City Council Meeting
Agenda

November 7, 2023
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/

4:00 PM CALL TO ORDER STUDY SESSION AND CLOSED SESSION:

ROLL CALL BY THE CITY CLERK:

PUBLIC COMMENT:

Study Sessions are considered Special Meetings under the Brown Act. Accordingly, comments from the public are limited to items listed on the agenda (GC 54954.3a). Public Comment will be accepted during each agenda item. 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. Presentation by the Carnegie Museum of Kings County regarding their 2023 Exhibits and Collections and ongoing efforts to restore the Historic Carnegie Library building.

B. Presentation to Council and review of measures that the City of Hanford can take to improve the City's financial position and direction to staff as appropriate.

CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:

A. CONFERENCE WITH LEGAL COUNSEL-PROPERTY NEGOTIATIONS (GC 54956.8)

   Property: 330 N. Harris Street
   Agency Negotiators: Mario Cifuentez and Ty Mizote
   Negotiating Party: Great Valley Holdings, LLC

B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (GC 54957)

   TITLE: City Manager

CALL TO ORDER REGULAR SESSION:

ROLL CALL:

INVOCATION:

Shannon Brown

FLAG SALUTE:

RECOGNITION:

A. Recognition of Officer Mark Carillo for creating trauma bags for all the local schools and training the school's staff on proper use of the bags.

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 expenses (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 (Gov. Code sec. 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. City Clerk: Approval of the Minutes of the October 3, 2023 Meeting

C. City Clerk: Appointment of Judy Scott to the Parks and Recreation Commission's unscheduled vacancy with a term ending on 12/31/2024.

D. City Clerk: Adoption of Resolution 23-45-R, amending the city's email correspondence retention period from three (3) years to two (2) years.

E. Administration: Adoption of Resolution 23-46-R, amending the Handbook of Rules and Procedures to include various amendments as recommended by Council.

F. Administration: Approval of Amendment No. 3 of the License Agreement between the Carnegie Museum of Kings County and the City of Hanford to extend the term of the agreement until December 31, 2024.

G. Public Works: Approval of the Notice of Completion of the FY 23 Double Fiberized Micro Surface Treatment Project, for a total contract price of $484,753.00, by Pavement Coatings Company, and authorization for the Mayor to execute and the City Clerk to attest and file said Notice with Kings County Recorder's Office.

H. Police: Approval of a contract with Janitorial Inc. at the rate of $42,036 for the remainder of 2023 and $43,176 for 2024 to provide janitorial services at the Police Department buildings.

I. Police: Authorization to accept the Homeland Security Grant from the County of Kings in the amount of $55,448, and an amendment to the Police Department's operating budget to recognize the grant, appropriation of $55,448 in the General Fund for the Police Department, and authorization for the City Manager to execute the grant agreement.

GENERAL BUSINESS:

A. Presentation from Lechowicz & Tseng Municipal Consultants on the Rate Study for water, wastewater and storm drain rates and Council direction to staff and consultants to commence with the Proposition 218 process and set the Hearing Date & Time for January 16, 2024 at 7pm for the proposed rate increases.

COUNCIL REQUESTS/REPORTS:

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. (GOV. CODE SEC. 54954.2)

A. Council Future Agenda Items

B. Upcoming Events and Important Dates:

November 8: Community Meeting with the Mayor and Vice Mayor, in the City Hall Training Room 6:00 p.m. - 7:30 p.m. More info
November 10: Holiday, city offices will be closed
November 21: Regular City Council Meeting
November 23 & 24: Holiday, city offices will be closed

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}

4.A.

AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	**AGENDA SECTION:** STUDY SESSION

SUBJECT:
Presentation by the Carnegie Museum of Kings County regarding their 2023 Exhibits and Collections and ongoing efforts to restore the Historic Carnegie Library building.

RECOMMENDATION:

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:
None

4.B.

AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	AGENDA SECTION: STUDY SESSION

SUBJECT:
Presentation to Council and review of measures that the City of Hanford can take to improve the City's financial position and direction to staff as appropriate.

RECOMMENDATION:

Recommendation: That the City Council receive the presentation, discuss potential revenue measures for the City of Hanford and provide general direction to staff.

BACKGROUND:

The City Council has expressed concern for the fiscal health of the General Fund in the past and has directed staff to find ways for improvement. As was shown during the adoption of the 2023/2024 & 2024/2025 biennial budget, there are many and substantial demands of the General Fund that are not able to be financially supported. The City Council was able to adopt a balanced budget. However, this relied on one-time increased revenue and cost-saving items along with many needs, such as facility improvements and maintenance, and vehicle reserves being deferred. These needs were deferred to assist in improving the financial condition and recovering the General Fund Reserve, but must begin being addressed soon otherwise they will create heavy financial stress for the City in the future.

Enterprise funds such as Water, Sewer, Storm Drain and Refuse are supported by rates paid by the utility users. These funds are not a part of this discussion as there is a separate study being done specific to those rates.

The City's General Fund

The General Fund is the City's most discretionary funding source that receives revenues from Sales Tax, Property Taxes, Business Tax, Transient Occupancy Tax among other revenues including fees for recovery of costs. There are several areas of essential services that are paid for out of the General Fund including Police, Fire, Streets, Administration, Parks/Recreation and Planning/Community Development. The City's budget for fiscal year 2023/2024 is just under $43.6 million for the General Fund, Table 1 shows the appropriation across areas of operation/use.

Table 1: City of Hanford 2023/2024 General Fund appropriation

Expenses*

General Fund (Non Departmental)	161,302
Admin	4,363,156
Com. Develop	1,323,488
Eng & Streets	4,734,203
Parks & CS	4,884,531
Fire	7,368,398
Police	16,781,493
Total Expenses	39,616,571
* Capital Outlay Included	
Debt Liability	2,722,754
Debt Service	1,070,624
Debt Service Transfers to Non-GF	162,688
Total General Fund Appropriation	43,572,637

For the most recent budget adoption, the City had a significant challenge having a balanced budget as required by Council-adopted resolution. In addition, economic forecasts indicate a slow down in revenue, so cost increases due to inflation and salary increases are projected to be hard pressed to be fully offset. For the past several years, the City has been 'tightening its belt' financially. However, there are limits as to what can be done as personnel costs are the majority of costs (over 70% of General Fund expenditures) and there are essential costs of operating that must be covered. All non-fixed costs are continually scrutinized by staff.

In addition, proving to be a significant challenge to balancing the City's General Fund was the $12.5 million settlement agreed to in early 2023 of which $7.5 million has been paid. This depleted the GF reserve to approximately 6%, well below the 35% goal (15% operating, 20% fiscal emergency). The remaining $5 million must be paid over the next four years at $1.25 million annually. This will have a direct impact on the General Fund budget over the next four years as the City must set aside funding for this debt payment in addition to all other operating, capital and existing debt demands. Items like this are temporary. However, with increasing costs for current operations and emergency capital needs, there is little to no room in the budget for increasing services/operations, improving services or proactively meeting capital needs.

Types of Measures to Consider

There are several options that City Council may consider of the potential revenue measures that would increase discretionary revenue for the City's General Fund. These will be discussed in more detail during the presentation. Table 2 provides a summary of revenue measure options and requirements for passage, Table 3 depicts the position of the City of Hanford and nearby cities and what measures are in place.:

Table 2: Summary of potential revenue measures with requirements for passage

	TAX- General	TAX- Parcel or Special (earmarked)	G.O. BOND (w/tax)	Fee / fine / rent
City / County	Majority voter approval	Two-thirds voter approval	Two-thirds voter approval	Majority of the governing board*

Table 3: Revenue rates of City of Hanford and surrounding cities

	County Base %	Local %	Sales Tax Total %	Utility User Tax	Transient Tax %	City Parcel Tax
City of Hanford	**7.250**	**0.000**	**7.250**	**0**	**8**	**No**
City of Lemoore	7.250	0.000	7.250	0	8	No
City of Avenal	7.250	1.000	8.250	0	6	No
City of Corcoran	7.250	1.000	8.250	0	8	No
City of Tulare	7.750	0.500	8.250	6	10	No
City of Selma	7.975	0.500	8.475	0	12	No
City of Dinuba	7.750	0.750	8.500	7	10	No
City of Visalia	7.750	0.750	8.500	0	10	No
City of Exeter	7.750	1.000	8.750	5	8	No
City of Lindsay	7.750	1.000	8.750	6	8	No
City of Kingsburg	7.975	1.000	8.975	0	12	No
City of Porterville	7.750	1.500	9.250	6	8	No
Average	*7.621*	*0.750*	*8.371*	*3*	*9*	

A major detail selection involves the type of measure sought. The two main alternatives generally obtained by cities are a general or special revenue measure. Special measures can be sales, property, utility users or parcel taxes or a general obligation bond and general measures are typically sales tax measures.

What if the City was to have additional revenue?

A revenue measure would increase discretionary tax revenue (in the General Fund) available for City Council's use in funding City services. The City's current discretionary revenues in the General Fund include sales tax, property tax, utility user's tax, franchise tax, transient occupancy tax, licenses, permits, etc. Areas currently funded directly by the General Fund Revenues are General Government, Parks and Community Services, Public Safety (Police and Fire) and Streets (primarily Maintenance of Effort funding as required by the State). These funds do not pay for Enterprise Fund costs such as Water, Sewer and Refuse, which are only funded by their associated rates.

Through the public process of a budget adoption, on an ongoing basis, City Council would determine how the City spends these additional revenues and adhere to a plan developed during a ballot initiative. The amount of funding potentially available would vary greatly depending on what the Council may consider for voters to decide on.

Typically, an initial proposal is developed that will begin discussions and evaluation, quite often with adjustments being made through a vetting process by Council, the community and staff.

FISCAL IMPACT:

Should Council direct staff to look into additional revenue measures, there would be minor impact beyond regularly budgeted items in the early stage of the development. Through the development process, some activities will have associated costs such as legal, surveying and information distribution. Placing an item on the ballot will also have associated costs. If a revenue measure is ultimately passed, additional revenue would occur with the amount dependent on the revenue details in the passed measure.

ATTACHMENTS:
None

13.B.

AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	**AGENDA SECTION:** CONSENT CALENDAR

SUBJECT:
Approval of the Minutes of the October 3, 2023 Meeting

RECOMMENDATION:

Recommended: Aprrove the minutes from the October 3, 2023 meeting.

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:
1. 10.3.2023 Minutes

City Council Regular Meeting
Minutes

October 3, 2023 7:00 PM
Council Chambers
400 N. Douty St.

5:00 PM CALL TO ORDER STUDY SESSION:

Mayor Paden called the study session to order at 5:00 p.m.

ROLL CALL BY THE CITY CLERK:

Present:	Absent:
Council Member Lou Martinez Council Member Mark Kairis Council Member Kalish Morrow Council Member Diane Sharp Council Member Travis Paden	

PUBLIC COMMENT:

Study Sessions are considered Special Meetings under the Brown Act. Accordingly, comments from the public are limited to items listed on the agenda (GC 54954.3a). Public Comment will be accepted during each agenda item. A maximum of ***three minutes*** *is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

None.

STUDY SESSION:

A. Council review and direction to staff on the proposed goals and policies for Community Facilities Districts for all future subdivisions and authorization for Staff to engage a consultant to establish a program to finance improvements via Community Facilities Districts.

Deputy City Manager Jason Waters discussed the proposed goals and policies for Community Facilities Districts for all future subdivisions. Deputy Waters and City Attorney Mizote answered questions from the Council. After some discussion, it was the consensus of the Council to authorize staff to engage a consultant to evaluate the feasibility of improvement financing, and if feasible, create a program to finance improvements via Community Facilities Districts.

The Mayor adjourned the study session at 5:27 p.m.

CALL TO ORDER REGULAR SESSION:

Mayor Paden called the meeting to order at 7:00 p.m.

ROLL CALL:

Present:	Absent:
Council Member Lou Martinez Council Member Mark Kairis Council Member Kalish Morrow Council Member Diane Sharp Council Member Travis Paden	

INVOCATION:

The invocation was led by Pastor Mark Curts.

FLAG SALUTE:

The flag salute was led by Destiny Cruz, Hanford High School Senior Class President.

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 expenses (AB1234).

The Council discussed the meetings and events they attended. During this time, Vice Mayor Kairis requested the General Business section items be reviewed before the public hearing, with no objections from the Council.

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 (Gov. Code sec. 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.

Gordon Teston spoke in opposition to the annexation.

Amy Minor, Player Agent and Registrar for the Hanford Youth Baseball League, commented on the Hanford Field Use Policy and the proposed fees, and spoke in opposition.

Anna Brookshire questioned grant the city received for the "Hanford goes Green Project".

Brian Minor, President of Hanford Youth Baseball League, commented on the partnership the league has with the city and expressed his concerns regarding the proposed field fees.

Lisa Chavarin, President of the Hanford Youth Softball League, expressed concerns regarding the usage of the fields and the proposed field fees.

Bob Ramos questioned the cannabis revenue. He also commented on the Lacey Park water fountain, the broken zipline and the Civic Park restrooms.

Chris Hill thanked the Council for their time, and he read an article from 1976 about the Bob Hill Sports Complex. He also suggested there be more discussion regarding the proposed fees.

Sharon expressed her concerns about the homeless, and asked what the city is doing about it.

Jamie Barela commented on the annexation and expressed her concerns about the police department's response time. She also commented on the People's Bridge project.

Susan Davis commented on the street sweeping schedule.

Judy Mellow expressed her concerns about the water supply for new developments in the city. Deputy Waters responded to her comment.

Jay Rubalcava commented on the annexation of his property.

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.

Item C was pulled by Council Member Martinez, and Items D and E were pulled by Council Member Sharp.

Motion to approve the consent calendar except for the items pulled for separate consideration.

RESULT:	**PASSED (UNANIMOUS)**
MOVER:	Council Member Diane Sharp
SECONDER:	Council Member Mark Kairis
AYES:	Lou Martinez, Mark Kairis. Kalish Morrow, Diane Sharp,Travis Paden

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

B. City Clerk: Approval of the Minutes of the September 19, 2023 Meeting

PULLED CONSENT ITEMS:

A. Administration: Approval of an In-Kind contract with the Hanford Chamber of Commerce, consistent with the recommendation of the Council Ad-Hoc subcommittee, that memorializes the services to be offered in exchange for office space in the Courthouse.

[Item C]

Pulled by Council Member Martinez.

Council Member's Morrow and Kairis addressed Council Member Martinez's concerns.

Motion to Approve

RESULT:	**PASSED (UNANIMOUS)**
MOVER:	Council Member Kalish Morrow
SECONDER:	Council Member Diane Sharp
AYES:	Travis Paden, Lou Martinez, Mark Kairis, Diane Sharp, Kalish Morrow

B. Administration: Approval of a Facility Lease Agreement with MSI, Inc. for the City property located at 426 W. Lacey Blvd, more commonly referred to as the Former Goodwill building, for an initial rent of $3,600 per month increasing by 5% annually.

[Item D]

Pulled by Council Member Sharp to recuse herself from the discussion and vote.

City Attorney Ty Mizote clarified an error in the staff report. The attached lease agreement is accurate.

Motion to Approve

RESULT:	**PASSED**
MOVER:	Council Member Kalish Morrow
SECONDER:	Council Member Mark Kairis
AYES:	Travis Paden. Mark Kairis, Kalish Morrow, Lou Martinez
ABSTAIN:	Diane Sharp

C. Community Development: Authorization for the City Manager to execute documents and enter into a contract with Caltrans for the Kings-Tulare High-Speed Rail Station Transit-Oriented Development and Connectivity Plan and Cross Valley Corridor Rail Service Planning project to be funded through a $650,000 Sustainable Communities grant.

[Item E]

Pulled by Council Member Sharp.

This item was pulled by Council Member Sharp to recuse herself from the discussion and vote. Deputy City Manager Water answered questions from the Council.

Motion to Approve

RESULT:	**PASSED**
MOVER:	Council Member Mark Kairis
SECONDER:	Council Member Kalish Morrow
AYES:	Travis Paden, Mark Kairis. Kalish Morrow, Lou Martinez
ABSTAIN:	Diane Sharp

GENERAL BUSINESS:

A. Community Development: Approval of a Memorandum of Understanding (MOU) between the City of Hanford and Kings County, pertaining to the annexation of the remaining "substantially surrounded islands" within the City of Hanford.

Senior Planner Gabrielle Myers presented the project for the Council's review and approval. Staff answered questions from the Council. City Attorney Mizote clarified the designations. Staff clarified that this is not a request to approve an annexation. Staff recommended approving the MOU as amended. Mayor Paden suggested tabling the item and excluding Island 10 from the agreement. Council Members Sharp and Morrow spoke in support of staff's recommendations. Deputy City Manager Waters and City Attorney Mizote provided clarification of LAFCO's legal authority to annex the remaining islands in the City of Hanford. After much discussion, Vice Mayor Kairis made the motion to approve the item as presented.

Motion to Approve

RESULT:	**Passed**
MOVER:	Council Member Mark Kairis
SECONDER:	Council Member Diane Sharp
AYES:	Diane Sharp, Mark Kairis, Kalish Morrow
NAYS:	Travis Paden, Lou Martinez

B. Parks and Community Services: Presentation regarding the Council-supported formation of the Field Sports Advisory Committee and Approval of the Field Permitting Process and Adoption of the City of Hanford Athletic Field Use Policy and associated permit fees.

During the presentation, Council Member Morrow motioned to extend the meeting to 10:20 p.m. Seconded by Council Member Martinez. Motion passed 5-0.

Parks and Community Services Director Brad Albert presented the Council-supported formation of the Field Sports Advisory Committee and the Field Permitting Process for the Council's review and approval. Dir. Albert also provided an overview of the operating expenses for the YAC, Soc Com & Softball complex fields and shared a fee analysis of 12 local cities. Vice Mayor Kairis questioned the fee schedule and the cost for maintenance. Dir. Albert answered questions from the Council. Mayor Paden and Vice Mayor Kairis expressed their concerns regarding the fee structure and the input from the entire advisory committee. Mayor Paden stated that he was not in favor of making a decision tonight. Council Member Sharp spoke in support of the item and made the motion to approve and amend the fees. Mayor Paden made a substitute motion for a flat fee per player based on the amount of participation. Vice Mayor Kairis motioned to table the item, with a second by Mayor Paden.

Motion to Table

RESULT:	**Passed**
MOVER:	Council Member Mark Kairis
SECONDER:	Council Member Travis Paden
AYES:	Travis Paden, Kalish Morrow, Lou Martinez, Mark Kairis
NAY:	Diane Sharp

PUBLIC HEARING:

A. Community Development: Annexation 162: A request to annex 12.17 acres into the City of Hanford from the Kings County jurisdiction and cancel the Williamson Act Contract for the property. Prezone No. 0001-23: A request to prezone the land proposed to be annexed as R-L-5 Low-Density Residential, in accordance with the General Plan designation for the territory, Low-Density Residential. Tentative Tract 940 (Stonehaven): A request, by D.R. Horton, to subdivide the 12.17 acres proposed to be prezoned R-L-5 Low-Density Residential into 82 single-family residential lots. Planned Unit Development No. 13-23: A request to deviate from the standards of the Hanford Municipal Code, in order to utilize the small lot provisions of Section 17.10.100 to allow:

1. Reduced lot sizes between 3,600 – 4,999 square feet
2. Reduced lot widths
3. Reduced lot depths
4. Reduced setbacks
5. Exception: No limitation on the width of the garage (standard regulation limits garage width to no more than 50% of the residence's frontage) The Project is located south of Hanford Armona Road, between 12th and 13th Avenues (APN011-040-030)

Mayor Paden opened the public hearing at 10:17 p.m. and called for the staff report. Senior Planner Gabrielle Myers presented the staff report and invited questions from the Council. During the public hearing, Council Member Morrow motioned to extend the time of the meeting to 10:35 p.m. Seconded by Council Member Sharp. Motion passed 5-0.

Public Comment:

IN-FAVOR:
Mathew Chavez, D.R. Horton Forward Planner, spoke in favor of the annexation.

OPPOSSED:
Judy Mellow questioned the land usage.

Senior Planner Gabrielle Myers addressed the public comments and answered questions from the Council. After a brief discussion, Vice Mayor Kairis motioned to approve all 5 recommended motions as presented.

RESULT:	**Passed (UNANIMOUS)**
MOVER:	Council Member Mark Kairis
SECONDER:	Council Member Kalish Morrow
AYES:	Travis Paden, Kalish Morrow, Lou Martinez, Mark Kairis, Diane Sharp

The Mayor closed the public hearing at 10:20 p.m.

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. (GOV. CODE SEC. 54954.2)

Announcements

A. Council Future Agenda Items

None.

B. Upcoming Events and Important Dates:

October 3: HPD 2023 National Night Out 6:00 p.m. - 8:00 p.m. in Civic Park
October 7&8: Renaissance Fair 10:00 a.m. - 6:00 p.m. in Civic Park
October 14: Oktoberfest 5:00 p.m. - 9:00 p.m. in Civic Park-Benefit For the Hanford Police K9 Foundation: Get tickets here
October 17: Regular City Council Meeting

ADJOURNMENT:

Mayor Paden adjourned the meeting at 10:25 p.m.

Respectfully submitted,
/s/ Natalie Corral
City Clerk

13.C.

AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	AGENDA SECTION: CONSENT CALENDAR

SUBJECT:
Appointment of Judy Scott to the Parks and Recreation Commission's unscheduled vacancy with a term ending on 12/31/2024.

Recommendation: That the Mayor, with approval of the full City Council, appoint Judy Scott to the Parks and Recreation Commission to fill the unscheduled vacancy with a term ending 12/31/2024.

Background:
The Parks and Recreation commission has one unscheduled vacancy due to a resignation. Ms. Judy Scott is currently the Alternate Commissioner on the Parks and Recreation Commission; she has expressed interest in the unscheduled vacancy and would like to move from the alternate seat to fill the vacancy with a term expiring on December 31,2024.

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

"Vacancies occurring due to resignation or other cause, shall be noticed as required by state law and appointment made by the mayor at the earliest date possible. All such appointments shall be approved by a majority of the members of the city council."

If the Council appoints Ms. Scott to fill the unscheduled vacancy, the City Clerk will notice the vacancy for the Alternate Commissioner seat, and bring back staff's recommendation for the Council's approval.

ATTACHMENTS:
None

13.D.

AGENDA STAFF REPORT

MEETING DATE: 11/7/2023	AGENDA SECTION: CONSENT CALENDAR

SUBJECT:
Adoption of Resolution 23-45-R, amending the city's email correspondence retention period from three (3) years to two (2) years.

RECOMMENDATION:

Staff recommends the City Council, by motion, adopt Resolution 23-45-R, thereby amending the city's email correspondence retention period from three (3) years to two (2) years

BACKGROUND:

In 2012, the City Council adopted Resolution 12-47-R, approving the City Clerk to use the Secretary of State Local Government Records Retention Guidelines as the Hanford City-wide Records Retention Program. The current retention for general correspondence is three (3) years. With the city moving to Office 365 (O365) and a new email server platform, at the time of implementation, the city will have some choices of how long emails should be retained.

After a review of retention schedules from cities responding to the City Clerk's outreach, it was determined that a two (2) year retention period is common practice. The City Attorney supports the recommendation of a two-year retention for email correspondence with the suggestion that emails not be automatically deleted without checking their content. Emails relating to matters subject to litigation will not be eliminated until the matter is resolved.

A records retention schedule is an essential tool for managing government records. Retention schedules specify a minimum retention period for records based on the records' administrative, fiscal, legal, and historical value. State and local government agencies may create their own records retention schedules that must comply with Government Code §34090. Currently, staff is requesting authorization to revise the City's Retention Policy, only in regard to email correspondence because of the new email server platform. In the future, staff would like to present a comprehensive updated retention schedule that will be specific to each department, but also comply with Federal and State statutes.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

ATTACHMENTS:

1. RESOLUTION NO 23-45-R

RESOLUTION NO. 23-45-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD, CALIFORNIA, APPROVING AN AMENDMENT TO THE CITYWIDE EMAIL CORRESPONDECE RETENTION SCHEDULE

WHEREAS, by Resolution No. 12-47-R (2012), the City Council of the City of Hanford approved the use of the Secretary of State Local Government Records Retention Guidelines as the Hanford citywide records retention program; and

WHEREAS, according to the Secretary of State Local Record Retention Guidelines, the current general correspondence retention is three (3) years, and;

WHEREAS, the city will move to new email server platform, with the choice of how long emails should be retained; and

WHEREAS, the city has found that the common email retention in surrounding cities is two (2) years; and

WHEREAS, the approval of the amendment to the citywide email correspondence retention insures compliance with Government Code §34090.

NOW, THEREFORE, BE IT RESOLVED, that the City Council adopt the amendment to the email correspondence retention to two (2) years.

PASSED, ADOPTED AND APPORVED at the regular meeting of the City Council of the City of Hanford held on November 7, 2023, by the following vote:

AYES: ______________________________

NOES: ______________________________

ABSTAIN: ______________________________

ABSENT: ______________________________

____

TRAVIS PADEN
MAYOR

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 regular meeting of the City Council of the City of Hanford held on the _____day of ______, 20___.

Date: ____________________

____
City Clerk

13.E.

AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	**AGENDA SECTION:** CONSENT CALENDAR

SUBJECT:
Adoption of Resolution 23-46-R, amending the Handbook of Rules and Procedures to include various amendments as recommended by Council.

RECOMMENDATION:

Recommendation: That the City Council, by motion, Adopt Resolution 23-46-R, amending the Handbook of Rules and Procedures to include various amendments as recommended by Council.

BACKGROUND:

Historically, past City Councils have adopted various policies and rules pertaining to City Council meetings, decorum, appointments to Commissions, and several other subjects. These policies were memorialized in a varied manner as resolutions, ordinances, and regular documents, all of which had been officially approved at Council meetings.

On June 21, 2016, the Hanford City Council formally adopted the Handbook of Rules and Procedures, in order to create one (1) single document for all rules and procedures and to eliminate the multiple references to other regulations. Since the initial adoption, there have been several amendments to the Handbook, which have included, but are not limited to, changes to the length of the Public Comment period.

At the May 16, 2023 Council meeting, during the Future Agenda Items section of the agenda, a request was made for a formal review of the Handbook by this Council and the matter was scheduled based on Council Consensus to move the item forward to a regular agenda. In response to the formal request by Council, staff felt that it was the ideal time to review the full document with the current Council and get direction any potential amendments.

On August 1, 2023, Council received an overview of the Handbook, which included a few staff-level amendments, and provided extensive directions on additional amendments that Council wanted to see added, deleted or modified. On October 17, 2023, Council was presented with a proposed final version of the amended handbook. A couple of additions were recommended and are incorporated in the redline and final versions of the handback that are a part of this agenda item.

Some of the major changes are as follows:

- Clarification of the time frame for the selection of Mayor and Vice-Mayor and the procedure for selecting the officers

- Removal of city departments as that information is regularly updated in the Council-adopted budget
- Clarification on Study Sessions and the legal ability of Council to provide formal direction on those matters
- Amendments to the "Components of the Meeting" to reflect current practice
- Addition of a policy on the useage of electronic communication by Council members while on the dais

FISCAL IMPACT:

ATTACHMENTS:

1. Handbook Resolution 23-46-R
2. Handbook of Rules and Procedures - 2023 Redline Draft (TNM redline)
3. Handbook of Rules and Procedures - 2023 Final

RESOLUTION 23-46-R

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD AMENDING THE HANDBOOK OF RULES AND PROCEDURES OF THE CITY COUNCIL OF THE CITY OF HANFORD

WHEREAS, the policies, rules and procedures set forth in the attached Handbook are useful to the City Council, Commissions, Staff, and the General Public by eliminating multiple references; and

WHEREAS, pursuant to Government Code Section 36813, the Council may establish rules for the conduct of its proceedings; and

WHEREAS, this Handbook may be amended by resolution to modify or establish other policies relative to the City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hanford does hereby approve the attached amended Handbook of Rules and Procedures.

PASSED, ADOPTED AND APPROVED this______day of_______________, 2023 by the following vote:

AYES: ____

NOES: ____

ABSTAIN: ____

ABSENT: ____

____
TRAVIS PADEN
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 regular meeting of the City Council of the City of Hanford held on the______day of____________________, 2023.

Date: ____________________ _________________________

City Clerk

HANDBOOK OF RULES AND PROCEDURES

HANFORD CITY COUNCIL

PREFACE

As provided by California Government Code Section 36813, the City Council of the City of Hanford established the Handbook of Rules and Procedures contained therein. The Handbook shall be in effect upon adoption by the City Council and shall remain in effect until such time as it is amended or new rules are adopted in the manner provided herein.

In addition to the Handbook of Rules and Procedures, the City Council has included in this document other information which may be useful to the City Council, Commissions, administrative staff, and the general public. This document is to be known as "The Handbook of Rules and Procedures of the City Council of the City of Hanford."

Adopted: June 21, 2016
Resolution: 16-31-R

Amended: June 6, 2017
Resolution: 17-34-R

Amended: August 15, 2017
Resolution: 17-44-R

Amended: July 7, 2020
Resolution: 20-14-R

Amended: November 7, 2023
Resolution: 23-46-R

TABLE OF CONTENTS

CHAPTER 1 – GENERAL POWERS AND DUTIES

CHAPTER 2 – CITY COUNCIL MEETINGS

CHAPTER 3 - DECORUM

CHAPTER 4 – PROCLAMATIONS, CERTIFICATES, AND OTHER ACCOLADES

~~CHAPTER 5 – CITY COMMISSIONS~~

CHAPTER 5~~6~~ – ADMINISTRATIVE RULES

CHAPTER 1
GENERAL INFORMATION, POWERS AND DUTIES

A. THE CITY OF HANFORD

The City of Hanford has a City Council/City Manager form of government.

Under this form of government, the elected City Council sets the policies for the operation of the Hanford City Government. The Council is responsible to the citizens for:

- Establishing community-wide goals that address ~~short and long range~~short- and long-range needs.
- Formulating policies that define a course of action that shape city operations.
- Providing quality services within available resources.
- Acting as a link between the professional staff and local citizens.

City Council members are local leaders. The electorate expects the Council to set the tone and direction for municipal operations. Strategic planning and goal setting are the tools that enable a Council to define their vision and determine methods for accomplishing their goals.

The administrative responsibility of the City rests with the City Manager, who is appointed by the City Council. The City Manager has the responsibility to apply and administer Council's policies through the day-to-day operation of the City. The City Manager is the chief administrative officer of the city and directs the totality of city operations.

Teamwork between the Council and the City Manager is a key element of the council-manager form of government. The pooling of skills is essential to resolve the many complex problems that face the City today. The council-manager form of government seeks to enhance the effectiveness of local policy-making and municipal operations by bringing together skilled lawmakers, community representatives, and experts in municipal administration and management.

B. COUNCIL ELECTIONS

The City Council consists of five (5) members, elected by district. Each Council Member serves four-year staggered terms, without limit. Elected Officials serve until his/her successor has been elected and qualified. Elections are held in November of even numbered years.

C. VACANCIES

Vacancies on the City Council shall be filled in accordance with California Government Code 36512.

California Government Code Section 36502 specifies the conditions under which a vacancy occurs.

D. MAYOR/VICE MAYOR SELECTION

Following a General Municipal Election, the Mayor and Vice-Mayor shall be selected at the meeting where election results are confirmed and the new City Council members are seated. (This meeting will either be in late November or early December).

In alternating years (i.e. when there is no General Municipal Election) the Mayor and Vice-Mayor shall be selected at the first Regular City Council meeting in December. The selection process is conducted pursuant to Robert's Rules of Order as Rosenberg's Rules is silent on the matter.

Consistent with Robert's ~~r~~Rules, the City Attorney shall oversee the nominations and elections of the Mayor and Vice-Mayor. Council members may nominate one or more candidates. The different names shall be repeated by the City Attorney as they are made, and then the vote is taken on each in the order in which they were nominated, until one is elected. The nominations need not be seconded. These positions typically serve a period of one (1) year.

Although the Mayor and the Vice-Mayor have additional ceremonial, parliamentary and administrative responsibilities as described below and elsewhere in this Handbook, with respect to the establishment of policies, voting, and in other significant areas, all members are equal~~The Mayor and Vice Mayor are members of the City Council and selected by the Council and not elected by the voters~~. ~~These positions typically serve a period of one (1) year.~~

E. MAYOR AS PRESIDING OFFICER AND DUTIES THERETO

The Mayor shall be recognized as the official head of the City of Hanford for all ceremonial purposes and by the Governor for military purposes. In the time of public danger or emergency, the Mayor may, with the consent of the City Council, cause order to be maintained and enforce laws. The Mayor shall act as the Presiding Officer at all meetings of the City Council and perform such other duties consistent with the office as may be imposed by the City Council. The Mayor may move, second, and debate from the Chair, subject to such limitations of debate as are imposed on all Council Members by these rules and shall not be deprived of any of the rights and privileges of a Council Member as such Presiding Officer. The Mayor shall possess <u>no</u> veto power.

The Mayor shall preserve strict order and decorum at all times. The Mayor shall state each item coming before the City Council, and shall upon conclusion of said presentation related thereto call for the vote. Following the vote, the Mayor shall announce the results of the vote. The Mayor is eligible to vote on all motions, and shall direct the order of participation of Council Members. The Mayor shall, in all instances, have the last chance to speak. The Mayor shall sign all ordinances and resolutions adopted by the City Council during the Mayor's presence. The Mayor shall sign all agreements and/or contracts, except where otherwise instructed or set forth by policy.

F. VICE MAYOR

In the absence of the Mayor, the Vice Mayor shall possess and perform the power and duties of the Mayor. In that capacity, the Vice Mayor shall sign ordinances and resolutions adopted in his/her presence. The Vice Mayor shall also sign all agreements and/or contracts, except where otherwise instructed or set forth by policy.

G. COMPENSATION

Salaries for the City Council Members may be fixed in accordance with Section 36516 of the Government Code of the State of California. Council Members may be reimbursed for actual and necessary expenses incurred in the performance of their official duties as allowed by Government Code Section 36514 and any resolutions or ordinances adopted by the City.

H. CITY MANAGER

The City Manager, appointed by the City Council, is responsible for the overall administration of the City in response to the policies and programs established by the City Council. The City Manager is responsible for forecasting the program and service needs of the City and its related financial, personnel, and capital improvement requirements. The City Manager is a significant liaison with the community and other levels of government.

I. CITY CLERK

The City Clerk is appointed by the City Manager and is the local official for elections, local legislation, the Public Records Act, the Political Reform Act, and the Brown Act (open meeting laws). The City Clerk, in consultation with the City Attorney, ensures that actions are in compliance with all federal, state and local statutes and regulations and that all actions are properly executed, recorded, and archived.

The statutes of the State of California prescribe the basic functions and duties of the City Clerk, and the Government Code and Election Code provide precise and specific responsibilities and procedures to follow.

The Office of the City Clerk is a service department within the municipal government upon which the City Council, all city departments, and the general public rely on for information regarding the operations and legislative history of the city. The City Clerk serves as the liaison between the public and City Council and provides related municipal services. The City Clerk provides clerical support to the City Council.

J. CITY ATTORNEY

The City Attorney, appointed by the City Council, is responsible for providing necessary legal services and guidance to the City Council, the City Manager, department heads, and city boards, commissions and committees to ensure that city functions are performed on a sound legal basis.

In the event that it is deemed necessary and in the best interest of the City to contract for either Special or Conflict Counsel to act in the place of the City Attorney, the City Manager shall bring forth a recommendation to the City Council for approval at a regular or special meeting and be designated to execute the necessary documentation to facilitate those contracts. If outside legal counsel is required due to a reason other than a conflict of interest affecting the City Attorney, the City Manager shall confer with the City Attorney regarding the hiring of Special Counsel.

Communications from the City Attorney's Office may be confidential and shall be treated as attorney-client privilege. Only the City Council, as an entire body, may waive the privilege, and not individual Council Members.

During the normal course of a Council Member carrying out the duties of office, it is common practice to discuss issues or ask questions of city staff, including the City Attorney. For the purpose of this policy statement, the intent is to regulate an individual Council Member's authority to cause work to be performed by the City Attorney.

When an individual Council Member poses a question to the City Attorney, the City Attorney shall estimate the amount of time required to answer the question. In the event the City Attorney believes the amount of time for research involved in answering the question will generate a bill in excess of $600.00, the City Attorney will notify the Council Member that the answer will exceed policy limitations. If the submitting Council Member continues to seek an answer to the question, the Council Member will pose the question to the Council, as a body, at a Council Meeting and must obtain a consensus of the majority of the Council Members present at the meeting in order for the City Attorney to work on the question.

Legal work involving questions or inquiries that require less than $2,500.00, per year, in billable hours by the City Attorney may be authorized by the submitting Council Member without the need of obtaining the Council's approval.

K. TRIANGLE OF POLICY, PROCESS & PRODUCT

The City Council establishes the Policy—establishing vision and direction for the community's future.

The City Clerk, in consultation with the City Attorney oversees the Process—ensuring that the decision-making process complies with federal, state, and local regulation and that it is properly recorded.

The City Manager provides the Product—which is the primary reason for the existence of local government: to provide services to the taxpayer that the taxpayers cannot (or will not) provide for themselves.

L. MUNICIPAL CODE

The Hanford Municipal Code sets forth the regulatory, penal and administrative laws of general application to the city. These laws are enforceable by the City, and violation constitutes a misdemeanor or infraction.

Other directives and policies of the City Council are recorded in resolutions or by minute action of the Council.

M. INTERFERENCE IN STAFF FUNCTIONS

The City Council shall deal with the administrative services of the City through the City Manager, except for the purpose of inquiry, and neither the City Council nor any member thereof, shall give orders to subordinates of the City Manager. *No member of the City Council shall publicly criticize or censure any staff member of the City, and shall instead relay any criticism of a staff member privately through the City Manager.*

The City Council shall deal with the Office of the City Attorney only through the City Attorney or his/her designees, except for the purpose of inquiry, and neither the City Council nor any member thereof, may give orders to subordinates of the City Attorney without the City Attorney's consent.

~~**N. CITY DEPARTMENTS**~~

~~Administration – In addition to the City Manager and City Clerk, the administrative office also includes Human Resources, Information Technology and the Airport division. Human Resources is responsible for risk management, insurance services, and the city's comprehensive personnel program, including recruitment, classification, compensation, employee benefits, safety administration, and employee training.~~

~~Information Technology is responsible for design and maintenance of the city's software systems and administration of the City's Local/Wide Area Network. This division also manages the City's web services and intranet.~~

~~Airport operations oversee all matters pertaining to the airport.~~

~~Finance – The Finance department is composed of two divisions, the Accounting division and Utility Billing division. The Accounting division is responsible for cash management, financial management services, payroll, purchasing, accounts payable and receivable, and business license administration.~~

~~The Utility Billing division is responsible for customer services for Refuse, Sewer, and Water operations. This includes all billing, collections, and adjustments as necessary.~~

~~Community Development – The Community Development department includes three divisions: Planning, Building, and Housing. The Planning division is responsible for administering the city's general plan and zoning ordinance, and provides support services to the planning commission.~~

~~The Building division is responsible for ensuring that construction activities in the city meet all requirements of the *Uniform Building Code*. The division issues building permits and provides inspections as needed to ensure that buildings are constructed in accordance with the approved plans. The Building division also provides city-wide code enforcement services and abates dangerous buildings to ensure they do not pose a hazard to the community.~~

~~The Housing division is responsible for assisting in the development, rehabilitation and maintenance of affordable housing in our community. This division provides funds for the CDBG Housing Rehabilitation Grant Program, the BEGIN/HOME Programs, First-Time Homebuyers Program, and the processing and monitoring of all housing rehabilitation projects.~~

~~Parks & Community Services – The Recreation division operates recreational and leisure activities for the community of Hanford. It is composed of administrative services, sports, youth/cultural/special events, Longfield Center, aquatics, senior center, teen center, facilities management, and therapeutic recreation. Hanford's recreation department offers a full range of recreational activities for nearly every segment of our community. The Parks and Community~~

~~Services department provides recommendations to the Parks and Recreation Commission.~~

~~The Parks division is responsible for maintaining the aesthetic and recreation value of city property including city parks, street medians, athletic fields, city parking lot landscapes, the Industrial Park, Airport Park, and the Intermodal Station. The division designs and constructs streetscape improvement projects within the Downtown District; administers the Landscape Assessment District contracts; repairs citywide irrigation systems; performs annual playground safety inspections; and conducts repairs and upgrades to existing playgrounds.~~

~~The Facilities division is responsible for the maintenance and repair of all city owned facilities. This includes the civic auditorium, city offices, veterans building, historic courthouse, intermodal facility, public works corporation yard, wastewater treatment plant, Longfield Center, aquatics facility, police department, and fire stations. This is accomplished through a staff of full time and part-time employees.~~

Public Works ~~– The most complex department in the City of Hanford is the public works department. It is composed of Administration/Engineering, Streets, Refuse, Fleet, Wastewater, and Utilities.~~

~~The Administration and Engineering division is responsible for the design and supervision of all capital improvement projects as well as administering the entire public works department. This division is also responsible for providing recommendations to the City Council and Commissions.~~

~~The Streets division is composed of two programs: street maintenance and street cleaning. Street maintenance is primarily responsible for maintenance of local streets and city parking lots as well as supervising painting activities, maintenance of traffic signals and streetlights, and other maintenance activities. The street-cleaning program is responsible for sweeping of all city streets on a periodic basis.~~

~~The Wastewater Treatment plant is a sophisticated, multimillion dollar facility responsible for the treatment and recycling of all city wastewater. This division is also responsible for maintaining the sanitary sewer collection system. The plant uses state of the art techniques and continues to meet all applicable water quality standards.~~

~~The Refuse division provides refuse pickup, recycling, and disposal services for all businesses and residents of the city, as well as some residents located in unincorporated areas around the city.~~

~~The Fleet Maintenance division is responsible for maintaining and managing a diverse fleet of equipment including sedans, police vehicles, street sweepers,~~

~~refuse trucks, motor graders, sewer cleaning equipment, fire vehicles, and other specialized pieces of large and small equipment. The city's fleet maintenance program is set up as a leasing operation with all costs accumulated in this program and charged out to city departments.~~

~~The Utilities division is composed of two program areas: storm sewer maintenance and water operations. The storm sewer maintenance section is responsible for maintaining storm drain facilities within the city. The water operations section is responsible for the operation and maintenance of the city water system.~~

~~Police – The Police department is responsible for providing police services to preserve the peace and ensure the general safety and welfare of city residents and visitors. The department is organized into multiple areas: support services, records and communications, operations, narcotics task force, traffic enforcement, school resource officer program, and the problem-oriented policing (POP) program. These divisions work cooperatively to maintain a low crime rate with a community approach to law enforcement.~~

~~The Support Services division is responsible for the overall administration of the police department and investigative services. This division also administers the Gang Resistance Education (G.R.E.A.T.) program in conjunction with the Hanford Elementary School District and Hanford Joint Union High School District.~~

~~The Records and Communications division is responsible for providing communications, clerical support, and police records management for the police department.~~

~~The Operations division is responsible for patrol services, traffic enforcement, and development of a highly responsible force for both emergency and service needs.~~

~~The Traffic Enforcement division focuses on traffic education and enforcement, driving under the influence enforcement, seat belt and child restraint education, and bicycle and pedestrian safety in our community.~~

~~The School Resource Officer (SRO) program is a cooperative program with the Hanford Joint Union High School District and the purpose of the program is to provide guidance to our youth and to maintain a safe environment at the three (3) Hanford High School campus sites.~~

~~The Problem Oriented Policing (POP) program provides specialized police services through community partnerships with citizens to reduce criminal activities in our community. The division concentrates its efforts on developing specific strategies and projects to solve issues within the community.~~

~~Fire - The fire department is responsible for the prevention and suppression of fires in the community. The department is broken into two divisions: administration/suppression and fire prevention.~~

~~The Administration/Suppression division is responsible for administering the department, as well as providing suppression services when fires occur.~~

~~The Prevention division is responsible for building inspections, plan review, weed abatement, and citizen education programs.~~

CHAPTER 2
CITY COUNCIL MEETINGS

A. RULES OF ORDER

The City Council shall determine its own rules of order and amend them from time to ~~time, or~~time or adopt new rules as it deems necessary. The City of Hanford shall follow Rosenberg's Rules of Order and incorporate the procedures set forth in this chapter.

The City Attorney acts as the parliamentarian and advises the Mayor when points of order are raised.

B. REGULAR MEETINGS

Regular meetings of the City Council shall be open to the public and held on the first and third Tuesdays of every month, at the hour of 7:00 p.m. The business to be considered during the council meeting is detailed on a printed agenda. State law (the Ralph M. Brown Act) requires that public notice be given at least 72 hours before the regular meeting indicating the time and place of the meeting. An agenda of each meeting is posted at City Hall. Regular meetings may be adjourned or continued to a specified time and place.

Whenever the day fixed for any regular meeting of the City Council falls upon a day designated as a holiday, such meeting may be held at the same hour on the next succeeding day, not a holiday, as if it were a regular meeting or the meeting may be cancelled.

C. SPECIAL MEETINGS

A special meeting may be ordered whenever the public business may require it or upon the request from three members of the City Council. Whenever a special meeting shall be called, notice of such meeting shall be provided at least 24 hours prior to the time of the meeting pursuant to State law.

Ordinances **may not** be adopted at special meetings; only urgency ordinances may be adopted at such meetings. Items not listed on the agenda shall not be considered at the special meeting.

D. STUDY SESSIONS

The City Council may meet in a "study session" for the purpose of acquiring information on a particular subject(s) ~~or hold "work sessions" for the purpose of~~and collaborating with the public through individual public comment periods. These sessions are considered special meetings and~~that~~ shall be open to the public and comply with the Brown Act. Additionally, as special meetings, Council may act upon an item contained in the agenda and may provide formal direction to staff ~~on~~ consistent with the agenda wording for each item.

E. CLOSED SESSIONS

Consistent with Government Code Section 54954.2 the Council may hold closed sessions during any regular or special meeting, or any time otherwise authorized by law to consider or hear any matter which is authorized by State law to be heard or considered in closed session.

The general subject matter for consideration shall be expressed in an open meeting before such session is held. After closed session the legislative body must reconvene to open session and may be required to disclose action taken, if any.

Closed sessions may be held to discuss certain matters specified by law, including:

- Personnel matters to consider the appointment, employment, performance, or dismissal of a public employee
- Matters of national and public safety
- Labor negotiations
- License applications by persons with criminal records
- Real estate negotiations
- Anticipated litigation

The legislative body in a closed session can consider only matters covered in its agenda descriptions. City Council Members shall keep all written materials and verbal information provided to them in closed session in complete confidence in accordance with Government Code section 54963. No mention of information in these materials should be made to anyone unless allowed by this statute.

If the City Council in closed session has provided direction to city staff on proposed terms and conditions for any type of negotiations whether it be related to property acquisition or disposal, a proposed or pending claims or litigation, and/or employee negotiations, all contact with the other party should be by the designated representative handling the negotiations or litigation. A Council Member should not have any contact or discussions with the other party or its representative(s) involved concerning the negotiation during this time and not communicate any discussion conducted in closed sessions. All public statements, information, press releases, should be handled by the designated representative or spokesperson.

Government Code Section 54963 (a) – (f) outlines the injunctive relief and disciplinary actions that may be imposed on those who divulge confidential closed session discussions, without first receiving authorization from the legislative body.

F. EMERGENCY MEETINGS

Emergency meetings may be called by the City Council with one-hour notice to its members and local news media. The City Council **may not** meet in closed session during an emergency meeting. Except for the 24-hour notice requirement, the special meeting requirements set forth above shall apply in emergency meetings.

G. AGENDA

In order to facilitate the orderly conduct of the business of the citizens of Hanford, the City Manager and City Clerk shall set the agenda, in addition to any direction by the City Council. The City Clerk shall arrange such matters as may have been timely provided, for inclusion in the agenda. Copies of the agenda are available at City Hall and at the council meeting, as well as posted on the city's website.

H. CALL TO ORDER

The meetings of the City Council shall be called to order by the Mayor, or in the Mayor's absence, by the Vice Mayor. In the absence of the Mayor and Vice Mayor, the meeting shall be called to order by the most senior Council Member present. This person shall serve as the Council's presiding officer until the arrival of the Mayor or Vice Mayor, or until adjournment of the meeting.

I. QUORUM

Three members of the City Council shall constitute a quorum for the transaction of business. A majority of a quorum shall be sufficient to pass any action taken by the City Council except on such matters, which, by law, require a greater majority. All ordinances require at least three affirmative votes. Approval of resolutions and all orders for the payment of money also require an affirmative vote by a majority of the entire Council.

J. LACK OF QUORUM

If a majority of the City Council are absent from any meeting, the remaining members of the City Council may declare the meeting adjourned or if no member of the City Council is present, the City Clerk may adjourn the meeting. If a meeting is adjourned for less than five calendar days, no new agenda need be posted so long as a new item of business is not introduced. A copy of the order of adjournment must be posted within 24 hours after the adjournment, at or near the door of the place where the meeting was held.

K. RULES OF DISCUSSION

1. Motions

Action items listed on the council agenda in accordance with applicable ~~law, or~~law or added as an action item on a council agenda, in accordance with applicable law, may be voted on by the council.

Following a presentation of the item by staff, the Mayor will open discussion to the City Council for questions and comments. When there appears to be no further discussion or all of the Council Members have had the opportunity to speak, the Mayor may call for a motion.

Motions may be made by any member of the council, including the presiding officer, providing that before a motion is offered by the presiding officer, the opportunity for making a motion should be offered to the other members of the council. Any member of the council, other than the person offering the motion, may second a motion. Following a motion and a second, and any further discussion, the Mayor shall call upon the City Clerk for the vote.

2. Voting

The City Council utilizes an electronic voting system. ~~, i~~In the absence of an electronic voting system~~device~~, the clerk shall ask for votes by "voice vote" on all matters before it, unless a roll call vote is required by law or is requested by the Mayor. Unless a Council Member states that he or she is not voting, silence shall be recorded as an affirmative vote. The Presiding Officer shall announce the results of the vote.

A majority, also known as a simple majority, is a subset of a group that is more than half of the members present.

A two-thirds majority means that two-thirds of the quorum must agree to the proposition. It is much stronger than a simple requirement. In the event of an absence the vote would have to be unanimous.

3. Abstention/Recuse: Conflict of Interest

Council Members shall disqualify themselves if they have a financial conflict of interest or any other disqualification prescribed by law in a matter before the City Council. In such event, they may not participate in the discussion or the vote. Council Members shall state the specific reason for such disqualification. The disqualified Council Member shall leave the Council dais until the conclusion of the agenda item unless applicable State law or regulations permit otherwise.

It should be noted, however, a Council Member may speak as a member of the public, on his/her own behalf – as opposed to on behalf of someone else – on a matter that directly affects his/her financial interest even when conflicted out. Thus, while a Council Member would have to disqualify him/herself on a matter affecting a piece of property in which the Council Member has a financial interest, he/she could address the Council, speaking to what the impact would be to his/her property.

In some instances, a Council Member may determine that it is appropriate to abstain from voting on a matter even though no financial conflict of interest exists. If a City Council member abstains from voting, their vote will count as a negative. A Council Member is counted as present for quorum purposes, but his/her abstention is effectively a negative vote. For example, if a matter requires three affirmative votes for approval and one Council Member abstains, at least three other Council Members must cast affirmative votes for the matter to be approved.

4. Tie Votes

A tie vote results in a lost motion. In such an instance, any member of the Council may offer a motion for further action. If there is no action by an affirmative vote, the result is no action. If the matter involves an appeal, and affirmative vote does not occur, the result is that the decision appealed stands as decided by the decision-making person or body from which the appeal was taken.

L. RECOGNITION TO SPEAK, COUNCIL MEMBER

Every Council Member desiring to speak shall address the Mayor and, upon recognition by the Mayor, shall confine his or her remarks to the item coming before the City Council.

1. Interruptions:

A Council Member, once recognized, may voice concerns, comments or ask staff to provide explanation or clarification of the item before the City Council, without interruption, unless out of order with the rules and procedures established herein and/or the Mayor call the item to order.

2. Public Hearings:

Council Members should not speak to the merits of an issue, other than to ask questions, until the public comment has been closed.

~~M. COUNCIL MEMBERS' OBLIGATION AFTER ABSENCE~~

~~When a Council Member is absent from an earlier meeting at which a matter was discussed, it shall be the duty of that Council Member to become acquainted with the issues discussed by reading the documents presented, reviewing the minutes~~

~~from the meeting in which that item was discussed, listening to or viewing the taped recording of the meeting missed in order to further participate in future discussions and/or vote on the item.~~

N. ADJOURNMENT OF MEETING

Regular meetings shall conclude no later than 10:00 p.m., unless the time is extended by a majority consensus of the Council.

The Mayor shall adjourn the meeting. In the instance of the lateness of the hour the Mayor may also adjourn the meeting to a date and time specific to continue discussions on either the remainder of the agenda or on a specific item for discussion.

O. RECESS

At any point during a meeting the Mayor may call for a brief recess.

P. AGENDA ITEMS OUT OF ORDER

The Mayor may, with the consent of the City Council, modify the order of the agenda at the meeting, if such modifications would promote fluidity in the process and discussions.

Q. AUDIO RECORDINGS

All regular meetings (except closed sessions) of the City Council are audio recorded, as well as special meetings. Workshops or meetings that require extensive interaction with the public, staff, and City Council may not be recorded if the length of the meeting is anticipated to be unusually long or if simultaneous discussions are expected to occur.

R. VIDEO RECORDINGS

All regular meetings (except closed sessions) of the City Council are video recorded, as well as any special meetings held in the Council Chambers. The City of Hanford allows the use of additional recordings as long as they are not being disruptive to the proceedings or to those in attendance. Any equipment being used should not block aisles, exits, or the view of others. If the use of equipment is determined to be disruptive by the legislative body, the use of said equipment may be banned. Council has identified an area against the East wall of the Chambers, just south of the Director's box, where all video camera equipment should be setup for recording.

S. AGENDA FORMAT FOR MEETINGS

The agenda format for the Hanford City Council ~~and Commission meetings~~ will be prepared to allow for an efficient method to conduct city business. The format and order of business will be established by the City Clerk, unless modifications are approved by the City Council.

T. COMPONENTS OF MEETING

The following sections of a regular meeting agenda shall set forth the guidelines of decorum for each respective section of the agenda.

1. Public Comments

For regular meetings, this is the time for citizens to comment on subject matters within the jurisdiction of the Hanford City Council, including matters listed on the meeting's agenda and other matters not appearing on the agenda. For special meetings, citizen comments are, pursuant to the Brown Act (Government Code § 54950, *et seq.*) limited to matters on the agenda, and public comment will be accepted **after** each agenda item. The Council cannot legally discuss or take official action on citizen requests that are introduced under this section.

This is also the time for citizens to comment on items listed under the Consent Calendar or General Business, or to request an item from the Consent Calendar be pulled for discussion purposes. Comments related to Public Hearing items will be heard at the time the item is discussed.

Each speaker will be allowed **three minutes**, but the Mayor has the discretion to shorten the time limit to make an efficient use of the Council's time. As a courtesy, but not required, the speaker should state his/her name and provide their city of residence.

Any documents submitted by a member of the public to the City Clerk for the purposes of handing out to the City Council will be distributed and made a part of the record. The City Clerk will **not** read the documents out loud, but note who the correspondence was from.

2. Council Reports/General Reports~~Staff Communications~~

Brief, information-only reports, from City Council and/or Staff may~~will~~ provide updates to the City Council on major events or projects that may be of public interest. This is also the time for Council members to provide committee reports and to report on any meetings attended at the City's expense. ~~Any documents submitted by a member of the public to the City Clerk for the purposes of handing out to the City Council will be distributed and made a part of the record. The City Clerk will **not** read the documents out loud, but note who the correspondence was from.~~

3. Consent Calendar

All 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, in which event the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

4. Public Hearings

A public hearing is only required where a specific law or ordinance applicable to the item expressly requires a hearing or a hearing is required for constitutional reasons (usually to ensure "due process"). Sometimes the decision is made to hold a public hearing even though one is not required by law. In this case, the agenda documents will state that the public hearing is optional. Staff will open the item by providing~~e~~ a report ~~on the item~~, then the Mayor will open the hearing to public comments. Public comments are subject to the rules and regulation of the Hanford Municipal Code. After closing public comments, the Mayor will allow the Council to provide questions or comments to the staff prior to making a motion. Once public comments are closed it is inappropriate for the public to speak except to answer an inquiry of a Council Member addressed through the Mayor. However, public comments may be re-opened by a majority approval by the Council to hear new information.

5. General Business

Any other remaining items requiring action may be placed in this section. Items that do not need action, but are to provide informational or receive direction from the City Council may also be placed under General Business.

6. ~~Council Reports/Comments~~

~~The City Council may report on other meetings or community events that they have recently attended. General announcements that may be of interest to the other Council Members or the public may be made at this time. If a Council Member receives any written correspondence that they would like to be a part of the record, they may announce that they received said correspondence and that it will be given to the City Clerk for distribution.~~

6~~7~~. Items for Future Agendas

Any Council Member may request a matter which is not otherwise scheduled on a City Council agenda to be placed on a future agenda. The Council Member referring the item shall provide sufficient information as to the nature of the item. The City Council by concurrence of a majority may direct the City Manager to put the item on a future agenda.

U. ORDINANCES

Ordinances are the laws of the municipality. City councils are given the power to pass ordinances by Government Code Section 37100 as long as those ordinances are not in conflict with the laws and Constitution of the State of California or the United States. Approval of an ordinance requires a first reading or introduction and a second reading and adoption, with at least five days between readings (except an urgency ordinance). The passage of an ordinance requires the affirmative votes of at least three (3) council members. The ordinance or a summary is then published in the local newspaper and becomes effective thirty (30) days later. The thirty (30) day time frame is known as a referendum period. A referendum period is required by state law and is a time frame in which any citizen can file a petition challenging the legality of a recently adopted ordinance. An ordinance is an action that can be repealed or amended only by a subsequent ordinance.

In matters deemed by the City Council to warrant immediate action to preserve peace, public safety or health, an urgency/emergency ordinance may be passed immediately upon introduction at either a regular or special meeting, and can be effective immediately.

V. RESOLUTIONS

A resolution sets forth the action of the council on certain types of policy, procedural, or administrative matters. It requires only one reading and may be changed by subsequent resolution.

W. RECOGNITIONS/PROCLAMATIONS

The City Council may recognize individuals, organizations, or activities during the meetings. Other organizations may also present recognitions to the City.

X. MINUTES

The City Council utilizes summary minutes, which include the motions made, action taken, and a brief summary of council, staff and/or public comments. The audio recording may be used for reference, but it is not the official record of the meeting.

The City Clerk shall prepare the Minutes, and upon approval of the City Council, it shall become the official record.

Y. APPEALS

The filing of an appeal shall have the effect of staying the issuance of any permit or action until such time as the matter on appeal is resolved. If there are subsequent items to come before the Council that are subject to the outcome of the appeal, those items shall be listed following the item for appeal on the agenda, the decision of which shall be factored upon the Council's decision on appeal.

CHAPTER 3
DECORUM

A. ENFORCEMENT OF DECORUM

The City Manager shall designate the Chief of Police, or his/her designated representative as a sergeant-at-arms when necessary to attend City Council meetings for the purpose of maintaining order and decorum in the City Council Chambers, lobby, or other designated meeting location. Upon instructions from the Mayor, the sergeant-at-arms shall eject any person from the City Council Chambers, in conformance with State law.

B. CONDUCT IN THE CITY COUNCIL CHAMBERS

1. Council Chambers Defined

Council Chambers shall be, in addition to the usual and customary meeting location, any location or facility wherein a majority of the legislative body may meet for an open and public meeting as defined by the Brown Act, whether it be a regular meeting, special meeting, or emergency meeting.

2. Council Dais

The City Council seating area, most commonly referred to as the Council Dais is restricted to Council and city staff at all times. Loitering or the dissemination of materials are not permitted in the area directly in front of the City Council seating area, commonly referred to as the well, unless invited by a Council Member to step forward. Written or photographic materials are to be handed to the City Clerk for dissemination to the Council, and made part of the record.

3. Usage of Electronic Communication Devices at the Dais

It shall be the policy of the City Council that City Council Members, and any other members of the City's Boards, Commissions, and Committees, shall not use electronic communications (i.e.text, emails) with anyone in the public, or between themselves, while at the dais and/or participating in a public meeting. Nothing in this policy shall preclude a Council Member from having their phone on the dais with them in the event of an emergency.

4. Rules of Decorum for the Public

Members of the audience shall not engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, clapping, whistling, and stamping of feet or other acts which disturb, disrupt, impede or otherwise render the orderly conduct of the city meeting infeasible. A member of the audience engaging in any such conduct shall, at the discretion of the presiding officer or a majority of the City Council, be subject to ejection from the meeting per Government Code Section 54954.3(c).

5~~4~~. Rules of Conduct and Safety

When the City Council is in session, all persons present must preserve safety and order. Members of the public should sit in the seats provided, subject to ADA compliance, unless addressing the Council or entering or leaving the Council Chambers. Members of the public shall not block the aisles or exits in any manner. Members of the public should not bring audible equipment into the Council Chambers, including cellular phones or pagers, without first either turning said equipment off or to a silent mode.

6~~5~~. Removal from the Council Chambers

Any person who commits the following acts in respect to a meeting of the City shall be removed from the Council Chambers per Government Code Section 54957.9.

(a) Disorderly, contemptuous or insolent behavior toward the City or any member thereof, tending to interrupt the due and orderly course of said meeting; and,

(b) A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting; and,

(c) Disobedience of any lawful order of the Mayor, which shall include an order to be seated or to refrain from addressing the City Council; and,

(d) Any other unlawful interference with the due and orderly course of said meeting.

C. COURTESY

1. Council Members

Council Members shall accord the utmost courtesy to each other, city employees and the public appearing before the City Council, and shall refrain at all times from rude and derogatory remarks, public criticism of staff, remarks as to integrity, abusive comments and statement as to motives and personalities.

2. Public Speakers

Members of the public have the right to attend City Council meetings and to address the City Council on specific agenda items and under the Public Comments section of the agenda. The right of the public to address the City Council includes their right to criticize the policies, procedures, programs, or services of the City, and the acts or omissions of the City Council members. Criticisms that do not relate to city business will not be tolerated.

While the City Council meeting is in session, all persons must preserve order and decorum. A person who addresses the City Council under a specific agenda item or under Public Comments may not engage in speech or conduct which is likely to provoke others to violent or riotous behavior, which disturbs the peace of the meeting by loud and unreasonable noise, which is outside of the Council's jurisdiction, repetitive, or which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.

The Mayor or other presiding officer shall request that a person who is breaching the rules of decorum cease such conduct. If, after receiving such a warning, the person persists in breaching the rules of decorum, the Mayor or other presiding officer may order the person to leave the City Council meeting. If such person does not leave, the Mayor or presiding officer may request any law enforcement officer who is on duty at the meeting as sergeant-at-arms to remove the person from the Council Chambers. In the event there is no one from law enforcement present, the Mayor or presiding officer may direct the City Manager to contact law enforcement.

~~**3. Appointed members of Commissions and Committees**~~

~~Appointed members of Commissions and Committees of the City shall observe the same rules of order and decorum applicable to the City Council.~~

D. DISCIPLINING A DISRUPTIVE MEMBER

If one member engages in disruptive behavior, it is the responsibility of the City Council to remind the disruptive member about their duties. The failure of the governing body to deal with a misbehaving member or commissioner can also have legal consequences for the locality. For example:

1. A City Council member or Commissioner that mistreats staff members by using inappropriate language, asking the staff member to perform personal tasks, hugging or touching staff in an inappropriate manner, etc. may be putting the locality at risk for a lawsuit alleging harassment or a hostile work environment. If the governing body does not take appropriate steps to avoid the appearance of agreement with the objectionable behavior of a fellow member or commissioner, the inappropriate behavior may be considered to have been sanctioned by the governing body.

2. A member that leaks a confidential legal opinion of the local government attorney can result in the loss of the attorney client privilege and with the loss of the attorney client privilege it is possible the opinion can be used in court against the locality. In order to protect the attorney client privilege the other members of the governing body need to take affirmative action against the member that leaked the opinion.

In some instances meeting one-on-one outside of a public meeting can rectify a misunderstanding or correct inappropriate behavior. The manner in which a situation is addressed may be on a case by case basis. If the behavior continues or if the actions are more severe, the City Council may determine other methods of discipline.

The Mayor, with the approval by a majority of the Council, may remove a Commissioner from their seat. Similarly, a Council Member may be removed from his or her standing committee assignments as well as assignments to outside committees.

One of the most common forms of discipline is for the governing body to "censure" a fellow council member. A censure is a public statement condemning the member's inappropriate behavior with the hopes of reforming him or her so that he or she will not behave in the same way again. Members can be censured for misconduct at meetings, failing to follow proper procedures, violating confidentiality, illegal or immoral conduct, absenteeism, lying, disloyalty, working against the organization, conspiracy, and violating other values that the Hanford City Council holds dear. With a consensus of the Council, a censure may be placed on a future agenda. Censures are then approved by a resolution.

E. NOISE IN THE LOBBY

Noise emanating from the lobby outside the City Council Chambers which disrupts City Council meetings shall not be permitted.

F. DISTRIBUTION OF LITERATURE AND OTHER MATERIALS IN CITY COUNCIL CHAMBERS

No person, other than city staff, shall distribute flyers, leaflets, placards or other literature or circulate any petition within the City Council Chambers.

Flyers, leaflets, placards or literature may only be distributed to the Council by a member of the public under Public Comments, or by a project applicant/appellant pertaining to city business as may be referenced on the agenda, by approaching the City Clerk and requesting such material be distributed on their behalf.

Hand-held signs are permitted in the Council Chambers, but they cannot block the view of others in the audience or prevent the public from freely entering or exiting the room.

CHAPTER 4
PROCLAMATIONS, CERTIFICATES, AND OTHER ACCOLADES

A. PURPOSE

The purpose of this policy is to establish uniform procedures, criteria, and identify authority.

B. GUIDELINES

The following are basic guidelines for recognition.

Proclamations – Generally proclaims certain periods of time (days, weeks, or months) in honor of an event or activity. Proclamations also may recognize individuals for extraordinary contributions they have made to the community. They contain several biographical or informational paragraphs. Examples include Fire Prevention Week, Arbor Day, and American Red Cross Month.

Certificates – Certificates are prepared in response to the type of recognition desired and are to express appreciation for exemplary service or performance to individuals, teams, or organizations.

Other Tokens of Appreciation – These items include various forms of Hanford memorabilia and are distributed at the discretion of individual City Council Members, City Clerk or City Manager. For example, the City Clerk is often contacted for lapel pins and forwards them to the requesting parties.

C. POLICY

It is the policy of the City of Hanford to recognize individuals and/or organizations for their outstanding performance, or honor special events and dates with proclamations, certificates, plaques, or other tokens of appreciation in accordance with the criteria set forth below.

1. Request for proclamations, certificates or plaques from City Council Members, city departments, residents, and local organizations must be submitted to the City Clerk's office.

2. Requests should specify:

(a) Reason why recognition should be granted; and
(b) Information that will assist the Mayor, City Council, or City Manager in arriving at a decision.

3. Requests by individuals or organizations for proclamations or certificates of recognition/appreciation are subject to approval by the Mayor and City Manager. The Mayor and City Manager will determine if it will be presented at a City Council meeting or will direct the City Clerk to forward the accolade to the recipient.

4. All requests for plaques, framed certificates, or custom gifts to visiting officials/dignitaries, elected officials, individuals or organizations shall be approved by the Mayor and City Manager.

5. Individual Council Members shall have the discretion to direct the City Clerk to prepare certificates (not framed) or another token of appreciation that he or she will personally present.

6. Requests for plaques, gifts or awards to city employees for dedicated service to the city shall be approved by the City Manager.

7. The Mayor and City Manager shall have the discretion to determine the appropriate type of honor for special or unusual circumstances that may arise and may warrant deviation from this policy.

~~CHAPTER 5~~
~~CITY COMMISSIONS~~

~~A. APPOINTMENTS~~

~~The mayor, with the approval of the City Council, appoints citizens to various commissions that carry out designated functions and advise the City Council on certain decisions and policy matters. All members serve at the pleasure of the City Council for designated terms. The City Council may remove a member by a majority vote of the Council without cause, notice or hearing.~~

~~Members of advisory bodies serve terms of four (4) years beginning in January. In no event shall any one member serve more than two consecutive terms on any one commission, exclusive of appointments to fill unexpired terms. After serving the maximum number of terms, an individual may not be reappointed to that commission for at least one year from the last date served.~~

~~Appointees to commissions should be 18 years of age or older, and live within the city limits of Hanford. Individuals under the age of 18 who indicate they are interested in participating are encouraged to attend meetings and participate as a member of the public. Additional requirements may be applicable to a specific Committee or Commission.~~

~~The following is a summary of the specific scope of responsibility for each city advisory body.~~

~~Planning Commission~~

~~The Planning Commission has the principal duty of establishing and maintaining the general plan of the community and advising on physical development, zoning, subdivision proposals, and special studies so that development values are maintained and protected.~~

~~Parks and Recreation Commission~~

~~The Parks and Recreation Commission's duties are to study and advise on matters pertaining to the city's public park and recreation programs.~~

~~Parking and Traffic Commission~~

~~The duties of the Parking and Traffic Commission are to investigate ways and means of improving parking and traffic movements and make appropriate recommendations.~~

~~B. ATTENDANCE~~

~~A compilation of members' attendance will be submitted to the City Council at the end of the calendar year and will be a factor in a request for reappointment.~~

~~Members may be removed by the City Council if they have three (3) consecutive absences or attend less than 70% of the meetings, unless extenuating circumstances apply and are noted for the record.~~

~~C. RELATIONSHIP TO COUNCIL, STAFF AND MEDIA~~

~~Advisory bodies should not become involved in the administrative or operational matters of city departments unless specifically provided in their prescribed powers and duties. Members may not direct staff to initiate major programs, conduct large studies, or establish department policy without specific approval of the City Council. City staff assigned to furnish staff services shall be available to provide general staff assistance, such as preparation of agenda/notice materials and minutes, general review of department programs and activities, and to perform limited studies, program reviews, and other services of a general staff nature. Additional or other staff support may be provided upon a formal request to the City Council. The responsibility for setting policies for the City rests with the City's duly elected representatives, the City Council.~~

~~Members should refer all media inquiries to city staff and not provide statements or positions on any issues on behalf of the City or the Advisory Body.~~

~~D. PUBLIC APPEARANCE AND REPRESENTATION BY MEMBERS~~

~~When a member appears in a non-official, non-representative capacity before the public, for example in a Council meeting, the member shall indicate that he or she is speaking only as an individual, not as a member of a Commission. Conversely, when a member who is present at a Council meeting is asked to address the Council on a matter pertaining to his or her Commission, the member should represent the viewpoint of the particular body as a whole, not a personal opinion. If during a Commission meeting, a member was directed by the body to attend another meeting to speak on their behalf, then that is permitted.~~

~~Members shall not act independently of their Commissions in conducting surveys, studies, or petitions, unless he or she is acting as an applicant or submitting a request as a citizen. Commissioners shall not use their positions for personal interest and must recuse themselves if conflicts of interest arise.~~

~~E. OTHER RULES AND PROCEDURES~~

~~Each Commission may adopt other rules and procedures, as it feels necessary to effectively and efficiently accomplish its duties. Such rules are subject to Council approval before becoming effective and should not be in conflict with this Handbook, or with any local, state, or federal laws.~~

CHAPTER 6
ADMINISTRATIVE RULES

A. RULES AND PROCEDURES ADMINISTRATION

1. **Review of City Council Rules and Procedures** – The Council will review and revise the Handbook of Rules and Procedures as needed.

2. **Adherence to Rules and Procedures** – During City Council discussions, deliberations and proceedings, the Mayor bears the primary responsibility to ensure that the City Council, staff and members of the public adhere to the Council's adopted protocol.

3. **City Attorney as Rules and Procedures Advisor** – With the consensus of a majority of the Council, the City Attorney may be directed to interpret the City Council's adopted Rules and Procedures and proposed changes.

4. ~~**Applicability of Rules and Procedures** – The City of Hanford City Council Handbook of Rules and Procedures shall also apply to all Commissions and/or Committees as established by the City Council.~~

B. CONFLICT WITH CITY MUNICIPAL CODE, ADMINISTRATION POLICIES, STATE OR FEDERAL LAW

If there is any conflict contained hereinabove with the City Municipal Code, Administration Policies, State or Federal Law, such laws shall prevail.

HANDBOOK OF RULES AND PROCEDURES

HANFORD CITY COUNCIL

PREFACE

As provided by California Government Code Section 36813, the City Council of the City of Hanford established the Handbook of Rules and Procedures contained therein. The Handbook shall be in effect upon adoption by the City Council and shall remain in effect until such time as it is amended or new rules are adopted in the manner provided herein.

In addition to the Handbook of Rules and Procedures, the City Council has included in this document other information which may be useful to the City Council, Commissions, administrative staff, and the general public. This document is to be known as “The Handbook of Rules and Procedures of the City Council of the City of Hanford.”

Adopted: June 21, 2016
Resolution: 16-31-R

Amended: June 6, 2017
Resolution: 17-34-R

Amended: August 15, 2017
Resolution: 17-44-R

Amended: July 7, 2020
Resolution: 20-14-R

Amended: November 7, 2023
Resolution: 23-46-R

TABLE OF CONTENTS

CHAPTER 1 – GENERAL POWERS AND DUTIES

CHAPTER 2 – CITY COUNCIL MEETINGS

CHAPTER 3 - DECORUM

CHAPTER 4 – PROCLAMATIONS, CERTIFICATES, AND OTHER ACCOLADES

CHAPTER 5 – ADMINISTRATIVE RULES

CHAPTER 1
GENERAL INFORMATION, POWERS AND DUTIES

A. THE CITY OF HANFORD

The City of Hanford has a City Council/City Manager form of government.

Under this form of government, the elected City Council sets the policies for the operation of the Hanford City Government. The Council is responsible to the citizens for:

- Establishing community-wide goals that address short- and long-range needs.
- Formulating policies that define a course of action that shape city operations.
- Providing quality services within available resources.
- Acting as a link between the professional staff and local citizens.

City Council members are local leaders. The electorate expects the Council to set the tone and direction for municipal operations. Strategic planning and goal setting are the tools that enable a Council to define their vision and determine methods for accomplishing their goals.

The administrative responsibility of the City rests with the City Manager, who is appointed by the City Council. The City Manager has the responsibility to apply and administer Council's policies through the day-to-day operation of the City. The City Manager is the chief administrative officer of the city and directs the totality of city operations.

Teamwork between the Council and the City Manager is a key element of the council-manager form of government. The pooling of skills is essential to resolve the many complex problems that face the City today. The council-manager form of government seeks to enhance the effectiveness of local policy-making and municipal operations by bringing together skilled lawmakers, community representatives, and experts in municipal administration and management.

B. COUNCIL ELECTIONS

The City Council consists of five (5) members, elected by district. Each Council Member serves four-year staggered terms, without limit. Elected Officials serve until his/her successor has been elected and qualified. Elections are held in November of even numbered years.

C. VACANCIES

Vacancies on the City Council shall be filled in accordance with California Government Code 36512.

California Government Code Section 36502 specifies the conditions under which a vacancy occurs.

D. MAYOR/VICE MAYOR SELECTION

Following a General Municipal Election, the Mayor and Vice-Mayor shall be selected at the meeting where election results are confirmed and the new City Council members are seated. (This meeting will either be in late November or early December).

In alternating years (i.e. when there is no General Municipal Election) the Mayor and Vice-Mayor shall be selected at the first Regular City Council meeting in December. The selection process is conducted pursuant to Robert's Rules of Order as Rosenberg's Rules is silent on the matter.

Consistent with Robert's Rules, the City Attorney shall oversee the nominations and elections of the Mayor and Vice-Mayor. Council members may nominate one or more candidates. The different names shall be repeated by the City Attorney as they are made, and then the vote is taken on each in the order in which they were nominated, until one is elected. The nominations need not be seconded. These positions typically serve a period of one (1) year.

Although the Mayor and the Vice-Mayor have additional ceremonial, parliamentary and administrative responsibilities as described below and elsewhere in this Handbook, with respect to the establishment of policies, voting, and in other significant areas, all members are equal.

E. MAYOR AS PRESIDING OFFICER AND DUTIES THERETO

The Mayor shall be recognized as the official head of the City of Hanford for all ceremonial purposes and by the Governor for military purposes. In the time of public danger or emergency, the Mayor may, with the consent of the City Council, cause order to be maintained and enforce laws. The Mayor shall act as the Presiding Officer at all meetings of the City Council and perform such other duties consistent with the office as may be imposed by the City Council. The Mayor may move, second, and debate from the Chair, subject to such limitations of debate as are imposed on all Council Members by these rules and shall not be deprived of any of the rights and privileges of a Council Member as such Presiding Officer. The Mayor shall possess no veto power.

The Mayor shall preserve strict order and decorum at all times. The Mayor shall state each item coming before the City Council, and shall upon conclusion of said presentation related thereto call for the vote. Following the vote, the Mayor shall announce the results of the vote. The Mayor is eligible to vote on all motions, and shall direct the order of participation of Council Members. The Mayor shall, in all instances, have the last chance to speak. The Mayor shall sign all ordinances and resolutions adopted by the City Council during the Mayor's presence. The Mayor shall sign all agreements and/or contracts, except where otherwise instructed or set forth by policy.

F. VICE MAYOR

In the absence of the Mayor, the Vice Mayor shall possess and perform the power and duties of the Mayor. In that capacity, the Vice Mayor shall sign ordinances and resolutions adopted in his/her presence. The Vice Mayor shall also sign all agreements and/or contracts, except where otherwise instructed or set forth by policy.

G. COMPENSATION

Salaries for the City Council Members may be fixed in accordance with Section 36516 of the Government Code of the State of California. Council Members may be reimbursed for actual and necessary expenses incurred in the performance of their official duties as allowed by Government Code Section 36514 and any resolutions or ordinances adopted by the City.

H. CITY MANAGER

The City Manager, appointed by the City Council, is responsible for the overall administration of the City in response to the policies and programs established by the City Council. The City Manager is responsible for forecasting the program and service needs of the City and its related financial, personnel, and capital improvement requirements. The City Manager is a significant liaison with the community and other levels of government.

I. CITY CLERK

The City Clerk is appointed by the City Manager and is the local official for elections, local legislation, the Public Records Act, the Political Reform Act, and the Brown Act (open meeting laws). The City Clerk, in consultation with the City Attorney, ensures that actions are in compliance with all federal, state and local statutes and regulations and that all actions are properly executed, recorded, and archived.

The statutes of the State of California prescribe the basic functions and duties of the City Clerk, and the Government Code and Election Code provide precise and specific responsibilities and procedures to follow.

The Office of the City Clerk is a service department within the municipal government upon which the City Council, all city departments, and the general public rely on for information regarding the operations and legislative history of the city. The City Clerk serves as the liaison between the public and City Council and provides related municipal services. The City Clerk provides clerical support to the City Council.

J. CITY ATTORNEY

The City Attorney, appointed by the City Council, is responsible for providing necessary legal services and guidance to the City Council, the City Manager, department heads, and city boards, commissions and committees to ensure that city functions are performed on a sound legal basis.

In the event that it is deemed necessary and in the best interest of the City to contract for either Special or Conflict Counsel to act in the place of the City Attorney, the City Manager shall bring forth a recommendation to the City Council for approval at a regular or special meeting and be designated to execute the necessary documentation to facilitate those contracts. If outside legal counsel is required due to a reason other than a conflict of interest affecting the City Attorney, the City Manager shall confer with the City Attorney regarding the hiring of Special Counsel.

Communications from the City Attorney's Office may be confidential and shall be treated as attorney-client privilege. Only the City Council, as an entire body, may waive the privilege, and not individual Council Members.

During the normal course of a Council Member carrying out the duties of office, it is common practice to discuss issues or ask questions of city staff, including the City Attorney. For the purpose of this policy statement, the intent is to regulate an individual Council Member's authority to cause work to be performed by the City Attorney.

When an individual Council Member poses a question to the City Attorney, the City Attorney shall estimate the amount of time required to answer the question. In the event the City Attorney believes the amount of time for research involved in answering the question will generate a bill in excess of $600.00, the City Attorney will notify the Council Member that the answer will exceed policy limitations. If the submitting Council Member continues to seek an answer to the question, the Council Member will pose the question to the Council, as a body, at a Council Meeting and must obtain a consensus of the majority of the Council Members present at the meeting in order for the City Attorney to work on the question.

Legal work involving questions or inquiries that require less than $2,500.00, per year, in billable hours by the City Attorney may be authorized by the submitting Council Member without the need of obtaining the Council's approval.

K. TRIANGLE OF POLICY, PROCESS & PRODUCT

The City Council establishes the Policy—establishing vision and direction for the community's future.

The City Clerk, in consultation with the City Attorney oversees the Process—ensuring that the decision-making process complies with federal, state, and local regulation and that it is properly recorded.

The City Manager provides the Product—which is the primary reason for the existence of local government: to provide services to the taxpayer that the taxpayers cannot (or will not) provide for themselves.

L. MUNICIPAL CODE

The Hanford Municipal Code sets forth the regulatory, penal and administrative laws of general application to the city. These laws are enforceable by the City, and violation constitutes a misdemeanor or infraction.

Other directives and policies of the City Council are recorded in resolutions or by minute action of the Council.

M. INTERFERENCE IN STAFF FUNCTIONS

The City Council shall deal with the administrative services of the City through the City Manager, except for the purpose of inquiry, and neither the City Council nor any member thereof, shall give orders to subordinates of the City Manager. *No member of the City Council shall publicly criticize or censure any staff member of the City, and shall instead relay any criticism of a staff member privately through the City Manager.*

The City Council shall deal with the Office of the City Attorney only through the City Attorney or his/her designees, except for the purpose of inquiry, and neither the City Council nor any member thereof, may give orders to subordinates of the City Attorney without the City Attorney's consent.

CHAPTER 2
CITY COUNCIL MEETINGS

A. RULES OF ORDER

The City Council shall determine its own rules of order and amend them from time to time or adopt new rules as it deems necessary. The City of Hanford shall follow Rosenberg's Rules of Order and incorporate the procedures set forth in this chapter.

The City Attorney acts as the parliamentarian and advises the Mayor when points of order are raised.

B. REGULAR MEETINGS

Regular meetings of the City Council shall be open to the public and held on the first and third Tuesdays of every month, at the hour of 7:00 p.m. The business to be considered during the council meeting is detailed on a printed agenda. State law (the Ralph M. Brown Act) requires that public notice be given at least 72 hours before the regular meeting indicating the time and place of the meeting. An agenda of each meeting is posted at City Hall. Regular meetings may be adjourned or continued to a specified time and place.

Whenever the day fixed for any regular meeting of the City Council falls upon a day designated as a holiday, such meeting may be held at the same hour on the next succeeding day, not a holiday, as if it were a regular meeting or the meeting may be cancelled.

C. SPECIAL MEETINGS

A special meeting may be ordered whenever the public business may require it or upon the request from three members of the City Council. Whenever a special meeting shall be called, notice of such meeting shall be provided at least 24 hours prior to the time of the meeting pursuant to State law.

Ordinances **<u>may</u> <u>not</u>** be adopted at special meetings; only urgency ordinances may be adopted at such meetings. Items not listed on the agenda shall not be considered at the special meeting.

D. STUDY SESSIONS

The City Council may meet in a "study session" for the purpose of acquiring information on a particular subject(s) and collaborating with the public through individual public comment periods. These sessions are considered special meetings and shall be open to the public and comply with the Brown Act. Additionally, as special meetings, Council may act upon an item contained in the agenda and may provide formal direction to staff consistent with the agenda wording for each item.

E. CLOSED SESSIONS

Consistent with Government Code Section 54954.2 the Council may hold closed sessions during any regular or special meeting, or any time otherwise authorized by law to consider or hear any matter which is authorized by State law to be heard or considered in closed session.

The general subject matter for consideration shall be expressed in an open meeting before such session is held. After closed session the legislative body must reconvene to open session and may be required to disclose action taken, if any.

Closed sessions may be held to discuss certain matters specified by law, including:

- Personnel matters to consider the appointment, employment, performance, or dismissal of a public employee
- Matters of national and public safety
- Labor negotiations
- License applications by persons with criminal records
- Real estate negotiations
- Anticipated litigation

The legislative body in a closed session can consider only matters covered in its agenda descriptions. City Council Members shall keep all written materials and verbal information provided to them in closed session in complete confidence in accordance with Government Code section 54963. No mention of information in these materials should be made to anyone unless allowed by this statute.

If the City Council in closed session has provided direction to city staff on proposed terms and conditions for any type of negotiations whether it be related to property acquisition or disposal, a proposed or pending claims or litigation, and/or employee negotiations, all contact with the other party should be by the designated representative handling the negotiations or litigation. A Council Member should not have any contact or discussions with the other party or its representative(s) involved concerning the negotiation during this time and not communicate any discussion conducted in closed sessions. All public statements, information, press releases, should be handled by the designated representative or spokesperson.

Government Code Section 54963 (a) – (f) outlines the injunctive relief and disciplinary actions that may be imposed on those who divulge confidential closed session discussions, without first receiving authorization from the legislative body.

F. EMERGENCY MEETINGS

Emergency meetings may be called by the City Council with one-hour notice to its members and local news media. The City Council **may not** meet in closed session during an emergency meeting. Except for the 24-hour notice requirement, the special meeting requirements set forth above shall apply in emergency meetings.

G. AGENDA

In order to facilitate the orderly conduct of the business of the citizens of Hanford, the City Manager and City Clerk shall set the agenda, in addition to any direction by the City Council. The City Clerk shall arrange such matters as may have been timely provided, for inclusion in the agenda. Copies of the agenda are available at City Hall and at the council meeting, as well as posted on the city's website.

H. CALL TO ORDER

The meetings of the City Council shall be called to order by the Mayor, or in the Mayor's absence, by the Vice Mayor. In the absence of the Mayor and Vice Mayor, the meeting shall be called to order by the most senior Council Member present. This person shall serve as the Council's presiding officer until the arrival of the Mayor or Vice Mayor, or until adjournment of the meeting.

I. QUORUM

Three members of the City Council shall constitute a quorum for the transaction of business. A majority of a quorum shall be sufficient to pass any action taken by the City Council except on such matters, which, by law, require a greater majority. All ordinances require at least three affirmative votes. Approval of resolutions and all orders for the payment of money also require an affirmative vote by a majority of the entire Council.

J. LACK OF QUORUM

If a majority of the City Council are absent from any meeting, the remaining members of the City Council may declare the meeting adjourned or if no member of the City Council is present, the City Clerk may adjourn the meeting. If a meeting is adjourned for less than five calendar days, no new agenda need be posted so long as a new item of business is not introduced. A copy of the order of adjournment must be posted within 24 hours after the adjournment, at or near the door of the place where the meeting was held.

K. RULES OF DISCUSSION

1. Motions

Action items listed on the council agenda in accordance with applicable law or added as an action item on a council agenda, in accordance with applicable law, may be voted on by the council.

Following a presentation of the item by staff, the Mayor will open discussion to the City Council for questions and comments. When there appears to be no further discussion or all of the Council Members have had the opportunity to speak, the Mayor may call for a motion.

Motions may be made by any member of the council, including the presiding officer, providing that before a motion is offered by the presiding officer, the opportunity for making a motion should be offered to the other members of the council. Any member of the council, other than the person offering the motion, may second a motion. Following a motion and a second, and any further discussion, the Mayor shall call upon the City Clerk for the vote.

2. Voting

The City Council utilizes an electronic voting system. In the absence of an electronic voting system, the clerk shall ask for votes by "voice vote" on all matters before it, unless a roll call vote is required by law or is requested by the Mayor. Unless a Council Member states that he or she is not voting, silence shall be recorded as an affirmative vote. The Presiding Officer shall announce the results of the vote.

A majority, also known as a simple majority, is a subset of a group that is more than half of the members present.

A two-thirds majority means that two-thirds of the quorum must agree to the proposition. It is much stronger than a simple requirement. In the event of an absence the vote would have to be unanimous.

3. Abstention/Recuse: Conflict of Interest

Council Members shall disqualify themselves if they have a financial conflict of interest or any other disqualification prescribed by law in a matter before the City Council. In such event, they may not participate in the discussion or the vote. Council Members shall state the specific reason for such disqualification. The disqualified Council Member shall leave the Council dais until the conclusion of the agenda item unless applicable State law or regulations permit otherwise.

It should be noted, however, a Council Member may speak as a member of the public, on his/her own behalf – as opposed to on behalf of someone else – on a matter that directly affects his/her financial interest even when conflicted out. Thus, while a Council Member would have to disqualify him/herself on a matter affecting a piece of property in which the Council Member has a financial interest, he/she could address the Council, speaking to what the impact would be to his/her property.

In some instances, a Council Member may determine that it is appropriate to abstain from voting on a matter even though no financial conflict of interest exists. If a City Council member abstains from voting, their vote will count as a negative. A Council Member is counted as present for quorum purposes, but his/her abstention is effectively a negative vote. For example, if a matter requires three affirmative votes for approval and one Council Member abstains, at least three other Council Members must cast affirmative votes for the matter to be approved.

4. Tie Votes

A tie vote results in a lost motion. In such an instance, any member of the Council may offer a motion for further action. If there is no action by an affirmative vote, the result is no action. If the matter involves an appeal, and affirmative vote does not occur, the result is that the decision appealed stands as decided by the decision-making person or body from which the appeal was taken.

L. RECOGNITION TO SPEAK, COUNCIL MEMBER

Every Council Member desiring to speak shall address the Mayor and, upon recognition by the Mayor, shall confine his or her remarks to the item coming before the City Council.

1. Interruptions:

A Council Member, once recognized, may voice concerns, comments or ask staff to provide explanation or clarification of the item before the City Council, without interruption, unless out of order with the rules and procedures established herein and/or the Mayor call the item to order.

2. Public Hearings:

Council Members should not speak to the merits of an issue, other than to ask questions, until the public comment has been closed.

N. ADJOURNMENT OF MEETING

Regular meetings shall conclude no later than 10:00 p.m., unless the time is extended by a majority consensus of the Council.

The Mayor shall adjourn the meeting. In the instance of the lateness of the hour the Mayor may also adjourn the meeting to a date and time specific to continue discussions on either the remainder of the agenda or on a specific item for discussion.

O. RECESS

At any point during a meeting the Mayor may call for a brief recess.

P. AGENDA ITEMS OUT OF ORDER

The Mayor may, with the consent of the City Council, modify the order of the agenda at the meeting, if such modifications would promote fluidity in the process and discussions.

Q. AUDIO RECORDINGS

All regular meetings (except closed sessions) of the City Council are audio recorded, as well as special meetings. Workshops or meetings that require extensive interaction with the public, staff, and City Council may not be recorded if the length of the meeting is anticipated to be unusually long or if simultaneous discussions are expected to occur.

R. VIDEO RECORDINGS

All regular meetings (except closed sessions) of the City Council are video recorded, as well as any special meetings held in the Council Chambers. The City of Hanford allows the use of additional recordings as long as they are not being disruptive to the proceedings or to those in attendance. Any equipment being used should not block aisles, exits, or the view of others. If the use of equipment is determined to be disruptive by the legislative body, the use of said equipment may be banned. Council has identified an area against the East wall of the Chambers, just south of the Director's box, where all video camera equipment should be setup for recording.

S. AGENDA FORMAT FOR MEETINGS

The agenda format for the Hanford City Council will be prepared to allow for an efficient method to conduct city business. The format and order of business will be established by the City Clerk, unless modifications are approved by the City Council.

T. COMPONENTS OF MEETING

The following sections of a regular meeting agenda shall set forth the guidelines of decorum for each respective section of the agenda.

1. Public Comments

For regular meetings, this is the time for citizens to comment on subject matters within the jurisdiction of the Hanford City Council, including matters listed on the meeting's agenda and other matters not appearing on the agenda. For special meetings, citizen comments are, pursuant to the Brown Act (Government Code § 54950, *et seq.*) limited to matters on the agenda, and public comment will be accepted **after** each agenda item. The Council cannot legally discuss or take official action on citizen requests that are introduced under this section.

This is also the time for citizens to comment on items listed under the Consent Calendar or General Business, or to request an item from the Consent Calendar be pulled for discussion purposes. Comments related to Public Hearing items will be heard at the time the item is discussed.

Each speaker will be allowed **three minutes**, but the Mayor has the discretion to shorten the time limit to make an efficient use of the Council's time. As a courtesy, but not required, the speaker should state his/her name and provide their city of residence.

Any documents submitted by a member of the public to the City Clerk for the purposes of handing out to the City Council will be distributed and made a part of the record. The City Clerk will **not** read the documents out loud, but note who the correspondence was from.

2. Council Reports/General Reports

Brief, information-only reports, from City Council and/or Staff may provide updates to the City Council on major events or projects that may be of public interest. This is also the time for Council members to provide committee reports and to report on any meetings attended at the City's expense.

3. Consent Calendar

All 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, in which event the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

4. Public Hearings

A public hearing is only required where a specific law or ordinance applicable to the item expressly requires a hearing or a hearing is required for constitutional reasons (usually to ensure "due process"). Sometimes the decision is made to hold a public hearing even though one is not required by law. In this case, the agenda documents will state that the public hearing is optional. Staff will open the item by providing a report , then the Mayor will open the hearing to public comments. Public comments are subject to the rules and regulation of the Hanford Municipal Code. After closing public comments, the Mayor will allow the Council to provide questions or comments to the staff prior to making a motion. Once public comments are closed it is inappropriate for the public to speak except to answer an inquiry of a Council Member addressed through the Mayor. However, public comments may be re-opened by a majority approval by the Council to hear new information.

5. General Business

Any other remaining items requiring action may be placed in this section. Items that do not need action, but are to provide informational or receive direction from the City Council may also be placed under General Business.

6.

6. Items for Future Agendas

Any Council Member may request a matter which is not otherwise scheduled on a City Council agenda to be placed on a future agenda. The Council Member referring the item shall provide sufficient information as to the nature of the item. The City Council by concurrence of a majority may direct the City Manager to put the item on a future agenda.

U. ORDINANCES

Ordinances are the laws of the municipality. City councils are given the power to pass ordinances by Government Code Section 37100 as long as those ordinances are not in conflict with the laws and Constitution of the State of California or the United States. Approval of an ordinance requires a first reading or introduction and a second reading and adoption, with at least five days between readings (except an urgency ordinance). The passage of an ordinance requires the affirmative votes of at least three (3) council members. The ordinance or a summary is then published in the local newspaper and becomes effective thirty (30) days later. The thirty (30) day time frame is known as a referendum period. A referendum period is required by state law and is a time frame in which any citizen can file a petition challenging the legality of a recently adopted ordinance. An ordinance is an action that can be repealed or amended only by a subsequent ordinance.

In matters deemed by the City Council to warrant immediate action to preserve peace, public safety or health, an urgency/emergency ordinance may be passed immediately upon introduction at either a regular or special meeting, and can be effective immediately.

V. RESOLUTIONS

A resolution sets forth the action of the council on certain types of policy, procedural, or administrative matters. It requires only one reading and may be changed by subsequent resolution.

W. RECOGNITIONS/PROCLAMATIONS

The City Council may recognize individuals, organizations, or activities during the meetings. Other organizations may also present recognitions to the City.

X. MINUTES

The City Council utilizes summary minutes, which include the motions made, action taken, and a brief summary of council, staff and/or public comments. The audio recording may be used for reference, but it is not the official record of the meeting.

The City Clerk shall prepare the Minutes, and upon approval of the City Council, it shall become the official record.

Y. APPEALS

The filing of an appeal shall have the effect of staying the issuance of any permit or action until such time as the matter on appeal is resolved. If there are subsequent items to come before the Council that are subject to the outcome of the appeal, those items shall be listed following the item for appeal on the agenda, the decision of which shall be factored upon the Council's decision on appeal.

CHAPTER 3
DECORUM

A. ENFORCEMENT OF DECORUM

The City Manager shall designate the Chief of Police, or his/her designated representative as a sergeant-at-arms when necessary to attend City Council meetings for the purpose of maintaining order and decorum in the City Council Chambers, lobby, or other designated meeting location. Upon instructions from the Mayor, the sergeant-at-arms shall eject any person from the City Council Chambers, in conformance with State law.

B. CONDUCT IN THE CITY COUNCIL CHAMBERS

1. Council Chambers Defined

Council Chambers shall be, in addition to the usual and customary meeting location, any location or facility wherein a majority of the legislative body may meet for an open and public meeting as defined by the Brown Act, whether it be a regular meeting, special meeting, or emergency meeting.

2. Council Dais

The City Council seating area, most commonly referred to as the Council Dais is restricted to Council and city staff at all times. Loitering or the dissemination of materials are not permitted in the area directly in front of the City Council seating area, commonly referred to as the well, unless invited by a Council Member to step forward. Written or photographic materials are to be handed to the City Clerk for dissemination to the Council, and made part of the record.

3. Usage of Electronic Communication Devices at the Dais

It shall be the policy of the City Council that City Council Members, and any other members of the City's Boards, Commissions, and Committees, shall not use electronic communications (i.e.text, emails) with anyone in the public, or between themselves, while at the dais and/or participating in a public meeting. Nothing in this policy shall preclude a Council Member from having their phone on the dais with them in the event of an emergency.

4. Rules of Decorum for the Public

Members of the audience shall not engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, clapping, whistling, and stamping of feet or other acts which disturb, disrupt, impede or otherwise render the orderly conduct of the city meeting infeasible. A member of the audience engaging in any such conduct shall, at the discretion of the presiding officer or a majority of the City Council, be subject to ejection from the meeting per Government Code Section 54954.3(c).

5. Rules of Conduct and Safety

When the City Council is in session, all persons present must preserve safety and order. Members of the public should sit in the seats provided, subject to ADA compliance, unless addressing the Council or entering or leaving the Council Chambers. Members of the public shall not block the aisles or exits in any manner. Members of the public should not bring audible equipment into the Council Chambers, including cellular phones or pagers, without first either turning said equipment off or to a silent mode.

6. Removal from the Council Chambers

Any person who commits the following acts in respect to a meeting of the City shall be removed from the Council Chambers per Government Code Section 54957.9.

(a) Disorderly, contemptuous or insolent behavior toward the City or any member thereof, tending to interrupt the due and orderly course of said meeting; and,
(b) A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting; and,
(c) Disobedience of any lawful order of the Mayor, which shall include an order to be seated or to refrain from addressing the City Council; and,
(d) Any other unlawful interference with the due and orderly course of said meeting.

C. COURTESY

1. Council Members

Council Members shall accord the utmost courtesy to each other, city employees and the public appearing before the City Council, and shall refrain at all times from rude and derogatory remarks, public criticism of staff, remarks as to integrity, abusive comments and statement as to motives and personalities.

2. Public Speakers

Members of the public have the right to attend City Council meetings and to address the City Council on specific agenda items and under the Public Comments section of the agenda. The right of the public to address the City Council includes their right to criticize the policies, procedures, programs, or services of the City, and the acts or omissions of the City Council members. Criticisms that do not relate to city business will not be tolerated.

While the City Council meeting is in session, all persons must preserve order and decorum. A person who addresses the City Council under a specific agenda item or under Public Comments may not engage in speech or conduct which is likely to provoke others to violent or riotous behavior, which disturbs the peace of the meeting by loud and unreasonable noise, which is outside of the Council's jurisdiction, repetitive, or which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.

The Mayor or other presiding officer shall request that a person who is breaching the rules of decorum cease such conduct. If, after receiving such a warning, the person persists in breaching the rules of decorum, the Mayor or other presiding officer may order the person to leave the City Council meeting. If such person does not leave, the Mayor or presiding officer may request any law enforcement officer who is on duty at the meeting as sergeant-at-arms to remove the person from the Council Chambers. In the event there is no one from law enforcement present, the Mayor or presiding officer may direct the City Manager to contact law enforcement.

D. DISCIPLINING A DISRUPTIVE MEMBER

If one member engages in disruptive behavior, it is the responsibility of the City Council to remind the disruptive member about their duties. The failure of the governing body to deal with a misbehaving member or commissioner can also have legal consequences for the locality. For example:

1. A City Council member or Commissioner that mistreats staff members by using inappropriate language, asking the staff member to perform personal tasks, hugging or touching staff in an inappropriate manner, etc. may be putting the locality at risk for a lawsuit alleging harassment or a hostile work environment. If the governing body does not take appropriate steps to avoid the appearance of agreement with the objectionable behavior of a fellow member or commissioner, the inappropriate behavior may be considered to have been sanctioned by the governing body.

2. A member that leaks a confidential legal opinion of the local government attorney can result in the loss of the attorney client privilege and with the loss of the attorney client privilege it is possible the opinion can be used in court against the locality. In order to protect the attorney client privilege the other members of the governing body need to take affirmative action against the member that leaked the opinion.

In some instances meeting one-on-one outside of a public meeting can rectify a misunderstanding or correct inappropriate behavior. The manner in which a situation is addressed may be on a case by case basis. If the behavior continues or if the actions are more severe, the City Council may determine other methods of discipline.

The Mayor, with the approval by a majority of the Council, may remove a Commissioner from their seat. Similarly, a Council Member may be removed from his or her standing committee assignments as well as assignments to outside committees.

One of the most common forms of discipline is for the governing body to “censure” a fellow council member. A censure is a public statement condemning the member’s inappropriate behavior with the hopes of reforming him or her so that he or she will not behave in the same way again. Members can be censured for misconduct at meetings, failing to follow proper procedures, violating confidentiality, illegal or immoral conduct, absenteeism, lying, disloyalty, working against the organization, conspiracy, and violating other values that the Hanford City Council holds dear. With a consensus of the Council, a censure may be placed on a future agenda. Censures are then approved by a resolution.

E. NOISE IN THE LOBBY

Noise emanating from the lobby outside the City Council Chambers which disrupts City Council meetings shall not be permitted.

F. DISTRIBUTION OF LITERATURE AND OTHER MATERIALS IN CITY COUNCIL CHAMBERS

No person, other than city staff, shall distribute flyers, leaflets, placards or other literature or circulate any petition within the City Council Chambers.

Flyers, leaflets, placards or literature may only be distributed to the Council by a member of the public under Public Comments, or by a project applicant/appellant pertaining to city business as may be referenced on the agenda, by approaching the City Clerk and requesting such material be distributed on their behalf.

Hand-held signs are permitted in the Council Chambers, but they cannot block the view of others in the audience or prevent the public from freely entering or exiting the room.

CHAPTER 4
PROCLAMATIONS, CERTIFICATES, AND OTHER ACCOLADES

A. PURPOSE

The purpose of this policy is to establish uniform procedures, criteria, and identify authority.

B. GUIDELINES

The following are basic guidelines for recognition.

Proclamations – Generally proclaims certain periods of time (days, weeks, or months) in honor of an event or activity. Proclamations also may recognize individuals for extraordinary contributions they have made to the community. They contain several biographical or informational paragraphs. Examples include Fire Prevention Week, Arbor Day, and American Red Cross Month.

Certificates – Certificates are prepared in response to the type of recognition desired and are to express appreciation for exemplary service or performance to individuals, teams, or organizations.

Other Tokens of Appreciation – These items include various forms of Hanford memorabilia and are distributed at the discretion of individual City Council Members, City Clerk or City Manager. For example, the City Clerk is often contacted for lapel pins and forwards them to the requesting parties.

C. POLICY

It is the policy of the City of Hanford to recognize individuals and/or organizations for their outstanding performance, or honor special events and dates with proclamations, certificates, plaques, or other tokens of appreciation in accordance with the criteria set forth below.

1. Request for proclamations, certificates or plaques from City Council Members, city departments, residents, and local organizations must be submitted to the City Clerk's office.

2. Requests should specify:

   (a) Reason why recognition should be granted; and
   (b) Information that will assist the Mayor, City Council, or City Manager in arriving at a decision.

3. Requests by individuals or organizations for proclamations or certificates of recognition/appreciation are subject to approval by the Mayor and City Manager. The Mayor and City Manager will determine if it will be presented at a City Council meeting or will direct the City Clerk to forward the accolade to the recipient.

4. All requests for plaques, framed certificates, or custom gifts to visiting officials/dignitaries, elected officials, individuals or organizations shall be approved by the Mayor and City Manager.

5. Individual Council Members shall have the discretion to direct the City Clerk to prepare certificates (not framed) or another token of appreciation that he or she will personally present.

6. Requests for plaques, gifts or awards to city employees for dedicated service to the city shall be approved by the City Manager.

7. The Mayor and City Manager shall have the discretion to determine the appropriate type of honor for special or unusual circumstances that may arise and may warrant deviation from this policy.

CHAPTER 6
ADMINISTRATIVE RULES

A. RULES AND PROCEDURES ADMINISTRATION

1. **Review of City Council Rules and Procedures** – The Council will review and revise the Handbook of Rules and Procedures as needed.

2. **Adherence to Rules and Procedures** – During City Council discussions, deliberations and proceedings, the Mayor bears the primary responsibility to ensure that the City Council, staff and members of the public adhere to the Council's adopted protocol.

3. **City Attorney as Rules and Procedures Advisor** – With the consensus of a majority of the Council, the City Attorney may be directed to interpret the City Council's adopted Rules and Procedures and proposed changes.

4.

B. CONFLICT WITH CITY MUNICIPAL CODE, ADMINISTRATION POLICIES, STATE OR FEDERAL LAW

If there is any conflict contained hereinabove with the City Municipal Code, Administration Policies, State or Federal Law, such laws shall prevail.

13.F.

AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	**AGENDA SECTION:** CONSENT CALENDAR

SUBJECT:
Approval of Amendment No. 3 of the License Agreement between the Carnegie Museum of Kings County and the City of Hanford to extend the term of the agreement until December 31, 2024.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve Amendment No. 3 of the License Agreement between the Carnegie Museum of Kings County and the City of Hanford to extend the term of the agreement until December 31, 2024

BACKGROUND:

The Carnegie Museum of Kings County (CMKC) has occupied the City's Carnegie building since June of 2021 and has made significant improvements to the property and hosted several different exhibits. By all measures of success, CMKC has done a great job of developing their museum and building a reputation of offering items and exhibits that are of value to the citizens of Hanford. As the City and CMKC continue to work towards a long term lease or the possible sale of the property located at 109 E. Eighth Street, both parties agree that it is of mutual interest to extend the term of the current Agreement.

The major points of the current Agreement are as follows:

- Term: CMKC may occupy the property during the period January 1, 2024 through December 31, 2024.
- License Fee: CMKC will pay ten dollars ($10.00) to the City for the right to occupy the property.
- City Repair Responsibilities: The City will cover up to five thousand dollars ($5,000.00) in maintenance and repair work.
- Day-To-Day Maintenance: CMKC will be responsible for the day-to-day maintenance of the property, and CMKC will be allowed to paint the interior walls and ceilings of the former library building and make any other upgrades with the consent of the City Manager.

FISCAL IMPACT:

The maximum financial responsibility to the City for the term of the amendment is $5,000.

ATTACHMENTS:

1. Lic Agreement Amendment No 3

Amendment No. 3 to License Agreement

Licensor:	City of Hanford, a municipal corporation
Licensee:	Carnegie Museum of Kings County, a California nonprofit corporation
Property:	109 E. 8th Street, Hanford, CA 93230 [APN 012-041-017-000]
Date of License:	June 1, 2021

Licensor and Licensee agree to, and hereby do, amend the License Agreement as follows:

1. Paragraph 4 (Term): Is amended as follows: The Term is extended through December 3, 2023;

2. Pursuant to Paragraph 6(A) (Maintenance of Property) of the License Agreement, the parties agreed that the City would be responsible for an additional $5,000.00 of expenses pertaining to the Property's maintenance and repair ("Licensor's Expenditure Limit"). In 2023, the City reached its Licensor's Expenditure Limit. The parties agree that the Licensor's Expenditure Limit should be augmented by an additional $5,000.00. Paragraph 6(A) is hereby modified to read that the Licensor's Expenditure Limit is increased by an additional $5,000.00 for a total of $10,000.00.

3. All other terms and conditions remain unchanged and in full force and effect.

LICENSOR:

CITY OF HANFORD, a municipal corporation

By: ____________________________
Print name: Travis Paden
Its: Mayor

LICENSEE:

CARNEGIE MUSEUM OF KINGS COUNTY, a California nonprofit corporation

By: ____________________________
Print name: Jack W. Schwartz Jr.
Its: President

AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	AGENDA SECTION: CONSENT CALENDAR

SUBJECT:
Approval of the Notice of Completion of the FY 23 Double Fiberized Micro Surface Treatment Project, for a total contract price of $484,753.00, by Pavement Coatings Company, and authorization for the Mayor to execute and the City Clerk to attest and file said Notice with Kings County Recorder's Office.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve the Notice of Completion for the FY 23 Double Fiberized Micro Surface Treatment Project, for a total contract price of $484,753.00, and authorize the Mayor to execute and the City Clerk to attest and file said Notice with Kings County Recorder's Office.

BACKGROUND:

On April 4, 2023, Council authorized Permission to Advertise along with authorization to pre-award the FY23 Double Fiberized Micro Surface Treatment Project to the qualified low bidder, Pavement Coatings Company of Sacramento, CA, whose bid came in under the project budgeted amount. The project consisted of installing a Double Fiberized Micro Surface Pavement Treatment on 11th Avenue between Fargo Avenue and Flint Avenue, and Hanford Armona Road between 11th Avenue and 12th Avenue.

There were (2) contract change orders on this project, which included Extended project limits on 11th Ave from Furlong Ave to Flint Ave, for a net increase of $29,700.00 and Balance of Quantities for a net increase of $3,553.00.

FISCAL IMPACT:

The FY23 Capital Improvement Budget provides $935,000.00 for the FY23 Double Fiberized Micro Surface Treatment Project, including contingencies.

The total cost to complete the project was $484,753.00. Attached are the Final Project Construction and Finance History for Council review.

ATTACHMENTS:
1. NOC report - FY23 Fiber
2. NOC - Recording Original - FY23 Fiber

FINAL PROJECT CONSTRUCTION AND FINANCE HISTORY

PROJECT: FY 23 Double Fiberized Micro Surface Treatment Project

CONTRACTOR: Pavement Coatings
2150 Bell Avenue, Suite 125
Sacramento, CA 95838

CONTRACT DATES:

Bid Date	May 16, 2023
Council Award	May 16, 2023
(Preauthorized Award based on bids under budget.)	
Contractor Started Work	July 11, 2023
Contract Time of Completion	August 10, 2023
Contractor Completed Work	July 25, 2023

CONTRACT CHANGE ORDERS:

Change Order No. 1 – Extended project limits on 11th Ave from Furlong Ave to Flint Ave For a net increase of $29,700.00.
Change Order No. 2 – Balance of Quantities for a net increase of $3,553.00.

FINANCIAL HISTORY:

SOURCE OF BUDGET FUNDING	**AMOUNT**
FY23 Capital Improvements Program Budget (Total Budget Funding for FY 23 Manhole and Valve Cover Adjustment Project and FY 23 Double Fiberized Micro Surface Treatment Project)	$ 935,000.00
FY 23 Manhole and Valve Cover Adjustment Project (Notice of Completion Approved 10/17/2023)	-$ 189,964.95
Fund Balance	**$ 745,035.05**

CONSTRUCTION COSTS

Contract – Total Bid Award	$ 451,500.00
CCO #1	$ 29,700.00
CCO #2	$ 3,553.00
Total Construction Cost	**$ 484,753.00**
Fund Balance	**$ 260,282.05**

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 at: Within City Right-of-way on 11th Avenue from Fargo Avenue to Flint Avenue, and Hanford Armona Road from 11th Avenue to 12th Avenue, in Hanford CA.

2. The Improvement is particularly described as: FY Double Fiberized Micro Surface Pavement Treatment Project

3. The date of completion of the work of Improvement: July 25, 2023.

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: Pavement Coatings Company.

7. The surety for the work of Improvement: The Ohio Casualty Insurance Company

8. All work for this project has been completed.

9. Accepted by minute action of the City Council of the City of Hanford on: November 7, 2023

I certify under penalty of perjury that the foregoing is true and correct.
Dated this 7th day of November, 2023.

BY: ____
Travis Paden, 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 ____ day of ___________, 2023.

BY: _______________________________________
Travis Paden, Mayor
City of Hanford, County of Kings, State of California

Authority: Section 1181 Civil Code

AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	AGENDA SECTION: CONSENT CALENDAR

SUBJECT:
Approval of a contract with Janitorial Inc. at the rate of $42,036 for the remainder of 2023 and $43,176 for 2024 to provide janitorial services at the Police Department buildings.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve an annual contract with Janitorial Inc for cleaning services at the Hanford Police Department at the rate of $42,036 for the remainder of 2023 and $43,176 for 2024.

BACKGROUND:

The previous contract for cleaning services for the Hanford Police Department was terminated on September 22, 2023. The cost of the previous contract was $4,600 per month ($55,200 annually). Five quotes for service were obtained as follows:

G&B Janitorial- $6450 monthly / $77,400 annually
Grime Fighters Cleaning- $5250 monthly / $63,000 annually
Daval Building Maintenance- $4550 monthly/ $54,600 annually
Tri-County Janitorial- $3641 monthly / $43,692 annually
Janitorial Inc- $3503 monthly (2023) & $3598 monthly (2024) / $42,036 annually (2023) & $43,176 annually (2024)

In addition to being the lowest price quote for service, Janitorial Inc offers the department 20 additional hours of deep cleaning per year, which can be used for windows, carpet cleaning, or other cleaning as needed. This company currently services the Fresno Police Department and Public Utilities building, Superior Courts of Fresno and Merced County, and the Fresno County Department of Social Services and Office of Education. Service provided by Janitorial Inc, would begin on November 10, 2023.

FISCAL IMPACT:

The contract would result in savings to the City of $13,164 in 2023 and $12,024 in 2024 over the cost of the previous contractor.

ATTACHMENTS:
1. Janitorial Inc Contract

JANITORIAL INC.
The Cleaning Experts.
Fresno • Hanford • Merced • Modesto • Tulare • Visalia
1945 N. Helm Ave., Ste. 102 | Fresno, CA 93727 | 24hrs 559.495.3000 | 559.485.5380 FAX

October 4, 2023

Captain Stephanie Huddleston
City of Hanford Police Department
425 N Irwin Street
Hanford, CA 93230

Captain Huddleston,

Thank you for considering Janitorial INC. (JANINC) as your new cleaning provider for the City of Hanford Police Department. The features below describe the added value we can provide:

1. Our Hiring Practices will insure less risk
    a. Drug Testing
    b. Criminal Background Checks
    c. I-9 Verification
2. Uniform and visible photo ID badges help your employees identify our team easily
3. Safety is a philosophy that will translate into less injuries
    a. We **EXPECT** a safe environment by providing training and recognition programs
4. Proven Green Cleaning Philosophy
    a. We utilize Green Seal (www.greenseal.org) certified cleaning agents, equipment, and supplies
5. Our Quality Control Game-Plan will ensure a consistent cleaning program
    a. Field supervisor support
    b. Management support
6. Our reference list will provide a proven history of our ability to meet your needs
7. We are an employee-owned company
    a. Over five hundred employees have the ability to own stock in the company
8. "Valley Owned" company means quick response to your needs
9. We are one of the few contractors who offer supplies through a sister company Valley Sanitary Supply (VSS)
    a. Flexibility to bring new products
    b. Strong Customer Service

Thank you for the opportunity to provide this proposal for service.

Sincerely,

J. Geil

Jason M. Geil
Business Development Manager
Janitorial INC.

AN EMPLOYEE OWNED COMPANY

City of Hanford Police Department

Submitted by:

Jason M. Geil

AN EMPLOYEE OWNED COMPANY

SERVICE AGREEMENT

1. Geil Enterprises, Inc. d.b.a.; Janitorial INC., hereinafter referred to as "JANINC", hereby agrees to provide janitorial services at the property owned, rented, managed, or leased by **City of Hanford Police Department** hereinafter referred to as the "CLIENT", located at 425 N Irwin Street, Hanford, CA 93230. The property for which the services are to be rendered is located at 425 N Irwin Street, 416, 418, & 422 Douty Street, Hanford, CA 93230. For the purposes of this Agreement, services are to be performed in the County of Kings.

2. The specific duties and services to be provided by JANINC are described in the Performance Specifications, a sample copy of which is incorporated herein. Performance Specifications may be altered solely by JANINC at any time and receipt of such revisions may be made via electronic communication from JANINC to the CLIENT.

3. It is understood and agreed, between JANINC and the CLIENT, that the services to be performed by JANINC are rendered by JANINC, not as an insurer, nor as warrantor of loss prevention, rather that JANINC and its employees shall use reasonable care and judgment in carrying out the specific duties as described by the Performance Specifications, and that JANINC will be responsible for the actions of its employees. However, notwithstanding the foregoing, if the CLIENT alters any written instruction or direction given to the employee by JANINC or if the CLIENT assumes any supervision of said employee, the CLIENT shall solely be liable for any and all consequences. JANINC may perform the services by any reasonable means and shall not be responsible for delays in performance beyond its control.

4. All uniformed employees furnished by JANINC shall be the employees of JANINC and shall at all times be subject to the direct supervision and control of JANINC. JANINC will have the sole responsibility of paying salaries, taxes (including, but not limited to Federal Social Security taxes and Federal and California Unemployment taxes) and all other expenses relating to each employee of JANINC.

5. In performing the services required of it under this Agreement, JANINC shall comply with all applicable Federal, State, County and City statutes, ordinances, and regulations.

6. If CLIENT hires for its own employment any of the employees of JANINC who perform services at any time in carrying out the terms and conditions of this Agreement, CLIENT agrees to pay JANINC $1,500.00 as reimbursement for recruitment, hiring and training of said employee's replacement.

7. JANINC shall remove any JANINC employee from the CLIENT's site, at the CLIENT's request, without explanation from CLIENT.

8. The term of this Agreement shall commence on 11/10/2023, 2023 and shall continue thereafter for successive periods of thirty days.

9. JANINC is not obligated to perform service on the following days: New Year's Day, Presidents Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, and Christmas Day. Service on holidays, when requested, shall be charged on an overtime basis. A holiday on the sixth or seventh day of the work week shall be subject to additional charge of one full day at straight time if wages are required to be paid for that day.

10. Termination. If CLIENT is dissatisfied with the quality of the services, CLIENT will inform JANINC in writing of the specific areas of dissatisfaction, and if JANINC shall fail to substantially correct the deficiencies within 10 days, CLIENT may terminate this Agreement by seven (7) days' written notice, delivered to JANINC by Certified Mail. CLIENT may terminate this Agreement at any time if the premises are destroyed or upon 30 days' written notice if CLIENT vacates the premises. CLIENT and JANINC may terminate this Agreement by 30 days' written notice for any reason, delivered by Certified Mail. JANINC may terminate services at any time without notice for nonpayment.

11. The fees include all labor charges for services rendered, all cleaning products and other necessities for use by JANINC.

12. For the services described herein, CLIENT agrees to pay JANINC the sum of $3,080.00 per month for services rendered in 2023 and $3,175.00 per month in 2024. The monthly estimated cost for sanitary supplies is $423.00.

AN EMPLOYEE OWNED COMPANY

13. Invoice totals are due thirty (30) days from date of invoice. CLIENT shall pay a late charge of one and one-half percent per month to JANINC on any past due payment.

14. If a CLIENT's account is referred to an agency or attorney for collection, attorney's fees and costs of collection shall be recoverable by JANINC.

15. If any extraordinary event affects JANINC costs, upon notice to CLIENT the parties agree to negotiate a reasonable adjustment. Such events shall include armed hostilities, riots, strikes, picketing, boycott, acts of God, national financial or economic disturbances, epidemics, and other events not reasonably foreseeable or against which JANINC reasonably cannot protect itself.

16. The above price is based upon the service area and frequency of services in the attached specifications. Additional or other duties may be added or deleted upon request and as mutually agreed upon. Two (2) days' notice is requested for said changes. Billing for additional services will be made upon completion of said services.

17. Additional or other services may be added or deleted upon written request and mutual agreement. Additional services requested by the CLIENT are available at a "one time only" rate to be mutually agreed upon at the time of request.

18. JANINC shall indemnify, defend, and hold harmless CLIENT from loss, liability, cost, or expense – including reasonable attorney's fees - for bodily injury, death, and property damage (hereinafter referred to as "claims") but only to the extent claims are caused by the sole negligence, misconduct, or other fault of JANINC, its agents and employees which arise out of work performed under this Agreement. The foregoing provision shall only benefit CLIENT if CLIENT notifies JANINC in writing of such a claim within 5 days of the claim being reported to CLIENT or its representative. JANINC shall not be liable for delays, loss, or damage caused by warfare, riots, strikes, boycotts, criminal acts, acts or omissions of others, fire, water damage or natural calamity. If JANINC is requested by CLIENT to provide services when premises is accessible to employees, or public, CLIENT shall indemnify, defend, and hold harmless JANINC from all claims resulting from use of premises. JANINC shall not be liable for disposal of documents or valuable items left on floors or in or about trash receptacles. CLIENT shall indemnify and hold harmless JANINC from all claims arising from such disposal. CLIENT shall indemnify, defend, and hold harmless JANINC from claims for injuries to JANINC employees and others resulting from the condition of CLIENT's premises, or equipment.

19. CLIENT agrees to maintain its facilities in a safe condition and in conformance with Federal, State, and local laws, ordinances, and regulations, and agrees to indemnify JANINC from loss, liability, cost, or expense – including reasonable attorney's fees – caused by CLIENT's failure to do so.

20. This Agreement shall inure to and bind the successors, assigns, agents and representatives of the parties.

21. This Agreement contains the entire agreement between the parties. All negotiations between the parties are superseded by this Agreement, and there are no understandings or agreements other than those incorporated herein. This Agreement may not be modified except by written instrument signed by both parties. In the event of conflict between any of the foregoing provisions of this Agreement and the attached Performance Specifications, the former shall be controlling.

10/10/2023
Dated

City of Hanford Police Department

10/4/23
Dated

Janitorial Inc.

AN EMPLOYEE OWNED COMPANY

City of Hanford

Police Department

Janitorial Duties

KEY DEFINITIONS

5XW	Five times per week
1XW	Weekly, once per week
1XM	Monthly, one time per month
4XY	Quarterly, four times per year
2XY	Semi-annually, twice per year

1. **General Cleaning**: JANINC will clean Monday – Friday evenings after 6:00 PM and will not work the Holidays as defined in page 3, paragraph 9.

Office Areas

5XW Remove all:

i. Wastepaper baskets and replace liners when needed.

ii. Cardboard boxes when they are "broken down" by client and put into a mutually agreed upon location each workday.

iii. Recycling containers identified by a consistent marking such as blue containers or the recycling symbol. **CLIENT is responsible for these items.**

iv. Shredded materials will be **managed by CLIENT**.

v. Aluminum can or plastic container receptacles **will be handled by CLIENT**.

5XW Remove fingerprints and smudges from work tops and edges including counters, desks, doors, partitions, cupboards, and woodwork.

5XW Spot clean around light switches and door handles.

5XW Dust and wipe work surfaces **when items are cleared**.

5XW Spot clean, unsightly smudges and smears on all glass as needed.

5XW Remove debris and webs from entries into each building.

1XW Dust all horizontal surfaces less than six feet high such as: baseboards, windowsills, doors, and chairs.

4XY Vacuum all wall vents, ceiling vents and venetian blinds.

Floors & Carpets

Hard Surfaced Floor Coverings (Ceramic Tile, Vinyl Composite Tile, Terrazzo, etc.)

5XW Sweep or dust-mop all hard surfaced floors.

5XW Wet mop all hard surfaced floors.

Carpeting

5XW Vacuum and spot clean "quarter sized" spots in all carpeted areas. If a large spill occurs, please call us to have it extracted from the area for an additional charge.

Rest Rooms

5XW Empty all trash receptacles.

5XW Thoroughly sweep and mop rest room floors.

5XW Thoroughly clean rest rooms including porcelain fixtures, mirrors, and sanitary napkin receptacles.

5XW Replenish dispensers with soap, toilet tissue, toilet seat covers, hand towels and sanitary napkins and replace trash receptacle liners as needed. *
5XW Wash all dispensers including soap, toilet tissue, toilet seat covers, towel and sanitary napkins.
5XW Remove splash marks from walls, urinals, and toilet partitions.

Break Room

5XW Empty all trash receptacles.
5XW Thoroughly sweep and mop floors.
5XW Thoroughly wipe and clean sinks, fixtures, tables, and countertops.
5XW Replenish dispensers with soap, hand towels, and replace trash receptacle liners as needed. *
5XW Clean inside and outside of microwaves.
5XW Clean the outside of refrigerators. Clean the inside of refrigerators when communicated by CLIENT to their team members.
5XW Wipe down the front of all cabinets.
5XW When food is left out overnight, throw it away.

JANINC will provide CLIENT with rest room and break room supplies and trash receptacle liners.

2. **Proactive Cleaning Services:**
<u>These services are included</u> in the monthly price listed on Page 3, Section 12.

1XY JANINC will provide 20 hours of proactive cleaning services to CLIENT – CLIENT will choose the areas to be serviced in the month of December each year.

- Clean carpets.
- Strip/scrub all hard surfaced floors.
- Clean all windows.
- Clean rest room and break room surfaces from ceiling level to all surfaces below.

All additional requests from CLIENT will be charged at the rate of $75.00 per hour.

Description of Our Company

Corporate Profile

Janitorial INC. is an experienced and professional cleaning company with expertise in providing top quality cleaning programs that effectively meet our clients' specific and stringent needs. At Janitorial INC. we understand that each company and facility we serve has different janitorial needs and budgets, we pride ourselves on our expert ability to create efficient programs that meet both. It's our goal, and has always been our mission, to create enduring relationships by crafting "win/win" partnerships with our valued customers, and we pride ourselves on our ability to raise the level of professionalism found in today's janitorial industry.

We currently clean very high traffic Medical Facilities, Food Processing Plants, City and County Governmental Agencies. With that fact in mind, we clean according to the specifications herein but also are able to respond to site changes and adjustments without losing focus of our core duties.

As an ESOP (Employee Stock Ownership Plan), all of our 250 employee-owners successfully pass background and drug tests. In addition, I-9 verifications, branded uniforms, photo ID's and training from direct supervisors are provided to each and every Janitorial INC. employee. In this way, whether they're performed services during or after hours, you can be assured that only safe and responsible employees are properly handling the cleaning duties at your place of business.

It has always been Janitorial INC.'s belief that communication is the key to success, which is why we utilize multiple avenues to keep the channels of communication open between staff and clients at all times. These procedures include, but are not limited to, the assignment of a designated customer service representative, as well as a site supervisor personally overseeing the account. In addition, each Janitorial INC. account has open access to our General Manager, and we welcome (and value) our customers' feedback in an effort to provide the very best service possible.

AN EMPLOYEE OWNED COMPANY

Company History

Geil Enterprises, Inc. was founded in 1986 by Steve and Eileen Geil. These two entrepreneurs grew the business from small-scale capabilities to one of the largest companies in Central California, specializing in security and janitorial services.

Sam Geil, Steve's brother, joined the business in 2004; assumed the role of President when Steve transitioned to Board Chairman. Sam became Board Chairman in 2012 when Steve retired.

In 2007, Geil Enterprises began the transformation to become an Employee-Owned Company (ESOP). This transition took 10 years but by 2014 Geil Enterprises has become 100% employee owned.

Steve's son, Ryan, became President of Geil Enterprises in 2013 when Sam retired. Over the years, Geil Enterprises has achieved widespread recognition for exemplary service. It has been named by the Institute for Family Business as the "Large Family Business of the Year for 2003," and nominated for the "Family Business of the Year for 2009". Geil Enterprises' evolution from security and janitorial generalists to industry specialists has earned the respect and loyalty of its many customers. We look forward to a successful partnership with them for years to come.

In 2017, Roy Hernandez is promoted to President as Ryan Geil leaves Geil Enterprises to assume the role of President with another company in Fresno. Roy becomes the first non-family member to serve as President. Ryan replaces Sam Geil as Chairman of the Board.

Geil Enterprises owns and operates four industry-leading companies including CIS Security, Janitorial INC., Valley Security & Alarm, and Valley Sanitary Supply. Each of the divisions operates under the same guiding principles of providing superior customer service and full accountability on which the company was founded.

AN EMPLOYEE OWNED COMPANY

Resource Plan

When awarded service contracts, Janitorial INC. goes through a detailed list of tasks to ensure seamless start-ups. Our team will split up our transition plan into distinct areas: *Sales, Operations, Customer Service, Recruitment/Staffing, and Accounting.*

Sales:

The Sales Team will begin providing information to all teammates within their respective area of responsibility. This includes introductions of our assigned Account Manager to the client contact and beginning the site orientation process.

Some other key areas our Sales Professionals coordinate are:

- Ensuring the service agreement is reviewed and signed
- Review and confirm the performance specifications include all site-specific details
- Communicate the billing terms to the Accounting Team
- Submit documents to the new client:
    - W-9 Submitted and Insurance Certificates
- Make sure we have accurate maps of facility
- Calendar the start date with all team members
- Schedule a series of meetings at the job site to include the client contact, operations, and customer service team
- Coordinate several team meetings at our office to review action items and hold one another accountable for our commitments

Operations:

The Operations Team will begin their plan using the performance specifications. They methodically plan what each janitor will need, what each area will require (equipment and supplies) and start planning for our start date.

With most sites having unique aspects, we consider ourselves training experts. We know when our employees have the knowledge, tools and support they need, we will succeed in meeting your expectations.

Here is a sample list of the items we plan for:

- Day Matron cleaning time study (15 Minute Incremental training plan)
- Swing Shift cleaning time study (15 Minute Incremental training plan)
- Job Duty List for each employee or shift
- Building Access and Security Protocol Review
    - Key Inventory and Process
    - Keyless Entry Cards or FOB Inventory and Process
    - Alarm Code Protocol
        - Emergency Contact Information retrieved and entered into our software
- In-Office Training
    - Safety Training
    - Understanding our cleaning process
    - Understanding and proper use of our tools

- Understanding and proper use of our chemicals
- On-Site Training
    - Site Orientation & Safety Procedures
    - Access Control Procedures
    - Job Duty Review
    - Equipment Procurement Game Plan – our cleaning equipment and supplies will be on-site within 2 weeks of the date or our transition meeting.
    - Smart phones for the team to access **Lighthouse** for shift specific information, real time reporting of our cleaning activities and receiving phone and email communications.
- Supply Procurement Game Plan – no more than 1 week to be delivered
    - Green Seal Certified Chemicals
        - Degreaser, glass cleaner, neutral floor cleaner, hydrogen peroxide cleaner, carpet extraction fluid.
    - Other cleaners
        - Carpet spot cleaner, metal polish, disinfecting germicidal detergent & deodorant, disinfecting wipes
    - Mop buckets, wringers, and cleaning kits (janitor carts, triggers/sprayers, and other tools of the trade.
    - Microfiber mops and rags – we have an in-house laundry program to ensure a green process of extending the life of our tools
- Submit all Safety Data Sheets electronically or in paper form to the designated contact
- Install dilution systems, proper equipment, and supplies in our designated janitor closets
- Assemble and deliver site binders to our designated locations

Recruitment & Staffing

Janitorial INC. works collaboratively with the Human Resources Department in the resourcing of personnel. After personnel and hours are determined to fulfill the performance specifications, Human Resources begins its process.

Once the needs for staffing at a site are determined, the HR team begins to recruit:

- Account Manager
- Field Supervisor
- Site Supervisor
- Quality Service Leads
- Janitorial Personnel
- Floor Technicians
- With the staffing requirements above, Human Resources looks to its most experienced internal personnel for placement. Next, the candidate pool is evaluated, and communication is initiated. External announcements are created and posted online. Human Resources then contacts all partnering agencies (colleges, trade schools, job boards, USA jobs, EDD/Cal jobs, Work Net, etc.) and when appropriate host job fairs.

Once a candidate is identified, the probable time necessary to:

- conduct an employment reference check, approximately 1-2 business days.
- conduct a drug screen, approximately 1 hour from the time the candidate leaves the treating facility.
- complete a background check, 2-5 business days.

Human Resources continue to recruit proactively qualified job candidates for current and planned open positions on an ongoing basis; we accomplish this through networking with various business-related groups. Both passive and active job seekers are located by scouring job boards, social media sites, partnerships with local agencies and through other types of networking.

Quality Control

This Quality Control plan will demonstrate how we will maintain the level of quality required by the performance specifications.

Customer Service Organizational Structure

Janitorial INC. has set in place multiple channels for quality control and improvement:

- Quality Service Leads check sites monthly (depending on the size and scope) and perform proactive and follow-up inspections documented on Lighthouse. They will handle the daily tactical elements of complaint rectification by reacting quickly and completing the loop through verbal and written disposition through Lighthouse. Each corrected complaint will be emailed to the appropriate client contact.
- Field Supervisors check each site monthly (depending on the size and scope) and perform proactive and follow-up inspections documented on Lighthouse. During their site inspections, they are to check all areas within the performance specification, as well as janitorial closets, the condition of our equipment, and supply inventories.
- Account Representatives will provide a minimum of one thorough inspection each month. During the inspection, they will document areas that need improvement, if any. The Account Representative will send a "Work Ticket" to our Supervisors and follow up to make sure the work has been completed. Clients are also able to contact their assigned Account Representative via email and/or cell phone, for any issues or additional work that may arise. Prompt action and scheduling will then take place.
- The Customer Service Representative (located at our Help Desk in our office) also serves as a back-up contact. This role is responsible for ensuring all "Work Tickets" are corrected, thus confirming our Account Representative directives are completed. The Customer Service Representative also reviews reports for completed and pending site inspections, as well as completed and pending deep cleaning tasks. These reports are monitored by the General Manager, who will also follow up with our Supervisor team.
- Our General Manager will visit the jobsite for a face-to-face meeting with the client's representative. These meetings are very important to discuss strategic issues and to continue to build understanding between our two organizations. Our goal is to build a long term mutually beneficial relationship using a template of Win-Win.
- In addition, Janitorial INC. has a Central Station available, 24 hours a day, 7 days a week, 365 days a year. Our employees and customers are able to call at any hour of the day, and they will have a live person speaking with them. This has been especially helpful when emergencies occur; our Central Station has site contact phone numbers and email accounts, local law enforcement and emergency responder's information to assist during stressful situations.

AN EMPLOYEE OWNED COMPANY

Terminal Clean Process

When there is a terminal cleaning request, the room or office to be cleaned should be closed and clearly marked as "Terminal Cleaning Requested Area". JANINC will provide all necessary CDC/WHO/OSHA identified PPE including N95 facemasks, chemical-resistant splash goggles, disposable nitrile gloves, coveralls, and disposable footies.

In the area where an individual suspected or confirmed of being ill works (cubicle or office), clean the walls from the ceiling to floor, all equipment, and surfaces. If cleaning common areas, clean all touch points.

Terminal Cleaning Process Breakdown:

1. Don all necessary CDC/WHO/OSHA identified PPE including N95 facemasks, chemical-resistant splash goggles, disposable nitrile gloves, coveralls, and disposable footies.
2. Clean, agitate, and disinfect all touch points and surfaces such as: interior & exterior door handles, phone handset & keypad, access card readers, desktops, rest rooms, copiers, countertops, microwave, coffee machine, vending machines, ice machine, refrigerator, furniture etc.
3. Complete Electrostatic or Fogging Pandemic cleaning.
4. Ensure proper dwell time on all surfaces.
5. Wipe down to remove any spotting of disinfectant solution.
6. After disinfection is complete, remove PPE properly and bag all items in a trash liner with other cleaning materials used.
7. Haul off site or dispose of the trash liner as per CDC/WHO/OSHA guidelines.

13.I.

AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	AGENDA SECTION: CONSENT CALENDAR

SUBJECT:
Authorization to accept the Homeland Security Grant from the County of Kings in the amount of $55,448, and an amendment to the Police Department's operating budget to recognize the grant, appropriation of $55,448 in the General Fund for the Police Department, and authorization for the City Manager to execute the grant agreement.

RECOMMENDATION:

Recommendation: Authorization to accept the Homeland Security Grant from the County of Kings in the amount of $55,448, and an amendment to the Police Department's operating budget to recognize $55,448 in grant funds, appropriate $55,448 in the General Fund for the Police Department, and authorize the City Manager to execute the grant agreement.

Recommended Motion:
I move to authorize the acceptance of a grant and amend the Police Department's operating budget to recognize the grant funds and to appropriate the same amount in the General Fund and authorize the City Manager to execute the grant agreement.

BACKGROUND:
The Hanford Police Department sought the The Homeland Security Grant through the County of Kings. The department submitted a project proposal for funds to be able to replace portable radios. The portable radios that the department currently has are outdated. With new portable radios, the officers will not have any issues communicating with each other. These grant funds will allow the department to purchase twenty-seven (27) new encrypted portable radios for the department.

There are no matching funds associated to this grant. An appropriation for the amount of the grant ($55,448) will be made to expend the funds. There may be minor expenditures that will have to occur in excess of the grant amount as the grant administrator wants the agency to expend all of the funds and it is not possible to expend the exact amount. We will strive to get as close as possible to the actual grant amount and minimize the impact of the department's original operating budget. Any amount in excess would be absorbed within the existing Police Department budget.

FISCAL IMPACT:
The fiscal impact will be a total of $55,448 of grant monies to the City. If approved, a budget amendment to recognize the grant funds and an appropriation of funds in the amount of $55,448 to the General Fund for the Police Department will be made. The City will be reimbursed once the project is completed by the grant administrator.

ATTACHMENTS:

1. Agreement

Agreement No. ______

Agreement between the County of Kings and the City of Hanford to provide a sub-award from the FY 2022 State Homeland Security Grant Programs Funding for Equipment, Planning, Administration, Training and Exercises

THIS AGREEMENT is entered into by and between the County of Kings ("County") and the City of Hanford ("Sub-recipient"), referred to individually herein as "Party" or collectively as "Parties," on the following terms and conditions:

WHEREAS, the Fiscal Year 2022 (FY 2022) California State Homeland Security Grant Program (SHSGP) provides funding through Federal grants from the Department of Homeland Security ("DHS") to enhance the capabilities of state and local first responders by allowing the purchase of advanced types of equipment, as well as addressing other critical homeland security needs, including administration, planning, training, and exercise-related costs; and

WHEREAS, County applied to the California Governor's Office of Emergency Services ("CalOES") for a FY 2022 SHSGP grant; and

WHEREAS, as part of its grant application, County requested sufficient funds to support certain activities or programs planned by Sub-recipient that may be eligible for SHSGP grant funds; and

WHEREAS, the County was awarded FY 2022 SHSGP grant funding; and

WHEREAS, the County, upon recommendation of the Local Approval Authority ("LAA"), as comprised of the Sheriff, the County Fire Chief, the County Public Health Director, a municipal law enforcement representative, and a municipal fire department representative, as described in the SHSGP Guidelines, allocated some of this funding to support Sub-recipient's eligible programs or activities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the County and Sub-recipient hereby agree as follows:

1. GRANT SUBAWARD. Subject to the terms, conditions, and other limitations specified herein, the County intends to award to Sub-recipient a portion of its FY 2022 SHSGP Grant for the following program and/or activity:

Department/Agency: Hanford Police Department

Program/Activity: Proj. 003 Portable Radios

Details about the specific program or activity authorized, the amounts allocated to the specified program or activity, and the anticipated performance and disbursement timelines shall be confirmed by subsequent award letter from the County ("Award Letter") in accordance with this Agreement.

Sub-recipient agrees not to expend any anticipated FY 2022 SHSGP grant funds until it has received an Award Letter authorizing the specific activity or program, and confirmed the award amount.

Unless Sub-recipient notifies the County before it begins spending the funds authorized in the Award Letter that it declines some or all of the program, activity, and/or funds outlined therein, Sub-recipient will be deemed to have accepted all of the terms and conditions specified in the Award Letter, including any attachments or exhibits there to.

The County reserves the exclusive right to determine the method and timing of disbursement of SHSGP funds to Sub-recipient. The County further reserves the right to issue revised Award Letters to modify Sub-recipient's authorized program, activity, award amounts, and/or performance periods in accordance with the recommendations of the LAA, the changing needs of Sub-recipient, and/or the likelihood of Sub-recipient expending its award. Such modifications will only be made after consultation with Sub-recipient and in accordance with the recommendations of the LAA.

2. **PERFORMANCE PERIOD**. The Performance Period for all activities covered by the terms of this Agreement shall be from September 1, 2022, to May 31, 2025, unless otherwise terminated pursuant to the terms of this Agreement or set forth in the Performance Letter. Only activities performed during the Performance Period are eligible for funding and/or reimbursement under this Agreement.

3. **GRANT REQUIREMENTS AND ASSURANCES**. Sub-recipient understands and agrees that by accepting grant funds under this Agreement, it must comply with all requirements, assurances, standards, and certifications as required under the County's agreement with CalOES, attached hereto as Exhibit A, and incorporated herein by reference as if set forth in full. Sub-recipient further understands and agrees that it shall comply with any and all applicable statutes, regulations, guidelines, or restrictions as imposed by DHS or CalOES. Finally, Sub-recipient understands and agrees that by accepting funds under this Agreement, it shall be bound to the assurances, agreements, covenants, and requirements set forth in the County's agreement with CalOES to the same extent as the County.

4. **DESIGNATED COUNTY AUTHORIZED AGENT.** Only those individuals designated by resolution of the Kings County Board of Supervisors as Authorized Agents for FY 2022 SHSGP ("County Authorized Agents") are authorized to sign Award Letters on behalf of the County, or to suspend performance as set forth herein. All other notices from the County may come from other County personnel.

5. **PROOF OF SUBRECIPIENT AUTHORITY.** Sub-recipient must provide proof to the County of written authorization of this project, in the form of a resolution, or some other format specifically authorized by the County, from its city council, governing board, or other governing body. This written authorization must specify Sub-recipient:

(a) Will provide all matching funds required for the grant project and appropriate any cash match as required;

(b) Will assume any liability arising out of Sub-recipient's performance of this Agreement;

(c) Will not use grant funds to supplant expenditures controlled by the city council, governing board, or authorized body; and

(d) Has authorized the official executing this Agreement to do so.

6. DISALLOWANCE AND OFFSET; REDUCATION, MODIFICATION, OR ELIMINATION OF GRANT FUNDING. If Sub-recipient requests or receives payment from the County for programs, activities, or equipment under this Agreement and the reimbursement is later disallowed by the State of California or the United States Government, Sub-recipient understands and agrees that it shall promptly refund the disallowed amount to the County upon the County's request. The County may elect, at its sole option, and to the fullest extent permitted by law, to satisfy the disallowed amount owed from any payment due or to become due to Sub-recipient under this Agreement.

If the County's FY 2022 SHSGP grant funding is reduced, modified, or eliminated for any reason, the County reserves the right to reduce, modify, or eliminate any or all of this FY 2022 SHSGP grant sub-award to Sub-recipient. Sub-recipient agrees to promptly return any amounts requested by the County in accordance with this provision. At its sole option, the County may choose to satisfy the amount to be returned by reducing the amount due to Sub-recipient from any payment due or to become due under this Agreement.

7. MONITORING AND REPORTS. Sub-recipient is responsible for oversight of the operations of its FY 2022 SHSGP grant supported activities. Sub-recipient must monitor its activities to ensure compliance with applicable Federal requirements as set forth in Exhibit A.

Sub-recipient agrees to provide ongoing performance and financial reports regarding any and all of its programs and activities funded with FY 2022 SHSGP grant funding. At a minimum, these reports will be due on a semi-annual basis, but the County reserves the right to request more frequent reporting. Within 90 days of completion or termination of this Agreement, Sub-recipient is also expected to provide a final performance report and a final expenditure report in a format acceptable to the County, the State, and the Federal government. Sub-recipients will be notified of any additional required reports by separate Award Letter or notice from the County.

8. MANDATORY DISCLOSURES. Pursuant to 2 CFR section 200.113, Sub-recipient must disclose, in a timely manner, and in writing to the County and DHS, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting this sub-award. Pursuant to the terms and conditions outlined in Appendix XII to 2 CFR Part 200 ("Award Term and Condition for Recipient Integrity and Performance Matters"), Sub-recipient also may be required to report certain civil, criminal, or administrative proceedings to SAM. Failure to make required disclosures can result in any of the remedies described in 2 CFR section 200.338, "Remedies for noncompliance," including suspension or debarment.

9. INSURANCE. Sub-recipient certifies it is insured or self-insured for general liability exposures with limits of no less than $1 million per occurrence. Sub-recipient certifies it is insured or self-insured for workers' compensation and maintains statutory limits. Sub-recipient agrees that coverage limits specified within the Agreement will not be used to reduce limits of coverage from Sub-recipient's full policy limits. Insurance Policies will not be used to limit liability or to limit the indemnification provisions and requirements of this Agreement or act in any way to reduce available coverage and limits from the insurer. Failure to maintain or renew coverage may be a material breach of this Agreement.

10. LIABILITY OF COUNTY. The County's payment obligations to Sub-recipient for FY 2022 SHSGP funds are limited by all provisions and other requirements specified in this Agreement. Notwithstanding any other provision of this Agreement, in no event shall the County be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect, or incidental damages arising out of or in connection with this Agreement, including, but not limited to, lost profits, equipment purchased, or activities performed in connection with this Agreement.

11. HOLD HARMLESS, INDEMNIFICATION, AND DEFENSE. Each Party shall hold harmless, defend, and indemnify the other Party, its agents, officials, officers, and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including injury to any person and/or damage to property arising out of or relating to the Party's acts or omissions under this Agreement. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

12. TERMINATION

(a) Without Cause (For Convenience): Either Party may terminate this Agreement for convenience by giving thirty (30) days prior written notice to the other Party of its intention to terminate pursuant to this provision, specifying the date of termination. After receiving a notice of termination for convenience from Sub-recipient, and prior to the effective date of termination, the County may, in its sole discretion, continue to disburse grant funding to Sub-recipient for the programs or activities permitted under this Agreement and specified in the effective Award Letter(s); however, the County specifically reserves the right to cancel or modify some of the programs or activities specified in the Award Letter if it seems unlikely Sub-recipient will complete its work before the termination of the contract. Any funding disbursed to Sub-recipient but not yet spent at the time the Agreement is terminated must be returned to the County. All such disbursements continue to be subject to the restrictions otherwise provided in this Agreement or by law.

The Parties will not impose sanctions on each other for a termination for convenience.

(b) With Cause: Either party may terminate this Agreement immediately by written notice to the other Party upon discovery of a material breach by the other Party. A material breach includes, but is not limited to: (i) failure to comply with the terms and conditions of this Agreement or of any Award Letter(s); (ii) a material misrepresentation in relation to this grant program; or (iii) failure to comply with all applicable laws or regulations. The Party seeking to terminate this Agreement will provide written notice of the material breach and its determination to either suspend or terminate this Agreement to the other Party with a specified date of termination. At a Party's discretion, it may provide the breaching Party with a reasonable period of time to cure the breach. If the County terminates this Agreement for cause, the County reserves the right to reduce, modify, or eliminate any or all of this sub-award and any other outstanding SHSGP sub-awards to Sub-recipient. Upon demand by the County, Sub-recipient agrees to immediately return FY 2022 SHSGP funding that has been disbursed to Sub-recipient and which remains in Sub-recipient's possession at the time this Agreement is terminated. In addition, the payment of any grant funds that have yet to be disbursed for work already completed by Sub-recipient under this Agreement remains subject to the restrictions on payments otherwise provided in this Agreement and by law, and is further conditioned on the County's confirmation of Sub-recipient's satisfactory completion of the activities or programs specified in this Agreement and any related Award Letter(s).

The County will not pay lost anticipated profits or other economic loss, nor will the County pay compensation or make reimbursement to cure any breach arising out of or resulting from such termination for cause. If this Agreement is terminated for cause, the County may impose sanctions, including possible rejection of future proposals based on specific causes of non-performance. Furthermore, if this Agreement is terminated for Sub-recipient's failure to comply with applicable federal statutes or regulations, including, but not limited to, those specifically incorporated into this Agreement by reference, Sub-recipient is advised that the County's termination decision may be considered in evaluating future applications for federal grant awards.

(c) Effects of Completion or Termination: Expiration, completion, or termination of this Agreement shall not terminate the Parties' obligations to indemnify, defend, or hold harmless. Further, it shall not effect Sub-recipient's duty to maintain and make available any records pertaining to the Agreement; to cooperate with any audit; to be subject to offset; to make any reports of pre-termination contract activities; to honor its obligations related to the disposal or disposition of property purchased with SHSGP funding; to comply with the continuing obligations contained in Exhibit A; or to comply with any other continuing or closeout obligations required by this Agreement or by federal or state law or regulation, including those specified in 2 CFR Part 200. Where Sub-recipient's activities or programs have been terminated by the County for cause, said termination will not affect any rights of the County to recover damages from or against Sub-recipient.

(d) Suspension of Performance: Independent of any right to terminate this Agreement, the County's Authorized Agent may immediately suspend performance by Sub-recipient, in whole or in part, in response to health, safety, or financial emergency, a change in SHSGP grant funding to the County, or a failure or refusal by Sub-recipient to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved or a notice of termination becomes effective.

13. RECORDS. Sub-recipient shall maintain complete and accurate records with respect to the activities, programs, and/or purchases funded by or related to FY 2022 SHSGP funding and/or this Agreement, including all records relating to procurement of goods and services. In addition, Sub-recipient shall maintain complete and accurate records with respect to any payments to employees, sub-sub-awardees, contractors, or subcontractors. All such records shall be prepared in accordance with generally accepted accounting procedures and any applicable procedures required by the County or the Federal or State government. All applicable records shall be clearly identified, maintained on site, and be kept readily accessible.

Sub-recipient further agrees to make all such records available to Federal, State, and County representatives, as further specified in Exhibit A. Sub-recipient shall ensure that members of the public also have access to such records upon request in accordance with the Freedom of Information Act and the California Public Records Act. Sub-recipient specifically agrees to require any sub-sub-recipients, contractors, successors, transferees, and assignees to acknowledge and agree to comply with all of these record keeping and access requirements.

Failure to comply with these requirements may result in suspension of payments under the grant, termination of the grant, or both. Sub-recipient may be ineligible for award of any future grants if the County or Cal OES determines that any of the following has occurred: (1) the recipient has made a false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

14. NOTICES. Except as may be otherwise required by law, any notice to be given must be in writing and be either personally delivered, sent by electronic means, or sent by first class mail, postage prepaid and addressed as follows:

COUNTY:
Chief William Lynch
County Fire Chief
Kings County Fire Department/
Office of Emergency Management
280 Campus Drive
Hanford, CA 93230
Phone No.: (559) 852-2883
Fax No.: (559) 582-8261

With a Copy To:
County Administrative Officer
1400 W. Lacey Blvd.
Hanford, CA 93230

Phone No.: (559) 852-2378
Fax No.: (559) 582- 8261

SUBRECIPIENT:
Hanford Police Department
Chief of Police
Parker R. Sever
425 N. Irwin St.
Hanford, CA 93230
Phone No.: (559) 585-2540

Notice personally delivered is effective when delivered. Notice sent by electronic means is deemed to be received upon acknowledgement of receipt. Notice sent by first class mail shall be deemed received on the third (3rd) day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

15. CONFLICTS WITH LAWS OR REGULATIONS/SEVERABILITY. This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject matter, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the

Agreement to either party is lost, the Agreement may be terminated at the option of the affected party, and some or all of the grant money may need to be returned to the County. Such a termination will be treated as a termination for cause, as set forth herein. In all other cases, the remainder of the Agreement shall remain in full force and effect.

16. MODIFICATION. No part of this Agreement may be modified without the written consent of both Parties.

17. EXHIBITS AND RECITALS. The Recitals and the Exhibit to this Agreement are fully incorporated into and are integral parts of this Agreement.

18. GOVERNING LAW. This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The Parties agree that this contract is made in and shall be performed in Kings County, California, and that venue for any dispute arising from this Agreement shall be proper in Kings County, notwithstanding Code of Civil Procedure Section 394.

19. FURTHER ASSURANCES. Each Party will execute any additional documents and perform any further acts which may be reasonably required to effectuate the purposes of this Agreement.

20. NO THIRD-PARTY BENEFICIARIES. 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.

21. CONTINUING WAIVER. The failure of either Party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, notwithstanding the passage of time and whether for that breach or any subsequent breach. The acceptance by either Party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other Party.

22. INTERPRETATION. Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning, or intent of the provisions under the headings. This Agreement shall not be construed against the drafting party.

23. ORDER OF PRECEDENCE. In the event of any conflict or inconsistency between the Agreement and any Award Letter or other communication between the County and Sub-recipient, the terms of this Agreement shall prevail.

24. ASSIGNMENT. This Agreement is entered into by the County in reliance on the identity and representations made by Sub-recipient, and no part of this Agreement or this sub-award (including any equipment purchased with the sub-award) may be assigned, transferred, or sold by Sub-recipient without the prior written consent of the County, which the County may provide, delay, deny, or condition in its absolute discretion. Any FY 2022 SHSGP funds provided to Sub-recipient and not yet expended at the time of any attempted unauthorized assignment or transfer will be forfeited to the County at the time of attempted assignment or transfer. Furthermore, the voluntary or involuntary assignment of this Agreement to a receiver or trustee in bankruptcy, will constitute a material breach and will automatically terminate this Agreement without advance notice or opportunity to cure.

25. COMPLIANCE WITH LAWS. Sub-recipient shall comply with all applicable laws, ordinances, rules, and regulations and obtain and keep current all permits, licenses and/or approvals required by law to perform the activities or services, or to purchase any equipment, specified in this Agreement.

26. CONFLICT OF INTEREST. Sub-recipient agrees to comply with the law of the State of California regarding conflicts of interests and appearance of conflicts of interests, including, but not limited to Government Code Section 1090 et seq., and the Political Reform Act, Government Code Section 81000 et seq. and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. Sub-recipient further agrees that if any facts come to its attention which raise any questions as to the applicability of conflicts of interest laws, it will immediately inform the County designated representative and provide all information needed for resolution of this question.

27. EXECUTION & ELECTRONIC COPIES. The Parties may sign this Agreement in counterparts, each of which is an original and all of which, taken together, form a single document. This Agreement may be executed electronically, and an electronic copy or other facsimile of this Agreement shall be treated as an original.

28. CERTIFICATION AND ACKNOWLEDGEMENT: The undersigned represents that he/she is authorized to enter into this Agreement for and on behalf of the Sub-recipient. As the duly authorized representative of the Sub-recipient, the undersigned hereby certifies that the Sub-recipient has the legal authority to apply for County, State, and Federal assistance and the institutional, managerial and financial capability, including funds sufficient to pay any non-Federal share of project cost, to ensure proper planning, management and completion of the project described in the FY 2022 SHSGP application, within the prescribed timelines.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year signed by the last Party below.

SUBRECIPIENT

By: ______________________________
[Title]

Date: ______________________________

ATTEST:

By: ______________________________

Approved as to form:

By: ______________________________

COUNTY OF Kings

By: ______________________________
Richard Valle, Chairman,
Board of Supervisors

Date: ______________________________

ATTEST:

Clerk of the Board of Supervisors

By: ______________________________
Catherine Venturella

Approved as to form:
Diane Freeman, County Counsel

By: ______________________________

Attachment(s): Exhibit A, CalOES Standard Assurances for FY 2022

EXHIBIT A

Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

Standard Assurances
For Cal OES Federal Non-Disaster Grant Programs

As the duly authorized representative of the Applicant, I hereby certify that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial, and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

The requirements outlined in these assurances apply to Applicant and any of its subrecipients.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

(a) Applicable Federal Regulations (see below);
(b) Federal Program Notice of Funding Opportunity (NOFO);
(c) Federal Preparedness Grants Manual;
(d) California Supplement to the NOFO; and
(e) Federal and State Grant Program Guidelines.

Federal Regulations
Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the Office of Management and Budget (OMB) and can be found at http://www.whitehouse.gov/omb/.

State and federal grant award requirements are set forth below. The Applicant hereby agrees to comply with the following:

1. **Proof of Authority**
The Applicant will obtain proof of authority from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:
   (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required;
   (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body;
   (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body;

Initials

(d) The Applicant is authorized by the city council, governing board, or authorized body to apply for federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project cost, if any) to ensure proper planning, management and completion of the project described in this application; and
(e) Official executing this agreement is authorized by the Applicant.

This Proof of Authority must be maintained on file and readily available upon request.

2. **Period of Performance**
The period of performance is specified in the Award. The Applicant is only authorized to perform allowable activities approved under the award, within the period of performance.

3. **Lobbying and Political Activities**
As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

(a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
(b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
(c) The Applicant shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Initials ______

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501- 1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. **Debarment and Suspension**
As required by Executive Orders 12549 and 12689, and 2 C.F.R. § 200.214 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its subrecipients:

    (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
    (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
    (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. **Non-Discrimination and Equal Employment Opportunity**
The Applicant will comply with all state and federal statutes relating to non-discrimination, including:

Initials

Standard Assurances
For Cal OES Federal Non-Disaster Grant Programs

(a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
(b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
(c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
(d) Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. §§ 12101- 12213), which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs;
(e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
(f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
(g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)— be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);
(h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over $10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
(i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
(j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;

Initials ________

(k) DHS policy to ensure the equal treatment of faith-based organizations, under which the Applicant must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;

(l) The Applicant will comply with California's Fair Employment and Housing Act (FEHA) (California Government Code §§12940, 12945, 12945.2), as applicable. FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave, military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions;

(m) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and

(n) The requirements of any other nondiscrimination statute(s) that may apply to this application.

6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.),the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards

The Applicant will comply with state and federal environmental standards, including:

(a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000-21177), to include coordination with the city or county planning agency;

(b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000-15387);

(c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;

(d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;

Initials

(e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
(f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
(g) Executive Order 11514 which sets forth national environmental standards;
(h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
(i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
(j) The Endangered Species Act of 1973, (P.L. 93-205);
(k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
(l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
(m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.

Initials ________

8. **Audits**
For subrecipients expending $750,000 or more in federal grant funds annually, the Applicant will perform the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. **Cooperation and Access to Records**
The Applicant must cooperate with any compliance reviews or investigations conducted by DHS. In accordance with 2 C.F.R. § 200.337, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. **Conflict of Interest**
The Applicant will establish safeguards to prohibit the Applicant's employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. **Financial Management**
<u>False Claims for Payment</u> - The Applicant will comply with 31 U.S.C §§ 3729-3733 which provides that Applicant shall not submit a false claim for payment, reimbursement, or advance.

12. **Reporting - Accountability**
The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), including but not limited to (a) the reporting of subawards obligating $30,000 or more in federal funds, and (b) executive compensation data for first-tier subawards as set forth in 2 C.F.R. Part 170, Appendix A. The Applicant also agrees to comply with the requirements set forth in the government-wide financial assistance award term regarding the System for Award Management and Universal Identifier Requirements located at 2 C.F.R. Part 25, Appendix A.

13. **Whistleblower Protections**
The Applicant must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.

Initials ______

14. Human Trafficking
The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits the Applicant or its subrecipients from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

15. Labor Standards
The Applicant will comply with the following federal labor standards:

(a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and
(b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

16. Worker's Compensation
The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

17. Property-Related
If applicable to the type of project funded by this federal award, the Applicant will:

(a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
(b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires federal award subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more;

Initials

(c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. § 469a-1 et seq.); and
(d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

18. Certifications Applicable Only to Federally-Funded Construction Projects
For all construction projects, the Applicant will:

(a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
(b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
(c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

19. Use of Cellular Device While Driving is Prohibited
The Applicant is required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.

Initials ________

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20. California Public Records Act and Freedom of Information Act
The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

HOMELAND SECURITY GRANT PROGRAM (HSGP) – PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

21. Acknowledgment of Federal Funding from DHS
The Applicant must acknowledge its use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

22. Activities Conducted Abroad
The Applicant must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

23. Best Practices for Collection and Use of Personally Identifiable Information (PII)
DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. If the Applicant collects PII, the Applicant is required to have a publicly-available privacy policy that describes standards on the usage and maintenance of PII they collect. The Applicant may refer to the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template as a useful resource.

24. Copyright
The Applicant must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.

Initials

25. Duplication of Benefits

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude the Applicant from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

26. Energy Policy and Conservation Act

The Applicant must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

27. Federal Debt Status

The Applicant is required to be non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

28. Fly America Act of 1974

The Applicant must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

29. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, the Applicant must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

Initials

30. Non-supplanting Requirement
If the Applicant receives federal financial assistance awards made under programs that prohibit supplanting by law, the Applicant must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non- federal sources.

31. Patents and Intellectual Property Rights
Unless otherwise provided by law, the Applicant is subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. The Applicant is subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

32. SAFECOM
If the Applicant receives federal financial assistance awards made under programs that provide emergency communication equipment and its related activities, the Applicant must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

33. Terrorist Financing
The Applicant must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. The Applicant is legally responsible for ensuring compliance with the Order and laws.

34. Reporting of Matters Related to Recipient Integrity and Performance
If the total value of the Applicant's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds $10,000,000 for any period of time during the period of performance of this federal financial assistance award, the Applicant must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.

Initials

35. USA Patriot Act of 2001

The Applicant must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

36. Use of DHS Seal, Logo, and Flags

The Applicant must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

37. Performance Goals

In addition to the Biannual Strategy Implementation Report submission requirements outlined in the Preparedness Grants Manual, the Applicant must demonstrate how the grant-funded project addresses the core capability gap associated with each project and identified in the Threat and Hazard Identification and Risk Analysis or Stakeholder Preparedness Review or sustains existing capabilities, as applicable. The capability gap reduction or capability sustainment must be addressed in the Project Description of the BSIR for each project.

38. Applicability of DHS Standard Terms and Conditions to Tribes

The DHS Standard Terms and Conditions are a restatement of general requirements imposed upon the Applicant and flow down to any of its subrecipients as a matter of law, regulation, or executive order. If the requirement does not apply to Indian tribes or there is a federal law or regulation exempting its application to Indian tribes, then the acceptance by Tribes of, or acquiescence to, DHS Standard Terms and Conditions does not change or alter its inapplicability to an Indian tribe. The execution of grant documents is not intended to change, alter, amend, or impose additional liability or responsibility upon the Tribe where it does not already exist.

39. Required Use of American Iron, Steel, Manufactured Products, and Construction Materials

The Applicant must comply with the "Build America, Buy America" Act (BABAA), enacted as part of the Infrastructure Investment and Jobs Act and Executive Order 14005. Applicants receiving a federal award subject to BABAA requirements may not use federal financial assistance funds for infrastructure projects unless:

Initials

(a) All iron and steel used in the project are produced in the United States – this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

(b) All manufactured products used in the project are produced in the United States – this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and

(c) All construction materials are manufactured in the United States – this means that all manufacturing processes for the construction material occurred in the United States.

The "Buy America" preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. It does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

Per section 70914(c) of BABAA, FEMA may waive the application of a Buy America preference under an infrastructure program in certain cases.

On July 1, 2022, OMB approved FEMA's General Applicability Public Interest Waiver of the BABAA requirements to be effective for a period of six months, through January 1, 2023. Applicants will not be required to follow the BABAA requirements for FEMA awards made, and any other funding FEMA obligates, during this waiver period. For any new awards FEMA makes after January 1, 2023, as well as new funding FEMA obligates to existing awards or through renewal awards where the new funding is obligated after January 1, 2023, Applicants will be required to follow the BABAA requirements unless another waiver is requested and approved.

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IMPORTANT
The purpose of these assurances is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in these assurances. These assurances are binding on Applicant, its successors, transferees, assignees, etc. as well as any of its subrecipients. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the Applicant may be ineligible for award of any future grants if Cal OES determines that the Applicant: (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. Applicants are bound by the Department of Homeland Security Standard Terms and Conditions 2022, Version 3, hereby incorporated by reference, which can be found at: https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions.

The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.

Applicant: HANFORD POLICE DEPARTMENT

Signature of Authorized Agent:

Printed Name of Authorized Agent: PARKER SEVER

Title: CHIEF OF POLICE Date: 10/13/23

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AGENDA
STAFF REPORT

MEETING DATE: 11/7/2023	AGENDA SECTION: GENERAL BUSINESS

SUBJECT:
Presentation from Lechowicz & Tseng Municipal Consultants on the Rate Study for water, wastewater and storm drain rates and Council direction to staff and consultants to commence with the Proposition 218 process and set the Hearing Date & Time for January 16, 2024 at 7pm for the proposed rate increases.

RECOMMENDATION:

Recommendation: That City Council receive a presentation from Lechowicz & Tseng Municipal Consultants on the Rate Study for water, wastewater and storm drain rates and provide direction to staff and consultants to begin the Proposition 218 process and set the date of the required public hearing for January 16, 2024.

Recommended Motion: Authorize staff and consultants to begin the Proposition 218 process.

BACKGROUND:

Utility operations in water, sewer and storm drain are self-supporting enterprise funds that provide services for a fee. Charges for service through rates are the primary source of funding for operations and also fund a significant portion of the capital improvement program which includes the debt service (principal and interest) for bonds issued to fund these projects. Developer fees are the other funding source for capital projects. However, impact fees paid by developers are legally limited to addressing the impacts caused by the impacts of the developers' projects. For example, a project's impact fees may not be utilized to address normal wear and tear to infrastructure improvements that are not caused by that project.

It has been five years since water rate adjustments. The last water rate increase was July 1, 2018 (adopted in Resolution No. 15-60-R on December 15, 2015). The last sewer/storm rate increase was July 1, 2011 (adopted in Resolution No. 09-77-R on November 17, 2009) over twelve years ago. Without updating rates the City will not have long term sustainability.

City Council has the authority to approve rate changes when necessary to ensure the continued recovery of costs for services and to secure reinvestment into the system infrastructure for long term sustainability.

Proposition 218 (Prop 218), approved in 1996, adds Article XIII D (Voter Approval for Local Tax Levies) to the California Constitution. All property-related fees, such as water, wastewater and storm drain fees and charges, must meet Prop 218's requirements. It applies to most utility charges and fees; however, electric and gas utility charges were specifically exempted from the definition of property-related charges in the statute. The City is required to provide notice of proposed increases to the sewer, water and refuse collection service fees and charges to all affected ratepayers and record receipt of all written protests during a public hearing. Prop 218 prohibits increases to fees and charges if a majority of the affected ratepayers submit written opposition to proposed increases. Per Government Code Sections 53750 and 53751, the California Legislature has determined that, for purposes of Proposition 218, "sewer" includes sanitary sewer and storm water collection and disposal systems. As a result, increases to storm water fees are subject to Proposition 218's "majority protest" rules and do not require voter approval. Any new rates (if warranted) are recommended to be in place by February 1, 2024.

The City's utilities are faced with many current and future challenges including aging infrastructure, preserving groundwater supply, adapting to changing water and wastewater quality regulations, and increased operational and capital costs. A growing proportion of Hanford's utility infrastructure is aging beyond its expected useful life. For example, the expected useful life of water distribution pipeline is 40 years. Hanford's operational costs are not immune to the impacts of inflation, which increase construction and equipment costs as well. In addition, adequate fund balance must be maintained to maintain applicable bond requirements and sustain operations in event of a fiscal emergency.

The consultant Lechowicz & Tseng and staff provided Council with a preliminary look at the needs of the water and sewer enterprises at the September 19, 2023 City Council Meeting. After receiving Council direction at the September 19, 2023 City Council Meeting, staff and the consultant reviewed and modified the study, addressed issues raised by Council and the City Attorney and are providing Council with an updated version of the study that establishes the rates to be proposed as part of the Proposition 218 process.

FISCAL IMPACT:

Based on Council direction today, staff and the consultant could begin the Proposition 218 process including public notices of a rate change effective as of February 2024.

The proposed five-year water utility rate plan will fund future operating and capital costs, maintain reserve levels and financial metrics that comply with approved fiscal and reserve policies, and maintain current bond ratings to keep current and potential borrowing costs for capital investments low.

ATTACHMENTS:

1. Rate Report Final 11.1.23
2. Prop 218 Notice L&T DRAFT 11.7.23


CITY OF HANFORD

Water, Wastewater, and Stormwater Utility Rate Study 2023

DRAFT REPORT
November 2023

LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

909 Marina Village Parkway #135
Alameda, CA 94501
(510) 545-3182
www.LTmuniconsultants.com

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

SECTION 1: INTRODUCTION

1.1 Background

The City of Hanford (City) is located in the southern portion of the San Joaquin Valley and is the county seat of Kings County, California. The City was incorporated in 1891. The City provides water, wastewater, and storm drainage service to a population of over 56,000 residents in addition to businesses and industrial facilities. The water, wastewater, and storm drainage enterprise funds are self-supported from rates and charges and fund the operations and capital project budgets of the Utilities and Wastewater branches of the Public Works Department.

The City Council approved the last formal rate studies in 2015 for the water utility and 2009 for the wastewater and storm drainage utilities. Water rates were last increased July 1, 2018, and wastewater and storm drainage rates were last increased July 1, 2011. Since then, the City has experienced a number of unanticipated changes necessitating a rate reevaluation including COVID-19, economic inflation, and water supply issues as well as the development of new Master Plans for all three utilities.

The City engaged Lechowicz & Tseng Municipal Consultants (L&T) to complete a comprehensive water, wastewater (sewer), and storm drainage (storm) rate study to recommend utility rates that will generate sufficient revenues to recover the full cost of services and ensure the continued financial health of the City's enterprise funds. This rate study covers the five-year period beginning in Fiscal Year (FY) 2023/24 through 2027/28.

1.2 Requirements of Proposition 218

The implementation of utility rates in California is governed by the substantive and procedural requirements of Proposition 218 the "Right to Vote on Taxes Act" which is codified as Articles XIIIC and XIIID of the California Constitution. The City must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. **Noticing Requirement** – The City must mail a notice of the proposed rate increases to all affected property owners or ratepayers. The notice must specify the amount of the fee, the basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.

2. **Public Hearing** – The City must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.

3. **Rate Increases Subject to Majority Protest** – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to water, wastewater, and storm rates and charges, including:

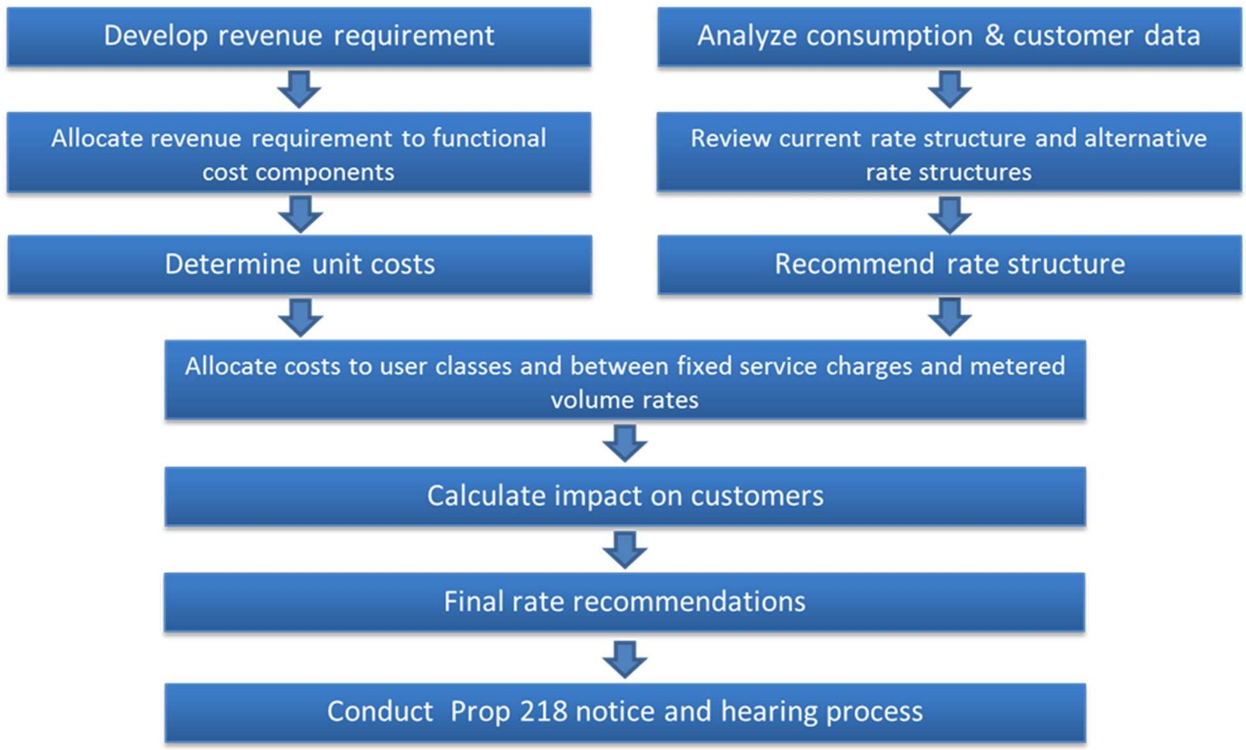
1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the "cost of service".
2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** – The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services** – No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for water, wastewater, and storm service are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218. In 2017, the State passed Senate Bill 231 clarifying the definition of "sewer" in Proposition 218 to include both sanitary and storm sewer, and thereby exempting storm drain rates from the additional ballot requirement.

1.3 Rate Study Process

This section details the development of the City's water, wastewater, and storm rates via the Proposition 218 process as shown in the following figure.

Figure 1: Comprehensive Cost of Service Study Process



The following is a brief description of the rate study process:

- **Revenue Requirements** - Revenue requirements are analyzed via financial plans developed from the Water, Wastewater, and Storm Drain Fund budgets. Based on the best information currently available, the financial plans incorporate projected operation and maintenance costs, capital expenditures, debt service, and growth to estimate annual revenue requirements. The plans serve as a roadmap for funding the City's future operating and capital programs while maintaining long-term fiscal stability.

- **Cost of Service Allocation** - The cost of service process builds on the financial plan analysis and assigns water and sewer system costs to functional cost components: *metering and customer service*, *base,* and *extra* for water, and *customer service*, *flow*, *BOD,* and *SS* for sewer. Storm drain service costs are allocated to customers based on parcel size and impervious (paved) area.[1]

[1] Single family residential (SFR) parcels are proposed to be charged based on average SFR parcel size within the City

- **Rate Design** - Rate design involves developing a rate structure that proportionately recovers costs from customers. Final rate recommendations are designed to (a) fund the utilities' short- and long-term costs of providing service; (b) proportionately allocate costs to all customers and customer classes; and (c) comply with the substantive requirements of Proposition 218.

1.4 Summary of Proposed Rates

The proposed water, wastewater, and storm drain rates were developed to fairly recover costs, adhere to California statute, and be affordable to customers. The rates developed were based on the best available information gathered from City budgets, audits, and input from staff and City Council. The cost allocations proposed herein are based on American Water Works Association methodologies and industry standard practice. The proposed rates are based on the reasonable cost of providing service and are proportional to the benefits received by each customer.

Current and proposed monthly water rates are provided in Table 1. As an update to the current rates, it is proposed that customers be billed the same rates regardless of whether their property is inside the City limits. The projected water rates also include a schedule of drought rates, which would only be implemented during a water shortage emergency.

Table 1: Proposed Monthly Water Rates
City of Hanford
Utility Rate Study

Fiscal Year	Current Rates [1]	PROPOSED FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Effective Date	*July 1, 2018*	*Feb 1, 2024*	*July 1, 2024*	*July 1, 2025*	*July 1, 2026*	*July 1, 2027*
METER CHARGES						
5/8", 3/4", & 1"	$15.41	$17.42	$19.85	$21.64	$22.52	$23.44
1-1/2" & 2"	$21.88	$31.89	$36.34	$39.62	$41.23	$42.91
3" & 4"	$34.83	$95.56	$108.90	$118.73	$123.55	$128.58
6"	$54.26	$292.35	$333.16	$363.26	$378.01	$393.37
8"	$80.17	$465.99	$531.04	$579.02	$602.53	$627.01
CONSUMPTION CHARGES ($/CCF)						
All Customers	$1.34	$1.94	$2.24	$2.44	$2.54	$2.64
DROUGHT CONSUMPTION CHARGES ($/CCF) [2]						
10% Water Cutback		$2.10	$2.42	$2.64	$2.75	$2.86
20% Water Cutback		$2.30	$2.65	$2.89	$3.01	$3.13
35% Water Cutback		$2.72	$3.13	$3.41	$3.55	$3.69
50% Water Cutback		$3.38	$3.89	$4.24	$4.41	$4.59

CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons
1 - Current rates shown are for Inside City customers. Inside & Outside City customers are proposed to be billed the same rates going forward. Current meter charges shown are the sum of the service connection charge and the meter fee.
2 - Only to be implemented temporarily during water shortage emergencies.

Current and proposed monthly wastewater rates are provided in Table 2. The proposed monthly storm rates are provided in Table 3. Currently, wastewater and stormwater rates are billed together as a single charge. Of the existing wastewater system charges adopted in the City's Resolution No. 09-77-R, 78.0% of the service charges for each customer are allocated to the wastewater system, and the remaining 22.0% are allocated to the stormwater system. It is recommended that the City levy storm drain charges based on land use type and parcel size to better reflect the proportional cost of service provided to each customers. Single family residential customers are proposed to be billed a fixed fee based on the average parcel size while all other customer types will be charged an individual rate based on their parcel's acreage. Parcels with indeterminate acreage will be billed a minimum charge according to their customer class.

Table 2: Proposed Wastewater Rates
City of Hanford
Utility Rate Study

Customer Class	Current Rates	PROPOSED				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Effective Date	*July 1, 2011*	*Feb 1, 2024*	*July 1, 2024*	*July 1, 2025*	*July 1, 2026*	*July 1, 2027*
RESIDENTIAL (Per dwelling unit)						
Single Family	$17.86	$24.67	$27.63	$30.95	$32.50	$34.13
Multi-Family/Duplex	$16.93	$18.51	$20.73	$23.22	$24.38	$25.60
NON-RESIDENTIAL						
Metered Water ($/CCF) [1]						
Group A: Domestic	$1.54	$3.08	$3.45	$3.86	$4.05	$4.25
Group B: Low Strength	$1.44	$2.81	$3.15	$3.53	$3.71	$3.90
Group C: Medium Strength	$2.15	$3.95	$4.42	$4.95	$5.20	$5.46
Group D: High Strength	$2.88	$5.34	$5.98	$6.70	$7.04	$7.39
Schools (per student ADA) [2]	$0.51	$0.74	$0.83	$0.93	$0.98	$1.03
Septage (per 1,000 gallons)	$26.19	$35.03	$39.23	$43.94	$46.14	$48.45
Industrial						
Flow (per mg)	$1,561.56	$2,497.17	$2,796.83	$3,132.45	$3,289.07	$3,453.52
BOD (per lb)	$0.173	$0.557	$0.623	$0.698	$0.733	$0.770
SS (per lb)	$0.167	$0.558	$0.625	$0.700	$0.735	$0.772

CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons; Mg – million gallons; BOD – biological oxygen demand; SS – suspended solids

1 - Per hundred cubic feet (ccf)

2 - ADA - average daily attendance

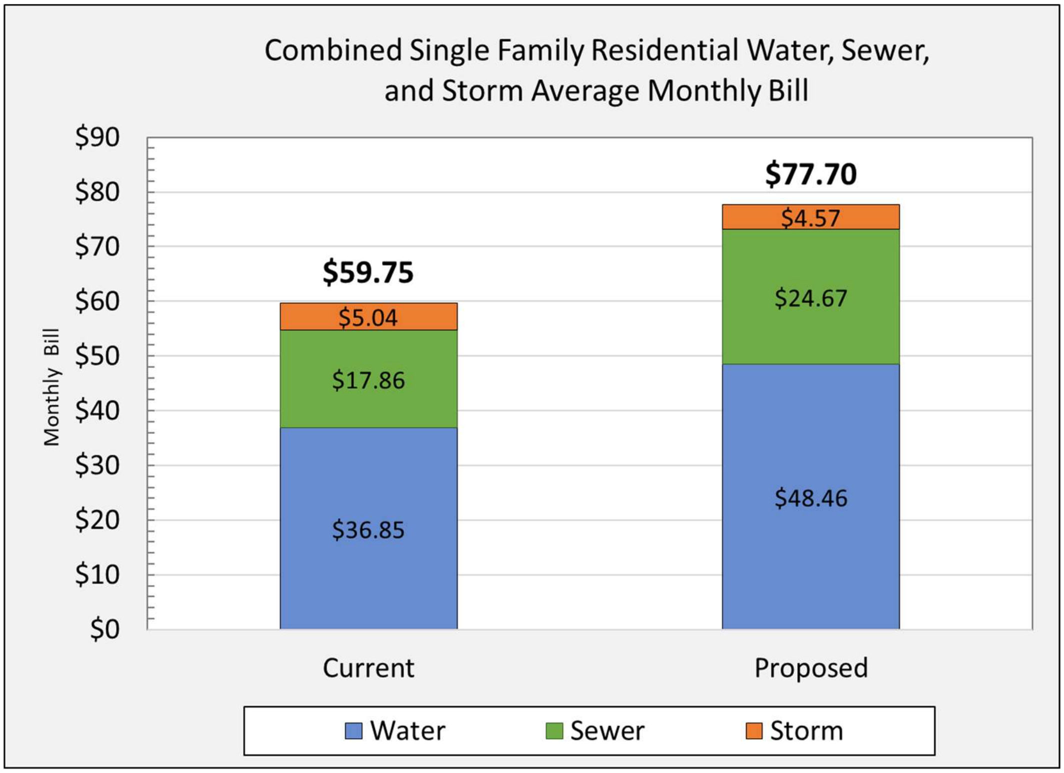
Table 3: Proposed Monthly Storm Drainage Fees
City of Hanford
Utility Rate Study

	Current Rates	PROPOSED				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Effective Date	*July 1, 2011*	*Feb 1, 2024*	*July 1, 2024*	*July 1, 2025*	*July 1, 2026*	*July 1, 2027*
SINGLE FAMILY RESIDENTIAL (per account)	$5.04	$4.57	$4.79	$5.03	$5.29	$5.55
ALL OTHER CUSTOMERS (per acre)						
Business		$43.25	$45.42	$47.69	$50.07	$52.57
Industrial		$38.45	$40.37	$42.39	$44.51	$46.73
Low Density		$4.81	$5.05	$5.30	$5.56	$5.84
Multi-Family		$28.84	$30.28	$31.79	$33.38	$35.05
Public Agency		$43.25	$45.42	$47.69	$50.07	$52.57
Schools		$7.21	$7.57	$7.95	$8.35	$8.76
BASE CHARGE (per account) [1]						
Business		$8.65	$9.08	$9.54	$10.01	$10.51
Industrial		$7.69	$8.07	$8.48	$8.90	$9.35
Low Density		$0.96	$1.01	$1.06	$1.11	$1.17
Multi-Family		$5.77	$6.06	$6.36	$6.68	$7.01
Public Agency		$8.65	$9.08	$9.54	$10.01	$10.51
Schools		$1.44	$1.51	$1.59	$1.67	$1.75

1 - Charge for storm drain accounts that the City does not currently have parcel size for

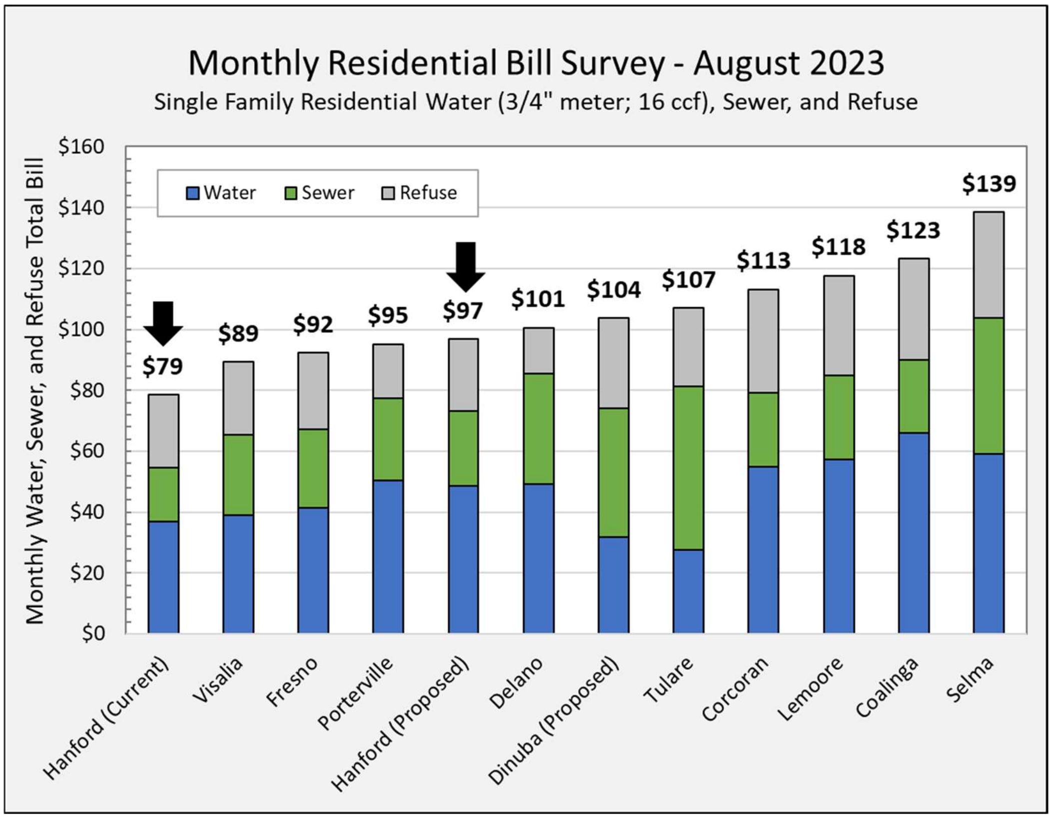
For all three utilities, the first rate change is proposed to go into effect February 1, 2024 with subsequent rate effective each July 1 beginning in 2024 through 2027. The typical monthly water use of a single family customer is 16 ccf per month. Based on these parameters, the City's current total combined water, wastewater, and storm drain bill for a typical single family home with a 5/8" meter is $59.75 per month. After the proposed increase, the typical combined residential bill would increase to $77.70 per month on February 1, 2024, an increase of about 30%, see Figure 2.

Figure 2: Single Family Residential Monthly Water, Sewer, and Storm Average Bill



It should be noted that each customer's monthly utility bill also includes service charges for other utility services including refuse and street sweeping. The charges for other utility services are not evaluated as part of this study. A survey was conducted comparing the combined monthly utility bill for City of Hanford residents with those of other local cities. Because not all cities charge monthly rates for storm drainage and street sweeping services, only water, wastewater, and refuse charges were included in the comparison, see Figure 3. The City's current and proposed combined monthly bills fall within the lower to mid-range of those charged by surrounding cities.

Figure 3: Single Family Residential Monthly Water, Sewer, and Refuse Bill Survey



SECTION 2: CURRENT RATES AND CUSTOMER BASE

This section provides an overview of the City of Hanford's current water, wastewater, and storm drainage rates, customer base, water usage statistics, and current rate revenues.

2.1 Current Water Rates

The City bills customers for water service on a monthly basis. The last water rate study was conducted in 2015 which provided a schedule of water rate increases through 2018. A schedule of current monthly water rates that went into effect on July 1, 2018 is provided in Table 4. Current rates vary based on whether each customer is located inside or outside the City limits. There is a 10% surcharge for customers outside the City limits. Prior to the last water rate study, some City customers were unmetered and billed according to a schedule of flat rates for water service. Since then, all customers have been transitioned to metered service. Thus, the City's existing schedule of water rates for flat rate connections is not evaluated as part of this study. The City's current water rate structure for metered service connections includes three components: (1) a Connection Charge, (2) a Meter Size Charge, and (3) a Water Consumption Charge.

2.1.1 Connection Charge

All customers are charged a connection charge which is standard across all customer classes and meter sizes. The connection charge is charged independent of water consumption.

2.1.2 Meter Size Charge

All customers are charged a meter size charge based on their meter size which is levied regardless of water consumption and recognizes that even when a customer does not use any water, the City incurs fixed costs associated with maintaining the ability or readiness to serve each connection. Together with the connection charge, the meter size charge makes up the fixed portion of each customer's monthly bill.

2.1.3 Water Consumption Charge

In addition to the fixed charges, all customers pay a water consumption charge per hundred feet (ccf) of water consumption. One ccf is equal to 748 gallons of water. The charges for all customers are the same regardless of customer class.

2.1.4 Private Fire Protection Service

The City also levies a flat charge to three customers that have a separate meter for fire sprinklers. The private fire protection service charges are not evaluated as part of this study.

Table 4: Current Monthly Water Rates
City of Hanford
Utility Study

Connection Charge	Inside City Limits	Outside City Limits
All Service Connections	$2.46	$2.71
Meter Size Charge		
5/8", 3/4", & 1" meter	$12.95	$14.25
1-1/2" & 2" meter	$19.42	$21.36
3" & 4" meter	$32.37	$35.61
6" meter	$51.80	$56.98
8" meter	$77.71	$85.48
Water Consumption Charge (per ccf)		
Rate per ccf	$1.34	$1.47

CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons
Note: Private fire protection service charges are not included in the table

2.2 Water Customer Base and Current Water Sales Revenues

Table 5 includes a summary of the number of water accounts by meter size based on the City's billing data as well as estimated water usage and service charge revenues for FY 2022/23. The City provides service to over 18,300 accounts of which approximately 450 are outside current City limits. The majority of customers have 5/8", 3/4", or 1" meters, representing about 94.0% of total meters.

The City collected approximately $9.3 million in total water rate revenues in FY2022/23. About 38.0% of revenues were collected from fixed charges including the connection charge, meter size charge, and private fire protection charges. The meter charges shown in Table 5 include the Connection Charge that has added on to the Meter Size Charge for each meter size. The remaining 62.0% of revenues were collected from Water Consumption Charges. Total annual water consumption in FY2022/23 was estimated at 4.3 million ccf, a decrease of about 8.0% from the previous two years.

Based on City billing records, the current average single family monthly residential water use is 16 ccf per month. Based on a typical home with a 5/8", 3/4", or 1" meter and 16 ccf of water use, the average water bill is currently $36.85 per month.

Table 5: Estimated Water Service Sales Revenues from Billing Data, FY 2022/23
City of Hanford
Utility Rate Study

FY 2022/2023 (ESTIMATED)				
METER CHARGE				
Inside City Accounts	**Meter Charge**	**No. of Accts**	**Fixed Revenue**	**% of Total**
5/8", 3/4", & 1"	$15.41	16,861	$3,117,936	33.5%
1-1/2" & 2"	$21.88	862	$226,327	2.4%
3" & 4"	$34.83	114	$47,647	0.5%
6"	$54.26	12	$7,813	0.1%
8"	$80.17	3	$2,886	0.0%
Outside City Accounts				
5/8", 3/4", & 1"	$16.96	428	$87,107	0.9%
1-1/2" & 2"	$24.07	20	$5,777	0.1%
3" & 4"	$38.32	1	$460	0.0%
6"	$59.69	2	$1,433	0.0%
8"	$88.19	2	$2,117	0.0%
Private Fire Service				
4"	$46.62	1	$559	0.0%
6"	$69.93	2	$1,678	0.0%
Subtotal Fixed Revenue		18,308	$3,501,740	37.6%
USAGE CHARGE				
All Usage	**Usage Charge**	**Usage (ccf)**	**Usage Charge Revenue**	**% of Total**
Inside City	$1.34	4,195,771	$5,622,334	60.4%
Outside City	$1.47	129,074	$189,739	2.0%
Subtotal Consumption Revenue		4,324,846	$5,812,073	62.4%
Total Water Sales Revenue			**$9,313,813**	**100.0%**

CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons

2.3 Current Wastewater Rates

The City's last wastewater rate study was conducted in 2009 which determined a schedule of rates through 2011. A schedule of current monthly wastewater rates that went into effect on July 1, 2011 is provided in Table 6. The City's current rate structure varies based on customer class.

2.3.1 Residential Customers

Residential customers pay a flat monthly charge on a per dwelling unit basis. Single family residential customers pay $17.86 per month, and multi-family customers pay $16.93 per dwelling unit. A triplex is charged for three dwelling units, as an example. The charge per dwelling unit is lower for multi-family customers than single-family customers, reflecting lower average winter water use and estimated sewer flows.

2.3.2 Commercial Customers

Commercial customers pay a volume rate per ccf based on metered monthly water use. There are four subcategories of commercial wastewater customers grouped according to strength of wastewater flow. Customers with higher strength wastewater flow such as restaurants are billed a higher rate per ccf. Because sewer flow is not typically metered, water consumption is used as an approximation for sewer flow. It is assumed that any outdoor irrigation water use that does not flow into the sewer is separately metered through an irrigation-only connection that is not billed for sewer service.

2.3.3 Schools

Schools are billed annually based on average daily attendance (ADA) per month during the 9 months when schools are in session.

2.3.4 Septage

The City's septage hauler customers are billed per thousand gallons according to metered flow.

2.3.5 Industrial Customers

The City's industrial customers are charged according to actual metered wastewater discharge (flow and pollutant loading) as well as fees for excessive discharge.

Table 6: Current Wastewater Rates
City of Hanford
Utility Rate Study

RESIDENTIAL		
Single family residences	$17.86	/month
Duplex, multi-family dwelling per dwelling unit	$16.93	/month
NON- RESIDENTIAL		
Metered water		
(a) Mobile home parks, motels, public buildings, hospitals, nursing homes, churches, fraternal lodges, service stations and automotive centers	$1.54	/ccf [1]
(b) Car washes, laundromats, retail, commercial and professional establishments	$1.44	/ccf
(c) Mixed use commercial centers including food services with single water service	$2.15	/ccf
(d) Restaurants, supermarkets, grocery stores, mortuaries	$2.88	/ccf
Schools	$0.51	/student/mo ADA [2]
Septage	$26.19	/1000 gallons
INDUSTRIAL		
Flow	$1,561.56	/million gal.
BOD (Biological Oxygen Demand)	$0.17	per lb.
SS (Suspended Solids)	$0.17	per lb.

1 - CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons
2 - ADA – average daily attendance

2.4 Wastewater Customer Base and Current Revenues

The City's wastewater utility provides service to over 17,300 single family, multi family, commercial, industrial, and school accounts within the City. The majority of accounts are for single family residential customers, representing about 92.0% of total account holders.

Table 7 includes an estimate of total wastewater rate revenues collected in FY2022/23 based on the City's billing data as well as the number of billing units in each customer class. It is estimated that the City collected approximately $5.39 million in total wastewater rate revenues in FY2022/23. About 81.0% of revenues were collected from the flat charges billed to single and multi-family residential customers. Industrial revenues account for over 4.0% of total while commercial revenues represent approximately 13.0%. The remainder of revenues are comprised of school and septage revenues.

Table 7: Estimated Wastewater Service Charge Revenues from Billing Data, FY 2022/23
City of Hanford
Utility Rate Study

FY 2022/2023 (ESTIMATED)				
FIXED CHARGES				
Residential Customers	**Monthly Fixed Charge**	**No. of Units**	**Estimated Fixed Revenue**	**% of Total**
Single Family Residential	$17.86	15,872	$3,401,687	64.3%
Multi-Family Residential per unit	$16.93	4,345	$882,730	16.7%
Subtotal Residential			$4,284,417	81.0%
VOLUME RATES				
Industrial Customers	**Usage Charge ($/million gal or $/lb.)**	**Units**	**Estimated Revenue**	**% of Total**
Flow (million gallons)	$1,561.0	145.16	$226,595	4.3%
BOD (lbs)	$0.173	33,269	$5,761	0.1%
SS (lbs)	$0.167	27,119	$4,527	0.1%
Subtotal Industrial			$236,883	4.5%
Commercial Customers	**Usage Charge ($/ccf)**	**Billed Flow**	**Estimated Revenue**	**% of Total**
Group A: Domestic	$1.54	129,553	$199,512	3.8%
Group B: Low Strength	$1.44	168,658	$242,868	4.6%
Group C: Medium Strength	$2.15	12,939	$27,819	0.5%
Group D: High Strength	$2.89	79,588	$230,009	4.3%
Subtotal Commercial		390,738	$700,207	13.2%
Schools	**Charge per student (ADA)**	**# of students**	**Estimated Revenue**	**% of Total**
	$0.51		$48,539	0.9%
Subtotal Schools			$48,539	0.9%
Septage	**Usage Charge ($/1000 gal)**	**Billed Flow (1,000 gal)**	**Estimated Revenue**	**% of Total**
	$26.19	765	$20,038	0.4%
Subtotal Septage			$20,038	0.4%
TOTAL WASTEWATER SERVICE REVENUES			**$5,290,084**	100.0%

CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons

2.5 Current Storm Drainage Rates and Revenues

Of the existing wastewater system charges adopted in the City's Resolution No. 09-77-R, 78.0% of the service charges for each customer are allocated to the wastewater system as shown in Table 6, and the remaining 22.0% are allocated to the storm drain system. Thus, the rate structure for the storm drain system is the same as the rate structure for the wastewater system. A schedule of current monthly storm drain rates that went into effect on July 1, 2011 is provided in Table 8. Residential customers are billed a flat charge per dwelling unit, commercial customers are billed a volume rate per ccf of metered water usage, schools are billed per student, septage users are billed per thousand gallons, and industrial customers are billed according to metered wastewater discharge.

Annual fee revenues collected in FY2022/23 were estimated at $1.45 million. About 65.0% of revenues were collected from single family residential customers. Multi-family residential customers generated 16.2% of revenues, businesses generated 10.5%, industrial customers generated 5.9%, and the remainder were collected from public agencies and schools.

Table 8: Current Storm Drainage Rates
City of Hanford
Utility Rate Study

RESIDENTIAL		
Single family residences	$5.04	/month
Duplex, multi-family dwelling per dwelling unit	$4.77	/month
NON- RESIDENTIAL		
Metered water		
(a) Mobile home parks, motels, public buildings, hospitals, nursing homes, churches, fraternal lodges, service stations and automotive centers	$0.43	/ccf [1]
(b) Car washes, laundromats, retail, commercial and professional establishments	$0.40	/ccf
(c) Mixed use commercial centers including food services with single water service	$0.61	/ccf
(d) Restaurants, supermarkets, grocery stores, mortuaries	$0.81	/ccf
Schools	$0.15	/student/mo ADA [2]
Septage	$7.39	/1000 gallons
INDUSTRIAL		
Flow	$440.44	/million gal.
BOD (Biological Oxygen Demand)	$0.0488	per lb.
SS (Suspended Solids)	$0.0471	per lb.

1 - CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons
2 - ADA = average daily attendance

SECTION 3: WATER REVENUE REQUIREMENT

Proposition 218 requires that utility rates be based on the reasonable cost of providing service to customers. The cost of service includes annual operating expenses, capital improvement projects, and the accumulation of appropriate reserves. This section summarizes the water utility's revenues and expenses to determine the total cost of service to be recovered via rates. The cost of service is expressed in a cash flow table that illustrates revenue increases needed to keep up with expenses and maintain the financial health of the enterprise.

3.1 Water System Overview

The City is responsible for providing safe, clean water through the operation of its water system consisting of over 220 miles of water mains, 12 water supply wells, and 3.5 million gallons of water storage. The City's sole water source is groundwater from within the San Joaquin Valley Groundwater Basin which is obtained from wells and chlorinated before distribution. One well also includes treatment facilities for the removal of arsenic.

There are over 18,000 active water accounts including City residents and a small number of residents in surrounding areas. On average over the past 3 years, the City has consumed between 4.5 million and 5 million ccf of water each year. Single family residential consumption comprises more than half of the City's total consumption at approximately 66.0% with the remaining 33.0% of use by multi-family residential, commercial, industrial, public agency, and school customers. Based on City billing records, the current average monthly single family residential water use is 16 ccf per month.

3.2 Water Reserves

The accumulation and maintenance of reasonable reserves is one factor to consider when determining the cost of service. Adequate fund reserves protect the City when faced with unforeseen financial challenges such as emergency expenses or revenue deficits. Fund reserves allow the City to maintain its financial health and positive credit ratings, especially during emergencies. Moreover, funding can be drawn from reserves to supplement rate revenues lost during drought conditions or other unexpected situations. The City can also choose to use reserves to smooth cash flows and mitigate impacts to ratepayers.

The City maintains two water reserve funds – 1) an operating fund reserve and 2) a capital reserve fund reserve. As of the beginning of FY 2023/24, the water utility had operations fund reserves of approximately $9.98 million and capital and reserve fund reserves of approximately $10.58 million. Total reserves are strong. The recommended reserve target is 50 percent of annual operating costs plus one year's total debt service payment.

3.3 Water Capital Improvement Plan

Table 9 provides the City's capital improvement plan (CIP) by year for the rate study period, totaling $43.7 million. Projects funded by impact fees or other non-rate sources are not included. Major projects include the replacement of water meters and aged water mains throughout the City.

Table 9: Water Capital Improvement Plan (rate funded)
City of Hanford
Utility Rate Study

Project Title	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	5-Year Total
Water Sys Security Upgrades	$605,740	-	-	-	-	$605,740
Utility Customer Payment Kiosks (2)	$27,000	$14,000	$14,000	$14,000	$14,000	$83,000
Industrial Park Water Storage	-	$3,879,800	-	-	-	$3,879,800
Tank 4 Chlorination	$66,070	-	-	-	-	$66,070
Repr Well 45 & 49	$86,060	-	-	-	-	$86,060
Lacey Blvd Widen Magna Carta to 13th	-	-	-	$500,000	-	$500,000
2910 Well Pump Rehab 42 & 38	$120,000	$120,000	-	-	-	$240,000
2910 Spare Motor 250	-	-	$60,000	-	-	$60,000
Water Distrib Main Ext Program	-	$480,000	-	-	-	$480,000
Water Main Repl Program	$700,000	-	$700,000	-	$700,000	$2,100,000
New Water Supply Well	$900,000	-	$900,000	-	$900,000	$2,700,000
2910 Meter Replacement	$5,000,000	$5,000,000	$5,000,000	-	-	$15,000,000
Unsch Main Exten/Repl-Water	$50,000	$50,000	$50,000	$50,000	$50,000	$250,000
2081 Fire Hydrants	$28,000	-	-	-	-	$28,000
1750 Pw Enclosed Warehouse	-	-	$200,000	-	-	$200,000
Lacey Widen/Recon/10th-Sierra	$366,020	$584,640	$223,870	-	-	$1,174,530
Meter Replacement Program	$857,830	$120,000	$120,000	$120,000	$120,000	$1,337,830
Automated Meter Zenner Eq Repair	$638,180	-	-	-	-	$638,180
Amr Replacement Program	$400,000	$400,000	$400,000	$400,000	$400,000	$2,000,000
Annual Repairs & Replacement	-	$500,000	$500,000	$500,000	$500,000	$2,000,000
Well 51 and Well 52	-	$4,240,000	-	-	-	$4,240,000
Well and Tank at Heroes Park	-	-	-	-	$6,000,000	$6,000,000
Total Water CIP	**$9,844,900**	**$15,388,440**	**$8,167,870**	**$1,584,000**	**$8,684,000**	**$43,669,210**

3.4 Water Cash Flow Projection

The water fund cash flow for the five-year period beginning in FY 2023/24 through FY 2027/28 is provided in Table 10. The cash flow is based on the City's *FY 2023/24 and 2024/25 Budget* and includes revenue increases such that the City covers operating and debt service costs, funds all proposed capital improvement projects, and maintains adequate reserves. Revenue increases over the course of the five-year period are proposed to be 35.0% in the first year followed by 15.0%, 10.0%, 5.0%, and 5.0%. It should be noted that this level of increase is applied to the City's total water rate revenues and does not necessarily reflect the level of increase for individual customers. Each customer's bill varies depending on meter size and water usage. The first rate increase is proposed to go into effect February 1, 2024, followed by subsequent increases each July 1 beginning in 2024 through 2027.

3.4.1 Water Revenues

As shown in Table 5, current water rates are estimated to generate $9.3 million in revenues. For FY 2023/24, rate revenues are projected at $10.4 million, assuming the City will collect rates at the current revenues for 7 months and rates with proposed revenue increases for 5 months. Rate revenues are the main revenue source for the water utility, comprising about 97.0% of total water revenues. Other revenue sources include penalty fees, job orders, interest income, and miscellaneous income. These other sources generate about $299,000 annually, which is projected to remain constant over the next five years.

3.4.2 Water Expenses

The cash flow uses the City's *FY 2023/24 and FY 2024/25 Budget* as the basis for projected expenses. Most operating expenses are projected to increase 3.0% annually beginning in FY 2025/26, except for Salaries & Benefits which are escalated by 7.0% annually beginning in FY 2025/26 per City direction. The water fund's share of payments for the principle for the Pension Obligation Bond (POB) are included as a new expense. New fees payable to the local Groundwater Sustainability Agency (GSA) are estimated at $100,000 annually for administration plus an additional $500,000 per year for pumping fees beginning in FY 2024/25. Annual depreciation is not included as a cash expense. The City's capital improvement plan includes funding for the repair and replacement of infrastructure to keep up with wear and tear on the City's facilities.

3.4.3 Debt Service and Debt Service Coverage

A chief covenant for the City to secure loans, grants, or revenue bonds/Certificates of Participation (COPs) is to maintain a specific debt service coverage ratio. A debt service coverage ratio is a financial measure of an agency's ability to repay outstanding debt. For the water fund, the debt service coverage ratio means that annual water net revenues (gross revenues less operating and maintenance expenses) must be at least 1.2 times the combined annual debt service payments on all parity obligations. Failure to meet the debt service coverage ratio on an annual basis is considered to be technical default, thereby making the revenue bonds/COPs callable or payable upon demand. Thus, rates and fees must be set to meet this legal requirement.

The water utility currently has one outstanding debt obligation that counts toward its debt service coverage requirement – Water Revenue Refunding Bonds, Series 2013. In 2013, the City issued $12.725 million in bonds bearing interest of 2.0% to 5.0% payable semi-annually beginning in October 2013. The Bonds were issued to refinance the City's previously issued $8.925 million CSCDA Water and Wastewater Revenue Bonds dated December 9, 2003 and the $8.15 million Installment Sale Agreement – Water System dated December 20, 2007. Total annual debt service is about $1.1 million and will be paid off in October 2028. The rates proposed in this study are expected to generate adequate revenues to meet the City's current and future coverage requirements.

3.4.4 Five-Year Summary

Figure 4 graphically shows the water cash flow projection for the five-year rate study period including both operating and capital expenses. In the first few years, expenses will exceed revenues. The City will spend down some of its existing reserves to fund capital projects, thereby mitigating the level of rate increases needed for customers. At the end of the five-year period, the City's revenues are projected to be in-line with total expenses.

Figure 4: Water Cash Flows

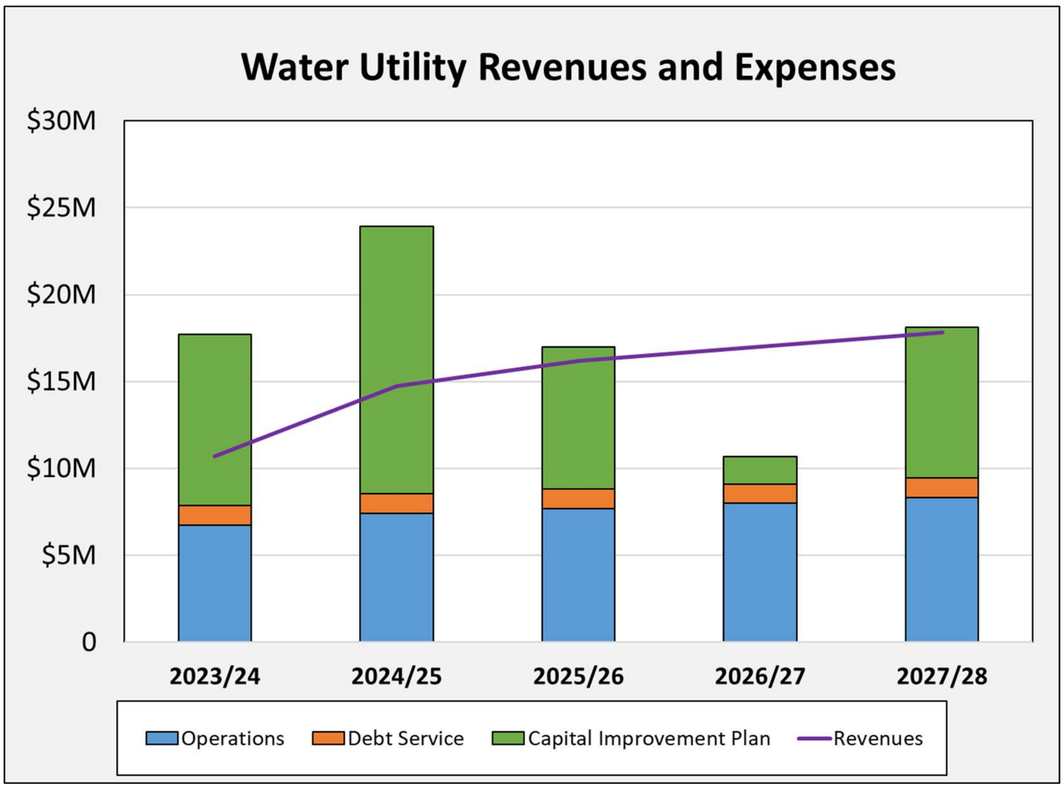


Table 10: Water Cash Flow Projection
City of Hanford
Utility Rate Study

	Years 1 -5: Proposition 218				
	FY 2023/24	**FY 2024/25**	**FY 2025/26**	**FY 2026/27**	**FY 2027/28**
Rate Revenue Increase	35.0%	15.0%	10.0%	5.0%	5.0%
Rate Increase Effective	Feb 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
BEGINNING FUND BALANCE [1]	$9,975,000	$4,324,000	$2,038,000	$3,416,000	$5,304,000
REVENUES					
Rate Revenues [2]	10,398,000	14,457,000	15,903,000	16,698,000	17,533,000
Penalties	40,000	40,000	40,000	40,000	40,000
Service Orders/Job Orders	90,000	90,000	90,000	90,000	90,000
Interest Income	39,000	39,000	39,000	39,000	39,000
Miscellaneous Income	130,000	130,000	130,000	130,000	130,000
Total Revenue	10,697,000	14,756,000	16,202,000	16,997,000	17,832,000
EXPENSES					
Operating Expenses					
Salaries and Benefits	1,782,000	1,996,000	2,136,000	2,286,000	2,446,000
Supplies and Equipment	1,363,000	1,353,000	1,394,000	1,436,000	1,479,000
Outside Services	235,000	231,000	238,000	245,000	252,000
City Services Allocation	1,065,000	1,065,000	1,097,000	1,130,000	1,164,000
GSA Fees	100,000	600,000	600,000	600,000	600,000
POB Principal	230,000	225,000	226,000	225,000	234,000
Chemicals	300,000	300,000	309,000	318,000	328,000
Utilities	1,645,000	1,645,000	1,694,000	1,745,000	1,797,000
Subtotal O&M	6,720,000	7,415,000	7,694,000	7,985,000	8,300,000
Net Operating Revenue	3,977,000	7,341,000	8,508,000	9,012,000	9,532,000
Debt Service					
Water Rev Refunding Bonds, Series 2013	1,128,000	1,127,000	1,130,000	1,124,000	1,134,000
Transfers Out (#570250)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Addt'l Transfer to Capital Fund	6,000,000	6,000,000	3,500,000	3,500,000	3,500,000
Transfers to Capital Fund	8,500,000	8,500,000	6,000,000	6,000,000	6,000,000
Total Operations Fund Net Revenues	(5,651,000)	(2,286,000)	1,378,000	1,888,000	2,398,000
OPERATIONS FUND ENDING BALANCE	4,324,000	2,038,000	3,416,000	5,304,000	7,702,000
Operations Fund Reserve Target [3]	4,488,000	4,835,000	4,977,000	5,117,000	5,284,000
Operating Reserve Target Met?	*no*	*no*	*no*	*yes*	*yes*
Debt Service Coverage (Target = 1.20x) [4]	3.53	6.51	7.53	8.02	8.41
CAPITAL & RESERVE BEG. BALANCE [5]	10,582,000	9,237,000	2,349,000	181,000	4,597,000
Revenues					
Transfer from Operations Fund (#570250)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Transfer from Operations Fund	6,000,000	6,000,000	3,500,000	3,500,000	3,500,000
Subtotal Capital Revenues	8,500,000	8,500,000	6,000,000	6,000,000	6,000,000
Capital Plan Expenses	9,845,000	15,388,000	8,168,000	1,584,000	8,684,000
Capital Fund Net Revenues	(1,345,000)	(6,888,000)	(2,168,000)	4,416,000	(2,684,000)
CAPITAL & RESERVE ENDING BALANCE	9,237,000	2,349,000	181,000	4,597,000	1,913,000

1 - Estimated Water Operations Fund cash fund balance from City staff
2 – FY 2023/24 revenues are estimated based on 7 months at current rate revenues and 5 months with proposed rate increases
3 - Recommended targets is 6 months O&M Expenses plus annual debt service cost
4 - Net Operating Revenue divided by Total Debt Service
5 - Estimated Water Capital & Reserve Fund cash fund balance from City staff

SECTION 4: WATER COST ALLOCATION AND RATE DESIGN

4.1 Water Cost Allocation

The water revenue requirement detailed in the previous section determines the total cost of providing service to be recovered from water rates, and in this section that revenue requirement is assigned to fixed and consumption charges to fairly recover costs from customers based on how they use the water system. Proposition 218 requires that agencies providing "property-related services" (including water utility service) set rates and charges that are based on the cost of providing those services and are proportional to how customers use the system.

4.1.1 Overview of Water Cost of Service Methodology

The purpose of the cost allocation is to classify costs and to determine the amount of revenue that will be recovered from fixed charges and from consumption charges. The American Water Works Association (AWWA) recommends methods to classify costs among various customers. Using the Base-Extra Capacity Method as recommended by the AWWA, water operating expenses are allocated to the following categories: (a) Base, (b) Extra, (c) Meters & Services, and (d) Customer Service. The *Base* and *Extra* categories are intended to recover variable (consumption) costs, while the *Customer Service* and *Meters & Services* categories are intended to recover fixed expenses that are incurred regardless of water used.

- *Base:* Base costs include the expenses related to providing water under average, "base" demand conditions.
- *Extra:* The extra category includes costs related to providing water above the system average demand (ie. related to peak, "extra" usage).
- *Meters & Services:* These include costs related to maintaining and replacing water meters and operating costs related to providing service at the maximum demand of each meter.
- C*ustomer Service:* This category contains costs associated with serving customers, such as billing and answering customer inquiries.

4.1.2 Cost Allocation

The cost allocation for the water utility is provided below in Table 11. The *FY 2023/24 Budget* is used as the test year for the cost allocation. Costs are allocated according to how they are incurred by the City. Based on the proposed allocation, roughly 33.0% of costs will be recovered from the Fixed Charges while the remaining 67.0% will be recovered from Consumption Charges.

Table 11: Water Cost Allocation
City of Hanford
Utility Rate Study

Budgeted Expenses	Budget FY 2023/24	Consumption Charge	Fixed Charge	
		Base & Extra	Meters	Customer Service
Operating Expenses				
Salaries and Benefits	$1,782,000	66.67%	16.67%	16.67%
Supplies and Equipment	$1,363,000	60.00%	20.00%	20.00%
Outside Services	$235,000	60.00%	20.00%	20.00%
GSA Fees	$100,000	0.00%	50.00%	50.00%
POB Principal	$230,000	66.67%	16.67%	16.67%
Chemicals	$300,000	100.00%	0.00%	0.00%
Utilities	$1,645,000	100.00%	0.00%	0.00%
Subtotal	$5,655,000	$4,245,133	$704,933	$704,933
		75.07%	12.47%	12.47%
City Services Allocation	$1,065,000	75.07%	12.47%	12.47%
Total Operating	$6,720,000	$5,044,615	$837,693	$837,693
Non-Operating Expenses				
Debt Service (5-year avg)	$1,128,600	100.00%	0.00%	0.00%
Water CIP Projects (5-year avg) [1]	$8,733,800	56.36%	43.45%	0.19%
Subtotal Non-Operating	$9,862,400	$6,050,616	$3,795,184	$16,600
Total Expenses	$16,582,400	$11,095,231	$4,632,876	$854,293
Proposed Cost Allocation %		66.91%	27.94%	5.15%

1 - Based on CIP projects over the next five years

4.1.3 Annual Revenue Requirement Allocation

To determine the total revenues that must be collected each year from fixed and consumption charges, the cost allocation percentages from Table 11 are applied to the total water rate revenue requirements from the cash flow projection (Table 10). The fixed charge revenue requirement is based on the *Meters & Services* and *Customer Service* categories from the cost allocation. The consumption charge revenue requirement is based on the *Base* and *Extra* categories.

Table 12: Annual Revenue Requirement Allocation
City of Hanford
Utility Rate Study

	Cost Allocation %	PROJECTED - RATE STUDY PERIOD				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Total Revenue Requirement [1]		$12,571,000	$14,457,000	$15,903,000	$16,698,000	$17,533,000
FIXED CHARGES						
Meters & Services	27.9%	$3,512,151	$4,039,071	$4,443,062	$4,665,173	$4,898,460
Customer Service Charge	5.2%	$647,633	$744,796	$819,291	$860,248	$903,266
Total Fixed Charges	33.1%	$4,159,784	$4,783,867	$5,262,353	$5,525,421	$5,801,726
CONSUMPTION CHARGES						
Total Consumption Charges	66.9%	$8,411,216	$9,673,133	$10,640,647	$11,172,579	$11,731,274
TOTAL	100.0%	$12,571,000	$14,457,000	$15,903,000	$16,698,000	$17,533,000

1 – FY 2023/24 Revenue Requirement is if February 1 rates were to be in effect for 12 months

4.2 Billing Units

4.2.1 Meter Equivalents

The most common method to levy fixed charges is by meter size. AWWA guidelines recommend using meter equivalents to assign demand-related and service related costs to larger meter sizes. The ratio at which the meter charge increases is typically a function of either meter investment (estimated cost) or the meter's safe operating capacity. The AWWA M1 Manual 7th Edition page 77 states "*billing ratios are used to recognize that billing, metering, and collection costs for larger services may be greater than for smaller meter-size services. This may be due to difficulty in accessing the meter facility, replacement of meters, multiple dial meters, more customer service time associated with dealing with larger meter customers, and other factors*." These costs are reflected in the portion of Salaries and Benefits and Supplies and Equipment line items allocated to *Customer Service* and *Meters* in Table 11.

Moreover, larger meters have the ability to place a greater demand on the water system and are therefore charged based on that potential demand (or standby capacity). Water system components such as pumps, tanks, and pipelines are engineered and designed to meet maximum hour demand plus fire flow. The City incurs costs to maintain and operate these facilities at maximum capacity 24 hours a day, 365 days per year. For example, a customer that has a 6" meter has 20 times the capacity equivalency (flow rate) of a customer with a 5/8" or 1" meter. (A 6" meter has a safe operating capacity of 1,000 gallons per minute (gpm) compared to a 5/8" or 1" meter which has a safe operating capacity of 50 gpm). If all customers had 5/8” meters, the City would incur lower operating and capital costs as facilities would be smaller sized and more easily replaced and maintained. The AWWA M1 Manual 7th Edition page 152 states "*this analysis considers that there is a minimum system in place to meet minimum service requirements regardless of use. The minimum needs are defined by determining the minimum size a system would be designed to meet minimum or average service needs (e.g., 4-in. service) not considering sizing for peak-day capacity needs or fire protection. The percentage of the distribution system related to meeting the minimum system needs would be applied to distribution-related costs and would be collected in the fixed charges. Incremental system sizing related to sizing the system to meet peak-day needs and fire flow requirements may also be considered for inclusion in the fixed charges.*” These costs are staffing, maintenance, and capital expenses from Table 11 associated with providing capacity for the maximum flow rate of each meter.

Table 13 shows the existing number of meters by meter size and calculates the number of meter equivalents based on the AWWA recommended meter ratios. The base meter size for the City is the 5/8”, 3/4”, or 1” meter, representing over 94.0% of all meters served. The recalculation of meter equivalents for larger meter sizes will amend the fixed charges so that each meter size will be charged based on their proportional impact on the system.

Table 13: Number of Meter Equivalents (Total Inside & Outside City Accounts)
City of Hanford
Utility Rate Study

Meter Size	No. of Meters	Flow Rate (gpm)	Meter Ratio	No. of Meter Equivalents
5/8", 3/4", & 1"	17,289	50	1.00	17,289
1-1/2" & 2"	882	100	2.00	1,764
3" & 4"	115	320	6.40	736
6"	14	1,000	20.00	280
8"	5	1,600	32.00	160
TOTAL	**18,305**			**20,229**

Flow rates taken from AWWA M1 Manual 7th Edition page 386

4.2.2 Projected Growth and Use

Table 14 shows an estimate of total water meters, water meter equivalents, and water use for the next five years. Customer growth is projected at 0.9% each year beginning in FY 2024/25 based on the projected annual growth rate from the City’s most recent Urban Water Management Plan by the Akel Engineering Group. Estimated current water use is based on billing data from the past two years less an 8.0% conservation factor to account for actual decreased water rate revenue in FY 2022/23. Consumption is conservatively estimated to remain level through the first two years of the study period to account for conservation as customers adjust to the increased water rates. Beginning in FY 2025/26, water consumption is estimated to increase by 0.9% each year concurrently with growth in the customer base.

Table 14: Projected Customer Growth & Water Consumption
City of Hanford
Utility Rate Study

	CURRENT 2022/23	PROJECTED - RATE STUDY PERIOD				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
NUMBER OF METERS						
Growth Increase % [1]		*0.00%*	*0.90%*	*0.90%*	*0.90%*	*0.90%*
Total Water Meters	18,305	18,305	18,470	18,636	18,804	18,973
Total Meter Equivalents	20,229	20,229	20,411	20,595	20,780	20,967
WATER CONSUMPTION						
Annual Increase % [2]		*0.00%*	*0.00%*	*0.90%*	*0.90%*	*0.90%*
Total Consumption [3]	4,324,846	4,324,846	4,324,846	4,363,769	4,403,043	4,442,671

1 - Table 3-2, Urban Water Management Plan by Akel Engineering Group projects an annual growth rate of 0.9%
2 - Projected water use for FY2024 and FY2025 reflect no growth in use as customers adjust to the new rate increases
3 - Note: Projected 2023 consumption is based on the average of FY 2020/21 and FY 2021/22 less 8% to account for observed conservation during FY 2022/23

4.3 Water Rate Design

To comply with Proposition 218, the following modifications to the existing water rate structure are proposed:

- **Inside vs. Outside City Rates**
  - Eliminate the 10% surcharge for customers outside the City limits.

- **Fixed Meter Charge**
  - Use the AWWA meter capacity ratios to calculate rates for the larger meter sizes. The re-alignment will amend the fixed charges so that each meter size will be charged based on their proportional impact on the system. This is in-line with industry standard practice and is the policy of most other local utility providers.

- **Drought Rates**
  - Adopt a schedule of drought consumption charges whereby the rate per unit of water (ccf) for all customers will temporarily increase should the City declare a water shortage emergency. The drought rates are in alignment with the City's existing Water Shortage Contingency Plan.

4.4 Water Rate Derivation

Following the allocation of costs, the next step is to derive the total cost responsibility for each customer class by developing unit costs of service for each cost function and then assigning those costs to the customer classes based on the respective service requirements of each.

4.4.1 Fixed Meter Charge Calculation

Table 15 shows the rate derivation for the proposed Fixed Charge by meter size based on the AWWA meter equivalents from Table 13 and the total revenue requirements from Table 12. The customer service portion of the Fixed Charge is proposed to be the same for each customer regardless of meter size, whereas the meter equivalent portion of the fixed charge is proposed to be based on meter size. The total *Meters & Services* revenue requirement is divided by the total number of meter equivalents. The *Customer Service* revenue requirement is divided by the total number of accounts.

For 2023/24, the proposed meter equivalent charge of $14.47 is multiplied by the corresponding meter equivalent ratio to calculate a charge for each meter size. The customer service charge of $2.95 is then added to the meter equivalent charge for each meter size to calculate the total proposed fixed charge. The proposed 2023/24 charge for a 5/8”, 3/4”, or 1” meter is $17.42.

Table 15: Water Fixed Charge Derivation
City of Hanford
Utility Rate Study

		PROJECTED - RATE STUDY PERIOD				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
REVENUE REQUIREMENT						
Meters & Services		$3,512,151	$4,039,071	$4,443,062	$4,665,173	$4,898,460
Customer Service Charge		$647,633	$744,796	$819,291	$860,248	$903,266
Total Fixed Charge Rev. Requirement		$4,159,784	$4,783,867	$5,262,353	$5,525,421	$5,801,726
METER EQUIVALENT CHARGE						
Total Meter Equivalent Charge Revenue Requirement		$3,512,151	$4,039,071	$4,443,062	$4,665,173	$4,898,460
Total Number of Meter Equivalents		20,229	20,411	20,595	20,780	20,967
Total Meter Equivalent Charge		$14.47	$16.49	$17.98	$18.71	$19.47
Meter Equivalent Charge by Meter Size						
Meter Size	Ratio					
5/8", 3/4", & 1"	1.00	$14.47	$16.49	$17.98	$18.71	$19.47
1-1/2" & 2"	2.00	$28.94	$32.98	$35.96	$37.42	$38.94
3" & 4"	6.40	$92.61	$105.54	$115.07	$119.74	$124.61
6"	20.00	$289.40	$329.80	$359.60	$374.20	$389.40
8"	32.00	$463.04	$527.68	$575.36	$598.72	$623.04
CUSTOMER SERVICE CHARGE						
Total Customer Service Charge Revenue Requirement		$647,633	$744,796	$819,291	$860,248	$903,266
Total Number of Meters		18,305	18,470	18,636	18,804	18,973
Total Customer Service Charge per Account		$2.95	$3.36	$3.66	$3.81	$3.97
TOTAL MONTHLY FIXED CHARGE [1]						
Meter Size						
5/8", 3/4", & 1"		$17.42	$19.85	$21.64	$22.52	$23.44
1-1/2" & 2"		$31.89	$36.34	$39.62	$41.23	$42.91
3" & 4"		$95.56	$108.90	$118.73	$123.55	$128.58
6"		$292.35	$333.16	$363.26	$378.01	$393.37
8"		$465.99	$531.04	$579.02	$602.53	$627.01

1 - Total Monthly Fixed Charge is the sum of the "Meter Equivalent Charge" by meter size plus the "Total Customer Service Charge per Account"

4.4.2 Consumption Charge Derivation

Table 16 calculates the Consumption Charge for all customers based on the total revenue requirement from Table 12 and projected annual water consumption from Table 14. The proposed Consumption Charge is a single uniform tier in which all customer classes are charged the same rate for each unit of water consumption. The proposed FY 2023/24 Consumption Charge is $1.94 per ccf.

Table 16: Consumption Charge Rate Derivation
City of Hanford
Utility Rate Study

	PROJECTED - RATE STUDY PERIOD				
	FY 2023/24	**FY 2024/25**	**FY 2025/26**	**FY 2026/27**	**FY 2027/28**
REVENUE REQUIREMENT					
Total Consumption Charge Revenue Requirement	$8,411,216	$9,673,133	$10,640,647	$11,172,579	$11,731,274
CONSUMPTION CHARGE DERIVATION					
Revenue Requirement	$8,411,216	$9,673,133	$10,640,647	$11,172,579	$11,731,274
Total Consumption (ccf)	4,324,846	4,324,846	4,363,769	4,403,043	4,442,671
Rate per ccf	**$1.94**	**$2.24**	**$2.44**	**$2.54**	**$2.64**

CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons

4.4.3 Drought Rate Derivation

It is recommended that the City implement a series of drought consumption charges which can be implemented during a water shortage emergency, allowing for financial stability during periods of reduced water sales. Drought rates are designed to cover costs at decreased levels of consumption. The City recognizes that ratepayers are already doing their part to conserve. Therefore, applying the drought surcharge to only the consumption charge component gives customers the increased ability to control a portion of their water bills. The proposed drought rates would be charged on a temporary basis and would be phased out when the City determined that water supply conditions had returned to normal and drought-related costs and revenue reductions had been recovered.

During times of water shortages, a water utility has two core objectives: 1) to reduce the amount of water customers consume, and 2) to cover the cost of operations. The two competing objectives work against each other because as less water is sold, it becomes more difficult to maintain adequate revenue to cover an agency's costs. It should be noted that under drought conditions, certain expenses such as electricity, supplies, and equipment will decrease relative to the decrease in water use. However, other costs to operate the water system such as staffing and maintaining long-term supply remain the same. The reduction in cost during drought conditions is reflected in the revenue requirements shown in Table

17. The levels of water cutback for the proposed drought rates in Table 17 are designed to be in alignment with the City's existing *Water Shortage Contingency Plan* and represent potential water shortage scenarios. Estimated *base* and *extra* expenses under each cutback scenario are divided by total water usage to calculate the drought consumption charges.

Table 17: Consumption Charge Rate Derivation - Drought Rates
City of Hanford
Utility Rate Study

	PROJECTED - RATE STUDY PERIOD				
	FY 2023/24	**FY 2024/25**	**FY 2025/26**	**FY 2026/27**	**FY 2027/28**
CONSUMPTION CHARGE DERIVATION - 10% Cutback					
Revenue Requirement	$8,191,081	$9,419,971	$10,362,164	$10,880,174	$11,424,248
Total Consumption (ccf)	3,892,361	3,892,361	3,927,392	3,962,739	3,998,404
Rate per ccf	**$2.10**	**$2.42**	**$2.64**	**$2.75**	**$2.86**
CONSUMPTION CHARGE DERIVATION - 20% Cutback					
Revenue Requirement	$7,970,946	$9,166,810	$10,083,681	$10,587,770	$11,117,222
Total Consumption (ccf)	3,459,877	3,459,877	3,491,016	3,522,435	3,554,137
Rate per ccf	**$2.30**	**$2.65**	**$2.89**	**$3.01**	**$3.13**
CONSUMPTION CHARGE DERIVATION - 35% Cutback					
Revenue Requirement	$7,640,743	$8,787,068	$9,665,957	$10,149,164	$10,656,682
Total Consumption (ccf)	2,811,150	2,811,150	2,836,450	2,861,978	2,887,736
Rate per ccf	**$2.72**	**$3.13**	**$3.41**	**$3.55**	**$3.69**
CONSUMPTION CHARGE DERIVATION - 50% Cutback					
Revenue Requirement	$7,310,541	$8,407,326	$9,248,233	$9,710,557	$10,196,143
Total Consumption (ccf)	2,162,423	2,162,423	2,181,885	2,201,522	2,221,335
Rate per ccf	**$3.38**	**$3.89**	**$4.24**	**$4.41**	**$4.59**

CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons

4.4.4 Proposed Water Rates

Table 18 summarizes the proposed monthly water rates for the next five years including meter charges, consumption charges, and drought consumption charges. All accounts, including residential, commercial, and industrial customers, will be charged according to the proposed rate schedule shown. The first rate change is proposed to take effect on February 1, 2024, with subsequent rate increases effective each July 1 beginning in 2024 through 2027. For FY 2023/24, the proposed 35.0% revenue adjustment in the cash flow (Table 10) does not directly correlate to a 35.0% increase in rates due to the cost of service reallocation and the updated rate structure. The percentage increases for each rate category are shown below the table.

Table 18: Proposed Monthly Water Rates
City of Hanford
Utility Rate Study

		PROPOSED				
Fiscal Year	**Current [1]**	**FY 2023/24**	**FY 2024/25**	**FY 2025/26**	**FY 2026/27**	**FY 2027/28**
Effective Date	*July 1, 2018*	*Feb 1, 2024*	*July 1, 2024*	*July 1, 2025*	*July 1, 2026*	*July 1, 2027*
METER CHARGES						
5/8", 3/4", & 1"	$15.41	$17.42	$19.85	$21.64	$22.52	$23.44
1-1/2" & 2"	$21.88	$31.89	$36.34	$39.62	$41.23	$42.91
3" & 4"	$34.83	$95.56	$108.90	$118.73	$123.55	$128.58
6"	$54.26	$292.35	$333.16	$363.26	$378.01	$393.37
8"	$80.17	$465.99	$531.04	$579.02	$602.53	$627.01
CONSUMPTION CHARGES ($/CCF)						
All Customers	$1.34	$1.94	$2.24	$2.44	$2.54	$2.64
DROUGHT CONSUMPTION CHARGES ($/CCF) [2]						
10% Water Cutback		$2.10	$2.42	$2.64	$2.75	$2.86
20% Water Cutback		$2.30	$2.65	$2.89	$3.01	$3.13
35% Water Cutback		$2.72	$3.13	$3.41	$3.55	$3.69
50% Water Cutback		$3.38	$3.89	$4.24	$4.41	$4.59

CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons
1 - Current rates shown are for Inside City customers - Inside & Outside City customers are proposed to be billed the same rates going forward.
2 - Only to be implemented temporarily during water shortage emergencies.

Proposed % rate increases

Meter Charges					
5/8", 3/4", & 1"	13.0%	13.9%	9.0%	4.1%	4.1%
1-1/2" & 2"	45.7%	14.0%	9.0%	4.1%	4.1%
3" & 4"	174.4%	14.0%	9.0%	4.1%	4.1%
6"	438.8%	14.0%	9.0%	4.1%	4.1%
8"	481.3%	14.0%	9.0%	4.1%	4.1%
Consumption Charge	44.8%	15.5%	8.9%	4.1%	3.9%
Drought Consumption Charges					
10% Water Cutback	-	15.2%	9.1%	4.2%	4.0%
20% Water Cutback	-	15.2%	9.1%	4.2%	4.0%
35% Water Cutback	-	15.1%	8.9%	4.1%	3.9%
50% Water Cutback	-	15.1%	9.0%	4.0%	4.1%

4.5 Water Bill Impacts

Bill impacts to customers for the first year will vary based on meter size and actual consumption. Moreover, water consumption, particularly for single family customers, typically varies due to seasonal variations in weather and/or other factors. Hence, a single customer could face a range of impacts throughout the year. Table 19 includes a sample of bill impacts at different levels of water use for single family residential customers with a 5/8", 3/4", or 1" meter.

Table 19: Sample Monthly Residential Water Bill Impacts
City of Hanford
Utility Rate Study

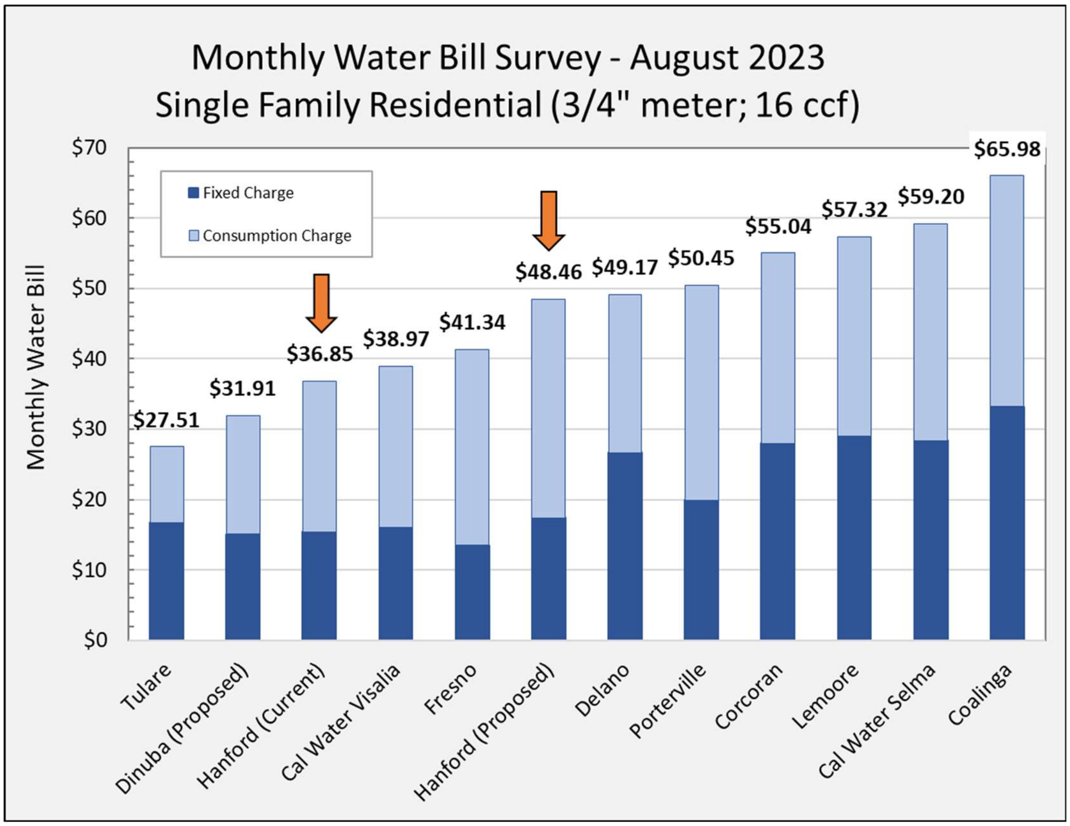
RESIDENTIAL BILL IMPACTS - 5/8", 3/4", & 1" METER

	Monthly Use (ccf)	Current Bill	Proposed				
			Feb 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
6 ccf							
Fixed Meter Charge - 5/8", 3/4", & 1"		$15.41	$17.42	$19.85	$21.64	$22.52	$23.44
Consumption Charge	6	$8.04	$11.64	$13.44	$14.64	$15.24	$15.84
Total Monthly Water Bill		$23.45	$29.06	$33.29	$36.28	$37.76	$39.28
$ Change			*$5.61*	*$4.23*	*$2.99*	*$1.48*	*$1.52*
% Change			*23.9%*	*14.6%*	*9.0%*	*4.1%*	*4.0%*
10 ccf							
Fixed Meter Charge - 5/8", 3/4", & 1"		$15.41	$17.42	$19.85	$21.64	$22.52	$23.44
Consumption Charge	10	$13.40	$19.40	$22.40	$24.40	$25.40	$26.40
Total Monthly Water Bill		$28.81	$36.82	$42.25	$46.04	$47.92	$49.84
$ Change			*$8.01*	*$5.43*	*$3.79*	*$1.88*	*$1.92*
% Change			*27.8%*	*14.7%*	*9.0%*	*4.1%*	*4.0%*
16 ccf							
Fixed Meter Charge - 5/8", 3/4", & 1"		$15.41	$17.42	$19.85	$21.64	$22.52	$23.44
Consumption Charge	16	$21.44	$31.04	$35.84	$39.04	$40.64	$42.24
Total Monthly Water Bill		$36.85	$48.46	$55.69	$60.68	$63.16	$65.68
$ Change			*$11.61*	*$7.23*	*$4.99*	*$2.48*	*$2.52*
% Change			*31.5%*	*14.9%*	*9.0%*	*4.1%*	*4.0%*
25 ccf							
Fixed Meter Charge - 5/8", 3/4", & 1"		$15.41	$17.42	$19.85	$21.64	$22.52	$23.44
Consumption Charge	25	$33.50	$48.50	$56.00	$61.00	$63.50	$66.00
Total Monthly Water Bill		$48.91	$65.92	$75.85	$82.64	$86.02	$89.44
$ Change			*$17.01*	*$9.93*	*$6.79*	*$3.38*	*$3.42*
% Change			*34.8%*	*15.1%*	*9.0%*	*4.1%*	*4.0%*
40 ccf							
Fixed Meter Charge - 5/8", 3/4", & 1"		$15.41	$17.42	$19.85	$21.64	$22.52	$23.44
Consumption Charge	40	$53.60	$77.60	$89.60	$97.60	$101.60	$105.60
Total Monthly Water Bill		$69.01	$95.02	$109.45	$119.24	$124.12	$129.04
$ Change			*$26.01*	*$14.43*	*$9.79*	*$4.88*	*$4.92*
% Change			*37.7%*	*15.2%*	*8.9%*	*4.1%*	*4.0%*

4.5.1 Regional Water Bill Survey

The following figure compares the City's current average monthly single family residential bill with those of surrounding agencies. The typical monthly water use for a single family customer is 16 ccf of water use. The City's current average water bill is $36.85 per month. With the proposed increase for 2023/24, the average water bill is projected to be $48.46, an increase of $11.61. The City's current water rates are on the lower end of those charged and the proposed rates will be in the mid-range.

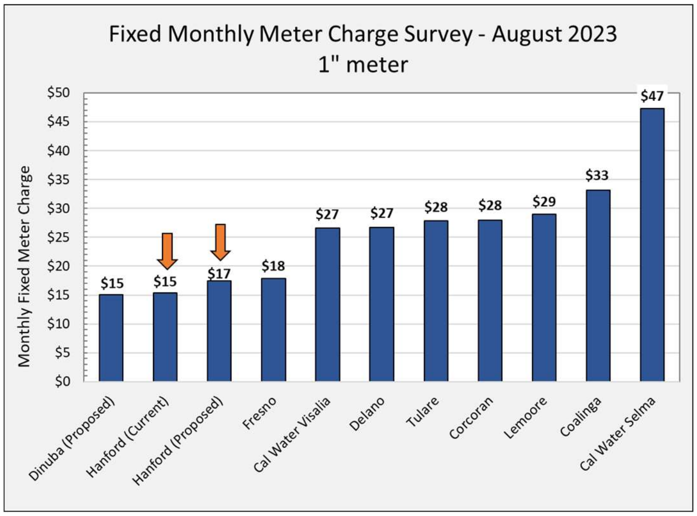
Figure 5: Monthly Single Family Residential Water Bill Survey

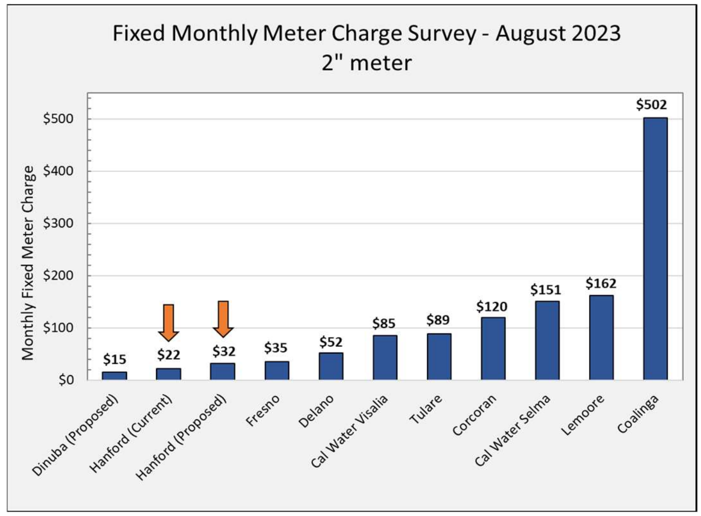


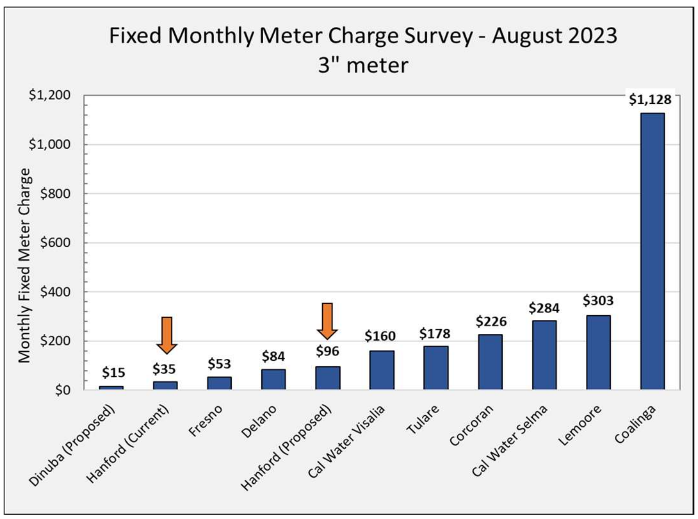
4.5.2 Survey of Fixed Monthly Meter Charges

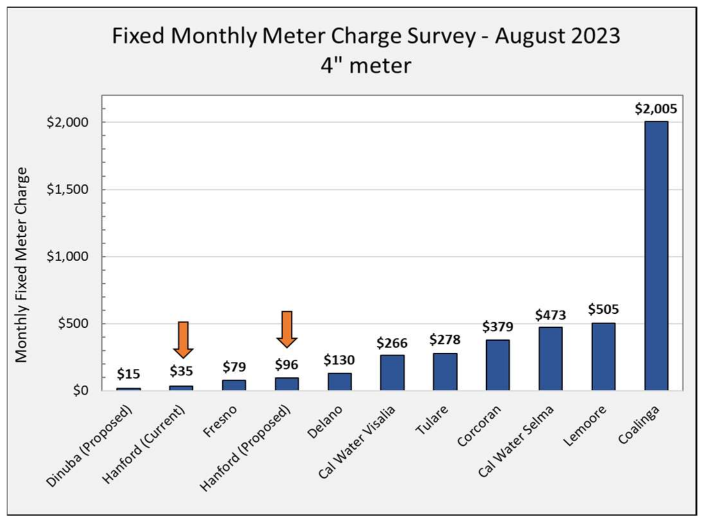
As noted in Section 4.2.1, the City's current meter charges are out of alignment with the capacity equivalency of each meter size. As part of the rate survey process, the City's current and proposed fixed monthly charges for each meter size were compared with the corresponding charges for other local service providers, see Figure 6. For all meter sizes, the City's current meter charges are significantly lower than the average charges for other agencies. As shown in the charts below, even with the proposed increases to the fixed charges, the City's fixed charges will remain in the low- to mid-range for the local area.

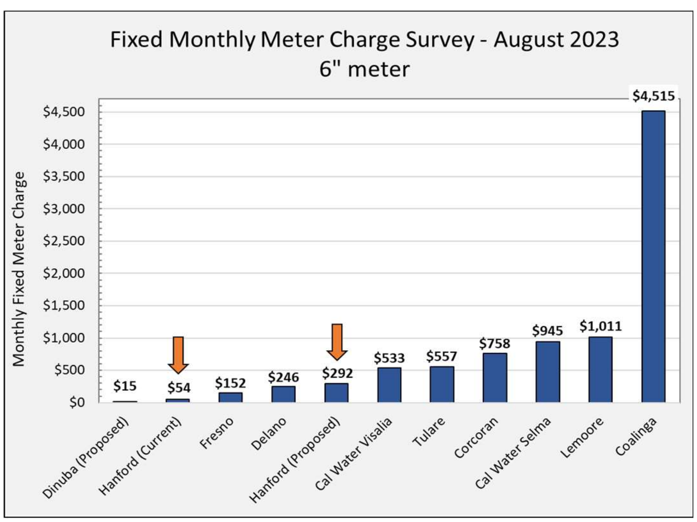
Figure 6: Fixed Monthly Meter Charge Survey

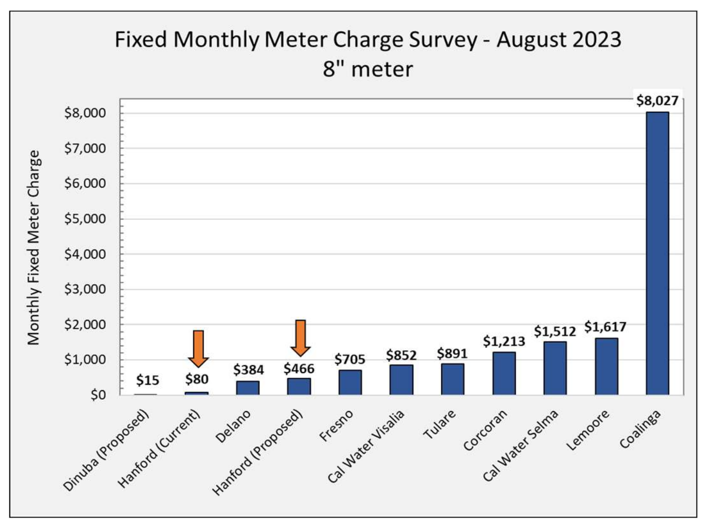












SECTION 5: WASTEWATER REVENUE REQUIREMENT

Similar to the water utility, the wastewater utility's cost of service and revenue requirement is comprised of operating costs, capital improvement costs, and the need to maintain reasonable reserves.

5.1 Wastewater System Overview

The City of Hanford is responsible for operating and maintaining a safe, dependable sanitary sewer system composed of over 226 miles of sanitary sewer mains, 23 lift stations, a wastewater treatment plant (WWTP), a pretreatment program, and laboratory facilities. The City collects wastewater from customers within the City limits and some unincorporated areas. The collected flows are conveyed through a trunk system to the City's WWTP where they are treated and subsequently discharged to retention ponds before being delivered to farmlands for agricultural irrigation. The WWTP processes approximately 1.6 billion gallons of sewage each year. WWTP staff also conduct laboratory tests to monitor the performance of the plant, administer the industrial pretreatment program, and manage reclaimed water usage to ensure compliance with state reclamation discharge permits.

5.2 Wastewater Reserves

The accumulation of reasonable reserves is one factor to consider when determining the cost of service. Utilities should maintain reserves to fund issues such as unexpected costs and emergency repairs or to provide cash flow in case of customer billing or revenue collection issues. Moreover, fund reserves allow the City to maintain its financial health and positive credit ratings, especially during emergencies.

The City maintains two wastewater reserve funds – 1) an operating fund reserve and 2) a capital reserve fund reserve. As of the beginning of 2023/24, the wastewater utility had operations fund reserves of approximately $1.05 million and capital and reserve fund reserves of approximately $2.33 million. The recommended operating reserve target is 50 percent of annual operating costs plus one debt service payment, meaning current operating reserves are below the reserve target. Maintaining at least 25% of annual operating costs in reserves is in line with industry standards that recommend an operating reserve target to account for the time (at least 4 months) that it would take an agency to approve new rate increases to comply with Proposition 218. With the proposed revenue increases, it is projected the wastewater operations fund will meet the fund reserve target by the end of the fifth year.

5.3 Wastewater Capital Improvement Plan

Table 20 below provides the wastewater capital improvement plan (CIP) for all projects that will be funded through rates rather than impact fees. This rate study excludes projects funded by impact fees because they mitigate growth-related issues and should be funded by new development rather than existing ratepayers. The CIP includes funding for improvements to the City's WWTP, new equipment, and annual repairs and replacements. The total funded over the rate study period is $7.43 million.

Table 20: Wastewater Capital Improvement Plan (rate funded)
City of Hanford
Utility Rate Study

Project Title	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	5-Year Total
2104 Valley Alarm Access Control WWTP	$15,230	-	-	-	-	$15,230
Utility Customer Payment Kiosks (2)	$27,000	$14,000	$14,000	$14,000	$14,000	$83,000
Wwtp Improvement Reserve	-	$500,000	$500,000	$500,000	$500,000	$2,000,000
Unsch Main Exten/Repl-Wwtp	$101,930	-	-	-	-	$101,930
Sewer System Video Insp	$18,000	-	-	-	-	$18,000
Sewer Main Oversizing Req	$92,180	-	-	-	-	$92,180
2073 Utility Truck	-	-	$90,000	-	-	$90,000
2073 Pickup Truck	$65,000	-	-	-	-	$65,000
2073 Vacuum Truck	-	-	$600,000	-	-	$600,000
Lacey Blvd Widen Magna Carta to 13th	-	-	-	$400,000	-	$400,000
2071 Spare Barscreen Motor	-	-	$40,000	-	-	$40,000
2071 Spare Motor Screw Pump	-	$40,000	-	-	-	$40,000
1750 Public Works Enclosed Warehouse	-	-	$101,000	-	-	$101,000
2071 Pickup Truck	-	$65,000	-	$65,000	-	$130,000
Lacey Widen/Recon/10th-Sierra	$153,730	$245,550	$94,030	-	-	$493,310
Spare Pumps	$92,640	-	-	-	-	$92,640
Manhole Repr/Coating Project	$104,720	$75,000	$75,000	$75,000	$75,000	$404,720
Protective Grating	$50,000	-	-	-	-	$50,000
2040 Fleet Div-Def Dispenser for Fuel Island	$12,000	-	-	-	-	$12,000
Annual Repairs & Replacement	-	$500,000	$500,000	$500,000	$500,000	$2,000,000
Annual Lift Station Rehab	-	$150,000	$150,000	$150,000	$150,000	$600,000
Total Wastewater CIP	**$732,430**	**$1,589,550**	**$2,164,030**	**$1,704,000**	**$1,239,000**	**$7,429,010**

5.4 Wastewater Cash Flow Projection

Table 21 provides the wastewater cash flow projection for the five-year period beginning in FY 2023/24 through FY 2027/28. The cash flow is based on the City's *FY 2023/24 and 2024/25 Budget* and includes revenue increases such that the City covers operating and debt service costs, funds all proposed capital improvement projects, and rebuilds adequate reserves. The proposed revenue increases over the next five years are 35.0% in the first year, followed by 12.0%, 12.0%, 5.0%, and 5.0%. In the first year, the 35.0% increase is applied to the City's total wastewater revenue increase and does not necessarily reflect the level of increase for individual customers. Each customer's bill impacts will depend on customer class. The first rate increase is proposed to go into effect February 1, 2024, followed by subsequent increases effective each July 1 beginning in 2024 through 2027.

5.4.1 Wastewater Revenues

As shown in Table 7, current wastewater rates are estimated to generate $5.3 million in revenues. For FY 2023/24, rate revenues are projected at $5.95 million assuming the City will collect rates at current revenues until the proposed rate increase goes into effect after February 1. Rate revenues are the main revenue source for the wastewater utility. Other revenue sources include penalty fees, interest income, and lease proceeds. These other sources generate about $154,000 annually, which is projected to remain constant over the next five years. In FY 2023/24, it is proposed that the stormwater fund lends the wastewater fund $1.3 million to eliminate the wastewater fund's operating deficit.

5.4.2 Wastewater Expenses

The cash flow uses the City's *FY 2023/24 and 2024/25 Budget* as the base for projected expenses. Most operating expenses are projected to increase 3.0% annually beginning in 2025/26, except for Salaries & Benefits which are escalated by 7.0% annually beginning in 2025/26. An additional $120,000 is also added to projected Salaries & Benefits in 2024/25 for a new position per City direction. The wastewater fund's share of payments for the principle for the Pension Obligation Bond are included as a new expense. Annual depreciation is not included as a cash expense. Four equal installments of $325,000 beginning in FY 2024/25 through FY 2027/28 are included for the wastewater fund to pay back the interfund loan from the storm drain fund.

As shown in Table 20, the total five-year CIP for the wastewater fund equals $7.4 million. It is assumed the City will contribute $2 million upfront for the Wastewater Treatment Expansion Project, which is included in the CIP. The net operating cost increase for WWTP expansion is estimated at $165,000 annually beginning in FY 2025/26 based on projections by City staff.

5.4.3 Debt Service

It is also imperative that the wastewater fund generate sufficient rate revenues to maintain the debt service coverage ratio for its existing debt obligations. A debt service coverage ratio is a financial measure of an agency's ability to repay outstanding debt. For the purposes of the City's wastewater fund, the required debt service coverage ratio means that annual sewer net operating revenues (gross revenues less operating and maintenance expenses) must be at least 1.2 times the annual debt service payment. Failure to meet the debt service ratio on an annual basis is considered to be technical default. Thus, rates and fees must be set to meet this legal requirement.

The wastewater utility currently has three outstanding debt obligations which count toward its debt service coverage requirements. There are two Wastewater Revenue Refunding Bonds, Series 2012 and Series 2015, in addition to a 2002 loan from the California Infrastructure and Economic Development Bank (IBank). The IBank loan is in the amount of $10 million with a 30-year term and an annual interest rate of 3.5%. In July 2012, the City issued the $13.165 million Wastewater Revenue Refunding Bonds, Series 2012 bearing interest of 3.0% to 5.0% payable semi-annually to refund Indentures from 1999 and 2002. In January 2015, the City issued the $3.885 million Wastewater Revenue Refunding Bonds, Series

2015 to refund Variable Rate Demand Sewer System Refunding Revenue Bonds, 1996 Series A. Interest of 2.0% to 4.0% is payable semi-annually.

5.4.4 Five-Year Summary

Figure 7 graphically shows the wastewater cash flow projection for the five-year rate study period including both operating and capital expenses. In the first few years, expenses will slightly exceed revenues. At the end of the five-year period, the City's revenues are projected to be in line with total expenses.

Figure 7: Wastewater Cash Flows

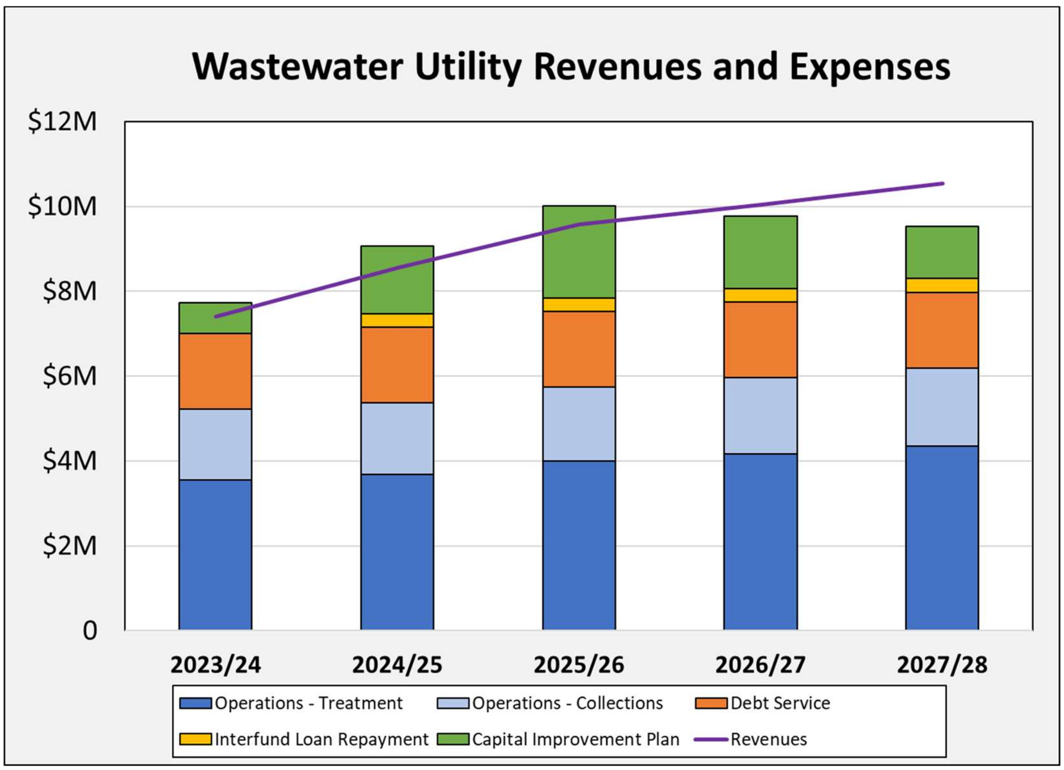


Table 21: Wastewater Cash Flow Projection
City of Hanford
Utility Rate Study

	Years 1 -5: Proposition 218				
	FY 2023/24	**FY 2024/25**	**FY 2025/26**	**FY 2026/27**	**FY 2027/28**
Rate Revenue Increase	35.0%	12.0%	12.0%	5.0%	5.0%
Rate Increase Effective	Feb 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
BEGINNING FUND BALANCE [1]	$1,046,000	$1,452,000	$1,534,000	$1,553,000	$1,824,000
REVENUES					
Rate Revenues	5,954,000	8,405,000	9,414,000	9,885,000	10,379,000
Non-Rate Revenue					
Penalties	55,000	55,000	55,000	55,000	55,000
Interest Income	2,000	2,000	2,000	2,000	2,000
Lease & Other Fin Proceeds	93,000	93,000	93,000	93,000	93,000
Bad Debts	4,000	4,000	4,000	4,000	4,000
Subtotal Non-Rate Revenues	154,000	154,000	154,000	154,000	154,000
Interfund Loan	1,300,000				
Total Revenue	7,408,000	8,559,000	9,568,000	10,039,000	10,533,000
EXPENSES					
Operating Expenses [2]					
Treatment Division					
Salaries and Benefits [3]	1,060,000	1,236,000	1,323,000	1,416,000	1,515,000
Supplies and Equipment	696,000	694,000	715,000	736,000	758,000
Outside Services	248,000	206,000	212,000	218,000	225,000
City Services Allocation	369,000	369,000	380,000	391,000	403,000
POB Principal [4]	142,000	139,000	139,000	139,000	145,000
Chemicals	435,000	435,000	448,000	461,000	475,000
Disposal	96,000	96,000	99,000	102,000	105,000
Utilities	511,000	511,000	526,000	542,000	558,000
WWTP Net Cost Increase [5]	0	0	165,000	165,000	165,000
Collections Division					
Salaries and Benefits [3]	500,000	520,000	536,000	552,000	569,000
Supplies and Equipment	311,000	311,000	320,000	330,000	340,000
Outside Services	19,000	18,000	19,000	20,000	21,000
City Services Allocation	748,000	748,000	770,000	793,000	817,000
Chemicals	25,000	25,000	26,000	27,000	28,000
Utilities	68,000	68,000	70,000	72,000	74,000
Subtotal O&M	5,228,000	5,376,000	5,748,000	5,964,000	6,198,000
Net Operating Revenue	2,180,000	3,183,000	3,820,000	4,075,000	4,335,000
Debt Service					
Rev Refunding Bonds, Series 2012	925,000	923,000	926,000	926,000	926,000
Rev Refunding Bonds, Series 2015	290,000	294,000	292,000	291,000	291,000
2002 IBank Loan	559,000	559,000	558,000	558,000	558,000
Subtotal Debt Service	1,774,000	1,776,000	1,776,000	1,775,000	1,775,000
Transfer to Capital Fund	0	1,000,000	1,700,000	1,704,000	1,239,000
Transfer to Repay Interfund Loan	0	325,000	325,000	325,000	325,000
Total Net Revenues (Operations Fund)	406,000	82,000	19,000	271,000	996,000
OPERATIONS ENDING BALANCE	1,452,000	1,534,000	1,553,000	1,824,000	2,820,000
Operations Reserve Fund Target [6]	2,610,000	2,621,000	2,647,000	2,672,000	2,700,000
Operating Reserve Target Met?	*no*	*no*	*no*	*no*	*yes*
Debt Service Coverage (Target = 1.20x) [7]	1.23	1.79	2.15	2.30	2.44
Target Met?	*yes*	*yes*	*yes*	*yes*	*yes*

	Years 1 -5: Proposition 218				
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
CAPITAL & RESERVE BEGINNING FUND BALANCE [8]	2,325,000	1,593,000	1,003,000	539,000	539,000
Revenues					
Transfer from Operations Fund	0	1,000,000	1,700,000	1,704,000	1,239,000
Capital Expenses					
Capital Plan	732,000	1,590,000	2,164,000	1,704,000	1,239,000
Subtotal Capital Expenses	732,000	1,590,000	2,164,000	1,704,000	1,239,000
Net Revenues	(732,000)	(590,000)	(464,000)	0	0
CAPITAL & RESERVE ENDING FUND BALANCE	1,593,000	1,003,000	539,000	539,000	539,000

1 - Estimated Wastewater Operations cash fund balance from City staff
2 - Does not include depreciation
3 - Escalated by 7% beginning in FY 2025/26
4 - Payment shown only includes principle. Interest is already included in FY 2023/24 budget.
5 - Net savings from WWTP plant (lease payments less electricity savings)
6 - Recommended target is 6 months O&M Expenses plus annual debt service cost.
7 - Net Operating Revenue divided by Total Debt Service
8 - Estimated Wastewater Capital & Reserve cash fund balance from City staff

SECTION 6: WASTEWATER COST ALLOCATION AND RATE DESIGN

The revenue requirements detailed in the previous section determine the amount of revenue to be recovered from wastewater rates. The cost of service allocation determines how revenues will be recovered from customers based on their estimated impact on the wastewater system. Proposition 218 requires that agencies providing "property-related services" (including wastewater service) set rates and charges that are based on the cost of providing those services.

6.1 Wastewater Cost Allocation

The determination of the sewer flows, sewer loadings, and the revenue requirements of the wastewater utility provide the basis for performing the cost of service analysis. The concept of proportionate allocation to each customer class indicates that allocations should take into consideration the quantity of effluent a customer contributes in addition to the strength of sewer effluent.

The key factors used to assign wastewater utility costs are estimated effluent (flow) going to the wastewater treatment plant and effluent strengths, measured in biological oxygen demand (BOD) and suspended solids (SS). Higher levels of BOD or SS equate to increased treatment costs. The total revenue requirement shown in the wastewater cash flow projection is the net cost of providing service and is allocated to the flow, BOD, and SS parameters. These allocations are then used as the basis to develop unit rates for the sewer parameters and to assign costs to each customer class in proportion to the sewer services rendered.

Wastewater expenses are allocated to the following categories (a) Customer Service, (b) Flow, (c) Biochemical Oxygen Demand (BOD), and (d) Suspended Solids (SS).

- *Customer Service Costs:* Customer service costs represent the fixed expenditures of the sewer utility, including personnel costs and overhead expenses.

- *Flow Costs*: Volume- or flow-related costs that vary with the total quantity of wastewater collected. Because most agencies do not meter wastewater discharges, metered water consumption is used to estimate contributed average wastewater volume units of service.

- *Strength Costs:* Strength-related costs are those expenditures associated with the additional handling and treatment of high strength sewer. Sewer strength is typically measured in BOD and SS. Increased levels of BOD or SS typically equate to increased treatment costs.

Table 22 provides the proposed cost allocation using FY 2023/24 as the test year. The budgeted expenses were allocated to each category based on how the City incurs each cost. The overall proposed allocation is 14.8% to customer service, 46.0% to flow, 19.6% to BOD, and 19.6% to SS.

Table 22: Wastewater Cost Allocation
City of Hanford
Utility Rate Study

Budgeted Expenses	Budget FY 2023/24	Customer Service	Flow	BOD	SS
Operating Expenses					
Treatment Division					
Salaries and Benefits	$1,060,000	25.0%	15.0%	30.0%	30.0%
Supplies and Equipment	$696,000	0.0%	50.0%	25.0%	25.0%
Outside Services	$248,000	0.0%	50.0%	25.0%	25.0%
City Services Allocation	$369,000	25.0%	15.0%	30.0%	30.0%
POB Principal	$142,000	25.0%	15.0%	30.0%	30.0%
Chemicals	$435,000	0.0%	0.0%	50.0%	50.0%
Disposal	$96,000	0.0%	0.0%	50.0%	50.0%
Utilities	$511,000	0.0%	80.0%	10.0%	10.0%
Subtotal Treatment	$3,557,000	$392,750	$1,116,450	$1,023,900	$1,023,900
Collections Division					
Salaries and Benefits	$500,000	0.0%	100.0%	0.0%	0.0%
Supplies and Equipment	$311,000	0.0%	100.0%	0.0%	0.0%
Outside Services	$19,000	50.0%	50.0%	0.0%	0.0%
City Services Allocation	$748,000	50.0%	50.0%	0.0%	0.0%
Chemicals	$25,000	0.0%	100.0%	0.0%	0.0%
Utilities	$68,000	0.0%	100.0%	0.0%	0.0%
Subtotal Collections	$1,671,000	$383,500	$1,287,500	$0	$0
Composite Collection & Treatment		14.8%	46.0%	19.6%	19.6%
Non-Operating Expenses (5-Year Averages)					
Revenue Refunding Bonds, Series 2012	$925,200	14.8%	46.0%	19.6%	19.6%
Revenue Refunding Bonds, Series 2015	$291,600	14.8%	46.0%	19.6%	19.6%
Capital Costs (5-year avg)	$1,485,800	14.8%	46.0%	19.6%	19.6%
Subtotal Non-Operating	$2,702,600	$401,280	$1,242,715	$529,302	$529,302
Total	$7,930,600	$1,177,530	$3,646,665	$1,553,202	$1,553,202
Proposed Cost Allocation %	**100.0%**	**14.8%**	**46.0%**	**19.6%**	**19.6%**

6.2 Wastewater Rate Design

The cost of service analysis calculated the revenue requirements for each customer class. The next step is rate design which determines how those revenue requirements are collected from each class based on their estimated impact on the sewer system. As part of the rate study process, the City reviewed its current rate structure. Sewer rates in California are typically charged as either a fixed charge per equivalent dwelling unit (EDU), a volume rate charged per unit of wastewater flow, or as a combination of both fixed and volume rates. Ultimately, this study recommends maintaining the current rate structure. The categories of charges and customer classes are proposed to remain the same, but the amounts charged to each customer will be updated based on the new cost of service and the adjusted allocation to each customer class.

6.3 Wastewater Flows

The City does not directly meter the sewer flow of individual utility accounts for non-industrial customers. However, water use can be used as a proxy for sewer flow. For residential customers, it is necessary to isolate low water use periods during the winter to estimate sewer flow to better estimate indoor-only water use. Many customers typically have higher water use in the summer due to irrigation water use which occurs outdoors and does not flow into the wastewater system.

Total system flows and pollutant loads by customer class are estimated in Table 23. Pollutant loads consist of biochemical oxygen demand (BOD) and suspended solids (SS). Single family residential flows are estimated as 8 ccf per month and multi-family residential flows are estimated as 6 ccf per month based on winter water usage data from 2021 and 2022. Non-residential flows are estimated based on billed flows from 2022 and 2023. The strength factors are based on industry standard estimates.

Table 23: Annual Sewer Flows & Loadings
City of Hanford
Utility Rate Study

Customer Class	Flow (ccf)	Wastewater Strength (mg/l)		Wastewater Loadings (lbs)	
		BOD	SS	BOD	SS
Single Family	1,529,000	175	175	1,669,218	1,669,218
Multi Family	307,000	175	175	335,154	335,154
Metered Water [1]					
Group A: Domestic	130,000	175	175	141,922	141,922
Group B: Low Strength	169,000	135	135	142,327	142,327
Group C: Medium Strength	13,000	300	300	24,329	24,329
Group D: High Strength	80,000	500	500	249,533	249,533
Industrial	194,000	Varies		33,269	27,119
Schools	21,000	175	175	22,926	22,926
Septage	1,000	3500	3500	21,834	21,834
Total	**2,444,000**			**2,640,513**	**2,634,363**

Mg/l – milligrams per liter; CCF – hundred cubic feet; one hundred cubic feet equals 748 gallons
1 - Metered Water Use Categories:
Group A - Domestic Strength: Mobile home parks, motels, public buildings, hospitals, nursing homes, churches, fraternal lodges, service stations and automotive centers
Group B - Low Strength: Car washes, laundromats, retail, commercial and professional establishments
Group C - Medium Strength: Mixed use commercial centers including food services with single water service
Group D - High Strength: Restaurants, supermarkets, grocery stores, mortuaries

6.4 Wastewater Rate Derivation

As noted in the cost allocation section, wastewater rates are determined based on customer service costs as well as the amount of wastewater flow and pollutants flushed into the sewer system.

6.4.1 Unit Cost Calculation

Total flow and pollutant loading estimates are used to derive unit costs for customer service, flow, BOD, and SS as shown below in Table 24. The total revenue requirement to be collected from rates is divided between each category according to the percentages derived in the cost allocation (Table 22). The revenue requirement for each category is then divided by the appropriate number of billing units from Table 23 to calculate a unit charge.

Table 24: Unit Cost Calculation
City of Hanford
Utility Rate Study

Cost Allocation	Total	Cust. Serv.	Flow	BOD	SS
Cost Allocation %	100.0%	14.8%	46.0%	19.6%	19.6%
FY2024 Rev. Requirement [1]	$7,504,650	$1,114,300	$3,450,800	$1,469,800	$1,469,800
Billing Units		2,444,000 ccf/year	2,444,000 ccf/year	2,640,513 lbs/year	2,634,363 lbs/year
Rate		$0.46 $/ccf	$1.41 $/ccf	$0.56 $/lb	$0.56 $/lb

1 - 12 months of revenue with proposed rate increases

6.4.2 FY 2023/24 Rate Derivation

Table 25 details the rate derivation for proposed FY 2023/24 rates using the unit costs from Table 24. The flow charge per ccf is based on the customer service and flow unit costs per ccf. The strength multipliers shown in Table 23 for each customer class are applied to the BOD and SS unit costs. For residential customers, the unit costs are applied to estimated monthly flows to derive a monthly fixed charge.

Table 25: Sewer Rate Calculation
City of Hanford
Utility Rate Study

Customer Class	Flow (ccf)	BOD	SS	Total
RESIDENTIAL (Per dwelling unit)				
Single Family [1]	$14.94	$4.86	$4.86	$24.67
Multi-Family/Duplex [2]	$11.21	$3.65	$3.65	$18.51
NON-RESIDENTIAL				
Metered Water (Per ccf) [3]				
Group A: Domestic	$1.87	$0.61	$0.61	$3.08
Group B: Low Strength	$1.87	$0.47	$0.47	$2.81
Group C: Medium Strength	$1.87	$1.04	$1.04	$3.95
Group D: High Strength	$1.87	$1.74	$1.74	$5.34
Schools (per student ADA) [4]	-	-	-	$0.74
Septage (per 1,000 gallons)	$2.50	$16.25	$16.29	$35.03
Industrial	$1.87	-	-	$1.87

Figures in table are unrounded
1 - Estimated monthly single family flow is 8 ccf based on winter water use data
2 - Estimated monthly multi-family flow is 6 ccf based on winter water use data
3 - Per hundred cubic feet (ccf)
4 - Estimated flow per student is 6 gallons per day based on industry standard estimates

6.4.3 Proposed Wastewater Rates

The five-year proposed wastewater rate schedule is provided below in Table 26. The rates for 2023/24 are based on the calculations in Table 25. For the following years, rates are escalated by the percentage increases shown in the cash flow projection (Table 21).

Table 26: Proposed Wastewater Rates
City of Hanford
Utility Rate Study

Customer Class	Current Rates	PROPOSED FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
RESIDENTIAL (Per dwelling unit)						
Single Family	$17.86	$24.67	$27.63	$30.95	$32.50	$34.13
Multi-Family/Duplex	$16.93	$18.51	$20.73	$23.22	$24.38	$25.60
NON-RESIDENTIAL						
Metered Water (Per ccf) [1]						
Group A: Domestic	$1.54	$3.08	$3.45	$3.86	$4.05	$4.25
Group B: Low Strength	$1.44	$2.81	$3.15	$3.53	$3.71	$3.90
Group C: Medium Strength	$2.15	$3.95	$4.42	$4.95	$5.20	$5.46
Group D: High Strength	$2.88	$5.34	$5.98	$6.70	$7.04	$7.39
Schools (per student ADA) [2]	$0.51	$0.74	$0.83	$0.93	$0.98	$1.03
Septage (per 1,000 gallons)	$26.19	$35.03	$39.23	$43.94	$46.14	$48.45
Industrial						
Flow (per mg)	$1,561.56	$2,497.17	$2,796.83	$3,132.45	$3,289.07	$3,453.52
BOD (per lb)	$0.173	$0.557	$0.623	$0.698	$0.733	$0.770
SS (per lb)	$0.167	$0.558	$0.625	$0.700	$0.735	$0.772

1 - Per hundred cubic feet (ccf)
2 - ADA - average daily attendance

6.5 Wastewater Bill Impacts

Due to the updated cost of service allocation, the bill impacts to customers for the first year will vary based on customer class. Table 27 provides the percentage change in each rate category for each year of the rate study period. For FY 2023/24, the percentage change for each customer does not align with the percentage increase shown in the cash flow due to the reconfiguration of the cost allocation and the unit cost components used to calculate the rates. Following the first year, each customer's monthly rate will increase as shown in the cash flow projection (Table 21).

Table 27: Proposed Wastewater Rate Increases
City of Hanford
Utility Rate Study

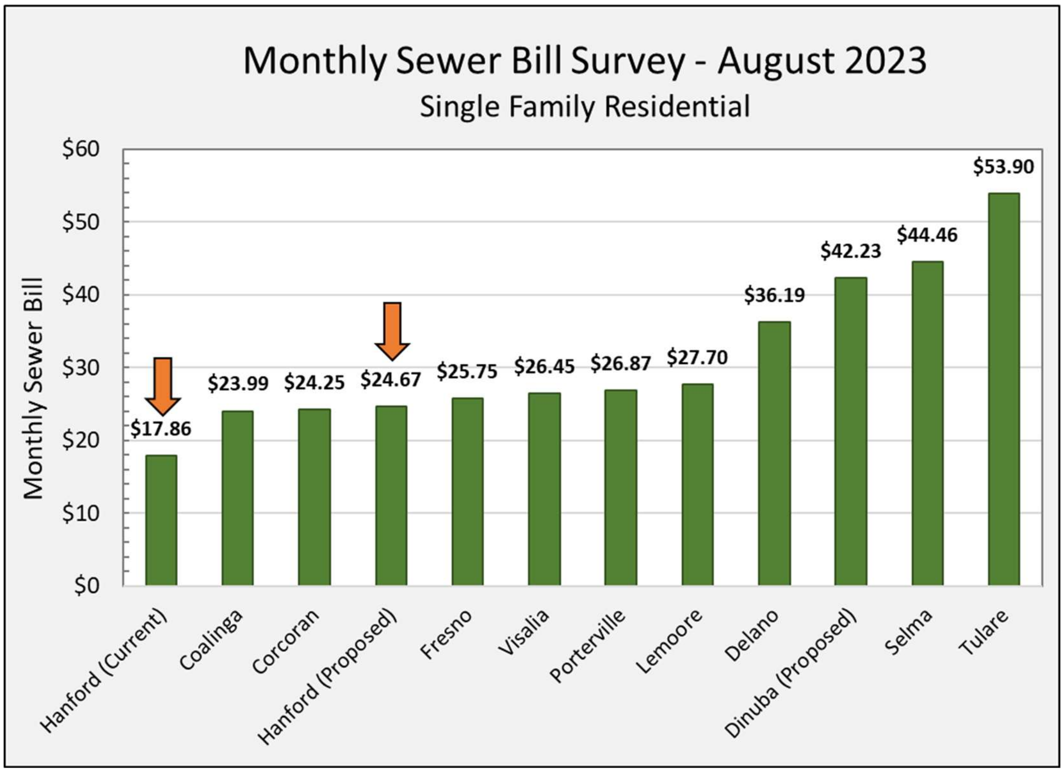
Customer Class	Current Rates	PROPOSED					
		FY2023/24		FY2024/25	FY2025/26	FY2026/27	FY2027/28
RESIDENTIAL							
(Per dwelling unit)							
Single Family	$17.86	$24.67	38%	12%	12%	5%	5%
Multi-Family/Duplex	$16.93	$18.51	9%	12%	12%	5%	5%
NON-RESIDENTIAL							
Metered Water (Per ccf) [1]							
Group A: Domestic	$1.54	$3.08	100%	12%	12%	5%	5%
Group B: Low Strength	$1.44	$2.81	95%	12%	12%	5%	5%
Group C: Medium Strength	$2.15	$3.95	84%	12%	12%	5%	5%
Group D: High Strength	$2.88	$5.34	85%	12%	12%	5%	5%
Schools (per student ADA) [2]	$0.51	$0.74	44%	12%	12%	5%	5%
Septage (per 1,000 gallons)	$26.19	$35.03	34%	12%	12%	5%	5%
Industrial							
Flow (per mg)	$1,561.56	$2,497.17	60%	12%	12%	5%	5%
BOD (per lb)	$0.173	$0.557	221%	12%	12%	5%	5%
SS (per lb)	$0.167	$0.558	234%	12%	12%	5%	5%

1 - Per hundred cubic feet (ccf)
2 - ADA – average daily attendance

6.5.1 Residential Bill Impacts

Residential customers are proposed to have a bill increase from $17.86 per month to $24.67 per month, as shown in Figure 8. Figure 8 also shows the current monthly wastewater bills of other local agencies. Despite the bill increase, the City's monthly residential wastewater bill still remains on the lower end when compared to the surveyed agencies.

Figure 8: Monthly Single Family Residential Wastewater Bill Survey



6.5.2 Commercial Bill Impacts

For FY 2023/24, the bill impacts for commercial customers will depend on actual consumption and customer class. Table 28 includes a sample of commercial sewer bill impacts for each customer class at different levels of monthly water use.

Table 28: Sample Monthly Non-Residential/Commercial Sewer Bill Impacts
City of Hanford
Utility Rate Study

GROUP A: DOMESTIC STRENGTH

	Monthly Use (ccf)	Current Bill	Proposed Feb 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
Domestic Strength - 15 ccf							
Total Sewer Bill	15	$23.10	$46.20	$51.75	$57.90	$60.75	$63.75
$ Change			*$23.10*	*$5.55*	*$6.15*	*$2.85*	*$3.00*
% Change			*100.0%*	*12.0%*	*11.9%*	*4.9%*	*4.9%*
Domestic Strength - 30 ccf							
Total Sewer Bill	30	$46.20	$92.40	$103.50	$115.80	$121.50	$127.50
$ Change			*$46.20*	*$11.10*	*$12.30*	*$5.70*	*$6.00*
% Change			*100.0%*	*12.0%*	*11.9%*	*4.9%*	*4.9%*

GROUP B: LOW STRENGTH

	Monthly Use (ccf)	Current Bill	Proposed Feb 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
Low Strength - 10 ccf							
Total Sewer Bill	10	$14.40	$28.10	$31.50	$35.30	$37.10	$39.00
$ Change			*$13.70*	*$3.40*	*$3.80*	*$1.80*	*$1.90*
% Change			*95.1%*	*12.1%*	*12.1%*	*5.1%*	*5.1%*
Low Strength - 20 ccf							
Total Sewer Bill	20	$28.80	$56.20	$63.00	$70.60	$74.20	$78.00
$ Change			*$27.40*	*$6.80*	*$7.60*	*$3.60*	*$3.80*
% Change			*95.1%*	*12.1%*	*12.1%*	*5.1%*	*5.1%*

GROUP C: MEDIUM STRENGTH

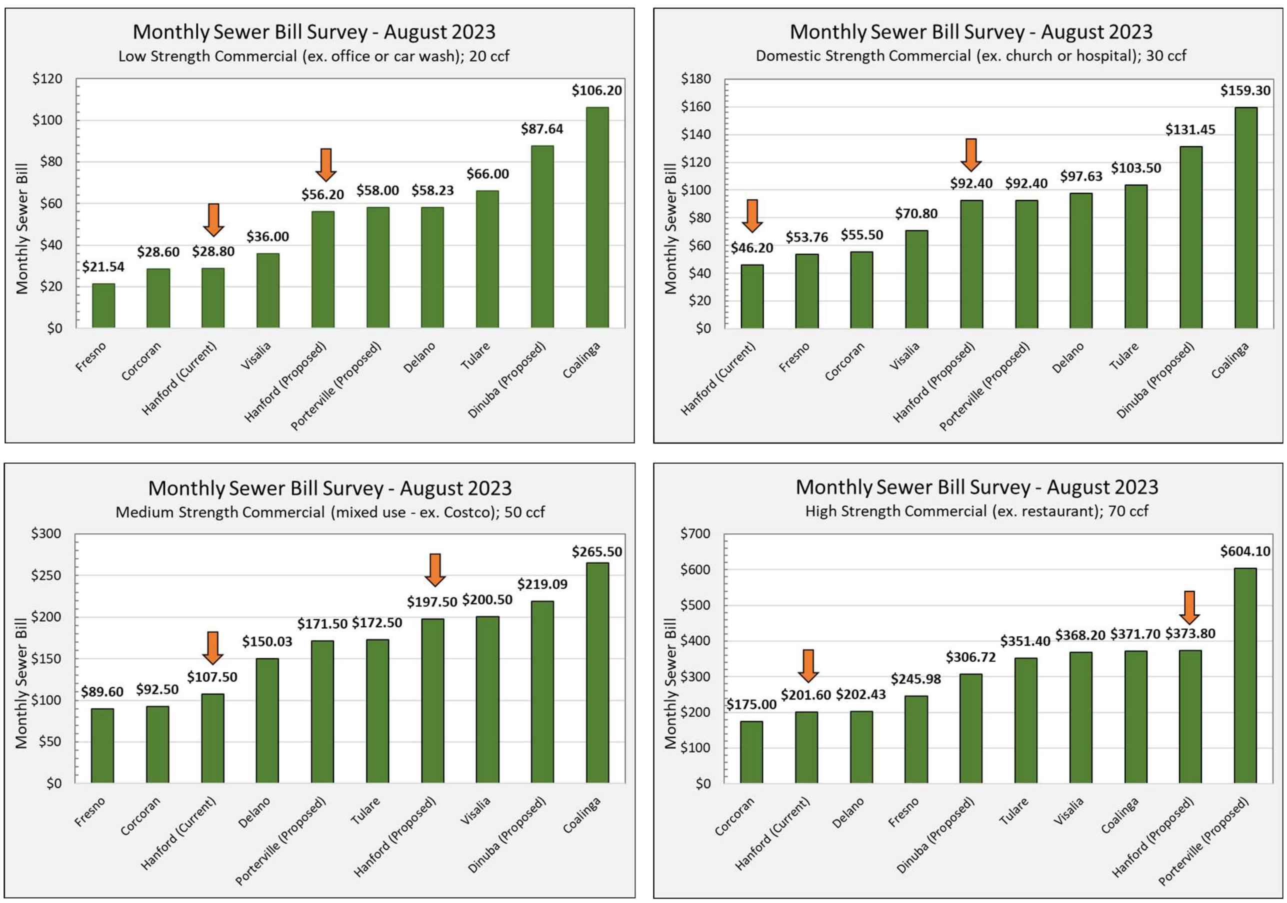
	Monthly Use (ccf)	Current Bill	Proposed Feb 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
Medium Strength - 30 ccf							
Total Sewer Bill	30	$64.50	$118.50	$132.60	$148.50	$156.00	$163.80
$ Change			*$54.00*	*$14.10*	*$15.90*	*$7.50*	*$7.80*
% Change			*83.7%*	*11.9%*	*12.0%*	*5.1%*	*5.0%*
Medium Strength - 50 ccf							
Total Sewer Bill	50	$107.50	$197.50	$221.00	$247.50	$260.00	$273.00
$ Change			*$90.00*	*$23.50*	*$26.50*	*$12.50*	*$13.00*
% Change			*83.7%*	*11.9%*	*12.0%*	*5.1%*	*5.0%*

GROUP D: HIGH STRENGTH

	Monthly Use (ccf)	Current Bill	Proposed Feb 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
High Strength - 70 ccf							
Total Sewer Bill	70	$201.60	$373.80	$418.60	$469.00	$492.80	$517.30
$ Change			*$172.20*	*$44.80*	*$50.40*	*$23.80*	*$24.50*
% Change			*85.4%*	*12.0%*	*12.0%*	*5.1%*	*5.0%*
High Strength - 100 ccf							
Total Sewer Bill	100	$288.00	$534.00	$598.00	$670.00	$704.00	$739.00
$ Change			*$246.00*	*$64.00*	*$72.00*	*$34.00*	*$35.00*
% Change			*85.4%*	*12.0%*	*12.0%*	*5.1%*	*5.0%*

The commercial bill impacts to each customer class were also surveyed in comparison to other local agencies, see Figure 9. For each strength category, a sample level of water usage was chosen and compared to the corresponding charge that the same customer would face in another local agency. Though all agencies surveyed charge variable rates per unit of water consumed by commercial customers, it should be noted that the subcategories used in other cities do not directly mirror those used by the City of Hanford. Some agencies do not have different charges based on wastewater strength, whereas others have more than four categories for commercial customers.

Figure 9: Commercial Monthly Wastewater Bill Surveys by Strength Category



SECTION 7: STORM DRAINAGE REVENUE REQUIREMENT

The storm utility's cost of service and revenue requirement is comprised of operating costs, capital improvement costs, and the need to maintain reasonable reserves. Storm drain fees are intended to fund capital improvement programs, operations and maintenance, clean water programs to mitigate the pollutants in stormwater, and other environmental services related to storm water. Ongoing maintenance of storm drain pipes is important in reducing risks of flooding and sink holes in local neighborhoods.

7.1 Storm Drainage System Overview

The City operates and maintains a storm drainage system that covers the majority of the area within the City limits. The storm drainage system consists of 30 pump stations, 56 miles of pipeline ranging in size from 6 to 60 inches, 138 inverted siphons, 974 drainage inlets, and 181 acres of drainage basins and drainage ditches. The storm drainage system removes rainfall from surface streets and disposes of the accumulated stormwater in drainage basins and canals that are located throughout the City.

7.2 Storm Drainage Reserves

The City maintains two storm drainage reserve funds – 1) an operating fund reserve and 2) a capital reserve fund reserve. As of the beginning of FY 2023/24, the storm drainage utility had operations fund reserves of approximately $5.72 million and capital and reserve fund reserves of negative $730,000. The proposed fund balance target for the operations fund is equal to 50% of annual operating expenses per City policy. This is in line with industry standards that recommend an operating reserve target of at least 25% of annual expenses to account for the time (at least 4 months) that it would take an agency to approve new rate increases to comply with Proposition 218.

Adequate fund reserves protect the City when faced with unforeseen financial challenges such as emergency expenses or revenue deficits. Fund reserves allow the City to maintain its financial health and positive credit ratings, especially during emergencies. Moreover, funding can be drawn from reserves to supplement rate revenues lost during emergencies or other unexpected situations. The City can also choose to use reserves to smooth cash flows and mitigate impacts to ratepayers.

7.3 Storm Drainage Capital Improvement Plan

Table 29 provides the storm drainage utility's capital improvement plan by year for the rate study period, totaling $3.58 million. All storm capital projects will be funded with rate revenues. Major projects include widening streets, removing trees, and repairing basins.

Table 29: Storm Drainage Capital Improvement Program (CIP)
City of Hanford
Utility Rate Study

Project Title	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	5-Year Total
Courthouse Parking Lot Reconstruction	-	$310,000	-	-	-	$310,000
Utility Customer Payment Kiosks (2)	$27,000	$14,000	$14,000	$14,000	$14,000	$83,000
Houston Av Pipeline/Sand Slough	$111,390	-	-	-	-	$111,390
Storm Drain Pump #39	$70,000	-	-	-	-	$70,000
Lacey Blvd Widen/Reconst Magna Carta To 13th	-	-	-	$500,000	-	$500,000
2062 Lift Station Rehab	-	-	$50,000	-	-	$100,000
2062 Portable Pumps 6" / 4"	-	$65,000	-	-	-	$65,000
2050 Vacuum Truck (Repl 174)	-	$129,400	-	-	-	$129,400
Tree Trim/Removal Program	$75,000	$75,000	$75,000	$75,000	$75,000	$375,000
2062 Brown St Main Addition-Hwy 198 To Brown St Basin	-	-	$250,000	-	-	$250,000
1750 Public Works Enclosed Warehouse	-	-	$75,000	-	-	$75,000
Lacey Widen/Recon/10th-Sierra	$305,020	$487,210	$186,570	-	-	$978,800
Stonecrest Basin Pump Eq	$45,930	-	-	-	-	$45,930
Lift Sta 23 & 56 Panel Repl	$48,000	-	-	-	-	$48,000
Incr Flow Cap/People Ditch	-	$35,440	-	-	-	$35,440
Gate Crossing Security/Locks	$18,450	-	-	-	-	$18,450
Curb And Gutter Install	$47,205	$20,000	$20,000	$20,000	$20,000	$127,205
Bonneyview Basin/Sand Slough Basin	$256,200	-	-	-	-	$256,200
TOTAL STORMWATER CIP	**$1,004,195**	**$1,136,050**	**$670,570**	**$609,000**	**$159,000**	**$3,578,815**

7.4 Storm Drainage Cash Flow Projection

The storm drainage fund cash flow for the five-year period beginning in FY 2023/24 through FY 2027/28 is provided in Table 30. Revenue increases of 5.0% annually over the rate study period are needed to keep up with operating cost inflation and to fund necessary capital projects. It should be noted that this level of increase is applied to the City's total storm drainage fee revenues and does not necessarily reflect the level of increase for individual customers. The impacts to each customer will vary depending on customer class and parcel size.

7.4.1 Stom Drainage Revenues

The City's main revenue source for the storm drainage utility is Storm Drain Fees. Fee revenues are estimated at about $1.48 million in FY 2023/24, comprising 97% of total storm drain revenues. Other revenues include Interest Income, Late Charges, and Other Miscellaneous Income.

7.4.2 Storm Drainage Operating Expenses

Operating expenses are based on the City's *FY 2023/2024 and 2024/2025 Budget.* Major expenses include Salaries and Benefits, Administrative Expenses, Supplies and Equipment, Outside Services, and Utilities. Beginning in FY 2025/26, Salaries & Benefits are escalated by 7.0% each year while all other operating expenses are escalated by 3.0% annually. In total, storm drainage operating expenses are estimated to increase by 5.0% each year beginning in FY 2025/26 through FY 2027/28.

7.4.3 Loan to Wastewater Fund

The storm drainage fund will lend the wastewater fund $1.3 million in FY 2023/24 to eliminate the wastewater fund's operating deficit and assist the wastewater fund with meeting its debt coverage requirements. The wastewater fund will pay back the loan in four equal installments of $325,000 beginning in FY 2024/25 through FY 2027/28.

7.4.4 Five-Year Summary

Figure 10 graphically shows the storm drainage cash flow projection for the five-year rate study period including both operating and capital expenses. The City will use existing reserves to fund capital projects and the interfund loan to the wastewater fund in FY 2023/24.

Figure 10: Storm Drainage Cash Flows

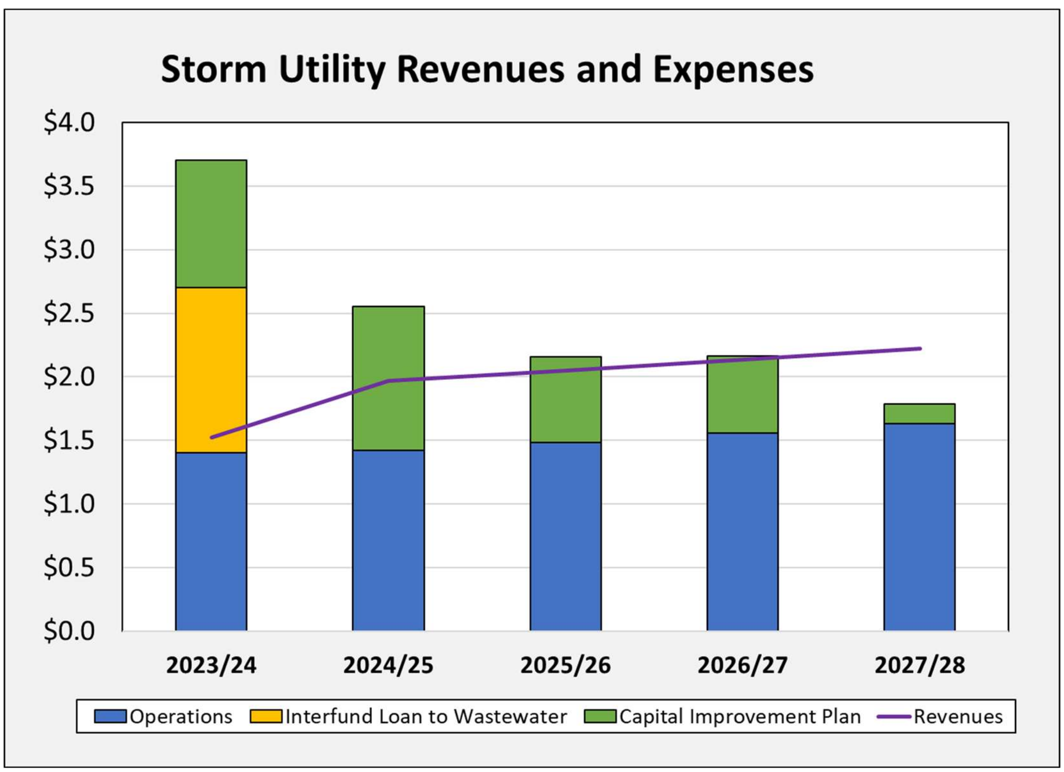


Table 30: Storm Drainage Cash Flow Projection
City of Hanford
Utility Rate Study

	Years 1 -5: Proposition 218				
	FY 2023/24	**FY 2024/25**	**FY 2025/26**	**FY 2026/27**	**FY 2027/28**
Rate Revenue Increase	5.0%	5.0%	5.0%	5.0%	5.0%
Rate Increase Effective	Jan 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
BEGINNING FUND BALANCE [1]	$5,721,000	$3,542,000	$2,708,000	$2,374,000	$2,053,000
REVENUES					
Rate Revenues	1,477,000	1,597,000	1,677,000	1,761,000	1,849,000
Non-Rate Revenue					
Late Fees	5,000	5,000	5,000	5,000	5,000
Interest Income	43,000	43,000	43,000	43,000	43,000
Bad Debts	1,000	1,000	1,000	1,000	1,000
Subtotal Non-Rate Revenues	49,000	49,000	49,000	49,000	49,000
Transfer from Wastewater to Repay Transfer	0	325,000	325,000	325,000	325,000
Total Revenue	1,526,000	1,971,000	2,051,000	2,135,000	2,223,000
EXPENSES					
Operating Expenses					
Salaries and Benefits	581,000	600,000	642,000	687,000	735,000
Supplies and Equipment	317,000	316,000	325,000	335,000	345,000
Outside Services	71,000	71,000	73,000	75,000	77,000
City Services Allocation	381,000	381,000	392,000	404,000	416,000
Utilities	51,000	51,000	53,000	55,000	57,000
Subtotal O&M	1,401,000	1,419,000	1,485,000	1,556,000	1,630,000
Net Operating Revenue	125,000	552,000	566,000	579,000	593,000
Transfer to Capital Fund	1,004,000	1,386,000	900,000	900,000	900,000
Transfer to Wastewater for Interfund Loan	1,300,000	0	0	0	0
OPERATIONS ENDING FUND BALANCE	3,542,000	2,708,000	2,374,000	2,053,000	1,746,000
Operating Reserve Fund Target [2]	701,000	710,000	743,000	778,000	815,000
Operating Reserve Target Met?	*yes*	*yes*	*yes*	*yes*	*yes*
CAPITAL & RESERVE BEG. FUND BALANCE [3]	($730,000)	($730,000)	($480,000)	($251,000)	$40,000
Revenues					
Transfer from Operations Fund	1,004,000	1,386,000	900,000	900,000	900,000
Capital Expenses					
Capital Plan	1,004,000	1,136,000	671,000	609,000	159,000
Subtotal Capital Expenses	1,004,000	1,136,000	671,000	609,000	159,000
Net Capital Revenues	0	250,000	229,000	291,000	741,000
CAPITAL & RESERVE ENDING FUND BALANCE	($730,000)	($480,000)	($251,000)	$40,000	$781,000

1 - Estimated cash fund balance of Storm Drainage Operations Fund provided by City staff
2 - Recommended target: Operating Reserve target is 6 months O&M Expenses
3 - Estimated cash fund balances of Storm Drainage Capital and Reserve Fund provided by City staff

SECTION 8: STORM COST ALLOCATION AND RATE DESIGN

Proposition 218 requires that municipalities providing "property-related services" (including storm drain service) set rates and charges that are based on the cost of providing those services. The revenue requirements detailed in the previous section determine the amount of revenue to be recovered from the storm drain rates. In this section, the cost of service allocation develops an equitable means of allocating utility costs among its customers based on their estimated runoff burden to the storm drain system.

The primary storm drainage service provided by the City is the collection, conveyance, and management of stormwater runoff from parcels. All parcels[2] that contribute runoff into the City's system, either directly or indirectly, take stormwater service from the City. This service is needed due to property improvements resulting in impervious area such as rooftops, paved driveways and walkways, and landscaping that prevents storm water percolation into the ground. Open space, raw land, and agricultural parcels that are akin to natural conditions (i.e. percolation into the groundwater), are not charged a fee.

Another stormwater service provided by the City is compliance with water quality requirements through the City's NPDES permit. The City monitors all parcels in the City including parcels that may drain directly to non-City receiving waters. Thus, all parcels are included in the fee structure except street parcels that are considered part of the storm system, open space or agricultural parcels that percolate stormwater, and parcels that full contain their own stormwater runoff.

8.1 Storm Drainage Cost Allocation

The proposed storm drain rate will only be levied on properties that shed water, directly or indirectly, into the City's storm drain system. Moreover, the amount of use attributed to each parcel is proportionate to the amount of stormwater runoff contributed by the parcel, which is, in turn, proportionate to the amount of impervious surface area on a parcel. According to the California Storm Water Quality Association (CASQA), the most widespread storm water fee structure across the United States is based on the amount of impervious area on a parcel. Impervious surfaces are surfaces that allow little or no storm drainage to permeate into the ground, including rooftops, paved driveways, and walkways.

Measuring impervious area is conducted using aerial photography and geographic information system (GIS). For residential properties, a representative sampling is sufficient to determine an average for a typical single family parcel. Unlike residential parcels, non-residential parcels differ widely in size and characteristics which makes sampling impractical. For a simplified alternative, runoff coefficients can be used to estimate stormwater runoff by land use classification. This concept can be used to estimate the

[2] Street parcels are considered part of the storm drain system and do not take service

relative load from a single parcel by multiplying the total area of the lot type by the runoff coefficient. The City's *2017 Storm Drainage Master Plan* includes runoff coefficients by land use types.

Table 31 includes an estimate of impervious area within the City. Parcels within the City are divided into one of seven land use categories: 1) Single Family Residential, 2) Business, 3) Industrial, 4) Low Density, 5) Multi-Family Residential, 6) Public Agency, and 6) Schools. A runoff coefficient from the *2017 Storm Drainage Master Plan* is applied to the acreage of each land use category to estimate the total land area that is impervious.

The Public Agency category refers to buildings and structures owned by governmental agencies and includes City Hall, City offices, libraries, post offices and fire/police stations. The Low Density category is new and is applied to industrially zoned parcels that were either a) entirely farmland, b) occupied by some industrial use but mostly vacant, or c) a single-family home that also contains active farmland. The properties in which parcel size is unknown will be charged a base fee based on customer class. Additionally, the City has identified 68 potential industrial parcels that will be added to the total acreage count once they have been annexed into the City in the future. Parcels that meet any of the following conditions are excluded from Table 31 and are not proposed to be charged storm drain fees:

1) Parcels that solely comprise a street or roadway (either publicly or privately owned) and are considered to be part of the Storm Drain conveyance system.
2) Parcels comprised of an area which is part of the City's storm drain system.
3) Parcels that do not receive service.
4) Parcels which detain all runoff on site.

To provide more context to exemption number 1 listed above, the Environmental Protection Agency notes that "*a municipal separate storm sewer means a conveyance or system of conveyances (including roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains): (i) Owned or operated by a State, city, town, borough, county, parish, district, association, or other public body (created by or pursuant to State law)... that discharges into waters of the United States. (ii) Designed or used for collecting or conveying stormwater; (iii) Which is not a combined sewer; and (iv) Which is not part of a Publicly Owned Treatment Works (POTW) as defined at 40 CFR 122.2.*" (EPA Stormwater Phase II Final Rule Fact Sheet). Therefore, street parcels are considered part of the City's storm drain infrastructure. Street parcels are assumed to collect and convey their own onsite stormwater. Storm drain expenses incurred related to the service of street parcels are deemed to benefit all parcels of the City and these costs are spread among non-street parcels based on the cost allocation described in this section.

Table 31: Estimated of Acreage & Impervious Area
City of Hanford
Utility Rate Study

Service Type		Number of Parcels [1]	% of Total Parcels	Total Acres	Average Parcel Size (acres)	Runoff Coefficient [2]	Total Impervious Area	% of Total Impervious Area
R	Residential	16,041	93.6%	3,047.8	0.19	0.50	1,523.9	57.8%
B	Business	559	3.3%	702.5	1.26	0.90	632.2	24.0%
I	Industrial [3]	66	0.4%	281.9	4.27	0.80	225.5	8.6%
LD	Low Density	31	0.2%	255.5	8.24	0.10	25.5	1.0%
M	Multi-Family	397	2.3%	171.0	0.43	0.60	102.6	3.9%
P	Public Agency	11	0.1%	104.7	9.52	0.90	94.2	3.6%
S	Schools	29	0.2%	220.5	7.60	0.15	33.1	1.3%
Total		17,134	100.0%	4,783.9			2,637.1	100.0%

1 - Only includes storm accounts that have matched APNs
2 - Source: Storm Drainage Master Plan 2017
3 - Includes 50% of matched acreage to be conservative

8.2 Storm Drainage Fee Design

Table 32 allocates the annual revenue requirement from the storm drainage cash flow to each customer class using the percent of total impervious area to calculate the proposed storm drainage fees. Single family residential customers will continue to be charged on a “per account” basis, with the monthly fee being lowered from $5.04 to $4.57. The most common method of establishing storm drainage rates is to use the average single-family residential parcel size as the basic unit of measure. The single family residential fee is based on an average parcel size of 0.19 acres. All other customers will be charged on a “per acre” basis. Parcel size and impervious area are more indicative of the impact each customer places on the City’s storm drainage system.

For all other non-residential customers, the methodology in which these customers will be charged is based on parcel size, rather than consumption. Therefore, the actual bill impacts to each customer will vary depending on customer class and parcel size.

Table 32: Storm Drainage Fee Calculation
City of Hanford
Utility Rate Study

	% of Total Impervious Area	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Total Revenue Requirement (from Cash Flow) [1]		$1,520,820	$1,596,861	$1,676,704	$1,760,539	$1,848,566
Customer Class Allocation						
Single Family Residential	57.8%	$878,830	$922,771	$968,910	$1,017,355	$1,068,223
Business	24.0%	$364,606	$382,837	$401,979	$422,078	$443,181
Industrial	8.6%	$130,062	$136,565	$143,393	$150,563	$158,091
Low Density	1.0%	$14,734	$15,471	$16,245	$17,057	$17,910
Multi-Family	3.9%	$59,175	$62,134	$65,241	$68,503	$71,928
Public Agency	3.6%	$54,339	$57,055	$59,908	$62,904	$66,049
Schools	1.3%	$19,074	$20,027	$21,029	$22,080	$23,184
Total	100.0%	$1,520,820	$1,596,861	$1,676,704	$1,760,539	$1,848,566
Rate Calculation for Single Family Residential						
Total Revenue Requirement		$878,830	$922,771	$968,910	$1,017,355	$1,068,223
Total Number of Residential Accounts		16,041	16,041	16,041	16,041	16,041
Monthly Single Family Residential Rate (per account)		$4.57	$4.79	$5.03	$5.29	$5.55
Rate Calculation for Business						
Total Revenue Requirement		$364,606	$382,837	$401,979	$422,078	$443,181
Total Acres		702.5	702.5	702.5	702.5	702.5
Monthly Storm Drain Rate per Acre		$43.25	$45.42	$47.69	$50.07	$52.57
Rate Calculation for Industrial						
Total Revenue Requirement		$130,062	$136,565	$143,393	$150,563	$158,091
Total Acres		281.9	281.9	281.9	281.9	281.9
Monthly Storm Drain Rate per Acre		$38.45	$40.37	$42.39	$44.51	$46.73
Rate Calculation for Low Density						
Total Revenue Requirement		$14,734	$15,471	$16,245	$17,057	$17,910
Total Acres		255.5	255.5	255.5	255.5	255.5
Monthly Storm Drain Rate per Acre		$4.81	$5.05	$5.30	$5.56	$5.84
Rate Calculation for Multi-Family						
Total Revenue Requirement		$59,175	$62,134	$65,241	$68,503	$71,928
Total Acres		171.0	171.0	171.0	171.0	171.0
Monthly Storm Drain Rate per Acre		$28.84	$30.28	$31.79	$33.38	$35.05

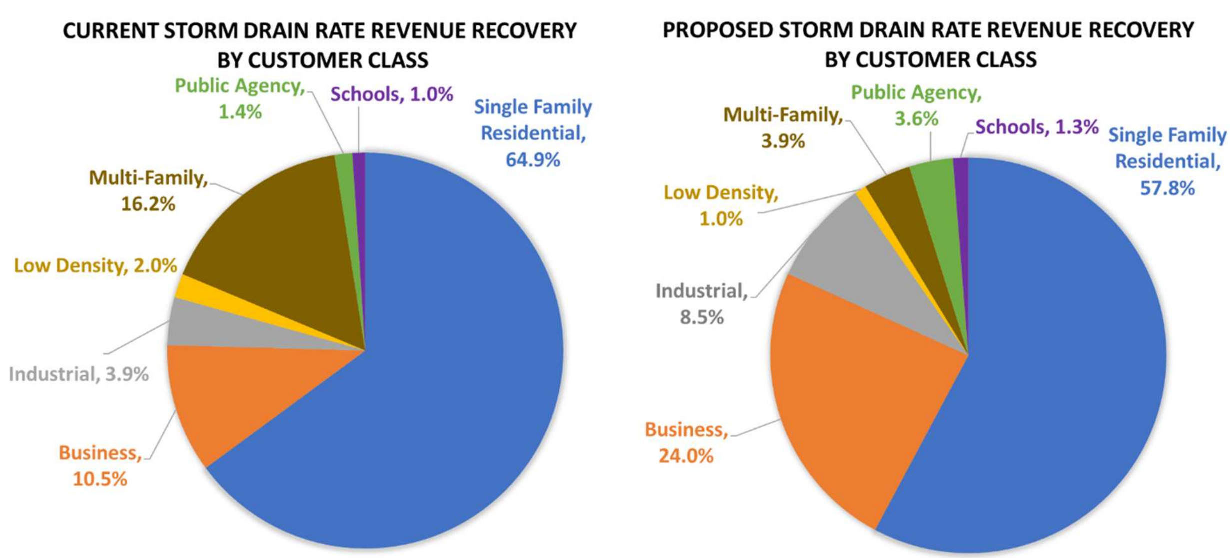
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Rate Calculation for Public Agency					
Total Revenue Requirement	$54,339	$57,055	$59,908	$62,904	$66,049
Total Acres	104.7	104.7	104.7	104.7	104.7
Monthly Storm Drain Rate per Acre	$43.25	$45.42	$47.69	$50.07	$52.57
Rate Calculation for Schools					
Total Revenue Requirement	$19,074	$20,027	$21,029	$22,080	$23,184
Total Acres	220.5	220.5	220.5	220.5	220.5
Monthly Storm Drain Rate per Acre	$7.21	$7.57	$7.95	$8.35	$8.76

1 – Assumes 12 months of rate increases

8.3 Cost Allocation Results

Based on the cost allocation, the revenue recovery by customer class has been updated so that each customer class is paying their share of costs per the total percentage of impervious area as shown on Table 31. Figure 11 below compares the current revenue allocation with the proposed allocations based on acreage.

Figure 11: Current vs. Proposed Storm Drainage Revenue Recovery



8.4 Proposed Storm Drainage Rates

The proposed five-year rate plan is shown in Table 33. The February 1, 2024 rates reflect the new cost allocation and rate structure described herein. The following years reflect 5.0% annual increases consistent with the proposed cash flow.

Table 33: Proposed Storm Drainage Fees
City of Hanford
Utility Rate Study

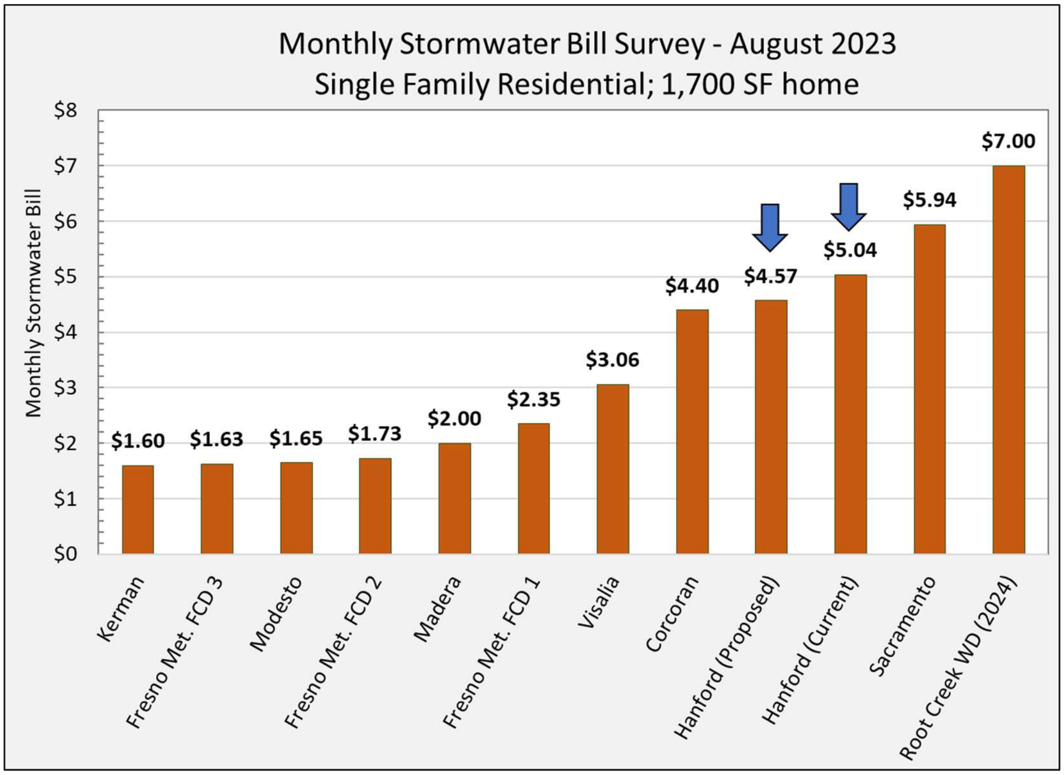
		PROPOSED				
Fiscal Year	**CURRENT**	**FY2023/24**	**FY2024/25**	**FY2025/26**	**FY2026/27**	**FY2027/28**
Effective Date	*Jul 1, 2011*	*Feb 1, 2024*	*Jul 1, 2025*	*Jul 1, 2026*	*Jul 1, 2027*	*Jul 1, 2028*
Single Family Residential (per account)	$5.04	$4.57	$4.79	$5.03	$5.29	$5.55
All Other Customers (per acre)						
Business		$43.25	$45.42	$47.69	$50.07	$52.57
Industrial		$38.45	$40.37	$42.39	$44.51	$46.73
Low Density		$4.81	$5.05	$5.30	$5.56	$5.84
Multi-Family		$28.84	$30.28	$31.79	$33.38	$35.05
Public Agency		$43.25	$45.42	$47.69	$50.07	$52.57
Schools		$7.21	$7.57	$7.95	$8.35	$8.76
Base Charge (per account) [1]						
Business		$8.65	$9.08	$9.54	$10.01	$10.51
Industrial		$7.69	$8.07	$8.48	$8.90	$9.35
Low Density		$0.96	$1.01	$1.06	$1.11	$1.17
Multi-Family		$5.77	$6.06	$6.36	$6.68	$7.01
Public Agency		$8.65	$9.08	$9.54	$10.01	$10.51
Schools		$1.44	$1.51	$1.59	$1.67	$1.75

1 - Charge for accounts that the City does not have parcel size information for.

8.5 Storm Drainage Survey

Figure 12 provides a bill survey comparing the City's current and proposed storm drain bills for a 1,700 square foot single family home.

Figure 12: Storm Drainage Residential Monthly Bill Survey



8.6 Annual Parcel Database Review

To develop the storm drainage parcel database, L&T matched the City's current storm drainage accounts with parcel size information and assessor parcel numbers (APN) provided by Kings County. The City will need to make adjustments to the parcel database on an annual basis as parcels are developed, undergo a change of use, or when parcel size data becomes available for those without acreage currently available. The following accounts will need to be updated each year:

- **Accounts with No Acreage**
  Of the 17,453 storm drainage accounts, L&T was able to match 14,489 with their corresponding acreage and APNs. Accounts without parcel size information will be charged a base storm drainage charge based on customer class. Once parcel size is confirmed, the account can be charged the corresponding per acre rate.

- **Hand-Billed Industrial & School Accounts**
  The City currently bills several schools and industrial accounts separately for sewer use, and therefore, L&T did not find an existing account number. The City can either continue to hand bill these customers or add them to the billing system.

- **Potential Industrial Parcels**
  The City has identified 68 industrial parcels for a total of 1,318 acres that will likely be annexed into the City in the future. Because it is unknown when they will be annexed, these parcels are not included in the current rate study but can be included in the next rate study once they have established a utility billing account.

- **Low Density Parcels**
  The Low Density category is a new storm rate category and is applied to industrially zoned parcels that were either a) entirely farmland, b) occupied by some industrial use but mostly vacant, or c) a single-family home that also contains active farmland. The City has identified 31 Low Density parcels for a total of 511 acres. The majority of these parcels do not have an existing utility account number and will have to be added to the billing system.

- **Site Planning & Impervious Area Reductions**
  Certain parcels may have storm water detention and/or retention facilities or perform other best management practices that decrease or eliminate storm water runoff. While every effort has been made to account for these parcels, a parcel owner may present information to substantiate an exemption to the charges. The City will need to establish a process for individual property owners to appeal their storm drain charges on a case-by-case basis and update the parcel database as needed.

City of Hanford
Utility Division
315 N Douty Street
Hanford, CA 93230

Customer Name
Address
City, State ZIP

NOTICE OF PUBLIC HEARING ON PROPOSED WATER, WASTEWATER, & STORM DRAIN RATE INCREASES

Hearing Date & Time: **January 16, 2024 at 7pm**

Hearing Location:

Hanford Civic Auditorium
400 N Douty Street
Hanford, CA 93230

Dear Customer or Property Owner,

You are receiving this notice because you are either a utility customer or you own property receiving services of the City of Hanford (City). The City Council will hold a public majority protest hearing on **January 16, 2024, at 7pm** at **400 N Douty Street, Hanford, CA 93230** to consider increases in the water, wastewater, and storm drain rates, effective February 1, 2024. At the hearing, the City Council will review the amount of the proposed rates as well as the methodology used to calculate the rates. If the proposed maximum rates are adopted, the City may collect rates at or below the proposed maximum as needed to meet the City's water, wastewater, and storm drain needs over the next five years.

In compliance with article XIII D of the California Constitution, which was added to the Constitution pursuant to Proposition 218, this notice provides you with information regarding the services provided by the City, the reasons for the changes in the water, sewer, and storm drain service rates, and the methods by which you can protest this rate increase if you so desire.

System Overview

The City provides water, wastewater, and storm drain services to approximately 17,000 accounts including homes, businesses, and industrial facilities. The City's sole water source is groundwater from within the San Joaquin Valley Groundwater Basin which is distributed through a system of wells, pipelines, storage reservoirs, and pumping facilities. The City owns and operates a local wastewater plant to treat and dispose of customer discharge. The storm drainage system removes rainfall from surface streets and disposes of the accumulated stormwater in drainage basins throughout the City. The City also complies with strict government clean water standards regulating the removal of pollutants from stormwater prior to it entering local waterways.

Current Water, Wastewater, & Storm Drain Rates

Water, wastewater, and storm drain rates are billed monthly. The prior water rate study was completed in 2015, and the last water rate increase went into effect over 5 years ago on July 1, 2018. For water service, customers are billed 1) a flat charge according to the size of their meter and 2) a volume rate based on metered water usage.

All customers pay a uniform volume rate that is the same rate per 100 cubic feet (ccf) of water consumed. One hundred cubic feet (ccf) equates to 748 gallons.

The prior wastewater and storm drain rate study was completed in 2009, and the last rate increases went into effect over 12 years ago on July 1, 2011. For wastewater and storm drain service, residential customers are billed a flat charge per account. Commercial customers are billed based on metered water use. Industrial customers are billed based on metered water use and for the amount of pollutants released into the wastewater system. Schools are billed annually based on a flat charge per student (measured using average daily attendance).

Why are rate adjustments needed?

The water, wastewater, and storm drain utilities rely entirely on rate revenues to fund operations. The proposed rates are based on a comprehensive cost of service study to ensure that utility rates pay for increasing operating and maintenance expenses, debt service payments, capital projects, and emergency reserves. Water, wastewater, and storm drain operations are not funded by property tax or any other tax revenue.

The proposed rate increases are needed for the three utilities to maintain balanced budgets and to fund necessary infrastructure improvements. Water rates are proposed to be adjusted to keep up with inflationary cost increases and to fund $43.7 million in capital projects over the next five years. Major water capital projects include meter replacements, well upgrades, tank repairs, and water supply projects.

In recent years, the wastewater utility has spent down its reserves to fund expenses. Wastewater rate increases are needed to keep up with operating costs, maintain strong debt coverage, and to fund $7.4 million in capital projects over the next five years. Major wastewater capital projects include funding for the wastewater treatment expansion project, lift station repairs, and rehabilitating miles of sewer pipeline.

The proposed storm drain rate increase reflects needed improvements to the City's aging storm drainage system, including $3.5 million in capital projects over the next five years. Major storm drainage capital projects include removing trees, basin repairs, and pipeline replacements.

Proposed Rates and Rate Structure Adjustments

The proposed rates are designed to cover the costs of planned capital projects and operating and maintenance expenses and will not result in any profits to the City. Current and proposed water rates are provided in Table 1.

Table 1: Current and Proposed Monthly Water Rates

	Current	PROPOSED				
Fiscal Year	**Rates [1]**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**
Effective Date	*July 1, 2018*	*Feb 1, 2024*	*July 1, 2024*	*July 1, 2025*	*July 1, 2026*	*July 1, 2027*
METER CHARGES						
5/8", 3/4", & 1"	$15.41	$17.42	$19.85	$21.64	$22.52	$23.44
1-1/2" & 2"	$21.88	$31.89	$36.34	$39.62	$41.23	$42.91
3" & 4"	$34.83	$95.56	$108.90	$118.73	$123.55	$128.58
6"	$54.26	$292.35	$333.16	$363.26	$378.01	$393.37
8"	$80.17	$465.99	$531.04	$579.02	$602.53	$627.01
CONSUMPTION CHARGES ($/CCF)						
All Customers	$1.34	$1.94	$2.24	$2.44	$2.54	$2.64

CCF - hundred cubic feet; one CCF = 748 gallons

1 - Current rates shown are for Inside City customers. Inside & Outside City customers are proposed to be billed the same rates going forward. Current meter charges shown are the sum of the service connection charge and the meter fee.

The proposed water rates also include a schedule of drought rates, which would only be implemented during a water shortage emergency. The City does not currently have a schedule of drought rates. Under drought conditions, the meter charges would remain the same, but the volume rate would increase according to the level of water cutback, as shown in Table 2. A detailed analysis of drought rates is provided in the City's Water, Wastewater, and Stormwater Utility Rate Study 2023.

Table 2: Proposed Drought Rates

Fiscal Year	Current Rates	PROPOSED [1]				
		2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
Effective Date	*July 1, 2018*	*Feb 1, 2024*	*July 1, 2024*	*July 1, 2025*	*July 1, 2026*	*July 1, 2027*
DROUGHT CONSUMPTION CHARGES ($/CCF) [1]						
10% Water Cutback	-	$2.10	$2.42	$2.64	$2.75	$2.86
20% Water Cutback	-	$2.30	$2.65	$2.89	$3.01	$3.13
35% Water Cutback	-	$2.72	$3.13	$3.41	$3.55	$3.69
50% Water Cutback	-	$3.38	$3.89	$4.24	$4.41	$4.59

CCF - hundred cubic feet; one CCF = 748 gallons
1 - Only to be implemented temporarily during water shortage emergencies.

Current and proposed wastewater rates are provided in Table 3. It should be noted that under the current billing system, wastewater and storm drain fees are combined into a single charge. 22% of the combined charge is for storm drain services. For a single family customer, the current combined fee is $22.90 per month which is made up of $17.86 for wastewater service and $5.04 for storm service. In the future, wastewater and storm rates are broken out into separate charges. Wastewater rates are determined based on customer service costs as well as the amount of wastewater flow and pollutants flushed into the sewer system.

Table 3: Current and Proposed Monthly Wastewater Rates

Customer Class	Current Rates	PROPOSED				
		2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
Effective Date	*July 1, 2011*	*Feb 1, 2024*	*July 1, 2024*	*July 1, 2025*	*July 1, 2026*	*July 1, 2027*
RESIDENTIAL (Per dwelling unit)						
Single Family	$17.86	$24.67	$27.63	$30.95	$32.50	$34.13
Multi-Family/Duplex	$16.93	$18.51	$20.73	$23.22	$24.38	$25.60
NON-RESIDENTIAL						
Metered Water (Per CCF)						
Group A: Domestic	$1.54	$3.08	$3.45	$3.86	$4.05	$4.25
Group B: Low Strength	$1.44	$2.81	$3.15	$3.53	$3.71	$3.90
Group C: Medium Strength	$2.15	$3.95	$4.42	$4.95	$5.20	$5.46
Group D: High Strength	$2.88	$5.34	$5.98	$6.70	$7.04	$7.39
Schools (per student ADA) [1]	$0.51	$0.74	$0.83	$0.93	$0.98	$1.03
Septage (per 1,000 gallons)	$26.19	$35.03	$39.23	$43.94	$46.14	$48.45
Industrial						
Flow (per mg)	$1,561.56	$2,497.17	$2,796.83	$3,132.45	$3,289.07	$3,453.52
BOD (per lb)	$0.173	$0.557	$0.623	$0.698	$0.733	$0.770
SS (per lb)	$0.167	$0.558	$0.625	$0.700	$0.735	$0.772

No storm drain fees are included in this table.
CCF - hundred cubic feet; one CCF = 748 gallons
1 - ADA - average daily attendance

Non-residential Sewer Customer Groups are defined as:

Group A: Mobile home parks, motels, public buildings, hospitals, nursing homes, churches, fraternal lodges, service stations and automotive centers
Group B: Car washes, laundromats, retail, commercial and professional establishments
Group C: Mixed use commercial centers including food services with single water service
Group D: Restaurants, supermarkets, grocery stores, mortuaries

Current and proposed storm drain rates are provided in Table 4. The proposed storm drain rates are based on land use type and parcel size as these parameters more closely reflect how customers generate stormwater runoff and take service from the City's storm drain system. Single family residential customers are proposed to be billed a fixed fee based on the average parcel size while all other customer types will be charged an individual rate based on their parcel's acreage. Parcels with indeterminate acreage will be billed a base charge according to their customer class. It should be noted that street parcels contain culverts, drains, and other stormwater facilities and are thus considered part of the storm drain system and are not billed for service.

Table 4: Current and Proposed Monthly Storm Drain Rates

	Current Rates	**PROPOSED**				
		2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
Effective Date	*July 1, 2011*	*Feb 1, 2024*	*July 1, 2024*	*July 1, 2025*	*July 1, 2026*	*July 1, 2027*
SINGLE FAMILY RESIDENTIAL (per account)	$5.04	$4.57	$4.79	$5.03	$5.29	$5.55
ALL OTHER CUSTOMERS (per acre)						
Business	*varies*	$43.25	$45.42	$47.69	$50.07	$52.57
Industrial		$38.45	$40.37	$42.39	$44.51	$46.73
Low Density		$4.81	$5.05	$5.30	$5.56	$5.84
Multi-Family		$28.84	$30.28	$31.79	$33.38	$35.05
Public Agency		$43.25	$45.42	$47.69	$50.07	$52.57
Schools		$7.21	$7.57	$7.95	$8.35	$8.76
BASE CHARGE (per account) [1]						
Business	*varies*	$8.65	$9.08	$9.54	$10.01	$10.51
Industrial		$7.69	$8.07	$8.48	$8.90	$9.35
Low Density		$0.96	$1.01	$1.06	$1.11	$1.17
Multi-Family		$5.77	$6.06	$6.36	$6.68	$7.01
Public Agency		$8.65	$9.08	$9.54	$10.01	$10.51
Schools		$1.44	$1.51	$1.59	$1.67	$1.75

No wastewater fees are included in this table.
1 - Parcels with indeterminate acreage will be billed a base charge according to their customer class.

Parcels that meet any of the following conditions are not proposed to be charged storm drain fees:

1. Parcels that solely comprise a street or roadway (either publicly or privately owned) and are considered to be part of the Storm Drain conveyance system per Environmental Protection Agency guidelines.
2. Parcels comprised of an area which is part of the City's storm drain system.
3. Parcels that do not receive service.
4. Parcels which detain all runoff on site.

How do I file a protest or participate in the public hearing?

The provisions of Proposition 218 provide that certain types of "Property Related Fees" such as water, sewer, and storm drain rates are subject to a "majority protest" process. Under the majority protest process, any property owner or customer of record may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel. If protests are filed on behalf of a majority of the parcels subject to the rates, the City cannot adopt the proposed rates.

<u>Every written protest MUST include ALL of the following to be counted:</u>

1. **A statement against the proposed water rates, wastewater rates, storm drain rates or all three rates;**
2. **Name of the recorded owner or customer of record who is submitting the protest;**
3. **Identification of assessor's parcel number, street address, or utility account number of the parcel with respect to which the protest is made; and**
4. **Original signature and legibly printed name of the record owner or customer of record who is submitting the protest.**

Written protests may be submitted by:

1. Mail to - Prop 218 Protest, 315 N Douty Street, Hanford, CA 93230; or
2. In-person delivery during normal business hours to 315 N Douty Street, Hanford, CA 93230; or
3. In-person at the Public Hearing, prior to the conclusion of the Public Hearing.

Regardless of how the written protest is submitted, it must be received by the City prior to the conclusion of the public comment portion of the Public Hearing on January 16, 2024. (Postmark dates will not be accepted.) Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the City, that the enclosed protest is for the Public Hearing on the Proposed Water, Wastewater, and Storm Drain Rate Increases. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest.

The City will hold the Public Hearing on January 16, 2024 at 7pm. The City Council will review the amount of the rates as well as the methodology for calculating the proposed rates. At the conclusion of the hearing, protests will be counted and validated. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the Public Hearing, the City cannot adopt the proposed rates. If a majority of the parcels do not protest the proposed increase, the City has the authority to adopt the proposed rates. The first rate change, if enacted, could go into effect as early as February 1, 2024.

Additionally, pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee, adopted, modified, or amended after January 1, 2022.

Notice of a Public Hearing on Proposed Water, Wastewater, and Storm Rate Increases

The City of Hanford will hold a Public Hearing on the proposed water, wastewater, and storm drain rates on ***Tuesday, January 16, 2024 at 7:00 p.m***. in the Hanford Civic Auditorium at 400 N Douty Street, Hanford, CA 93230

Council Future Agenda Items				
Originated Date	**Item**	**Originator**	**Staff Lead**	**Date Estimate**
5/16/2023	Municipal Code Amendments to the Cannabis Tax Structure for non-retail businesses and the Application Process	Community Development	Jason Waters	11/21/2023
8/15/2023	Municipal Code Amendments to modify the chapter related to murals and consider and adopt a policy to approve murals at the administrative level.	Council Direction	Jason Waters	11/21/2023
10/17/2023	Review and Discussion of the various elements and criteria of the Historic Overlay Zone and direction from Council on potential amendments	Council Direction	Jason Waters	11/21/2023