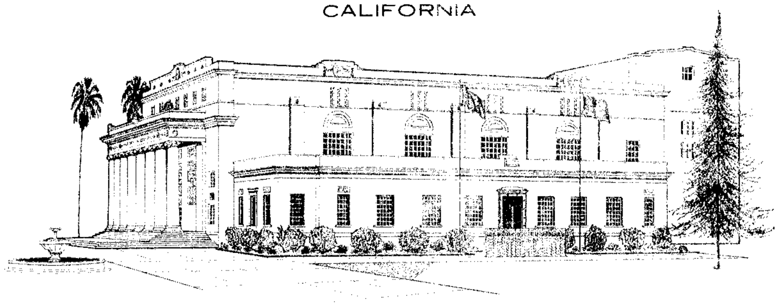
The City of Hanford
CALIFORNIA



# City Council Meeting
# Agenda

January 18, 2022
7:00 PM – Regular Meeting
Council Chambers
400 N. Douty St.

Council Members will meet in-person in the Council Chambers. The meeting will also be lived streamed on the City's website: http://livestream.hanford.city/

**4:30 PM CALL TO ORDER STUDY SESSION AND CLOSED SESSION:**

**ROLL CALL BY THE CITY CLERK :**

**PUBLIC COMMENT:**

*Comments from the public are limited to items listed on the agenda (GC 54954.3a). A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

**STUDY SESSION :**

A. Update on the KCAG RTP/SCS Presentation

B. Review and Discussion of proposed Renovations and Improvements to Civic Park

C. General Overview of the Police Department Operations

**CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING :**

A. CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION (GC 54956.9 (d)(4)):

One potential case.

B. CONFERENCE WITH LEGAL COUNSEL-REAL PROPERTY NEGOTIATIONS (GC 54956.8):

Property: 113 Court Street
APN: 010-265-001
Agency Negotiators: Mario Cifuentez and Ty Mizote
Negotiation Party: Jerry Irons and Greg Enloe

**CALL TO ORDER REGULAR SESSION:**

**ROLL CALL:**

**INVOCATION:**

Pastor Mark Curts

**FLAG SALUTE:**

**CLOSED SESSION ACTION REPORT:**

**COUNCIL REPORTS/GENERAL REPORTS:**

*Brief information-only reports from City Council and/or Staff, including committee reports and reports by City Council related to meetings attended at City expense (AB1234).*

**PUBLIC COMMENT:**

*This is the time for citizens to comment on subject matters within the jurisdiction of the Hanford City Council. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. State law does not allow the Council to discuss or take action on issues not on the agenda, except that members of the Council or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (GC 54954.2). A maximum of* ***three minutes*** *is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

**CONSENT CALENDAR:**

*Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.*

A. PROCEDURAL WAIVER: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title the only.

B. Council: Approval of the Reappointment of Jacob Sanchez to the Planning Commission for a second term

C. Administration: Authorization to pay an invoice from Ascent Aviation, in the amount of $35,254.12, for the purchase of 100LL Aviation Fuel for the Hanford Municipal Airport.

D. Administration: Ratification of the City Manager's actions to execute and submit all documents necessary for the City to participate in the National Opioid Settlements

E. IT: Approval of the Purchase of five (5) Electronic Plan Tables from iProject Solutions, LLC, in the amount of $70,320.00, to be funded out of the SB2 Grant.

F. Public Works: Approval of a Notice of Completion for the FY 20/21 Survey Monumentation / Benchmark Update Project and authorize the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office.

G. Public Works: Approval of Annual Renewal of Zonar GPS, in the amount of $32,580.00, to allow for vehicle tracking on all City of Hanford vehicles.

H. Public Works: Approval of a sole source contract to IG Services (IGS) for the purpose of conducting a rate study for the City of Hanford Refuse division, at a not to exceed cost of $47,000.

I. Public Works: Authorize the purchase of property located on the north side of Fargo Ave. 350 ft west of the BNSF RR Tracks from Paul Singh Family Limited Partnership, a California Limited Partnership, as shown on the attached map, in the amount of $69,510.00 plus escrow fees, accept the attached Grant Deed and authorize the City Manager to execute and the City Clerk to attest and file said deeds with the Kings County Recorder's Office, and accept the attached Right of Way Agreement and authorize City staff to execute said agreement. (APN 007-360-016)

J. Finance: Second Reading and Adoption of Ordinance No. 21-15, amending Chapters 2.48 of the City of Hanford Municipal Code to update the rules governing the purchase of goods and services for the City of Hanford.

**GENERAL BUSINESS:**

A. Public Works: Permission to Advertise the FY 21/22 Civic Auditorium Roof Replacement Project and Pre-Authorize the City Manager to award and execute the contract on behalf of the City to the lowest responsible bidder providing project bid is within current budget appropriation.

B. Review and approve changes to the City's Utility Fees in the Master Fee Schedule for Fiscal Year 2021/2022 (Resolution 22-02-R)

C. Finance/Community Development: Consider appropriation of $33,000 for Fiscal Year 2021/2022 and $92,000 anticipated annually in the future from the General Fund for a Code Compliance Officer and add the position to the City's Position Allocation Schedule

**COUNCIL COMMENTS AND COMMUNICATIONS:**

*At this time, any Council Member may ask a question for clarification, make an announcement, or report briefly on their activities. In addition, subject to Council Policies and Procedures, they 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. (GC 54954.2)*

Council Future Agenda Items

*Upcoming Events and Important Dates:*

January 31: Deadline for the public to submit proposed redistricting maps:
https://www.cityofhanfordca.com/government/city_council/redistricting/index.php
February 1: Regular City Council Meeting

February 8: Publication of draft maps
February 15: Regular City Council Meeting, 3rd Redistricting Public Hearing (8:00 pm)

**ADJOURNMENT:**

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available to public inspection in the City Clerk's Office located at 319 N. Douty Street, Hanford, California 93230, during normal business hours. Such agendas are also available at the city's website, www.cityofhanfordca.com subject to staff's ability to post the agenda before the meeting.

If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's office, 559-585-2515, 319 N. Douty Street, Hanford, California 93230, at least 2 days prior to the meeting {28 CFR 35.102.35.104 ADA Title II}

AGENDA
STAFF REPORT

| MEETING DATE: 1/18/2022 | AGENDA SECTION: B |
| --- | --- |

**SUBJECT:**
Review and Discussion of proposed Renovations and Improvements to Civic Park

**RECOMMENDATION:**
That the Council receive the presentation by staff and provide direction to staff on proposed renovations and improvements to Civic Park.

**BACKGROUND:**
In many ways, Civic Park is the heart of the community. It is the iconic place where visitors and Hanford residents come together to be reminded of Hanford's rich heritage and celebrate its future. In addition to being a beautiful passive open space, Civic Park has increasingly become the premier special events venue and the home of many of Hanford's special gatherings and events.

These events include the Thursday Night Market, Winter Wonderland, Annual Renaissance Fair, various concerts, Food Truck Takeover, and a variety of car shows. Together, the special events total 115 event days annually. These events attract thousands of visitors, bringing the community together while also attracting regional visitors, thereby creating economic development for the downtown businesses.

During these events, the increase in foot traffic and demand for the park has created increased maintenance demands on the grass areas, restrooms, and utility infrastructure. To meet the changing needs of this cherished park, we are recommending a renovation and improvement project that would reduce maintenance, improve the user experience, enhance accessibility, improve the flexibility of the space, and enhance the historic nature of the park.

**Proposed Scope of Work**

Court Street Promenade

Staff is proposing to modify the existing hardscape and park amenities by creating the Court Street Promenade, which would provide a 42-foot esplanade connecting Irwin and Douty Streets (see attached concept drawing). Staff is recommending the Court Street Promenade be constructed with stamped concrete, mimicking the Courthouse Square surface, to retain the park's historical aesthetics and historical theme. The promenade area is approximately 17,430 square feet. This would also reimagine the original Court Street, a vibrant street until the late 1990s.

Center Grass Area in front of the Civic Auditorium

Staff recommends that the grass in front of the Civic Auditorium be replaced by stamped concrete, matching the Court Street Promenade. This area is the location of the ice rink during the Winter Wonderland event. Converting this area to a hardscape would increase the flexibility of this space, reduce maintenance and improve water efficiency through the elimination of irrigation. This area is approximately 10,000 square feet.

Additional Restroom

During regular public park hours, the existing restroom facility meets the demands of the public. However, during special events, the demand exceeds the capacity. Therefore, the staff recommends an additional pre-fabricated restroom be placed in the Northeast corner of the park adjacent to the east wing of the Civic Auditorium. This restroom will serve the needs of the park and decrease the need for portable toilets during large community events (see attached schematics and floor plan). The restroom would be designed with clay tile and be surfaced with red brick to match the existing architectural nature of the park and surrounding historical buildings.

Electrical Infrastructure and lighting

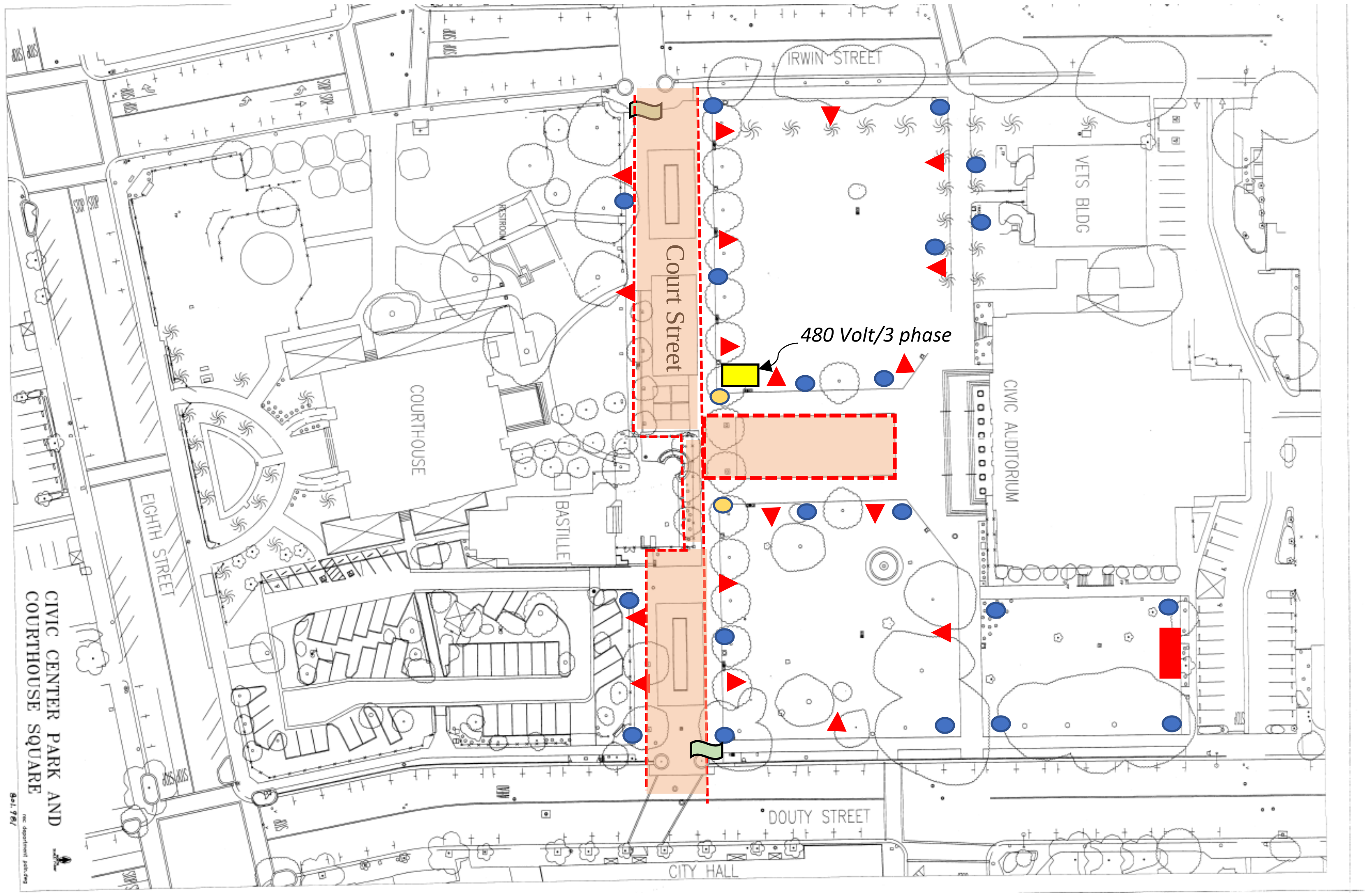
During the Winter Wonderland event, a lesson learned was the need for increased electrical and natural gas infrastructure within the park. A chiller unit requires a 480 volt/Three-Phase power supply to freeze the ice-skating rink. The closest transformer connection is located on the west side of the Courthouse. A sizeable external power cable was placed, posing safety and accessibility issues for people entering the park from Irwin Street. In addition, as the popularity of food trucks and vendors increases, the need for additional electrical connections is needed to provide the power requirements. It reduces the need for excessive extension cords.

In addition to the work proposed above, staff also proposes the addition of fourteen (14) park lights to improve nighttime visibility and park safety, with the majority placed on the park's western side.

**FISCAL IMPACT:**
The financial impact from the proposed improvements will not be known until more direction is provided to staff on the project.

**ATTACHMENTS:**
Civic Park Renovation Concept
Civic Park Renovation Concept #2

**Proposed Civic Park Renovation Project**




*Court Street: 42' x 415' = 17,430 Square Feet*

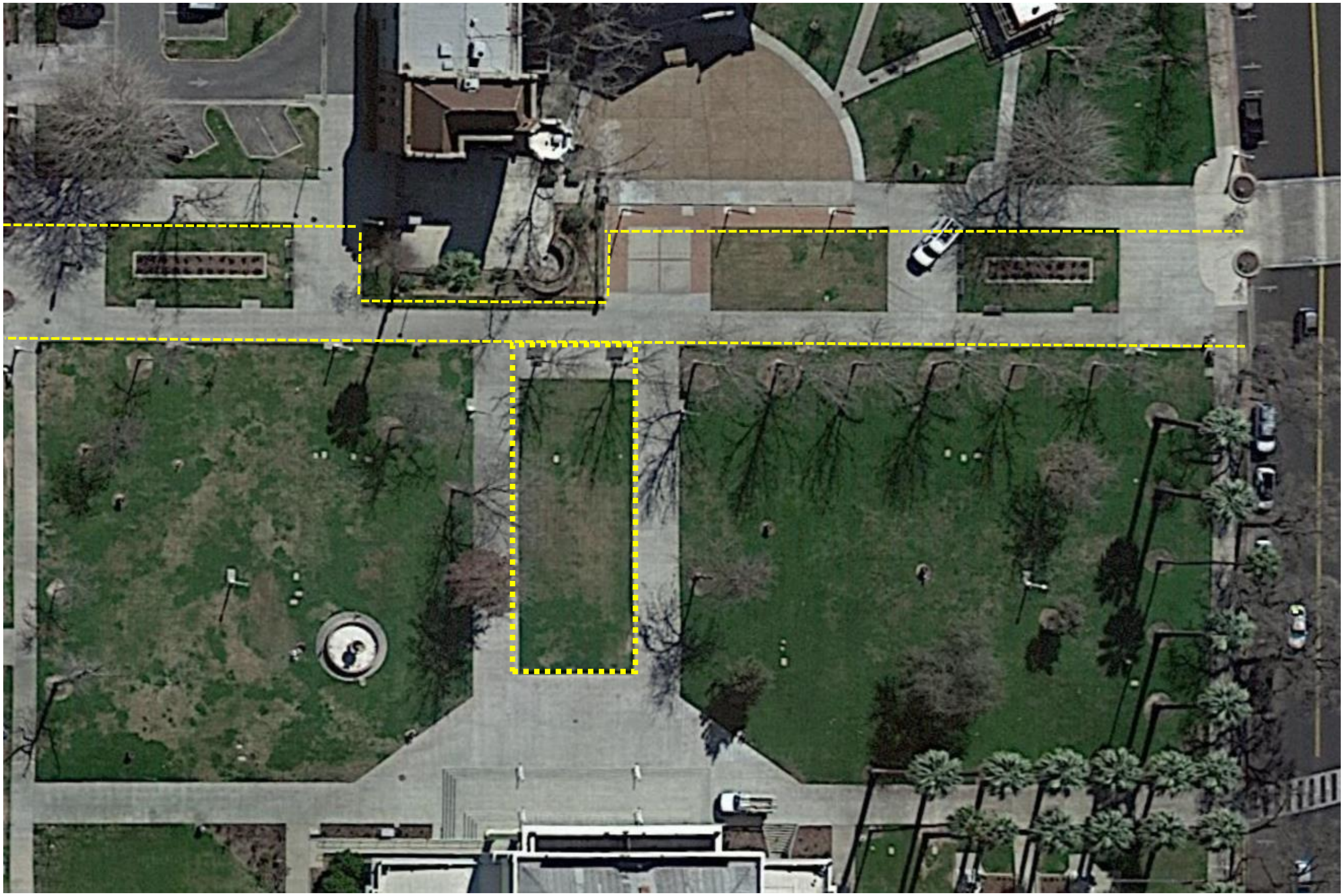
*Center Square =10,000 square feet*

*One 220/50 amp & Four-120/20 amp box*

*Park/street lights (matching existing park lights)*

Attachment: Civic Park Renovation Concept (Civic Park Renovation Concept Proposal)

# Civic Park Renovation



**AGENDA**
**STAFF REPORT**

| MEETING DATE: 1/18/2022 | AGENDA SECTION: B |
|---|---|

**SUBJECT:**
Council: Approval of the Reappointment of Jacob Sanchez to the Planning Commission for a second term

**RECOMMENDATION:**
That the Mayor, with the approval of the full City Council:

Reappoint Jacob Sanchez to the Planning Commission for a second term, expiring on 12/31/2025.

**BACKGROUND:**

Mr. Sanchez has served on the Planning commission for a full term and was most recently the Chairman of the Planning Commission. His first term officially expired on 12/31/2021 and he is eligible for a second term.

Section 2.20.030 of the City of Hanford Municipal Code states that:

> *"At the first city council meeting in January of each year, the mayor shall endeavor to appoint members to commissions and committees, to fill vacancies caused by the regular expiration of terms of membership. All such appointments shall be approved by a majority of the members of the city council."*

In addition to this expiring term, the Planning Commission also has another vacancy due to resignation. The Clerk's office has noticed and advertised the vacancy, but has only received one application. Staff will continue recruitment efforts, including a formal press release and social media posts, in an effort to secure enough applicants to be able to conduct interviews to fill the vacancy.

**FISCAL IMPACT:**
There will be some cost to the General Fund for Commissioner training but it is budgeted annually in the corresponding departmental budgets and totals less than $10,000 for all commissions.

**ATTACHMENTS:**

AGENDA
STAFF REPORT

| MEETING DATE: 1/18/2022 | AGENDA SECTION: C |
|---|---|

**SUBJECT:**
Administration: Authorization to pay an invoice from Ascent Aviation, in the amount of $35,254.12, for the purchase of 100LL Aviation Fuel for the Hanford Municipal Airport.

**RECOMMENDATION:**
That the City Council, by motion, Authorize the payment of an invoice from Ascent Aviation, in the amount of $35,254.12, for the purchase of 100LL Aviation Fuel for the Hanford Municipal Airport.

**BACKGROUND:**
Section 2.48.060 of the Hanford Municipal Code governs how the City must process the purchase of any goods or services that exceed $20,000. As stated below, it requires that Council approve all purchases over that threshold. For the purpose of this invoice, it sets a different limit for Council's approval of fuels and other specific items:

*Purchases exceeding twenty thousand dollars ($20,000.00) may be made either on an informal basis or on a formal competitive basis as identified below. In either case, however, the decision as to the acceptance or rejection of any bid shall be the responsibility of the council. The provisions of this section 2.48.060 shall not apply to the purchase of fuels, bituminous materials, and aggregate base for street purposes and related delivery costs provided that any such purchase shall not exceed the sum of thirty thousand dollars ($30,000.00).*

With the implementation of new and updated Purchasing policies for the City, it is necessary for Council to individually approve this outstanding invoice, until such time that the recent Municipal Code amendments take affect. Due to the increase in fuel costs, this purchase exceeds the maximum $30,000 threshold for fuel purchases referenced in the municipal code. Moving forward, staff will have Council approve annual contracts with vendors, based on negotiated prices, that will allow Council to approve "not to exceed" amounts for the Contract year.

**FISCAL IMPACT:**
The City has an existing Contract with Ascent Aviation for the purchase of all aviation fuel. There are sufficient funds available in the Airport Operating Fund to cover this purchase.

**ATTACHMENTS:**
Ascent_Invoice_803945

Ascent Aviation Group, Inc.
a subsidiary of World Fuel Services, Inc.
3000 Bayport Drive Suite 470
Tampa, FL 33607
(800) 544-3835

# INVOICE

| | |
|---|---|
| Invoice # | 803945 |
| Customer PO # | 22100701 |
| Invoice Date: | Dec 14 2021 |
| Delivered: | Dec 14 2021 |
| Terms: | net 30 days |
| BOL # | 11250 |

City of Hanford
900 S. 10th Ave.
Attn: Bob Loogman
Hanford, CA 93230

Ship to: Hanford, CA
City of Hanford
Hanford Airport
Hanford, CA 93230

| Quantity | Units | Description | Price | Extended |
|---|---|---|---|---|
| 8024 | Net Gal | 100LL Aviation Gasoline | 4.017445/gal | 32,235.98 |
| 8024 | Net Gal | Federal Excise Tax | 0.193000/gal | 1,548.63 |
| 8024 | Net Gal | Federal LUST | 0.001000/gal | 8.02 |
| 8024 | Net Gal | Federal Oil Spill Tax | 0.002140/gal | 17.17 |
| 8024 | Net Gal | CA State Excise Tax | 0.180000/gal | 1,444.32 |
| | | **TOTAL BALANCE DUE BY JAN 13 2022** | | **$35,254.12** |

**~~$4.017445 is agreed to pricing, even if delivered over price change~~SAP~~**
**Please be advised your remit to address changed as shown on this invoice. If you wish to transition to EFT, please contact us by emailing ascent-eftprocessing@wfscorp.com**

**REMIT TO:**
**Ascent Aviation Group, Inc.**
**P.O. Box 749893**
**Los Angeles, CA 90074-9893**

This transaction is subject to the terms and conditions set forth at www.wfscorp.com/wfscorp/docs/gtc-aviation.pdf

by CJG

WE WILL ASSUME THIS INVOICE TO BE CORRECT UNLESS WE RECEIVE WRITTEN NOTICE FROM YOU WITHIN 14 DAYS FROM THE INVOICE DATE.

Attachment: Ascent_Invoice_803945 (Admin: Approve Aviation Fuel Purchase)

AGENDA
STAFF REPORT

| MEETING DATE: 1/18/2022 | AGENDA SECTION: D |
| --- | --- |

**SUBJECT:**
Administration: Ratification of the City Manager's actions to execute and submit all documents necessary for the City to participate in the National Opioid Settlements

**RECOMMENDATION:**
That the City Council, by motion, ratify the City Manager's actions to execute and submit all documents necessary for the City to participate in the National Opioid Settlements

**BACKGROUND:**
Various states, counties, and cities have been in litigation with opioids manufacturers and distributors for year over the effects of those narcotics on their respective jurisdictions. The litigation concerns the distribution and manufacture of opioids that have contributed to the opioid addiction epidemic in the United States. Two tentative settlements have been reached, with the distributors and manufacturers agreeing to pay a total of $26 billion.

Under the terms of those settlements, the City of Hanford is entitled to receive an estimated $427,098 from the settlements. The terms of the settlements require the installments to be paid out over 18 years. Use of the funds is restricted to certain opioid remediation or related uses, and comes with annual reporting and potential auditing compliance costs described further below.

The City of Hanford was required to decide whether to participate in the settlements by January 2, 2022. Because much of the City's homeless and drug related crimes are the result of opioid addiction, the City Manager opted in to the program consistent with Council's goals of taking advantage of additional funding opportunities that may aris.

If the City had opted not to participate in the settlements, then the overall settlement amount to be paid by the corporations would have been reduced, and Hanford's share would have gone to the State of California.

Moving forward, in any year that Hanford has a qualifying opioid-related use for the funds, Hanford may elect to receive payment directly, and comply with annual reporting and auditing, in that year. In those years, Staff will evaluate potential eligible uses for the funds, and seek City Council direction to receive the funds directly in any year that the City may have a qualifying opioid-related use for the funds.

Use of the settlement funds is restricted to certain opioid abatement or related uses, including a range of intervention, treatment, education, and recovery services. Additionally, 50% of the funds each city or county receives must be used for any of the following "high impact abatement activities":

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program; or

(2) creating new or expanded Substance Use Disorder (SUD) treatment infrastructure; or

(3) addressing the needs of communities of color and vulnerable populations (including homeless populations) that are disproportionately impacted by SUD; or

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; or

(5) interventions to prevent drug addiction in vulnerable youth.

There are also significant public reporting and tracking requirements on the expenditures of such funds. For example, receiving funds from the settlement with the Manufacturers would require the following reporting and tracking:

- Preparation of annual written reports regarding the use of the funds. This report must include a certification that all funds received have been used in compliance with the Manufacturer settlement agreements. This report must be in a form that is approved by the California Department of Health Care Services (DHCS).

- The City would be required to track all deposits and expenditures.

- Funds not used for a permitted purpose must be identified and included in the annual report (including any attorneys' fees, investigation costs, or litigation costs). This information must also be reported to the Manufacturers and the settlement fund administrator.

In order for the settlement to take effect, a "critical mass" of participation by states, cities and counties must be achieved. This critical mass is determined by the Distributors and Manufacturers in their sole discretion. The first step is to achieve a critical mass of states. The second step is to achieve a critical mass of cities and counties. If a critical mass is not achieved, then the National Opioids Settlements do not proceed and the litigation continues. At this stage, a critical mass of states has already occurred.

**FISCAL IMPACT:**
By participating in the National Opioid Settlements, the City may receive an estimated $427,098 the use of which is restricted to certain opioid abatement or related uses. The funds will go to the County to avoid annual reporting and auditing compliance costs unless, in any given year, the City has a qualifying use for the funds and elects to receive the funds directly in that year.

**ATTACHMENTS:**
Janssen California Intrastate Agreement
final-proposed-ca-state-subdivision-agreement-janssen-settlement
Distributor California Intrastate Agreement
final-proposed-ca-state-subdivision-agreement-distributors-settlement

# Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Janssen Settlement

## 1. Introduction

Pursuant to the Janssen Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the "Janssen Settlement Agreement"), including Section VI and Exhibit O, the State of California proposes this agreement (the "CA Janssen Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections V and VI of the Janssen Settlement Agreement.[1] For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections X or XI of the Janssen Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Janssen Settlement Agreement, acceptance of this CA Janssen Allocation Agreement is a requirement to be an Initial Participating Subdivision.

## 2. Definitions

a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Janssen Settlement Agreement.

b) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.

c) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.

d) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc.,

[1] A parallel but separate agreement (the "CA Distributor Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Distributor Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.

AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

## 3. General Terms

This agreement is subject to the requirements of the Janssen Settlement Agreement, as well as applicable law, and the Janssen Settlement Agreement governs over any inconsistent provision of this CA Janssen Allocation Agreement. Terms used in this CA Janssen Allocation Agreement have the same meaning as in the Janssen Settlement Agreement unless otherwise defined herein.

Pursuant to Section VI(D)(1) of the Janssen Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section VI(B)(2) of the Janssen Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

## 4. State Allocation

The Settlement Fund payments to California,[2] pursuant to the Janssen Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Janssen Allocation Agreement, and 15% of that total shall be allocated to the State of California (the “State of California Allocation”), 70% to the California Abatement Accounts Fund (“CA Abatement Accounts Fund”), and 15% to the California Subdivision Fund (“CA Subdivision Fund”).

### A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

### B. CA Abatement Accounts Fund

#### i. Allocation of CA Abatement Accounts Funds

a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA

[2] For purposes of clarity, use of the term “California” refers to the geographic territory of California and the state and its local governments therein. The term “State” or “State of California” refers to the State of California as a governmental unit.

Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Janssen Settlement Agreement.

c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).

d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Janssen Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.

f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

### ii. Use of CA Abatement Accounts Funds

a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Janssen Settlement Agreement.

b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;

(2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;

(3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or

(5) interventions to prevent drug addiction in vulnerable youth.

c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.

d) For the avoidance of doubt, and subject to the requirements of the Janssen Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

### iii. CA Abatement Accounts Fund Oversight

a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Janssen Settlement Agreement or this CA Janssen Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.

c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.

d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Janssen Settlement Agreement or this CA Janssen Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

### C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Janssen Settlement Agreement and this CA Janssen Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;

b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.

c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

**D. Provision for State Back-Stop Agreement**

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Janssen Settlement Agreement and, if applicable, the Distributor Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(R), of the Janssen Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Janssen Settlement, and if applicable, the Distributor Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Janssen Settlement Agreement and, if applicable, the Distributor Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney

General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

**5. State and Subdivision Reporting**

a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.

b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.

c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.

d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section VI(B)(2) of the Janssen Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Janssen.

e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

**6. Miscellaneous**

a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Janssen Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.

b) Except as provided in the Janssen Settlement Agreement, this CA Janssen Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.

c) Except as provided in the CA Janssen Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.

d) Except as provided in the Janssen Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

**Proposed California State-Subdivision Agreement**
**Regarding Distribution and Use of**
**Settlement Funds – Janssen Settlement**

## 1. Introduction

Pursuant to the Janssen Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the "Janssen Settlement Agreement"), including Section VI and Exhibit O, the State of California proposes this agreement (the "CA Janssen Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections V and VI of the Janssen Settlement Agreement.[1] For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections X or XI of the Janssen Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Janssen Settlement Agreement, acceptance of this CA Janssen Allocation Agreement is a requirement to be an Initial Participating Subdivision.

## 2. Definitions

a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Janssen Settlement Agreement.

b) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.

c) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.

d) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc.,

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[1] A parallel but separate agreement (the "CA Distributor Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Distributor Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.

AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

## 3. General Terms

This agreement is subject to the requirements of the Janssen Settlement Agreement, as well as applicable law, and the Janssen Settlement Agreement governs over any inconsistent provision of this CA Janssen Allocation Agreement. Terms used in this CA Janssen Allocation Agreement have the same meaning as in the Janssen Settlement Agreement unless otherwise defined herein.

Pursuant to Section VI(D)(1) of the Janssen Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section VI(B)(2) of the Janssen Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

## 4. State Allocation

The Settlement Fund payments to California,[2] pursuant to the Janssen Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Janssen Allocation Agreement, and 15% of that total shall be allocated to the State of California (the “State of California Allocation”), 70% to the California Abatement Accounts Fund (“CA Abatement Accounts Fund”), and 15% to the California Subdivision Fund (“CA Subdivision Fund”).

### A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

### B. CA Abatement Accounts Fund

#### i. Allocation of CA Abatement Accounts Funds

a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA

[2] For purposes of clarity, use of the term “California” refers to the geographic territory of California and the state and its local governments therein. The term “State” or “State of California” refers to the State of California as a governmental unit.

Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Janssen Settlement Agreement.

c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).

d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Janssen Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.

f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

### ii. Use of CA Abatement Accounts Funds

a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Janssen Settlement Agreement.

b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;

(2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;

(3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or

(5) interventions to prevent drug addiction in vulnerable youth.

c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.

d) For the avoidance of doubt, and subject to the requirements of the Janssen Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

### iii. CA Abatement Accounts Fund Oversight

a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Janssen Settlement Agreement or this CA Janssen Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.

c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.

d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Janssen Settlement Agreement or this CA Janssen Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

### C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Janssen Settlement Agreement and this CA Janssen Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;

b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.

c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

**D. Provision for State Back-Stop Agreement**

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Janssen Settlement Agreement and, if applicable, the Distributor Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(R), of the Janssen Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Janssen Settlement, and if applicable, the Distributor Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Janssen Settlement Agreement and, if applicable, the Distributor Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney

General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

**5. State and Subdivision Reporting**

a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.

b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.

c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.

d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section VI(B)(2) of the Janssen Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Janssen.

e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

## 6. Miscellaneous

a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Janssen Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.

b) Except as provided in the Janssen Settlement Agreement, this CA Janssen Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.

c) Except as provided in the CA Janssen Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.

d) Except as provided in the Janssen Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

APPENDIX 1

**DISCLAIMER**: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds—Janssen Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

APPENDIX 1

| | | | 100.000% | 100.000% | 100.000% |
|---|---|---|---|---|---|
| **Participating Subdivision Classification** | **Participating Subdivision** | **County** | **Abatement Percentage** | **Plaintiff Subdivision Percentage** | **Weighted Allcation Percentage** |
| County | ***Alameda County*** | Alameda | 2.332% | 2.853% | **2.4237952%** |
| City | Alameda | Alameda | 0.069% | | **0.0570162%** |
| City | Albany | Alameda | 0.013% | | **0.0107768%** |
| City | Berkeley | Alameda | 0.152% | | **0.1249656%** |
| City | Dublin | Alameda | 0.033% | 0.040% | **0.0338810%** |
| City | Emeryville | Alameda | 0.023% | | **0.0185765%** |
| City | Fremont | Alameda | 0.108% | | **0.0888576%** |
| City | Hayward | Alameda | 0.117% | | **0.0966218%** |
| City | Livermore | Alameda | 0.054% | | **0.0446740%** |
| City | Newark | Alameda | 0.026% | | **0.0217626%** |
| City | Oakland | Alameda | 0.486% | 0.595% | **0.5055601%** |
| City | Piedmont | Alameda | 0.014% | | **0.0114064%** |
| City | Pleasanton | Alameda | 0.067% | | **0.0554547%** |
| City | San Leandro | Alameda | 0.039% | | **0.0321267%** |
| City | Union City | Alameda | 0.043% | | **0.0352484%** |
| County | ***Amador County*** | Amador | 0.226% | 0.277% | **0.2349885%** |
| County | ***Butte County*** | Butte | 1.615% | 1.975% | **1.6783178%** |
| City | Chico | Butte | 0.216% | 0.264% | **0.2246499%** |
| City | Oroville | Butte | 0.079% | | **0.0646595%** |
| County | ***Calaveras County*** | Calaveras | 0.226% | 0.277% | **0.2351644%** |
| County | ***Colusa County*** | Colusa | 0.059% | | **0.0489221%** |
| County | ***Contra Costa County*** | Contra Costa | 2.102% | 2.571% | **2.1844585%** |
| City | Antioch | Contra Costa | 0.037% | | **0.0301879%** |
| City | Brentwood | Contra Costa | 0.026% | | **0.0215339%** |
| City | Clayton | Contra Costa | 0.002% | | **0.0018060%** |
| City | Concord | Contra Costa | 0.055% | | **0.0456676%** |
| City | Danville | Contra Costa | 0.010% | | **0.0082255%** |
| City | El Cerrito | Contra Costa | 0.023% | | **0.0189024%** |
| City | Hercules | Contra Costa | 0.010% | | **0.0078273%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Lafayette | Contra Costa | 0.006% | | **0.0046030%** |
| City | Martinez | Contra Costa | 0.012% | | **0.0098593%** |
| City | Moraga | Contra Costa | 0.004% | | **0.0031007%** |
| City | Oakley | Contra Costa | 0.010% | | **0.0079416%** |
| City | Orinda | Contra Costa | 0.005% | | **0.0038157%** |
| City | Pinole | Contra Costa | 0.013% | | **0.0110909%** |
| City | Pittsburg | Contra Costa | 0.053% | | **0.0436369%** |
| City | Pleasant Hill | Contra Costa | 0.013% | | **0.0106309%** |
| City | Richmond | Contra Costa | 0.146% | | **0.1201444%** |
| City | San Pablo | Contra Costa | 0.018% | | **0.0148843%** |
| City | San Ramon | Contra Costa | 0.021% | | **0.0176459%** |
| City | Walnut Creek | Contra Costa | 0.026% | | **0.0212132%** |
| County | ***Del Norte County*** | Del Norte | 0.114% | 0.140% | **0.1189608%** |
| County | ***El Dorado County*** | El Dorado | 0.768% | 0.939% | **0.7980034%** |
| City | Placerville | El Dorado | 0.015% | | **0.0127642%** |
| City | South Lake Tahoe | El Dorado | 0.081% | | **0.0665456%** |
| County | ***Fresno County*** | Fresno | 1.895% | 2.318% | **1.9693410%** |
| City | Clovis | Fresno | 0.065% | | **0.0536211%** |
| City | Coalinga | Fresno | 0.012% | | **0.0098554%** |
| City | Fresno | Fresno | 0.397% | | **0.3270605%** |
| City | Kerman | Fresno | 0.005% | | **0.0042534%** |
| City | Kingsburg | Fresno | 0.008% | | **0.0066167%** |
| City | Mendota | Fresno | 0.002% | | **0.0019387%** |
| City | Orange Cove | Fresno | 0.004% | | **0.0035607%** |
| City | Parlier | Fresno | 0.008% | | **0.0069755%** |
| City | Reedley | Fresno | 0.012% | | **0.0098804%** |
| City | Sanger | Fresno | 0.018% | | **0.0146135%** |
| City | Selma | Fresno | 0.015% | | **0.0127537%** |
| County | ***Glenn County*** | Glenn | 0.107% | 0.131% | **0.1116978%** |
| County | ***Humboldt County*** | Humboldt | 1.030% | 1.260% | **1.0703185%** |

Attachment: final-proposed-ca-state-subdivision-agreement-janssen-settlement (Admin: National Opioid

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Arcata | Humboldt | 0.054% | | **0.0447660%** |
| City | Eureka | Humboldt | 0.117% | 0.143% | **0.1216284%** |
| City | Fortuna | Humboldt | 0.032% | | **0.0266837%** |
| County | ***Imperial County*** | Imperial | 0.258% | 0.315% | **0.2679006%** |
| City | Brawley | Imperial | 0.011% | | **0.0087986%** |
| City | Calexico | Imperial | 0.019% | | **0.0152799%** |
| City | El Centro | Imperial | 0.158% | | **0.1302522%** |
| City | Imperial | Imperial | 0.006% | | **0.0048791%** |
| County | ***Inyo County*** | Inyo | 0.073% | 0.089% | **0.0754413%** |
| County | ***Kern County*** | Kern | 2.517% | 3.079% | **2.6159145%** |
| City | Arvin | Kern | 0.006% | | **0.0046425%** |
| City | Bakersfield | Kern | 0.212% | | **0.1747198%** |
| City | California City | Kern | 0.009% | | **0.0070820%** |
| City | Delano | Kern | 0.030% | | **0.0249316%** |
| City | McFarland | Kern | 0.003% | | **0.0025644%** |
| City | Ridgecrest | Kern | 0.015% | | **0.0120938%** |
| City | Shafter | Kern | 0.013% | | **0.0103417%** |
| City | Tehachapi | Kern | 0.009% | | **0.0073580%** |
| City | Wasco | Kern | 0.008% | | **0.0069861%** |
| County | ***Kings County*** | Kings | 0.293% | | **0.2413469%** |
| City | Avenal | Kings | 0.007% | | **0.0056335%** |
| City | Corcoran | Kings | 0.013% | | **0.0107032%** |
| City | Hanford | Kings | 0.027% | | **0.0226038%** |
| City | Lemoore | Kings | 0.016% | | **0.0131900%** |
| County | ***Lake County*** | Lake | 0.795% | | **0.6545389%** |
| City | Clearlake | Lake | 0.041% | 0.050% | **0.0426253%** |
| City | Lakeport | Lake | 0.021% | 0.026% | **0.0222964%** |
| County | ***Lassen County*** | Lassen | 0.319% | 0.391% | **0.3320610%** |
| City | Susanville | Lassen | 0.027% | | **0.0219295%** |
| County | ***Los Angeles County*** | Los Angeles | 13.896% | 16.999% | **14.4437559%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Agoura Hills | Los Angeles | 0.005% | | **0.0040024%** |
| City | Alhambra | Los Angeles | 0.042% | | **0.0343309%** |
| City | Arcadia | Los Angeles | 0.033% | | **0.0267718%** |
| City | Artesia | Los Angeles | 0.001% | | **0.0005100%** |
| City | Azusa | Los Angeles | 0.026% | | **0.0210857%** |
| City | Baldwin Park | Los Angeles | 0.027% | | **0.0218520%** |
| City | Bell | Los Angeles | 0.008% | | **0.0068783%** |
| City | Bellflower | Los Angeles | 0.002% | | **0.0014485%** |
| City | Bell Gardens | Los Angeles | 0.014% | | **0.0114301%** |
| City | Beverly Hills | Los Angeles | 0.065% | | **0.0534897%** |
| City | Burbank | Los Angeles | 0.100% | | **0.0823132%** |
| City | Calabasas | Los Angeles | 0.006% | | **0.0048948%** |
| City | Carson | Los Angeles | 0.019% | | **0.0159805%** |
| City | Cerritos | Los Angeles | 0.005% | | **0.0039682%** |
| City | Claremont | Los Angeles | 0.010% | | **0.0082584%** |
| City | Commerce | Los Angeles | 0.000% | | **0.0002971%** |
| City | Compton | Los Angeles | 0.044% | | **0.0361882%** |
| City | Covina | Los Angeles | 0.028% | | **0.0229127%** |
| City | Cudahy | Los Angeles | 0.001% | | **0.0006020%** |
| City | Culver City | Los Angeles | 0.055% | | **0.0449894%** |
| City | Diamond Bar | Los Angeles | 0.001% | | **0.0006993%** |
| City | Downey | Los Angeles | 0.052% | | **0.0429994%** |
| City | Duarte | Los Angeles | 0.003% | | **0.0027261%** |
| City | El Monte | Los Angeles | 0.031% | 0.038% | **0.0318985%** |
| City | El Segundo | Los Angeles | 0.033% | | **0.0268020%** |
| City | Gardena | Los Angeles | 0.034% | | **0.0278088%** |
| City | Glendale | Los Angeles | 0.166% | | **0.1366586%** |
| City | Glendora | Los Angeles | 0.016% | | **0.0134411%** |
| City | Hawaiian Gardens | Los Angeles | 0.005% | | **0.0040549%** |
| City | Hawthorne | Los Angeles | 0.050% | | **0.0407833%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Hermosa Beach | Los Angeles | 0.018% | | **0.0145307%** |
| City | Huntington Park | Los Angeles | 0.023% | | **0.0190667%** |
| City | Inglewood | Los Angeles | 0.059% | | **0.0489195%** |
| City | La Cañada Flintridge | Los Angeles | 0.003% | | **0.0025565%** |
| City | Lakewood | Los Angeles | 0.005% | | **0.0039971%** |
| City | La Mirada | Los Angeles | 0.010% | | **0.0081572%** |
| City | Lancaster | Los Angeles | 0.045% | | **0.0369689%** |
| City | La Puente | Los Angeles | 0.002% | | **0.0012999%** |
| City | La Verne | Los Angeles | 0.024% | | **0.0194190%** |
| City | Lawndale | Los Angeles | 0.002% | | **0.0017731%** |
| City | Lomita | Los Angeles | 0.004% | | **0.0031940%** |
| City | Long Beach | Los Angeles | 0.439% | | **0.3614151%** |
| City | Los Angeles | Los Angeles | 2.715% | 3.321% | **2.8218811%** |
| City | Lynwood | Los Angeles | 0.016% | | **0.0134345%** |
| City | Malibu | Los Angeles | 0.002% | | **0.0019269%** |
| City | Manhattan Beach | Los Angeles | 0.032% | | **0.0260686%** |
| City | Maywood | Los Angeles | 0.004% | | **0.0035528%** |
| City | Monrovia | Los Angeles | 0.031% | | **0.0254455%** |
| City | Montebello | Los Angeles | 0.030% | | **0.0250670%** |
| City | Monterey Park | Los Angeles | 0.031% | | **0.0256677%** |
| City | Norwalk | Los Angeles | 0.031% | | **0.0258228%** |
| City | Palmdale | Los Angeles | 0.046% | | **0.0375827%** |
| City | Palos Verdes Estates | Los Angeles | 0.006% | | **0.0053102%** |
| City | Paramount | Los Angeles | 0.011% | | **0.0091483%** |
| City | Pasadena | Los Angeles | 0.146% | | **0.1200524%** |
| City | Pico Rivera | Los Angeles | 0.022% | | **0.0183333%** |
| City | Pomona | Los Angeles | 0.111% | | **0.0911933%** |
| City | Rancho Palos Verdes | Los Angeles | 0.002% | | **0.0012645%** |
| City | Redondo Beach | Los Angeles | 0.062% | | **0.0506992%** |
| City | Rosemead | Los Angeles | 0.003% | | **0.0028260%** |

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | San Dimas | Los Angeles | 0.003% | | **0.0022016%** |
| City | San Fernando | Los Angeles | 0.013% | | **0.0104837%** |
| City | San Gabriel | Los Angeles | 0.018% | | **0.0147726%** |
| City | San Marino | Los Angeles | 0.009% | | **0.0073791%** |
| City | Santa Clarita | Los Angeles | 0.022% | | **0.0178167%** |
| City | Santa Fe Springs | Los Angeles | 0.031% | | **0.0257531%** |
| City | Santa Monica | Los Angeles | 0.158% | | **0.1298513%** |
| City | Sierra Madre | Los Angeles | 0.006% | | **0.0048646%** |
| City | Signal Hill | Los Angeles | 0.010% | | **0.0084884%** |
| City | South El Monte | Los Angeles | 0.005% | | **0.0039603%** |
| City | South Gate | Los Angeles | 0.020% | | **0.0166272%** |
| City | South Pasadena | Los Angeles | 0.012% | | **0.0095334%** |
| City | Temple City | Los Angeles | 0.005% | | **0.0039498%** |
| City | Torrance | Los Angeles | 0.112% | | **0.0919820%** |
| City | Walnut | Los Angeles | 0.006% | | **0.0047305%** |
| City | West Covina | Los Angeles | 0.049% | | **0.0404521%** |
| City | West Hollywood | Los Angeles | 0.013% | | **0.0108517%** |
| City | Whittier | Los Angeles | 0.032% | | **0.0260581%** |
| County | ***Madera County*** | Madera | 0.349% | 0.427% | **0.3630669%** |
| City | Chowchilla | Madera | 0.012% | | **0.0097332%** |
| City | Madera | Madera | 0.039% | | **0.0318441%** |
| County | ***Marin County*** | Marin | 0.564% | 0.690% | **0.5861325%** |
| City | Larkspur | Marin | 0.015% | | **0.0124697%** |
| City | Mill Valley | Marin | 0.020% | | **0.0168401%** |
| City | Novato | Marin | 0.028% | | **0.0229824%** |
| City | San Anselmo | Marin | 0.009% | | **0.0078062%** |
| City | San Rafael | Marin | 0.089% | | **0.0729823%** |
| County | ***Mariposa County*** | Mariposa | 0.084% | 0.103% | **0.0876131%** |
| County | ***Mendocino County*** | Mendocino | 0.439% | 0.536% | **0.4558394%** |
| City | Ukiah | Mendocino | 0.039% | | **0.0317153%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| County | ***Merced County*** | Merced | 0.551% | 0.674% | **0.5724262%** |
| City | Atwater | Merced | 0.024% | | **0.0195846%** |
| City | Livingston | Merced | 0.006% | | **0.0045873%** |
| City | Los Banos | Merced | 0.020% | | **0.0165142%** |
| City | Merced | Merced | 0.061% | | **0.0500762%** |
| County | ***Modoc County*** | Modoc | 0.065% | 0.080% | **0.0678250%** |
| County | ***Mono County*** | Mono | 0.023% | 0.029% | **0.0242606%** |
| County | ***Monterey County*** | Monterey | 0.908% | 1.111% | **0.9437083%** |
| City | Greenfield | Monterey | 0.006% | | **0.0050552%** |
| City | King City | Monterey | 0.005% | | **0.0037355%** |
| City | Marina | Monterey | 0.017% | | **0.0144098%** |
| City | Monterey | Monterey | 0.041% | | **0.0336540%** |
| City | Pacific Grove | Monterey | 0.009% | | **0.0074842%** |
| City | Salinas | Monterey | 0.094% | | **0.0776576%** |
| City | Seaside | Monterey | 0.023% | | **0.0191772%** |
| City | Soledad | Monterey | 0.007% | | **0.0060870%** |
| County | ***Napa County*** | Napa | 0.288% | 0.352% | **0.2994325%** |
| City | American Canyon | Napa | 0.017% | | **0.0136869%** |
| City | Napa | Napa | 0.078% | | **0.0642783%** |
| County | ***Nevada County*** | Nevada | 0.441% | 0.539% | **0.4579827%** |
| City | Grass Valley | Nevada | 0.024% | | **0.0197805%** |
| City | Truckee | Nevada | 0.003% | | **0.0023843%** |
| County | ***Orange County*** | Orange | 4.364% | 5.339% | **4.5363576%** |
| City | Aliso Viejo | Orange | 0.014% | | **0.0113841%** |
| City | Anaheim | Orange | 0.554% | 0.678% | **0.5759282%** |
| City | Brea | Orange | 0.086% | | **0.0708897%** |
| City | Buena Park | Orange | 0.087% | | **0.0714352%** |
| City | Costa Mesa | Orange | 0.124% | 0.152% | **0.1288366%** |
| City | Cypress | Orange | 0.033% | | **0.0271937%** |
| City | Dana Point | Orange | 0.001% | | **0.0005560%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Fountain Valley | Orange | 0.055% | | **0.0455980%** |
| City | Fullerton | Orange | 0.137% | 0.168% | **0.1425744%** |
| City | Garden Grove | Orange | 0.213% | | **0.1752482%** |
| City | Huntington Beach | Orange | 0.247% | 0.302% | **0.2568420%** |
| City | Irvine | Orange | 0.139% | 0.170% | **0.1442350%** |
| City | Laguna Beach | Orange | 0.047% | 0.058% | **0.0493043%** |
| City | Laguna Hills | Orange | 0.014% | | **0.0115457%** |
| City | Laguna Niguel | Orange | 0.001% | | **0.0007071%** |
| City | Laguna Woods | Orange | 0.001% | | **0.0006546%** |
| City | La Habra | Orange | 0.060% | 0.073% | **0.0621049%** |
| City | Lake Forest | Orange | 0.012% | | **0.0101249%** |
| City | La Palma | Orange | 0.012% | | **0.0095439%** |
| City | Los Alamitos | Orange | 0.008% | | **0.0069190%** |
| City | Mission Viejo | Orange | 0.014% | | **0.0117560%** |
| City | Newport Beach | Orange | 0.179% | | **0.1470134%** |
| City | Orange | Orange | 0.150% | | **0.1231320%** |
| City | Placentia | Orange | 0.029% | 0.035% | **0.0298912%** |
| City | Rancho Santa Margarita | Orange | 0.001% | | **0.0006296%** |
| City | San Clemente | Orange | 0.008% | 0.010% | **0.0086083%** |
| City | San Juan Capistrano | Orange | 0.008% | | **0.0065510%** |
| City | Santa Ana | Orange | 0.502% | 0.614% | **0.5213866%** |
| City | Seal Beach | Orange | 0.020% | | **0.0165891%** |
| City | Stanton | Orange | 0.035% | | **0.0291955%** |
| City | Tustin | Orange | 0.073% | | **0.0600341%** |
| City | Westminster | Orange | 0.104% | 0.127% | **0.1082721%** |
| City | Yorba Linda | Orange | 0.044% | | **0.0362223%** |
| County | ***Placer County*** | Placer | 1.045% | 1.278% | **1.0861002%** |
| City | Auburn | Placer | 0.017% | | **0.0141114%** |
| City | Lincoln | Placer | 0.031% | | **0.0255599%** |
| City | Rocklin | Placer | 0.076% | | **0.0625485%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Roseville | Placer | 0.196% | | **0.1616559%** |
| County | ***Plumas County*** | Plumas | 0.205% | 0.251% | **0.2128729%** |
| County | ***Riverside County*** | Riverside | 4.534% | 5.547% | **4.7128296%** |
| City | Banning | Riverside | 0.017% | | **0.0143848%** |
| City | Beaumont | Riverside | 0.021% | | **0.0171135%** |
| City | Blythe | Riverside | 0.012% | | **0.0096714%** |
| City | Canyon Lake | Riverside | 0.000% | | **0.0001761%** |
| City | Cathedral City | Riverside | 0.067% | | **0.0553614%** |
| City | Coachella | Riverside | 0.021% | | **0.0173054%** |
| City | Corona | Riverside | 0.147% | | **0.1207083%** |
| City | Desert Hot Springs | Riverside | 0.024% | | **0.0200433%** |
| City | Eastvale | Riverside | 0.000% | | **0.0002747%** |
| City | Hemet | Riverside | 0.051% | | **0.0421792%** |
| City | Indio | Riverside | 0.056% | | **0.0457794%** |
| City | Jurupa Valley | Riverside | 0.001% | | **0.0008991%** |
| City | Lake Elsinore | Riverside | 0.021% | | **0.0172949%** |
| City | La Quinta | Riverside | 0.063% | | **0.0516732%** |
| City | Menifee | Riverside | 0.032% | | **0.0260909%** |
| City | Moreno Valley | Riverside | 0.137% | | **0.1130348%** |
| City | Murrieta | Riverside | 0.048% | 0.059% | **0.0497423%** |
| City | Norco | Riverside | 0.016% | | **0.0134542%** |
| City | Palm Desert | Riverside | 0.083% | | **0.0682465%** |
| City | Palm Springs | Riverside | 0.076% | | **0.0629862%** |
| City | Perris | Riverside | 0.009% | | **0.0076774%** |
| City | Rancho Mirage | Riverside | 0.052% | | **0.0431098%** |
| City | Riverside | Riverside | 0.268% | | **0.2206279%** |
| City | San Jacinto | Riverside | 0.010% | | **0.0085936%** |
| City | Temecula | Riverside | 0.022% | | **0.0180086%** |
| City | Wildomar | Riverside | 0.008% | | **0.0062500%** |
| County | ***Sacramento County*** | Sacramento | 3.797% | 4.645% | **3.9465887%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Citrus Heights | Sacramento | 0.057% | | **0.0465312%** |
| City | Elk Grove | Sacramento | 0.130% | | **0.1066994%** |
| City | Folsom | Sacramento | 0.108% | | **0.0890850%** |
| City | Galt | Sacramento | 0.017% | | **0.0143704%** |
| City | Rancho Cordova | Sacramento | 0.008% | | **0.0067679%** |
| City | Sacramento | Sacramento | 0.721% | 0.882% | **0.7496530%** |
| County | ***San Benito County*** | San Benito | 0.106% | 0.130% | **0.1101417%** |
| City | Hollister | San Benito | 0.027% | | **0.0225355%** |
| County | ***San Bernardino County*** | San Bernardino | 3.259% | 3.987% | **3.3878124%** |
| City | Adelanto | San Bernardino | 0.008% | | **0.0066640%** |
| City | Apple Valley | San Bernardino | 0.025% | | **0.0207360%** |
| City | Barstow | San Bernardino | 0.015% | | **0.0122056%** |
| City | Chino | San Bernardino | 0.064% | | **0.0525893%** |
| City | Chino Hills | San Bernardino | 0.001% | | **0.0006388%** |
| City | Colton | San Bernardino | 0.031% | | **0.0253443%** |
| City | Fontana | San Bernardino | 0.112% | | **0.0920543%** |
| City | Grand Terrace | San Bernardino | 0.006% | | **0.0051051%** |
| City | Hesperia | San Bernardino | 0.035% | | **0.0291522%** |
| City | Highland | San Bernardino | 0.004% | | **0.0029061%** |
| City | Loma Linda | San Bernardino | 0.009% | | **0.0071188%** |
| City | Montclair | San Bernardino | 0.039% | | **0.0322108%** |
| City | Ontario | San Bernardino | 0.179% | | **0.1472934%** |
| City | Rancho Cucamonga | San Bernardino | 0.084% | | **0.0689431%** |
| City | Redlands | San Bernardino | 0.057% | | **0.0469150%** |
| City | Rialto | San Bernardino | 0.073% | | **0.0603206%** |
| City | San Bernardino | San Bernardino | 0.178% | | **0.1461880%** |
| City | Twentynine Palms | San Bernardino | 0.002% | | **0.0012605%** |
| City | Upland | San Bernardino | 0.052% | | **0.0424460%** |
| City | Victorville | San Bernardino | 0.033% | | **0.0269400%** |
| City | Yucaipa | San Bernardino | 0.016% | | **0.0128772%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Yucca Valley | San Bernardino | 0.003% | | **0.0021228%** |
| County | ***San Diego County*** | San Diego | 5.706% | 6.980% | **5.9309748%** |
| City | Carlsbad | San Diego | 0.128% | | **0.1050485%** |
| City | Chula Vista | San Diego | 0.189% | 0.231% | **0.1961456%** |
| City | Coronado | San Diego | 0.044% | | **0.0359095%** |
| City | El Cajon | San Diego | 0.113% | | **0.0933582%** |
| City | Encinitas | San Diego | 0.061% | 0.074% | **0.0630289%** |
| City | Escondido | San Diego | 0.145% | | **0.1192204%** |
| City | Imperial Beach | San Diego | 0.014% | | **0.0118283%** |
| City | La Mesa | San Diego | 0.055% | 0.068% | **0.0575593%** |
| City | Lemon Grove | San Diego | 0.022% | | **0.0183911%** |
| City | National City | San Diego | 0.080% | | **0.0656808%** |
| City | Oceanside | San Diego | 0.213% | | **0.1753428%** |
| City | Poway | San Diego | 0.062% | | **0.0511040%** |
| City | San Diego | San Diego | 1.975% | 2.416% | **2.0531169%** |
| City | San Marcos | San Diego | 0.089% | | **0.0733897%** |
| City | Santee | San Diego | 0.033% | | **0.0268401%** |
| City | Solana Beach | San Diego | 0.017% | | **0.0138564%** |
| City | Vista | San Diego | 0.052% | | **0.0425144%** |
| Consolidated | ***San Francisco*** | San Francisco | 3.026% | 3.702% | **3.1457169%** |
| County | ***San Joaquin County*** | San Joaquin | 1.680% | 2.055% | **1.7460399%** |
| City | Lathrop | San Joaquin | 0.009% | | **0.0075394%** |
| City | Lodi | San Joaquin | 0.053% | | **0.0439484%** |
| City | Manteca | San Joaquin | 0.054% | | **0.0443454%** |
| City | Ripon | San Joaquin | 0.013% | | **0.0104219%** |
| City | Stockton | San Joaquin | 0.313% | 0.383% | **0.3256176%** |
| City | Tracy | San Joaquin | 0.084% | | **0.0692047%** |
| County | ***San Luis Obispo County*** | San Luis Obispo | 0.816% | 0.999% | **0.8484126%** |
| City | Arroyo Grande | San Luis Obispo | 0.024% | | **0.0199053%** |
| City | Atascadero | San Luis Obispo | 0.029% | | **0.0240680%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | El Paso de Robles (Paso Robles) | San Luis Obispo | 0.043% | | **0.0353456%** |
| City | Grover Beach | San Luis Obispo | 0.017% | | **0.0137881%** |
| City | Morro Bay | San Luis Obispo | 0.020% | | **0.0160922%** |
| City | San Luis Obispo | San Luis Obispo | 0.077% | | **0.0637841%** |
| County | ***San Mateo County*** | San Mateo | 1.074% | 1.313% | **1.1159599%** |
| City | Belmont | San Mateo | 0.021% | | **0.0169860%** |
| City | Burlingame | San Mateo | 0.019% | | **0.0152537%** |
| City | Daly City | San Mateo | 0.044% | | **0.0363880%** |
| City | East Palo Alto | San Mateo | 0.013% | | **0.0103982%** |
| City | Foster City | San Mateo | 0.020% | | **0.0166101%** |
| City | Half Moon Bay | San Mateo | 0.004% | | **0.0031638%** |
| City | Hillsborough | San Mateo | 0.013% | | **0.0110029%** |
| City | Menlo Park | San Mateo | 0.015% | | **0.0126209%** |
| City | Millbrae | San Mateo | 0.013% | | **0.0105836%** |
| City | Pacifica | San Mateo | 0.016% | | **0.0130625%** |
| City | Redwood City | San Mateo | 0.056% | | **0.0463511%** |
| City | San Bruno | San Mateo | 0.021% | | **0.0172161%** |
| City | San Carlos | San Mateo | 0.013% | | **0.0108885%** |
| City | San Mateo | San Mateo | 0.052% | | **0.0425841%** |
| City | South San Francisco | San Mateo | 0.043% | | **0.0353943%** |
| County | ***Santa Barbara County*** | Santa Barbara | 1.132% | 1.385% | **1.1768968%** |
| City | Carpinteria | Santa Barbara | 0.001% | | **0.0008938%** |
| City | Goleta | Santa Barbara | 0.004% | | **0.0028969%** |
| City | Lompoc | Santa Barbara | 0.047% | | **0.0389379%** |
| City | Santa Barbara | Santa Barbara | 0.122% | | **0.1004559%** |
| City | Santa Maria | Santa Barbara | 0.058% | | **0.0479179%** |
| County | ***Santa Clara County*** | Santa Clara | 2.404% | 2.941% | **2.4987553%** |
| City | Campbell | Santa Clara | 0.014% | | **0.0112566%** |
| City | Cupertino | Santa Clara | 0.008% | | **0.0066824%** |
| City | Gilroy | Santa Clara | 0.025% | | **0.0202891%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Los Altos | Santa Clara | 0.013% | | **0.0103338%** |
| City | Los Gatos | Santa Clara | 0.013% | | **0.0103220%** |
| City | Milpitas | Santa Clara | 0.036% | | **0.0298120%** |
| City | Morgan Hill | Santa Clara | 0.015% | | **0.0124619%** |
| City | Mountain View | Santa Clara | 0.041% | | **0.0334608%** |
| City | Palo Alto | Santa Clara | 0.039% | | **0.0323080%** |
| City | San Jose | Santa Clara | 0.294% | 0.360% | **0.3054960%** |
| City | Santa Clara | Santa Clara | 0.067% | | **0.0549723%** |
| City | Saratoga | Santa Clara | 0.004% | | **0.0034161%** |
| City | Sunnyvale | Santa Clara | 0.053% | | **0.0434069%** |
| County | ***Santa Cruz County*** | Santa Cruz | 0.783% | 0.957% | **0.8135396%** |
| City | Capitola | Santa Cruz | 0.020% | | **0.0168191%** |
| City | Santa Cruz | Santa Cruz | 0.143% | | **0.1180348%** |
| City | Scotts Valley | Santa Cruz | 0.015% | | **0.0126525%** |
| City | Watsonville | Santa Cruz | 0.063% | | **0.0520136%** |
| County | ***Shasta County*** | Shasta | 1.095% | 1.339% | **1.1380191%** |
| City | Anderson | Shasta | 0.024% | | **0.0198896%** |
| City | Redding | Shasta | 0.284% | | **0.2334841%** |
| City | Shasta Lake | Shasta | 0.004% | | **0.0031993%** |
| County | ***Siskiyou County*** | Siskiyou | 0.228% | 0.279% | **0.2373393%** |
| County | ***Solano County*** | Solano | 0.760% | | **0.6260795%** |
| City | Benicia | Solano | 0.031% | | **0.0253903%** |
| City | Dixon | Solano | 0.016% | | **0.0130849%** |
| City | Fairfield | Solano | 0.109% | | **0.0897317%** |
| City | Suisun City | Solano | 0.021% | | **0.0176183%** |
| City | Vacaville | Solano | 0.119% | | **0.0976497%** |
| City | Vallejo | Solano | 0.167% | | **0.1373644%** |
| County | ***Sonoma County*** | Sonoma | 1.218% | 1.490% | **1.2661290%** |
| City | Healdsburg | Sonoma | 0.032% | | **0.0266929%** |
| City | Petaluma | Sonoma | 0.081% | | **0.0667507%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Rohnert Park | Sonoma | 0.041% | | **0.0340759%** |
| City | Santa Rosa | Sonoma | 0.184% | | **0.1519070%** |
| City | Sonoma | Sonoma | 0.022% | | **0.0183438%** |
| City | Windsor | Sonoma | 0.016% | | **0.0129298%** |
| County | ***Stanislaus County*** | Stanislaus | 1.722% | | **1.4182273%** |
| City | Ceres | Stanislaus | 0.041% | | **0.0340260%** |
| City | Modesto | Stanislaus | 0.217% | | **0.1788759%** |
| City | Newman | Stanislaus | 0.006% | | **0.0046964%** |
| City | Oakdale | Stanislaus | 0.018% | | **0.0145531%** |
| City | Patterson | Stanislaus | 0.015% | | **0.0126590%** |
| City | Riverbank | Stanislaus | 0.010% | | **0.0085699%** |
| City | Turlock | Stanislaus | 0.065% | | **0.0531966%** |
| County | ***Sutter County*** | Sutter | 0.306% | 0.374% | **0.3179548%** |
| City | Yuba City | Sutter | 0.074% | | **0.0606242%** |
| County | ***Tehama County*** | Tehama | 0.213% | 0.261% | **0.2216654%** |
| City | Red Bluff | Tehama | 0.014% | | **0.0117771%** |
| County | ***Trinity County*** | Trinity | 0.082% | 0.101% | **0.0855476%** |
| County | ***Tulare County*** | Tulare | 0.809% | 0.990% | **0.8410949%** |
| City | Dinuba | Tulare | 0.014% | | **0.0116929%** |
| City | Exeter | Tulare | 0.004% | | **0.0032479%** |
| City | Farmersville | Tulare | 0.003% | | **0.0027879%** |
| City | Lindsay | Tulare | 0.007% | | **0.0057111%** |
| City | Porterville | Tulare | 0.021% | | **0.0171845%** |
| City | Tulare | Tulare | 0.037% | | **0.0302273%** |
| City | Visalia | Tulare | 0.066% | | **0.0545872%** |
| County | ***Tuolumne County*** | Tuolumne | 0.486% | 0.594% | **0.5047621%** |
| County | ***Ventura County*** | Ventura | 2.192% | 2.681% | **2.2781201%** |
| City | Camarillo | Ventura | 0.002% | | **0.0012815%** |
| City | Fillmore | Ventura | 0.002% | | **0.0020294%** |
| City | Moorpark | Ventura | 0.008% | | **0.0067337%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Oxnard | Ventura | 0.156% | 0.190% | **0.1617338%** |
| City | Port Hueneme | Ventura | 0.021% | | **0.0174145%** |
| City | San Buenaventura (Ventura) | Ventura | 0.085% | | **0.0702181%** |
| City | Santa Paula | Ventura | 0.014% | | **0.0119072%** |
| City | Simi Valley | Ventura | 0.065% | | **0.0533043%** |
| City | Thousand Oaks | Ventura | 0.022% | | **0.0179902%** |
| County | ***Yolo County*** | Yolo | 0.357% | 0.437% | **0.3713319%** |
| City | Davis | Yolo | 0.055% | | **0.0451747%** |
| City | West Sacramento | Yolo | 0.066% | | **0.0544321%** |
| City | Woodland | Yolo | 0.058% | | **0.0477904%** |
| County | ***Yuba County*** | Yuba | 0.214% | 0.262% | **0.2225679%** |
| City | Marysville | Yuba | 0.014% | | **0.0112079%** |

# APPENDIX 2

## Cost Reimbursement Procedure

**1. Additional defined terms:**

a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were paid or incurred (i) prior to July 21, 2021 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting this CA Janssen Allocation Agreement. Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.

b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the Distributor Settlement Agreement or Section XI and Exhibit R of the Janssen Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.

c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.

d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

**2. Cost Reimbursement to Plaintiff Subdivision**

a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating a National Opioid Settlement with Distributors, Johnson & Johnson, and others.

b) Claims Procedure.

i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section X or Exhibit R of the Distributor Settlement Agreement or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for

Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.

iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.

iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.

v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.

vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section VI.B.2 of the Janssen Agreement.

vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Janssen a report of the fees and expenses incurred by the Special Master pursuant to Section VI.B.2 of the Janssen Agreement.

c) Claims Priority and Limitation.

i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.

ii. Final Awards of Costs that do not exceed seventy-five thousand dollars ($75,000.00) will be paid next in priority after the Special Master's approved invoices.

iii. Final Awards of Costs in excess of seventy-five thousand dollars ($75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.

iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.

v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.

vi. In no event shall more than $28 million of the total CA Subdivision Funds paid pursuant to the Distributor Settlement Agreement and the Janssen Settlement Agreement be used to pay Costs.

d) Collateral Source Payments and Third-Party Settlement.

i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund.

ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.

# APPENDIX 3

## CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the Janssen Settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Costs, and Expenses) of the Janssen Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Janssen Settlement Agreement and CA Janssen Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Janssen Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Distributors Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Janssen Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the Janssen Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.

| | |
|---|---|
| [DATE] | [SUBDIVISION SIGNATURE BLOCK] |
| [DATE] | [COUNSEL SIGNATURE BLOCK] |
| [DATE] | [ATTORNEY GENERAL SIGNATURE BLOCK] |

**Proposed California State-Subdivision Agreement**
**Regarding Distribution and Use of**
**Settlement Funds – Distributor Settlement**

## 1. Introduction

Pursuant to the Distributor Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the "Distributor Settlement Agreement"), including Section V and Exhibit O, the State of California proposes this agreement (the "CA Distributor Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the Distributor Settlement Agreement.[1] For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections IX or X of the Distributor Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Distributor Settlement Agreement, acceptance of this CA Distributor Allocation Agreement is a requirement to be an Initial Participating Subdivision.

## 2. Definitions

a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Distributor Settlement Agreement.

b) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.

c) *Litigating Special District* means a school district, fire protection district, health authority, health plan, or other special district that has filed a lawsuit against an Opioid Defendant. Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.

d) *Plaintiff Subdivision* means a Subdivision located in California, other than a Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

[1] A parallel but separate agreement (the "CA Janssen Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Janssen Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.

e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

## 3. General Terms

This agreement is subject to the requirements of the Distributor Settlement Agreement, as well as applicable law, and the Distributor Settlement Agreement governs over any inconsistent provision of this CA Distributor Allocation Agreement. Terms used in this CA Distributor Allocation Agreement have the same meaning as in the Distributor Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(D)(1) of the Distributor Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the Distributor Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

## 4. State Allocation

The Settlement Fund payments to California,[2] pursuant to the Distributor Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Distributor Allocation Agreement, and 15% of that total shall be allocated to the State of California (the “State of California Allocation”), 70% to the California Abatement Accounts Fund (“CA Abatement Accounts Fund”), and 15% to the California Subdivision Fund (“CA Subdivision Fund”).

### A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

### B. CA Abatement Accounts Fund

#### i. Allocation of CA Abatement Accounts Funds

a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be

[2] For purposes of clarity, use of the term “California” refers to the geographic territory of California and the state and its local governments therein. The term “State” or “State of California” refers to the State of California as a governmental unit.

allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Distributor Settlement Agreement.

c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).

d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Distributor Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.

f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

### ii. Use of CA Abatement Accounts Funds

a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Distributor Settlement Agreement.

b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;

(2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;

(3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or

(5) interventions to prevent drug addiction in vulnerable youth.

c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.

d) For the avoidance of doubt, and subject to the requirements of the Distributor Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

### iii. CA Abatement Accounts Fund Oversight

a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Distributor Settlement Agreement or this CA Distributor Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.

c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.

d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Distributor Settlement Agreement or this CA Distributor Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

### C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Distributor Settlement Agreement and this CA Distributor Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;

b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.

c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

**D. Provision for State Back-Stop Agreement**

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Distributor Settlement Agreement and, if applicable, the Janssen Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(R), of the Distributor Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Distributor Settlement, and if applicable, the Janssen Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Distributor Settlement Agreement and, if applicable, the Janssen Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney

General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

**5. State and Subdivision Reporting**

a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.

b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.

c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.

d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the Distributor Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and the Distributors.

e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

## 6. Miscellaneous

a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Distributor Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.

b) Except as provided in the Distributor Settlement Agreement, this CA Distributor Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.

c) Except as provided in the CA Distributor Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.

d) Except as provided in the Distributor Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

**Proposed California State-Subdivision Agreement**
**Regarding Distribution and Use of**
**Settlement Funds – Distributor Settlement**

## 1. Introduction

Pursuant to the Distributor Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the "Distributor Settlement Agreement"), including Section V and Exhibit O, the State of California proposes this agreement (the "CA Distributor Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the Distributor Settlement Agreement.[1] For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections IX or X of the Distributor Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Distributor Settlement Agreement, acceptance of this CA Distributor Allocation Agreement is a requirement to be an Initial Participating Subdivision.

## 2. Definitions

a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Distributor Settlement Agreement.

b) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.

c) *Litigating Special District* means a school district, fire protection district, health authority, health plan, or other special district that has filed a lawsuit against an Opioid Defendant. Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.

d) *Plaintiff Subdivision* means a Subdivision located in California, other than a Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

[1] A parallel but separate agreement (the "CA Janssen Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Janssen Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.

e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

## 3. General Terms

This agreement is subject to the requirements of the Distributor Settlement Agreement, as well as applicable law, and the Distributor Settlement Agreement governs over any inconsistent provision of this CA Distributor Allocation Agreement. Terms used in this CA Distributor Allocation Agreement have the same meaning as in the Distributor Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(D)(1) of the Distributor Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the Distributor Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

## 4. State Allocation

The Settlement Fund payments to California,[2] pursuant to the Distributor Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Distributor Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").

### A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

### B. CA Abatement Accounts Fund

#### i. Allocation of CA Abatement Accounts Funds

a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be

[2] For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Distributor Settlement Agreement.

c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).

d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Distributor Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.

f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

### ii. Use of CA Abatement Accounts Funds

a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Distributor Settlement Agreement.

b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;

(2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;

(3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or

(5) interventions to prevent drug addiction in vulnerable youth.

c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.

d) For the avoidance of doubt, and subject to the requirements of the Distributor Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

### iii. CA Abatement Accounts Fund Oversight

a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Distributor Settlement Agreement or this CA Distributor Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.

c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.

d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Distributor Settlement Agreement or this CA Distributor Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

### C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Distributor Settlement Agreement and this CA Distributor Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;

b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.

c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

### D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Distributor Settlement Agreement and, if applicable, the Janssen Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(R), of the Distributor Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Distributor Settlement, and if applicable, the Janssen Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Distributor Settlement Agreement and, if applicable, the Janssen Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney

General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

**5. State and Subdivision Reporting**

a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.

b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.

c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.

d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the Distributor Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and the Distributors.

e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

## 6. Miscellaneous

a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Distributor Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.

b) Except as provided in the Distributor Settlement Agreement, this CA Distributor Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.

c) Except as provided in the CA Distributor Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.

**d)** Except as provided in the Distributor Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

APPENDIX 1

**DISCLAIMER**: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds—Distributor Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

APPENDIX 1

| | | | **100.000%** | **100.000%** | **100.000%** |
|---|---|---|---|---|---|
| **Participating Subdivision Classification** | **Participating Subdivision** | **County** | **Abatement Percentage** | **Plaintiff Subdivision Percentage** | **Weighted Allcation Percentage** |
| County | ***Alameda County*** | Alameda | 2.332% | 2.853% | **2.4237952%** |
| City | Alameda | Alameda | 0.069% | | **0.0570162%** |
| City | Albany | Alameda | 0.013% | | **0.0107768%** |
| City | Berkeley | Alameda | 0.152% | | **0.1249656%** |
| City | Dublin | Alameda | 0.033% | 0.040% | **0.0338810%** |
| City | Emeryville | Alameda | 0.023% | | **0.0185765%** |
| City | Fremont | Alameda | 0.108% | | **0.0888576%** |
| City | Hayward | Alameda | 0.117% | | **0.0966218%** |
| City | Livermore | Alameda | 0.054% | | **0.0446740%** |
| City | Newark | Alameda | 0.026% | | **0.0217626%** |
| City | Oakland | Alameda | 0.486% | 0.595% | **0.5055601%** |
| City | Piedmont | Alameda | 0.014% | | **0.0114064%** |
| City | Pleasanton | Alameda | 0.067% | | **0.0554547%** |
| City | San Leandro | Alameda | 0.039% | | **0.0321267%** |
| City | Union City | Alameda | 0.043% | | **0.0352484%** |
| County | ***Amador County*** | Amador | 0.226% | 0.277% | **0.2349885%** |
| County | ***Butte County*** | Butte | 1.615% | 1.975% | **1.6783178%** |
| City | Chico | Butte | 0.216% | 0.264% | **0.2246499%** |
| City | Oroville | Butte | 0.079% | | **0.0646595%** |
| County | ***Calaveras County*** | Calaveras | 0.226% | 0.277% | **0.2351644%** |
| County | ***Colusa County*** | Colusa | 0.059% | | **0.0489221%** |
| County | ***Contra Costa County*** | Contra Costa | 2.102% | 2.571% | **2.1844585%** |
| City | Antioch | Contra Costa | 0.037% | | **0.0301879%** |
| City | Brentwood | Contra Costa | 0.026% | | **0.0215339%** |
| City | Clayton | Contra Costa | 0.002% | | **0.0018060%** |
| City | Concord | Contra Costa | 0.055% | | **0.0456676%** |
| City | Danville | Contra Costa | 0.010% | | **0.0082255%** |
| City | El Cerrito | Contra Costa | 0.023% | | **0.0189024%** |
| City | Hercules | Contra Costa | 0.010% | | **0.0078273%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Lafayette | Contra Costa | 0.006% | | **0.0046030%** |
| City | Martinez | Contra Costa | 0.012% | | **0.0098593%** |
| City | Moraga | Contra Costa | 0.004% | | **0.0031007%** |
| City | Oakley | Contra Costa | 0.010% | | **0.0079416%** |
| City | Orinda | Contra Costa | 0.005% | | **0.0038157%** |
| City | Pinole | Contra Costa | 0.013% | | **0.0110909%** |
| City | Pittsburg | Contra Costa | 0.053% | | **0.0436369%** |
| City | Pleasant Hill | Contra Costa | 0.013% | | **0.0106309%** |
| City | Richmond | Contra Costa | 0.146% | | **0.1201444%** |
| City | San Pablo | Contra Costa | 0.018% | | **0.0148843%** |
| City | San Ramon | Contra Costa | 0.021% | | **0.0176459%** |
| City | Walnut Creek | Contra Costa | 0.026% | | **0.0212132%** |
| County | ***Del Norte County*** | Del Norte | 0.114% | 0.140% | **0.1189608%** |
| County | ***El Dorado County*** | El Dorado | 0.768% | 0.939% | **0.7980034%** |
| City | Placerville | El Dorado | 0.015% | | **0.0127642%** |
| City | South Lake Tahoe | El Dorado | 0.081% | | **0.0665456%** |
| County | ***Fresno County*** | Fresno | 1.895% | 2.318% | **1.9693410%** |
| City | Clovis | Fresno | 0.065% | | **0.0536211%** |
| City | Coalinga | Fresno | 0.012% | | **0.0098554%** |
| City | Fresno | Fresno | 0.397% | | **0.3270605%** |
| City | Kerman | Fresno | 0.005% | | **0.0042534%** |
| City | Kingsburg | Fresno | 0.008% | | **0.0066167%** |
| City | Mendota | Fresno | 0.002% | | **0.0019387%** |
| City | Orange Cove | Fresno | 0.004% | | **0.0035607%** |
| City | Parlier | Fresno | 0.008% | | **0.0069755%** |
| City | Reedley | Fresno | 0.012% | | **0.0098804%** |
| City | Sanger | Fresno | 0.018% | | **0.0146135%** |
| City | Selma | Fresno | 0.015% | | **0.0127537%** |
| County | ***Glenn County*** | Glenn | 0.107% | 0.131% | **0.1116978%** |
| County | ***Humboldt County*** | Humboldt | 1.030% | 1.260% | **1.0703185%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Arcata | Humboldt | 0.054% | | **0.0447660%** |
| City | Eureka | Humboldt | 0.117% | 0.143% | **0.1216284%** |
| City | Fortuna | Humboldt | 0.032% | | **0.0266837%** |
| County | ***Imperial County*** | Imperial | 0.258% | 0.315% | **0.2679006%** |
| City | Brawley | Imperial | 0.011% | | **0.0087986%** |
| City | Calexico | Imperial | 0.019% | | **0.0152799%** |
| City | El Centro | Imperial | 0.158% | | **0.1302522%** |
| City | Imperial | Imperial | 0.006% | | **0.0048791%** |
| County | ***Inyo County*** | Inyo | 0.073% | 0.089% | **0.0754413%** |
| County | ***Kern County*** | Kern | 2.517% | 3.079% | **2.6159145%** |
| City | Arvin | Kern | 0.006% | | **0.0046425%** |
| City | Bakersfield | Kern | 0.212% | | **0.1747198%** |
| City | California City | Kern | 0.009% | | **0.0070820%** |
| City | Delano | Kern | 0.030% | | **0.0249316%** |
| City | McFarland | Kern | 0.003% | | **0.0025644%** |
| City | Ridgecrest | Kern | 0.015% | | **0.0120938%** |
| City | Shafter | Kern | 0.013% | | **0.0103417%** |
| City | Tehachapi | Kern | 0.009% | | **0.0073580%** |
| City | Wasco | Kern | 0.008% | | **0.0069861%** |
| County | ***Kings County*** | Kings | 0.293% | | **0.2413469%** |
| City | Avenal | Kings | 0.007% | | **0.0056335%** |
| City | Corcoran | Kings | 0.013% | | **0.0107032%** |
| City | Hanford | Kings | 0.027% | | **0.0226038%** |
| City | Lemoore | Kings | 0.016% | | **0.0131900%** |
| County | ***Lake County*** | Lake | 0.795% | | **0.6545389%** |
| City | Clearlake | Lake | 0.041% | 0.050% | **0.0426253%** |
| City | Lakeport | Lake | 0.021% | 0.026% | **0.0222964%** |
| County | ***Lassen County*** | Lassen | 0.319% | 0.391% | **0.3320610%** |
| City | Susanville | Lassen | 0.027% | | **0.0219295%** |
| County | ***Los Angeles County*** | Los Angeles | 13.896% | 16.999% | **14.4437559%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Agoura Hills | Los Angeles | 0.005% | | **0.0040024%** |
| City | Alhambra | Los Angeles | 0.042% | | **0.0343309%** |
| City | Arcadia | Los Angeles | 0.033% | | **0.0267718%** |
| City | Artesia | Los Angeles | 0.001% | | **0.0005100%** |
| City | Azusa | Los Angeles | 0.026% | | **0.0210857%** |
| City | Baldwin Park | Los Angeles | 0.027% | | **0.0218520%** |
| City | Bell | Los Angeles | 0.008% | | **0.0068783%** |
| City | Bellflower | Los Angeles | 0.002% | | **0.0014485%** |
| City | Bell Gardens | Los Angeles | 0.014% | | **0.0114301%** |
| City | Beverly Hills | Los Angeles | 0.065% | | **0.0534897%** |
| City | Burbank | Los Angeles | 0.100% | | **0.0823132%** |
| City | Calabasas | Los Angeles | 0.006% | | **0.0048948%** |
| City | Carson | Los Angeles | 0.019% | | **0.0159805%** |
| City | Cerritos | Los Angeles | 0.005% | | **0.0039682%** |
| City | Claremont | Los Angeles | 0.010% | | **0.0082584%** |
| City | Commerce | Los Angeles | 0.000% | | **0.0002971%** |
| City | Compton | Los Angeles | 0.044% | | **0.0361882%** |
| City | Covina | Los Angeles | 0.028% | | **0.0229127%** |
| City | Cudahy | Los Angeles | 0.001% | | **0.0006020%** |
| City | Culver City | Los Angeles | 0.055% | | **0.0449894%** |
| City | Diamond Bar | Los Angeles | 0.001% | | **0.0006993%** |
| City | Downey | Los Angeles | 0.052% | | **0.0429994%** |
| City | Duarte | Los Angeles | 0.003% | | **0.0027261%** |
| City | El Monte | Los Angeles | 0.031% | 0.038% | **0.0318985%** |
| City | El Segundo | Los Angeles | 0.033% | | **0.0268020%** |
| City | Gardena | Los Angeles | 0.034% | | **0.0278088%** |
| City | Glendale | Los Angeles | 0.166% | | **0.1366586%** |
| City | Glendora | Los Angeles | 0.016% | | **0.0134411%** |
| City | Hawaiian Gardens | Los Angeles | 0.005% | | **0.0040549%** |
| City | Hawthorne | Los Angeles | 0.050% | | **0.0407833%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Hermosa Beach | Los Angeles | 0.018% | | **0.0145307%** |
| City | Huntington Park | Los Angeles | 0.023% | | **0.0190667%** |
| City | Inglewood | Los Angeles | 0.059% | | **0.0489195%** |
| City | La Cañada Flintridge | Los Angeles | 0.003% | | **0.0025565%** |
| City | Lakewood | Los Angeles | 0.005% | | **0.0039971%** |
| City | La Mirada | Los Angeles | 0.010% | | **0.0081572%** |
| City | Lancaster | Los Angeles | 0.045% | | **0.0369689%** |
| City | La Puente | Los Angeles | 0.002% | | **0.0012999%** |
| City | La Verne | Los Angeles | 0.024% | | **0.0194190%** |
| City | Lawndale | Los Angeles | 0.002% | | **0.0017731%** |
| City | Lomita | Los Angeles | 0.004% | | **0.0031940%** |
| City | Long Beach | Los Angeles | 0.439% | | **0.3614151%** |
| City | Los Angeles | Los Angeles | 2.715% | 3.321% | **2.8218811%** |
| City | Lynwood | Los Angeles | 0.016% | | **0.0134345%** |
| City | Malibu | Los Angeles | 0.002% | | **0.0019269%** |
| City | Manhattan Beach | Los Angeles | 0.032% | | **0.0260686%** |
| City | Maywood | Los Angeles | 0.004% | | **0.0035528%** |
| City | Monrovia | Los Angeles | 0.031% | | **0.0254455%** |
| City | Montebello | Los Angeles | 0.030% | | **0.0250670%** |
| City | Monterey Park | Los Angeles | 0.031% | | **0.0256677%** |
| City | Norwalk | Los Angeles | 0.031% | | **0.0258228%** |
| City | Palmdale | Los Angeles | 0.046% | | **0.0375827%** |
| City | Palos Verdes Estates | Los Angeles | 0.006% | | **0.0053102%** |
| City | Paramount | Los Angeles | 0.011% | | **0.0091483%** |
| City | Pasadena | Los Angeles | 0.146% | | **0.1200524%** |
| City | Pico Rivera | Los Angeles | 0.022% | | **0.0183333%** |
| City | Pomona | Los Angeles | 0.111% | | **0.0911933%** |
| City | Rancho Palos Verdes | Los Angeles | 0.002% | | **0.0012645%** |
| City | Redondo Beach | Los Angeles | 0.062% | | **0.0506992%** |
| City | Rosemead | Los Angeles | 0.003% | | **0.0028260%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | San Dimas | Los Angeles | 0.003% | | **0.0022016%** |
| City | San Fernando | Los Angeles | 0.013% | | **0.0104837%** |
| City | San Gabriel | Los Angeles | 0.018% | | **0.0147726%** |
| City | San Marino | Los Angeles | 0.009% | | **0.0073791%** |
| City | Santa Clarita | Los Angeles | 0.022% | | **0.0178167%** |
| City | Santa Fe Springs | Los Angeles | 0.031% | | **0.0257531%** |
| City | Santa Monica | Los Angeles | 0.158% | | **0.1298513%** |
| City | Sierra Madre | Los Angeles | 0.006% | | **0.0048646%** |
| City | Signal Hill | Los Angeles | 0.010% | | **0.0084884%** |
| City | South El Monte | Los Angeles | 0.005% | | **0.0039603%** |
| City | South Gate | Los Angeles | 0.020% | | **0.0166272%** |
| City | South Pasadena | Los Angeles | 0.012% | | **0.0095334%** |
| City | Temple City | Los Angeles | 0.005% | | **0.0039498%** |
| City | Torrance | Los Angeles | 0.112% | | **0.0919820%** |
| City | Walnut | Los Angeles | 0.006% | | **0.0047305%** |
| City | West Covina | Los Angeles | 0.049% | | **0.0404521%** |
| City | West Hollywood | Los Angeles | 0.013% | | **0.0108517%** |
| City | Whittier | Los Angeles | 0.032% | | **0.0260581%** |
| County | ***Madera County*** | Madera | 0.349% | 0.427% | **0.3630669%** |
| City | Chowchilla | Madera | 0.012% | | **0.0097332%** |
| City | Madera | Madera | 0.039% | | **0.0318441%** |
| County | ***Marin County*** | Marin | 0.564% | 0.690% | **0.5861325%** |
| City | Larkspur | Marin | 0.015% | | **0.0124697%** |
| City | Mill Valley | Marin | 0.020% | | **0.0168401%** |
| City | Novato | Marin | 0.028% | | **0.0229824%** |
| City | San Anselmo | Marin | 0.009% | | **0.0078062%** |
| City | San Rafael | Marin | 0.089% | | **0.0729823%** |
| County | ***Mariposa County*** | Mariposa | 0.084% | 0.103% | **0.0876131%** |
| County | ***Mendocino County*** | Mendocino | 0.439% | 0.536% | **0.4558394%** |
| City | Ukiah | Mendocino | 0.039% | | **0.0317153%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| County | ***Merced County*** | Merced | 0.551% | 0.674% | **0.5724262%** |
| City | Atwater | Merced | 0.024% | | **0.0195846%** |
| City | Livingston | Merced | 0.006% | | **0.0045873%** |
| City | Los Banos | Merced | 0.020% | | **0.0165142%** |
| City | Merced | Merced | 0.061% | | **0.0500762%** |
| County | ***Modoc County*** | Modoc | 0.065% | 0.080% | **0.0678250%** |
| County | ***Mono County*** | Mono | 0.023% | 0.029% | **0.0242606%** |
| County | ***Monterey County*** | Monterey | 0.908% | 1.111% | **0.9437083%** |
| City | Greenfield | Monterey | 0.006% | | **0.0050552%** |
| City | King City | Monterey | 0.005% | | **0.0037355%** |
| City | Marina | Monterey | 0.017% | | **0.0144098%** |
| City | Monterey | Monterey | 0.041% | | **0.0336540%** |
| City | Pacific Grove | Monterey | 0.009% | | **0.0074842%** |
| City | Salinas | Monterey | 0.094% | | **0.0776576%** |
| City | Seaside | Monterey | 0.023% | | **0.0191772%** |
| City | Soledad | Monterey | 0.007% | | **0.0060870%** |
| County | ***Napa County*** | Napa | 0.288% | 0.352% | **0.2994325%** |
| City | American Canyon | Napa | 0.017% | | **0.0136869%** |
| City | Napa | Napa | 0.078% | | **0.0642783%** |
| County | ***Nevada County*** | Nevada | 0.441% | 0.539% | **0.4579827%** |
| City | Grass Valley | Nevada | 0.024% | | **0.0197805%** |
| City | Truckee | Nevada | 0.003% | | **0.0023843%** |
| County | ***Orange County*** | Orange | 4.364% | 5.339% | **4.5363576%** |
| City | Aliso Viejo | Orange | 0.014% | | **0.0113841%** |
| City | Anaheim | Orange | 0.554% | 0.678% | **0.5759282%** |
| City | Brea | Orange | 0.086% | | **0.0708897%** |
| City | Buena Park | Orange | 0.087% | | **0.0714352%** |
| City | Costa Mesa | Orange | 0.124% | 0.152% | **0.1288366%** |
| City | Cypress | Orange | 0.033% | | **0.0271937%** |
| City | Dana Point | Orange | 0.001% | | **0.0005560%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Fountain Valley | Orange | 0.055% | | **0.0455980%** |
| City | Fullerton | Orange | 0.137% | 0.168% | **0.1425744%** |
| City | Garden Grove | Orange | 0.213% | | **0.1752482%** |
| City | Huntington Beach | Orange | 0.247% | 0.302% | **0.2568420%** |
| City | Irvine | Orange | 0.139% | 0.170% | **0.1442350%** |
| City | Laguna Beach | Orange | 0.047% | 0.058% | **0.0493043%** |
| City | Laguna Hills | Orange | 0.014% | | **0.0115457%** |
| City | Laguna Niguel | Orange | 0.001% | | **0.0007071%** |
| City | Laguna Woods | Orange | 0.001% | | **0.0006546%** |
| City | La Habra | Orange | 0.060% | 0.073% | **0.0621049%** |
| City | Lake Forest | Orange | 0.012% | | **0.0101249%** |
| City | La Palma | Orange | 0.012% | | **0.0095439%** |
| City | Los Alamitos | Orange | 0.008% | | **0.0069190%** |
| City | Mission Viejo | Orange | 0.014% | | **0.0117560%** |
| City | Newport Beach | Orange | 0.179% | | **0.1470134%** |
| City | Orange | Orange | 0.150% | | **0.1231320%** |
| City | Placentia | Orange | 0.029% | 0.035% | **0.0298912%** |
| City | Rancho Santa Margarita | Orange | 0.001% | | **0.0006296%** |
| City | San Clemente | Orange | 0.008% | 0.010% | **0.0086083%** |
| City | San Juan Capistrano | Orange | 0.008% | | **0.0065510%** |
| City | Santa Ana | Orange | 0.502% | 0.614% | **0.5213866%** |
| City | Seal Beach | Orange | 0.020% | | **0.0165891%** |
| City | Stanton | Orange | 0.035% | | **0.0291955%** |
| City | Tustin | Orange | 0.073% | | **0.0600341%** |
| City | Westminster | Orange | 0.104% | 0.127% | **0.1082721%** |
| City | Yorba Linda | Orange | 0.044% | | **0.0362223%** |
| County | ***Placer County*** | Placer | 1.045% | 1.278% | **1.0861002%** |
| City | Auburn | Placer | 0.017% | | **0.0141114%** |
| City | Lincoln | Placer | 0.031% | | **0.0255599%** |
| City | Rocklin | Placer | 0.076% | | **0.0625485%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Roseville | Placer | 0.196% | | **0.1616559%** |
| County | ***Plumas County*** | Plumas | 0.205% | 0.251% | **0.2128729%** |
| County | ***Riverside County*** | Riverside | 4.534% | 5.547% | **4.7128296%** |
| City | Banning | Riverside | 0.017% | | **0.0143848%** |
| City | Beaumont | Riverside | 0.021% | | **0.0171135%** |
| City | Blythe | Riverside | 0.012% | | **0.0096714%** |
| City | Canyon Lake | Riverside | 0.000% | | **0.0001761%** |
| City | Cathedral City | Riverside | 0.067% | | **0.0553614%** |
| City | Coachella | Riverside | 0.021% | | **0.0173054%** |
| City | Corona | Riverside | 0.147% | | **0.1207083%** |
| City | Desert Hot Springs | Riverside | 0.024% | | **0.0200433%** |
| City | Eastvale | Riverside | 0.000% | | **0.0002747%** |
| City | Hemet | Riverside | 0.051% | | **0.0421792%** |
| City | Indio | Riverside | 0.056% | | **0.0457794%** |
| City | Jurupa Valley | Riverside | 0.001% | | **0.0008991%** |
| City | Lake Elsinore | Riverside | 0.021% | | **0.0172949%** |
| City | La Quinta | Riverside | 0.063% | | **0.0516732%** |
| City | Menifee | Riverside | 0.032% | | **0.0260909%** |
| City | Moreno Valley | Riverside | 0.137% | | **0.1130348%** |
| City | Murrieta | Riverside | 0.048% | 0.059% | **0.0497423%** |
| City | Norco | Riverside | 0.016% | | **0.0134542%** |
| City | Palm Desert | Riverside | 0.083% | | **0.0682465%** |
| City | Palm Springs | Riverside | 0.076% | | **0.0629862%** |
| City | Perris | Riverside | 0.009% | | **0.0076774%** |
| City | Rancho Mirage | Riverside | 0.052% | | **0.0431098%** |
| City | Riverside | Riverside | 0.268% | | **0.2206279%** |
| City | San Jacinto | Riverside | 0.010% | | **0.0085936%** |
| City | Temecula | Riverside | 0.022% | | **0.0180086%** |
| City | Wildomar | Riverside | 0.008% | | **0.0062500%** |
| County | ***Sacramento County*** | Sacramento | 3.797% | 4.645% | **3.9465887%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Citrus Heights | Sacramento | 0.057% | | **0.0465312%** |
| City | Elk Grove | Sacramento | 0.130% | | **0.1066994%** |
| City | Folsom | Sacramento | 0.108% | | **0.0890850%** |
| City | Galt | Sacramento | 0.017% | | **0.0143704%** |
| City | Rancho Cordova | Sacramento | 0.008% | | **0.0067679%** |
| City | Sacramento | Sacramento | 0.721% | 0.882% | **0.7496530%** |
| County | ***San Benito County*** | San Benito | 0.106% | 0.130% | **0.1101417%** |
| City | Hollister | San Benito | 0.027% | | **0.0225355%** |
| County | ***San Bernardino County*** | San Bernardino | 3.259% | 3.987% | **3.3878124%** |
| City | Adelanto | San Bernardino | 0.008% | | **0.0066640%** |
| City | Apple Valley | San Bernardino | 0.025% | | **0.0207360%** |
| City | Barstow | San Bernardino | 0.015% | | **0.0122056%** |
| City | Chino | San Bernardino | 0.064% | | **0.0525893%** |
| City | Chino Hills | San Bernardino | 0.001% | | **0.0006388%** |
| City | Colton | San Bernardino | 0.031% | | **0.0253443%** |
| City | Fontana | San Bernardino | 0.112% | | **0.0920543%** |
| City | Grand Terrace | San Bernardino | 0.006% | | **0.0051051%** |
| City | Hesperia | San Bernardino | 0.035% | | **0.0291522%** |
| City | Highland | San Bernardino | 0.004% | | **0.0029061%** |
| City | Loma Linda | San Bernardino | 0.009% | | **0.0071188%** |
| City | Montclair | San Bernardino | 0.039% | | **0.0322108%** |
| City | Ontario | San Bernardino | 0.179% | | **0.1472934%** |
| City | Rancho Cucamonga | San Bernardino | 0.084% | | **0.0689431%** |
| City | Redlands | San Bernardino | 0.057% | | **0.0469150%** |
| City | Rialto | San Bernardino | 0.073% | | **0.0603206%** |
| City | San Bernardino | San Bernardino | 0.178% | | **0.1461880%** |
| City | Twentynine Palms | San Bernardino | 0.002% | | **0.0012605%** |
| City | Upland | San Bernardino | 0.052% | | **0.0424460%** |
| City | Victorville | San Bernardino | 0.033% | | **0.0269400%** |
| City | Yucaipa | San Bernardino | 0.016% | | **0.0128772%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Yucca Valley | San Bernardino | 0.003% | | **0.0021228%** |
| County | ***San Diego County*** | San Diego | 5.706% | 6.980% | **5.9309748%** |
| City | Carlsbad | San Diego | 0.128% | | **0.1050485%** |
| City | Chula Vista | San Diego | 0.189% | 0.231% | **0.1961456%** |
| City | Coronado | San Diego | 0.044% | | **0.0359095%** |
| City | El Cajon | San Diego | 0.113% | | **0.0933582%** |
| City | Encinitas | San Diego | 0.061% | 0.074% | **0.0630289%** |
| City | Escondido | San Diego | 0.145% | | **0.1192204%** |
| City | Imperial Beach | San Diego | 0.014% | | **0.0118283%** |
| City | La Mesa | San Diego | 0.055% | 0.068% | **0.0575593%** |
| City | Lemon Grove | San Diego | 0.022% | | **0.0183911%** |
| City | National City | San Diego | 0.080% | | **0.0656808%** |
| City | Oceanside | San Diego | 0.213% | | **0.1753428%** |
| City | Poway | San Diego | 0.062% | | **0.0511040%** |
| City | San Diego | San Diego | 1.975% | 2.416% | **2.0531169%** |
| City | San Marcos | San Diego | 0.089% | | **0.0733897%** |
| City | Santee | San Diego | 0.033% | | **0.0268401%** |
| City | Solana Beach | San Diego | 0.017% | | **0.0138564%** |
| City | Vista | San Diego | 0.052% | | **0.0425144%** |
| Consolidated | ***San Francisco*** | San Francisco | 3.026% | 3.702% | **3.1457169%** |
| County | ***San Joaquin County*** | San Joaquin | 1.680% | 2.055% | **1.7460399%** |
| City | Lathrop | San Joaquin | 0.009% | | **0.0075394%** |
| City | Lodi | San Joaquin | 0.053% | | **0.0439484%** |
| City | Manteca | San Joaquin | 0.054% | | **0.0443454%** |
| City | Ripon | San Joaquin | 0.013% | | **0.0104219%** |
| City | Stockton | San Joaquin | 0.313% | 0.383% | **0.3256176%** |
| City | Tracy | San Joaquin | 0.084% | | **0.0692047%** |
| County | ***San Luis Obispo County*** | San Luis Obispo | 0.816% | 0.999% | **0.8484126%** |
| City | Arroyo Grande | San Luis Obispo | 0.024% | | **0.0199053%** |
| City | Atascadero | San Luis Obispo | 0.029% | | **0.0240680%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | El Paso de Robles (Paso Robles) | San Luis Obispo | 0.043% | | **0.0353456%** |
| City | Grover Beach | San Luis Obispo | 0.017% | | **0.0137881%** |
| City | Morro Bay | San Luis Obispo | 0.020% | | **0.0160922%** |
| City | San Luis Obispo | San Luis Obispo | 0.077% | | **0.0637841%** |
| County | ***San Mateo County*** | San Mateo | 1.074% | 1.313% | **1.1159599%** |
| City | Belmont | San Mateo | 0.021% | | **0.0169860%** |
| City | Burlingame | San Mateo | 0.019% | | **0.0152537%** |
| City | Daly City | San Mateo | 0.044% | | **0.0363880%** |
| City | East Palo Alto | San Mateo | 0.013% | | **0.0103982%** |
| City | Foster City | San Mateo | 0.020% | | **0.0166101%** |
| City | Half Moon Bay | San Mateo | 0.004% | | **0.0031638%** |
| City | Hillsborough | San Mateo | 0.013% | | **0.0110029%** |
| City | Menlo Park | San Mateo | 0.015% | | **0.0126209%** |
| City | Millbrae | San Mateo | 0.013% | | **0.0105836%** |
| City | Pacifica | San Mateo | 0.016% | | **0.0130625%** |
| City | Redwood City | San Mateo | 0.056% | | **0.0463511%** |
| City | San Bruno | San Mateo | 0.021% | | **0.0172161%** |
| City | San Carlos | San Mateo | 0.013% | | **0.0108885%** |
| City | San Mateo | San Mateo | 0.052% | | **0.0425841%** |
| City | South San Francisco | San Mateo | 0.043% | | **0.0353943%** |
| County | ***Santa Barbara County*** | Santa Barbara | 1.132% | 1.385% | **1.1768968%** |
| City | Carpinteria | Santa Barbara | 0.001% | | **0.0008938%** |
| City | Goleta | Santa Barbara | 0.004% | | **0.0028969%** |
| City | Lompoc | Santa Barbara | 0.047% | | **0.0389379%** |
| City | Santa Barbara | Santa Barbara | 0.122% | | **0.1004559%** |
| City | Santa Maria | Santa Barbara | 0.058% | | **0.0479179%** |
| County | ***Santa Clara County*** | Santa Clara | 2.404% | 2.941% | **2.4987553%** |
| City | Campbell | Santa Clara | 0.014% | | **0.0112566%** |
| City | Cupertino | Santa Clara | 0.008% | | **0.0066824%** |
| City | Gilroy | Santa Clara | 0.025% | | **0.0202891%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Los Altos | Santa Clara | 0.013% | | **0.0103338%** |
| City | Los Gatos | Santa Clara | 0.013% | | **0.0103220%** |
| City | Milpitas | Santa Clara | 0.036% | | **0.0298120%** |
| City | Morgan Hill | Santa Clara | 0.015% | | **0.0124619%** |
| City | Mountain View | Santa Clara | 0.041% | | **0.0334608%** |
| City | Palo Alto | Santa Clara | 0.039% | | **0.0323080%** |
| City | San Jose | Santa Clara | 0.294% | 0.360% | **0.3054960%** |
| City | Santa Clara | Santa Clara | 0.067% | | **0.0549723%** |
| City | Saratoga | Santa Clara | 0.004% | | **0.0034161%** |
| City | Sunnyvale | Santa Clara | 0.053% | | **0.0434069%** |
| County | ***Santa Cruz County*** | Santa Cruz | 0.783% | 0.957% | **0.8135396%** |
| City | Capitola | Santa Cruz | 0.020% | | **0.0168191%** |
| City | Santa Cruz | Santa Cruz | 0.143% | | **0.1180348%** |
| City | Scotts Valley | Santa Cruz | 0.015% | | **0.0126525%** |
| City | Watsonville | Santa Cruz | 0.063% | | **0.0520136%** |
| County | ***Shasta County*** | Shasta | 1.095% | 1.339% | **1.1380191%** |
| City | Anderson | Shasta | 0.024% | | **0.0198896%** |
| City | Redding | Shasta | 0.284% | | **0.2334841%** |
| City | Shasta Lake | Shasta | 0.004% | | **0.0031993%** |
| County | ***Siskiyou County*** | Siskiyou | 0.228% | 0.279% | **0.2373393%** |
| County | ***Solano County*** | Solano | 0.760% | | **0.6260795%** |
| City | Benicia | Solano | 0.031% | | **0.0253903%** |
| City | Dixon | Solano | 0.016% | | **0.0130849%** |
| City | Fairfield | Solano | 0.109% | | **0.0897317%** |
| City | Suisun City | Solano | 0.021% | | **0.0176183%** |
| City | Vacaville | Solano | 0.119% | | **0.0976497%** |
| City | Vallejo | Solano | 0.167% | | **0.1373644%** |
| County | ***Sonoma County*** | Sonoma | 1.218% | 1.490% | **1.2661290%** |
| City | Healdsburg | Sonoma | 0.032% | | **0.0266929%** |
| City | Petaluma | Sonoma | 0.081% | | **0.0667507%** |

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Rohnert Park | Sonoma | 0.041% | | **0.0340759%** |
| City | Santa Rosa | Sonoma | 0.184% | | **0.1519070%** |
| City | Sonoma | Sonoma | 0.022% | | **0.0183438%** |
| City | Windsor | Sonoma | 0.016% | | **0.0129298%** |
| County | ***Stanislaus County*** | Stanislaus | 1.722% | | **1.4182273%** |
| City | Ceres | Stanislaus | 0.041% | | **0.0340260%** |
| City | Modesto | Stanislaus | 0.217% | | **0.1788759%** |
| City | Newman | Stanislaus | 0.006% | | **0.0046964%** |
| City | Oakdale | Stanislaus | 0.018% | | **0.0145531%** |
| City | Patterson | Stanislaus | 0.015% | | **0.0126590%** |
| City | Riverbank | Stanislaus | 0.010% | | **0.0085699%** |
| City | Turlock | Stanislaus | 0.065% | | **0.0531966%** |
| County | ***Sutter County*** | Sutter | 0.306% | 0.374% | **0.3179548%** |
| City | Yuba City | Sutter | 0.074% | | **0.0606242%** |
| County | ***Tehama County*** | Tehama | 0.213% | 0.261% | **0.2216654%** |
| City | Red Bluff | Tehama | 0.014% | | **0.0117771%** |
| County | ***Trinity County*** | Trinity | 0.082% | 0.101% | **0.0855476%** |
| County | ***Tulare County*** | Tulare | 0.809% | 0.990% | **0.8410949%** |
| City | Dinuba | Tulare | 0.014% | | **0.0116929%** |
| City | Exeter | Tulare | 0.004% | | **0.0032479%** |
| City | Farmersville | Tulare | 0.003% | | **0.0027879%** |
| City | Lindsay | Tulare | 0.007% | | **0.0057111%** |
| City | Porterville | Tulare | 0.021% | | **0.0171845%** |
| City | Tulare | Tulare | 0.037% | | **0.0302273%** |
| City | Visalia | Tulare | 0.066% | | **0.0545872%** |
| County | ***Tuolumne County*** | Tuolumne | 0.486% | 0.594% | **0.5047621%** |
| County | ***Ventura County*** | Ventura | 2.192% | 2.681% | **2.2781201%** |
| City | Camarillo | Ventura | 0.002% | | **0.0012815%** |
| City | Fillmore | Ventura | 0.002% | | **0.0020294%** |
| City | Moorpark | Ventura | 0.008% | | **0.0067337%** |

Attachment: final-proposed-ca-state-subdivision-agreement-distributors-settlement (Admin: National

APPENDIX 1

| Participating Subdivision Classification | Participating Subdivision | County | Abatement Percentage | Plaintiff Subdivision Percentage | Weighted Allcation Percentage |
|---|---|---|---|---|---|
| City | Oxnard | Ventura | 0.156% | 0.190% | **0.1617338%** |
| City | Port Hueneme | Ventura | 0.021% | | **0.0174145%** |
| City | San Buenaventura (Ventura) | Ventura | 0.085% | | **0.0702181%** |
| City | Santa Paula | Ventura | 0.014% | | **0.0119072%** |
| City | Simi Valley | Ventura | 0.065% | | **0.0533043%** |
| City | Thousand Oaks | Ventura | 0.022% | | **0.0179902%** |
| County | ***Yolo County*** | Yolo | 0.357% | 0.437% | **0.3713319%** |
| City | Davis | Yolo | 0.055% | | **0.0451747%** |
| City | West Sacramento | Yolo | 0.066% | | **0.0544321%** |
| City | Woodland | Yolo | 0.058% | | **0.0477904%** |
| County | ***Yuba County*** | Yuba | 0.214% | 0.262% | **0.2225679%** |
| City | Marysville | Yuba | 0.014% | | **0.0112079%** |

## APPENDIX 2

### Cost Reimbursement Procedure

**1. Additional defined terms:**

a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were paid or incurred (i) prior to July 21, 2021 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting this CA Distributor Allocation Agreement. Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.

b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the Distributor Settlement Agreement or Section XI and Exhibit R of the Janssen Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.

c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.

d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

**2. Cost Reimbursement to Plaintiff Subdivision**

a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating a National Opioid Settlement with Distributors, Johnson & Johnson, and others.

b) Claims Procedure.

i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section X or Exhibit R of the Distributor Settlement Agreement or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for

Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.

iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.

iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.

v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.

vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section V.B.2 of the Distributor Agreement.

vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and the Distributors a report of the fees and expenses incurred by the Special Master pursuant to Section V.B.2 of the Distributor Agreement.

c) Claims Priority and Limitation.

i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.

ii. Final Awards of Costs that do not exceed seventy-five thousand dollars ($75,000.00) will be paid next in priority after the Special Master's approved invoices.

iii. Final Awards of Costs in excess of seventy-five thousand dollars ($75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.

iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.

v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.

vi. In no event shall more than $28 million of the total CA Subdivision Funds paid pursuant to the Distributor Settlement Agreement and the Janssen Settlement Agreement be used to pay Costs.

d) Collateral Source Payments and Third-Party Settlement.

i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund.

ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.

# APPENDIX 3

## CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the Distributors Settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Expenses and Costs) of the Distributor Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Distributor Settlement Agreement and CA Distributor Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Distributor Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Distributors Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Distributor Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the Distributor Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.

| | |
|---|---|
| [DATE] | [SUBDIVISION SIGNATURE BLOCK] |
| [DATE] | [COUNSEL SIGNATURE BLOCK] |
| [DATE] | [ATTORNEY GENERAL SIGNATURE BLOCK] |

AGENDA
STAFF REPORT

| MEETING DATE: 1/18/2022 | AGENDA SECTION: E |
|---|---|

**SUBJECT:**
IT: Approval of the Purchase of five (5) Electronic Plan Tables from iProject Solutions, LLC, in the amount of $70,320.00, to be funded out of the SB2 Grant.

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**RECOMMENDATION:**
That the City Council, by motion, approve the purchase of five (5) electronic Plan Tables in the amount of $70,320.00 from iProjectSolutions LLC.

**BACKGROUND:**
In 2019 the City applied for and was awarded an SB2 grant from the State in the amount of $160,000. The grant was awarded to the City to help procure the necessary equipment for the streamlining of permitting and to increase efficiencies in the Community Development process for the City. With the implementation of EnerGov, all future plans for development will be sent to the City in electronic format. The purchase of the Plan Tables will allow staff to view, manipulate and add corrections to the submitted plans. Plan tables will be utilized in Community Development, Public Works as well as the Fire Department for their roles in inspecting the plans before a permit is issued.

**FISCAL IMPACT:**
Funding for the purchase of the Plan Tables will be funded out of the computer replacement fund and then reimbursed through the SB2 Grant that was previously awarded to the City.

**ATTACHMENTS:**
Estimate_1721_from_iProjectSolutions_LLC
Plan Table

iProjectSolutions LLC
3831 Frederick Ave #122
Saint Joseph, MO 64506 US
888-836-2727
kevin.rowe@iprojectsolutions.com
www.iprojectsolutions.com

**ADDRESS**
Eric Forcey
City of Hanford
315-321 North Douty Street
Hanford, CA 93230 | Phone: 559-585-2500
Hanford, CA 93230 USA

**SHIP TO**
Eric Forcey
City of Hanford
315-321 North Douty Street
Hanford, CA 93230 | Phone: 559-585-2500
Hanford, CA 93230 USA

# Quote 1721

**DATE** 12/20/2021

| ACTIVITY | QTY | RATE | AMOUNT |
|---|---|---|---|
| **FM Workstations:FM-ELT554K**<br>FM-ELT554k<br>Electric lift<br>Electric tilt<br>Articulating keyboard tray<br>55" 4k PCAP touchscreen monitor<br>1 - 24" rotating side monitor<br>i7 PC<br>16gb ram<br>1 tb hard drive<br>4gb video card<br>Wireless or wired Ethernet<br>Wireless keyboard and mouse<br>Web cam<br>Surge protector<br>Battery back-up<br>Stylus kit | 5 | 13,700.00 | 68,500.00 |

| | |
|---|---|
| SUBTOTAL | 68,500.00 |
| TAX | 0.00 |
| SHIPPING | 1,820.00 |
| TOTAL | **$70,320.00** |

Accepted By

Accepted Date

Attachment: Estimate_1721_from_iProjectSolutions_LLC (IT: Purchase of Plan Tables)

FM Electric Lift and Tilt FM-ELT554K

FM-ELT Series

Includes:

55’’ Touchscreen PCAP monitor ☐

49’’ Touchscreen PCAP monitor ☐

43’’ Touchscreen PCAP monitor ☐

iPlanTables electric lift & tilt sit-stand mobile cart

Dell i7 PC

16 gbs ram

512 SSID hard drive

4gb video card

1- 24” side monitor

Webcam

Wireless keyboard & mouse

UPS Battery Back-up

Surge protector

PC Included

Webcam Included

UPS Included

2nd Monitor Included

Full Size Keyboard and Mouse Included

Electric Lift and Tilt


## Options

**Upgrade computer**

i9 ☐ Xeon chip ☐

Fanless ☐ Small Form Factor ☐

**Ram upgrade**

32gb ☐ 64gb ☐ 128gb ☐

**SATA hard drive upgrade**

2tb ☐ 5tb ☐ 10tb ☐

**SSID Hard drive upgrade**

1tb ☐

Other: ______________________________

Backup hard drive ☐

Logitech Conference Cam ☐

**Video Card Upgrade**

6gb ☐ 8gb ☐ 16gb ☐ 32gb ☐

Job site casters ☐

Personalized ☐ PMS Color _______________

Apple TV ☐

Misc.

___________________________

**FM-ELT554K 55” $13,700**

**FM-ELT494k 49” $13,100**

**FM-ELT434k 43” $12,200**

Attachment: Plan Table (IT: Purchase of Plan Tables)

**AGENDA**
**STAFF REPORT**

| **MEETING DATE:** 1/18/2022 | **AGENDA SECTION:** F |
|---|---|

**SUBJECT:**
Public Works: Approval of a Notice of Completion for the FY 20/21 Survey Monumentation / Benchmark Update Project and authorize the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office.

---

**RECOMMENDATION:**
That the City Council, by motion, approve of a Notice of Completion for the FY 20/21 Survey Monumentation / Benchmark Update Project and authorize the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office

**BACKGROUND:**
On July 6, 2021, the Council awarded the FY 20/21 Survey Monumentation / Benchmark Update Project to Provost & Prichard of Clovis Ca.

Updating of our survey benchmark datum and mapping was necessary for proper installation of curbs, storm drainage facilities and sanitary sewer lines. The Benchmark system is typically updated every ten years.

The City's survey benchmark datum and mapping is used by city staff and private engineers in the design of various Public Works infrastructure projects. The benchmark datum needed to be updated to ensure proper vertical control for surveys. The last update was in 2004.

There was (1) contract change orders on this project for a net increase of $4,500.00 However, the total project cost remained under budget.

**FINANCIAL HISTORY:**

| SOURCE OF BUDGET FUNDING | AMOUNT |
|---|---|
| 358 Storm Drainage Capital | $ 21,802.00 |
| 363 Wastewater Capital | $ 32,703.00 |
| 391 Water Capital | $ 32,703.00 |
| Total Budget Funding | $ 87,208.00 |

**CONSTRUCTION COST:**

| | |
|---|---|
| Original Contract – Total Bid Award | $ 38,000.00 |
| Contract Change Order No. 1 | $ 4,500.00 |
| Total Construction Cost | $ 42,500.00 |
| Balance (Credit) | -$ 44,708.00 |

**FISCAL IMPACT:**
The FY 20/21 Transportation Capital Budget provides $87,208.00 for this project, split between the Storm Drainage, Wastewater, and Water Capital funds. The Final Project Construction and Finance History Report are attached for Council review.

**ATTACHMENTS:**
NOC - Recording Original WORD
NOC Recording Original with Maps PDF
Finance History Report

RECORDING REQUESTED BY:
CITY OF HANFORD

When recorded return to:

City Clerk
City of Hanford
315 North Douty Street
Hanford, California 93230-3951

G.C. 27361.3 - Fee NIL

---

NOTICE OF COMPLETION

TO WHOM IT MAY CONCERN:

YOU ARE HEREBY NOTIFIED AS FOLLOWS:

1. The work of Improvement is located: Various locations within the City of Hanford (See Attached Map for all locations)

2. The Improvement is particularly described as: Benchmark Update

3. The date of completion of the work of Improvement: November 6, 2021

4. The Owner of the work of Improvement: City of Hanford.

5. The nature of the owner's interest or estate: Fee Simple Title.

6. The name of the original contractor for the work of Improvement: Provost & Pirtchard

7. The surety for the work of Improvement: National Fire of Ins Co of Hartford.

8. All work for this project has been completed.

9. Accepted by minute action of the City Council of the City of Hanford on: January 18, 2022

I certify under penalty of perjury that the foregoing is true and correct.
Dated this 6th day of January 18, 2022.

BY: ______________________________________
Diane Sharp, Mayor
City of Hanford, County of Kings, State of California

I, the undersigned, say:
I am the person who signed the foregoing notice. I have read the above notice and know its contents, and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Hanford, California, this __18th__ day of ____January________, 2022.

BY: ________________________________________
Diane Sharp, Mayor
City of Hanford, County of Kings, State of California

Authority: Section 1181 Civil Code

RECORDING REQUESTED BY:
CITY OF HANFORD

When recorded return to:

City Clerk
City of Hanford
315 North Douty Street
Hanford, California 93230-3951

G.C. 27361.3 - Fee NIL

---

NOTICE OF COMPLETION

TO WHOM IT MAY CONCERN:

YOU ARE HEREBY NOTIFIED AS FOLLOWS:

1. The work of Improvement is located: Various locations within the City of Hanford (See Attached Map for all locations)
2. The Improvement is particularly described as: Benchmark Update
3. The date of completion of the work of Improvement: November 6, 2021
4. The Owner of the work of Improvement: City of Hanford.
5. The nature of the owner's interest or estate: Fee Simple Title.
6. The name of the original contractor for the work of Improvement: Provost & Pirtchard
7. The surety for the work of Improvement: National Fire of Ins Co of Hartford.
8. All work for this project has been completed.
9. Accepted by minute action of the City Council of the City of Hanford on: January 18, 2022

I certify under penalty of perjury that the foregoing is true and correct.
Dated this 6th day of January 18, 2022.

BY: ____________________________________
Diane Sharp, Mayor
City of Hanford, County of Kings, State of California

I, the undersigned, say:
I am the person who signed the foregoing notice. I have read the above notice and know its contents, and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Hanford, California, this __18th__ day of ____January_______, 2022.

BY: ________________________________________
Diane Sharp, Mayor
City of Hanford, County of Kings, State of California

Authority: Section 1181 Civil Code


CITY OF HANFORD

DEPARTMENT OF PUBLIC WORKS

ENGINEERING DIVISION

# 2021 CITY BENCH MARK MAP

SHEET 1 OF 1

# FINAL PROJECT CONSTRUCTION AND FINANCE HISTORY

**PROJECT:** Benchmark Update Project
**CONTRACTOR:** Provost & Prichard
455 W. Fir Avenue
Clovis CA 93611

| **CONTRACT DATES:** | | |
|---|---|---|
| | Bid Date | June 14, 2021 |
| | Council Award | July 6, 2021 |
| | Contractor Started Work | August 9, 2021 |
| | Contract Time of Completion | November 6, 2021 |
| | Contractor Completed Work | November 19, 2021 |

**CONTRACT CHANGE ORDERS:**

1. Contract Change Order No. 1: Added (10) additional locations to establish benchmark(s).
**For a net increase of $4,500.00**

**FINANCIAL HISTORY:**

| SOURCE OF BUDGET FUNDING | AMOUNT |
|---|---|
| 358 Storm Drainage Capital | $ 21,802.00 |
| 363 Wastewater Capital | $ 32,703.00 |
| 391 Water Capital | $ 32,703.00 |
| Total Budget Funding | $ 87,208.00 |

**CONSTRUCTION COST:**

| | |
|---|---|
| Original Contract – Total Bid Award | $ 38,000.00 |
| Contract Change Order No. 1 | $ 4,500.00 |
| Total Construction Cost | $ 42,500.00 |
| Balance (Credit) | -$ 44,708.00 |

**AGENDA**
**STAFF REPORT**

| **MEETING DATE:** 1/18/2022 | **AGENDA SECTION:** G |
|---|---|

**SUBJECT:**
Public Works: Approval of Annual Renewal of Zonar GPS, in the amount of $32,580.00, to allow for vehicle tracking on all City of Hanford vehicles.

---

**RECOMMENDATION:**
That the City Council, by motion, approve the renewal of Zonar GPS in the amount of $32,580.00 for time period December 1, 2021 to November 30, 2022.

**BACKGROUND:**
The City of Hanford has a 3-year contract with Zonar Systems that provides GPS tracking, referred to as Ignition Service, for one hundred thirty fleet vehicles. An additional service on thirty-five units, which is referred to as Turbo Service, is utilized on D.O.T. regulated vehicles for pre/post trip inspections and Electronic Vehicle Inspection Reports (EVIR).

This is an annual contract for maintenance of the devices and use of the computer software for tracking vehicles and vehicle service needs.

**FISCAL IMPACT:**
This is a budgeted expense of the Fleet Operations Budget (20400000.745000)

**ATTACHMENTS:**
ZONAR INV-SI531710

# SALES INVOICE

| | |
|---|---|
| **Sales Invoice Number:** | SI531710 |
| **Recurring Document:** | SC003882 |
| **Invoice Date:** | 12/02/21 |
| **Page:** | 1 |

18200 Cascade Ave S
Seattle, WA 98188
www.zonarsystems.com
**Voice: 206.878.2459**
**Fax: 206.878.3082**

NEW
**Remit To:**
Zonar Systems Inc.
P.O. Box 841580
Dallas, TX 75284-1580

**Sold To:**
City of Hanford
Attn: Accounts Payable
900 S 10th Ave
Hanford, CA 93230-5234
USA

**Ship To:**
City of Hanford
Attn: Will Smith
900 S 10th Ave
Hanford, CA 93230-5234
USA

| Customer ID | Customer P.O. | Payment Terms | |
|---|---|---|---|
| HAN2235 | HAN2235 | Net 30 Days | |
| **SalesPerson** | **Shipping Method** | **Ship Date** | **Due Date** |
| Brian C Dodson | UPS GROUND | | 01/01/22 |

| Order Qty | Item | | Description | This Invoice | Unit Price | To |
|---|---|---|---|---|---|---|
| 35 | TRK003 | *Renewal* | Turbo Service<br>*Service From: 12/01/21 to 11/30/22* | 35 | 312.00 | 10,920 |
| 95 | TRK001 | | Ignition Service<br>*Service From: 12/01/21 to 11/30/22* | 95 | 228.00 | 21,660 |

| | | |
|---|---|---|
| Subtotal | | 32,580 |
| Total Sales Tax: | | 0 |
| Total: | USD | 32,580 |

If you have a question about your bill you can email: acct@zonarsystems.com

Interested in Receiving your Invoices and Statements via Email?

Take the first step by visiting https://zonarsystems.com/ebill to update your contact information.

**Bank Info For Electronic Payment**

**Bank Of America**
100 North Tryon Street
Charlotte , NC 28255

**Account #**
4451331227

**Routing / ABA**
Wire - 026009593
ACH - 111000012
Swift - BOFAUS3N

**Overnight Lockbox Address**
Bank Of America Lockbox Services
Lockbox 841580
1950 N. Stemmons Freeway
Suite 5010
Dallas , TX 75207

**AGENDA**
**STAFF REPORT**

| **MEETING DATE:** 1/18/2022 | **AGENDA SECTION:** H |
|---|---|

**SUBJECT:**
Public Works: Approval of a sole source contract to IG Services (IGS) for the purpose of conducting a rate study for the City of Hanford Refuse division, at a not to exceed cost of $47,000.

---

**RECOMMENDATION:**
That the Council, by motion, authorize a sole source contract to IGS to conduct a refuse rate study for the City of Hanford to ensure adequate funds for long term financial stability, proper staffing levels, and a capital program to adequately operate and maintain the City's Refuse collection operation..

**BACKGROUND:**
City of Hanford Refuse rates were last evaluated and adjusted in 2017 and 2018. Since then, several new Statewide regulations have been adopted (SB1383, AB827, SB619, and AB901) that have significantly affected the cost to collect, process, and report municipal solid waste, including commercial recycling, food waste collection, and green waste recycling requirements.

In order to ensure funding is available to implement these new regulations, and to provide service as the City grows, a rate study is necessary. The rate study will identify the costs associated with implementing each of the various functions of the refuse department and ensure that customers are charged at a rate that reflects the cost of providing the service.

IGS has recently conducted similar rate studies for the City of Lemoore, City of Corcoran, and the Kings Waste Recycling Authority (KWRA). As such, they are intimately familiar with Hanford's unique challenges and opportunities and the challenges of working with KWRA. Staff has reviewed IGS's rate studies with the adjacent agencies and have verified the quality of work performed by IGS and considers them the subject matter expert in this type of rate study for our area.

Once the rate study is complete, options will be presented to Council for direction and a public hearing will be scheduled to discuss any proposed rate changes.

**FISCAL IMPACT:**
The 2022 operating budget includes funding for this project.  Funding is through the Refuse Enterprise Fund and does not utilize General Fund monies.

**ATTACHMENTS:**
IGS Rate study proposal

IGService
solutions that work

December 2, 2021

John Doyel
Public Works Director
City of Hanford
900 South 10th Street
Hanford, CA 93230

By email: JDoyel@cityofhanford.com

Re: Proposal to provide Refuse Enterprise Financial Analysis and Rate Study

Dear Mr. Doyel:

Please see the attached proposed scope and budget for IGS to perform a comprehensive refuse enterprise financial analysis and rate study.

My policy regarding billing hours is to show hours worked for each day, identifying tasks performed consistent with the scope and budget. Billing statements are in the same form and level of detail as the attached scope and budget. Some tasks may take more or less time than anticipated; however, the not-too-exceed amount is the upper limit of the projected cost for the study, based on the scope, as presented.

My approach is to work collaboratively with you and your staff. This is important for cost projections looking forward five years, and vital in order to propose rates that consider both cost of service and what the public can bear. My presentations to elected officials and the public are user-friendly, using charts and graphs wherever possible. All modeling is done with Microsoft Excel and the associated files will be provided to the City of Hanford for your use.

I can start on this project as soon as it is approved. Assuming approval in early January, I can have proposed revised rates to you by the end of February. This would mean a couple visits in late January and February. When the project is approved, we can schedule the entire timeline.

The not-to-exceed total on the attached scope and budget is $47,000; however, I will bill only for hours worked. The attached budget includes a 20 percent contingency, mainly to allow for tasks not anticipated in the existing scope.

I can provide a service agreement if you would like or use one preferred by Hanford. IGS is fully insured and can provide Certificates of Insurance when requested by City of Hanford.

Thank you for this opportunity to serve the City of Hanford; I am excited to work with your team!

Sincerely,

Dan Bergmann

Dan Bergmann, P.E.
President
IGService

*15 Shasta Lane, Walnut Creek, CA 94597 Office: 925-946-9090 Cell: 925-899-2578 Email: dan@igservice.com*

# City of Hanford

## IGS Scope and Budget for Refuse Rate Study

**Revised 12/2/21**

| Areas of Focus | | Hrs | Rate | Total | Subtotals |
|---|---|---|---|---|---|
| | **Existing status:** Review of existing rates and services. Meeting time with staff to determine overall service status. Tour of hauling equipment. Discuss special needs and compliance with AB1826, SB1383 and other regulatory requirements. | 8 | | | |
| | **Historical revenue and operating costs**: Develop comparison table showing FY19 and FY20 audited reveune and operating costs, FY21 unaudited, and FY22 projected, to operate refuse enterprise. Reconcile to audited statements. Meeting time with finance personnel as needed. | 8 | | | |
| | **Trucks and Equipment Maintenance and Capital Funding:** Review maintenance and replacment status of trucks and sweepers. Review overall funding for ongoing replacement. Work with staff for capital projections next five years. | 8 | | | |
| | **Street Sweeping cost analysis.** Determine cost of service for operation of street sweepers separate from refuse collection. | 4 | | | |
| | **Projection of overall operating costs and revenue needed:** Work with staff to develop revenue requirements next 5 years as basis for rate setting. This will be an extension of the worksheet showing the historical data. | 8 | | | |
| | **Cost of Service Detail for regular service:** Determine costs for each service: Land fill, recycle, green waste, and organics. Distinguish truck hauling costs from disposal fees at KWRA. Include life cycle costs of trucks, refuse department and general overhead components. Consider existing county rates vs city rates. Consider dumpster rental components. | 32 | | | |
| | **Special Fees:** Analysis for special fees such as temporary dumpster rental, refuse services for festivals, and large item pickups. Add special fees as needed. Meeting time with staff. | 6 | | | |
| | **Revised Rates:** Create revised rates and integrate into one comprehensive Excel-based rate matrix. Provide modeling spreadsheet linking rates to overall projected revenue. | 24 | | | |
| | **Rate Comparison.** Compare present and proposed rates to nearby communities for typical residential and commercial users. | 6 | | | |
| | **Preparation of draft staff reports for city council meetings** | 6 | | | |

| Areas of Focus | | Hrs | Rate | Total | Subtotals |
|---|---|---|---|---|---|
| | **Preparation of Prop 218 compliant rate notice** (to be approved by Hanford legal council) | 4 | | | |
| | **Council Meeting #1. (Study session to introduce changes)** Presentation preparation. Attend meeting and presentation. | 12 | | | |
| | **Written Report.** For city council and public distribution | 32 | | | |
| | **Council Meeting #2. (Approval to issue 218 notice)** Presentation preparation. Attend meeting and presentation. | 6 | | | |
| | **Council Meeting #3. (Rate Hearing)** Presentation preparation. Attend meeting and presentation. | 6 | | | |
| | | | | | |
| | **Total Hours and Labor Cost** | 170 | $195 | $33,150 | **$33,150** |
| | | | | | |
| **Travel Expenses** | | | | | |
| | 1 Combined driving, mileage, lodging* | | | $824 | |
| | 2 Combined driving, mileage, lodging | | | $824 | |
| | 3 Combined driving, mileage, lodging | | | $824 | |
| | 4 Combined driving, mileage, lodging (City Council #1) | | | $824 | |
| | 5 Combined driving, mileage, lodging | | | $824 | |
| | 6 Combined driving, mileage, lodging (City Council #2) | | | $824 | |
| | 7 Combined driving, mileage, lodging (City Council #3) | | | $824 | |
| | **Total Expenses** | | | | **$5,768** |
| | | | | | |
| **Total Budgeted Cost for Study** | | | | **$38,918** | **$38,918** |
| | Contingency | | 20% | | $7,784 |
| | Rounding | | | | $298 |
| **Not-To-Exceed Total **** | | | | | **$47,000** |
| | | | | | |
| *** Travel Expense Detail** | | | | | |
| | Driving Time | 6 | $75 | $450 | |
| | Mileage | 400 | $0.560 | $224 | |
| | Lodging per night, not to exceed | | | $150 | |
| | Combined driving, mileage, lodging | | | $824 | |
| | | | | | |
| ** The estimated costs in the various Areas of Focus, including Travel Expenses, may be more or less than the detail shown. Hours and expenses will be billed monthly as they are incurred. | | | | | |

Attachment: IGS Rate study proposal (PW - Refuse Rate Study)

AGENDA
STAFF REPORT

| MEETING DATE: 1/18/2022 | AGENDA SECTION: I |
|---|---|

**SUBJECT:**
Public Works: Authorize the purchase of property located on the north side of Fargo Ave. 350 ft west of the BNSF RR Tracks from Paul Singh Family Limited Partnership, a California Limited Partnership, as shown on the attached map, in the amount of $69,510.00 plus escrow fees, accept the attached Grant Deed and authorize the City Manager to execute and the City Clerk to attest and file said deeds with the Kings County Recorder's Office, and accept the attached Right of Way Agreement and authorize City staff to execute said agreement. (APN 007-360-016)

---

**RECOMMENDATION:**
That the City Council, by motion:

1. Authorize the purchase of property located on the north side of Fargo Ave. 350 ft west of the BNSF RR Tracks from Paul Singh Family Limited Partnership, a California Limited Partnership, as shown on the attached map, in the amount of $69,510.00 plus escrow fees. A Property appraisal is attached for council review.
2. Accept the attached Grant Deed and authorize the City Manager to execute and the City Clerk to attest and file said deeds with the Kings County Recorder's Office.
3. Accept the attached Right of Way Agreement and authorize City staff to execute said agreement.

**BACKGROUND:**
The City desires to acquire a portion of the Property for the expansion and Tank Site 6 to account for the growing needs of water of the City residents. Well No. 44 collapsed in 2020 and staff has identified a new location to drill the replacement well.

The purchase price is based upon the appraised value of the land.

**FISCAL IMPACT:**

The FY 21/22 Capital Improvement Program Budget provides $1,560,000 for construction of the well for this project. A copy of the budget page is attached for Council review.

**ATTACHMENTS:**
Budget Page
Purchase Agreement - 007-360-016
Grant Deed APN 007-360-016 (PACKET)

822633
823637

# New Water Supply Well

**Project Background:**

This project funds the installation of a new deep water well and associated pumping equipment to provide additional City water supply and service reliability.

**Existing Conditions:**

The City water system currently has 13 active water supply wells and one standby emergency well. The wells have a total production capacity of approximately 26 million gallons per day.

**Project Justification:**

As development occurs the need to provide additional water capacity and service reliability is necessary. This project would provide funding to install a new deep well as needed.

**Fiscal Implications:**

Funding for the new water supply well will be allocated from Water Capital Reserves.

**Project Budget Summary:**

| | | 5-Year Funding Allocation | | | | |
|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | 2025 | 2026 |
| | **Program or Project** | Construction | Design | Construction | Design | Construction |
| Expenditure | Engineering | | 35,000 | | 35,000 | |
| | Consultant | | 95,000 | | 95,000 | |
| | Equipment | 350,000 | | 350,000 | | 350,000 |
| | Construction | 1,400,000 | | 1,400,000 | | 1,400,000 |
| | Contingency | 140,000 | | 140,000 | | 140,000 |
| | Department Overhead | 99,500 | 5,030 | 10,000 | | 10,000 |
| | | | | | | |
| | Total Expenditure | $1,989,500 | $135,030 | $1,900,000 | $130,000 | $1,900,000 |
| | **Funding** | | | | | |
| Revenue | 0391 Water Capital | 523,553 | 135,030 | 500,000 | 130,000 | 500,000 |
| | 0185 Water Impact Fees | 1,465,947 | | 1,400,000 | | 1,400,000 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | Total Funding | $1,989,500 | $135,030 | $1,900,000 | $130,000 | $1,900,000 |

**PORTION OF PARCEL NO.: 007-360-016**
**PROJECT: City of Hanford – Tank 6 Site Property Expansion**
**OWNER: Paul Singh Family Limited Partnership, a California Limited Partnership**

# PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made and entered into by and between

Paul Singh Family Limited Partnership, a California Limited Partnership

(hereinafter called "Grantor"), and

The City of Hanford, a Municipal Corporation,

(hereinafter called "City").

Instruments in the form of a Grant Deed ("Deed") covering the property particularly described therein ("Property"), will be executed concurrently with this Agreement and delivered to City representatives.

In consideration of which, and other considerations hereinafter set forth, it is mutually agreed as follows:

1. The parties have herein set forth the whole of their agreement. The performance of this Agreement constitutes the entire consideration for said document and shall relieve the City of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvement, except as stated in Paragraphs 2.E. and 2.F. below.

2. The City shall:

A. PAYMENT - Pay to the order of the Grantor the sum of **$69,510.00** as consideration in full for the Property, for the loss, replacement, moving of any improvements, including the removal and disposal of the vines and end posts within the acquired property, constructing a new access road, and for entering into this Agreement. Said sum shall be paid when title to the Property has vested in City free and clear of all liens, encumbrances, assessments, easements and leases recorded or unrecorded, except for recorded public utility easements and public right of way.

B. RECORDATION OF INSTRUMENT - Accept the Deed and cause the same to be recorded in the office of the Kings County Recorder at such time as when clear title can be conveyed.

C. MISCELLANEOUS COSTS - Pay any escrow, title insurance, and recording fees incurred in this transaction.

D. CLEARANCE OF BONDS, ASSESSMENTS, OR DELINQUENT TAXES - Have the authority to deduct and pay from the amount shown in Clause 2.A. above any amount necessary to satisfy any bond demands and delinquent taxes due in any year except the year in which the Deeds record, together with penalties and interest thereon, and/or delinquent and unpaid non-delinquent assessments which have become a lien as of the date of recordation of the Deeds.

E. CONSTRUCTION AND RESTORATION – During construction, City will construct and own fencing along new property boundary and will be fully maintained by City.

F. INDEMNIFICATION - Indemnify and hold harmless Grantor from any and all claims, damages, costs, judgments, or liability proximately caused by City or its officers, employees, or agents specifically arising from City construction and restoration work on the Property.

3. The Grantor:

A. PAYMENT ON MORTGAGE OR DEED OF TRUST - Agrees that any or all monies payable under this Agreement up to and including the total amount of the unpaid principal and interest on the note(s) secured by mortgage(s) or deed(s) of trust, if any, and all other amounts due and payable in accordance with the terms and conditions of said mortgage(s) or deed(s) of trust, shall upon demand(s) be made payable to the mortgagee(s) or beneficiary(s) entitled thereunder. Grantor shall cooperate with the Escrow Officer in obtaining lien clearance documents from any and all creditors holding liens against the Property.

B. LEASE INDEMNIFICATION - Warrants there are no oral or written leases on all or any portion of the Property, or if there are such leases, Grantor agrees to hold the City harmless and reimburse City for any and all of its losses and expenses occasioned by reason of any lease of said Property held by tenant of Grantor.

C. PERMISSION TO ENTER - Hereby grants to the City, its agents and contractors, permission to enter the Property prior to the close of escrow for the purposes of preparation for the construction of the City's facilities, subject to all applicable terms and conditions contained in this Agreement and the associated Deed.

D. TITLE INDEMNITY AND WARRANTY - In consideration of the City waiving the requirements to clear any defects and imperfections in all matters of record title, the Grantor indemnifies and holds the City harmless from any and all claims that other parties may make or assert on the title to the Property. Grantor's obligation to indemnify the City shall not exceed the amount paid to the Grantor under this Agreement. Grantor hereby represents and warrants that he/she/they are the sole vested owners of the Property, holding all ownership and possessory rights, and are the authorized signatories to grant the rights referenced in this Agreement without conflict or claims from other parties.

E. HAZARDOUS SUBSTANCES - Represents and warrants, to the best of Grantor's knowledge, and after reasonable inquiry, the following:

During Grantor's ownership of the Property, Grantor knows of no disposal, releases, or threatened releases of hazardous substances on, from, or under the Property or Grantor's remaining adjacent property. Grantor further represents and warrants that Grantor has no knowledge of disposal, release, or threatened release of hazardous substances on, from, or under the Property, or Grantor's remaining adjacent property, which may have occurred prior to Grantor's ownership.

There is no pending claim, lawsuit, agency proceeding, or any administrative challenge concerning the presence or use of hazardous substances on or within the Property or Grantor's remaining adjacent property.

Grantor has not used the Property, or Grantor's remaining adjacent property, for any industrial operations that use hazardous substances. Grantor is not aware of any prior use of such property. Grantor has not installed any underground storage tanks, above ground storage tanks, barrels, sumps, impoundments or other containers used to contain hazardous substances on any part of the Property or Grantor's remaining adjacent property. Grantors are not aware of any such prior installations. The purchase price of the Property being acquired reflects the fair market value of the Property without the presence of contamination. If the Property is found to be contaminated by the presence of hazardous substances which require mitigation under Federal or State law, City may elect to recover its cleanup costs from those who caused or contributed to the contamination.

F. TAX REPORTING AND WITHHOLDING - The Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), as amended by the Tax Reform Act of 1984, places special requirements for tax reporting and withholding on the parties to a real estate transaction where the transferor (Grantor) is a non-resident alien or non-domestic corporation or partnership, or is a domestic corporation or partnership controlled by a non-resident or non-resident corporation or partnership. In accordance with the provisions of Section 1445 of the Internal Revenue Code of 1954, as amended, and any regulations promulgated thereunder, Grantor shall execute an affidavit under penalty of perjury setting forth Grantor's name, address, federal tax identification number, and certifying whether Grantor is a "foreign person" in accordance with the provisions of the Internal Revenue Code. Further, tax withholding may be required in accordance with the California Revenue and Taxation Code Section 18662. It is specifically understood and agreed by Grantor that closing of this escrow is subject to, and contingent upon, deposit into escrow of a FIRPTA Affidavit of Non-Foreign Status and a California Form 593-C, Real Estate Withholding Certificate and associated required paperwork, completed and signed by Grantor, and Escrow Agent is hereby authorized and instructed to withhold from Grantor's proceeds amounts so required by these laws and to forward any amounts withheld to the appropriate taxing authority.

4. The Parties agree:

A. ESCROW - At City's option, to open an escrow in accordance with this Agreement at an escrow company of City's choice. Opening an escrow shall be at City's sole discretion and

City may decide to process this transaction without the use of an escrow agent. However, if an escrow agent is utilized, this Agreement constitutes the joint escrow instructions of City and Grantor, and the escrow agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this escrow in the shortest possible time.

If an escrow is utilized, as soon as possible after opening of escrow, City will deposit the executed Deeds by Grantor, with Certificate of Acceptance attached, with the escrow agent on Grantor's behalf. City agrees to deposit the purchase price upon demand of escrow agent. City and Grantor agree to deposit with escrow agent all additional instruments as may be necessary to complete this transaction. All funds received in this escrow shall be deposited with other escrow funds in a general escrow fund account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check or wire transfer from such account.

Any taxes which have been paid by Grantor, prior to opening of this escrow, shall not be pro-rated between City and Grantor, but Grantor shall have the sole right after close of escrow, to apply to the County Tax Collector of said County for any refund of such taxes which may be due Grantor for the period after City's acquisition.

i) ESCROW AGENT DIRECTIVES - Escrow Agent is authorized to, and shall:

a) Pay and charge Grantor for any unpaid delinquent taxes and/or any penalties and interest thereon, and for any delinquent assessments or bonds against that portion of Grantor's property subject to this transaction as required to convey clear title.

b) Pay and charge City for any escrow fees, charges and costs payable under Paragraph 2.C. of this Agreement;

c) Disburse funds and deliver Deeds when conditions of this escrow have been fulfilled by City and Grantor.

d) Following recording of Deeds from Grantor, if requested by City, provide City with a CLTA Standard Coverage Policy of Title Insurance in the amount of **$69,510.00** issued by Title Company of City's choice showing that title to the Property is vested in City, subject only to the following exceptions, and the printed exceptions and stipulations in said policy:

1) Real Property Taxes for the fiscal year in which escrow closes;

2) Public utility easements and public rights of way;

3) Other items that may be approved in writing by City in advance of the close of escrow.

ii) CLOSE OF ESCROW - The term "close of escrow", if and where written in these instructions, shall mean the date necessary instruments of conveyance are recorded in the office of the County Recorder. Recordation of instruments delivered through this escrow is hereby authorized.

B. MISCELLANEOUS REALTY ITEMS ACQUIRED - Payment in Clause 2.A. includes payment for 0.35 acres of property, and is considered to be realty being acquired by the City in this transaction.

C. JUDGMENT IN LIEU OF DEED - In the event Grantor does not deliver title in a reasonable time under the terms of the Agreement, the City may file an action in eminent domain to pursue the acquisition of the Property, and this Agreement shall constitute a stipulation which may be filed in said proceedings as final and conclusive evidence of the total amount of damages for the taking, including all of the items listed in Section 1260.230 of the Code of Civil Procedure, regarding said property rights.

D. ARTICLE HEADINGS - Article headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this Agreement.

E. COMPLETE UNDERSTANDING - This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements or understandings, written or oral. This Agreement may not be amended except in writing by the parties hereto or their successors or assigns.

F. CITY COUNCIL APPROVAL - This Agreement is subject to and conditioned upon approval by the Hanford City Council. This Agreement is not binding upon the City until executed by the appropriate City official(s) acting in their authorized capacity.

G. COUNTERPARTS - This Agreement may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same document.

H. ELECTRONIC AND FACSIMILE SIGNATURES - In the event that the parties hereto utilize electronic or facsimile documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing ORIGINAL SIGNATURES are provided following transmittal of the electronic or facsimile signature. Documents for recordation by the Clerk Recorder must contain original signatures.

I. NO THIRD-PARTY BENEFICIARIES INTENDED - Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

J. BINDING EFFECT - This Agreement shall inure to the benefit of and constitute a binding obligation upon the successors and assigns of the parties hereto.

**No Obligation Other Than Those Set Forth Herein Will Be Recognized.**

GRANTOR:
Paul Singh Family Limited Partnership, a California Limited Partnership

By: Paul Singh ____________________ Date: 12-6-2021 ____________________
Paul Singh

GRANTOR'S ADDRESS:
11722 Fargo Avenue, Hanford, CA 93230

CITY OF HANFORD

By: ____________________ Date: ____________________
Name:
Title:

MAILING ADDRESS OF CITY:
The City of Hanford
Public Works Department
900 S. 10th Avenue
Hanford, CA 93230

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

CITY OF HANFORD
900 S. 10th Ave.
Hanford, CA 93230

SEND TAX STATEMENTS TO:

CITY OF HANFORD
315 N. Douty Street
Hanford, CA 93230

# GRANT DEED

**Exempt from Recording Fees Pursuant to Gov. Code Section 27281 and Documentary Transfer Tax Pursuant to Revenue and Taxation Code Section 11922**

☐ Computed on full value of property conveyed, or
☐ Computed on full value less liens & encumbrances remaining thereon at time of sale.

________________________________________
Signature of declarant or agent determining tax, firm name

Assessor's Parcel No. 007-360-016 X City of Hanford ____ County of Kings

**FOR A VALUABLE CONSIDERATION,** receipt of which is hereby acknowledged, Paul Singh Family Limited Partnership, a California Limited Partnership, **hereby GRANT(S)** to the City of Hanford, a municipal corporation, the following described real property in the County of Kings, State of California:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART OF HEREOF

Dated: ______________

________________________________________
PAUL SINGH

CERTIFICATION OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Grant Deed dated ______________ from __________________to the City of Hanford, a municipal corporation, is hereby accepted by order of the Council of said City of Hanford on ________________, 20___ and the Grantee consents to the recordation thereof.

DATED: ________________

___________________________________
MARIO CIFUENTEZ, II, City Manager

**EXHIBIT "A"**

LEGAL DESCRIPTION

TANK 6 EXPANSION AREA

**ALL** OF THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 18 SOUTH, RANGE 21 EAST, MOUNT DIABLO BASE AND MERIDIAN IN THE CITY OF HANFORD, COUNTY OF KINGS, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTHWEST CORNER OF THAT PARCEL OF LAND DESCRIBED IN GRANT DEED, RECORDED JANUARY 23, 2004 AS DOCUMENT NO. 0401934, AND AS SHOWN ON THAT CERTAIN MAP RECORDED MAY 3, 2004 IN VOLUME 20, OF LICENSED SURVEYORS' PLATS, AT PAGE 31;

THENCE SOUTH 00° 02' 56" WEST, ALONG THE WEST LINE OF SAID PARCEL, SAID LINE BEING PARALLEL WITH THE WESTERLY RIGHT-OF-WAY LINE OF THE SAN FRANCISCO AND SAN JOAQUIN VALLEY RAILWAY COMPANY'S RAILROAD AS DESCRIBED IN A DEED RECORDED JANUARY 30, 1897 IN VOLUME 11 AT PAGE 49 OF DEEDS IN THE OFFICE OF THE KINGS COUNTY RECORDER, A DISTANCE OF 305.90 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF FARGO AVENUE, AS DESCRIBED IN A DEED RECORDED JANUARY 20, 1967 IN VOLUME 900 AT PAGE 168 OF OFFICIAL RECORDS IN THE OFFICE OF THE KINGS COUNTY RECORDER, SAID POINT LYING 39.10 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHWEST QUARTER;

THENCE, ALONG LAST SAID RIGHT-OF-WAY LINE, SOUTH 86° 27' 57" WEST A DISTANCE OF 50.10 FEET TO A POINT LYING 50.00 FEET WEST, MEASURED PERPENDICULAR, OF THE WEST LINE OF SAID PARCEL;

THENCE NORTH 00° 02' 56" EAST, ALONG A LINE 50.00 FEET WEST OF AND PARALLEL WITH LAST SAID WEST LINE, A DISTANCE OF 308.90 FEET, TO A POINT LYING SOUTH 89° 53' 58" WEST, ALONG THE WESTERLY EXTENSION OF THE NORTH LINE OF SAID PARCEL, A DISTANCE OF 50.00 FEET, LAST SAID NORTH LINE BEING PARALLEL WITH THE SOUTH LINE OF SAID SOUTHWEST QUARTER;

THENCE NORTH 89° 53' 58" EAST, ALONG SAID WESTERLY EXTENSION, A DISTANCE OF 50.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 15,370 SQUARE FEET (0.353 ACRE), MORE OR LESS.

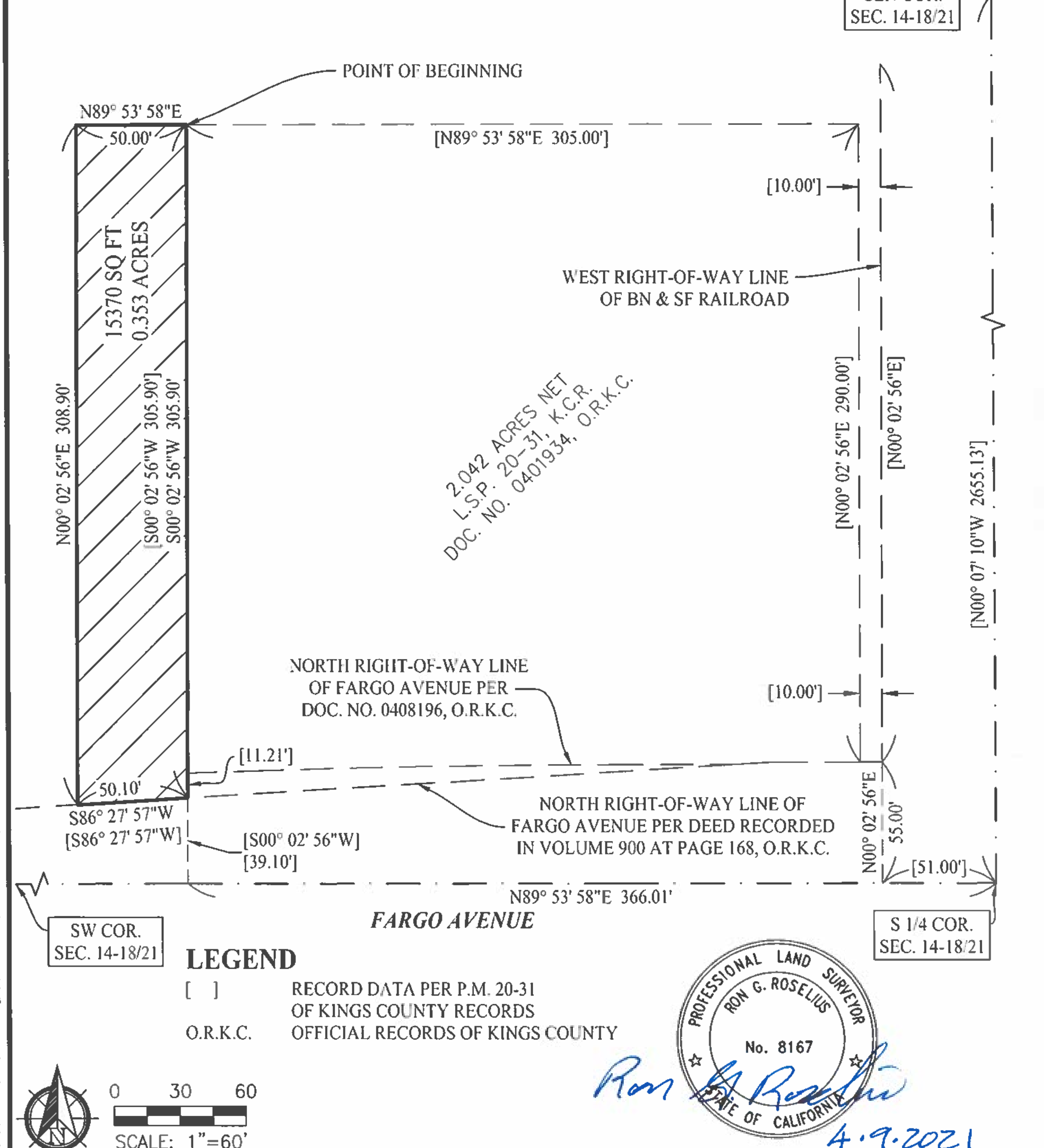
ATTACHED HERETO IS A PLAT LABELED EXHIBIT "A-1" AND BY THIS REFERENCE MADE A PART HEREOF.

PROFESSIONAL LAND SURVEYOR
RON G. ROSELIUS
No. 8167
STATE OF CALIFORNIA

Ron G. Roselius

4·9·2021

# EXHIBIT "A-1"




| | | | |
|---|---|---|---|
| CIVIL ENGINEERS ZUMWALT HANSEN INC. LAND SURVEYORS<br>609 N. Irwin St.<br>Hanford, CA 93230<br>Office: (559) 582-1056<br>Fax: (559) 584-4143 | **TANK 6 EXPANSION AREA**<br>**for**<br>**THE CITY OF HANFORD** | Job No. 0789711<br>Drawn By: MO<br>Checked By: RR<br>Indexed By:<br>Date: 4/9/2021 | Sheet No.<br>1 of 1 |

E:\ZHA\JOB FILES\0789711 City of Hanford - Tank 6\DWG\0789711x.dwg, 4/9/2021 10:25:57, Submittal, Plotted by MBO

Attachment: Grant Deed APN 007-360-016 (PACKET) (PW: Authorize purchase of RW located on Fargo Ave. 350 ft west of the BNSF RR Tracks

**AGENDA**
**STAFF REPORT**

| MEETING DATE: 1/18/2022 | AGENDA SECTION: J |
|---|---|

**SUBJECT:**
Finance: Second Reading and Adoption of Ordinance No. 21-15, amending Chapters 2.48 of the City of Hanford Municipal Code to update the rules governing the purchase of goods and services for the City of Hanford.

---

**RECOMMENDATION:**
That the City Council, by motion, approve the Second Reading and Adoption of Ordinance No. 21-15, amending Chapters 2.48 of the City of Hanford Municipal Code to update the rules governing the purchase of goods and services for the City of Hanford.

**BACKGROUND:**

Staff recommends an update to the ordinance to authorize the City Manager to award up to $50,000 for goods and services and provide for procedural updates through a Purchasing Policy in accordance with ordinance. Staff will adhere to City ordinance and select the vendor which can provide the best price and service. This update will provide more efficient purchasing processes for the City and encourage competitive procurement.

The City encourages active competition among bidders through its purchasing policy in the Hanford Municipal Code and abiding by the State Public Contracts Code to obtain the best and most qualified service for the least amount of cost. Also, where possible, the City strives to do business with local vendors. The City is required to follow the State Public Contracts Code when purchasing/contracting for public projects, in addition the City has opted to follow the Uniform Cost Accounting Act for Public Works Projects which adheres to City ordinance and outlines steps for when bids are required.

Three other areas of purchasing, professional services, goods/supplies and general services, are governed by the Hanford Municipal Code. A minimum of three bids will be required when possible and Council authorization will be required when over $50,000 with exception of emergencies the City Manager shall have authorization. The Municipal Code does not define a formal procedure for selecting professional services consultants, such as design professionals, architects, environmental and planning consultants etc. These services are typically solicited through a Request for Proposal process where the cost is not the determining factor in selecting the best proposal. The selection is qualitative and is based upon experience in the particular area requested, qualifications and reputation of the company/firm.

After the update of the Purchasing Ordinance staff will work to adopt a formal Purchasing Policy that adheres to City ordinance and State and Federal laws applicable to city procurement and will be able to keep up with ever changing State and Federal laws.

**FISCAL IMPACT:**
None.

**ATTACHMENTS:**
Ordinance to adopt Purchasing Amendments
Purchasing Ordinance - Redline

# ORDINANCE NO. 21-15

## AN ORDINANCE AMENDING HANFORD MUNICIPAL CODE CHAPTERS 2.48 RELATING TO MATTERS GOVERNING THE PURCHASING OF GOODS AND SERVICES BY THE CITY OF HANFORD

**The City Council of the City of Hanford does ordain as follows:**

**Section 1:** Hanford Municipal Code Chapter 2.48 contains regulations relating to the authority to purchase goods and services for the City of Hanford.

**Section 2:** The regulations contained in Chapter 2.48 were adopted many years ago, and the Council has determined that the chapters need updates for the effective oversight and approval of goods and services that are purchased for the City of Hanford.

**Section 3:** The City Council of the City of Hanford does ordain that Chapter 2.48 of the Hanford Municipal Code is hereby amended and restated as shown in the attached Exhibit "A", which is incorporated herein by reference.

**Section 4:** This ordinance shall take effect thirty (30) days after its passage and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on_______________, 2021, by the following roll call vote:

AYES:_______________________________________________________________

NOES:_______________________________________________________

ABSTAIN: _______________________________________________________

ABSENT: _______________________________________________________

APPROVED

______________________________

MAYOR of the City of Hanford

ATTEST:

_________________________

NATALIE CORRAL
CITY CLERK

STATE OF CALIFORNIA )
COUNTY OF KINGS ) ss
CITY OF HANFORD )

I NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing ordinance was duly introduced at a regular meeting of the City Council of the City of Hanford on the 21ST day of December, 2021, and it was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the day ___ of_______________ , 2022.

_______________________________________
NATALIE CORRAL
CITY CLERK

# Exhibit
# "A"

## Chapter 2.48 PURCHASING SYSTEM

### 2.48.010 General.

Except as otherwise provided by state law and except as to public works projects, the Director of Finance shall be the officer in charge of the purchasing function and shall have the general responsibility for purchases of supplies and services for the use of all departments of the city. (Ord. 95-29 § 1, 1995; prior code § 2-5.01)

### 2.48.020 Duties and responsibilities.

A. Upon the receipt of a properly prepared purchase order and, provided the total purchase price of the services or supplies identified in the purchase order is fifty thousand dollars ($50,000.00) or less, and so long as budgeted funds are available, the Director of Finance is authorized to order the services or supplies identified in the purchase order.

B. It shall be the duty of each department to use its best efforts to secure the lowest price for such services and supplies. The department may request bids from vendors, either verbally or in writing, or may give notice to vendors by one publication in a newspaper published in the city. In all cases, the city shall have the right to determine whether the bids from the vendors for the supplies or services requested actually meet announced specifications. The city shall have the right to waive any minor informality or minor irregularly in a bid. (Ord. 95-29 § 1, 1995; prior code § 2-5.03) (06-11, Amended, 12/05/2006)

C. The City Manager shall be the officer in charge to approve a Purchasing Policy for the City that outlines, in detail, processes of procurement for the City as prepared by the Director of Finance that adheres to thresholds and requirements as set by Council in Chapter 2.48.

### 2.48.030 Department requisitions.

Whenever any department requests the purchase of supplies or services, it shall file with the Director of Finance a department requisition on a form provided by the Director of Finance. All department requisitions shall bear the approving signature of the department head or his/her designated representative and shall specifically describe the services or supplies and the kind and quantity desired. A department requisition may also specify the brand or make of the supplies to be purchased. (Ord. 95-29 § 1, 1995; prior code § 2-5.03)

### 2.48.040 City purchase orders.

A. When the City intends to make a purchase, a city purchase order shall be issued (in accordance with City Purchasing Policy), which shall be addressed to the supplier, dated and numbered, and which shall specify the supplies or services to be purchased, the price, and the place or to whom the delivery of the supplies shall be made or for whom the services shall be rendered.

B. A copy of the city purchase order shall be delivered to the supplier, and the receiving copy shall be delivered to the department making the purchase. Upon the receipt of the services or supplies specified, a representative of the department head making the purchase shall acknowledge the receipt of supplies or services.

C. Any city employee who signs an acknowledgement of receipt shall have personal knowledge of what was received by examining such supplies or observing the rendering of such services and shall not accept supplies or services which do not meet the specifications identified in the city purchase order. (Ord. 95-29 § 1, 1995; prior code § 2-5.04)

### 2.48.050 Purchase of fifty thousand dollars or less—Open market procedure.

A. The purchase of supplies or services of an estimated value in the amount of fifty thousand dollars ($50,000.00) or less may be made in the open market without prior authorization from the Council.

B. Each purchase shall be based on at least three (3) quotations or bids, whenever possible, obtained by the department initiating the purchase. Purchases will be made from the lowest responsive qualified bidder. The purchase of some services may be selected from the highest qualified vendor with costs as a secondary factor or as required by state or federal law.

C. Each department may solicit bids in the manner described in subsection (B) of Section 2.48.020 of the chapter. The City shall keep a record of all quotations and bids submitted for a period of one year from the date of the bid. (Ord. 95-29 § 1, 1995; prior code § 2-5.05) (06-11, Amended, 12/05/2006)

### 2.48.060 Purchases exceeding fifty thousand dollars.

Purchases exceeding fifty thousand dollars ($50,000.00) may be made either on an informal basis or on a formal competitive basis as identified below. In either case, however, the decision as to the acceptance or rejection of any bid shall be the responsibility of the Council.

A. Informal Basis. The procedure for purchases on an informal basis shall be in accordance with the provisions of subsections B. and C. of Section 2.48.050 of the chapter with subsequent acceptance or rejection by the Council of any bids received.

B. Formal Competitive Basis. To the extent consistent with state or federal law, if applicable, the procedure for purchases on a formal competitive basis shall be as follows:

1. A notice inviting bids shall be published in a newspaper of general circulation within the city by one or more insertions, the first of which shall be at least seven (7) days before the date for opening bids.

2. The notice inviting bids shall identify the amount of the bid security which must accompany the bid proposal. Bidders shall be entitled to the return of bid security provided, however, a successful bidder shall forfeit its bid security upon its refusal or failure to execute the city's contract for the purchase of the services or supplies within ten (10) days after the award of the bid has been approved by the Council. The Council may, on refusal or failure of the successful bidder to execute the City's contract, award the contract to the next lowest responsible bidder. If the Council awards the contract to the next lowest bidder, the amount of the lowest bidder's bid security shall be applied by the city to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

3. All bids shall be delivered in a sealed envelope to the Director of Finance, or his/her designated representative, no later than the designated time for the opening of bids as identified in the notice inviting bids. The Director of Finance shall be custodian of such bids, and shall keep the same confidential until they are opened and declared.

4. All bids received shall be publicly opened and declared at the time and at the place identified in the notice inviting bids.

5. Thereafter, the bids shall be tabulated and analyzed by the city and presented to the City Council for award in accordance with this chapter. In some instances, City Council may preauthorize purchases and the City Manager may award if the contract is under the previously authorized City Council authorization.

6. The Council shall have the right to waive any minor informality or minor irregularity in a bid.

7. Contracts awarded by the Council shall be awarded to the lowest responsible bidder, except as otherwise provided in this chapter.

8. In its discretion, the Council may reject all bids presented. The Council may then readvertise for bids or authorize the department making the purchase to proceed with the purchase of the supplies or services on an informal basis pursuant to subsection A of this section, subject to final approval of the purchase by the Council.

9. The city may require that any person or entity who may provide services to the city post a performance bond with the city prior to the city's execution of the city contract for the services, in such an amount as the Council may find reasonably necessary to protect the interests of the city. If the Council requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids.

10. The provisions of this section shall not apply to work performed by the city with its own personnel and/or equipment or to materials, supplies or equipment obtained or purchased from any other governmental agency. (06-11, Amended, 12/05/2006; 95-29 § 1, 1995; prior code § 2-5.06)

## 2.48.070 Preference for local vendors.

The use of vendors who have a fixed business location within the city limits provides certain benefits to the city and its citizens, including, without limitation, the following:

A. Receipt of sales tax revenue from sales made within the city limits;

B. Cost savings resulting from local maintenance, repair, pick-up and delivery;

C. Use of the local labor force.

Therefore, the city may allow the following preferences to vendors having a fixed business location within the city limits.

If the city receives two (2) or more bids, with all factors being equal except price, an adjustment of five percent (5%) of the quoted price may be afforded to the vendor having a fixed business location within the city limits. (Ord. 20-10 § 1, 2020; 95-29 § 1, 1995; prior code § 2-5.07)

**Chapter 2.48 PURCHASING SYSTEM**

## 2.48.010 General.

Except as otherwise provided by state law and except as to public works projects, the ~~d~~Director of F~~f~~inance shall be the officer in charge of the purchasing function and shall have the general responsibility for purchases of supplies and services for the use of all departments of the city. (Ord. 95-29 § 1, 1995; prior code § 2-5.01)

## 2.48.020 Duties and responsibilities.

A. Upon the receipt of a properly prepared purchase ~~order, and~~order and, provided the total purchase price of the services or supplies identified in the purchase order is ~~twenty~~ fifty thousand dollars ($~~20,000~~50,000.00) or less, and so long as budgeted funds are available, the ~~director of finance~~Director of Finance is authorized to order the services or supplies identified in the purchase order. ~~The provisions of this section shall not apply to purchases of fuels, bituminous materials, and aggregate base for street purposes and related delivery costs provided that any such purchase shall not exceed the sum of thirty thousand dollars ($30,000.00).~~

B. It shall be the duty of each department to use its best efforts to secure the lowest price for such services and supplies. The department may request bids from vendors, either verbally or in writing, or may give notice to vendors by one publication in a newspaper published in the city. In all cases, the city shall have the right to determine whether the bids from the vendors for the supplies or services requested actually meet announced specifications. The city shall have the right to waive any minor informality or minor irregularly in a bid. (Ord. 95-29 § 1, 1995; prior code § 2-5.03) (06-11, Amended, 12/05/2006)

C. The City Manager shall be the officer in charge to approve a Purchasing Policy for the City that outlines, in detail, processes of procurement for the City as prepared by the Director of Finance that adheres to thresholds and requirements as set by Council in Chapter 2.48.

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B. ~~The original~~A copy of the city purchase order shall be delivered to the supplier, and the receiving copy shall be delivered to the department making the purchase. Upon the receipt of the services or supplies specified, ~~the receiving copy shall be signed by~~ a representative of the department head making the purchase ~~to~~ shall acknowledge the receipt of supplies or services.

C. Any city employee who signs an acknowledgement of receipt shall have personal knowledge of what was received by examining such supplies or observing the rendering of such services and shall not accept supplies or services which do not meet the specifications identified in the city purchase order. (Ord. 95-29 § 1, 1995; prior code § 2-5.04)

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B. Each purchase shall be based on at least three (3) quotations or bids, whenever possible, obtained by the department initiating the purchase. Purchases will be made from the lowest ~~responsible~~ responsive qualified bidder. The purchase of some services may be selected from the highest qualified vendor with costs as a secondary factor or as required by state or federal law.

C. Each department may solicit bids in the manner described in subsection (B) of Section 2.48.020 of the chapter ~~or by any other method common in the industry~~. ~~Each department~~The City shall keep a record of all quotations and bids submitted for a period of one year from the date of the bid. (Ord. 95-29 § 1, 1995; prior code § 2-5.05) (06-11, Amended, 12/05/2006)

## 2.48.060 Purchases exceeding ~~twenty~~ fifty thousand dollars.

Purchases exceeding ~~twenty~~ fifty thousand dollars ($~~20,000~~50,000.00) may be made either on an informal basis or on a formal competitive basis as identified below. In either case, however, the decision as to the acceptance or rejection of any bid shall be the responsibility of the ~~council~~Council. ~~The provisions of this section 2.48.060 shall not apply to the purchase of fuels, bituminous materials, and aggregate base for street purposes and related delivery costs provided that any such purchase shall not exceed the sum of thirty thousand dollars ($30,000.00).~~

A. Informal Basis. The procedure for purchases on an informal basis shall be in accordance with the provisions of subsections ~~(b)~~B. and ~~(c)~~C. of Section 2.48.050 of the chapter with subsequent acceptance or rejection by the ~~council~~Council of any bids received.

B. Formal Competitive Basis. To the extent consistent with state or federal law, if ~~applicable, Tthe~~applicable, the procedure for purchases on a formal competitive basis shall be as follows:

1. A notice inviting bids shall be published in a newspaper of general circulation within the city by one or more insertions, the first of which shall be at least seven (7) days before the date for opening bids.

2. The notice inviting bids shall identify the amount of the bid security which must accompany the bid proposal. Bidders shall be entitled to the return of bid security provided, however, a successful bidder shall forfeit its bid security upon its refusal or failure to execute the city's contract for the purchase of the services or supplies within ten (10) days after the award of the bid has been approved by the ~~council~~Council. The ~~council~~Council may, on refusal or failure of the successful bidder to execute the ~~c~~City's contract, award the contract to the next lowest responsible bidder. If the ~~council~~Council awards the contract to the next lowest bidder, the amount of the lowest bidder's bid security shall be applied by

the city to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

3. All bids shall be delivered in a sealed envelope to the ~~director of finance~~Director of Finance, or his/her designated representative, no later than the designated time for the opening of bids as identified in the notice inviting bids. The ~~director of finance~~Director of Finance shall be custodian of such bids, and shall keep the same confidential until they are opened and declared.

4. All bids received shall be publicly opened and declared at the time and at the place identified in the notice inviting bids.

5. Thereafter, the bids shall be tabulated and analyzed by the ~~director of finance~~city and presented to the City Council for award in accordance with this chapter. In some instances, City Council may preauthorize purchases and the City Manager may award if the contract is under the previously authorized City Council authorization.

6. The ~~council~~Council shall have the right to waive any minor informality or minor irregularity in a bid.

7. Contracts awarded by the ~~council~~Council shall be awarded to the lowest responsible bidder, except as otherwise provided in this chapter.

8. In its discretion, the ~~council~~Council may reject all bids presented. The ~~council~~Council may then readvertise for bids or authorize the department making the purchase to proceed with the purchase of the supplies or services on an informal basis pursuant to subsection A of this section, subject to final approval of the purchase by the ~~council~~Council.

9. The city may require that any person or entity who may provide services to the city post a performance bond with the city prior to the city's execution of the city contract for the services, in such an amount as the ~~council~~Council may find reasonably necessary to protect the interests of the city. If the ~~council~~Council requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids.

10. The provisions of this section shall not apply to work performed by the city with its own personnel and/or equipment or to materials, supplies or equipment obtained or purchased from any other governmental agency. (06-11, Amended, 12/05/2006; 95-29 § 1, 1995; prior code § 2-5.06)

## 2.48.070 Preference for local vendors.

The use of vendors who have a fixed business location within the city limits provides certain benefits to the city and its citizens, including, without limitation, the following:

A. Receipt of sales tax revenue from sales made within the city limits;

B. Cost savings resulting from local maintenance, repair, pick-up and delivery;

C. Use of the local labor force.

Therefore, the city may allow the following preferences to vendors having a fixed business location within the city limits.

If the city receives two (2) or more bids, with all factors being equal except price, an adjustment of five percent (5%) of the quoted price may be afforded to the vendor having a fixed business location within the city limits. (Ord. 20-10 § 1, 2020; 95-29 § 1, 1995; prior code § 2-5.07)

AGENDA
STAFF REPORT

| MEETING DATE: 1/18/2022 | AGENDA SECTION: A |
|---|---|

**SUBJECT:**
Public Works: Permission to Advertise the FY 21/22 Civic Auditorium Roof Replacement Project and Pre-Authorize the City Manager to award and execute the contract on behalf of the City to the lowest responsible bidder providing project bid is within current budget appropriation.

---

**RECOMMENDATION:**
That the City Council, by motion,
1. Authorize staff to advertise for bids for the FY 21/22 Civic Auditorium Roof Replacement Project.
2. Pre-Authorize the City Manager to award and execute the contract on behalf of the City to the lowest responsible bidder providing project bid is within current budget appropriation.

**BACKGROUND:**
The Civic Auditorium has been a focal point in the downtown ever since it was built in 1924. Repainting of the lobby and exterior was completed three years ago. The existing roof was last replaced in 1993.

The main auditorium roof was spot patched two years ago to extend its life; however, surface tears and loss of granules are quickly degrading the membrane. Various leaks have been patched over the last ten years and the roof drains are particularly susceptible to leaks. The roof has surpassed its useful life and needs replacement.

The existing roof is over 28 years old. The roof is continuing to deteriorate and when annually inspected, has new leaks to repair by City staff. Replacement of the roof will last for 20 years which will reduce maintenance costs and staff time at the facility.

After bid opening, Staff will examine the bids, validate the lowest bidder's contractor's license status, and verify the contractor is in good standing. Staff is requesting the pre-authorization to award and execute the contract in order to expedite the process of delivery of projects. With

Council approval, staff will solicit bids for this project. If awarded, construction is anticipated to begin in April 2022.

**FISCAL IMPACT:**
The FY 21/22 Accumulated Capital Outlay and Building Capital Replacement Budget provides $660,000.00 for construction of this project including contingency. A copy of the budget page is attached for Council review.

**ATTACHMENTS:**
Budget Page

# Civic Auditorium Roof Replacement Project

**Project Background:**

The Civic Auditorium has been a focal point in the downtown ever since it was built in 1924. It is nearing its' 100th anniversary and the City has prided itself on maintaining this important community structure. Repainting of the lobby and exterior was completed three years ago. In preparation of the building's commemoration some other maintenance issues need to be addressed. The existing roof was last replaced in 1993.

**Existing Conditions:**

The main auditorium roof was spot patched two years ago to extend its life; however, surface tears and loss of granules is quickly degrading the membrane. Various leaks have been patched over the last ten years and the roof drains are particularly susceptible to leaks. The roof has surpassed its useful life and is in need of replacement.

**Project Justification:**

The existing roof is over 28 years old. The roof is continuing to deteriorate and when annually inspected, has new leaks to repair by City staff. Replacement of the roof will last for 20 years which will reduce maintenance costs and staff time at the facility.

**Fiscal Implications:**

Funds for this project will be allocated from Building Capital Reserves and the Accumulated Capital Outlay (ACO) Reserves.

**Project Budget Summary:**

| | | 5-Year Funding Allocation | | | | |
|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | 2025 | 2026 |
| | **Program or Project** | Construction | | | | |
| Expenditure | Engineering / Inspection | 6,000 | | | | |
| | Construction | 600,000 | | | | |
| | Contingency | 60,000 | | | | |
| | Department Overhead | 35,060 | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | Total Expenditure | $701,060 | $0 | $0 | $0 | $0 |
| | **Funding** | | | | | |
| Revenue | 0004 Accumulated Capital Outlay | 549,874 | | | | |
| | 0417 Building Capital Replacement | 151,186 | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | Total Funding | $701,060 | $0 | $0 | $0 | $0 |

**AGENDA**
**STAFF REPORT**

| **MEETING DATE:** 1/18/2022 | **AGENDA SECTION:** B |
|---|---|

**SUBJECT:**
Review and approve changes to the City's Utility Fees in the Master Fee Schedule for Fiscal Year 2021/2022 (Resolution 22-02-R)

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**RECOMMENDATION:**
Staff recommends that City Council review and approve desired changes to the City's Utility Fees in the Master Fee Schedule Fiscal Year 2021/2022. (Resolution 22-02-R)

**BACKGROUND:**
On July 20, 2021 City Council reviewed and approved the City's Master Fee Schedule. At City Council's meeting December 21, 2021, it was requested that Utility Fees be brought to Council for review and a potential reduction be considered for late fees. As a result of the Council request, staff took a deeper look at the fee schedule for Utility Fees.

There are several recommend amendments to the Utility Fees:

1. Eliminate new customer application fee (not yet implemented)
2. Reduce $50 Fine/penalty for delinquent account to $25
3. Eliminate 1.5% per month interest on delinquent accounts (this has not been activated due to billing system limitations)

Staff has reviewed the Utility Fees and recommends changes as highlighted below:

| UTILITIES | CURRENT FEE | PROPOSED FEE |
|---|---|---|
| New Customer Application (Each new utility account) | $20 | $0 |
| New Water Service/Installation of Meter for New Water Service | $125 Admin and Inspection Fee plus Applicable Development Impact Fees (Each water service installation) | NO CHANGE |
| Residential Deposit | $248 (Three times the determined average residential bill) | NO CHANGE (this is $0 with auto ACH) |
| Water Hydrant Deposit | $1,000 | NO CHANGE |
| Non-residential, Non-hydrant Deposit | Calculated Based on Account (Two times the average bill amount) | NO CHANGE |
| Fine/penalty for delinquent utility service charges | $50 | $25 |
| Fee for Delinquent Utility Service Charges | 10% | NO CHANGE |
| Interest on Delinquent Utility Service Charges | 1.5% per Month | 0% per month |
| Reconnection fee for Discontinued Water Service- Business Hours | $50 | NO CHANGE Per SB998 |

| UTILITIES | CURRENT FEE | PROPOSED FEE |
|---|---|---|
| Reconnection fee for Discontinued Water Service- Non-Business Hours | $150 | NO CHANGE Per SB998 |
| Fee for Missed Reconnection Appointment | $50 | NO CHANGE |
| Fee for Appeal of Utility Service Bill | $205 plus Deposit of Entire Bill Amount | NO CHANGE |
| Monthly Fee for Payment Plan Processing, Review, and Administration | $13 per Month (Per month as long as payment agreement remains in effect) | NO CHANGE |
| Unauthorized Reconnection of Water Service, Tampering, or Illegal Use of Water | $200 per Occurrence plus the Cost of Water Used | NO CHANGE |
| Damaged Locks | $15 | NO CHANGE |
| Fee for Damage to the City Equipment and/or Improvements | Actual Cost Incurred by the City to Repair and Replace | NO CHANGE |
| Fee for Fire Flow Tests | $470 | NO CHANGE |
| Fee for Backflow Administration and Inspection | $125 | NO CHANGE |
| Backflow Test and Repair if the Customer Fails to have its Device Tested and/or Repair in the Timeframe provided by the City | Cost of Testing and Repairs plus $125 Admin and Inspection Fee | NO CHANGE |

Upon approval by City Council staff will work to make these changes into the next available billing cycle, most likely for February 2022.

**FISCAL IMPACT:**

The proposed changes to the Utility Fees will decrease the revenue to the Water, Sewer, Storm Drain and Solid Waste Funds which is currently approximately $200,000 annually in fees. By cutting the fine/penalty by half, staff would anticipate a signficant reduction in that revenue for the City. However, customers that become delinquent on bills will see a benefit and some of those customers might otherwise be sent to collections for high outstanding bills. Customers that are sent to collections are a Bad Debt Expense, this change could decrease the amount outstanding and potentially sent to collections.

**ATTACHMENTS:**
Master Fee Schedule Utility Fee Reso

# RESOLUTION No. 22-02-R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD AMENDING THE UTILITIES SECTION OF THE CITY OF HANFORD MASTER FEE SCHEDULE FOR FY 2021-22**

WHEREAS, the City Council of Hanford is empowered to impose reasonable fees, rates, and charges for municipal services, and thereby has adopted rates, charges and fees set forth in a Master Fee Schedule; and

WHEREAS, the City Council has adopted fee schedules and established fees and charges for FY 2021-22 in a single Master Fee Schedule, effective July 20, 2021.

WHEREAS, the City Council hereby amends the 2021-22 Fee Schedule Utilities Section as approved by motion on January 18, 2022,

WHEREAS, all requirement of California Government Code Sections 66016, 66017, and 66018 are hereby found to have been complied with;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HANFORD DOES HEREBY RESOLVE AS FOLLOWS:

1. Amends the Utility Fee section of the Master Fee Schedule as approved by motion.
2. Effective Date. The Utility Fees shall be amended as of the next available utility billing cycle potentially February 2022.

PASSED and ADOPTED by the City Council of the City of Hanford at a Council meeting duly held on this 18th day of January, 2022 by the following vote:

AYES:________________________________________
NOES:________________________________________
ABSENT:______________________________________
ABSTAIN:_____________________________________

________________________________
DIANE SHARP
MAYOR of the City of Hanford

Attest:

________________________________
NATALIE CORRAL
CITY CLERK

STATE OF CALIFORNIA )
COUNTY OF KINGS ) ss
CITY OF HANFORD )

I, Natalie Corral, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a special meeting of the City Council of the City of Hanford held on the 18th day of January, 2022.

Date: ____________________

_________________________________
City Clerk

AGENDA
STAFF REPORT

| MEETING DATE: 1/18/2022 | AGENDA SECTION: C |
|---|---|

**SUBJECT:**
Finance/Community Development: Consider appropriation of $33,000 for Fiscal Year 2021/2022 and $92,000 anticipated annually in the future from the General Fund for a Code Compliance Officer and add the position to the City's Position Allocation Schedule

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**RECOMMENDATION:**
Staff recommends that Council consider an appropriation of $33,000 for Fiscal Year 2021/2022 and $92,000 anticipated annually in the future from the General Fund for a Code Compliance Officer to enhance the City's Code Enforcement activities and add the position to the City's Position Allocation Schedule.

**BACKGROUND:**
The City has historically been reactive to code compliance in the City. A goal discussed by Council in the recent past has been to move towards a proactive approach to code compliance. In response to this, staff recommends that Council consider approval of a Code Compliance Officer in the Community Development Department to enhance the Code Compliance Division which will enable the City to move towards a proactive posture.

Only City Council has the authority to add new positions and appropriate new funding for this position. Although the annual cost is projected at $92,000, for the remainder of fiscal year 2021/2022 only $31,000 for salary and benefits and $2,000 for one time equipment costs would be needed for an anticipated start date in March 2022. Future year budgets will be adjusted to reflect this additional position, as well as take into consideration additional revenue and any CDBG funding that may be secured in the future.

**FISCAL IMPACT:**
The total costs with salary and benefits of a Code Compliance Officer is approximtely $92,000 annually. This would be appropriated out of the General Fund in the Community Development Department. It is anticipated this position will work to improve Business Licsense compliance

and work in CDBG Low/Mod Zones which will both bring in potential increased revenues or reimbursements for this position's costs. It is anticipated in the future that approximately half of this position's costs ($46,000) could be covered by CDBG reimbursement ($40,000) and/or business license revenue increases ($6,000). Full reimbursement of this poistion by CDBG would not be possible due to existing requirements for Public Services that are required to be spent by CDBG. If approved, staff will work to develop an activity in the City's next CDBG Action Plan for 2022 that includes potential reimbursement of code compliance costs.

**ATTACHMENTS:**

AGENDA
STAFF REPORT

| MEETING DATE: 1/18/2022 | AGENDA SECTION: |
|---|---|

**SUBJECT:**
Council Future Agenda Items

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**FISCAL IMPACT:**

**ATTACHMENTS:**
Council Future Agenda Items

| Council Future Agenda Items | | | | |
|---|---|---|---|---|
| **Originated Date** | **Item** | **Originator** | **Staff Lead** | **Date Estimate** |
| 4/7/20 | Discussion of Pay for Parking Options in the Downtown Area | Council Consensus | John Doyel | After presentation of Downtown Plan |
| 9/9/20 | Revised Refuse Ordinance | Public Works | Jim Ross | 12/21/2021 |
| 6/18/20 | Discussion of Courthouse improvements and financing options | Council Consensus | Brad Albert | Delayed pending additional building review |
| 11/16/21 | Consideration of feasibility of adding staffing to the City's Code Enforcement Division | Council Consensus | Tom Webb | 2/1/2022 |
| 12/21/21 | Review of late fees for the City's Utilities Division and Consideration of modifications to the rate structure | Council Consensus | Chris Tavarez | 2/1/2022 |
| 12/21/21 | Review of City Ordinance related to property line setbacks for Patio structures | Council Consensus | Mary Beatie | 4/5/2022 |