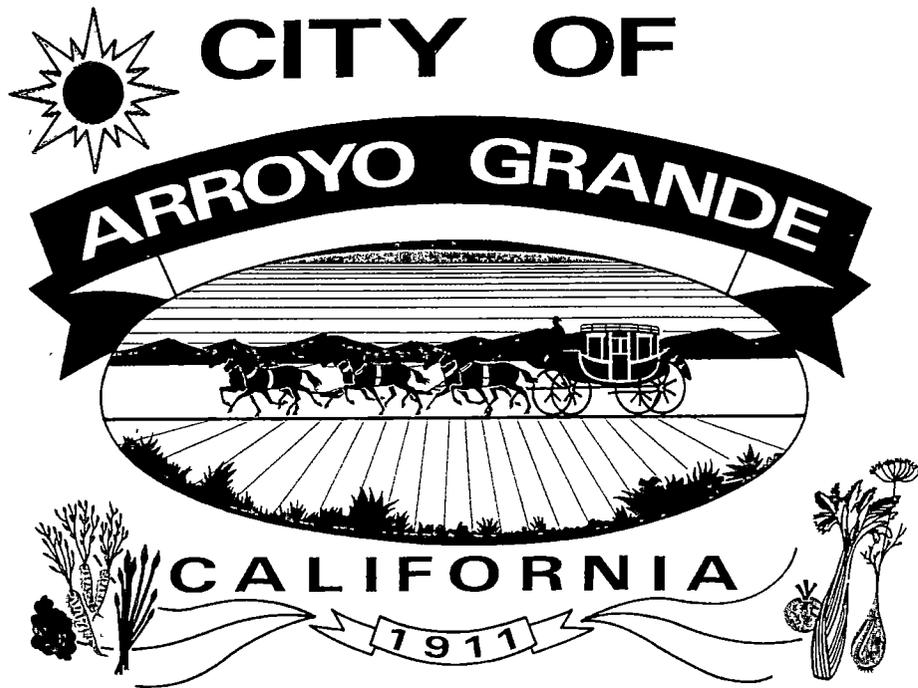
*In recognition and sincere appreciation of your continued support
by providing temporary use of your property as an overnight
warming shelter for homeless individuals again this past winter.*

Dated this 10th day of May 2016

Jim Hill, Mayor



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**HONORARY PROCLAMATION
DECLARING MAY 15 – 21, 2016
AS "NATIONAL PUBLIC WORKS WEEK"**

WHEREAS, public works services provided in our community are an integral part of our citizens' everyday lives; and

WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water, sewers, streets, public buildings, parks and open space; and

WHEREAS, the health, safety and comfort of this community greatly depends on these facilities and services; and

WHEREAS, the quality and effectiveness of these facilities, as well as their planning, design, and construction, are vitally dependent upon the efforts and skill of the public works employees; and

WHEREAS, the efficiency of the qualified and dedicated personnel who staff public works departments is materially influenced by the people's attitude and understanding of the importance of the work they perform.

NOW THEREFORE, BE IT RESOLVED, that I, Jim Hill, Mayor of the City of Arroyo Grande, on behalf of the City Council, do hereby proclaim the week of May 15th through May 21st as "NATIONAL PUBLIC WORKS WEEK" and call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our community with adequate infrastructure, facilities and services and to pay tribute to our Public Works professionals, engineers and administrators and recognize the substantial contributions they have made to our communities health and welfare.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Arroyo Grande to be affixed this 10th day of May 2016.



JIM HILL, MAYOR

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MEMORANDUM

TO: CITY COUNCIL

FROM: DEBBIE MALICOAT, DIRECTOR OF ADMINISTRATIVE SERVICES

BY: RYAN CORNELL, ACCOUNTING MANAGER

SUBJECT: CONSIDERATION OF CASH DISBURSEMENT RATIFICATION

DATE: MAY 10, 2016

RECOMMENDATION:

It is recommended the City Council ratify the attached listing of cash disbursements for the period April 16 through April 30, 2016.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is a \$583,432.51 fiscal impact that includes the following items:

- | | |
|----------------------------|---------------|
| • Accounts Payable Checks | \$ 179,174.52 |
| • Payroll & Benefit Checks | \$ 404,257.99 |

No or minimal future staff time is projected.

BACKGROUND:

Cash disbursements are made weekly based on the submission of all required documents supporting the invoices submitted for payment. Prior to payment, Administrative Services staff reviews all disbursement documents to ensure that they meet the approval requirements adopted in the Municipal Code and the City's Purchasing Policies and Procedures Manual of February 2000.

ANALYSIS OF ISSUES:

The attached listing represents the cash disbursements required of normal and usual operations during the period. The disbursements are accounted for in the FY 2015-16 budget.

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CONSIDERATION OF CASH DISBURSEMENT RATIFICATION
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ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Approve staff's recommendation;
- Do not approve staff's recommendation;
- Provide direction to staff.

ADVANTAGES:

- The Administrative Services Department monitors payment of invoices for accountability, accuracy and completeness using standards approved by the Council.
- Invoices are paid in a timely manner to establish goodwill with merchants.
- Discounts are taken where applicable.

DISADVANTAGES:

No disadvantages have been identified as long as City Council confirms all expenditures are appropriate.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, May 5, 2016. The Agenda and report were posted on the City's website on Friday, May 6, 2016. No public comments were received.

Attachments:

1. April 16 – April 30, 2016 – Accounts Payable Check Register
2. April 29, 2016 – Payroll & Benefit Check Register

CITY OF ARROYO GRANDE
Check Register
4/16/2016-4/30/2016

ATTACHMENT 1

Check Date	Check #	Vendor Last Name	Description	Acct #	GL Amount
04/18/2016	270780	MAGDALENO	EMPLOYEE RETRO-ADJ ADVANCE PYM	010.0000.1110	171.10
04/19/2016	270781	ARAMARK UNIFORM SERVICES	BLDG MAINT UNIFORMS	010.4213.5143	7.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	BLDG MAINT UNIFORMS	010.4213.5143	7.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	BLDG MAINT UNIFORMS	010.4213.5143	7.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	BLDG MAINT UNIFORMS	010.4213.5143	7.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	BLDG MAINT UNIFORMS	010.4213.5143	7.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	CORP YARD MATS	010.4213.5303	21.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	CORP YARD MATS	010.4213.5303	21.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	AUTO SHOP UNIFORMS	010.4305.5143	3.50
04/19/2016	270781	ARAMARK UNIFORM SERVICES	AUTO SHOP UNIFORMS	010.4305.5143	3.50
04/19/2016	270781	ARAMARK UNIFORM SERVICES	AUTO SHOP UNIFORMS	010.4305.5143	3.50
04/19/2016	270781	ARAMARK UNIFORM SERVICES	AUTO SHOP UNIFORMS	010.4305.5143	3.50
04/19/2016	270781	ARAMARK UNIFORM SERVICES	AUTO SHOP UNIFORMS	010.4305.5143	3.50
04/19/2016	270781	ARAMARK UNIFORM SERVICES	AUTO SHOP TOWELS	010.4305.5303	8.70
04/19/2016	270781	ARAMARK UNIFORM SERVICES	AUTO SHOP TOWELS	010.4305.5303	8.70
04/19/2016	270781	ARAMARK UNIFORM SERVICES	PARKS DEPT UNIFORMS	010.4420.5143	14.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	PARKS DEPT UNIFORMS	010.4420.5143	14.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	PARKS DEPT UNIFORMS	010.4420.5143	14.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	PARKS DEPT UNIFORMS	010.4420.5143	14.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	PARKS DEPT UNIFORMS	010.4420.5143	14.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	7.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	7.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	7.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	SOTO SPORTS DEPT UNIFORMS	010.4430.5143	7.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	STREETS DEPT UNIFORMS	220.4303.5143	14.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	STREETS DEPT UNIFORMS	220.4303.5143	14.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	STREETS DEPT UNIFORMS	220.4303.5143	14.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	STREETS DEPT UNIFORMS	220.4303.5143	14.00
04/19/2016	270781	ARAMARK UNIFORM SERVICES	STREETS DEPT UNIFORMS	220.4303.5143	17.50
04/19/2016	270781	ARAMARK UNIFORM SERVICES	SEWER DEPT UNIFORMS	612.4610.5143	7.07
04/19/2016	270781	ARAMARK UNIFORM SERVICES	SEWER DEPT UNIFORMS	612.4610.5143	7.07
04/19/2016	270781	ARAMARK UNIFORM SERVICES	SEWER DEPT UNIFORMS	612.4610.5143	7.07
04/19/2016	270781	ARAMARK UNIFORM SERVICES	SEWER DEPT UNIFORMS	612.4610.5143	7.07
04/19/2016	270781	ARAMARK UNIFORM SERVICES	SEWER DEPT UNIFORMS	612.4610.5143	7.07
04/19/2016	270781	ARAMARK UNIFORM SERVICES	WATER DEPT UNIFORMS	640.4711.5143	20.99
04/19/2016	270781	ARAMARK UNIFORM SERVICES	WATER DEPT UNIFORMS	640.4711.5143	20.99
04/19/2016	270781	ARAMARK UNIFORM SERVICES	WATER DEPT UNIFORMS	640.4711.5143	20.99
04/19/2016	270781	ARAMARK UNIFORM SERVICES	WATER DEPT UNIFORMS	640.4711.5143	20.99
04/19/2016	270781	ARAMARK UNIFORM SERVICES	WATER DEPT UNIFORMS	640.4711.5143	20.99
04/19/2016	270782	ARSENAL EQUIPMENT RENTALS LLC	FOREMASTER PROJECT-RENT MINI E	226.4306.5303	448.80
04/19/2016	270782	ARSENAL EQUIPMENT RENTALS LLC	FOREMASTER PROJECT-RENT SKID S	226.4306.5303	510.00
04/19/2016	270783	AT & T	ACCT 238 451-0183 919 0, RADIO	010.4145.5403	194.39
04/19/2016	270783	AT & T	ACCT 235 841-3956 806 3, ALARM	220.4303.5303	33.29
04/19/2016	270784	AUTOSYS INC	ELECT. MOTOR CONNECT. WORK-LIF	612.4610.5610	230.00
04/19/2016	270784	AUTOSYS INC	RECONNECT AT LIFT STN #3	612.4610.5610	550.00
04/19/2016	270784	AUTOSYS INC	TROUBLESHOOT SOTO FIELD POND P	640.4711.5303	135.00
04/19/2016	270784	AUTOSYS INC	TROUBLESHOOT ELM ST PARK WELL	640.4711.5603	337.50
04/19/2016	270785	BOONISAR	DIGITAL PHOTO CLASS 4/9/16 (\$9	010.4424.5351	63.00
04/19/2016	270786	BURKE CORPORATION	EXTRA WORK- BRISCO	350.5642.7001	1,840.00

CITY OF ARROYO GRANDE
Check Register
4/16/2016-4/30/2016

Check Date	Check #	Vendor Last Name	Description	Acct #	GL Amount
04/19/2016	270787	CASTILLO	CRITICAL INCIDENT FOR SPVRS-PO	010.4203.5501	48.00
04/19/2016	270788	CENTRAL COAST PRINTING	#10 ENVELOPE-REC DEPT	010.4102.5255	127.44
04/19/2016	270788	CENTRAL COAST PRINTING	NOTICE OF CORRECTION & PROOF O	010.4102.5255	128.53
04/19/2016	270788	CENTRAL COAST PRINTING	SUMMER DAY CAMP FLYERS	010.4102.5255	261.48
04/19/2016	270789	CHARTER COMMUNICATIONS	BUS DARK FIBER-WOMEN'S CTR	010.4145.5401	327.16
04/19/2016	270789	CHARTER COMMUNICATIONS	BUS. DARK FIBER-CORP YARD	010.4145.5401	736.80
04/19/2016	270789	CHARTER COMMUNICATIONS	BUSINESS TV-200 N HALCYON	010.4145.5401	157.35
04/19/2016	270789	CHARTER COMMUNICATIONS	BUS TV-1375 ASH	010.4307.5303	45.43
04/19/2016	270790	CIO SOLUTIONS LP	PROJECT ENGINEERING	010.4140.5303	1,400.00
04/19/2016	270791	DAY	CRITICAL INCIDENT FOR SPVRS-PO	010.4203.5501	48.00
04/19/2016	270792	DOLLMAN	DRIVER TRAINING-POLICE ACADEMY	010.4203.5501	8.00
04/19/2016	270793	FERGUSON ENTERPRISES, INC	COUPLINGS FOR ASPEN/ASH	640.4712.5610	746.33
04/19/2016	270794	GARDENSOFT	WATERWISE GARDENING WEBSITE EN	226.4306.5303	515.13
04/19/2016	270795	GAS COMPANY	GAS SERVICES-1375 ASH ST	010.4145.5401	35.18
04/19/2016	270795	GAS COMPANY	GAS SERVICES-200 N HALCYON RD	010.4145.5401	54.32
04/19/2016	270795	GAS COMPANY	GAS SERVICES-350 S ELM	010.4145.5401	76.45
04/19/2016	270797	MINER'S ACE HARDWARE, INC	KITCHEN SCALE, MEASURING CUP-W	640.4711.5603	34.54
04/19/2016	270797	MINER'S ACE HARDWARE, INC	FLAPPERS	640.4712.5255	17.24
04/19/2016	270797	MINER'S ACE HARDWARE, INC	FASTENERS, ELBOW, COUPLINGS, C	640.4712.5609	12.11
04/19/2016	270797	MINER'S ACE HARDWARE, INC	PIPE, FASTENERS-NITRO	640.4712.5609	3.93
04/19/2016	270797	MINER'S ACE HARDWARE, INC	TUBING-RES#4	640.4712.5609	3.13
04/19/2016	270798	OFFICE DEPOT	OFFICE SUPPLIES	010.4120.5201	60.97
04/19/2016	270798	OFFICE DEPOT	CDD OFFICE PRODUCTS	010.4130.5201	97.96
04/19/2016	270798	OFFICE DEPOT	CDD OFFICE PRODUCTS	010.4130.5201	40.85
04/19/2016	270798	OFFICE DEPOT	BLDG OFFICE PRODUCTS	010.4212.5201	78.42
04/19/2016	270798	OFFICE DEPOT	BLDG OFFICE PRODUCTS	010.4212.5201	21.27
04/19/2016	270798	OFFICE DEPOT	ENGINEERING OFFICE PRODUCTS	010.4301.5201	51.06
04/19/2016	270799	PACIFIC GAS & ELECTRIC CO	ELECTRIC-105 SHORT ST	010.4145.5401	40.72
04/19/2016	270799	PACIFIC GAS & ELECTRIC CO	ELECTRIC-201 NELSON ST	010.4145.5401	100.26
04/19/2016	270799	PACIFIC GAS & ELECTRIC CO	ELECTRIC-SHORT ST	010.4145.5401	63.00
04/19/2016	270799	PACIFIC GAS & ELECTRIC CO	ELECTRIC-232 CRANBERRY, LIFT S	612.4610.5402	254.11
04/19/2016	270800	PAPER CONNECTION	COPY PAPER-CITY HALL	010.4102.5255	207.58
04/19/2016	270801	SLO COUNTY NEWSPAPERS	CC NOTICE OF PUB HEARING GP UP	010.4002.5301	356.95
04/19/2016	270801	SLO COUNTY NEWSPAPERS	PUB HEARING APPEAL-PAULDING CI	010.4130.5301	152.46
04/19/2016	270801	SLO COUNTY NEWSPAPERS	PUB HEARING-316 SHORT ST	010.4130.5301	171.82
04/19/2016	270801	SLO COUNTY NEWSPAPERS	PUB HEARING-995 E GRAND AVE	010.4130.5301	169.40
04/19/2016	270801	SLO COUNTY NEWSPAPERS	SOTO BARRIER REMOVAL PROJECT-3	350.5548.7001	304.92
04/19/2016	270801	SLO COUNTY NEWSPAPERS	SOTO BARRIER REMOVAL PROJECT-3	350.5548.7001	304.92
04/19/2016	270802	SPRINKLER KING INC	IRRIG CONSULT-750 AVENIDA DE D	226.4306.5303	482.11
04/19/2016	270802	SPRINKLER KING INC	IRRIG CONSULT-903 SANDALWOOD A	226.4306.5303	496.45
04/19/2016	270803	SUPERIOR QUALITY COPIERS, INC	ANNUAL MAINT AGREEMENT-3/28/16	010.4307.5303	220.00
04/19/2016	270803	SUPERIOR QUALITY COPIERS, INC	ANNUAL MAINT AGREEMENT-3/28/16	220.4303.5201	220.00
04/19/2016	270803	SUPERIOR QUALITY COPIERS, INC	ANNUAL MAINT AGREEMENT-3/28/16	640.4710.5602	220.00
04/19/2016	270804	US POSTMASTER	POSTAGE FOR SALES TAX ANNUAL R	010.4145.5208	1,300.00
04/19/2016	270805	VERIZON WIRELESS	ACCT 472480460-00001, IPADS	010.4145.5403	497.86
04/19/2016	270806	WALLACE GROUP A CALIF CORP	TITLE VI COMPLIANCE PLAN RESEAR	010.4307.5303	682.25
04/19/2016	270807	ICMA RETIREMENT CORP	RETIREE MEDICAL	010.0000.1111	177.85
04/19/2016	270807	ICMA RETIREMENT CORP	RETIREE MEDICAL	010.4099.5136	5,140.48
04/19/2016	270807	ICMA RETIREMENT CORP	RETIREE MEDICAL	220.4303.5136	534.38
04/19/2016	270807	ICMA RETIREMENT CORP	RETIREE MEDICAL	640.4710.5136	45.51

CITY OF ARROYO GRANDE
Check Register
4/16/2016-4/30/2016

Check Date	Check #	Vendor Last Name	Description	Acct #	GL Amount
04/19/2016	270808	PERS - ACTIVE MED	ACTIVE FIRE HEALTH ADMIN FEE	010.0000.1111	85.54
04/19/2016	270808	PERS - ACTIVE MED	RETIREE HEALTH INSURANCE	010.0000.1111	258.52
04/19/2016	270808	PERS - ACTIVE MED	RETIREE HEALTH INSURANCE	010.4099.5136	4,977.21
04/19/2016	270808	PERS - ACTIVE MED	ACTIVE HEALTH ADMIN FEE	010.4145.5131	309.50
04/19/2016	270808	PERS - ACTIVE MED	RETIREE HEALTH INSURANCE	220.4303.5136	765.09
04/19/2016	270808	PERS - ACTIVE MED	RETIREE HEALTH INSURANCE	640.4710.5136	126.17
04/29/2016	270810	FRANCISCO	UB Refund Cst #00000086	640.0000.2301	134.55
04/29/2016	270811	MAVES	UB Refund Cst #00022716	640.0000.2301	142.05
04/29/2016	270812	PALMER	UB Refund Cst #00024195	640.0000.2301	12.61
04/29/2016	270813	PINKERTON	UB Refund Cst #00023382	640.0000.2301	122.24
04/29/2016	270821	ABM ELECTRICAL POWER SERVICES	INSTALL EV CHRGS STATIONS	350.5454.7001	4,480.00
04/29/2016	270821	ABM ELECTRICAL POWER SERVICES	SIGNAGE FOR EV CHRGS STATIONS	350.5454.7001	183.00
04/29/2016	270822	AGENCY 360	FTO SOFTWARE SUBSCRIPTION CONT	010.4203.5303	597.00
04/29/2016	270823	AGUILAR	PARK DEPOSIT REFUND-RANCHO GRA	010.0000.2206	30.00
04/29/2016	270823	AGUILAR	PARK FEE REFUND-RANCHO GRANDE#	010.0000.4354	75.00
04/29/2016	270824	AIR-VOL BLOCK, INC	LIME MARKING FOR SOTO	010.4430.5274	443.59
04/29/2016	270825	AK & COMPANY	SB90 CLAIMS PREP & SUBMISSION	010.4145.5303	875.00
04/29/2016	270826	AKERS	PARK DEPOSIT REFUND-RANCHO GRA	010.0000.2206	30.00
04/29/2016	270827	ALLIANCE READY MIX, INC	5 YD 1 SK SLURRY ON ASH ST VAL	640.4712.5610	480.60
04/29/2016	270828	AMERICAN FLAG AND GIFT	FLAGS FOR CITY FACILITIES	010.4213.5604	145.80
04/29/2016	270829	ARROYO GRANDE GLASS & MIRROR	REC DEPT VANDALISM REPAIR-GLAS	010.4213.5604	445.00
04/29/2016	270830	ARROYO GRANDE IN BLOOM INC	BARK FOR FIREMANS PARK, RAILRO	010.4420.5605	215.68
04/29/2016	270831	AT&T	ACCT8054892345627	010.4217.5403	32.64
04/29/2016	270832	AYALA	PER DIEM-NARCOTIC DETECTION DO	010.4203.5501	396.75
04/29/2016	270833	BAKER, MANOCK & JENSEN, PC	SM VALLEY WATER RIGHTS ADJUDCT	640.4710.5575	14,334.02
04/29/2016	270834	BARONY OF TARNMIST	PARK DEPOSIT REFUND-STROTHER#2	010.0000.2206	30.00
04/29/2016	270835	BATTERY SYSTEMS	LITHIUM DIESEL JUMP STARTER	010.4305.5255	183.60
04/29/2016	270836	BAXTER'S FRAME WORKS AND	PLAQUE-VOLUNTEER OF THE YEAR-C	010.4201.5504	163.20
04/29/2016	270837	BIG BRAND TIRE CO.	4602-TIRES	010.4203.5601	620.25
04/29/2016	270837	BIG BRAND TIRE CO.	4603-WHEEL BALANCE	010.4203.5601	84.69
04/29/2016	270837	BIG BRAND TIRE CO.	4607-OIL CHANGE	010.4203.5601	42.31
04/29/2016	270837	BIG BRAND TIRE CO.	4618-OIL CHANGE	010.4204.5601	42.31
04/29/2016	270838	BLACKMON	REIMB FOR GRADE D-1 CERT FEE	640.4712.5501	70.00
04/29/2016	270839	BLUEPRINT EXPRESS	HERITAGE SQUARE RESTROOM	350.5547.7501	22.36
04/29/2016	270840	BOB'S EXPRESS WASH	CAR WASH-PD ADMIN	010.4201.5601	8.00
04/29/2016	270840	BOB'S EXPRESS WASH	CAR WASH-PD PATROL	010.4203.5601	131.00
04/29/2016	270840	BOB'S EXPRESS WASH	CAR WASH-PD SUPPORT SVCS	010.4204.5601	63.00
04/29/2016	270840	BOB'S EXPRESS WASH	CAR WASH-P56	010.4420.5601	10.00
04/29/2016	270841	BRENNTAG PACIFIC INC	285 GAL SODIUM HYPOCHLORITE	640.4712.5274	551.27
04/29/2016	270841	BRENNTAG PACIFIC INC	40 BAGS AMMONIUM SULFATE & 6 D	640.4712.5274	2,037.90
04/29/2016	270842	BREZDEN PEST CONTROL, INC	PEST CONTROL:CITY HALL	010.4213.5604	105.00
04/29/2016	270842	BREZDEN PEST CONTROL, INC	PEST CONTROL:WOMENS CLUB	010.4213.5604	80.00
04/29/2016	270842	BREZDEN PEST CONTROL, INC	QRTLTY PEST CONTROL:FCFA	010.4213.5604	112.00
04/29/2016	270843	BRISCO MILL & LUMBER YARD	PARK BENCH REPAIR	010.4420.5605	24.02
04/29/2016	270843	BRISCO MILL & LUMBER YARD	CABLE TIES	220.4303.5613	22.92
04/29/2016	270843	BRISCO MILL & LUMBER YARD	PARK BENCH-PAINT	220.4303.5613	23.73
04/29/2016	270844	BURDINE PRINTING (DBA)	VILLAGE PARKING MAP(100 COLOR	010.4130.5201	31.32
04/29/2016	270845	BURKE AND PACE OF AG, INC	1X3 48" FLAT STAKES-25/BUNDLE	010.4424.5252	86.40
04/29/2016	270845	BURKE AND PACE OF AG, INC	(1) PALLET QUICKCRETE (49 BAGS	640.4712.5610	206.76
04/29/2016	270846	BURKE CORPORATION	EXTRA WORK-BRISCO	350.5642.7001	907.40

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04/29/2016	270847	CA PEACE OFFICERS ASSN	CPOA LSP ANNUAL PREMIUM-ANNIBA	010.4201.5503	470.00
04/29/2016	270848	CA ST DEPT OF CORRECTIONS	CMC ADM/INMATE PAY/MILEAGE COS	220.4303.5613	3,675.30
04/29/2016	270849	CA ST DEPT OF JUSTICE	LIVESCAN-CITY	010.4120.5316	32.00
04/29/2016	270849	CA ST DEPT OF JUSTICE	LIVESCAN-IN/OUT	010.4204.5329	991.00
04/29/2016	270849	CA ST DEPT OF JUSTICE	LIVESCAN-PD	010.4204.5329	66.00
04/29/2016	270849	CA ST DEPT OF JUSTICE	LIVESCAN-CITY	010.4425.5316	74.00
04/29/2016	270850	CALPORTLAND CONSTRUCTION	TYPE A 1/2' MAX, MED 2.98 TON	220.4303.5613	250.98
04/29/2016	270851	CARD INTEGRATORS CORP	ID CARDS-KIENLY, PEQUINOT, ESP	010.4201.5255	107.00
04/29/2016	270852	CARQUEST AUTO PARTS	4624-PARTS	010.4203.5601	50.50
04/29/2016	270852	CARQUEST AUTO PARTS	CLEANER, VENT CLIPS	010.4305.5601	47.66
04/29/2016	270852	CARQUEST AUTO PARTS	SIMPLE GREEN 2 GALL AUTO SHOP	010.4305.5603	35.75
04/29/2016	270852	CARQUEST AUTO PARTS	P79 ANTIFREEZE	010.4420.5603	11.28
04/29/2016	270853	CASEY PRINTING, INC	SUMMER 2016 ACTIVITY GUIDE-AG	010.4421.5504	2,525.07
04/29/2016	270854	CDW GOVERNMENT, INC	HP ProDesk 400 G2 Mini Desktop	010.4140.6101	6,771.00
04/29/2016	270854	CDW GOVERNMENT, INC	Sales Tax	010.4140.6101	541.68
04/29/2016	270854	CDW GOVERNMENT, INC	Freight	271.4202.6201	35.60
04/29/2016	270854	CDW GOVERNMENT, INC	HP ProDesk 400 Mini Desktop	271.4202.6201	1,354.20
04/29/2016	270854	CDW GOVERNMENT, INC	Sales Tax	271.4202.6201	108.34
04/29/2016	270855	CENTRAL COAST PRINTING	BUSINESS CARDS-ESPARZA & LARA	010.4201.5201	290.78
04/29/2016	270856	CHAPARRAL	COPY MACHINE MAINT. 4/14-5/13	010.4421.5602	110.00
04/29/2016	270857	CHARTER COMMUNICATIONS	IT BROADBAND CONNECTION	010.4140.5303	250.00
04/29/2016	270857	CHARTER COMMUNICATIONS	BUS DARK FIBER-215 E BRANCH	010.4145.5401	26.72
04/29/2016	270857	CHARTER COMMUNICATIONS	BUS DARK FIBER-REC DEPT	010.4145.5401	710.64
04/29/2016	270857	CHARTER COMMUNICATIONS	BUS TV-215 E BRANCH	010.4145.5401	46.53
04/29/2016	270857	CHARTER COMMUNICATIONS	BUS TV-300 E BRANCH	010.4145.5401	50.76
04/29/2016	270857	CHARTER COMMUNICATIONS	BUS TV-REC DEPT	010.4145.5401	12.72
04/29/2016	270857	CHARTER COMMUNICATIONS	PD INTERNET	010.4204.5607	179.98
04/29/2016	270858	COASTAL REPROGRAPHICS SVCS	INK FOR SCANNER/PLOTTER CANNON	010.4130.5201	120.60
04/29/2016	270858	COASTAL REPROGRAPHICS SVCS	ASSEMBLY OF EOC PRINTER	010.4201.6001	150.00
04/29/2016	270858	COASTAL REPROGRAPHICS SVCS	INK FOR SCANNER/PLOTTER CANNON	010.4212.5255	120.60
04/29/2016	270858	COASTAL REPROGRAPHICS SVCS	INK FOR SCANNER/PLOTTER CANNON	010.4301.5255	120.60
04/29/2016	270859	COLLIER	PARK DEPOSIT REFUND-RANCHO GRA	010.0000.2206	30.00
04/29/2016	270860	CUSTOM SEWING	UNIFORM ALTRNS/PATCHES-PATROL	010.4203.5272	10.00
04/29/2016	270860	CUSTOM SEWING	UNIFORM ALTRNS/PATCHES-PATROL	010.4203.5272	25.00
04/29/2016	270860	CUSTOM SEWING	UNIFORM ALTRNS/PATCHES-PATROL	010.4203.5272	20.00
04/29/2016	270860	CUSTOM SEWING	UNIFORM ALTRNS/PATCHES-PATROL	010.4203.5272	40.00
04/29/2016	270860	CUSTOM SEWING	UNIFORM ALTRNS/PATCHES-PATROL	010.4203.5272	100.00
04/29/2016	270860	CUSTOM SEWING	UNIFORM ALTRNS/PATCHES-PATROL	010.4203.5272	70.00
04/29/2016	270860	CUSTOM SEWING	UNIFORM ALTRNS/PATCHES-SUPPORT	010.4204.5272	165.00
04/29/2016	270860	CUSTOM SEWING	UNIFORM ALTRNS/PATCHES-SUPPORT	010.4204.5272	10.00
04/29/2016	270861	DEWAR, INC	20 GAL DEF FOR PW-51	612.4610.5608	89.10
04/29/2016	270861	DEWAR, INC	20 GAL WELL PUMPOIL	640.4711.5603	356.83
04/29/2016	270862	ECS IMAGING, INC.	LASERFICHE ANNUAL LICENSING RE	010.4140.5303	8,778.00
04/29/2016	270863	EIGHMY	PARK DEPOSIT REFUND-ELM ST BBQ	010.0000.2206	30.00
04/29/2016	270863	EIGHMY	PARK FEE REFUND-ELM ST BBQ	010.0000.4354	75.00
04/29/2016	270864	FASTENAL COMPANY	GFI, EXTEN CORDS	220.4303.5255	985.54
04/29/2016	270865	FERGUSON ENTERPRISES, INC	10" X 6" TEE W/ BOLTS & GASKET	640.4712.5610	536.15
04/29/2016	270865	FERGUSON ENTERPRISES, INC	6" SS REPAIR CLAMP	640.4712.5610	239.19
04/29/2016	270866	FIGUEROA'S TIRES	PW-61 NEW TIRES & MOUNTING	220.4303.5601	440.55
04/29/2016	270867	FRANK'S LOCK & KEY	(3) KEYS & RINGS- RECEIVER LOC	220.4303.5613	41.26

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04/29/2016	270867	FRANK'S LOCK & KEY	AMERICAN PADLOCK, (5) KEYS	220.4303.5613	58.32
04/29/2016	270868	GROVER BEACH	SEWER REIMBURSEMENT DUE	612.0000.4751	113.58
04/29/2016	270869	GUZMAN	PARK DEPOSIT REFUND-ELM ST BBQ	010.0000.2206	30.00
04/29/2016	270870	HEACOCK TRAILERS & TRUCK	LEFT & RIGHT PETERSON TAIL LIG	220.4303.5603	21.60
04/29/2016	270871	HOWARD	PARK DEPOSIT REFUND-STROTHER#2	010.0000.2206	30.00
04/29/2016	270872	ICMA	MEMBERSHIP RENEWAL	010.4101.5503	1,400.00
04/29/2016	270873	L. DIESEL MOBILE SERVICE(DBA)	PW30-90 DAY INSPECTION	220.4303.5601	50.00
04/29/2016	270873	L. DIESEL MOBILE SERVICE(DBA)	PW50-90 DAY INSPECTION	220.4303.5601	100.00
04/29/2016	270873	L. DIESEL MOBILE SERVICE(DBA)	PW41 STREETS-90 DAY INSPECTION	220.4303.5603	100.00
04/29/2016	270873	L. DIESEL MOBILE SERVICE(DBA)	90 DAY INSPECTION-PW51	612.4610.5601	100.00
04/29/2016	270874	LEVEL 3 COMMUNICATIONS LLC	SHORETEL PHONE CHRGS-CITY HALL	010.4145.5403	539.96
04/29/2016	270874	LEVEL 3 COMMUNICATIONS LLC	SHORETEL PHONE CHRGS-PD	010.4201.5403	539.96
04/29/2016	270875	LIEBERT, CASSIDY, WHITMORE	TRAINING WORKBOOKS-QUICK REF G	010.4201.5501	20.00
04/29/2016	270876	LINSON SIGNS(DBA)	REPLACE POLICE CAR DOOR GRAPHI	010.4203.5601	325.00
04/29/2016	270877	LUCIA MAR UNIFIED SCHOOL DIST	BUS FEE FOR ELM KINDERGARTEN T	010.4425.5303	450.00
04/29/2016	270877	LUCIA MAR UNIFIED SCHOOL DIST	BUS FEE FOR ELM KINDERGARTEN T	010.4425.5303	450.00
04/29/2016	270877	LUCIA MAR UNIFIED SCHOOL DIST	BUS FEE-SPRING BREAK FIELD TRI	010.4425.5303	187.50
04/29/2016	270877	LUCIA MAR UNIFIED SCHOOL DIST	ROOM USE FEE-03/16, OCEAN VIEW	010.4425.5303	285.00
04/29/2016	270878	MAINLINE UTILITY COMPANY	VIDEO INSPECT SEWER MAINS FOR	612.5841.7001	1,200.00
04/29/2016	270879	MCAULIFFE	PARK DEPOSIT REFUND-STROTHER#1	010.0000.2206	30.00
04/29/2016	270880	MCCALIP	PARK DEPOSIT REFUND-STROTHER#3	010.0000.2206	30.00
04/29/2016	270881	MINER'S ACE HARDWARE, INC	GFI RECEPTACLE & WALL PLATE-PW	010.4213.5604	22.66
04/29/2016	270881	MINER'S ACE HARDWARE, INC	PAINT, BRUSH, BATTERIES-PARK B	010.4213.5604	51.54
04/29/2016	270881	MINER'S ACE HARDWARE, INC	SHELF UNIT-PW	010.4213.5604	75.59
04/29/2016	270881	MINER'S ACE HARDWARE, INC	TEST PLUG, AIR FRESHENER-PD	010.4213.5604	11.86
04/29/2016	270881	MINER'S ACE HARDWARE, INC	BATTERIES	010.4420.5255	16.19
04/29/2016	270881	MINER'S ACE HARDWARE, INC	BATTERIES, CAULK, WAX RING	010.4420.5255	29.13
04/29/2016	270881	MINER'S ACE HARDWARE, INC	CITY HALL-DOOR SWEEP	010.4420.5255	8.63
04/29/2016	270881	MINER'S ACE HARDWARE, INC	SHARPIE MARKERS, FASTENERS-CIT	010.4420.5255	9.19
04/29/2016	270881	MINER'S ACE HARDWARE, INC	NIGHTLOCK -CHISEL, DRILL BITS	010.4420.5273	44.95
04/29/2016	270881	MINER'S ACE HARDWARE, INC	P56 TOOLS-DRIVER SET, LUBE, GL	010.4420.5273	73.16
04/29/2016	270881	MINER'S ACE HARDWARE, INC	ACE IMPACT HP GLOVE	010.4420.5605	21.59
04/29/2016	270881	MINER'S ACE HARDWARE, INC	BUSHINGS-IRRIF REPAIR-VIA POCA	010.4420.5605	1.27
04/29/2016	270881	MINER'S ACE HARDWARE, INC	ELM ST PLAY STRUCTURE REPAIR-F	010.4420.5605	6.29
04/29/2016	270881	MINER'S ACE HARDWARE, INC	FASTENERS-SOTO	010.4420.5605	10.26
04/29/2016	270881	MINER'S ACE HARDWARE, INC	GOPHER TRAP, SPRAYPAINT	010.4420.5605	91.70
04/29/2016	270881	MINER'S ACE HARDWARE, INC	NIPPLE, ELBOW, UNION-OLD CEMET	010.4420.5605	46.59
04/29/2016	270881	MINER'S ACE HARDWARE, INC	NIPPLE-PW	010.4420.5605	5.59
04/29/2016	270881	MINER'S ACE HARDWARE, INC	SUPPLIES-IRRIG REPAIR VIA POCA	010.4420.5605	20.15
04/29/2016	270881	MINER'S ACE HARDWARE, INC	AIR TANK PARTS	640.4712.5603	34.54
04/29/2016	270882	MNS ENGINEERS INC	Inspection Services for Phillips 66	010.0000.2557	1,863.00
04/29/2016	270883	MULLAHEY FORD	P16-THE WORKS & BRAKE JOB	220.4303.5601	303.36
04/29/2016	270883	MULLAHEY FORD	SERVICE TO PW-5	640.4712.5601	116.30
04/29/2016	270884	MUNICIPAL CODE CORP	ANNUAL WEB HOSTING 4/16-3/17	010.4002.5303	650.00
04/29/2016	270885	NAPA AUTO PARTS	FLEET SUPPLIES-BRAKE PADS	010.4203.5601	208.62
04/29/2016	270886	NORCAST TELECOM NETWORKS	METRO INTERNET CIRCUIT	010.4140.5303	346.14
04/29/2016	270887	PACIFIC GAS & ELECTRIC CO	ELECTRIC-300 E BRANCH	010.4145.5401	984.59
04/29/2016	270887	PACIFIC GAS & ELECTRIC CO	ELECTRIC-STREET LIGHTING	010.4307.5402	17,230.87
04/29/2016	270888	PAPA - PESTICIDE APPLICATORS	6/29/16 PAPA SEMINAR-P MARSAL	640.4712.5501	100.00
04/29/2016	270889	PAVEMENT ENGINEERING INC	Preparation of plans, specific	350.5638.7501	7,517.00

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04/29/2016	270890	PET PICK-UPS	Freight	010.4420.5605	115.90
04/29/2016	270890	PET PICK-UPS	PET PICK-UP WICKETS	010.4420.5605	1,200.00
04/29/2016	270891	RAETZ	PER DIEM ARCON INSTRUCTOR UPDA	010.4204.5501	24.00
04/29/2016	270892	RANGE MASTER	UNIFORM-NAME BARS-ESPARZA	010.4203.5272	22.68
04/29/2016	270893	RELIABLE IMAGING	TONER	010.4120.5201	323.98
04/29/2016	270894	RUTAN & TUCKER, LLP	CITY AS SUCCESSOR AGENCY TO RD	286.4103.5303	19.50
04/29/2016	270895	S & L SAFETY PRODUCTS	WYPALLS, DUST MASK, SAFETY GLA	220.4303.5255	626.55
04/29/2016	270896	SAN LUIS PAPER CO	LINERS, SOAP	010.4420.5274	354.68
04/29/2016	270896	SAN LUIS PAPER CO	SPIC N SPAN	010.4420.5274	122.38
04/29/2016	270896	SAN LUIS PAPER CO	WYPALL	220.4303.5613	359.67
04/29/2016	270897	SARABIA	PARK DEPOSIT REFUND-COMM. CTR	010.0000.2206	400.00
04/29/2016	270897	SARABIA	SUPERVISION-14 HRS X \$10	010.0000.4353	(140.00)
04/29/2016	270898	SE TECHNOLOGIES	NO PARKING BIKE LANE SIGN	220.4303.5613	184.68
04/29/2016	270898	SE TECHNOLOGIES	RIVETS, KEEP RIGHT SIGNS	220.4303.5613	266.76
04/29/2016	270899	SITEONE LANDSCAPE SUPPLY LLC	(10) RGP VALVE BOX LIDS	010.4420.5605	151.20
04/29/2016	270899	SITEONE LANDSCAPE SUPPLY LLC	MP ROTATOR-CENTENNIAL PARK	010.4420.5605	62.19
04/29/2016	270899	SITEONE LANDSCAPE SUPPLY LLC	WILKINS BF CATHOLIC CEMETARY	010.4420.5605	297.86
04/29/2016	270899	SITEONE LANDSCAPE SUPPLY LLC	2" GLOBE DIRTY WATER VALVE	010.4430.5605	246.94
04/29/2016	270899	SITEONE LANDSCAPE SUPPLY LLC	JUMBO BODY BLACK LID-GREEN	010.4430.5605	39.05
04/29/2016	270899	SITEONE LANDSCAPE SUPPLY LLC	SOTO-(3) I40S, MALE ADAPT	010.4430.5605	58.86
04/29/2016	270900	SLO COUNTY AUDITOR-CONTROLLER	PARKING CITATION REV DIST-03/1	010.0000.4203	213.00
04/29/2016	270900	SLO COUNTY AUDITOR-CONTROLLER	POST AUDIT AMT DUE-JAN 14 TO F	010.0000.4203	377.00
04/29/2016	270901	SLO COUNTY SHERIFF'S DEPT	AGPD DISPATCH LINES:12/13/15-3	010.4201.5303	37.43
04/29/2016	270902	SPATIAL ANALYSIS ETC	TRAINING-TUITION	010.4201.5501	600.00
04/29/2016	270903	SPRINKLER KING INC	IRRIG CONSULT-1484 RASPBERRY	226.4306.5303	421.51
04/29/2016	270903	SPRINKLER KING INC	IRRIG CONSULT-388 CHAPARRAL	226.4306.5303	300.00
04/29/2016	270903	SPRINKLER KING INC	IRRIG CONSULT-851 E CHERRY	226.4306.5303	399.73
04/29/2016	270904	STAPLES	OFFICE SUPPLIES-TONER, PENS, E	010.4201.5201	1,294.11
04/29/2016	270905	STEDNITZ	REFUND:STAGE KIDS SESSION #3,	010.0000.4605	60.00
04/29/2016	270906	STEFFORA	PARK DEPOSIT REFUND-RANCHO GRA	010.0000.2206	30.00
04/29/2016	270907	STREATOR PIPE & SUPPLY	SCH 80 3" MALE ADAPTER	010.4430.5605	26.45
04/29/2016	270907	STREATOR PIPE & SUPPLY	(50) AERATORS FOR WATER SCHOOL	226.4306.5303	164.70
04/29/2016	270908	SUNSET NORTH CAR WASH	CAR WASHES-B3 BLDG	010.4213.5601	101.99
04/29/2016	270908	SUNSET NORTH CAR WASH	CAR WASHES-PW8 ENGINEERING	010.4301.5601	29.74
04/29/2016	270908	SUNSET NORTH CAR WASH	CAR WASHES-PW41 ADMIN	010.4420.5601	31.44
04/29/2016	270909	SWRCB-DWOC	WATER TREATMENT OPERATOR RENEW	640.4712.5501	90.00
04/29/2016	270910	SWRCB-DWOC	GRADE D-1 EXAM CERT FEE-MIGUEL	640.4712.5501	70.00
04/29/2016	270911	SWRCB-DWOC	D-2 CERT FEE-K. QUAGLINO	010.4430.5255	60.00
04/29/2016	270912	TAYLOR	PARK DEPOSIT REFUND-RANCHO GRA	010.0000.2206	30.00
04/29/2016	270913	ULINE	EVIDENCE PROCESSING SUPPLIES	010.4204.5255	73.63
04/29/2016	270914	UNITED RENTALS NORTHWEST INC	ROAD PLATE FOR ASPEN ST	640.4712.5552	202.60
04/29/2016	270915	UNITED STAFFING ASSOC.	PAYROLL FOR:BLATTLER & GUZZIE	010.4420.5303	2,030.62
04/29/2016	270915	UNITED STAFFING ASSOC.	PAYROLL FOR:BLATTLER & GUZZIE,	010.4420.5303	2,143.43
04/29/2016	270916	VERDIN MARKETING INK	WEBSITE DOMAIN TRANSFER-THINK	226.4306.5303	75.00
04/29/2016	270917	VERIZON WIRELESS	ACCT 208620661-00001, DEPT CEL	010.4201.5403	683.69
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Develop standard operating pro	010.4307.5303	42.25
04/29/2016	270918	WALLACE GROUP A CALIF CORP	General Consulting for Public	010.4307.5303	1,661.79
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Develop Project Management Pla	350.5442.7301	887.25
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project management for the Her	350.5547.7301	1,436.50
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project management for the Sot	350.5548.7301	1,457.62

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04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project management and grant	350.5603.7301	929.50
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Bridge Street Bridge	350.5608.7301	1,414.50
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project Management for the Oak	350.5609.7301	591.50
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project management for the 201	350.5638.7301	2,661.75
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project management for the Mid	350.5665.7301	1,457.63
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project administration for the	350.5690.7301	380.25
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Implementation and Management	612.4610.5303	500.00
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project Management for the Arr	612.5841.7301	126.75
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project Management - Sewer Lif	612.5851.7301	633.75
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project management for the Le	640.5924.7301	1,183.00
04/29/2016	270918	WALLACE GROUP A CALIF CORP	Project management for the Wel	640.5944.7301	971.75
04/29/2016	270919	WATER SYSTEMS CONSULTING INC	N. CITIES STAFF SUPPORT SVCS	640.4710.5303	1,961.45
04/29/2016	270919	WATER SYSTEMS CONSULTING INC	Prepare fiscal year 2015/2016	640.4710.5303	304.50
04/29/2016	270919	WATER SYSTEMS CONSULTING INC	Prepare the 2015 Urban Water M	640.4710.5303	2,037.44
04/29/2016	270919	WATER SYSTEMS CONSULTING INC	Alpine St Waterline Improvemen	640.5690.7501	1,210.50
04/29/2016	270919	WATER SYSTEMS CONSULTING INC	LEPOINT AREA WATER MAIN UPGRAD	640.5924.7501	13,696.95
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING REPAIRS AT PD	010.4430.5604	531.00
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING RETROFIT PORGRAM	226.4306.5303	510.00
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING RETROFIT PORGRAM	226.4306.5303	255.00
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING RETROFIT PORGRAM	226.4306.5303	10.00
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING RETROFIT PORGRAM	226.4306.5303	760.00
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING RETROFIT PORGRAM	226.4306.5303	1,010.00
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING RETROFIT PORGRAM	226.4306.5303	250.00
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING RETROFIT PORGRAM	226.4306.5303	250.00
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING RETROFIT PORGRAM	226.4306.5303	250.00
04/29/2016	270920	WATERBOYS PLUMBING	PLUMBING RETROFIT PORGRAM	226.4306.5303	510.00
04/29/2016	270921	WINEMA INDUSTRIAL &	SAFETY GLASSES (2) DOZ	612.4610.5255	87.46
					179,174.52

CITY OF ARROYO GRANDE
DEPARTMENTAL LABOR DISTRIBUTION
PAY PERIOD

4/8/2016 - 4/21/2016

04/29/16

BY FUND		BY ACCOUNT	
General Fund	263,622.33	5101	Salaries Full time 237,926.25
Streets Fund	9,840.33	5102	Salaries Part-Time - PPT 9,527.55
FCFA	109,030.12	5103	Salaries Part-Time - TPT 33,201.31
Sewer Fund	3,965.78	5105	Salaries OverTime 28,240.52
Water Fund	17,799.43	5106	Salaries Strike Team OT -
	<u>404,257.99</u>	5107	Salaries Standby 602.46
		5108	Holiday Pay 754.53
		5109	Sick Pay 3,110.27
		5110	Annual Leave Buyback -
		5111	Vacation Buyback -
		5112	Sick Leave Buyback -
		5113	Vacation Pay 8,025.73
		5114	Comp Pay 5,085.77
		5115	Annual Leave Pay 13,459.84
		5116	Salaries - Police FTO 84.39
		5121	PERS Retirement 39,199.71
		5122	Social Security 23,109.22
		5123	PARS Retirement 625.37
		5126	State Disability Ins. 1,163.87
		5127	Deferred Compensation 25.00
		5131	Health Insurance -
		5132	Dental Insurance -
		5133	Vision Insurance -
		5134	Life Insurance -
		5135	Long Term Disability -
		5143	Uniform Allowance -
		5144	Car Allowance -
		5146	Council Expense -
		5147	Employee Assistance -
		5148	Boot Allowance -
		5149	Motor Pay 71.20
		5150	Bi-Lingual Pay -
		5151	Cell Phone Allowance 45.00
			<u>404,257.99</u>
OVERTIME BY DEPARTMENT:			
Administrative Services	-		
Community Development	-		
Police	9,980.32		
Fire	17,630.09		
Public Works - Maintenance	331.53		
Public Works - Enterprise	298.58		
Recreation - Administration	-		
Recreation - Special Events	-		
Children In Motion	-		
	<u>28,240.52</u>		

ACTION MINUTES

REGULAR MEETING OF THE CITY COUNCIL TUESDAY, APRIL 26, 2016 COUNCIL CHAMBERS, 215 EAST BRANCH STREET ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

Mayor Hill called the Regular City Council Meeting to order at 6:00 p.m.

2. ROLL CALL

City Council: Council Members Jim Guthrie, Tim Brown, Kristen Barneich, Mayor Pro Tem Barbara Harmon and Mayor Jim Hill were present.

Staff Present: City Manager Dianne Thompson, City Attorney Heather Whitham, Director of Legislative and Information Services/City Clerk Kelly Wetmore, Director of Administrative Services Debbie Malicoat, City Engineer Matt Horn, Public Works Director Geoff English, and Police Chief Steven Annibali.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Terry Orton, representing Arroyo Grande Lions Club, led the Flag Salute.

5. AGENDA REVIEW

5.a. Closed Session Announcements

April 12, 2016 Regular City Council Meeting:

- **Conference with Labor Negotiator** pursuant to Government Code Section 54957.6:
Agency Designated Representative: Dianne Thompson, City Manager and Deborah Malicoat, Administrative Services Director
Represented Employees: Arroyo Grande Police Officers' Association (AGPOA)

City Attorney Whitham announced that the City Council directed the City Manager to serve as the City's labor negotiator and to commence negotiations with the AGPOA.

5.b. Ordinances Read in Title Only.

Council Member Brown moved, Council Member Barneich seconded, and the motion passed unanimously that all ordinances presented at the meeting shall be read by title only and all further readings be waived.

6. SPECIAL PRESENTATIONS

6.a. Honorary Proclamation Recognizing April 29, 2016 as "Arbor Day".

Mayor Hill presented an Honorary Proclamation recognizing April 29, 2016 as "Arbor Day". Scott Dowlan, representing Arroyo Grande Tree Guild, accepted the Proclamation, thanked the Council for recognizing the Tree Guild and its partnership with the City, and provided an update of the Tree Guild's activities.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Mayor Hill invited public comment. Speaking from the public were Patty Welsh, Arroyo Grande, stating she was glad to see the City Manager is going to start meeting with City residents, but expressed concern that it would be at coffee houses from 8:00-9:00am and suggested that she should meet with residents at City Hall in the evening from 6:00-7:00pm so more residents can attend; Beatrice Spencer, Arroyo Grande, spoke about issues related to the Sanitation District including a response to the letter sent to the District Attorney, and that the issue with Sanitation District fees being placed on the tax rolls is being put back on the Agenda for further consideration; and Kevin McCarthy, Arroyo Grande, referred to and complimented the City on its previous donation to the Land Conservancy for purchase of the Pismo Preserve, spoke about the project and acknowledged the expenditure will benefit the City and the region; and also thanked City staff for responding to his concerns regarding water issues.

8. CITY MANAGER REPORT:

City Manager Thompson provided a status report on items recently considered by the Traffic Commission, Architectural Review Committee, Historic Resources Committee, and Downtown Parking Advisory Board; reported on feedback received from businesses regarding the Google Plus Yelp Workshop; reported that Community Development and Police Department staff met to discuss economic development efforts; announced Coffee with the City Manager events starting in May, stated that the Annual Local Sales Tax Report was mailed to residents this month, and provided a list of upcoming City Council agenda items for May.

Council Member Barneich noted that she received positive feedback about the Google Yelp Workshop; however, because it filled quickly, some businesses were asking if there would be additional workshops in the future. City Manager Thompson indicated there would be a follow up meeting and that the City would be willing to host additional workshops in the future.

In response to a question by Council Member Brown regarding an email received from Doug Tait regarding concerns with mowing at Tract 1998 due to the presence of Pismo Clarkia, City Manager Thompson responded she would follow up on the matter.

9. CONSENT AGENDA

Council Member Brown requested that Items 9.e. and 9.f. be pulled.

Mayor Hill invited public comment on the remaining Consent Agenda items. Speaking from the public was Patty Welsh, referred to Item 9.h. (traffic signal upgrade project) and asked if this is a result of the Brisco ramp closure or if the project was previously planned.

At the request of Mayor Hill, Public Works Director English explained that the project has been scheduled for some time, is not part of the Brisco Interchange project, that it is a traffic signal improvement project that has already been approved by the Council, and that the item is to secure funding for project inspections. No further public comments were received.

Action: Council Member Barneich moved, and Council Member Guthrie seconded the motion to approve Consent Agenda Items 9.a. through 9.h., with the exception of Items 9.e. and 9.f., with the recommended courses of action. The motion passed on the following roll-call vote:

AYES: Barneich, Guthrie, Brown, Harmon, Hill
NOES: None
ABSENT: None

9.a. Consideration of Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period April 1, 2016 through April 15, 2016.

9.b. Consideration of Investment Deposits.

Action: Received and filed the report listing the current investment deposits of the City, as of March 31, 2016, as required by Government Code Section 53646(b).

9.c. Consideration of Approval of Minutes.

Action: Approved the minutes of the Regular City Council Meeting of April 12, 2016, as submitted.

9.d. Consideration to Declare Surplus Property.

Action: Adopted a Resolution entitled **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING VARIOUS EQUIPMENT AS SURPLUS PROPERTY AND AUTHORIZING ITS SALE OR DISPOSAL"**.

9.g. Consideration of Acceptance of the Reservoir No. 2 Roof Recoating Project, PW 2015-13.

Action: 1) Accepted the project improvements as constructed by Fluid Resource Management in accordance with the plans and specifications for the Reservoir No. 2 Roof Recoating project; 2) Directed staff to file a Notice of Completion; and 3) Authorized release of the retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed, and return remaining project budget to the Fund Balance.

9.h. Consideration of an Appropriation of Traffic Signal Funds for Construction Management Services for the Oak Park/West Branch Street/US 101 Traffic Signal Upgrade Project, PW 2014-01.

Action: Appropriated \$10,900 from the Traffic Signalization fund.

ITEMS PULLED FROM THE CONSENT AGENDA

9.e. Monthly Water Supply and Demand Update.

Recommended Action: Receive and review the Monthly Water Supply and Demand Report.

In response to questions by Council Member Brown regarding how severe the water supply and demand is in the City, Director English acknowledged that there are concerns regarding the water supply and demand in the City and that staff would be bringing forth a comprehensive update on water use restrictions and drought conditions at the Council's May 10th meeting.

Mayor Hill invited public comment. No public comments were received.

Action: Council Member Brown moved to receive the Monthly Water Supply and Demand Report. Council Member Barneich seconded, and the motion passed unanimously by voice vote.

9.f. Consideration of Approval to Remove a Failing Landmark Oak Tree at 169 Pine Street.

Recommended Action: Approve a request to remove a failing Landmark Tree located in the public right of way in front of 169 Pine Street.

In response to questions by Council Member Brown, Director English clarified the location of the tree, that there have been efforts to preserve the tree, but it has further deteriorated over the years, and that a second opinion was received recommending the tree be removed immediately

due to public safety issues. He also noted it was not being recommended to replace the tree in this location at this time.

Mayor Hill invited public comment. No public comments were received.

Action: Council Member Brown moved to approve a request to remove a failing Landmark Tree located in the public right of way in front of 169 Pine Street. Council Member Barneich seconded, and the motion passed on the following roll-call vote:

AYES: Brown, Barneich, Guthrie, Harmon, Hill
NOES: None
ABSENT: None

10. PUBLIC HEARINGS

None.

11. OLD BUSINESS

None.

12. NEW BUSINESS

12.a. Consideration of the San Luis Obispo Council of Governments Self-Help Transportation Funding Initiative.

Recommended Action: 1) Review and comment on the draft Transportation Investment Plan categories and distribution for a proposed half-cent regional sales tax to fund Local Road Repairs and Transportation Improvements, including the proposed 9-year duration, formula distribution, and safeguards; 2) Identify key projects for local funding allocation; and; 3) Direct City staff to work with San Luis Obispo Council of Governments (SLOCOG) to develop a Final Transportation Investment Plan, ordinance, and safeguards for City and County evaluation to place on the November 2016 ballot for voter consideration.

City Manager Thompson introduced Ron DeCarli, representing San Luis Obispo Council of Governments (SLOCOG), who provided a presentation on the proposed Self Help Counties Transportation Funding Initiative which would provide funding for transportation projects through a Countywide voter approved ballot measure. Mr. DeCarli then responded to questions from Council.

Mayor Hill invited public comment. Speaking from the public was Andrea Seastrand, representing the Central Coast Taxpayers Association, read a letter stating that the Association voted to oppose the Self-Help Transportation Funding Initiative; Beatrice Spencer, Arroyo Grande, expressed concerns about the proposal from the taxpayers standpoint; Patty Welsh, Arroyo Grande, referred to the School District's proposed bond measure and spoke in opposition to the proposal; and Jim DiCecco, thanked the Council for the bike lane in front of the high school and increasing safety for the students, commented that the Council is determining tonight whether they should give the citizens the opportunity to tax themselves; and addressed the need for funding for safe routes to schools. No further public comments were received.

Council comments ensued regarding the proposed Transportation Investment Plan; the proposed Self-Help Transportation Funding initiative; that the need for transportation improvements needs to be addressed at the local level without reliance on the State; what the

alternative plan would be if the measure were not to pass; reviewed the key projects identified for Arroyo Grande for potential funding allocation, including congestion relief and operational improvements at E. Branch Street/E. Grand Avenue area; Halcyon corridor complete street improvements; operational and bike/pedestrian safety improvements at E. Branch Street/Crown Hill/Huasna and local interchange improvements in the vicinity of Traffic Way and operational improvements at Fair Oaks in the vicinity of Arroyo Grande High School; acknowledgement that tax increases are not desirable; consequences of not funding road maintenance and improvements; commending SLOCOG for proportioning funding throughout the County for transportation projects; and commending the City's Public Works staff and the City for maintaining the City's transportation infrastructure with the available funding; and the need for residents to be educated about this initiative.

Action: Council Member Barneich moved to direct staff to work with San Luis Obispo Council of Governments (SLOCOG) to develop a Final Transportation Investment Plan, ordinance, and safeguards for City and County evaluation to place on the November 2016 ballot for voter consideration, and approve the key projects for local funding allocation presented in Attachment 2 of the staff report. Council Member Brown seconded, and the motion passed on the following roll-call vote:

AYES: Barneich, Brown, Guthrie, Hill
NOES: Harmon
ABSENT: None

Mayor Hill called for a break at 8:30 p.m. The Council reconvened at 8:43 p.m.

12.b. Consideration of Revenue Plan.

City Manager Thompson presented the staff report and recommended that the Council review and provide direction on the Revenue Plan. Staff responded to questions from Council regarding the proposed programs set forth in the Revenue Plan to increase the City's revenues.

Mayor Hill invited public comment. Speaking from the public were Patty Welsh, Arroyo Grande, commented on health insurance benefits that Council Members receive and suggested eliminating this benefit, particularly for family members, as a cost savings measure; and Beatrice Spencer, Arroyo Grande, expressed concern about the proposal for a Business License Compliance audit as it appears it would cost more for the program than any additional revenue the City would receive. No further public comments were received.

Council comments ensued on the proposed Revenue Plan programs and recommended action items to ensure receipt of existing revenue streams, increase existing revenue sources, and opportunities to create new revenue. Following discussion, Council provided direction to staff to proceed with the recommended action items, with the exception of the Business License Tax Compliance program; that the Transient Occupancy Tax audit would initially include the four large hotels and depending on those results, to continue with the other lodging businesses; and to prioritize audits of the Franchise Agreements. Council also directed staff to place on a future agenda review and analysis of City expenditures.

No formal action was taken on this item.

13. CITY COUNCIL REPORTS

The Mayor and Council Members provided brief reports from the following committee, commission, board, or other subcommittee meetings that they attended as the City's appointed representative.

- (a) MAYOR HILL:**
 - (1) South San Luis Obispo County Sanitation District (SSLOCSD)
 - (2) Brisco/Halcyon Interchange Subcommittee
 - (3) Oversight Board to the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency
 - (4) California Joint Powers Insurance Authority (CJPIA)
 - (5) Other

- (b) MAYOR PRO TEM HARMON:**
 - (1) County Water Resources Advisory Committee (WRAC)
 - (2) Air Pollution Control District (APCD)
 - (3) Five Cities Fire Authority (FCFA)
 - (4) Other

- (c) COUNCIL MEMBER GUTHRIE:**
 - (1) San Luis Obispo Council of Governments/Regional Transit Authority (SLOCOG/RTA)
 - (2) South County Transit (SCT)
 - (3) Tourism Committee
 - (4) Brisco/Halcyon Interchange Subcommittee
 - (5) Economic Vitality Corporation (Attended as Alternate)

- (d) COUNCIL MEMBER BROWN:**
 - (1) Integrated Waste Management Authority Board (IWMA)
 - (2) Economic Vitality Corporation (EVC)
 - (3) Other

- (e) COUNCIL MEMBER BARNEICH:**
 - (1) Zone 3 Water Advisory Board
 - (2) Homeless Services Oversight Council (HSOC)
 - (3) Other

14. COUNCIL COMMUNICATIONS

Mayor Pro Tem Harmon invited the public to Finn's Restaurant on May 5, 2016 to benefit the Five Cities Homeless Coalition.

Council Member Barneich wished Council Member Guthrie good luck on his half marathon, and referred to an email she received on the Brisco Road interchange off ramp as it relates to the queuing of cars. In response, City Engineer Horn provided an overview of discussions that have occurred with Caltrans to remedy the situation.

15. CLOSED SESSION

At 10:35 p.m., City Attorney Heather Whitham announced the City Council would adjourn to closed session to consider the following item:

- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION** pursuant to Government Code Section 54957:
Title: City Attorney

Mayor Hill invited public comment. Speaking from the public were Beatrice Spencer, who expressed appreciation to Council Members Brown and Guthrie for requesting a review of City expenditures, commented that she hosted Coffee with the Mayor at Rancho Grande Park; acknowledged Council Member Guthrie's upcoming run in a half marathon and announced that Mayor Hill would be walking a Mile in High Heels for charity; and Patty Welsh, who expressed appreciation for the request to review City expenditures, and commented that at the upcoming South SLO County Sanitation District meeting they would be discussing benefits that are being paid to Directors. No further public comments were received.

Adjourned to closed session.

16. RECONVENE TO OPEN SESSION:

Mayor Hill reconvened the meeting to open session at 10:40 p.m. City Attorney Whitham announced that the City Council discussed the parameters and procedures for the City Attorney evaluation which will occur at the next City Council meeting.

17. ADJOURNMENT

Mayor Hill adjourned the meeting at 10:41 p.m.

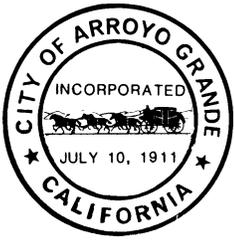
Jim Hill, Mayor

ATTEST:

Kelly Wetmore, City Clerk

(Approved at CC Mtg _____)

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MEMORANDUM

TO: CITY COUNCIL

FROM: TERESA MCCLISH, DIRECTOR OF COMMUNITY DEVELOPMENT

BY: JOHNATHAN HURST, BUILDING OFFICIAL

SUBJECT: CONSIDERATION OF APPROVAL OF AGREEMENTS FOR CONSULTANT SERVICES FOR ON-CALL BUILDING PLAN REVIEW AND INSPECTION SERVICES

DATE: MAY 10, 2016

RECOMMENDATION:

It is recommended the City Council: 1) Approve Agreements for Consultant Services with the following firms for specified on-call building plan review and inspection services: Bureau Veritas North America Inc.; 4Leaf Inc.; California Code Check Inc.; and JAS Pacific; and 2) Authorize staff to issue purchase orders for consultant services if the proposal cost is within the City Council approved project or service budget.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

No costs are associated with these contract awards. Cost will be incurred for specific projects and services in compliance with the City Council approved budget.

BACKGROUND:

The use of on-call consultants has been found to be an effective tool in the delivery of City projects and services. The current building plan review and inspection services consultant agreement was established in 2006. In order to update these services, several processes need to be followed to successfully comply with codes and requirements regulating government entities.

Process Requirements

Professional design service contracting is governed by the Government Code Section 4526 which states:

“Notwithstanding any other provision of law, selection by a state or local agency head for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. In order to implement this method of selection, state agency heads contracting for private architectural, landscape architectural, professional engineering, environmental, land surveying, and construction project management services shall adopt by regulation, and local agency heads

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contracting for private architectural, landscape architectural, professional engineering, environmental, land surveying, and construction project management services may adopt by ordinance, procedures that assure that these services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public agencies. Furthermore, these procedures shall assure maximum participation of small business firms, as defined by the Director of General Services pursuant to Section 14837.

In addition, these procedures shall specifically prohibit practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit government agency employees from participating in the selection process when those employees have a relationship with a person or business entity seeking a contract under this section which would subject those employees to the prohibition of Section 87100.”

The intent of this Code is to obtain competent and qualified consultants to complete professional services. Competent and qualified design professionals can typically provide high quality plans, plan checks, and inspections. Based on this Government Code’s guidance, one methodology that has worked well is to establish an “on-call” list of qualified consultants to assist in completing some of the City’s required professional services work.

On-Call List Establishment

In order to establish a list of on-call consultants, the first step is to prepare and publically advertise a Request for Qualifications (RFQ). The request should establish the means in which the consultant’s qualifications will be measured. The consultants interested in responding to the City’s request will then prepare a Statement of Qualifications (SOQ) that describes the consultant’s qualifications and past experience. Staff then evaluates and ranks the SOQs based on the advertised criteria, and makes award recommendations to City Council. Award recommendations are based on numeric rankings. The quantity of contracts awarded are selected to provide redundancy in available service but at the same time to limit the number of consultants selected to increase the likelihood that all consultants will complete some level of work for the City.

ANALYSIS OF ISSUES:

Due to the recent influx of construction projects that have been submitted to the City, and also due to the size and scope of those projects, there is a continued need to maintain an on-call list of highly qualified and competent building inspectors, plans examiners, and engineers to act as consultants before those projects start construction. When construction documents and drawings are submitted to the City Building Division for review, and when these reviews are completed and building permits are issued, these consultants will be selected to inspect specific projects. These consultants will also cover the day to day inspections as they have done since

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2006 when the full time inspector position was eliminated. Costs associated with contract inspectors, plans examiners, and engineers is covered through the existing fee schedule established by City Council and is paid by each permit upon that permit issuance.

Qualifications Received and Evaluation Process

On November 6, 2015, RFQs for Building Plan Review, Building Inspection and Public Works Inspection were issued. On January 8, 2016, the City received SOQs from the following companies: Bureau Veritas North America Inc., 4Leaf Inc., California Code Check Inc., JAS Pacific, and Building Code Services. Each of the five (5) separate SOQs were evaluated and ranked by a review committee based on the following publically advertised criteria:

1. Responsiveness to RFQ
2. Quantity, quality and relevance of the firms experience and resources
3. References

Based on the review, the following table describes the consultant’s average ranking services available, and the award recommendation.

Company	Ranking	Award Recommended
Bureau Veritas	1	YES
4Leaf	2	YES
California Code Check	3	YES
JAS	4	YES
Building Code Services	5	NO

The intent of the award recommendations is to provide the depth and breadth of services needed. Maintaining multiple consultants provides redundancy of services. The quantity of contracts awarded are selected to provide redundancy in available service, but at the same time to limit the number of consultants selected to increase the likelihood that all consultants will complete some level of work for the City.

On-Call Use and Duration

The Building Division receives requests for inspections on a daily basis. These inspections, when received by 8:30 each morning, are guaranteed to be performed on that same day. The City currently averages 5 hours per day of inspection time with the current contract inspection firm. Building Division staff monitors the projects under construction, the stages of construction, and the anticipated type of inspections. With this knowledge and expectation, staff will utilize this list of inspection consultants, to assign the most qualified or experienced firm to perform that specific type of inspection.

At the end of each day, the consultant inspector will return a report to the Building Division with a listing of the amount of time that was spent at each inspection site and a

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total of inspection time for that day. These daily inspection logs will be tallied up and an invoice from the consultant company will be received on a monthly basis where the daily inspection log time and the monthly invoices will be compared for accuracy.

The term length of these agreements is three (3) years.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve Agreements for Consultant Services for specified on-call building plan review and inspection services;
2. Do not approve the Agreements; or
3. Provide direction to staff.

ADVANTAGES:

Approving these agreements will allow the City to continue to provide high quality services and projects within a reasonable time-period.

The on-call firms will develop, over time, a better understanding of the City's procedures, practices, and expectations, which will ultimately enhance efficiency and product delivery. Working with a new firm each time can result in inconsistent or inefficient product delivery.

Cost savings will be generated because staff will not have to produce and widely distribute request for proposals, evaluate submitted proposals, select firms, and prepare contracts and Council reports for multiple projects and consultant needs over the 3 year term of the on-call services agreements.

Establishment of these on-call service agreements does not preclude the City from obtaining consultant services through the formal Request for Proposals (RFP) process for specific project needs, specialty work, or grant requirements.

DISADVANTAGES:

No disadvantages have been identified.

ENVIRONMENTAL REVIEW:

Environmental review is not required for these agreements.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, May 5, 2016. The Agenda and staff report were posted on the City's website on Friday, May 6, 2016.

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MAY 10, 2016
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Attachments:

1. Bureau Veritas North America Inc. Agreement
2. 4Leaf Inc. Agreement
3. California Code Check Inc. Agreement
4. JAS Pacific Agreement

AGREEMENT FOR CONSULTANT SERVICES

This AGREEMENT FOR CONSULTANT SERVICES ("Agreement"), is made and effective as of June 1, 2016, between **BUREAU VERITAS NORTH AMERICA INC.** ("Consultant"), and the **CITY OF ARROYO GRANDE**, a Municipal Corporation ("City"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on June 1, 2016 and shall remain and continue in effect until June 1, 2019 unless sooner terminated pursuant to the provisions of this Agreement. This Agreement may be extended for two (2) additional one (1) year periods after the Initial Term upon written agreement by City and Consultant. All terms and conditions of this Agreement shall apply to any additional one (1) year terms.

2. **SERVICES**

Consultant shall perform the tasks described and comply with all terms and provisions set forth in Exhibit "A," attached hereto and incorporated herein by this reference. Services rendered are to be based on future proposals furnished by Consultant for specific needs of the City.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

The City Building Official shall represent City in all matters pertaining to the administration of this Agreement. Craig Baptista shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

Payment amount will be based on a time and materials basis in accordance with the rates set forth in Exhibit B.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 5.

7. **TERMINATION ON OCCURRENCE OF STATED EVENTS**

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business; or
- (c) Assignment of this Agreement by Consultant without the consent of City.
- (d) End of the Agreement Initial Term specified in Section 1, unless otherwise extended.

8. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Building Official or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement to terminate this Agreement

without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. **LAWS TO BE OBSERVED.** Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the City's Contract Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement.

(e) The City, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of five (5) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and

may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files. Upon request by City, Consultant shall make available all work papers and reports to any successor auditor in a timely manner.

11. **INDEMNIFICATION**

(a) **Indemnification for Professional Liability.** When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) **Indemnification for Other Than Professional Liability.** Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) **General Indemnification Provisions.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

12. **INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C" attached hereto and incorporated herein as though set forth in full.

13. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the City of Arroyo Grande in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City of Arroyo Grande will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

15. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the City Building Official or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

17. **NOTICES**

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Arroyo Grande
Building Official
300 East Branch Street
Arroyo Grande, CA 93420

To Consultant: Bureau Veritas North America, Inc.
Craig Baptista
180 Promenade Circle, Suite 150
Sacramento, CA 95834

18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the City.

19. **GOVERNING LAW**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the City of Arroyo Grande.

20. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. **TIME**

City and Consultant agree that time is of the essence in this Agreement. Time constraints are selection factors on individual service request. The consultant must start work within two weeks from receipt of a written authorization to proceed unless an alternate timeframe has been agreed upon. The City expects the work to be actively pursued until complete.

22. **CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL**

Consultant is bound by the contents of the City's Request for Proposal and the contents of the proposal submitted by the Consultant. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in the Consultant's proposals.

23. **CONSTRUCTION**

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

24. **AMENDMENTS**

Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

25. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF ARROYO GRANDE

CONSULTANT

By: _____
Jim Hill, Mayor

By: _____

Attest:

Its: _____
(Title)

Kelly Wetmore, City Clerk

Approved As To Form:

Heather Whitham, City Attorney

EXHIBIT A - SCOPE OF SERVICES

This Agreement is a non-exclusive continuing services contract to provide on-call consultant services for building plan review and inspection services for the City of Arroyo Grande. The Consultant will augment and support City staff and provide services at the sole direction and discretion of the City.

The City does not guarantee that the Consultant will receive a specific volume of work or total contract amount.

EXHIBIT B - BILLING RATES

<u>Staff Level Classifications</u>	<u>Hourly Billing Rate*</u>
Senior / Structural Plan Check Engineer	\$140
M/E/P Plan Check Engineer	\$125
Senior Plans Examiner	\$110
Plans Examiner	\$105
Supervising Inspector	\$95
Inspector II	\$85
Inspector I	\$75
Permit Technician	\$70
Fire Marshal	\$140
Fire Protection Engineer/Plans Examiner	\$120
Senior Fire Inspector	\$110
Fire Inspector	\$90
Public Works Inspector	\$105 (non-prevailing wage)
<u>Additional Services</u>	<u>Hourly Billing Rate*</u>
Project Manager	\$160
Senior Engineer	\$160
Associate Engineer	\$125
Assistant Engineer	\$115
Engineering Technician	\$65

EXHIBIT C – INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials employees and agents, using standard ISO endorsement No. CG 2010. Consultant also agrees to require all Consultants, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or

reduction of discovery period) that may affect City's protection without City's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.
8. The insurer will provide 30 days notice to City of any cancellation of coverage.
9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to City.
10. Consultant agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.
11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At the time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such

provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

AGREEMENT FOR CONSULTANT SERVICES

This AGREEMENT FOR CONSULTANT SERVICES ("Agreement"), is made and effective as of June 1, 2016, between **4LEAF INC.** ("Consultant"), and the **CITY OF ARROYO GRANDE**, a Municipal Corporation ("City"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on June 1, 2016 and shall remain and continue in effect until June 1, 2019 unless sooner terminated pursuant to the provisions of this Agreement. This Agreement may be extended for two (2) additional one (1) year periods after the Initial Term upon written agreement by City and Consultant. All terms and conditions of this Agreement shall apply to any additional one (1) year terms.

2. **SERVICES**

Consultant shall perform the tasks described and comply with all terms and provisions set forth in Exhibit "A," attached hereto and incorporated herein by this reference. Services rendered are to be based on future proposals furnished by Consultant for specific needs of the City.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

The City Building Official shall represent City in all matters pertaining to the administration of this Agreement. Craig Tole shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

Payment amount will be based on a time and materials basis in accordance with the rates set forth in Exhibit B.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 5.

7. **TERMINATION ON OCCURRENCE OF STATED EVENTS**

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business; or
- (c) Assignment of this Agreement by Consultant without the consent of City.
- (d) End of the Agreement Initial Term specified in Section 1, unless otherwise extended.

8. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Building Official or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement to terminate this Agreement

without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. **LAWS TO BE OBSERVED.** Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the City's Contract Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement.

(e) The City, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of five (5) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and

may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files. Upon request by City, Consultant shall make available all work papers and reports to any successor auditor in a timely manner.

11. **INDEMNIFICATION**

(a) **Indemnification for Professional Liability.** When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) **Indemnification for Other Than Professional Liability.** Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) **General Indemnification Provisions.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

12. **INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C" attached hereto and incorporated herein as though set forth in full.

13. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the City of Arroyo Grande in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City of Arroyo Grande will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

15. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the City Building Official or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

17. **NOTICES**

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Arroyo Grande
Building Official
300 East Branch Street
Arroyo Grande, CA 93420

To Consultant: 4Leaf Inc.
Craig Tole
2110 Rheem Dr.
Pleasanton, CA. 94588

18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the City.

19. **GOVERNING LAW**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the City of Arroyo Grande.

20. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. **TIME**

City and Consultant agree that time is of the essence in this Agreement. Time constraints are selection factors on individual service request. The consultant must start work within two weeks from receipt of a written authorization to proceed unless an alternate timeframe has been agreed upon. The City expects the work to be actively pursued until complete.

22. **CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL**

Consultant is bound by the contents of the City's Request for Proposal and the contents of the proposal submitted by the Consultant. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in the Consultant's proposals.

23. **CONSTRUCTION**

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

24. **AMENDMENTS**

Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

25. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF ARROYO GRANDE

CONSULTANT

By: _____
Jim Hill, Mayor

By: _____

Attest:

Its: _____
(Title)

Kelly Wetmore, City Clerk

Approved As To Form:

Heather Whitham, City Attorney

EXHIBIT A - SCOPE OF SERVICES

This Agreement is a non-exclusive continuing services contract to provide on-call consultant services for building plan review and inspection services for the City of Arroyo Grande. The Consultant will augment and support City staff and provide services at the sole direction and discretion of the City.

The City does not guarantee that the Consultant will receive a specific volume of work or total contract amount.

EXHIBIT B - BILLING RATES

<u>STAFF LEVEL CLASSIFICATIONS</u>	<u>HOURLY BILLING RATE</u>
Interim Chief Building Official	\$120
Building Inspector	\$85
Permit Technician	\$60
Public Works Inspector	\$125

EXHIBIT C – INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials employees and agents, using standard ISO endorsement No. CG 2010. Consultant also agrees to require all Consultants, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or

reduction of discovery period) that may affect City's protection without City's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.
8. The insurer will provide 30 days notice to City of any cancellation of coverage.
9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to City.
10. Consultant agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.
11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At the time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such

provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

AGREEMENT FOR CONSULTANT SERVICES

This AGREEMENT FOR CONSULTANT SERVICES ("Agreement"), is made and effective as of June 1, 2016, between **CALIFORNIA CODE CHECK** ("Consultant"), and the **CITY OF ARROYO GRANDE**, a Municipal Corporation ("City"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on June 1, 2016 and shall remain and continue in effect until June 1, 2019 unless sooner terminated pursuant to the provisions of this Agreement. This Agreement may be extended for two (2) additional one (1) year periods after the Initial Term upon written agreement by City and Consultant. All terms and conditions of this Agreement shall apply to any additional one (1) year terms.

2. **SERVICES**

Consultant shall perform the tasks described and comply with all terms and provisions set forth in Exhibit "A," attached hereto and incorporated herein by this reference. Services rendered are to be based on future proposals furnished by Consultant for specific needs of the City.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

The City Building Official shall represent City in all matters pertaining to the administration of this Agreement. Bryan Spain shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

Payment amount will be based on a time and materials basis in accordance with the rates set forth in Exhibit B.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 5.

7. **TERMINATION ON OCCURRENCE OF STATED EVENTS**

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business; or
- (c) Assignment of this Agreement by Consultant without the consent of City.
- (d) End of the Agreement Initial Term specified in Section 1, unless otherwise extended.

8. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Building Official or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement to terminate this Agreement

without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. **LAWS TO BE OBSERVED.** Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the City's Contract Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement.

(e) The City, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of five (5) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and

may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files. Upon request by City, Consultant shall make available all work papers and reports to any successor auditor in a timely manner.

11. **INDEMNIFICATION**

(a) **Indemnification for Professional Liability.** When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) **Indemnification for Other Than Professional Liability.** Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) **General Indemnification Provisions.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

12. **INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C" attached hereto and incorporated herein as though set forth in full.

13. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the City of Arroyo Grande in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City of Arroyo Grande will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

15. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the City Building Official or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

17. **NOTICES**

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Arroyo Grande
Building Official
300 East Branch Street
Arroyo Grande, CA 93420

To Consultant: California Code Check
Bryan Spain
5905 Capistrano Ave, Ste F
Atascadero, CA 93422

18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the City.

19. **GOVERNING LAW**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the City of Arroyo Grande.

20. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. **TIME**

City and Consultant agree that time is of the essence in this Agreement. Time constraints are selection factors on individual service request. The consultant must start work within two weeks from receipt of a written authorization to proceed unless an alternate timeframe has been agreed upon. The City expects the work to be actively pursued until complete.

22. **CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL**

Consultant is bound by the contents of the City's Request for Proposal and the contents of the proposal submitted by the Consultant. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in the Consultant's proposals.

23. **CONSTRUCTION**

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

24. **AMENDMENTS**

Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

25. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF ARROYO GRANDE

CONSULTANT

By: _____
Jim Hill, Mayor

By: _____

Attest:

Its: _____
(Title)

Kelly Wetmore, City Clerk

Approved As To Form:

Heather Whitham, City Attorney

EXHIBIT A - SCOPE OF SERVICES

This Agreement is a non-exclusive continuing services contract to provide on-call consultant services for building plan review and inspection services for the City of Arroyo Grande. The Consultant will augment and support City staff and provide services at the sole direction and discretion of the City.

The City does not guarantee that the Consultant will receive a specific volume of work or total contract amount.

EXHIBIT B - BILLING RATES

<u>STAFF LEVEL CLASSIFICATIONS</u>	<u>HOURLY BILLING RATE</u>
Journey-Level, ICC Certified Inspectors	\$75.00 (4 hour min/day)
Certified Building Official with a minimum of 10 years experience	\$115.00

EXHIBIT C – INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials employees and agents, using standard ISO endorsement No. CG 2010. Consultant also agrees to require all Consultants, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.
8. The insurer will provide 30 days notice to City of any cancellation of coverage.
9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to City.
10. Consultant agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.
11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At the time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such

provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

AGREEMENT FOR CONSULTANT SERVICES

This AGREEMENT FOR CONSULTANT SERVICES (“Agreement”), is made and effective as of June 1, 2016, between **JAS PACIFIC** (“Consultant”), and the **CITY OF ARROYO GRANDE**, a Municipal Corporation (“City”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on June 1, 2016 and shall remain and continue in effect until June 1, 2019 unless sooner terminated pursuant to the provisions of this Agreement. This Agreement may be extended for two (2) additional one (1) year periods after the Initial Term upon written agreement by City and Consultant. All terms and conditions of this Agreement shall apply to any additional one (1) year terms.

2. **SERVICES**

Consultant shall perform the tasks described and comply with all terms and provisions set forth in Exhibit "A," attached hereto and incorporated herein by this reference. Services rendered are to be based on future proposals furnished by Consultant for specific needs of the City.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

The City Building Official shall represent City in all matters pertaining to the administration of this Agreement. Fady Mattar shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

Payment amount will be based on a time and materials basis in accordance with the rates set forth in Exhibit B.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 5.

7. **TERMINATION ON OCCURRENCE OF STATED EVENTS**

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business; or
- (c) Assignment of this Agreement by Consultant without the consent of City.
- (d) End of the Agreement Initial Term specified in Section 1, unless otherwise extended.

8. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Building Official or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement to terminate this Agreement

without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. **LAWS TO BE OBSERVED.** Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the City's Contract Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement.

(e) The City, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of five (5) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and

may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files. Upon request by City, Consultant shall make available all work papers and reports to any successor auditor in a timely manner.

11. **INDEMNIFICATION**

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

12. **INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C" attached hereto and incorporated herein as though set forth in full.

13. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the City of Arroyo Grande in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City of Arroyo Grande will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

15. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City’s prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the City Building Official or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City’s right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

17. **NOTICES**

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Arroyo Grande
Building Official
300 East Branch Street
Arroyo Grande, CA 93420

To Consultant: JAS Pacific
Fady Mattar
201 N Euclid Ave # A,
Upland, CA 91786

18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the City.

19. **GOVERNING LAW**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the City of Arroyo Grande.

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This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

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Consultant is bound by the contents of the City's Request for Proposal and the contents of the proposal submitted by the Consultant. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in the Consultant's proposals.

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The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

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Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

25. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF ARROYO GRANDE

CONSULTANT

By: _____
Jim Hill, Mayor

By: _____

Attest:

Its: _____
(Title)

Kelly Wetmore, City Clerk

Approved As To Form:

Heather Whitham, City Attorney

EXHIBIT A - SCOPE OF SERVICES

This Agreement is a non-exclusive continuing services contract to provide on-call consultant services for building plan review and inspection services for the City of Arroyo Grande. The Consultant will augment and support City staff and provide services at the sole direction and discretion of the City.

The City does not guarantee that the Consultant will receive a specific volume of work or total contract amount.

EXHIBIT B - BILLING RATES

SUPPORT STAFF

HOURLY

Building Inspector I	\$55 / hour
Building Inspector II	\$59 / hour
Building Inspector III	\$63 / hour
Public Works Inspector I	\$59 / hour
Public Works Inspector II	\$63 / hour
Public Works Inspector III	\$67 / hour
Plan Reviewer	\$75 / hour
Plan Review Engineer	\$95 / hour

EXHIBIT C – INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

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Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Best's rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials employees and agents, using standard ISO endorsement No. CG 2010. Consultant also agrees to require all Consultants, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

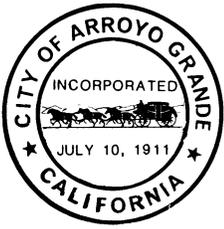
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.
8. The insurer will provide 30 days notice to City of any cancellation of coverage.
9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to City.
10. Consultant agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.
11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At the time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such

provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

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MEMORANDUM

TO: CITY COUNCIL

**FROM: GEOFF ENGLISH, PUBLIC WORKS DIRECTOR
DEBBIE MALICOAT, ADMINISTRATIVE SERVICES DIRECTOR
TERESA MCCLISH, COMMUNITY DEVELOPMENT DIRECTOR
SHANE TAYLOR, UTILITIES MANAGER
RYAN CORNELL, ACCOUNTING MANAGER
KELLY HEFFERON, ASSOCIATE PLANNER**

SUBJECT: CONSIDERATION OF UPDATE AND COUNCIL DIRECTION ON THE CITY'S WATER SUPPLY AND DEMAND STATUS, WATER USE RESTRICTIONS AND WATER CONSERVATION INCENTIVE PROGRAMS

DATE: MAY 10, 2016

RECOMMENDATION:

It is recommended the City Council:

1. Receive and file the updated water supply and demand report;
2. Approve funding plan for water conservation programming as proposed;
3. Receive and file report on status of baseline adjustment form requests;
4. Direct staff to use existing measures in the City's Mandatory Water Use Restrictions Ordinance to direct mandatory plumbing retrofit for commercial properties; and
5. Provide direction to staff regarding options for the potential purchase and use of State Water.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Staff continues to spend a substantial amount of staff resources enforcing the City's emergency water shortage restrictions and regulations, including processing baseline adjustment requests and water use penalties.

Staff time dedicated to the City's water conservation incentive programs has decreased with the elimination of several programs and exhaustion of funds. Currently, the only active incentive programs include the Plumbing Retrofit Program and the Cash for Grass Rebate Program, although funding for the latter is almost depleted. The budget and expenditures for all programs funded by the Water Neutralization Fund are provided on the following page, which includes Council-approved adjustments on July 28, 2015 and administrative reclassifications.

In addition, due to projected decreases in available funding, further reductions in conservation program allocation for the FY 2016-17 is proposed as reflected on the following page.

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Program	FY 2015-16 Budget	Balance Remaining	Proposed FY 2016-17 Budget
Turf Removal Program	\$ 321,000	\$ 15,295	\$ 0-
Washing Machine Rebates	8,000	-	0-
Smart Irrigation Controller Program	2,000	1,391	0-
Landscape Irrigation Retrofit	1,000	1,000	0-
Plumbing Retrofit Program	78,550	25,238	40,000
Irrigation Contract	15,000	-	-
City Landscape Irrigation	35,000	-	19,000
Public Education Campaign	31,750	9,706	0
School Education Program	5,500	5,500	5,500
Water Conservation Workshops	3,000	2,215	0
GardenSoft Website License	500	-	500
Total:	\$ 501,300	\$ 60,345	\$ 65,000

BACKGROUND:

Overview of City Council Actions to Address Drought Conditions

The City has implemented a comprehensive approach to meeting projected water demand and water conservation goals. In May 2003, the City Council adopted a Water Conservation Program. Phase I of the program began in April 2004, which focused on retrofitting existing residential plumbing with low flow fixtures. In 2008, the City Council appropriated \$50,000 from the Water Neutralization Fund to initiate water conservation rebate programs for turf removal, high efficiency washing machines and smart irrigation controllers.

During the June 10, 2014 City Council meeting, staff updated comprehensive strategies to address the City's long-term water supply needs. The primary objectives of the recommendations were to address long-term projected water demand through increased water conservation measures, to protect existing water supply by pursuing initial studies for a project that will use recycled water to prevent seawater intrusion, and to coordinate with neighboring jurisdictions to manage the overall water supply in the most effective manner possible.

It was also emphasized that the water supply recommendations were designed to address future projected demand under normal weather and supply conditions and any project aimed at preventing seawater intrusion could take up to 10 years to implement. Therefore, an extended drought would likely cause water supply challenges for the City that could not be addressed by water conservation measures alone. As a result, staff was directed to establish a Water Shortage Emergency Plan.

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On August 26, 2014, the City Council directed staff to prepare a contingency Water Emergency Ordinance that was adopted on February 24, 2015. Subsequently, on April 1, 2015 the Governor issued the fourth in a series of Executive Orders on actions necessary to address California's severe drought conditions, which directed the State Water Board to implement mandatory water reductions in urban areas to reduce potable urban water usage by twenty-five percent (25%) statewide. On May 5, 2015, the State Water Board adopted an emergency conservation regulation in accordance with the Governor's directive which mandates that the City of Arroyo Grande reduce its water use by twenty-eight (28%) percent for each month as compared to the same month in 2013. On May 26, 2015, the City Council declared a Stage 1 Water Shortage Emergency and implemented water restrictions and regulations to residential and irrigation water services.

On July 28, 2015, the City Council appropriated \$131,000 from the Water Neutralization Fund for the Cash for Grass Program for FY 2015-16 given the popularity and success of the program, and eliminated funding for other water conservation incentive programs:

On September 22, 2015, the City Council considered an amendment to the consultant services agreement with Verdin Marketing with a reduced scope of work for the Water Conservation Public Education Program. Council action was to reallocate the \$30,000 funding intended for the public education and marketing to the Cash for Grass Program.

On October 27, 2015, Council considered several alternatives to address the drought conditions, including a Stage 2 Water Shortage Emergency and a building moratorium. No formal action was taken and the report was received and filed.

On November 10, 2015, the City Council adopted Resolution 4696 amending Exhibit A of Resolution 4659 relating to the mandatory penalties for failing to meet declared Stage 1 water shortage emergency water use requirements. The revised Exhibit A deleted the provision that subjects customers whose bi-monthly use is ten (10) units or less to penalties if their use increases from their assigned baseline amount.

On January 12, 2016, the City Council adopted by reference the State Model Water Efficient Landscape Ordinance, which will save water for new developments in the form of irrigation efficiencies and planting requirements.

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ANALYSIS OF ISSUES:

A. WATER SUPPLY AND DEMAND REPORT

Table 1 below shows the City's current water supply portfolio and the amount of water used from each respective supply in calendar year 2015.

Table 1. Current and Projected Water Supply – Acre Feet per Year (AFY)		
Water Supply Sources:	2015 Entitlement	2015 Actual Use
Groundwater – Santa Maria Groundwater Basin	1,323	43
Groundwater – Pismo Formation	200	44
County of San Luis Obispo Lopez Reservoir Project	2,290	2152
TOTAL	3,813	2,239

Due in part to aggressive water conservation measures previously intended to attain the City's 2020 water use goal and also the mandatory Council-adopted Emergency Water Restrictions, water consumption for the City of Arroyo Grande has dropped significantly when compared to the baseline year of 2013. Overall water consumption dropped approximately 35% when compared to the baseline year. Continued emphasis on water conservation will be necessary as the City's water supply continues to be negatively impacted by the on-going drought conditions. Below are summaries of the conditions of our primary water supplies.

Lopez Reservoir Supply

As of March 31, 2016, the Lopez reservoir storage level was 14,630 Acre Feet (AF), 29.7% of the total reservoir capacity (Attachment 1). The current storage level is approximately 5,000 AF lower than the reservoir level on March 31, 2015, when the reservoir was at 19,840 AF or 40.7% of capacity. The past winter's rainfall was below average and much of the rainfall received did not generate stormwater run-off due to the dry ground conditions. The Lopez Reservoir is currently being operated under the Low Reservoir Response Plan (LRRP). Under the LRRP, municipal deliveries have been reduced by 10% because the reservoir is under the 15,000 AF trigger as prescribed in the LRRP.

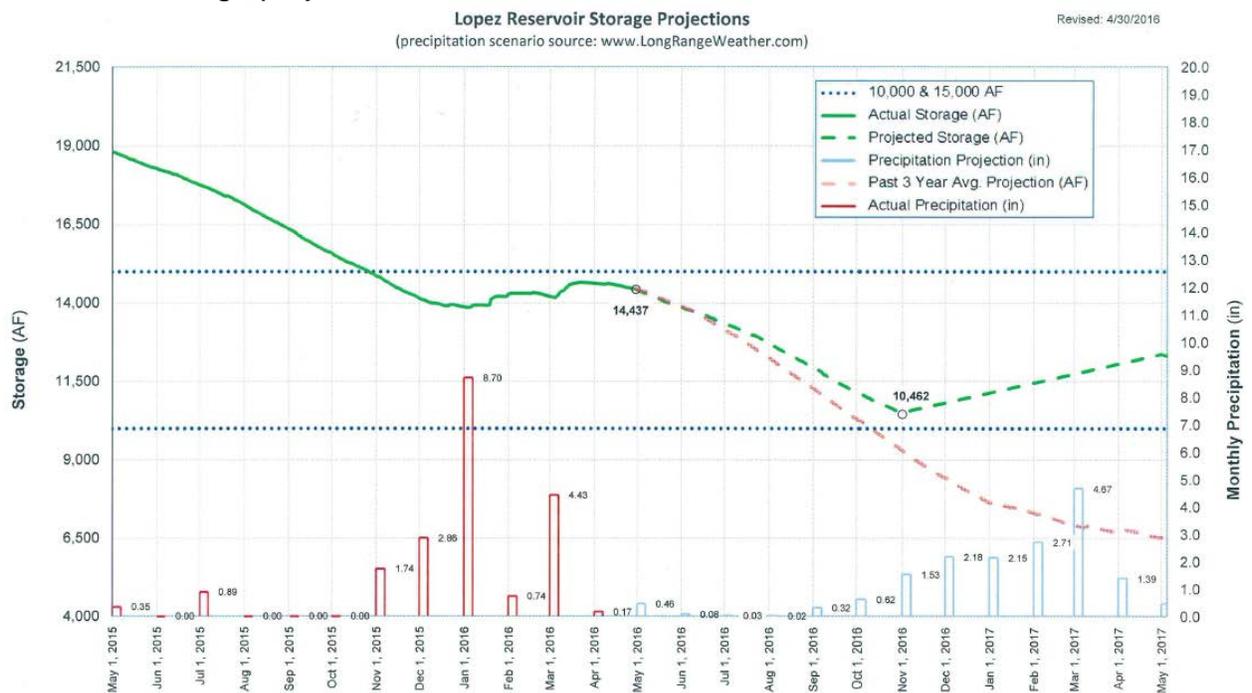
On May 2, 2016, the Zone 3 Technical Advisory Committee (TAC) considered a proposal to recommend a proactive initiation of an additional 10% reduction in municipal deliveries due to the fact that the next automatic LRRP reduction trigger, 10,000 AF, is

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projected to be reached in late fall of 2016 unless alternative water supply strategies are developed to extend the current Lopez supply. Table 2 below shows the automatic water use reductions outlined in the LRRP.

Table 2. Lopez Reservoir Automatic Water Use Reductions		
Amount of Water In Storage (AF)	Municipal Diversion Reduction	Total Municipal Diversion (AFY)
20,000	0%	4,530
15,000	10%	4,077
10,000	20%	3,624
5,000	35%	2,941
4,000	100%	0

Additionally, the LRRP allows participating agencies to “store” water not used from the previous year’s entitlement. This past water year, the City did not use 91 AF of the 2015/16 entitlement as detailed on the Lopez Water Supplies under the LRRP for 2016/2017. (Attachment 2) This was added to the previously stored 845 AF in the Lopez Reservoir, increasing the total Lopez supply to 2,942 AF, which is sufficient to meet customer demand in water year 2016/17. The following graph illustrates Lopez Reservoir storage projections.



Groundwater Supply

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A significant portion of the groundwater aquifer under the City is within the boundaries of the Northern Cities Management Area (NCMA) of the Santa Maria Groundwater Basin (SMGWB). Beginning in the fall of 2013, the NCMA groundwater monitoring program identified monitoring well depths below sea level. In response, the NCMA Technical Group, which includes representatives of the overlying municipal water purveyors, implemented a strategy to reduce groundwater pumping in the NCMA portion of the SMGWB, and to shift to the greatest extent possible, to utilization of surface water. Under this strategy the City used only 3.2% of our SMGW allotment in 2015 as show in the table below.

City of Arroyo Grande Groundwater pumping from Santa Maria Groundwater Basin- 2015

Agency	Groundwater Allotment + Ag Conversion Credit (AF)	2015 Groundwater Use (AF)	Percent Pumped of Groundwater Allotment
City of Arroyo Grande	1,202 + 121 = 1,323	42.51	3.2%

The water supply strategy to limit ground water pumping and to maximize surface water, (Lopez Reservoir and State Water) was intended to help prevent sea water intrusion into the aquifer. This regional strategy was employed by the all of the NCMA municipal water purveyors for most of 2014 and 2015. Despite below-average rainfall, the 2015/16 winter rainfall did have a positive impact on groundwater levels. Recent well level measurements in the NCMA have shown an increase in groundwater elevations, in part due to reduced pumping and from the minor improvement in rainfall this past winter.

Compared to one year ago (April 2015), groundwater levels in all wells are currently higher, up an average of more than 2.5 feet from one year ago. This rise will allow an increase in groundwater pumping and a corresponding decrease in the City's use of Lopez Reservoir supplies. This shift in water use strategy will help extend the City's Lopez supplies. The City, through the NCMA Technical Group, will continue with vigilant groundwater level monitoring efforts and will be prepared to reduce groundwater pumping if necessary.

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Projected Two-year Water supply “Look-Ahead”

It is projected that sufficient water supply exists for anticipated customer demand for the next two (2) years as shown in Table 3 below.

Table 3. Current and Projected Water Supply – Acre Feet per Year (AFY)				
Water Supply Sources	2015 Entitlement	2015 Actual Use	2016 Projected Use	2017 Projected Use
Groundwater – Santa Maria Groundwater Basin	1,323	43	350	320
Groundwater- Pismo Formation*	200	44	120	150
County of San Luis Obispo Lopez Reservoir Project	2,290	2,152	1,830**	1,830**
TOTAL	3,813	2,239	2,300	2,300

* - Estimate of available capacity

** - Based on anticipated 20% reduction to municipal deliveries

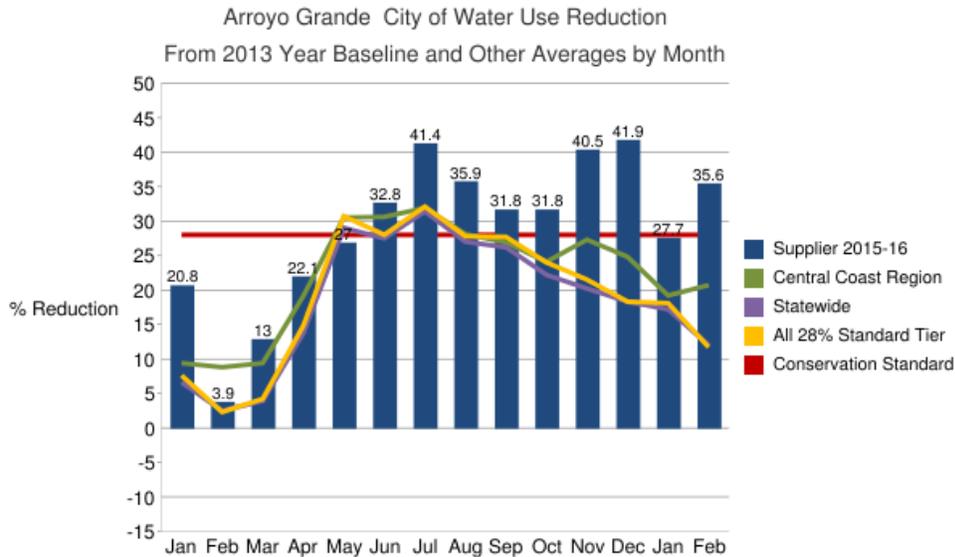
It is recommended that each year in April or May, this two-year water supply projection should be prepared so that alternate water supply arrangements can be made if supply is projected to be less than demand. As indicated above, the City’s water supply is sufficient for the next two (2) calendar years, and temporary supplemental supply is not needed at this time. Options for temporary water supplies, should they be needed in 2018, are being explored and will be further discussed in this report.

Water Use Trends – Consumption

Mandatory water use restrictions, along with Emergency water use restrictions previously enacted by the City Council declaration of a Stage 1 Water Shortage Emergency, have contributed to a substantial reduction in water use demand by Arroyo Grande customers. Water use has consistently been within the 28% reduction requirement imposed by the State Water Resources Control Board for the City (shown as Supplier 2015-16) as shown in Table 4 below.

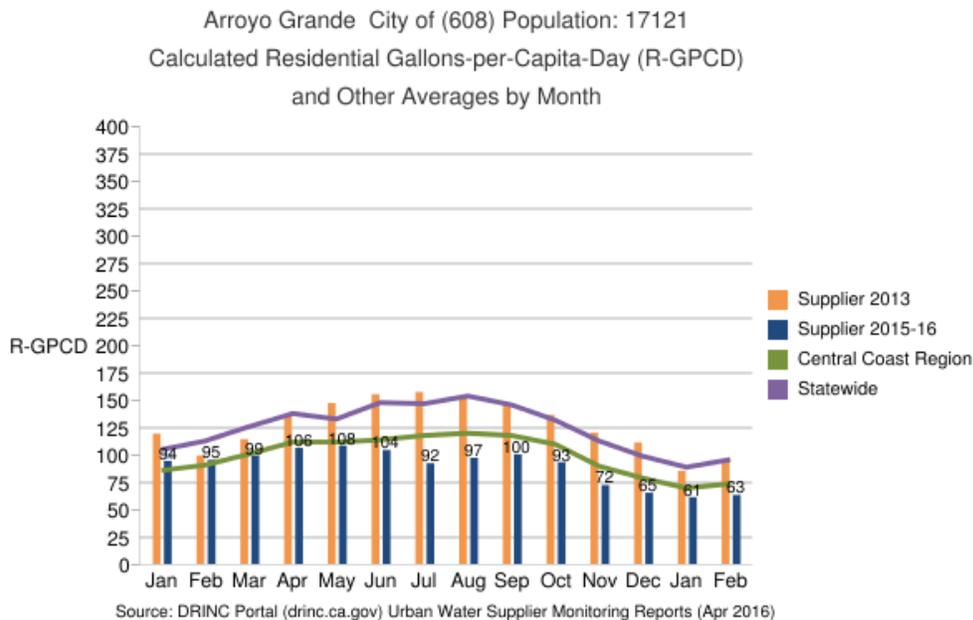
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Cumulative State urban water use reduction since June 2015: 23.9 %



Cumulative Supplier water use reduction since June 2015: 35.7 %

During the last drought (2007-2010), water use went down to 156 gallons per person per day (gpd) in 2010 and then quickly went up the following year in 2011 to 170 gpd, following heavier than normal rainfall. Average water consumption by Arroyo Grande water customers in 2015 was 117 gpd.



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Total projected annual water demand for 2016 and 2017 is based on the ability to maintain this per capita use. Based on staff evaluation of consumption data for January through March 2016, the per capita gallons per day consumption is currently on track to be lower than the 2015 average. No additional water use restrictions are recommended at this time.

Supplemental Water Supply Options

As previously presented to Council, staff continues to pursue cooperative efforts on regionally-focused, long-term supplemental water supply options. Given the City's current water condition and the unpredictability of future supplies, the Council has previously directed staff to pursue drought-resistant water supplies to be included in the City's water supply portfolio. Below is a summary of the current status of three supplemental water supply projects:

Pismo Beach Regional Groundwater Sustainability Project:

The City of Pismo Beach is currently preparing preliminary design and environmental impact evaluation for an advanced treatment upgrade to its existing Wastewater Treatment Plant (WWTP). The project also includes construction of a distribution system that will inject advanced purified water into the Santa Maria Groundwater Basin. This proposed project will allow the City and its regional partners to increase the recharge to the basin, improve water supply reliability and help prevent future occurrences of seawater intrusion. Pismo Beach is currently evaluating two potential locations for the advanced treatment facility: at the existing wastewater treatment plant; and at an offsite location, closer to the South San Luis Obispo County Sanitation District (SSLOCSD) WWTP. The advanced treatment facility is currently scheduled to be completed in 2019.

SSLOCSD Recycled Water Facilities Planning Study:

SSLOCSD and the City of Arroyo Grande are currently partnering on a Recycled Water Facilities Planning Study (RWFPS) to evaluate potential opportunities to upgrade SSLOCSD's wastewater treatment process to provide water for agriculture irrigation or groundwater recharge. The RWFPS will evaluate construction of upgrades at its existing WWTP or developing an offsite advanced treatment facility, co-located with the previously mentioned City of Pismo Beach project. According to the Regional Recycled Water Study (Cannon 2014), a combined advanced treatment facility could possibly provide 2,400 AFY of advanced purified water to recharge the groundwater basin.

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Diablo Desalination:

The County of San Luis Obispo is currently working with PG&E and the Zone 3 member agencies to evaluate the feasibility of utilizing the existing desalination infrastructure at the Diablo Canyon power plant to produce additional water that could be delivered to the Lopez pipeline. The initial evaluation indicated that it is feasible to construct a pipeline from the desalination facility to the Lopez pipeline and deliver either 500 or 1,300 AFY of water to the Zone 3 member agencies. The current estimated timeline for the Diablo Desalination project is to complete the environmental and permitting process by January 2018 and to move into construction following that.

Project costs for these potential supplemental supply projects will be shared by the regional partners who agree to participate and the costs divided proportionally in a manner yet to be determined. In the near future, at key decision making points, staff will bring back project updates for the three projects listed above for further Council review and approval, including any financial commitments.

Following are preliminary cost estimates for the Pismo Beach Regional Groundwater Sustainability project and the Diablo Desalination project. Both cost estimates are based on initial design studies and will change based on further plan development.

Project	Estimated Cost	Capital	Projected Yield (AFY)	Approximate Cost (\$/AF)	Unit
Pismo Beach Regional Groundwater Sustainability Project	~\$30M		~700 AFY	\$2,120 - \$2,790	
Diablo Desalinization	~\$30M		~1300 AFY	\$2,800 - \$3,300	
Lopez Reservoir (current)	NA		NA	\$1,500	

The projects listed above will require several years of development, design, environmental review and arrangement for financing.

Short-term water purchase arrangements

Short term options may include the purchase of temporary water supplies from other local water purveyors. Water purveyors in San Luis Obispo County who have excess water supplies may be willing to sell water to the City. For example, the City purchased water from the Oceano Community Services District as recently as two years ago. Similar short-term purchases may be negotiated in the future as the need arises. Neighboring agencies currently have excess water supplies as shown in Attachment 3.

City staff will be meeting soon with representatives of all of the municipal water purveyors in San Luis Obispo County to begin discussions about the potential

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mechanics and necessary advanced arrangements should the drought continue and some agencies begin to encounter water supply shortfalls.

One additional supplemental water supply currently being discussed as an option is the use of available State Water. Due to the nature of the rainfall patterns this past winter, some of the larger reservoirs on the State Water system in Northern California have filled. In fact, some water in Northern California reservoirs is being released to make room for snow melt. This increased water supply has caused the State to increase its allocation to State Water contractors. The percentage of State Water distribution for 2016 has recently been increased to 60% of the contracted amount, compared to a 20% distribution in 2015. The County water managers are looking at options to increase use of State Water in the County and to preserve local water supplies. Due to limited conveyance capacity of the State Water pipeline into San Luis Obispo County and the existence of intricate agreements for State Water use, arriving at an agreed-upon water costs for the extra water, will be challenging.

Additionally, as the result of the 1990 voter approved Measure A, the City of Arroyo Grande is currently prevented from purchasing State Water unless a ballot measure is approved by a majority of the Arroyo Grande voters. Later in this report, options for the potential use of State Water for temporary supply purposes by the City will be discussed.

It is recommended that the City continue as previously directed by Council, with the three potential regional supplemental water projects: the Pismo Beach Regional Groundwater Project, the SSLOCSD Recycled Water Facilities Planning Study, and the Diablo Desalination Project. Periodic updates on the status of these three crucial water supply projects will be brought to Council for consideration at key decision-making points. Additionally, it is projected that the City's water supply is sufficient for the next two (2) calendar years and temporary supplemental supply is not needed at this time; however, potential arrangements for temporary water supplies from other water purveyors are being explored in case the need arises.

B. WATER CONSERVATION INCENTIVE PROGRAMS

Due to recurring drought cycles, the City's goal has consistently been to maintain a sustaining conservation ethic resulting in the same level of water consumption after the drought is over. In order to do this, the City implemented several water conservation programs that provide relatively permanent water use reductions. The tables on the following page summarize the success of these programs.

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Table 5. Cash for Grass Rebate Program Summary				
Calendar Year	# Applications Submitted	# Grass Conversions Completed	Square Footage of Grass Removed	Estimated Gallons of Water Saved per Year
2009	94	65	81,238	1,462,284
2010	24	22	21,131	380,358
2011	23	21	30,333	545,994
2012	17	13	14,348	258,264
2013	14	10	15,472	278,496
2014	137	92	119,099	2,143,782
2015	306	219	302,083	5,437,494
2016	Applications not accepted in 2016			
Total:	615	442	583,704 (13.4 acres)	10,506,672 (32.2 AFY)

Table 6. Water Efficient Washing Machine Rebate Program Summary		
Year	# Rebates Issued	*Estimated Gallons of Water Saved per Year
2009	36	108,000
2010	20	60,000
2011	22	66,000
2012	15	45,000
2013	2	6,000
2014	17	51,000
2015	70	210,000
Total:	182	546,000 (1.68 AFY)

**Based on an average savings of 10 gallons/load from older washers, and an estimated 300 loads per household per year (average of 3,000 gallons per year per machine).*

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Table 7. Smart Irrigation Controller and Sensor Program Summary		
Year	# Smart Irrigation Controllers Installed	Estimated Water Savings
2009	32	The standard water savings is 15%. The number of gallons saved depends on individual irrigation design and area.
2010	13	
2011	5	
2012	7	
2013	2	
2014	20	
2015	33	
Total:	112	

As can be seen in the tables above, participation in the City's water conservation rebate programs was well-received in 2009 when they were first implemented. Advertisement for these programs was strong during this time, but then tapered off for the next several years. Participation increased dramatically when the City increased the rebate amounts for the Cash for Grass and Washing Machine Rebate Programs in 2014. Success can also be attributed to the increased awareness of the drought, an initial robust marketing effort, and water use restrictions and penalties for non compliance. As stated above, City funding for these incentive programs is almost exhausted.

Note that the State has implemented turf removal and toilet replacement programs, and that new Plumbing Code regulations and landscape irrigation requirements will further result in permanent reductions in water usage. The energy efficiency and water standards approved today require water appliances to consume less water, thereby using less energy, while performing the same function.

It should also be noted that since 2009, the City has contributed funding for large area irrigation retrofits for commercial, institutional and homeowner association (HOA) water users. With the contracting of Sprinkler King, Inc., the City has retrofitted the following properties:

- Oak Park Blvd Landscaping
- Vista del Mar HOA
- Woodland Pocket Park
- Wildwood Ranch HOA
- Strother Park
- Five Cities Center
- St. Patrick's School
- Kmart Center
- Sunrise Terrace Mobilehome Park
- Cemetery District
- Paulding School
- Rancho Grande Park
- Ocean View Elementary

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It is estimated that 17.39 AFY is saved from the Strother Park, Paulding School, Ocean View School, Cemetery District and Rancho Grande Park irrigation retrofits (audits for determining post-project water savings have not been completed for the other properties).

The City-owned Property Landscape Irrigation Retrofit Program has provided a comprehensive effort to reduce water use at City parks and other landscaped areas. This program involves removing turf combined with retrofitting irrigation systems and installing drought tolerant plants. It is estimated that this program generates a water savings of approximately 14 AFY.

Regarding the City's water conservation education program, it is important to clarify that the purpose of the public education program is to help meet water conservation goals to address the City's long-term future projected water demand. It is not simply designed to educate the public about the immediate need to conserve water due to the drought. Although the City currently does not retain a marketing firm to promote the water conservation campaign, staff from Pismo Beach and Arroyo Grande have been maintaining the ThinkH2O website and the Twitter account, although at a minimum level.

Additional City public education programs included a South County Water Symposium at the Regional Center on August 13, 2015, educational booths at various local events, water conservation school education program for grades K-6 through Science Discovery, and participation in a regional collaborative effort to maintain the GardenSoft website. Staff recommends that the City maintain the following water conservation programs: Plumbing Retrofit, City Landscape Irrigation, School Education, and GardenSoft Website licensing. Due to an anticipated reduction in available funding, all other previously-funded water conservation programs are not recommended for funding in FY 16-17, as shown in the table below.

Program	FY 2015-16 Budget	Balance Remaining	Proposed FY 2016-17 Budget
Turf Removal Program	\$ 321,000	\$ 15,295	\$ 0
Washing Machine Rebates	8,000	-	0
Smart Irrigation Controller Program	2,000	1,391	0
Landscape Irrigation Retrofit	1,000	1,000	0
Plumbing Retrofit Program	78,550	25,238	40,000
Irrigation Contract	15,000	-	-
City Landscape Irrigation	35,000	-	19,000
Public Education Campaign	31,750	9,706	0
School Education Program	5,500	5,500	5,500

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Water Conservation Workshops	3,000	2,215	0
GardenSoft Website License	500	-	500
Total:	\$ 501,300	\$ 60,345	\$ 65,000

C. BASELINE ADJUSTMENT STATISTICS

As shown in Table 8 below, the City has completed a total of 853 baseline adjustment requests and issued 3,565 penalties. The City also held 8 water school classes since December with a total of 135 residents participating.

Table 8. Summary of Baseline Adjustments						
	Jul/Aug	Sep/Oct	Nov/Dec	Jan/Feb	Mar/Apr	Total
# of Billed Accounts	NA	6,129	6,121	6,046	6,015	6,078
# of Baseline Adjustment Processed	145	128	177	206	197	853
# of Water Appeals Board Reviews	-	-	18	21	12	51
# of City Manager Appeals	-	-	-	-	2	2
# of Warning Notices Issued	-	1,185	738	217	162	2,302
# of \$50 Penalties Issued	-	-	604	196	147	947
# of \$100 Penalties Issued	-	-	-	166	89	255
# of \$200 Penalties Issued	-	-	-	-	61	61
Total:	-	1,185	1,342	579	459	3,565
# of Water School Attendees	-	-	49	62	24	135

Response to customer requests for baseline adjustments have required a significant staff time commitment; however it has been an effective tool at responding to changed

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conditions on properties that warrant an increased baseline. No changes are requested or recommended to the baseline adjustment process at this time.

D. MANDATORY WATER USE RESTRICTION ORDINANCE OPTIONS AND ALTERNATIVES

On May 26, 2015, the City Council adopted a Resolution declaring a Stage 1 Water Shortage Emergency and implemented emergency water shortage restrictions and regulations in accordance with California Water Code Section 350 and Arroyo Grande Municipal Code Section 13.07.030; adopted an Urgency Ordinance amending Section 13.07.090 of the Arroyo Grande Municipal Code relating to Penalties and Enforcement for Violations of Emergency Water Shortage Restrictions and Regulations; approved the expansion of the City's Turf Removal Rebate program to include Commercial properties not currently served by an irrigation meter; and appropriated \$30,000 from the Water Fund for the hiring of temporary employees and other costs associated with implementation of the water use restrictions.

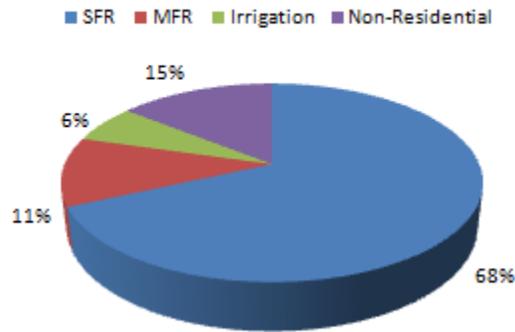
These Council-approved actions were intended in large part to reduce water demand below the Governor's Executive Order for Arroyo Grande to reduce water consumption by 28%. The Council's measures have achieved water use savings beyond the 28%, and additional water use restrictions are not recommended at this time. The Council may, however, wish to direct staff to implement additional measures to further reduce customer water consumption in order to extend the City's water supplies. Following are two potential areas in which the City Council may provide direction to staff to implement further water use restriction measures.

Commercial Customer Water Restriction options

There has been some concern expressed by members in the community that commercial/non-residential customers have not contributed to the City's water conservation efforts. Non-residential customers, which includes commercial, institutional, and City buildings, represent just 15% of the total water use by Arroyo Grande water customers as shown in the following chart:

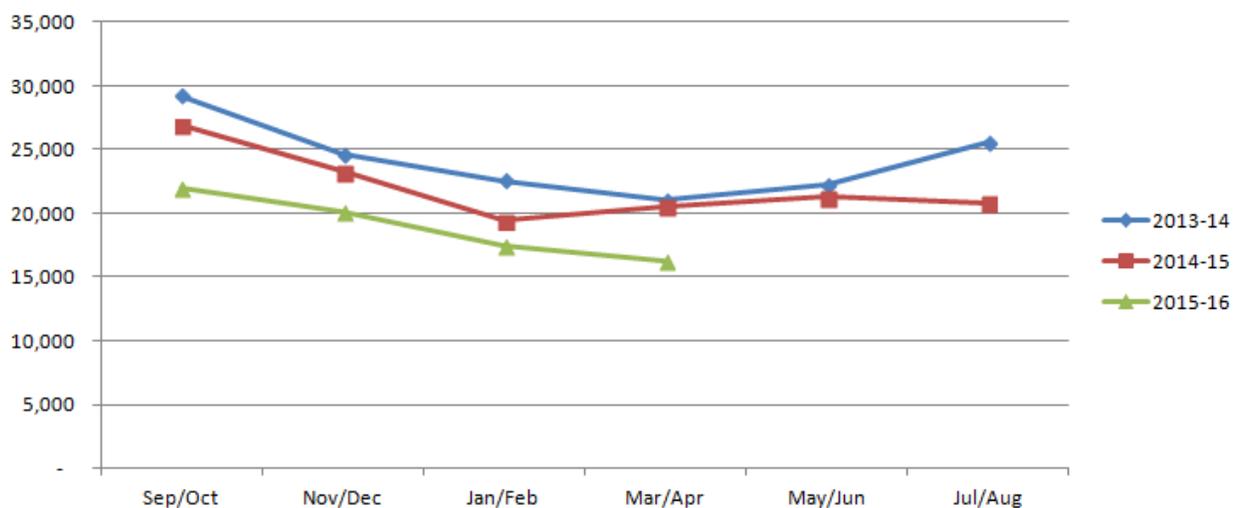
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Consumption by Account Type



Additionally, non-residential customers have contributed to the City's overall water conservation effort by saving 22% of water use when compared to the baseline year of 2014 as shown in the chart and the graph below.

	Sep/Oct	Nov/Dec	Jan/Feb	Mar/Apr	May/Jun	Jul/Aug	
2013-14	29,185	24,654	22,573	21,025	22,219	25,532	97,437
2014-15	26,898	23,262	19,415	20,543	21,294	20,795	90,118
2015-16	21,968	20,131	17,477	16,243			75,819
% since 2014	-25%	-18%	-23%	-23%			-22%
% since 2015	-18%	-13%	-10%	-21%			-16%



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Commercial properties were previously excluded from the mandatory water use reduction requirements in Stage 1, in part because residents were encouraged to use businesses that have water conserving technologies and practices such as car washes that reuse water. Additionally, the unpredictable nature of such businesses as hotels and restaurants would make it difficult to manage water use. These businesses also contribute to the economic vitality of the City and reductions in business would potentially have a negative financial impact on the City. Due to these factors, and also because the vast majority of water use is from residential customers, the City's water use restrictions were primarily targeted at residential customers.

(Note: Dedicated irrigation meters were required to reduce water use by 25%. Many commercial properties have dedicated irrigation meters.)

It is recognized however that a small number of commercial customers still do not have low-flow indoor plumbing fixtures. Some additional water savings may be generated by mandating that commercial properties participate in the City funded Plumbing Retrofit program to convert to low-flow plumbing fixtures. AGMC Stage 1 Water Shortage Emergency resolution Section 13.07.060 provides the following language allowing for a directive to such commercial properties, "intended to preclude excessive water usage:"

"13.07.060 Additional Requirements and Restrictions during Stage 1 or Stage 2 Water Shortage Emergency. Upon adoption of a resolution declaring a Stage 1 or Stage 2 Water Shortage Emergency the following shall apply:

1. Commercial, industrial or irrigation meter customers shall immediately follow any directive issued or declared by the City's Water Department to conduct water use audits, prepare water conservation plans and immediately repair any identified water system leaks, including leaks attributable to faulty pipes or fixtures. Commercial customers shall not violate any other water use restrictions intended to preclude excessive water usage, as adopted by the City."

It is proposed that the foregoing provision be used to require commercial users who have not already participated in the City's mandatory plumbing retrofit program be required to do so. Approximately 90% of the commercial customers have already participated in the retrofit program. It is recommended that notification be provided to all commercial properties, through the process of issuing a "directive" in accordance with Section 13.07.060(1), requiring that those commercial customers conduct a "water use audit".

Thereafter, they would be required to prepare a water conservation plan that would include participation in the plumbing retrofit program if they had not already done so, with a specific deadline for conversion, in addition to addressing any other issues

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disclosed by the water use audit. Commercial properties that need to convert to low-flow toilets can be directed to the City's Plumbing Retrofit project which covers the cost of the conversion.

Building Restriction Options

Building restrictions for new development remains an option to reduce water demand. This tool was implemented in 2009 on development applications requiring new water meters precipitated by a serious water supply condition as well as concern regarding water quality samples that indicated constituents consistent with incipient of seawater intrusion.

Moratoriums related to water shortages may be implemented in a variety of ways. Restrictions could be placed on the acceptance of new planning applications, new building permit applications, and/or water connections (that entail the installation or upgrade of a water meter). As described above, current projected supply meets anticipated demand for the next two water years. However, given continued drought conditions, building restrictions may still be prudent when anticipated drought supply does not meet anticipated build-out demand.

As described above, the City's water supply is 3,813 acre feet and projected demand is at 2,300AF, or 59% of the City's entitlement supply. Lopez supply is reduced by 10% currently under the LRRP and projected to be reduced by 20% in future months. Groundwater levels in the Santa Maria Groundwater Basin (SMGWB) are above the established index level of 7.5 feet. However, pumping will conservatively remain reduced given recent conditions below 7.5 feet. Based upon projected Lopez reduction of 20% (1,830 AF), and total groundwater supplies based on conservative pumping regime of the SMGWB groundwater basin of approximately 1,000 AF, the City's reduced supply would be approximately 2,830 AF.

Current projections indicate that build-out demand is between 2,800 and 2,900 AF, given current demand, permanent water conservation reductions and expected per capita increases in post drought conditions. A significant factor not calculated into supply numbers includes 936 acre-feet of carryover water. Given these conditions, building restrictions are not recommended at this time; however, continued close monitoring and two-year water supply projections will be prepared for Council consideration annually. Additionally, the City's Urban Water Management Plan is currently being prepared and will be brought forward to Council next month, which will provide more detailed information on the City's water demand and supply balance during consecutive drought years.

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Looking forward, it is recommended that the City consider enacting building restrictions under the following conditions unless other supply is identified:

- 1) Declaration of a Stage 2 water supply condition per the City's existing ordinance (this could occur based upon a threat to a local water supply, water delivery system, State mandated reductions, or a combination):
- 2) Reduction of Lopez supply of 35%:
- 3) The SMGWB continually falls below the deep well index trigger level of 7.5 feet in conjunction with Lopez supply reduction of 20% or indications of sea water intrusion are detected.

As previously reported, recent updates to the General Plan Housing and Economic Development Elements prioritize continued modest infill development to meet housing needs and achieve economic sustainability. Both priorities would be seriously jeopardized by the implementation of a moratorium as impacts would include a housing shortfall and a further risk to the City's image as a reliable place to invest and do business. Halting improvements to buildings and properties within the City also diminishes the community's ability to economically develop and re-purpose existing vacant tenant spaces. Although there are many variables depending upon how a moratorium is enacted, it could seriously jeopardize economic development opportunities within the City.

E. OPTIONS FOR POTENTIAL USE OF STATE WATER

At the November 6, 1990 General Municipal Election, the voters of Arroyo Grande approved Measure "A", as stated in the text of the measure below, which stipulates that an affirmative vote of the voters of Arroyo Grande is required before the City of Arroyo Grande is authorized to participate in the California State Water Project.

Measure "A" "Shall an affirmative vote of the voters of Arroyo Grande be required before the City of Arroyo Grande is authorized to participate in the California State Water Project?"

Furthermore, the full text of Measure A states that the City of Arroyo Grande shall not participate, in any way, including but not limited to, the expenditure or commitment of any funds, in the California State Water project without and an affirmative vote of a majority of the voters voting on such a measure. The full text of Measure "A" is shown on the following page:

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Full Text of Measure "A"

The People of the City of Arroyo Grande do hereby ordain as follows:

Section #1. The City of Arroyo Grande shall not participate, in any way, including but not limited to, the expenditure or commitment of any funds, in the California State Water Project without an affirmative vote of the majority of the voters voting upon such a measure.

Section #2. This ordinance shall not be amended nor repealed without a vote of the voters of Arroyo Grande.

City Council Resolution No. 2383 placing Measure A on the ballot and Resolution No. 2432 accepting the results of the ballot measure are included as Attachments 4 and 5 respectively.

Due to wet winter conditions in Northern California, several of the largest State Reservoirs have filled significantly improving the State water supply. As a result, the State of California has increased the allocation to State Water Contractors to 60% of their full allocations. The County of San Luis Obispo has a State Water allocation of 25,000 AFY, substantially beyond the State water contracts within the County as listed below:

<u>SLO County State Water Entitlement:</u> (in Central Valley Aqueduct)	25,000 ac-ft
<u>SLO County Capacity in Coastal Branch of State Water Project:</u>	4,750 ac-ft
<u>Northern Cities Entitlements to State Water:</u>	
Pismo Beach-	1,240 ac-ft
Oceano CSD-	750 ac-ft

County water managers are currently working on an effort to bring some of the County's excess State Water allocation into the County and to conserve our local water resources. Challenges to the use of this available water supply are significant, including but not limited to: purchase and conveyance costs, contractual limitations and the carrying capacity of the existing coastal branch of State Water pipeline that also serves Santa Barbara County. Despite the challenges, given the diminishing local water supplies, this opportunity is being given serious consideration by the County. Even if the hurdles to the importation of this potential water supply can be addressed, the City would not be able to use this water due to the passage of the voter approved Measure A in 1990.

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It is recommended that the Council direct staff to continue exploring the requirements for allowing the City to purchase and use State Water, which would include the preparation of a future ballot measure for voter consideration. Such a ballot measure would require substantial staff time to develop cost estimates as well as language and arguments in favor of the ballot measure. Given the fact that supplemental water supply needs are not projected in the next two years and due to the short time frame before measures are due, it is not recommended to place this measure on the November 2016 ballot.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Receive and file the status report and take no action at this time;
2. Increase funding for water conservation incentive programs;
3. Suspend all water conservation programs since the City has already achieved its goal as mandated by the State's 20 by 2020 Water Conservation Plan and is meeting the 28% State reduction target.
4. Require mandatory plumbing retrofit for commercial properties at a date certain;
5. Pursue a permanent supplemental supply of water through the State Water project;
6. Direct staff to return to the City Council with options to implement a water restriction moratorium for new development tied to stages of water availability; or
7. Provide other direction to staff.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

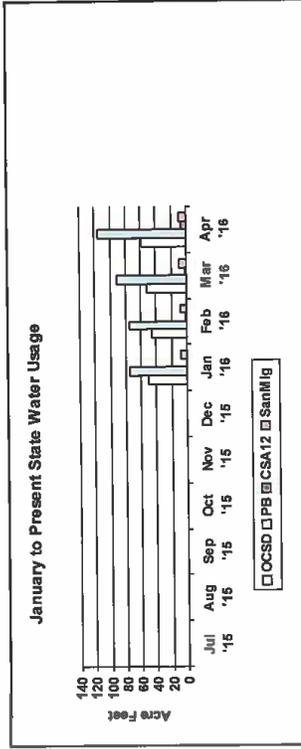
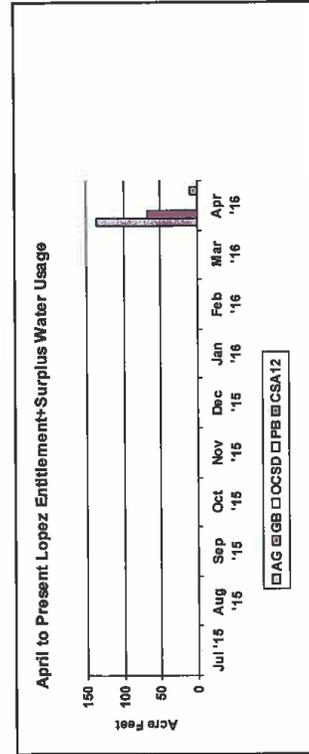
The Agenda was posted in front of City Hall on Thursday, May 5, 2016. The Agenda and staff report were posted on the City's website on Friday, May 6, 2016. No public comments were received.

ATTACHMENTS:

1. Lopez Reservoir Storage Projection
2. Lopez Water Supplies under the LRRP for 2016/2017
3. LRRP Water Accounts – Water Year 16-17
4. Resolution No. 2383- State Water
5. Resolution No. 2432- State Water

San Luis Obispo County Flood Control and Water District Zone 3 - Lopez Project - Monthly Operations Report April, 2016

Contractor	Lopez Water Deliveries										State Water Deliveries												
	This Month					April to Present					This Month					January to Present							
	Entl.	Surplus	Total	Entitlement	Surplus	Usage	%	Entitlement	Surplus	Total	Usage	%	Usage	%	Annual Request	Usage	Change in Storage	Usage	% of Annual Request	SWP Deliveries	SWP Deliveries	Total Water Deliveries This Month	
Arroyo Grand	2061	936.60	2997.60	136.63	6.6%	0.00	0.0%	136.63	6.6%	0.00	0.0%	4.6%	750	59.05	7.9%	206.96		206.96	27.6%			136.63	
Oceano CSD	272.7	713.10	985.80	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.0%										59.05	
Grover Beach	720	307.90	1027.90	66.63	9.3%	0.00	0.0%	66.63	9.3%	0.00	0.0%	6.5%	1240	116.21	9.4%	357.17		357.17	28.8%			66.63	
Pismo Beach	802.8	1227.60	2030.40	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.0%	57	5.73	10.1%	8.42		8.42	14.8%			116.21	
CSA 12	220.5	390.20	610.70	10.13	4.6%	0.00	0.0%	10.13	4.6%	0.00	0.0%	1.7%	110	10.25	9.3%	35.10		35.10	31.9%			15.86	
San Miguelito													2157	191.24	8.9%	607.65		607.65	28.2%			10.25	
Total	4077	3575.40	7652.40	213.39	5.2%	0.00	0.0%	213.39	5.2%	0.00	0.0%	2.8%	2157	191.24	8.9%	607.65		607.65	28.2%			404.63	
																							334.00
																							-261.22



Note: Deliveries are in acre feet. One acre foot = 325, 850 gallons or 43, 560 cubic feet. Safe yield is 8,730 acre feet.

"Year to Date" is January to present for State water. April to present for Lopez deliveries, and July to present for rainfall.

Lopez Dam Operations	This Month	Year to Date
Lake Elevation (full at 522.37 feet)	467.48	-54.89
Storage (full at 49200 acre feet)	14347	29.2%
Rainfall	0.66	19.10
Downstream Release (4200 acre feet/year)	171.55	171.55
Spillage (acre feet)	0	0.00

Comments: Reservoir is currently operated under the Low Reservoir Response Plan, therefore Entitlements shown represent a 10% reduction.
Surplus water shown is actually "Carry Over" water as designated in the LRRP.

1) Oceano supplied State Water to Canyon Crest via Arroyo Grande's Edna turn out. A total of 2.20 AF delivered to Canyon Crest was added to Oceano's State Water usage this month and 2.20 AF was subtracted from Arroyo Grande's usage this month.

LRRP Water Accounts Water Year 16-17

Contractor	Entitlement (less 10%)	Total Carryover Available 16-17	Total Water Supply Available at trigger of 15,000 AF	Total Water Supply Available at trigger of 10,000 AF
Arroyo Grande	2,061.0	936.6	2,997.6	2,768.6
Pismo Beach	802.8	1,227.6	2,030.4	1,941.2
Grover Beach	720.0	307.9	1,027.9	947.9
Oceano CSD	272.7	713.1	985.8	955.5
CSA 12	220.5	390.2	610.7	586.2
Sub Totals	4,077.0	3,575.5	7,652.5	7,199.5
Downstream	4,200		3,800	1,026
Total	8,277		11,452	8,225

RESOLUTION NO. 2383

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ORDERING PLACED ON THE BALLOT OF THE NEXT CITY ELECTION A MEASURE TO PROHIBIT PARTICIPATION IN THE CALIFORNIA STATE WATER PROJECT BY THE CITY OF ARROYO GRANDE WITHOUT AN AFFIRMATIVE VOTE OF THE VOTERS

NOW THEREFORE, The City Council of the City of Arroyo Grande, California, does hereby resolve, declare, determine and order as follows:

1. The issue of whether to participate in the California State Water project is a complex issue in which the citizens of Arroyo Grande are greatly interested.
2. Therefore, the City Council finds that it is in the best interest of the people of the City to allow the voters to participate in such decision.
3. Based on the above findings, a measure requiring an affirmative vote of the voters of Arroyo Grande before the City is authorized to participate in the State Water Project, is hereby ordered placed on the ballot of the next election called by the City Council of the City of Arroyo Grande to read as follows:

CITY OF ARROYO GRANDE
MEASURE "A"

Shall an affirmative vote of the voters of Arroyo Grande be required before the City of Arroyo Grande is authorized to participate in the California State Water Project

YES..... []
 NO..... []

4. The Council hereby sets forth the full text of said measure in exhibit A attached hereto and incorporated herein by reference.
5. This measure shall pass only if a majority of the votes cast by voters voting on the measure are yes votes.
6. If adopted by the voters this measure shall not be repealed nor amended without an affirmative vote of the voters.

7. The City Council hereby directs the City Attorney to prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on existing law and operation of the measure.

On Motion of Council Member Dougall, seconded by Council Member Moots, and on the following roll call vote, to wit:

AYES: Council Members Dougall, Moots, Smith, Olsen and Mayor Millis
NOES: None
ABSENT: None

the foregoing Resolution was passed and adopted the 10th day of April, 1990.

Mark M. Millis
Mark M. Millis, Mayor

ATTEST: Nancy A. Davis
CITY CLERK

APPROVED AS TO FORM: Julia SV
CITY ATTORNEY

I, NANCY A. DAVIS City Clerk of the City of Arroyo Grande, County of San Luis Obispo, do hereby certify that the foregoing Resolution No. 2383 is a true, full and correct copy of said Resolution passed and adopted at a regular meeting of said Council on the 10th day of April, 1990

WITNESS my hand and the Seal of the City of Arroyo Grande affixed this 17th day of April, 1990.

Nancy A. Davis
CITY CLERK

Full Text of Measure "A"

The People of the City of Arroyo Grande do hereby ordain as follows:

Section 1. The City of Arroyo Grande shall not participate, in any way, including but not limited to, the expenditure or commitment of any funds, in the California State Water Project without an affirmative vote of a majority of the voters voting upon such a measure.

Section 2. This ordinance shall not be amended nor repealed without a vote of the voters of Arroyo Grande.

RESOLUTION NO. 2432

A RESOLUTION OF THE ARROYO GRANDE CITY COUNCIL
ACCEPTING THE SAN LUIS OBISPO COUNTY CLERK'S
CERTIFICATE-RESULTS OF CANVASS OF ALL VOTES
CAST AT THE GENERAL ELECTION NOVEMBER 6, 1990
CITY OF ARROYO GRANDE

WHEREAS, on November 6, 1990, a General Election was held in the County of San Luis Obispo; and

WHEREAS, included on the ballot for said General Election was a listing of candidates for Mayor, City Council Members and Ballot Measure "A" for the City of Arroyo Grande in its scheduled General Municipal Election; and

WHEREAS, the San Luis Obispo County Clerk did in fact conduct said Election and canvass the returns of the votes cast at said General Election held on November 6, 1990, and provide said results of canvass to the Office of the City Clerk, City of Arroyo Grande, a copy of which is attached and incorporated as a part of this document.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Arroyo Grande does hereby accept the County Clerk's Certificate - Results of Canvass of All Votes Cast in the City's General Municipal Election Appearing on the November 6, 1990, General Election Ballot.

BE IT FURTHER RESOLVED that the City Clerk shall immediately make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated; that the City Clerk shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California and shall have them subscribe to it and file it in the office of the City Clerk. Each and all of the persons so elected shall then be inducted into the respective office to which they have been elected.

BE IT FURTHER RESOLVED that the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

On motion of Council Member Dougall, seconded by Council Member Smith, and on the following roll call vote, to wit:

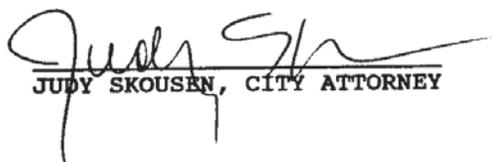
AYES: Council Members Dougall, Smith, Olsen, Moots and Mayor Millis
NOES: None
ABSENT: None

the foregoing Resolution was passed and adopted this 4th day of December, 1990.


MAYOR

ATTEST: 
CITY CLERK

APPROVED AS TO FORM:


JUDY SKOUSEN, CITY ATTORNEY

PRECINCT	VOTES	TOTAL	PCT	A	B	C	D	E	F	G	H	I	J	K	L
CON PRECINCT 95	903	428	55.1	118	0	345	35			114	0	300	286	34	
CON PRECINCT 96	1011	544	53.8	126	0	403	15			129	0	344	286	12	
CON PRECINCT 97	937	510	54.4	112	0	381	17			108	1	324	302	11	
CON PRECINCT 98	801	409	51.1	84	0	316	9			68	0	281	279	9	
CON PRECINCT 99	467	254	54.4	46	0	202	6			42	0	169	154	4	
CON PRECINCT 100	548	301	54.9	72	0	211	18			56	0	184	168	23	
CON PRECINCT 101	860	430	50.0	84	0	322	24			86	0	274	229	19	
CON PRECINCT 102	611	285	46.6	59	0	214	12			55	0	182	159	8	
CON PRECINCT 103	554	294	51.3	65	0	207	13			52	0	183	162	9	
CON PRECINCT 104	436	213	48.9	41	0	162	10			28	1	143	132	9	
CON PRECINCT 105	515	213	41.4	50	0	147	16			35	0	132	121	6	
CON PRECINCT 106	789	387	49.0	83	0	277	26			87	0	230	211	18	
ABSENTEE CON 95	0	166	0.0	35	0	122	10			37	0	103	97	10	
ABSENTEE CON 96	0	168	0.0	43	0	120	5			47	0	94	101	4	
ABSENTEE CON 97	0	170	0.0	43	0	123	4			44	0	106	101	5	
ABSENTEE CON 98	0	217	0.0	34	1	174	6			32	0	153	158	4	
ABSENTEE CON 99	0	77	0.0	18	0	53	5			15	0	43	42	9	
ABSENTEE CON 100	0	62	0.0	16	0	43	3			16	0	39	40	0	
ABSENTEE CON 101	0	91	0.0	14	0	62	5			11	0	56	55	5	
ABSENTEE CON 102	0	88	0.0	27	0	59	2			21	0	51	44	1	
ABSENTEE CON 103	0	79	0.0	18	0	57	3			11	0	54	57	0	
ABSENTEE CON 104	0	91	0.0	15	0	64	2			14	0	57	56	0	
ABSENTEE CON 105	0	79	0.0	15	0	60	4			16	0	50	49	0	
ABSENTEE CON 106	0	139	0.0	37	0	94	8			35	0	80	91	6	
==> PRECINCT TOTALS	8432	4328	51.3	240	0	3187	201			860	2	2746	2489	162	
==> ABSENTEE TOTALS	0	1406	0.0	315	1	1033	57			299	0	886	891	44	
==> TOTAL VOTES	8432	5734	68.0	1255	1	4220	258			1159	2	3632	3370	206	

C O L U M N L E G E N D

A: MAYOR CITY OF ARROYO GRANDE BLANK VOTES	D: MAYOR CITY OF ARROYO GRANDE WRITEIN VOTES	G: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE BLANK VOTES	J: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE GENE MOOTS
B: MAYOR CITY OF ARROYO GRANDE OVER VOTES	E:	H: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE OVER VOTES	K: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE WRITEIN VOTES
C: MAYOR CITY OF ARROYO GRANDE MARK M. HILLIS	F:	I: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE ODDIS E. OLSEN	L:

R E C A P	VOTERS	TRNOUT	PCT	A	B	C	D	E	F	G	H	I	J	K	L
TOTAL DIST 1 SUPERVISOR	0	0	0.0	0	0	0	0			0	0	0	0	0	0
TOTAL DIST 2 SUPERVISOR	0	0	0.0	0	0	0	0			0	0	0	0	0	0
TOTAL DIST 3 SUPERVISOR	0	0	0.0	0	0	0	0			0	0	0	0	0	0
TOTAL DIST 4 SUPERVISOR	8432	5734	68.0	1255	1	4220	258			1159	2	3632	3370	206	
TOTAL DIST 5 SUPERVISOR	0	0	0.0	0	0	0	0			0	0	0	0	0	0
TOTAL VOTERS	8432	5734	68.0	1255	1	4220	258			1159	2	3632	3370	206	
CONGRESSIONAL DIST 16	0	0	0.0	0	0	0	0			0	0	0	0	0	0
CONGRESSIONAL DIST 20	8432	5734	68.0	1255	1	4220	258			1159	2	3632	3370	206	
STATE SENATOR DIST 14	8432	5734	68.0	1255	1	4220	258			1159	2	3632	3370	206	
ASSEMBLY DISTRICT 29	8432	5734	68.0	1255	1	4220	258			1159	2	3632	3370	206	
CITY OF ARROYO GRANDE	8432	5734	68.0	1255	1	4220	258			1159	2	3632	3370	206	
CITY OF GROVER CITY	0	0	0.0	0	0	0	0			0	0	0	0	0	0
CITY OF MORRO BAY	0	0	0.0	0	0	0	0			0	0	0	0	0	0
CITY OF PASO ROBLES	0	0	0.0	0	0	0	0			0	0	0	0	0	0
CITY OF SAN LUIS OBISPO	0	0	0.0	0	0	0	0			0	0	0	0	0	0
CITY OF PISMO BEACH	0	0	0.0	0	0	0	0			0	0	0	0	0	0
CITY OF ATASCADERO	0	0	0.0	0	0	0	0			0	0	0	0	0	0
UNINCORPORATED	0	0	0.0	0	0	0	0			0	0	0	0	0	0
ABSENTEES	0	1406	0.0	315	1	1033	57			299	0	886	881	44	
TOTAL VOTERS	8432	5734	68.0	1255	1	4220	258			1159	2	3632	3370	206	

C O L U M N L E G E N D

A: MAYOR CITY OF ARROYO GRANDE BLANK VOTES	D: MAYOR CITY OF ARROYO GRANDE WRITEIN VOTES	G: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE BLANK VOTES	J: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE GENE MOOTS
B: MAYOR CITY OF ARROYO GRANDE OVER VOTES	E:	H: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE OVER VOTES	K: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE WRITEIN VOTES
C: MAYOR CITY OF ARROYO GRANDE MARK M. MILLIS	F:	I: MBR OF THE CITY COUNCIL CITY OF ARROYO GRANDE DORIS E. OLSEN	L:

PRECINCT	VOTERS	TRNOUT	PCT	A	B	C	D	E	F	G	H	I	J	K	L
CON PRECINCT 5	203	104	51.2	0	0	0	0			8	0	35	61		
CON PRECINCT 6	854	439	51.4	0	0	0	0			19	0	250	170		
CON PRECINCT 7	869	437	50.3	0	0	0	0			28	0	278	130		
CON PRECINCT 8	968	491	50.7	0	0	0	0			24	0	308	158		
CON PRECINCT 9	968	397	41.0	0	0	0	0			19	0	243	135		
CON PRECINCT 10	981	492	50.2	0	0	0	0			27	0	312	153		
CON PRECINCT 11	1013	506	50.0	0	0	0	0			26	0	317	163		
CON PRECINCT 12	971	522	53.8	0	0	0	0			16	0	310	196		
CON PRECINCT 13	1210	643	53.1	0	0	0	0			36	0	387	220		
CON PRECINCT 31	172	98	57.0	0	0	0	0			7	0	47	48		
CON PRECINCT 54	505	269	53.3	0	0	0	0			6	0	27	17		
CON PRECINCT 95	903	498	55.1	29	0	353	115			0	0	0	0		
CON PRECINCT 96	1011	544	53.8	35	1	423	85			0	0	0	0		
CON PRECINCT 97	937	510	54.4	34	0	385	91			0	0	0	0		
CON PRECINCT 98	801	409	51.1	29	0	300	80			0	0	0	0		
CON PRECINCT 99	467	254	54.4	19	0	198	37			0	0	0	0		
CON PRECINCT 100	548	301	54.9	28	0	213	60			0	0	0	0		
CON PRECINCT 101	860	430	50.0	35	0	316	79			0	0	0	0		
CON PRECINCT 102	611	285	46.6	20	0	221	44			0	0	0	0		
CON PRECINCT 103	554	284	51.3	23	0	211	51			0	0	0	0		
CON PRECINCT 104	436	213	48.9	4	0	175	34			0	0	0	0		
CON PRECINCT 105	515	213	41.4	16	0	154	43			0	0	0	0		
CON PRECINCT 106	789	387	49.0	30	0	290	67			0	0	0	0		
CON PRECINCT 121	1019	471	46.2	0	0	0	0			27	0	314	130		
CON PRECINCT 122	670	280	41.8	0	0	0	0			20	0	166	95		
CON PRECINCT 123	938	398	47.5	0	0	0	0			17	0	225	155		
CON PRECINCT 124	1038	613	59.1	0	0	0	0			28	0	384	201		
CON PRECINCT 125	1038	544	52.4	0	0	0	0			34	0	326	182		
CON PRECINCT 126	973	575	59.1	0	0	0	0			27	0	317	231		
CON PRECINCT 127	346	173	50.0	0	0	0	0			6	0	79	88		
CON PRECINCT 128	652	342	52.5	0	0	0	0			35	0	184	123		
CON PRECINCT 129	850	434	51.1	0	0	0	0			41	1	227	165		
ABSENTEE CON 5	0	19	0.0	0	0	0	0			1	0	5	14		
ABSENTEE CON 6	0	90	0.0	0	0	0	0			3	0	43	38		
ABSENTEE CON 7	0	111	0.0	0	0	0	0			10	0	62	39		
ABSENTEE CON 8	0	95	0.0	0	0	0	0			3	0	53	38		
ABSENTEE CON 9	0	102	0.0	0	0	0	0			7	0	46	47		
ABSENTEE CON 10	0	102	0.0	0	0	0	0			4	0	56	42		
ABSENTEE CON 11	0	83	0.0	0	0	0	0			5	0	49	29		

C O L U M N L E G E N D

A: MEAS A - ARROYO GRANDE STATE WATER PROJECT BLANK VOTES	D: MEAS A - ARROYO GRANDE STATE WATER PROJECT NO	G: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC BLANK VOTES	J: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC NO
B: MEAS A - ARROYO GRANDE STATE WATER PROJECT OVER VOTES	E:	H: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC OVER VOTES	K:
C: MEAS A - ARROYO GRANDE STATE WATER PROJECT YES	F:	I: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC YES	L:

PRECINCT	VOTERS	TRNOUT	PCT	A	B	C	D	E	F	G	H	I	J	K	L
ABSENTEE CON 12	0	134	0.0	0	0	0	0			11	0	72	51		
ABSENTEE CON 13	0	190	0.0	0	0	0	0			14	0	107	68		
ABSENTEE CON 31	0	15	0.0	0	0	0	0			3	0	6	6		
ABSENTEE CON 54	0	74	0.0	0	0	0	0			0	0	7	4		
ABSENTEE CON 95	0	166	0.0	10	0	119	38			0	0	0	0		
ABSENTEE CON 96	0	168	0.0	10	0	128	30			0	0	0	0		
ABSENTEE CON 97	0	170	0.0	13	0	122	34			0	0	0	0		
ABSENTEE CON 98	0	217	0.0	18	0	156	43			0	0	0	0		
ABSENTEE CON 99	0	77	0.0	10	0	50	16			0	0	0	0		
ABSENTEE CON 100	0	62	0.0	3	0	49	10			0	0	0	0		
ABSENTEE CON 101	0	81	0.0	11	0	49	21			0	0	0	0		
ABSENTEE CON 102	0	98	0.0	10	0	56	22			0	0	0	0		
ABSENTEE CON 103	0	78	0.0	11	0	56	11			0	0	0	0		
ABSENTEE CON 104	0	81	0.0	1	0	66	14			0	0	0	0		
ABSENTEE CON 105	0	79	0.0	4	0	55	20			0	0	0	0		
ABSENTEE CON 106	0	139	0.0	14	0	90	35			0	0	0	0		
ABSENTEE CON 121	0	87	0.0	0	0	0	0			13	0	49	26		
ABSENTEE CON 122	0	112	0.0	0	0	0	0			12	0	52	49		
ABSENTEE CON 123	0	97	0.0	0	0	0	0			5	0	43	49		
ABSENTEE CON 124	0	127	0.0	0	0	0	0			8	1	69	49		
ABSENTEE CON 125	0	129	0.0	0	0	0	0			10	0	70	49		
ABSENTEE CON 126	0	122	0.0	0	0	0	0			1	0	51	70		
ABSENTEE CON 127	0	66	0.0	0	0	0	0			5	0	18	23		
ABSENTEE CON 128	0	62	0.0	0	0	0	0			5	0	22	35		
ABSENTEE CON 129	0	90	0.0	0	0	0	0			6	0	47	37		
ALLIANCE 1	13	10	76.9	0	0	0	0			0	0	1	9		
COLINA 1	0	0	0.0	0	0	0	0			0	0	0	0		
COLINA 2	17	9	52.9	0	0	0	0			0	0	3	6		
COLINA 3	9	7	77.8	0	0	0	0			1	0	0	6		
COLINA 4	55	38	69.1	0	0	0	0			1	0	21	16		
CRESTON 2	49	29	59.2	0	0	0	0			0	0	10	19		
CUYAMA 1	10	7	70.0	0	0	0	0			0	0	0	2		
POZO 1	62	40	64.5	0	0	0	0			3	0	13	23		
RIO VISTA 1	47	28	59.6	0	0	0	0			3	0	13	12		
RIO VISTA 2	104	70	67.3	0	0	0	0			2	0	35	33		
==> PRECINCT TOTALS	24570	12556	51.1	302	1	3239	786			451	1	4732	2821		
==> ABSENTEE TOTALS	366	3521	*****	115	0	996	294			136	1	1023	889		

C O L U M N L E G E N D

D: MEAS A - ARROYO GRANDE STATE WATER PROJECT BLANK VOTES	E:	G: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC BLANK VOTES	J: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC NO
D: MEAS A - ARROYO GRANDE STATE WATER PROJECT OVER VOTES	E:	G: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC OVER VOTES	J: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC OVER VOTES
D: MEAS A - ARROYO GRANDE STATE WATER PROJECT YES	E:	G: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC YES	J: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC YES

PRECINCT	VOTERS	TENDOUT	PCT	A	B	C	D	E	F	G	H	I	J	K	L
==> TOTAL VOTES	24936	16077	64.5	417	1	4235	1080			587	2	5755	3710		

C O L U M N L E G E N D

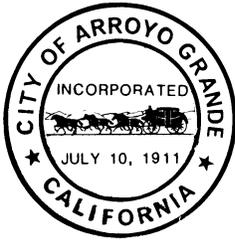
A: MEAS A - ARROYO GRANDE STATE WATER PROJECT BLANK VOTES	D: MEAS A - ARROYO GRANDE STATE WATER PROJECT NO	G: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC BLANK VOTES	J: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC NO
B: MEAS A - ARROYO GRANDE STATE WATER PROJECT OVER VOTES	E:	H: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC OVER VOTES	K:
C: MEAS A - ARROYO GRANDE STATE WATER PROJECT YES	F:	I: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC YES	L:

R E C A P	VOTERS	TRNOUT	PCT	A	B	C	D	E	F	G	H	I	J	K	L
TOTAL DIST 1 SUPERVISOR	8348	5147	61.7	0	0	0	0			277	0	3012	1856		
TOTAL DIST 2 SUPERVISOR	505	343	67.9	0	0	0	0			6	0	34	21		
TOTAL DIST 3 SUPERVISOR	0	0	0.0	0	0	0	0			0	0	0	0		
TOTAL DIST 4 SUPERVISOR	8442	5741	68.0	417	1	4235	1080			0	0	0	2		
TOTAL DIST 5 SUPERVISOR	7641	4846	63.4	0	0	0	0			304	2	2709	1831		
TOTAL VOTERS	24936	16077	64.5	417	1	4235	1080			587	2	5755	3710		
CONGRESSIONAL DIST 16	560	381	68.0	0	0	0	0			7	0	55	37		
CONGRESSIONAL DIST 20	24376	15696	64.4	417	1	4235	1080			580	2	5700	3673		
STATE SENATOR DIST 14	24936	16077	64.5	417	1	4235	1080			587	2	5755	3710		
ASSEMBLY DISTRICT 29	24936	16077	64.5	417	1	4235	1080			587	2	5755	3710		
CITY OF ARROYO GRANDE	8432	5734	68.0	417	1	4235	1080			0	0	0	0		
CITY OF GROVER CITY	0	0	0.0	0	0	0	0			0	0	0	0		
CITY OF MORRO BAY	0	0	0.0	0	0	0	0			0	0	0	0		
CITY OF PASO ROBLES	0	0	0.0	0	0	0	0			0	0	0	0		
CITY OF SAN LUIS OBISPO	0	0	0.0	0	0	0	0			0	0	0	0		
CITY OF PISMO BEACH	0	0	0.0	0	0	0	0			0	0	0	0		
CITY OF ATASCADERO	12437	7682	61.8	0	0	0	0			426	1	4591	2652		
UNINCORPORATED	4067	2661	65.4	0	0	0	0			161	1	1164	1048		
ABSENTEES	366	3521	*****	115	0	996	294			136	1	1023	889		
TOTAL VOTERS	24936	16077	64.5	417	1	4235	1080			587	2	5755	3710		

C O L U M N L E G E N D

A: MEAS A - ARROYO GRANDE STATE WATER PROJECT BLANK VOTES	D: MEAS A - ARROYO GRANDE STATE WATER PROJECT NO	G: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC BLANK VOTES	J: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC NO
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C: MEAS A - ARROYO GRANDE STATE WATER PROJECT YES	F:	I: MEAS B - ATASCADERO LEASE AUTHORIZATION ELEC YES	L:

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MEMORANDUM

TO: CITY COUNCIL

**FROM: DEBBIE MALICOAT, DIRECTOR OF ADMINISTRATIVE SERVICES
GEOFF ENGLISH, DIRECTOR OF PUBLIC WORKS
RYAN CORNELL, ACCOUNTING MANAGER
SHANE TAYLOR, UTILITY MANAGER**

**SUBJECT: CONSIDERATION OF WATER AND WASTEWATER FINANCIAL PLAN
AND IMPLEMENTATION OF TEMPORARY DROUGHT RATES**

DATE: MAY 10, 2016

RECOMMENDATION:

It is recommended the City Council: 1) schedule a public hearing to consider adjustments to water and wastewater rates via drought rates and; 2) direct staff to prepare and distribute a Proposition 218 notice for the proposed temporary water and wastewater drought rates.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The proposed temporary drought rates would add a 10% surcharge to the current water and wastewater rates. It was initially projected that water and sewer revenue would total \$21.1 million and \$3.3 million, respectively, from FY 2016-17 to FY 2018-19. Due to the unprecedented reduction in consumption caused by the implementation of the Stage 1 Water Shortage Emergency program and the Governor's 28% mandatory reduction, the projected water revenue over the next three years is estimated to be \$17.9 million, a shortfall of approximately \$3.2 million. If the proposed drought rates are in effect through June 2019, the rates would generate approximately \$1.7 million towards this \$3.2 million shortfall, with the remaining \$1.5 million coming from fund reserves and reductions in expenditures. Wastewater revenues are now estimated to be \$2.8 million, a shortfall of approximately \$450,000 over the next three fiscal years. The proposed drought rate would generate \$200,000 over the next three fiscal years, reducing the shortfall to \$250,000.

BACKGROUND:

In March 2014, the City Council reviewed the Water and Wastewater Financial Plan and Rate Study prepared by Raftelis Financial Consultants, Inc. (RFC). The RFC study was intended to set rates for a 5-year period, beginning in July 2014 through June 2019. As a result of that study, the City Council also approved minimum fund balance reserves be increased to 90-days of operating expenses plus \$500,000 for a capital asset reserve plus 1-year of debt-service obligations (approximately \$1.4 million for the Water Fund). At the time, it was in the City's best interest to keep total reserves at approximately \$6 million due to capital project needs and water supply and conservation related project costs.

**CITY COUNCIL
 CONSIDERATION OF WATER AND WASTEWATER FINANCIAL PLAN AND
 IMPLEMENTATION OF TEMPORARY DROUGHT RATES
 MAY 10, 2016
 PAGE 2**

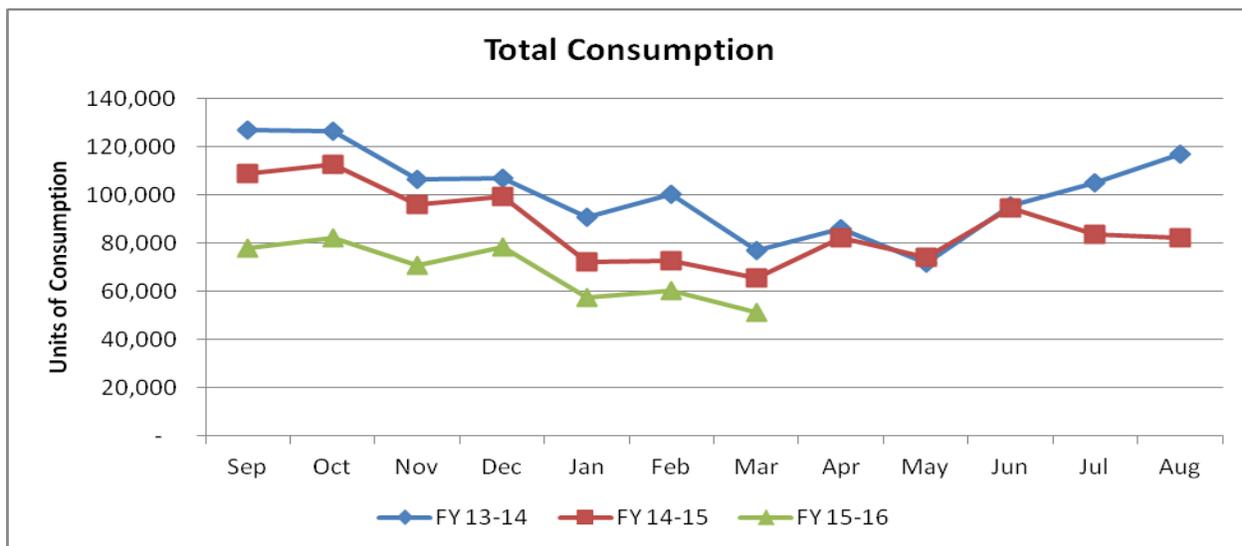
On May 26, 2015, the City Council adopted a Resolution declaring a Stage 1 Water Shortage Emergency and implemented restrictions on single and multi-family residences and dedicated irrigation water usage. Residential accounts are required to reduce consumption by 0%, 10%, 20% or 30%, depending on usage tier, when compared to the same billing period in 2014 and 25% for those accounts with dedicated irrigation meters. On April 1, 2015, California Governor Brown signed Executive Order B-29-15, enacting statewide mandatory water conservation requirements. The Governor’s Executive Order requires the City of Arroyo Grande to reduce consumption by 28% when compared to 2013.

Based upon the provisions of Proposition 218, all affected rate payers must receive written notice by mail at least 45 days prior to the City Council consideration of rate adjustments. The notice must include the amount of the fee, the basis on which the fee was calculated and the date, time and place of the public hearing and must clearly advise of the right to protest the fee increase. In order to implement potential adjustments as soon as possible, staff is requesting the City Council provide direction prior to notification of the public hearing and formal consideration of the rate adjustments, which is scheduled for July 26, 2016.

ANAYLSIS OF ISSUES:

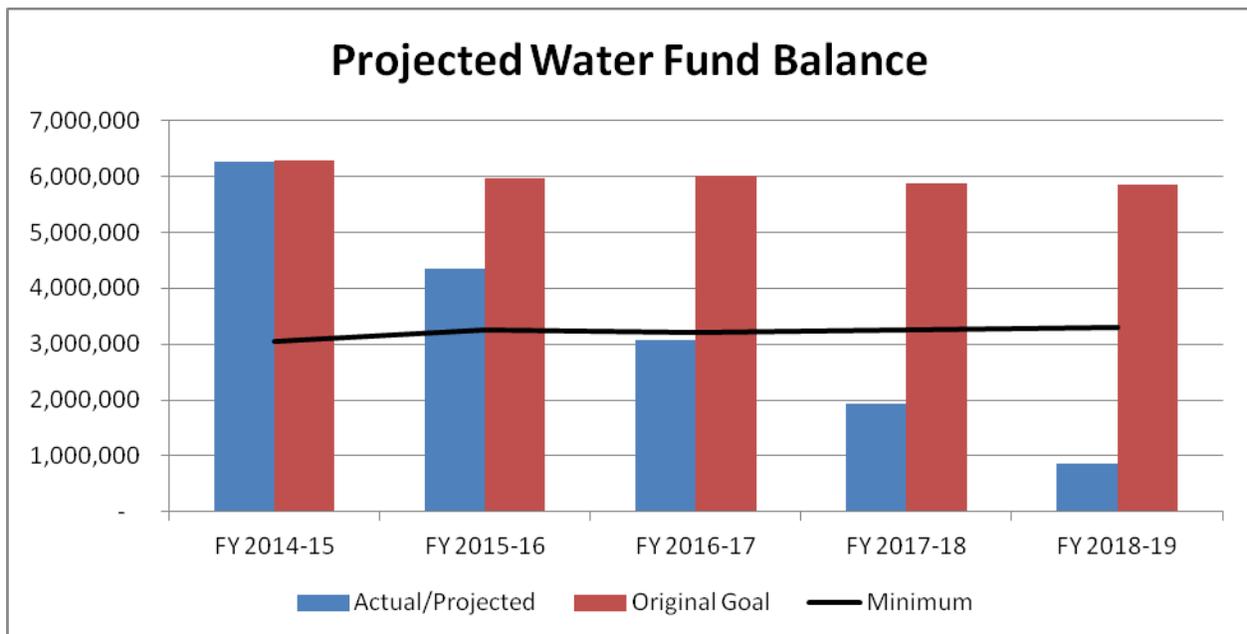
Water Fund

As reflected in the chart below, since the implementation of the Stage 1 Program, consumers have reduced water consumption by 24% compared to FY 2014-15 and 35% compared to FY 2013-14. Approximately 62% of the water fees charged to customers are based on the actual water consumed with the remaining 38% representing a flat fee per account. As a result, in FY 2015-16, revenues were originally anticipated to be \$6.9 million and are now projected to be \$5.7 million.



**CITY COUNCIL
 CONSIDERATION OF WATER AND WASTEWATER FINANCIAL PLAN AND
 IMPLEMENTATION OF TEMPORARY DROUGHT RATES
 MAY 10, 2016
 PAGE 3**

Due to the past management of the rate adjustments and cost control measures implemented by the City, the Water Fund has held a healthy fund balance. This fund balance has been sufficient enough to help absorb the shortfall in current year revenue. However, without any adjustments to revenues and expenses, by the end of FY 2016-17, fund balance will be \$111,000 below minimum reserve requirements, and in FY 2018-19, \$2.4 million below minimum reserve requirements and approximately \$500,000 below the contractually obligated minimum fund balance.



With the uncertainty of the length of the drought and the average rainfall received this past winter, the financial model shown above projects that consumption will remain at a reduced level, similar to consumption in FY 2015-16 for two years, with a very slight increase in the third year.

A number of items have been examined to help minimize the impact of the shortfall in revenue, including deferring Reservoir No. 3 and 4 exterior recoating and seismic evaluation project (\$640,000) and suspending the contribution to the Water Neutralization Fund (\$200,000 per year). These actions will reduce expenditures by approximately \$1.3 million over the next three fiscal years.

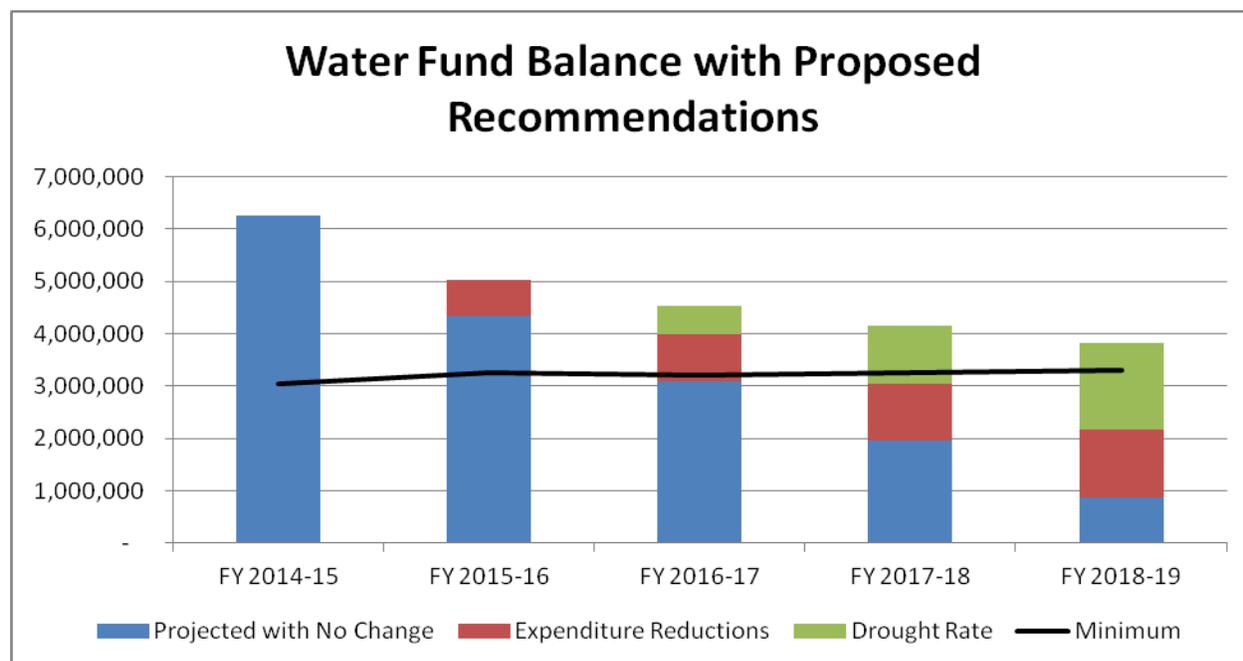
It is recommended that a temporary drought rate be added to the current rates to help offset the revenue shortfall caused by the dramatic reduction in consumption. These rates are temporary in nature, so that when the drought ends and consumption returns to “normal,” the revenues initially projected should return as well. Regardless, consumption habits have permanently been changed in some instances as demonstrated by the increased usage in the cash for grass and

**CITY COUNCIL
 CONSIDERATION OF WATER AND WASTEWATER FINANCIAL PLAN AND
 IMPLEMENTATION OF TEMPORARY DROUGHT RATES
 MAY 10, 2016
 PAGE 4**

plumbing retrofit programs. The City will need to examine consumption habits after the drought to determine what the new level of normal consumption is, and then set rates accordingly. It is anticipated that rates will be reviewed in 2018, at the end of the current 5-year rate study.

Should the temporary rates remain in effect through FY 2018-19, it is anticipated that this will enable the fund balance for the Water Fund to remain above the minimum required by \$550,000.

The recommended approach relies on an increase in rates along with the deferral or elimination of expenditure programs and projects. However, an alternative that could be considered is to implement a higher drought rate, which could therefore provide enough revenue to allow for the expenditures to occur as planned.



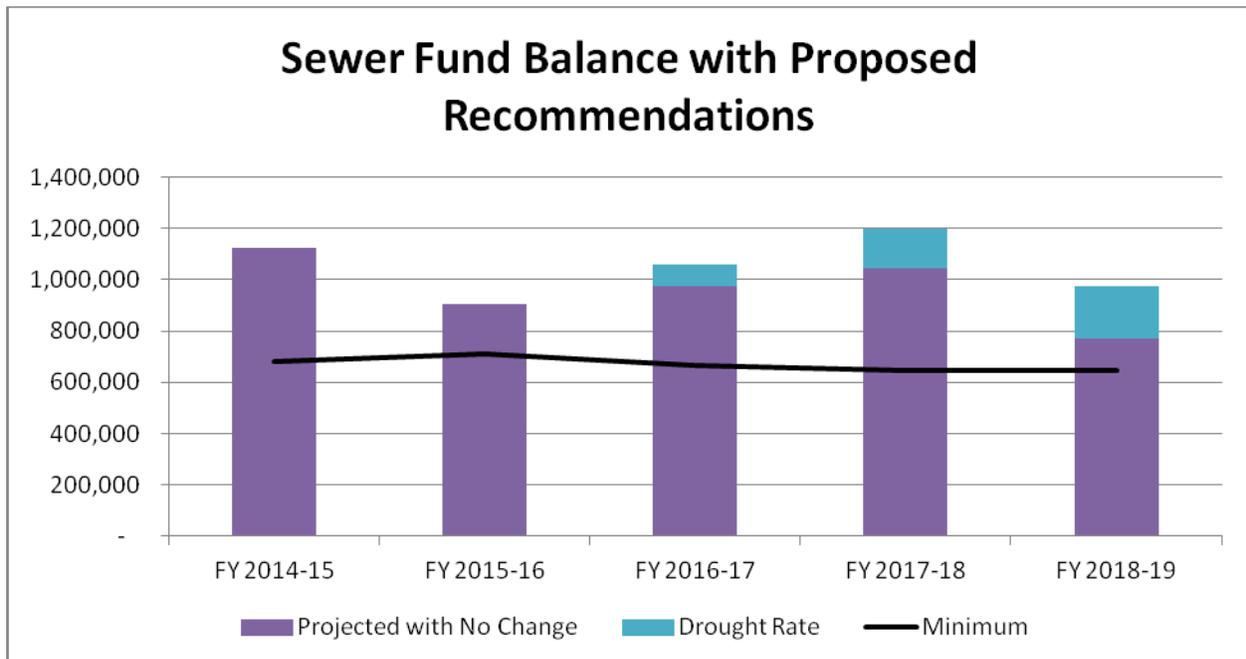
Sewer Fund

Similar to the Water Fund, the Sewer Fund revenue is performing less than initially projected due to the reduction in water consumption. A portion of sewer charges is based on the amount of wastewater generated, as measured by the amount of water consumed. In addition, there is a fixed fee. Prior to the Stage 1 Water Shortage Emergency Program, the average amount of wastewater added to the system was approximately 64 gallons per person per day. Due to conservation measures, the amount has been reduced to 55 gallons per person per day.

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It was originally anticipated that the City would receive \$3.3 million in sewer-related revenues from FY 2016-17 through FY 2018-19. It is now projected that revenues will be \$2.8 million over the same period, a shortfall of \$450,000.

Unlike the Water Fund, it is recommended that the capital projects anticipated to be constructed over the next 3-years should not be deferred to future years. The need to complete these projects is important to the overall infrastructure of the system and any deferrals could place the City at higher risk for system failure and result in higher project costs.



As shown in the chart below, without any additional rate increase, the Sewer Fund's balance will remain above minimum reserve. However, a 10% surcharge to the current rates is recommended because the minimum reserves are relatively small and are unlikely to be sufficient should a major system failure occur. Implementing drought rates for the Sewer Fund will result in a fund balance of just over \$1 million by the end of the 2018-19 fiscal year.

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Effects to the Customer

The impact of the water rate recommendations on an average water customer will be approximately \$10 to \$18 per billing cycle (or \$5-\$9 per month). Nearly 80% of the single family residential customer base uses between 10 and 30 units of water on a 5/8" size water meter per billing period. The actual increase per usage level is shown below:

	FY 2016-17			FY 2017-18			FY 2018-19		
	Current Rates	Drought Rates	Increase	Current Rates	Drought Rates	Increase	Current Rates	Drought Rates	Increase
10-units	\$91.71	\$100.88	\$9.14	\$94.26	\$103.72	\$9.46	\$96.82	\$106.52	\$9.70
15-units	109.44	120.33	10.89	112.56	123.87	11.31	115.72	127.32	11.60
20-units	127.86	140.58	12.72	131.60	144.82	13.22	135.38	148.96	13.58
25-units	147.36	162.03	14.67	151.75	166.97	15.22	156.18	171.86	15.68
30-units	166.86	183.48	16.62	171.90	189.12	17.22	176.98	194.76	17.78

The impact of the sewer rate recommendations for an average customer will be approximately \$1 to \$3 per billing cycle (or \$0.50-\$1.50 per month). Unlike the water rates that already have approved rate increases for the next three years, the sewer rates remain the same for the next several years. As a result, the changes in the increase in the drought rates will remain the same until a detailed rate study is conducted. The actual increase per usage level is shown below:

	Current Rates	Drought Rates	Increase
10-units	\$11.50	\$12.68	\$1.18
15-units	14.85	16.38	1.53
20-units	18.20	20.08	1.88
25-units	21.55	23.78	2.23
30-units	24.90	27.48	2.58

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendation;
2. Increase drought rates by 20% (which will maintain fund balances that were originally projected by the rate study);
3. Do not approve staff's recommendation and maintain the current rate schedule; or
4. Provide direction to staff.

ADVANTAGES:

Implementing the proposed water and wastewater rate increases will provide ongoing revenue needed to meet the next 3 years of operating, capital and debt expenditures and reserve policies in the Water Fund and Sewer Fund.

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DISADVANTAGES:

Customers will experience higher water and sewer utility costs.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, May 5, 2016. The Agenda and report were posted on the City's website on Friday, May 6, 2016. No public comments were received.

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