



City Council Meeting Agenda

February 6, 2024
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 to the City Council regarding the Operation and Programs for the Longfield Community Center and Direction from Council regarding future uses and improvements as appropriate.
- B. Community Development: Presentation and Council discussion and Input regarding the City's RAISE Grant Application project scope that will provide infrastructure improving walkability, safety and sustainability in the downtown and nearby alleys.

CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:

- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (GC 54956.9)(d)(1))
 - 1 Workers Compensation Claim.
- B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (54956.9 (d)(2))
 - 3 Potential Cases.

CALL TO ORDER REGULAR SESSION:

ROLL CALL:

INVOCATION:

Sheri Winterowd

FLAG SALUTE:

RECOGNITION:

A. Recognition of the invocation volunteers:

Mark Curts, Sylvia Gaston, Bobby Guerra, Johnny Escalara, Ignacio Valddez, John Malogi, Jay Rublacava, Lori Niles, Albert Toralez, Rich Johnson, Bud Haskell, Shannon Brown, Tim Brown, Andrea Lott, and Sherri Winterowd.

B. Badge Pinning Ceremony and Oath of Office for Officer Daniel Ortega.

CLOSED SESSION ACTION REPORT:

COUNCIL REPORTS/GENERAL REPORTS:

Brief information-only reports from City Council and/or Staff, including committee reports and reports by City Council related to meetings attended at City 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. Administration:** Approval of Supplemental Services Agreement No. 1 with Brandley Engineering for the preparation and completion of a detailed Pavement Maintenance Management Plan/Pavement Evaluation Study for the Hanford Municipal Airport for a contract amount Not to Exceed \$170,000, to be funded 95% through Federal and State grants.
- C. Administration:** Approval of a new 3-year Service Agreement with Main Street Hanford at an annual compensation amount of \$81,090, which remains unchanged from the previous contract.
- D. Community Development:** Adoption of Resolution No. 24-04-R Approving an Amendment to the Standard Agreement issued under the 2020 Community Development Block Grant Program Coronavirus Response (CDBG-CV)
- E. Public Works:** Approval of an increase to the Purchase Order for the purchase of fuel for

City-owned equipment and vehicles, from Van Der Pol Enterprises up to \$80,000 annually

- F. Public Works: Appropriate \$193,902 from the Refuse Fund (0307) and approve sole source awards for the purchase of various sized front load refuse plastic commercial bins from Toter LLC in the amount of \$74,074.26 and various metal commercial bins from Wastquip in the amount of \$119,827.15 due to the familiarity of both vendors and the City of Hanford's refuse bin specifications.
- G. Police: Approval of the Hanford Police Department's Canine Conditions of Acceptance contract between the City of Hanford and the Department's Canine Handlers, and Authorization for the Police Chief to execute the Agreements.
- H. Finance: Authorization for the City Manager to execute an agreement with Wells Fargo Bank for banking and Lockbox services at an annual cost of approximately \$135,000 for a term of three years, with an option to extend by two years.
- I. Finance: Acceptance and authorization for staff to File the City of Hanford's Quarterly Investment Portfolio and Transactions Reports as of 12/31/2023.

PUBLIC HEARING:

- A. Public Works: Public Hearing and consideration of approval of Resolution 24-03-R for City of Hanford wastewater rate adjustments effective March 1, 2024.
- B. Community Development: Public Hearing to receive comments on the proposed Zone Text Amendment No. 2024-01, a request to amend Title 17, Section 17.56.230 of the Hanford Municipal Code in order to comply with free speech requirements and establish a new application process for murals and Introduction of Ordinance 24-01, approving the ZTA.

CONVENE AS SUCCESSOR AGENCY:

SUCCESSOR AGENCY - PUBLIC COMMENT:

SUCCESSOR AGENCY FOR THE DISCUSSION OF THE FOLLOWING:

- A. Finance: Review And Approval Of The Recognized Obligation Payment Schedule (ROPS 24-25) For The Period July 1, 2024 To June 30, 2025.

ADJOURN AS THE SUCCESSOR AGENCY:

GENERAL BUSINESS:

- A. Public Works: Authorization to reimburse Woodside 06N, LP, in the amounts of \$546,798.00 for the city park land acquisition and improvements for the city neighborhood park located within Tract No. 929, Unit No. 1; AND \$94,189.10 for the purchase and dedication of right of way and street improvements on 13th Avenue located outside of development boundaries; AND approve an additional appropriation of \$546,798.00 from the Parks Impact Fee Fund, and \$94,189.10 from the Transportation Impact Fee Fund to fulfill the reimbursements; AND approve an additional appropriation of \$12,800.00 from the Park Impact Fee Fund for Parks Department staff to provide and install solar powered safety lighting and a drinking fountain at Tract 929 neighborhood park.

- B. Public Works: Authorization to reimburse Presidio JJR Sterling Oaks 104, LLC in the amount of \$672,607.51 for the City Park land acquisition and park improvements located within Tract No. 865, Unit No. 1; and approve an additional appropriation of \$522,607.51 from the Parks Impact Fee Fund to fulfill reimbursements.
- C. Finance: Introduction of Ordinance No. 24-01, Amending Municipal Code 2.48 relating to the City's Purchasing System
- D. Administration: Discussion of Council Options and direction from the City Council Action related to the upcoming vacant Council seat in District C.

ITEMS FOR FUTURE AGENDAS:

At this time, any Council Member may ask a question for clarification or 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. (GOV. CODE SEC. 54954.2)

- A. Council Future Agenda Items
- B. Upcoming Events and Important Dates:
 - February 19: City offices closed in observance of Presidents' Day
 - February 20: Regular City Council Meeting
 - March 5 & 19: Regular City Council Meeting

ADJOURNMENT:

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

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



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: STUDY SESSION

SUBJECT:

Presentation to the City Council regarding the Operation and Programs for the Longfield Community Center and Direction from Council regarding future uses and improvements as appropriate.

RECOMMENDATION:

Recommendation: That the City Council receive a presentation on the Longfield Center and the current programmed uses of the facility and provide direction to staff regarding the future programming of the Longfield Center.

Recommended Motion:

BACKGROUND:

History

The Longfield Center has special meaning to those with roots in South Hanford. In 1955, the City of Hanford purchased a Catholic Church on the corner of 2nd Street and Douty Street for \$3,072 (see picture below).



The Original Longfield Center on 2nd and Douty Streets

The more than 50-year history of the Longfield Center includes a long line of mentors. The lobby at Longfield is adorned with the faces of the Longfield Hall of Fame, who have given back to the community in many ways. The Longfield Center has traditionally been a drop-in facility for young people during weekends and after-school hours.

The Longfield Center became outdated as the years passed, due to the many years of community use. In 2021, with direction from the newly formed Longfield Advisory Committee, the City undertook a major renovation of the building's interior. This included new flooring, paint, a front lobby remodel, a renovated Hall of Fame display, and a new fitness center equipped with modern cardiovascular and strength equipment.

Established in 1994 by the City of Hanford, the Longfield Center Hall of Fame Inductee Ceremony is a biennial event. To be considered and inducted into the Hall of Fame, individuals must be viewed as role models in the community, have attended local schools, have been recognized for roles in academics, athletics, or professional organizations, and have been directly or indirectly involved with the Longfield Center. The committee that selects the honorees is made up of former inductees and city staff members.

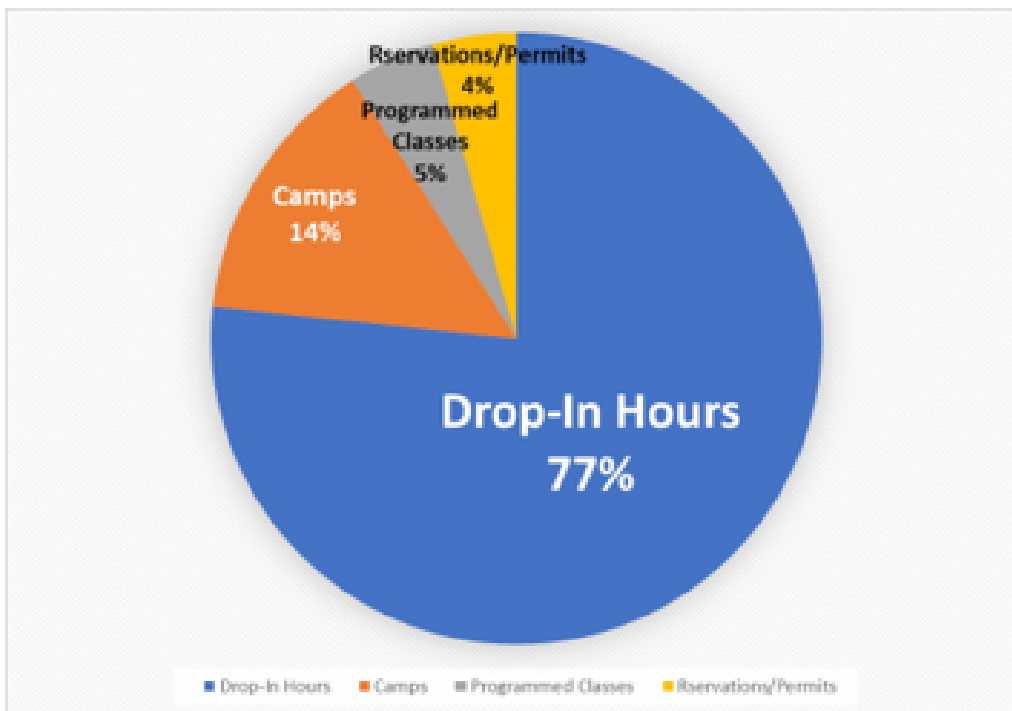


The Longfield Hall of Fame Display

The current Longfield Recreational Programming, during the 2023 calendar year, resulted in the Longfield Center being open to the public for at total of 4,307 hours, **at an annual cost to the City's General Fund of \$226,993**. The table and pie chart below show the types of uses and allocation of hours:

Activity	Hours	Percentage
Drop-In	3,483	77%
Camps	650	14%
Classes	208	4.5%
Reservations	202	4.5%
TOTAL	4,307	

Percent of Programming at the Longfield Center



Camps

The City has offered day camp experiences to youth ages 5-14 for over twenty-five years. These camps provide structured recreation and enrichment opportunities during non-school times, totaling 13 weeks annually: Summer Camp - nine weeks, Winter Camp-- three weeks, and Spring Camp- one week. In 2023, 168 youths attended camps. These camps benefit working parents during non-school times. During the 2023 calendar year, 168 youth attended camps, generating \$48,459 in revenue. In addition, the City offers financial assistance to disadvantaged families funded by the Community Development Block Grant (CDBG). In 2023, 21 families received this assistance, totaling \$9,650.

In years past, camps were located within the Civic Auditorium East Wing (old Teen Center) and, more recently, in the Coe Park Building. In 2022, the City leased the Civic East Wing to the Kings County Office of Education (KCOE) to house the Hanford Family Resource Center, serving youth ages 0-5 and their parents free of charge. Last year, the Family Resource Center served 355 unduplicated children and 307 parents/guardians. The KCOE lease generates \$51,960 in annual revenue.

This past year, the City received almost \$2.5 million in grant funding to establish and operate the Hanford Boys & Girls Club at Coe Park for the next 5 years. This new STEM-based club will serve youth from grades 7-12, including many of those youth that have traditionally used the Longfield Center for drop-in. The addition of these two youth-serving programs has necessitated that the day

camps be relocated to the Longfield Center.

Active and Passive Recreation

A significant aspect of the Longfield Center's recreational programming is the choice of active and passive recreational activities. Historically, The Longfield Center has been a drop-in center focusing on passive recreation. As time passed and the City's recreational needs evolved, staff concentrated on balancing passive and active (hybrid) programming.

Solution

The critical area within the Longfield Center is the gymnasium, which houses six basketball hoops, including two full courts and one large court. A physical solution is the installation of a power drop-down net that would divide the gym in half (see pictures below). This divider net would improve programming flexibility and enable two user groups to coexist in the split space. This would give drop-in basketball uninterrupted play while providing opportunities for other user groups.

The motorized gym divider would be funded through the Prop 64 Grant (Hanford Boys & Girls Club) housed at Coe Park, allowing Club members to use the Longfield gym concurrently with drop-in basketball.

Sample Gym Dividers



Up Position



Retracted Position

FISCAL IMPACT:

The motorized gym divider would be funded through the Prop 64 Grant (Hanford Boys & Girls Club) housed at Coe Park, allowing Club members to use the Longfield gym concurrently with drop-in basketball. The estimated cost of the gym divider is \$35,500, with no financial impact on the general fund.

ATTACHMENTS:

None



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024	AGENDA SECTION: STUDY SESSION
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SUBJECT:

Presentation and Council discussion and Input regarding the City's RAISE Grant Application project scope that will provide infrastructure improving walkability, safety and sustainability in the downtown and nearby alleys.

RECOMMENDATION:

Recommendation: That the City Council receive the staff presentation and provide input and receive public comments related to the City's RAISE Grant application which will provide infrastructure improving walkability, safety and sustainability in the downtown and nearby alleys.

BACKGROUND:

The Federal RAISE Grant provides ~\$1.5 billion annually for infrastructure improvements that emphasize "safety, equity, climate and sustainability, and workforce development". The City is seeking approximately \$13-18 million in RAISE Grant funds for infrastructure that improves walkability, safety and sustainability in the downtown and nearby alleys.

The City is currently preparing the grant application and identifying a project scope and is seeking input from Council and the public regarding project priorities. Applications for the RAISE Grant are due by February 28, 2024.

FISCAL IMPACT:

ATTACHMENTS:

None



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of Supplemental Services Agreement No. 1 with Brandley Engineering for the preparation and completion of a detailed Pavement Maintenance Management Plan/Pavement Evaluation Study for the Hanford Municipal Airport for a contract amount Not to Exceed \$170,000, to be funded 95% through Federal and State grants.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve Supplemental Services Agreement No. 1 with Brandley Engineering for the preparation and completion of a detailed Pavement Maintenance Management Plan/Pavement Evaluation Study for the Hanford Municipal Airport, for a contract amount Not to Exceed \$170,000, to be funded 95% through Federal and State grants.

BACKGROUND:

Historically, airports have made decisions about pavement maintenance and rehabilitation (M&R) based on immediate need or experience rather than long-term planning or documented data on effective methods. This approach did not allow the airport sponsor to evaluate the cost effectiveness of alternative strategies, and it led to the inefficient use of available FAA funding.

A Pavement Management Program (PMP) provides a consistent, objective, and systematic procedure for establishing facility policies, setting priorities and schedules, allocating resources, and budgeting for pavement maintenance and rehabilitation. It can also quantify information and provide specific recommendations for actions required to maintain a pavement network at an acceptable level of service while minimizing the cost of maintenance and rehabilitation. A PMP not only evaluates the present condition of a pavement, but also predicts its future condition through the use of pavement condition indicators. By projecting the rate of deterioration, a life-cycle cost analysis can be made for various alternatives to determine the optimal time to apply the best M&R alternative and avoid higher M&R costs in the future.

The Five-Year Capital Improvement Plan calls for significant pavement improvements. However, the existing PMR is outdated and is not prioritized based on the actual condition of the existing pavement. The FAA requires that an airport have an updated PMR prior to funding any paving projects and, accordingly, they will pay for the majority of the cost to prepare the plan.

FISCAL IMPACT:

The total cost of this contract is not to exceed \$170,000. The FAA will reimburse the City for \$153,000. CalTrans Division of Aeronautics will reimburse the City for \$8,500. The remaining

\$8,500 will come from the Airport Enterprise Fund.

ATTACHMENTS:

1. Brandley Supplemental Services Agreement - PMMP

SUPPLEMENTAL SERVICES AGREEMENT NO. 1
Professional, Planning, Architectural and Design/Engineering Services
associated with Airport Development Projects for the Hanford Municipal Airport

This Agreement, entered into this _____ day of _____, 2024, by and between the City of Hanford, hereinafter referred to as the "CITY", and Brandley Engineering, Inc. as the "CONSULTANT". hereinafter referred to as the "CONSULTANT."

W I T N E S S E T H

WHEREAS, CITY entered into a Professional Services Agreement for Professional, Planning, Architectural and Design/Engineering Services associated with Airport Development Projects for the Hanford Municipal Airport with the CONSULTANT dated the 8th day of November 2023, and

WHEREAS, the CITY has the desire to secure certain technical and professional services to assist in the preparation and completion of the Pavement Maintenance Management Plan (PMMP) as described as "Scope of Work" in Exhibit "A", and hereinafter referred to as the "PROJECT"; and

WHEREAS, the CONSULTANT represents it is licensed, qualified and willing to provide such services pursuant to terms and conditions of this Agreement.

NOW, THEREFORE, CITY and CONSULTANT agree as follows:

This agreement supplements said Professional Services Agreement, and the terms of said Agreement apply hereto.

I. SERVICES TO BE PERFORMED BY THE CONSULTANT

Authorized Scope of Work: The CONSULTANT agrees to perform all work necessary to complete in a manner satisfactory to the CITY those tasks described in Exhibit "A" - Scope of Work, for the cost identified in Exhibit "B" – Breakdown of Engineering Fees.

II. TIME OF PERFORMANCE

The CONSULTANT shall commence performance of this Agreement within five (5) days following receipt of fully executed Agreement and Notice to Proceed and shall complete the work within two (2) years unless otherwise extended in writing by CITY, in its sole discretion (to be altered if negotiated timeframes).

If the CONSULTANT fails to complete the PROJECT within the time specified, plus any extensions of time which may be granted, the CITY shall determine the percent of each work item completed and shall pay the CONSULTANT on that basis.

CONSULTANT shall not be responsible for delays which are due to causes beyond the CONSULTANT's reasonable control. In the case of any such delay, the time of completion shall be extended accordingly in a writing signed by both parties.

III. COMPENSATION

- A. Total Compensation: For services performed pursuant to this Agreement, the CITY agrees to pay and the CONSULTANT agrees to accept, as payment in full, a sum not to exceed One hundred seventy thousand dollars (\$170,000).

This amount shall constitute complete compensation, including document production and out-of-pocket expenses for all services for the work and PROJECT identified in each Supplemental Services Agreement.

- B. Payment of Compensation: The CONSULTANT shall be compensated according to Exhibit "B" upon completion of percentage of each noted phase. The CONSULTANT shall be paid no later than thirty (30) days following submission of a written, verified billing to the CITY. Said billing shall include the percentage of each task completed to date and since the date of the preceding billing, if any.

IV. AUTHORIZED REPRESENTATIVE

- A. CITY: The City Manager shall represent the CITY in all matters pertaining to the services to be rendered under this Agreement, except where approval of the City Council of the City of Hanford is specifically required.
- B. CONSULTANT: Melissa Brandley and R. Damon Brandley shall represent and act as principles for CONSULTANT in all matters pertaining to the services to be rendered by it under this Agreement.

IN WITNESS WHEREOF, this Agreement is executed on the day and year first above written.

CITY OF HANFORD

CONSULTANT

City Manager

Melissa Brandley, Secretary, CFO

Attachments: Exhibit "A" – Scope of Work'
Exhibit "B" – Breakdown of Engineering Fees

Exhibit “A”: Scope of Work

A complete and detailed Pavement Maintenance Management Plan/Pavement Evaluation Study will be prepared that includes four major elements as listed below:

- a. Pavement Structure Determination – In order to determine the existing strength of each pavement layer and the remaining life of each pavement section, detailed information about each pavement section on the airport must be determined prior to evaluating the non-destructive test data. A series of new geotechnical borings and cores will be taken throughout the airport to determine the thickness of each layer of every pavement section on the airfield. The results will be summarized for future design projects and utilized with the non-destructive testing (NDT) performed in this project to supplement the pavement condition index data as recommended in Advisory Circular 150/5380-7B Item 2.2.1.2 and Advisory Circular 150/5320-6G Appendix C.
- b. Pavement Condition Index (PCI) Determination

Pavements show distress and/or failure due to weathering, other environmental effects, age, traffic, and lack of maintenance. These distresses generally show up in the form of cracking, shoving, spalling, rutting, or other surface defects. A detailed visual inspection will be made of all pavements. The scope of investigation will be performed as set forth in ASTM D5340, Airport Pavement Condition Index Surveys. Once these surveys are complete, Pavement Condition Index values will be assigned to each section of pavement.

- c. Deep-Seated Distress

Deep-seated distress is a result of traffic passing over the pavement section and is a function of the type traffic (impact or static loads), the load on the tire, and the number of aircraft coverages. Deep-seated distress ultimately leads to total failure of the section including critical subgrades or subsoils. These failures are generally exhibited as rutting and map cracking within the ruts for flexible pavements and slab shattering, cracking, or deflections in rigid pavements. The failure is generally a fatigue-type failure and is a function of the type of load and number of coverages. The Brandley Fatigue Analysis methodology and the FAA FAARFIELD methodology will be utilized to predict time of failure under fatigue loading. Non-destructive testing will be conducted to obtain the necessary basic data to evaluate these pavements. On areas where deep-seated distress analysis is required, all pavements are tested with the falling weight deflectometer with the spacing of the tests being 100 to 200 feet.

- d. Pavement Maintenance Management Program (PMMP) Report

A PMMP report will be prepared that summarizes all data obtained in the geotechnical and pavement section determination, PCI determination, PCR, and deep-seated distress study derived from this data. The report will include a detailed pavement rehabilitation plan and schedule including estimated budgets, plus the following:

1) Traffic Determination and Forecasts

When evaluating airfield pavements for deep-seated distress it is the number of coverages of each wheel on each aircraft over a given point of pavement that contributes to the deep-seated distress on or near that section of pavement. A determination of the current and forecast traffic at the airport will be made for traffic on each segment of airfield pavement based on the Airport's traffic records and forecasts.

2) Analysis and Recommendations

Based on the surface distress surveys and the deep-seated distress analysis, forecast remaining pavement life is evaluated, time and type of strengthening or rehabilitation or reconstruction of each section is ascertained, different types of strengthening, overlaying, or reconstruction are analyzed, and cost benefit analyses are conducted. Recommended procedures for rehabilitation are then made for each section, including the time and type of repair and rehabilitation required. For rigid pavements it is important to determine the stress under load in the pavement section itself to determine the adequacy of the concrete section and estimated time of failure. It is also important to evaluate load-transfer of the joints and deep-seated distress using the Fatigue Analysis methodology. Once this is completed, analyses are conducted to determine the most cost-effective rehabilitation and the schedule that this rehabilitation work should be performed. The evaluations conducted will not only provide recommendations for strengthening and rehabilitating pavement sections but will also provide recommendations for maintenance work required to extend the life of the pavements and improve riding and operating conditions for the pavements.

3) Rehabilitation Costs

After the analysis and recommendations have been prepared for maintenance and rehabilitation, then preliminary cost analyses will be conducted to determine the estimated cost of the recommended maintenance and/or rehabilitation. These data can be used to establish maintenance and rehabilitation budgets for the airport.

EXHIBIT "B" - BREAKDOWN OF ENGINEERING FEES

Staff	Total		
	Hours	Rate	Total
<u>Pavement Structure Determination</u>			
Mobilization			\$ 3,000.00
Truck Drill - 3 Man Crew	16.0	\$ 570.00	9,120.00
OT Truck Drill - 3 Man Crew	4.0	640.00	2,560.00
Per Diem - 3 Man Crew (Per Crew/Per Day)	3.5	700.00	2,450.00
Materials - Soil Tubes, concrete, dye			500.00
Senior Engineer (Field)	63.5	\$ 180.00	11,430.00
Senior Engineer - OT (Field)	12.0	270.00	3,240.00
Per Diem	6.0	195.00	1,170.00
Mileage	910.0	0.655	596.05
Geotechnical Engineer (Lab)	16.0	300.00	4,800.00
Senior Engineer (Lab)	73.0	180.00	13,140.00
Laboratory Technician (Lab)	12.0	90.00	1,080.00
<i>Total Pavement Structure Determination</i>			\$ 53,086.05
		<i>Use</i>	\$ 53,000.00
<u>Falling Weight Deflectometer Testing</u>			
Mobilization (From Ventura, CA)	14.0	\$ 337.00	\$ 4,718.00
HWD Testing	1 Day	3,500.00	3,500.00
Equipment Set Up	1.5	110.00	165.00
Per Diem	2 Days	250.00	500.00
Photos - Lump Sum			500.00
Project Management	3.0	232.00	696.00
Principal Engineer	20.0	300.00	6,000.00
Mileage	500.0	0.655	327.50
Per Diem - Principal Engineer	2.0	195.00	390.00
<i>Total Falling Weight Deflectometer Testing</i>			\$ 16,796.50
		<i>Use</i>	\$ 17,000.00
<u>Pavement Condition Index (PCI)</u>			
Surface Condition Survey	8.0	\$ 300.00	\$ 2,400.00
Evaluation of Data	12.0	300.00	3,600.00
<i>Total PCI</i>			\$ 6,000.00
<u>Engineering Analysis and Report</u>			
Principal Engineer	200.0	\$ 300.00	\$ 60,000
Senior Engineer	50.0	180.00	9,000
Junior Engineer	180.0	120.00	21,600
Project Administrator	24.0	100.00	2,400
Clerical	10.0	85.00	850
<i>Total Engineering & Report</i>			\$ 93,850
		<i>Use</i>	\$ 94,000
TOTAL			\$ 170,000



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:

Approval of a new 3-year Service Agreement with Main Street Hanford at an annual compensation amount of \$81,090, which remains unchanged from the previous contract.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve a new 3-year Services Agreement with Main Street Hanford (MSH) with an annual compensation amount of \$81,090.

BACKGROUND:

The current Services Agreement between the City of Hanford and Main Street Hanford expired on December 31, 2013. On January 16, 2024, Michelle Brown, the Director for Main Street Hanford, presented the Annual Report to Council. Their annual budget and profit and loss statement are attached to this staff report for MSH is willing to continue to provide the services as required under the terms of its most recent contract with the City. The annual compensation amount remains unchanged with this new Agreement. The only difference between this agreement and the expiring agreement is the inclusion of a 3- year term instead of the previous requirement to renew annually.

FISCAL IMPACT:

This Agreement will cost the City \$81,090.00 annually for services provided under the agreement. The funding for this agreement comes from the Business Improvement District and is already allocated in the City's adopted budget.

ATTACHMENTS:

1. 2024 Main Street Hanford Services Agreement - Final
2. 2024 Budget
3. ProfitandLoss

SERVICES AGREEMENT

* * * * *

THIS AGREEMENT is effective the **1st** day of January, **2024**, and is made by and between the **CITY OF HANFORD**, a municipal corporation (hereinafter “City”), and **MAIN STREET HANFORD**, a California non-profit public benefit corporation (hereinafter “MSH”). City and MSH are hereinafter referred to collectively as the “Parties” and singularly as a “Party.”

W I T N E S S E T H

In consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. **RECITALS.** This agreement is made and entered into with respect to the following facts:
 - a. The Hanford City Council has established the Central Parking and Business Improvement Area (hereinafter “District”), pursuant to Section 36000 et seq. of the Streets and Highways Code of the State of California, by the adoption of Ordinance No. 848 on April 22, 1975, as amended from time to time, and codified in Chapter 3.28 of the Hanford Municipal Code (hereinafter “ordinance”).
 - b. The City seeks services identified below that will benefit the District.
 - c. MSH, is willing to provide such services.

2. **TERM.**

- a. The term of this AGREEMENT shall be for a period of three (3) years, effective from January 1, 2024, until December 31, 2026, except that this Agreement may be terminated by either Party as provided herein.
- b. Should MSH breach any term or condition of this Agreement or fail to perform any of the provisions of this Agreement that it is obligated to perform hereunder, the City shall have the right to immediately terminate this Agreement.
- c. The City or MSH may terminate this Agreement for no cause at any time by giving sixty (60) calendar days prior written notice of termination. The termination shall be effective on the sixty-first (61st) calendar day after the date of such written notice.
- d. Effective the date of written notice of termination, MSH shall avoid incurring new expenses under this Agreement and City shall, except as otherwise provided herein, have no further obligation to render payment to MSH. Money previously paid to MSH and remaining unspent upon the date of termination shall be immediately returned to the City; MSH will, however, be entitled to compensation for authorized costs incurred and services provided to the City through the date of termination. Unspent monies and/or amounts owed to MSH, as applicable, will first be offset against any funds utilized by MSH for a purpose other than those authorized in Section 3 below.

3. **SERVICES.** MSH shall provide the following services:

- a. Engage in a program that cleans the District so that it is safe and appealing to consumers in a manner that promotes retail trade within the District. Such expenditures may include, without limitation: planting of annuals/color in the District's flowerbeds; cleaning sidewalks and public spaces so that they are free of debris and animal waste; and hiring additional security during the Holiday shopping season.
- b. Engage in activities that market the District so as to promote the District's retail trade; such activities will include, without limitation, advertising and publicity efforts utilizing multiple forms of communication (e.g., radio ads for seasonal shopping and special events, television ads for seasonal shopping and special events, print media for seasonal shopping and special events, focusing on local and out-of-town shoppers and visitors, and social media campaigns designed to create interest in shopping and visiting the District area; and special events designed to bring visitors and shoppers to the District area) to attract consumers from communities throughout the San Joaquin Valley;
 - (i) One such special event that MSH intends to organize includes Thursday Night Market Place (hereinafter "TNMP"). MSH intends to hold TNMP in Civic Park on Thursdays from the first Thursday in May through the last Thursday in October (hereinafter "Rental Dates"). City hereby leases Civic Park rent-free to MSH on the Rental Dates during the term of this Agreement; provided however,

City shall invoice MSH for City's then-current costs to provide facility hosts and restroom supplies for each day that TNMP occurs, and MSH shall pay each invoice in full within thirty (30) calendar days of the date of an invoice. MSH will be solely responsible for arranging and paying for other services required for TNMP, including, without limitation, refuse collection services. The City's waiver of rental charges is limited to TNMP and will not apply to any other event for which MSH may rent Civic Park or other City facility. The City's obligations to MSH with respect to TNMP are limited to the terms contained in this paragraph.

- c. Undertake activities that contribute toward the filling of building vacancies within the District in a manner that promotes the District's retail trade activities, which may include, without limitation, real estate marketing campaigns designed to fill vacant storefronts and vacant lots, and window painting efforts to add interest to vacant buildings.
- d. Prepare and provide to the City, for review by the City Council, an annual operations report for all matters covered under this Agreement on or prior to of each year of the Agreement. Such annual report shall account for: (i) all actual revenue, activities, and expenditures during the fiscal year of the District (January 1 through December 31) prior to the year of the report; (ii) all to-date and projected revenue, activities and expenditures during the then current fiscal year; and (iii) a specific management plan, including operating budget, for the fiscal year following the year of the report. The

specific management plan and budget for the following fiscal year shall specify the actual activities and improvements proposed to be completed in that year pursuant to this Agreement and shall also include any information required under the enacting Ordinance. This report shall be presented to Council at an agenda study session and accepted by Council. This paragraph shall not be interpreted in a manner that requires MSH to provide information or material for its activities that occur outside of the scope of this Agreement.

The services listed above are consistent with the District's purposes identified in the ordinance. MSH shall select the service(s) that it will provide during the term of this Agreement, and the level of services provided shall be commensurate with the compensation that the City will pay to MSH in accordance with Section 4 below. For example (and for illustration purposes only), if MSH elects to limit its services to the marketing of the District in a manner that promotes the District's retail trade, the level of marketing services provided shall be commensurate with the compensation amount identified in Section 4 below.

4. COMPENSATION.

- a. MSH will receive a total of EIGHTY-ONE THOUSAND, NINETY AND NO/100 DOLLARS (\$81,090.00) per year for the services to be provided hereunder. Pursuant to Hanford Municipal Code Chapter 3.28, businesses within the Central Parking and Business Improvement Area ("BIA") pay an additional business license tax to the City. The amounts payable to MSH under this Agreement will be allocated by the City from BIA tax revenue. The services for which MSH will be paid shall fall within the categories

identified in Hanford Municipal Code Section 3.28.150. This amount will be paid in four (4) equal installments, which shall occur on July 1, October 1, January 1, and April 1.

- b. Should MSH breach any term or condition of this Agreement or fail to perform any of the provisions of this Agreement that it is obligated to perform hereunder, the City shall have the right to withhold payment to MSH until any such breach is cured or performance made as determined by the City in its sole and absolute discretion.

5. FINANCIAL STATEMENTS.

- a. Within sixty (60) calendar days of the end of each of MSH's fiscal years (and portions thereof) that this Agreement remains in effect, MSH will provide to the City financial statements and written confirmation from an independent certified public accountant reasonably acceptable to the City that MSH is in full compliance with the terms of this Agreement. The financial statements shall, without limitation, reflect the manner in which funds received by MSH hereunder ("Agreement Funds") have been utilized in furtherance of the activities identified in Section 3 above. Financial statements will include, without limitation, an itemized list of goods and services for which MSH expended Agreement Funds and detailed descriptions of such goods and services. Should this Agreement expire or terminate on a date other than the last day of MSH's fiscal year, MSH will provide to the City, within sixty (60) calendar days of end of its then-current

fiscal year, the financial statements for the portion of the fiscal year during which this Agreement remained in effect.

6.

6. **INDEMNIFICATION.** MSH agrees to indemnify, defend and hold harmless the City and its officials, officers, employees, agents and volunteers from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorney's fees and other expenses which the City or its officials, officers, employees, agents or volunteers may sustain or incur as a consequence of or anyway relate to MSH, or its employees', agents' and subcontractors' performance of MSH's responsibilities and obligations contained in this Agreement. This indemnification shall survive the termination of the Agreement.

7. **INSURANCE REQUIREMENTS.**

a. MSH will, during the term of this Agreement, maintain insurance coverage which shall be at least as broad as:

(1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 0001 1207 covering CGL on an "occurrence" basis, including products-completed operations, personal and advertising injury, with limits no less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000) per occurrence. Alternatively, MSH may maintain a CGL policy with limits of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence **and** an umbrella coverage policy with coverage limits of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) and

which has a scope of coverage as broad as MSH's CGL policy. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

- (2) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if MSH has no owned autos, hired (Code 8), and non-owned autos (Code 9), with a limit no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury and property damage.
- (3) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury or disease.

If MSH maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by MSH.

- b. Any deductibles or self-insured retentions must be declared to and approved by the City.
- c. The policies are to contain, or be endorsed to contain, the following provisions:
 - (1) The City and its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by

or on behalf of MSH including materials, parts, or equipment furnished in connection with such work or operations; products used by MSH; or automobiles owned, leased, hired or borrowed by MSH. General liability coverage can be provided in the form of an endorsement to MSH's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.

(2) For any claims related to this contract, MSH's insurance coverage shall be primary insurance as to the City and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City and/or its officers, officials, employees, or volunteers shall be in excess of MSH's insurance and shall be non-contributory.

(3) Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

- d. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.
- e. MSH shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and

approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the MSH's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- f. MSH hereby grants to City and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of MSH may acquire against the City and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. MSH agrees to obtain endorsements necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.
- g. The City reserves the right to modify the insurance requirements contained in this contract, including, without limitation, coverage limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- h. MSH shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- i. MSH will maintain special event or other similar coverage with respect to any and all events operated or sponsored by MSH pursuant to Section 3 above. MSH will notify the City at least forty-five (45) calendar days before any such event, and the City will identify the coverage limits that MSH will be required to maintain for such an event.

8. **INDEPENDENT CONTRACTOR STATUS.** It is understood and agreed that MSH, in the performance of this Agreement, shall act as and be an independent contractor and shall not act as an agent or employee of the City. MSH and its employees shall obtain no retirement benefits or other benefits that accrue to the City's employees and MSH hereby expressly waives any claim it may have to any such rights. Nothing in this Agreement shall create or be construed as creating a partnership, joint venture or any other relationship between the City and MSH.

9. **NOTICES.** All notices herein required shall be in writing and shall be sent by certified mail, postage prepaid, addressed as follows:

Main Street Hanford
P.O. Box 690
Hanford, CA 93232
Attn: Executive Director

City of Hanford
319 N. Douty Street
Hanford, CA 93230
Attn: City Manager

10. **CONFORMANCE TO APPLICABLE LAWS.** MSH shall comply with all applicable federal, state, and city laws, rules and ordinances. No discrimination shall be made by MSH in the employment of persons to work under this Agreement because of race, color, national origin ancestry, sex or religion of such person.

11. **ATTORNEYS' FEES.** If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other reasonable relief to which he may be entitled. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue of the Superior Court, for the County of Kings, State of California for any proceeding arising hereunder.

12. **SOLE AND ONLY AGREEMENT.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters set forth

herein and contains all of the covenants and agreements between the parties regarding said matters. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which is not embodied in the Agreement and no other agreement, statement or promise shall be valid or binding.

13. INVALIDITY. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in anyway.

14. AMENDMENT. No change, amendment or modification of the Agreement shall be valid unless the same be in writing and signed by the parties hereto.

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

CITY OF HANFORD, a Municipal
Corporation,

By _____
TRAVIS PADEN
Mayor

ATTEST:

NATALIE CORRAL, City Clerk

APPROVED AS TO FORM:

GRISWOLD, LaSALLE, COBB
DOWD & GIN, L.L.P., City Attorney

By: _____
TY N. MIZOTE

MAIN STREET HANFORD

By: _____
MICHELLE BROWN
Executive Director

HANFORD MAIN STREET PROGRAM, INC.

Budget Overview_Budget_FY24_P&L_Report

Jan 1 - Dec 31 2024

ACCOUNT	TOTAL
Income	
Associate Memberships	\$300.00
Blues Festival	
Beer & Wine	\$10,150.00
Sponsorships	\$12,000.00
T-Shirts	\$500.00
Vendors	\$400.00
Total for Blues Festival	\$23,050.00
Christmas Tree Walk Income	\$4,000.00
City of Hanford-BID Assessment	
BID Assessment	\$81,545.00
Total for City of Hanford-BID Assessment	\$81,545.00
Everybody's Irish	
Participation Fees	\$1,875.00
Sponsorships	\$2,252.00
Tickets	\$28,275.00
Total for Everybody's Irish	\$32,402.00
Promotions	
Coop Advertising	\$3,000.00
Total for Promotions	\$3,000.00
TNMP	
Beer & Wine	\$162,480.00
Growers & Vendors	\$80,064.00
Sponsorships	\$75,000.00
Total for TNMP	\$317,544.00
Unapplied Cash Payment Income	\$0.00
Wine and Chocolate Event	
Wine & Chocolate	
Participation Fees	\$4,575.00
Sponsorships	\$5,250.00
Tickets	\$47,000.00
Total for Wine & Chocolate	\$56,825.00
Total for Wine and Chocolate Event	\$56,825.00
Witches Night Out	
Beer Sales	\$5,565.00
Cover Charge	\$1,275.00
Tickets	\$56,960.00
Total for Witches Night Out	\$63,800.00

ACCOUNT	TOTAL
Total for Income	\$582,466.00
Cost of Goods Sold	\$0.00
Gross Profit	\$582,466.00
Expenses	
Advertising/Promotional	\$2,000.00
Annual Dinner Meeting	\$2,000.00
Bank Charges	
Credit Card Fees	\$6,800.00
Total for Bank Charges	\$7,000.00
Blues Festival Costs	
Advertising	\$1,560.00
Beer Garden	\$2,900.00
Entertainment	\$13,000.00
Permits	\$1,500.00
Restrooms	\$300.00
Security	\$2,000.00
Supplies	\$1,000.00
T-Shirts	\$2,500.00
Total for Blues Festival Costs	\$24,760.00
Christmas Tree Walk	
Christmas Trees	\$3,050.00
Printing/Advertising	\$800.00
Supplies	\$675.00
Total for Christmas Tree Walk	\$4,525.00
Copy Costs	\$2,600.00
Design Committee Expense	
DT Improvement Project	\$8,500.00
Facade Grant	\$15,000.00
Power Washing	\$12,000.00
Twinkle Lights	\$2,000.00
Total for Design Committee Expense	\$37,500.00
Econ Restruct Committee	
Contributions/Sponsorships	\$500.00
Total for Econ Restruct Committee	\$500.00
Everybody's Irish Costs	
Beer	\$5,000.00
Entertainment	\$500.00
Permits	\$860.00
Printing/advertising	\$1,770.00
Security	\$1,112.00
Supplies	\$5,000.00
Total for Everybody's Irish Costs	\$14,242.00
Insurance	

ACCOUNT	TOTAL
Directors & Officers	\$2,500.00
General Liability	\$8,000.00
Health Insurance	\$9,000.00
Workers' Comp. Ins.	\$2,000.00
Total for Insurance	\$21,500.00
Maintenance & Repairs	\$2,600.00
Membership Dues & Fees	\$3,367.00
Office Supplies/Equipment	\$11,000.00
Oktoberfest Expense	
Credit Card Fees	\$0.00
Total for Oktoberfest Expense	\$0.00
Organization Committee	
Mileage Reimbursement	\$400.00
Volunteer Appreciation Dinner	\$5,000.00
Website	\$1,400.00
Total for Organization Committee	\$6,800.00
Other Expenses	
Education/Networking	\$250.00
Total for Other Expenses	\$250.00
Payroll Expenses	
Taxes	\$13,015.00
Wages	\$135,000.00
Total for Payroll Expenses	\$148,015.00
Postage	\$1,700.00
Professional Services	
Accounting	\$3,500.00
Total for Professional Services	\$3,500.00
Promotions Committee	
Events	\$900.00
Image Building	\$7,500.00
Total for Promotions Committee	\$8,400.00
Rent	\$13,000.00
Salaries & Wages	
Director	
Commissions - Director	\$7,860.00
Total for Director	\$7,860.00
Total for Salaries & Wages	\$7,860.00
Small Business Saturday	\$6,000.00
Subscriptions	\$360.00
Taxes & Licenses	\$3,500.00
Telephone	\$4,000.00
TNMP Costs	
Beer & Wine	\$55,272.00

ACCOUNT	TOTAL
Employees	\$0.00
Entertainment	\$17,460.00
Kids Activities	\$7,000.00
Licenses & Permits	\$1,500.00
Posters/Advertising/Tab	\$15,000.00
Refuse	\$8,196.00
Rentals	\$13,764.00
Restrooms	\$4,791.00
Security	\$22,224.00
TNMP Supplies	\$6,200.00
Truck	\$1,300.00
T-Shirts & Merchandise	\$2,400.00
Total for TNMP Costs	\$155,107.00
Training/Travel/Mtgs.	\$555.00
Travel/Lodging/Meals	\$4,050.00
Utilities	\$2,650.00
Wine & Chocolate Costs	
Advertising	\$625.00
Chocolate	\$3,375.00
Glasses	\$5,200.00
Permit	\$2,200.00
Printing-Maps	\$1,650.00
Purchases	\$3,600.00
Security	\$1,260.00
W&C Entertainment	\$2,425.00
Wine	\$13,000.00
Total for Wine & Chocolate Costs	\$33,335.00
Witches Night Out Expense	
Beer	\$1,765.00
Entertainment	\$5,168.00
Permits	\$4,520.00
Printing/Advertising	\$3,580.00
Security	\$3,692.00
Supplies	\$30,000.00
Total for Witches Night Out Expense	\$48,725.00
Total for Expenses	\$581,401.00
Net Operating Income	\$1,065.00
Other Income	\$0.00
Other Expenses	\$0.00
Net Other Income	\$0.00
Net Income	\$1,065.00

HANFORD MAIN STREET PROGRAM, INC.

Profit and Loss

January - December 2023

	TOTAL
Income	
Associate Memberships	300.00
Blues Festival	
Beer & Wine	10,157.00
Sponsorships	12,350.00
T-Shirts	560.00
Vendors	420.00
Total Blues Festival	23,487.00
Christmas Tree Walk Income	3,901.00
City of Hanford-BID Assessment	
BID Assessment	81,090.00
Total City of Hanford-BID Assessment	81,090.00
Discounts/Refunds Given	122.07
Everybody's Irish	
Participation Fees	1,875.00
Sponsorships	2,250.00
Tickets	28,275.00
Total Everybody's Irish	32,400.00
Food Truck Takeover	
FTT - Beer & Wine Sales	2,860.00
Total Food Truck Takeover	2,860.00
Misc. Income	205.25
Sales	3,000.00
TNMP	
Beer & Wine	162,482.57
Growers & Vendors	80,067.95
Sponsorships	76,400.00
Total TNMP	318,950.52
Wine and Chocolate Event	
Wine & Chocolate	
Participation Fees	4,575.00
Sponsorships	5,250.00
Tickets	47,510.00
Total Wine & Chocolate	57,335.00
Total Wine and Chocolate Event	57,335.00
Winter Wonderland	
Beer and Wine Sales	10.00
Total Winter Wonderland	10.00

HANFORD MAIN STREET PROGRAM, INC.

Profit and Loss

January - December 2023

	TOTAL
Witches Night Out	
Beer Sales	5,565.00
Cover Charge	1,275.00
Tickets	56,960.00
Total Witches Night Out	63,800.00
Total Income	\$587,460.84
GROSS PROFIT	\$587,460.84
Expenses	
Advertising/Promotional	1,937.89
Annual Dinner Meeting	1,915.32
Bad Debts	1,700.00
Bank Charges	175.24
Credit Card Fees	6,673.22
Total Bank Charges	6,848.46
Blues Festival Costs	
Advertising	1,561.71
Beer Garden	2,894.88
Entertainment	12,940.44
Permits	1,533.00
Restrooms	284.63
Security	1,995.00
Supplies	1,096.16
T-Shirts	3,116.25
Total Blues Festival Costs	25,422.07
Board Activities/Meetings	1,384.29
Christmas Tree Walk	
Christmas Trees	3,052.52
Printing/Advertising	791.98
Supplies	674.02
Total Christmas Tree Walk	4,518.52
Copy Costs	2,591.23
Design Committee Expense	
Facade Grant	1,605.00
Power Washing	12,000.00
Twinkle Lights	2,134.28
Total Design Committee Expense	15,739.28
Econ Restruct Committee	
Contributions/Sponsorships	557.89
Total Econ Restruct Committee	557.89

HANFORD MAIN STREET PROGRAM, INC.

Profit and Loss

January - December 2023

	TOTAL
Everybody's Irish Costs	
Beer	3,527.29
Entertainment	500.00
Permits	860.00
Printing/advertising	1,769.89
Security	1,112.00
Supplies	1,295.93
Total Everybody's Irish Costs	9,065.11
Food Truck Takeover Expense	
FTT - Beer & Wine	2,578.85
FTT - Permits & Fees	160.00
FTT - Security	560.00
FTT - Supplies	43.02
Total Food Truck Takeover Expense	3,341.87
Insurance	
Directors & Officers	2,120.00
General Liability	7,545.62
Health Insurance	8,903.35
Workers' Comp. Ins.	1,736.00
Total Insurance	20,304.97
Maintenance & Repairs	2,542.89
Masquerade Ball Expense	
Entertainment	2,000.00
Permits	-1,250.00
Total Masquerade Ball Expense	750.00
Membership Dues & Fees	3,167.73
Misc. Expense	188.00
Office Supplies/Equipment	10,966.64
Organization Committee	
Mileage Reimbursement	397.34
Volunteer Appreciation Dinner	5,165.19
Website	1,365.14
Total Organization Committee	6,927.67
Other Expenses	
Education/Networking	210.00
Total Other Expenses	210.00
Payroll Expenses	
Taxes	13,370.67
Wages	137,458.12
Total Payroll Expenses	150,828.79
Postage	1,709.52

HANFORD MAIN STREET PROGRAM, INC.

Profit and Loss

January - December 2023

	TOTAL
Professional Services	
Accounting	3,192.59
Total Professional Services	3,192.59
Promotions Committee	
Co-op Advertising	116.00
Events	872.28
Image Building	6,736.39
Total Promotions Committee	7,724.67
Rent	13,000.00
Salaries & Wages	
Director	
Commissions - Director	7,860.00
Total Director	7,860.00
Total Salaries & Wages	7,860.00
Small Business Saturday	6,900.00
Subscriptions	360.00
Taxes & Licenses	3,123.00
Telephone	3,739.09
TNMP Costs	
Beer & Wine	55,275.61
Entertainment	17,460.00
Kids Activities	7,137.14
Licenses & Permits	1,370.00
Posters/Advertising/Tab	37,365.34
Refuse	8,116.72
Rentals	13,760.00
Restrooms	4,791.00
Security	22,222.20
T-Shirts & Merchandise	2,421.60
TNMP Supplies	6,167.78
Truck	1,204.06
Total TNMP Costs	177,291.45
Training/Travel/Mtgs.	555.00
Travel/Lodging/Meals	4,050.24
Utilities	2,648.47
Wine & Chocolate Costs	-1,872.05
Advertising	625.00
Chocolate	3,376.39
Glasses	5,169.45
Permit	2,115.28
Printing-Maps	1,614.92
Purchases	3,643.11

HANFORD MAIN STREET PROGRAM, INC.

Profit and Loss

January - December 2023

	TOTAL
Security	1,260.00
W&C Entertainment	2,425.00
Wine	13,001.17
Total Wine & Chocolate Costs	31,358.27
Winter Wonderland Costs	-70.74
Permits	85.00
Security	272.00
Supplies	-199.01
WW Marketing Expense	-1,875.00
Total Winter Wonderland Costs	-1,787.75
Witches Night Out Expense	
Beer	1,766.53
Entertainment	5,168.00
Permits	4,520.00
Printing/Advertising	3,583.93
Security	3,692.50
Supplies	30,188.65
Total Witches Night Out Expense	48,919.61
Total Expenses	\$581,552.78
NET OPERATING INCOME	\$5,908.06
Other Income	
Interest	25.29
Total Other Income	\$25.29
NET OTHER INCOME	\$25.29
NET INCOME	\$5,933.35



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Adoption of Resolution No. 24-04-R Approving an Amendment to the Standard Agreement issued under the 2020 Community Development Block Grant Program Coronavirus Response (CDBG-CV)

RECOMMENDATION:

Recommendation: That the City Council, by motion, Adopt Resolution No. 24-04-R.

BACKGROUND:

In June 2022, the Council adopted Resolution 22-25-R, allowing the City to accept \$1,150,000 in State funding from the 2020 Community Development Block Grant Program - Coronavirus Response (CDBG-CV2) for the rehabilitation of the Sunrise Apartments (formerly Stardust Motel) on Lacey Boulevard. The project aimed to convert temporary housing into permanent housing for homeless individuals. The rehabilitation process involved fully converting the 22 apartments into permanent housing.

In July 2023, the Council adopted Resolution 23-21 R, authorizing an additional \$287,500 in unclaimed CDBG-CV funding for construction project grantees.

On January 29, 2024, the California Department of Housing and Community Development (HCD) requested that the City submit an updated resolution with the following language:

The *City of Hanford* previously approved the use of \$1,150,000 for this CDBG-CV activity, which was included in the 21-CDBG-HK-00014, and by this resolution, will use an additional amount not to exceed \$287,500 for a total commitment of \$1,437,500.

Tonight's action simply lists both funding amounts in a single resolution to comply with the request from the State.

List of Activity Funding:

Current Authorized amount(s) under Standard Agreement # 21-CDBG-HK-00014:

- CDBG-CV: \$1,150,000

Amount of new CDBG-CV funds to be added to Standard Agreement # 21-CDBG-HK-00014

- CDBG not to exceed \$287,500.

The total amount of amended Standard Agreement # 21-CDBG-HK-00014

- CDBG Grant Not to exceed \$1,437,500.

The approved 22-25 and 23–21 Resolutions and Staff Reports are attached for reference.

FISCAL IMPACT:

ATTACHMENTS:

1. NO. 24-04-R-(CDBG-CV)- Attachment 1
2. NO. 22-25 R-Attachment 2
3. NO. 23-21 R-Attachment 3

**CDBG-CV Allocation of
Remaining Funding –
Jurisdiction Resolution**

1

Resolution of the Hanford City Council

RESOLUTION NO. 02-24

**A RESOLUTION APPROVING AN AMENDMENT TO THE STANDARD
AGREEMENT ISSUED UNDER THE 2020 COMMUNITY
DEVELOPMENT BLOCK GRANT PROGRAM CORONAVIRUS
RESPONSE (CDBG-CV)**

BE IT RESOLVED by the City Council of Hanford of the City of Hanford as follows:

SECTION 1:

The City has reviewed and hereby approves the submission to the State of California ("State") of a Request for Additional Funds to fill gaps created by documented unanticipated cost increases. The funds would be added to its existing CDBG-CV Standard Agreement(s) with the State numbered # 21-CDBG-HK-00014 (the "Standard Agreement(s)") pursuant to the State's June 2020 CDBG-CV1 Notice of Funding Availability; December 2020 CDBG-CV2 and CV3 Notice of Funding Availability (NOFA); and/or the CDBG Method of Distribution as described in the State of California 2019-2020 Annual Action Plan August 2020 Second Substantial Amendment and the CDBG-CV Method of Distribution as described in the State of California 2019-2020 Annual Action Plan August 2020 Fifth Substantial Amendment.

The *City* previously approved the use of \$1,150,000 for this CDBG-CV activity which was included in the 21-CDBG-HK-00014 and by this resolution will use an additional amount not-to-exceed \$287,500 for a total commitment of \$1,437,500.

List of Activity Funding:

Current Authorized amount(s) under Standard Agreement # 21-CDBG-HK-00014:

- CDBG-CV: \$1,150,000

Amount of new CDBG-CV funds to be added to Standard Agreement # 21-CDBG-HK-00014

- CDBG Not to exceed \$287,500.

Total amount of amended Standard Agreement # 21-CDBG-HK-00014

- CDBG Grant Not to exceed \$1,437,500.

**CDBG-CV Allocation of
Remaining Funding –
Jurisdiction Resolution**

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SECTION 2:

The City acknowledges compliance with all state and federal public participation requirements with respect to the proposed amendments to the Standard Agreement described in Sections 1 above.

SECTION 3:

The City hereby authorizes and directs the City Manager, or designee*, to execute and deliver all application(s), "Request(s) for Additional Funds," and/or amendments to the Standard Agreement and act on the City's behalf in all matters pertaining to all such application(s), "Request(s) for Additional Funds," and/or amendments.

SECTION 4:

If an amendment to the Standard Agreement is approved as contemplated above, the City Manager or designee*, is authorized to enter into, execute, and deliver an amendment to the Standard Agreement and any and all other documentation which may be required by the State from time to time for the purposes of this grant.

**CDBG-CV Allocation of
Remaining Funding –
Jurisdiction Resolution**

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SECTION 5:

If an amendment to the Standard Agreement is approved, the City Manager, or designee*, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with this grant.

** **Important Note:** If the designee is signing any application, agreement, amendment, or any other document on behalf of the designated official of the City/County, written proof of designee authority to sign on behalf of such designated official must be included with the Resolution, otherwise the Resolution will be deemed deficient and rejected. Additionally, do not add limitations or conditions on the ability of the signatory or signatories to sign documents, or the Resolution may not be accepted. If more than one party's approval is required, list them as a signatory. The only exception is for county counsel or city attorney to approve as to form or legality or both, IF such approval is already part of the standard city/county signature block as evidenced by the signed Resolution itself. Inclusions of additional limitations or conditions on the authority of the signer will result in the Resolution being rejected and will require your entity to issue a corrected Resolution prior to the Department issuing a Standard Agreement or any subsequent amendments thereto.*

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Hanford held on February 6, 2023 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Mayor Paden
City of Hanford Mayor

**CDBG-CV Allocation of
Remaining Funding –
Jurisdiction Resolution**

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STATE OF CALIFORNIA

[City or County] of _____

“I, _____, [City or County] Clerk of the [City or County] of _____, State of California, hereby certify that (i) the above and foregoing is a full, true, and correct copy of a resolution duly adopted by said [City Council or Board of Supervisors, as applicable] on this _____ day of _____, 20____; (ii) such resolution has not been amended, modified, repealed or rescinded since the date of its adoption; and (iii) such resolution remains in full force and effect.”

Natalie Corral, City Clerk of the City of Hanford, State
of California

By: _____
Name and Title

(Note: The attesting officer cannot be the person identified in the Resolution as the authorized signer.)



AGENDA STAFF REPORT

MEETING DATE: 6/21/2022	AGENDA SECTION: L
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SUBJECT:

Community Development: Adoption of Resolution NO. 22-25-R; Revising the Funding amount from the State of California Department of Housing and Community Development (HCD) Block Grant Program Corona Virus Response (CDBG-CV2) that was previously approved by Council through the adoption of Resolution No. 21-19-R

RECOMMENDATION:

That the City Council, by motion, Adopt Resolution No. 22-25-R.

BACKGROUND:

In May 2021, the City applied for \$1,100,000 to support local affordable housing, and Council approved the submittal of Resolution 21-19-R. The funding was made available from the 2020 Community Development Block Grant Program - Corona Virus Response (CDBG-CV2) and the 2020/21 funding year of the State's CDBG Program.

In May 2022, the State Department of Housing & Community Development (HCD) directed the city to update the funding amount from \$1,100,000 to 1,150,000 and submit a new resolution with the change. The only update on the new resolution is the award amount of \$1,150,000 and the update to the activity description.

Attached for reference are the approved 20-19-R Resolution and Staff Report dated May 18, 2021.

FISCAL IMPACT:

ATTACHMENTS:

CDBG-CV2 Resolution 22-25-R 6.21.22
21-19-R-Sunrise Apartments Approved and Signed

**RESOLUTION NO.22-25-R****A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE
EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS
THERE TO FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK
GRANT PROGRAM – CORONAVIRUS RESPONSE (CDBG-CV) AND/OR
THE 2020-2021 FUNDING YEAR OF THE STATE CDBG PROGRAM**

BE IT RESOLVED by the City Council of the
City of Hanford as follows:

SECTION 1:

The City has reviewed and hereby approves the submission to the State of California of one or more application(s) in the aggregate amount of, not to exceed, \$1,150,000 for (i) the following CDBG-CV activities, pursuant to the CDBG Method of Distribution as described in the State of California 2019-2020 Annual Action Plan August 2020 Second Substantial Amendment, and/or (ii) the following CDBG activities, pursuant to the CDBG Method of Distribution as described in the State of California 2020-2021 Annual Action Plan January 2021 Substantial Amendment:

List activities and amounts

The rehabilitation of the Sunrise Apartments (formerly Stardust Motel) on Lacey Boulevard, is a stand-alone project to convert this property from temporary to permanent housing for persons experiencing homelessness. The rehabilitation will include the full conversion of the 22 apartments into permanent housing. The scope of work includes the modification of up to twelve efficiency units to meet HUD Housing Quality Standards. In all units, modifications will include new paint, new window blinds and furniture, flooring repair and replacement, bathroom sink and shower replacement, full kitchens added, walk-in closet added, and some electrical, mechanical, and plumbing upgrades. In addition to the residential spaces, the management office and residence will be converted into a 1-bedroom apartment for staff along with a property manager's office, a service office, and shared bathroom facilities. The parking lot will be stripped and adjusted to allow for additional parking and new bike racks. In accordance with the Site Plan Review conducted by the County of Kings, the project scope also includes adding a new parking lot. The laundry facilities will be redesigned to accommodate ADA upgrades. Life-safety updates will include prefabricated

Department of Housing and Community Development
Revised 04/12/2021

2020 CDBG/CDBG-CV



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AYES: Morrow, Sharp, Ramirez, Salazar ABSENT: 0
NOES: 0 Breha ABSTAIN: 0

Kalish Marrow
Kalish Marrow, Mayor
City of Hanford

STATE OF CALIFORNIA
City of Hanford of Kings County

I, Natalie Corral, City Clerk of the City of Hanford of Kings County, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 21 day of June 2022.

Natalie Corral
Natalie Corral, Clerk of the City of Hanford

By: _____
Enter Name of City/County Clerk, Title

Note: The attesting officer cannot be the person identified in the Resolution as the authorized signer.



AGENDA STAFF REPORT

MEETING DATE: 7/18/2023	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:

Adoption of Resolution 23-21-R, Supporting the request of \$287,500 from the California Department of Housing and Community Development (HCD) State of California's 2020 Community Development Block Grant program for unclaimed Corona Virus Response (CDBG-CV) that has been made available for previous Construction Project Grantees.

RECOMMENDATION:

Recommendation: That the City Council, by motion, Adopt Resolution No. 23-21-R.

BACKGROUND:

On June 8, 2023, the City received notification that additional unclaimed CDBG-CV funding was available for Construction Project Grantees. Staff would like to pursue an augmented award of \$287,500 for the rehabilitation of the Sunrise. The rehabilitation of the Sunrise Apartments (formerly Stardust Motel) on Lacey Boulevard is a stand-alone project to convert this property from temporary to permanent housing for persons experiencing homelessness. The rehabilitation will include fully converting the 22 apartments into permanent housing. This would close the funding gap for the project.

In June 2022, the Council approved Resolution 22-25-R for \$1,150,000 in funding from the 2020 Community Development Block Grant Program - Corona Virus Response (CDBG-CV2) for the Sunrise Project.

The approved 22-25- Resolution and Staff Report dated June 21, 2022, is attached for reference.

FISCAL IMPACT:

ATTACHMENTS:

1. 6-21-2022 Staff Report
2. 23-21-R CDBG-CV Unclaimed
3. 22-25-R



RESOLUTION NO.23-21-R

A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – CORONAVIRUS RESPONSE (CDBG-CV) AND/OR THE 2020-2021 FUNDING YEAR OF THE STATE CDBG PROGRAM

BE IT RESOLVED by the City Council of the
City of Hanford as follows:

SECTION 1:

The City has reviewed and hereby approves the submission to the State of California of one or more application(s) in the aggregate amount of, not to exceed, \$1,100,000 for (i) the following CDBG-CV activities, pursuant to the CDBG Method of Distribution as described in the State of California 2019-2020 Annual Action Plan August 2020 Second Substantial Amendment, and/or (ii) the following CDBG activities, pursuant to the CDBG Method of Distribution as described in the State of California 2020-2021 Annual Action Plan January 2021 Substantial Amendment:

List activities and amounts

The rehabilitation of the Sunrise Apartments (formerly Stardust Motel) on Lacey Boulevard as a stand-alone project to convert this property from temporary to permanent housing for persons experiencing homelessness. The rehabilitation includes the full conversion of 22 apartments into permanent housing. This augmented CDBG-CV2 award will be used to cover construction material and labor cost increases incurred since the initial award.

Amount: \$ 287,500

SECTION 2:

The City hereby approves the use of Program Income in an amount not to exceed \$ 287,500 for the CDBG-CV activities and/or CDBG activities described in Section 1.

SECTION 3:

The City acknowledges compliance with all state and federal public participation



requirements in the development of its application(s).

SECTION 4:

The City hereby authorizes and directs the Insert title of designated official, or designee*, to execute and deliver all applications and act on the City's behalf in all matters pertaining to all such applications.

SECTION 5:

If an application is approved, the Insert title of designated official or designee*, is authorized to enter into, execute and deliver the grant agreement (i.e., Standard Agreement) and all subsequent amendments thereto with the State of California for the purposed grant.

SECTION 6:

If an application is approved, the Insert title of designated official or designee*, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation, without limitation, including any covenant or regulatory agreement as may be required by the State of California from time to time in connection with the grant.

** Important Note: If the designee is signing any application, agreement, or any other document on behalf of the designated official of the City/County, written proof of designee authority to sign on behalf of such designated official must be included with the Resolution, otherwise the Resolution will be deemed deficient and rejected. Additionally, do not add limitations or conditions on the ability of the signatory or signatories to sign documents, or the Resolution may not be accepted. If more than one party's approval is required, list them as a signatory. The only exception is for county counsel or city attorney to approve as to form, legality, or both, IF such approval is already part of the standard city/county signature block as evidenced by the signed Resolution itself. Inclusions of additional limitations or conditions on the authority of the signer will result in the Resolution being rejected and will require your entity to issue a corrected Resolution prior to the Department issuing a Standard Agreement.*

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Hanford held on July 18, 2023, by the following vote:



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AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Travis Paden
Mayor of the City of Hanford

STATE OF CALIFORNIA
City of Hanford of Kings County

I, Natalie Corral , City Clerk of the Cit of Hanford, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council/Board of Supervisors on this 18 day of July, 2023.

Natalie Corral, City Clerk of the City of Hanford

Note: The attesting officer cannot be the person identified in the Resolution as the authorized signer.



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of an increase to the Purchase Order for the purchase of fuel for City-owned equipment and vehicles, from Van Der Pol Enterprises up to \$80,000 annually

RECOMMENDATION:

Recommendation: Staff recommends that City Council Authorize the purchase of fuel for City-owned equipment and vehicles from Van Der Pol Enterprises up to \$80,000 annually.

Recommended Motion: I move to Authorize the purchase of fuel for City-owned equipment and vehicles from Van Der Pol Enterprises up to \$80,000 annually.

BACKGROUND:

The City of Hanford municipal code requires that all purchases above \$50,000 be approved by the City Council.

BPO 22400427 was originally issued to Van De Pol Enterprises for the amount of \$40,000; BPO 22400281 (Buford Oil) was originally approved by the City Council for the amount of \$150,000.

This request is for an increase of BPO 22400427 in the amount of \$80,000 and the reduction of BPO 22400281 in the amount of \$80,000. Both Van Der Pol Enterprises and Buford Oil provide fuel for all city-owned vehicles and equipment. Buford Oil has not been able to compete with the pricing offered by Van De Pol Enterprises to date.

FISCAL IMPACT:

No fiscal impact as this purchase would draw from existing budget appropriation.

ATTACHMENTS:

None



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Appropriate \$193,902 from the Refuse Fund (0307) and approve sole source awards for the purchase of various sized front load refuse plastic commercial bins from Toter LLC in the amount of \$74,074.26 and various metal commercial bins from Wastquip in the amount of \$119,827.15 due to the familiarity of both vendors and the City of Hanford's refuse bin specifications.

RECOMMENDATION:

Recommendation:

Staff recommends that City Council Appropriate \$193,902 from the Refuse Fund (0307) and approve sole source awards for the purchase of various sized front load refuse plastic commercial bins from Toter LLC in the amount of \$74,074.26 and various metal commercial bins from Wastquip in the amount of \$119,827.15 due to the familiarity of both vendors and the City of Hanford's refuse bin specifications.

Recommended Motion:

1. I move to approve the appropriation of \$193,902 from Refuse Reserves (0307) to fund the purchase of various commercial refuse bins.
- AND
2. Approve the sole source purchase of various commercial refuse bins from Toter LLC for \$74,074.26 and Wastquip for \$119,827.15.

BACKGROUND:

Currently, the Refuse Division operates 3 total front load routes and has had plans to implement several additional front load commercial routes over a span of several years. The unplanned, mandated purchase of three new front load refuse trucks has expedited the need to convert an additional three rear load routes to front load routes, ahead of scheduled plans.

A sole source purchase authorization is recommended due to the timeliness of this order to be in place and due to the familiarity that both vendors have with the City of Hanford's refuse needs and specifications of commercial bins used for City service.

FISCAL IMPACT:

The Refuse Fund (0307) currently has an approximate fund balance of \$704,000 and can fully support the purchase.

ATTACHMENTS:

1. Toter Quote
2. Wastequip Quote



Sourcewell

Awarded Contract

Contract # 041521-TOT

1661 Frontera Rd, Del Rio, TX, 78840

PHONE: 800-424-0422 FAX: 833-930-1124

WQ-10299175

Sell To:

Contact Name	Nick Mechem	Ship To Name	City of Hanford
Bill To Name	City of Hanford	Ship To	900 10th Ave
Bill To	315 N Douty St		Hanford, CA 93230
	Hanford, CA 93230-3903		USA
	USA		
Email	nmechem@cityofhanfordca.com		
Phone	(559) 585-2569		
Mobile	(559) 212-8587		

Quote Information

Salesperson	Michael Lynn	Created Date	1/17/2024
Salesperson Email	mlynn@wastequip.com	Expiration Date	2/1/2024
Salesperson Phone	(916) 203-9640	Quote Number	WQ-10299175
			Please Reference Quote Number on all Purchase Orders

Product	Product Description	Description	Quantity	Sales Price	Total Price
4CY Front End Loader	Model FR040 - Toter 4 cubic yard Front Load Container	2000 LB Load Rating	60.00	\$810.00	\$48,600.00
Plastics - 125 - FEL - Color	---FEL Body Color - (125) Gray		60.00	\$0.00	\$0.00
Plastics -200 - FEL - Lid - Color	---FEL Lid Color - (200) Black		60.00	\$0.00	\$0.00
Plastics-Op-FEL-8	—Casters for 4 Yard (All Swivel)		60.00	\$110.00	\$6,600.00
Plastics-Op-FEL-3	—Unassembled		60.00	\$0.00	\$0.00
Plastics-Op-FEL-14	—Drain Plug		60.00	\$20.00	\$1,200.00
Plastics-Op-FEL-9m	—Manual Lid Lock - Factory Installed		60.00	\$80.00	\$4,800.00
Plastics-Op-WRNTY-FEL-Non-Prorated3	— 3 Year Non-Prorated Warranty		60.00	\$0.00	\$0.00

Payment Terms	Net 30 Days if credit has been established	Subtotal	\$61,200.00
Shipping Terms	FOB Origin	Shipping	\$8,437.26
		Tax	\$4,437.00
		Grand Total	\$74,074.26

Additional Information

Additional Terms Our Quote serves as an offer to provide Products and/or services at the quantities and prices shown and is a good faith estimate, based on our understanding of your needs. By signing below, you indicate your acceptance of our offer which is expressly subject to the Wastequip Terms & Conditions of Sale ("Wastequip's Terms") located at: <https://www.wastequip.com/terms-conditions-sale>, as of the date set forth in Section 1(b) of the WQ T&C, which are made a part of this Quote. Wastequip's Terms may be updated from time to time and are available by hard copy upon request. Any changes or deviations to the terms of this Quote, including any different terms in an Order submitted by you, must be agreed upon in writing by both parties.



1661 Frontera Rd, Del Rio, TX, 78840

PHONE: 800-424-0422 FAX: 833-930-1124

WQ-10299175

**Additional
Information**

Pricing is based on your acceptance prior to the expiration of this Quote, including product specifications, quantities, and timing. Any differences to your Order may result in different pricing, freight or other costs. Due to volatility in petrochemical, steel and related Product material markets, actual prices and freight, are subject to change. We reserve the right, by providing notice to you at any time before beginning Product manufacturing, to increase the price of the Product(s) to reflect any increase in the cost to us which is due to any factor beyond our control (such as, without limitation, any increase in the costs of labor, materials, or other costs of manufacture or supply). Unless otherwise stated, materials and container sizes indicated on sales literature, invoices, price lists, quotations and delivery tickets are nominal sizes and representations – actual volume, Products and materials are subject to manufacturing and commercial variation and Wastequip's practices, and may vary from nominal sizes and materials. All prices are in US dollars; this Quote may not include all applicable taxes, brokerage fees or duties. If customer is not tax exempt, final tax calculations are subject to change.

**Special Contract
Information**

Sourcewell – Pricing and Products/Services offerings are based on the Sourcewell Co-Operative Contract with Toter, LLC (#041521, eff. 5/25/2021), and such Contract terms and conditions are incorporated herein by reference. Pricing and Products/Services changes may occur at any time with proper documentation, and subject to Sourcewell approval; therefore, offerings may change without written prior notice. Wastequip Product Limited Warranties, Disclaimers, Limitation of Liability and Remedies, and Limited Warranty Provisions apply to all purchases thereunder.

Signatures

Accepted By: _____

Company Name: _____

Date: _____

Purchase Order: _____

Please Reference Quote Number on all Purchase Orders



901 Simmerhorn Rd, Galt, CA, 95632
PHONE: 800-339-8335 FAX: 209-745-4219
WQ-10298880

Sell To:

Contact Name	Nick Mechem	Ship To Name	City of Hanford
Bill To Name	City of Hanford	Ship To	900 10th Ave
Bill To	315 N Doby St		Hanford, CA 93230
	Hanford, CA 93230-3903		USA
	USA	Customer Job	040621-WQI
Email	nmechem@cityofhanfordca.com	Reference	
Phone	(559) 585-2569		
Mobile	(559) 212-8587		

Quote Information

Salesperson	Michael Lynn	Created Date	1/16/2024
Salesperson Email	mlynn@wastequip.com	Expiration Date	1/31/2024
Salesperson Phone	(916) 203-9640	Quote Number	WQ-10298880
			Please Reference Quote Number on all Purchase Orders

Sourcewell Number 85,061

Sourcewell Address 315 N Doby Street

Sourcewell Member 6/25/2013

Sourcewell Member City

Since

Type

Product	Product Description	Product Notes	Selected Option	Quantity	Sales Price	Total Price
Containers - CF - Specialty Front Load	Special Front Load - CA (See Details for Product Information)	2 Yd Pitch Top W/12 GA Bottom, 14 ga sides, 16" Inseam Weld, Drain Plug, Pro-Lock Lid Lock Bar, Bottom Channels @ 48" OD, 6" Rubber Casters All Swivel, Quick Release Casterplates, Primed & Painted L.A. Abco Gray.	Color: Gray	27.00	\$896.00	\$24,192.00
Containers - CF - Specialty Front Load	Special Front Load - CA (See Details for Product Information)	3 Yd Pitch Top W/12 GA Bottom, 14 ga sides, 16" Inseam Weld, Drain Plug, Pro-Lock Lid Lock Bar, Bottom Channels @ 48" OD, 6" Rubber Casters All Swivel, Quick Release Casterplates, Primed & Painted L.A. Abco Gray.	Color: Gray	81.00	\$1,010.00	\$81,810.00

Payment Terms	Net 30 Days if credit has been established	Subtotal	\$106,002.00
Shipping Terms	FOB Origin	Shipping	\$6,140.00
		Tax	\$7,685.15
		Grand Total	\$119,827.15

Special Instructions

Special Instructions Customer to offload at time of delivery.
Freight rate is subject to change based on current market rate at time of delivery.

Additional Information

Additional Terms Our Quote serves as an offer to provide Products and/or services at the quantities and prices shown and is a good faith estimate, based on our understanding of your needs. By signing below, you indicate your acceptance of our offer which is expressly subject to the Wastequip Terms & Conditions of Sale ("Wastequip's Terms") located at: <https://www.wastequip.com/terms-conditions-sale>, as of the date set forth in Section 1(b) of the WQ T&C, which are made a part of this Quote. Wastequip's Terms may be updated from time to time and are available by hard copy upon request.



901 Simmerhorn Rd, Galt, CA, 95632
PHONE: 800-339-8335 FAX: 209-745-4219
WQ-10298880

**Additional
Information**

Any changes or deviations to the terms of this Quote, including any different terms in an Order submitted by you, must be agreed upon in writing by both parties.

Pricing is based on your anticipated Order prior to the expiration of this Quote, including product specifications, quantities and timing. Any differences to your Order may result in different pricing, freight or other costs. Due to volatility in petrochemical, steel and related Product material markets, actual prices and freight, are subject to change. We reserve the right, by providing notice to you at any time before beginning Product manufacturing, to increase the price of the Product(s) to reflect any increase in the cost to us which is due to any factor beyond our control (such as, without limitation, any increase in the costs of labor, materials, or other costs of manufacture or supply). Unless otherwise stated, materials and container sizes indicated on sales literature, invoices, price lists, quotations and delivery tickets are nominal sizes and representations – actual volume, Products and materials are subject to manufacturing and commercial variation and Wastequip's practices, and may vary from nominal sizes and materials. All prices are in US dollars; this Quote may not include all applicable taxes, brokerage fees or duties. If customer is not tax exempt, final tax calculations are subject to change.

**Special Contract
Information**

Sourcewell-Pricing & Product offerings are based on the Sourcewell Co-Operative Contract with Wastequip, LLC (#040621-WQI, eff. 06/02/2021) and such Contract terms & conditions are incorporated herein by reference. Pricing & Product (& related) changes may occur at any time with proper documentation, & subject to Sourcewell approval; therefore, offerings may change without written prior notice. Wastequip Product Limited Warranties, Disclaimers, Limitation of Liability & Remedies, & Limited Warranty Provisions apply to all purchases thereunder.

Signatures

Accepted By: _____

Company Name: _____

Date: _____

Purchase Order: _____

Please Reference Quote Number on all Purchase Orders



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:

Approval of the Hanford Police Department's Canine Conditions of Acceptance contract between the City of Hanford and the Department's Canine Handlers, and Authorization for the Police Chief to execute the Agreements.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve the Hanford Police Department's Canine Conditions of Acceptance contract between the City of Hanford and the Department's Canine Handlers, and Authorize the Police Chief to execute the Agreements.

BACKGROUND:

The Hanford Police Department acknowledges and values the invaluable service provided by its Police Canine units and is committed to ensuring a seamless transition for retired canines. The primary goal of this transfer is to ensure the continuous care and well-being of the retired Police Canine, while fostering a positive relationship between the City and the Canine Handler.

As part of this transfer, the Canine Handler will assume liability for the well-being and actions of the retired Police Canine. This means that the Canine Handler will be fully responsible for any potential incidents or expenses related to the retired canine's health and behavior. This arrangement emphasizes the Canine Handler's commitment to the ongoing care and responsible management of the retired Police Canine.

This approach not only secures the retired canine's welfare but also aligns with the Hanford Police Department's dedication to responsible canine care and the well-established bond between law enforcement and the communities they serve.

The recommendation to transfer the retired Police Canine to the Canine Handler is grounded in the following considerations:

Proven Track Record: The Canine Handler has demonstrated a consistent and proven track record of responsible and compassionate canine care.

Continuity of Care: The transfer ensures continuity of care, leveraging the Canine Handler's familiarity with the retired Police Canine's specific needs.

Seamless Transition: The recommended transfer promises a seamless transition for the retired canine, providing ongoing support and maintaining the positive rapport established during years of dedicated service.

This agreement between the City and the Canine Handler allows for the handler to continue caring for the retired canine, emphasizing a dedication to its ongoing well-being.

FISCAL IMPACT:

The city will receive \$1.00 of revenue from the Canine Handler upon completion of the transfer.

ATTACHMENTS:

1. Final Draft HPD K9 Contract 1 24 24



STEPHANIE HUDDLESTON, CHIEF OF POLICE

425 N Irwin Street
Hanford, CA 93230
(559)585-2540

City of **H A N F O R D**
HANFORD POLICE DEPARTMENT

Date:

To: Attention: Officer XXXX, ID XXXXX

From:

File No.:

Subject: CONDITIONS OF CANINE ACCEPTANCE

Based on information provided by the Hanford Police Department regarding canine CANINE NAME's performance, it has been determined canine CANINE NAME has little or no value to the Department as a working canine or as city equipment. Therefore, your request to keep canine CANINE NAME has been approved upon acceptance/completion of the conditions stated below.

The City of Hanford / Hanford Police Department makes no warranty, expressed or implied, as to the physical or psychological condition of canine CANINE NAME. This canine has been trained and utilized in a law enforcement capacity, which may have included handler protection or bite training. Certain drives and temperaments have been altered or enhanced, which may increase the risk of accidental dog bites and / or other atypical canine behavior. The Hanford Police Department now considers this animal unsuitable for law enforcement deployment.

Upon remittance of payment in the amount of \$1.00 to the Hanford Police Department, along with a signed copy of this agreement, you officially and formally accept the ownership, interest, and responsibilities for canine CANINE NAME. In doing so, you hereby waive all present and future rights to initiate any claim or action against the Hanford Police Department and the City of Hanford and its officials, officers, employees, agents, and assigns, current and former, for any damages or injury that may be caused at any time by canine CANINE NAME with no representation from the Hanford Police Department or the City of Hanford as to canine CANINE NAME's fitness, qualifications, abilities, or other characteristics other than that which is represented in this agreement.

Furthermore, in accepting canine CANINE NAME, you hereby agree to the following conditions:

- At all times the K9 policy provisions of the Hanford Police Department regarding canine control existing at the time that this agreement is signed shall be adhered to with respect to Canine CANINE NAME.
- Canine CANINE NAME shall not be utilized at any time in any law enforcement capacity. This includes any previous duties undertaken for or on behalf of the Department, as well as for or with any other law enforcement agency.
- Canine CANINE NAME shall be your sole responsibility and obligation. At all times the K9 is unattended it shall be kept in the kennel previously provided by the City or in a different kennel of adequate design and construction to contain Canine CANINE NAME. When the K9 is in public it shall be leashed. Should you become unable or unwilling to comply with this agreement or provide basic care and upkeep for canine CANINE NAME, you shall be responsible, at your expense, for the destruction of canine CANINE NAME. **Under no circumstances shall the canine be given to any other person, organization, department, or agency.**
- Consistent with the agreement that canine CANINE NAME shall be your sole responsibility and obligation, you agree to indemnify, defend, and hold harmless the City, its officials, officers, employees, agents, and assigns, current and former, from any litigation, claim, damages, or liability in any forum that is initiated or might be brought against the City or its officials, officers, employees, agents, or assigns, current and former, by any individual that in any manner arose or resulted from the actions of canine CANINE NAME following its retirement.

The provisions of this agreement constitute the complete document for purposes of this transaction and there are no implied or separate understandings apart from this document with respect to this transaction.

None of the above requirements may be modified subsequent to this agreement without the written consent of both parties. If the Department learns that any of the requirements agreed to are violated, it has the right to, and will, seize canine CANINE NAME from your possession and undertake to have the canine destroyed, the expense for the seizure and destruction to be billed to you.

The above terms and conditions have been discussed and are fully understood.

Chief of Police

Accepted by: _____

Date: _____

Officer XXXX XXXX, ID XXXXX



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Authorization for the City Manager to execute an agreement with Wells Fargo Bank for banking and Lockbox services at an annual cost of approximately \$135,000 for a term of three years, with an option to extend by two years.

RECOMMENDATION:

Recommendation: That the City Council, by motion, Authorize the City Manager to execute an agreement with Wells Fargo Bank for banking and Lockbox services at an annual cost of approximately \$135,000 for a term of three years, with an option to extend by two years.

Recommended Motion: I move to authorize the City Manager to execute an agreement with Wells Fargo Bank for banking and Lockbox services at an annual cost of approximately \$135,000 for a term of three years, with an option to extend by two years.

BACKGROUND:

The City of Hanford has been in a business relationship with Wells Fargo Bank for many years. Wells Fargo has provided banking services for the City during this time in which fees are paid for services provided in handling cash for the City. On average over the last several years the City has paid approximately \$71,000 annually.

In the past few months, City staff has begun discussion with Wells Fargo Bank, for Wells Fargo to provide Lockbox services for the City. This service would provide that Utility mail-in payments would be mailed to and handled directly by Wells Fargo at a "Lockbox Box" location in California. Funds would be deposited quicker, and payments would be posted faster, which would provide an enhancement for customer service. In addition, this service would provide staff with more effective use of their time in order to focus on customer service such as quicker response times and ability to focus on customer accounts for accuracy. The service is estimated to cost approximately \$64,000 annually. This could lead to cost savings for the City in mitigating the need for additional staff well into the future.

Due to the long term relationship that the City has had with Wells Fargo Bank (since 1993), an updated agreement is recommended to include adding the Lockbox services as an addendum to the master agreement currently in place. The City has had no issues with Wells Fargo Bank's services that would prohibit recommendation of continuation of the current working relationship. This authorization would help protect the City from banking service fee increases over the term of the agreement.

FISCAL IMPACT:

This authorization would help protect the City from banking service fee increases over the term of the agreement. The City averages approximately \$71,000 in banking service fees annually and, if authorized will pay approximately \$64,000 annually for Lockbox services, for a total of \$135,000 annual. Many bank fees are based on transactions, which depending on activity may be more or less than these approximate annual amounts. Staff anticipates no more than a 10% variance. Costs of banking fees are not entirely paid by the General Fund, they are allocated to many funds based on activity.

Budget adjustments are not needed for general banking service fees as they are already included in the approved budget. A budget adjustment for Lockbox service fees will be presented to City Council in future budget adjustment actions, most likely during the mid-cycle budget review in May/June 2024.

ATTACHMENTS:

1. Wholesale Lockbox Insight Sheet

Wholesale lockbox



Time is precious, especially when you're running a business. Why waste it by manually processing checks?

Let us help save you valuable time by capturing the details and images of your checks and remittances for you. With our wholesale lockbox service, you can streamline your receivables by directing check payments, both with remittance documents and without, to a lockbox at Wells Fargo for processing.

Our wholesale lockbox service offers:



Faster funds availability

You can meet earlier deposit deadlines, and benefit from improved cash forecasting and funds availability.



Greater visibility and control

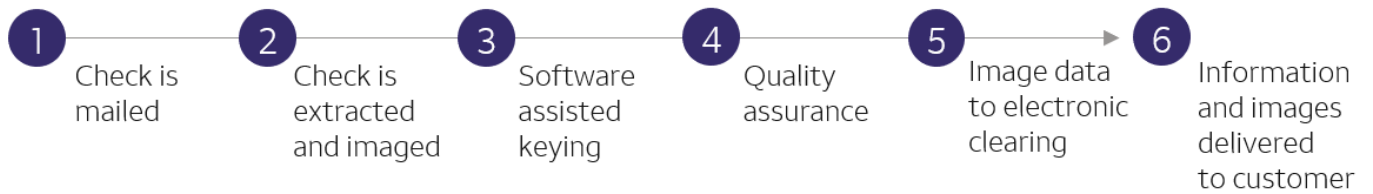
You can track and manage your cash flow more effectively with our consolidated lockbox summary and detail reports.



Flexible data delivery

You can receive a direct transmission of your remittance detail and automatically update your receivables system. We build the transmissions to your format specifications.

How it works



Want to learn more?

Click the icon to see a brief lockbox video tutorial.

Are you looking for a way to...

- Potentially reduce your in-house check processing expenses, while also accelerating collections?
- Capture the information you need for your non-standard invoices and payments?

Ask your Wells Fargo representative if our wholesale lockbox service is right for you.



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Acceptance and authorization for staff to File the City of Hanford's Quarterly Investment Portfolio and Transactions Reports as of 12/31/2023.

RECOMMENDATION: That the City Council accept and authorize staff to file the City of Hanford's Quarterly Investment Portfolio and Transactions Report as of 12/31/2023.

RECOMMENDED MOTION: I move that the City Council accept and authorize staff to file the City of Hanford's Quarterly Investment Portfolio and Transactions Report as of 12/31/2023.

BACKGROUND: Quarterly Investment Report. The City has approximately \$113.2 million in investments and cash as of 12/31/2023.

Recent Activity. The City actively maintains its Wells Fargo cash accounts at a minimum of \$2.5 million. Typically, idle cash beyond the necessary \$2.5 million minimum cash needed for operations is invested into the local government pools such as LAIF. LAIF is currently outperforming the Tulare County Pool by 0.83%. During this period only maturities were re-invested to purchase securities in the 1-3 year maturity range.

Current Investment Environment. At a two-day meeting that starts Tuesday January 30-31, the Fed is expected to hold its key short-term rate steady at a 22-year high of 5.25% to 5.5% for a fourth straight meeting. However, economists are quite confident that the Federal Reserve will begin lowering interest rates as early as March. (USA TODAY)

The 10-year Treasury Note interest is currently down at approximately 4.10% versus 4.27% during last quarter. At the same time last year, the rate was lower at 3.40%.

Proposed Actions. The City will use funds from matured securities to re-invest in 1–3-year securities. Operations will be monitored for financial needs and when available any large sums of idle cash can be invested. With the City's practice of investing in government pools and shorter-term securities, there is always availability for quick liquidity if any unexpected financial event were to occur.

Summary. The primary purpose of the City's cash is to provide residents of Hanford with services. In order to maximize the earnings potential on the City's idle cash, the City utilizes registered securities dealers to purchase low-risk investments which will provide a higher return versus allowing the cash to be held in savings accounts earning little to no interest. Additionally, idle cash is also held with government pools, including the Tulare County Investment Pool and the State of California LAIF. It is the policy of the City to invest public funds in a manner that will provide a high investment return with

a high level of security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds

FISCAL IMPACT: This item is informational. Investing the City's cash will generate continual interest earnings on the investment portfolio.

ATTACHMENTS:

1. Quarterly Investment Detail Report 12.31.23
2. Quarterly Transactions Report 10.01.23-12.31.23
3. Quarterly Treasurer's Report 12.31.23

ATTACHMENTS:

1. Quarterly Investment Detail Report 12.31.23
2. Quarterly Transactions Report 10.01.23-12.31.23
3. Quarterly Treasurer's Report 12.31.23

City of Hanford
Quarterly Investment Detail Report
As of 12/31/2023

Description	CUSIP/Ticker	Security Sector	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Market Value	Maturity Date	Days To Maturity	% of Portfolio
Brokerage Higgins Capital										
Bank Baroda NY 0.65 7/22/2025	06063HMT7	Certificate Of Deposit	7/22/2020	0.650	198,000.00	198,000.00	185,341.86	7/22/2025	569	0.17
Bank of New York Mellon 1.6 4/24/2025-25	06406RAN7	Corporate	5/13/2020	1.216	1,000,000.00	1,018,368.00	959,730.00	4/24/2025	480	0.88
Barclays Bank 5 6/6/2025	06740KRQ2	Certificate Of Deposit	6/7/2023	5.000	250,000.00	250,000.00	250,010.00	6/6/2025	523	0.22
BMO Harris Bank IL 0.5 3/28/2025-21	05600XAY6	Certificate Of Deposit	9/28/2020	0.500	249,000.00	249,000.00	235,337.37	3/28/2025	453	0.22
Capital Bank 4.65 11/8/2024	139805AX3	Certificate Of Deposit	11/9/2022	4.650	250,000.00	250,000.00	249,002.50	11/8/2024	313	0.22
Capital One 4.8 11/3/2025	14042RVH1	Certificate Of Deposit	11/2/2022	4.800	250,000.00	250,000.00	249,920.00	11/3/2025	673	0.22
Citadel Federal PA 1.65 2/27/2025	17286TAG0	Certificate Of Deposit	2/27/2020	1.650	250,000.00	250,000.00	240,300.00	2/27/2025	424	0.22
Citibank NA 3.65 1/23/2024-23	17325FAS7	Corporate	5/22/2020	1.183	1,000,000.00	1,088,310.00	998,880.00	1/23/2024	23	0.88
Continental Bank UT 0.55 6/26/2025	211163KK5	Certificate Of Deposit	6/26/2020	0.550	175,000.00	175,000.00	163,961.00	6/26/2025	543	0.15
Direct Federal CDT Union 4.7 11/3/2025	25460FDU7	Certificate Of Deposit	11/3/2022	4.700	250,000.00	250,000.00	249,405.00	11/3/2025	673	0.22
Enerbank UT 0.5 8/29/2025	29278TRA0	Certificate Of Deposit	8/31/2020	0.500	245,000.00	245,000.00	227,793.65	8/29/2025	607	0.22
FHLB 0.5 10/4/2024-22	3130AP4G7	US Agency	10/4/2021	0.500	1,000,000.00	1,000,000.00	966,420.00	10/4/2024	278	0.88
FHLB 0.5 9/24/2024-21	3130ALKN3	US Agency	3/24/2021	0.500	2,000,000.00	2,000,000.00	1,934,960.00	9/24/2024	268	1.77
FHLB 0.57 10/15/2024-22	3130ALWW0	US Agency	4/15/2021	0.570	1,000,000.00	1,000,000.00	965,750.00	10/15/2024	289	0.88
FHLB 5.125 5/28/2026-24	3130AWAA8	US Agency	5/30/2023	5.125	1,000,000.00	1,000,000.00	995,750.00	5/28/2026	879	0.88
FHLB 5.5 11/24/2025-23	3130AWBD1	US Agency	6/1/2023	5.500	2,000,000.00	2,000,000.00	1,994,800.00	11/24/2025	694	1.77
FHLB Step 1/27/2025-22	3130AQML4	US Agency	1/27/2022	1.370	325,000.00	325,000.00	314,119.00	1/27/2025	393	0.29
FHLMC 5.32 6/6/2025-24	3134GYTM4	US Agency	6/6/2023	5.320	1,000,000.00	1,000,000.00	997,400.00	6/6/2025	523	0.88
First Choice Bank CA 0.4 9/30/2025-21	319461DB2	Certificate Of Deposit	9/30/2020	0.400	249,000.00	249,000.00	230,367.33	9/30/2025	639	0.22
First National Bank TX 1.8 12/30/2024	32112UDJ7	Certificate Of Deposit	12/30/2019	1.800	250,000.00	250,000.00	241,837.50	12/30/2024	365	0.22
First Technology Federal 5.1 6/16/2025	33715LFK1	Certificate Of Deposit	6/16/2023	5.100	250,000.00	250,000.00	250,412.50	6/16/2025	533	0.22
Greenstate Credit Union 0.5 7/30/2024	39573LBQ0	Certificate Of Deposit	7/30/2021	0.500	250,000.00	250,000.00	243,415.00	7/30/2024	212	0.22
Horizon Bk 4.75 11/8/2024	44042WCG0	Certificate Of Deposit	11/8/2022	4.750	250,000.00	250,000.00	249,182.50	11/8/2024	313	0.22
Insight4.6 5/2/2025	45791JAA4	Certificate Of Deposit	11/2/2022	4.600	250,000.00	250,000.00	248,605.00	5/2/2025	488	0.22
John Deer Capital 2.6 3/7/2024	24422EUX5	Corporate	5/15/2020	1.160	700,000.00	737,464.00	696,017.00	3/7/2024	67	0.62
Jonesboro State Bank LA 0.8 5/29/2025-20	48040PGX7	Certificate Of Deposit	5/29/2020	0.800	249,000.00	249,000.00	234,752.22	5/29/2025	515	0.22
Luana Savings Bank IA 0.45 7/29/2025	549104RJ8	Certificate Of Deposit	7/29/2020	0.450	250,000.00	250,000.00	233,105.00	7/29/2025	576	0.22
Medallion Bank UT 0.55 7/30/2025	58404DHQ7	Certificate Of Deposit	7/30/2020	0.550	250,000.00	250,000.00	233,337.50	7/30/2025	577	0.22
Merrick Bank UT 1.85 12/31/2024	59013KEP7	Certificate Of Deposit	12/31/2019	1.850	250,000.00	250,000.00	241,927.50	12/31/2024	366	0.22
Partners Bank AK 0.6 6/30/2025	70212VAB4	Certificate Of Deposit	6/30/2020	0.600	250,000.00	250,000.00	234,252.50	6/30/2025	547	0.22
Pentagon Federal Credit Union 0.55 9/30/2024	70962LAR3	Certificate Of Deposit	9/29/2021	0.550	250,000.00	250,000.00	241,615.00	9/30/2024	274	0.22
Sallie Mae Bank UT 1.9 10/30/2024	7954504Z5	Certificate Of Deposit	10/30/2019	1.900	100,000.00	100,000.00	97,363.00	10/30/2024	304	0.09
State Bank of India GA 0.95 6/26/2025	856283N69	Certificate Of Deposit	6/26/2020	0.950	250,000.00	250,000.00	234,760.00	6/26/2025	543	0.22
Synchrony Bank 0.9 12/10/2024	87165HK41	Certificate Of Deposit	12/10/2021	0.900	250,000.00	250,000.00	240,217.50	12/10/2024	345	0.22
Texas Exchange Bank TX 0.5 7/30/2024	88241TLS7	Certificate Of Deposit	7/30/2021	0.500	249,000.00	249,000.00	242,443.83	7/30/2024	212	0.22
Toyota Motor Credit 0.45 1/1/2024	89236THU2	Corporate	9/20/2021	0.450	1,000,000.00	1,000,000.00	998,850.00	1/1/2024	11	0.88
United Heritage 4.75 11/4/2025	91334AAE3	Certificate Of Deposit	11/4/2022	4.750	250,000.00	250,000.00	249,660.00	11/4/2025	674	0.22
Sub Total / Average Brokerage Higgins Capital				2.234	18,239,000.00	18,383,142.00	17,821,001.26		413	16.11
Brokerage Multi-Bank Securities										
Ally Bank5.15 12/9/2024	02007GN90	Certificate Of Deposit	6/8/2023	5.150	250,000.00	250,000.00	250,010.00	12/9/2024	344	0.22
Austin Telco FCU 4.95 7/26/2024	052392CL9	Certificate Of Deposit	1/27/2023	4.950	250,000.00	250,000.00	249,827.50	7/26/2024	208	0.22
Bank Hapoalim BN NY 5.2 12/9/2024	06251ASQ9	Certificate Of Deposit	6/9/2023	5.200	250,000.00	250,000.00	250,022.50	12/9/2024	344	0.22
FFCB 4.92 1/12/2026	3133ENR77	US Agency	12/7/2022	4.920	1,000,000.00	1,000,000.00	994,680.00	1/12/2026	743	0.88
FFCB 5.58 12/7/2026	3133EPK38	US Agency	12/7/2023	5.580	1,000,000.00	1,000,000.00	999,920.00	12/7/2026	1,072	0.88
FHLB 5 12/12/2024	3130ATXG7	US Agency	12/12/2022	5.000	1,000,000.00	1,000,000.00	996,590.00	12/12/2024	347	0.88
FHLB 5.5 11/24/2025-23	3130AW5T3	US Agency	6/1/2023	5.500	1,000,000.00	1,000,000.00	999,560.00	11/24/2025	694	0.88
FHLMC 5.3 2/27/2026-23	3134GYJB9	US Agency	5/26/2023	5.300	2,000,000.00	2,000,000.00	1,992,900.00	2/27/2026	789	1.77
FHLMC 5.3 5/15/2025-23	3134GYRH7	US Agency	5/26/2023	5.300	1,000,000.00	1,000,000.00	997,130.00	5/15/2025	501	0.88
FHLMC 5.65 3/13/2026-23	3134GYKT8	US Agency	11/17/2023	5.650	950,000.00	950,000.00	948,898.00	3/13/2026	803	0.84
First Carolina Bank 5.25 7/15/2024	31944MCU7	Certificate Of Deposit	6/14/2023	5.250	250,000.00	250,000.00	250,057.50	7/15/2024	197	0.22
General Electric Credit Union 5 1/30/2024	369674CG9	Certificate Of Deposit	1/30/2023	5.000	250,000.00	250,000.00	249,925.00	1/30/2024	30	0.22
IC Federal Credit Union 5 6/10/2024	44931EAD3	Certificate Of Deposit	12/9/2022	5.000	240,000.00	240,000.00	239,908.80	6/10/2024	162	0.21
Liberty Fed Credit Union 4.9 12/9/2024	53052LAE9	Certificate Of Deposit	12/9/2022	4.900	250,000.00	250,000.00	249,422.50	12/9/2024	344	0.22
NORTHEAST COMMUNITY BANK 5.2 12/13/2024	664122BN7	Certificate Of Deposit	12/15/2023	5.200	250,000.00	250,000.00	250,110.00	12/13/2024	348	0.22
PREFERRED BANK LA CALIF 5.2 12/20/2024	740367SU2	Certificate Of Deposit	12/22/2023	5.200	250,000.00	250,000.00	250,115.00	12/20/2024	355	0.22
SUTTER HEALTH 1.321 8/15/2025	86944BAF0	Corporate	12/6/2023	5.525	874,000.00	815,450.74	818,841.86	8/15/2025	593	0.77
Valley Strong 4.9 1/31/2024	920133AM7	Certificate Of Deposit	1/31/2023	4.900	250,000.00	250,000.00	249,900.00	1/31/2024	31	0.22
WESTERN ALLIANCE BK PHOENIX 5.25 5/24/2024	95763PMY4	Certificate Of Deposit	5/26/2023	5.250	250,000.00	250,000.00	249,965.00	5/24/2024	145	0.22
Zions Bank Corp 5.2 12/6/2024	98970LFU2	Certificate Of Deposit	6/7/2023	5.200	250,000.00	250,000.00	250,127.50	12/6/2024	341	0.22
Sub Total / Average Brokerage Multi-Bank Securities				5.277	11,814,000.00	11,755,450.74	11,737,911.16		586	10.43
Brokerage Wells Fargo Securities										
FHLB 2.3 3/28/2025-22	3130AREM9	US Agency	3/28/2022	2.300	250,000.00	250,000.00	243,879.01	3/28/2025	453	0.22
Wells Fargo Securities MM	WFMM5968	Money Market	11/3/2021	5.220	224,673.84	224,673.84	224,673.84	N/A	1	0.20
Sub Total / Average Brokerage Wells Fargo Securities				3.682	474,673.84	474,673.84	468,552.85		239	0.42
LGIP LAIF										
Local Agency Investment Fund LGIP	LAIF6352	Local Government Investment Pool	2/28/2009	3.929	22,476,072.70	22,476,072.70	22,476,072.70	N/A	1	19.85
Sub Total / Average LGIP LAIF				3.929	22,476,072.70	22,476,072.70	22,476,072.70		1	19.85
LGIP Tulare County										
Tulare County Pool LGIP	TULARE860	Local Government Investment Pool	5/5/2017	3.104	47,425,711.91	47,425,711.91	47,425,711.91	N/A	1	41.89
Sub Total / Average LGIP Tulare County				3.104	47,425,711.91	47,425,711.91	47,425,711.91		1	41.89
Umpqua Bank										
Umpqua MM	MM7248	Money Market	8/19/2022	0.010	4,000,538.03	4,000,538.03	4,000,538.03	N/A	1	3.53
Sub Total / Average Umpqua Bank				0.010	4,000,538.03	4,000,538.03	4,000,538.03		1	3.53
US Bank Custodian Fixed Assets										
US Bank Cash	USBANK	Cash	10/31/2022	0.000	839,309.44	839,309.44	839,309.44	N/A	1	0.74
Sub Total / Average US Bank Custodian Fixed Assets				0.000	839,309.44	839,309.44	839,309.44		1	0.74
Wells Fargo Operating Accounts										

Description	CUSIP/Ticker	Security Sector	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Market Value	Maturity Date	Days To Maturity	% of Portfolio
Wells Fargo General Account Cash	WFGENERAL5186	Cash	10/31/2007	0.000	30,400.00	30,400.00	30,400.00	N/A	1	0.03
Wells Fargo Self Insurance Cash	WFSELFINS1892	Cash	6/30/2020	0.000	233,893.25	233,893.25	233,893.25	N/A	1	0.21
Wells Fargo Sweep Cash	WFSWEEP5186	Cash	6/30/2020	0.000	7,689,251.11	7,689,251.11	7,689,251.11	N/A	1	6.79
Sub Total / Average Wells Fargo Operating Accounts				0.000	7,953,544.36	7,953,544.36	7,953,544.36		1	7.02
Total / Average				3.006	113,222,850.28	113,308,443.02	112,722,641.71		129	100

Description	CUSIP/Ticker	Settlement Date	Face Amount/Shares	Principal	Total	Portfolio Name
Buy						
FFCB 5.58 12/7/2026	3133EPK38	12/7/2023	1,000,000.00	1,000,000.00	1,000,000.00	Brokerage Multi-Bank Securities
FHLMC 5.65 3/13/2026-23	3134GYKT8	11/17/2023	950,000.00	950,000.00	959,542.22	Brokerage Multi-Bank Securities
NORTHEAST COMMUNITY BANK 5.2 12/13/2024	664122BN7	12/15/2023	250,000.00	250,000.00	250,000.00	Brokerage Multi-Bank Securities
PREFERRED BANK LA CALIF 5.2 12/20/2024	740367SU2	12/22/2023	250,000.00	250,000.00	250,000.00	Brokerage Multi-Bank Securities
SUTTER HEALTH 1.321 8/15/2025	86944BAF0	12/6/2023	874,000.00	815,450.74	819,010.61	Brokerage Multi-Bank Securities
Matured						
Citbank National SD 3.55 11/24/2023	17312QW47	11/24/2023	250,000.00	250,000.00	250,000.00	Brokerage Higgins Capital
Goldman Sachs 0.6 12/15/2023	38149MQ22	12/15/2023	224,000.00	224,000.00	224,000.00	Brokerage Wells Fargo Securities
IADB 0.25 11/15/2023	4581X0DP0	11/15/2023	500,000.00	500,000.00	500,000.00	Brokerage Wells Fargo Securities
IFC 0.61 11/24/2023	45950VQS8	11/24/2023	1,000,000.00	1,000,000.00	1,000,000.00	Brokerage Wells Fargo Securities
Live Oak Bank 0.5 12/11/2023	538036TF1	12/11/2023	250,000.00	250,000.00	250,000.00	Brokerage Higgins Capital
State Bank of India 0.55 11/29/2023	856285YX3	11/29/2023	250,000.00	250,000.00	250,000.00	Brokerage Wells Fargo Securities
Sunset Science Park FCU 5 12/14/2023	86777TAA4	12/14/2023	250,000.00	250,000.00	250,000.00	Brokerage Multi-Bank Securities
Trustone Financial CU 5 12/14/2023	89841MAM9	12/14/2023	250,000.00	250,000.00	250,000.00	Brokerage Multi-Bank Securities
Caterpillar Financial 3.75 12/24/2023	14912L5X5	11/24/2023	1,000,000.00	1,000,000.00	1,000,000.00	Brokerage Higgins Capital

CITY OF HANFORD, CALIFORNIA

Treasurer's Report

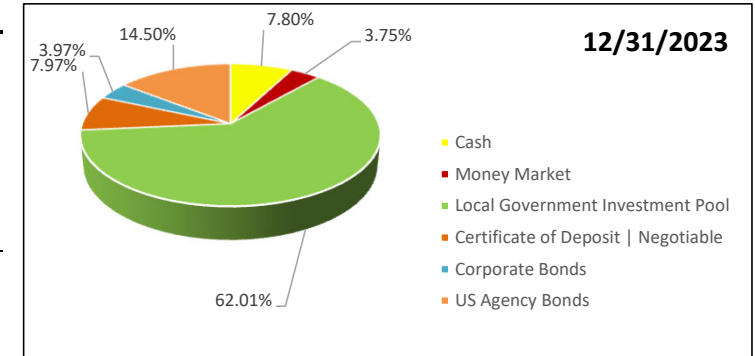
December 31, 2023



Performance

Weighted Average Yield **3.013%**

Diversification Security Sector	% of Portfolio	YTM @Cost	Days to Maturity	Face Amount / Shares	Cost Value	Market Value
Cash	7.80%	0.00%	1	8,792,854	8,792,854	8,792,854
Money Market	3.75%	0.29%	1	4,225,212	4,225,212	4,225,212
Local Government Investment Pool	62.01%	3.37%	1	69,901,785	69,901,785	69,901,785
Certificate of Deposit Negotiable	7.97%	3.14%	395	9,204,000	9,204,000	8,987,717
Corporate Bonds	3.97%	1.82%	230	4,574,000	4,659,593	4,472,319
US Agency Bonds	14.50%	4.07%	598	16,525,000	16,525,000	16,342,756
	100.00%	3.013%	128	113,222,850	113,308,443	112,722,642





AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: PUBLIC HEARING

SUBJECT:

Public Hearing and consideration of approval of Resolution 24-03-R for City of Hanford wastewater rate adjustments effective March 1, 2024.

RECOMMENDATION:

Recommendation: Staff recommends Council hold a Public Hearing and consider approval of Resolution 24-03-R for City of Hanford wastewater rate adjustments effective March 1, 2024.

Recommended Motion: I move to adopt Resolution 24-03-R for City of Hanford wastewater rate adjustments effective March 1, 2024.

BACKGROUND:

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. The Council accepted the “Water, Wastewater, and Stormwater Utility Rate Study 2023”, dated November 7, 2023. Today, staff recommends that City Council approve and implement wastewater rates according to the adopted study. Water rates were approved to be implemented at City Council's January 16, 2024 meeting. Staff recommends deferring stormwater rate changes at this time.

It has been over thirteen years since wastewater (sanitary sewer) increases. The last wastewater rate increase was July 1, 2011 (adopted in Resolution No. 09-77-R on November 17, 2009). Without updating rates the City will not have long term sustainability to keep up with costs of maintenance, capital and increased costs of doing business. Should rate changes not be approved, this fund (wastewater) is at risk of having a negative fund balance and not being able to self-sustain without significant deferrals on projects and/or operations.

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, stormwater, 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.

The City's consultant, Lechowicz & Tseng Municipal Consultants and staff provided Council with a look at the needs of the water, wastewater and stormwater enterprises at the September 19, 2023, November 7, 2023 and January 16, 2024 City Council Meetings. After receiving Council direction and authorization to proceed at those meetings, staff and the consultant with review by the City Attorney sent out notification to all landowners and utility customers within the City as required by the Proposition 218 process. Water rate changes were approved at the January 16, 2024 meeting and the public hearing was continued to the February 6, 2024 meeting for further consideration of wastewater and stormwater rates. After internal discussion between staff, city attorney and the consultant, staff recommends to defer stormwater rate changes at this time. Should the City move forward on stormwater rate changes in the future, notice will be provided again as required by State law.

Utility operations in water, sewer and stormwater (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.

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 a wastewater distribution pipeline is 40 years, and the City's Wastewater Treatment Plant operates 24 hours a day, capital needs will continue. 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.

Notices by mail and on the City's website were posted before the 45-day notice requirement for the public hearing on January 16, 2024, the public hearing was continued to February 6, 2024 for wastewater and stormwater rates. The proposed rates for wastewater are recommended to go into effect as of March 1, 2024 for the March 2024 utility bill. Attachment 'A' "Water, Wastewater, and Stormwater Utility Rate Study 2023", dated November 7, 2023, includes details on the proposed wastewater rates. Subsequent increases would go into effect on July 1 from 2024 through 2027. Stormwater rate changes are not recommended at this time and will remain at current rates. New notification (in compliance with State law) will occur when changes to the stormwater rates are recommended.

Staff recommends that the City continue to look at needs for any rate adjustments (up or down), at a minimum, every five years in order to mitigate the need for large increases as much as possible.

FISCAL IMPACT:

Rates are proposed to increase as follows:

Wastewater - Year 1: 35%, Year 2 & 3: 12%, Year 4 & 5: 5%

Storm Drain - no change at this time

The proposed five-year wastewater 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. RESOLUTION 24-03-R
2. Attachment 'A' - Rate Report Final 11.7.23
3. City of Hanford_8.5x11_Prop 218 Notice_111423

RESOLUTION NO. 24-02-R

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD UPDATING
WASTEWATER RATES

At a regular meeting of the City Council of the City of Hanford duly called and held on the 6th day of February 2024, it was moved by Council Member _____, seconded by Council Member _____, and carried that the following resolution be adopted:

WHEREAS, Chapter 13 of the Hanford Municipal Code provides for the fixing of water, wastewater and stormwater rates by resolution for residential and commercial services; and

WHEREAS, the consulting firm Lechowicz and Tseng Municipal Consultants prepared a comprehensive analysis and written report entitled “Water, Wastewater, and Stormwater Utility Rate Study 2023”, dated November 7, 2023; and

WHEREAS, the City Council conducted a study session reviewing the potential rates on September 19, 2023; and

WHEREAS, the City Council conducted a study session reviewing the proposed rates on November 6, 2023; and

WHEREAS, notice of the proposed water, wastewater and stormwater rates was mailed to all property owners and customers in accordance with the requirements of Proposition 218 and Government Code section 53750 et seq; and

WHEREAS, a public hearing to consider the proposed rates and any protests to such rates was held on this date, January 16, 2024, which is more than 45 days after the notices were mailed; and

WHEREAS, a public hearing was continued to consider the proposed rates for wastewater and any protests to such rates was held on this date, February 6, 2024, which is more than 45 days after the notices were mailed; and

WHEREAS, written protests to the proposed rates were not presented by a majority of the customers; and

WHEREAS, the proposed rates are required to cover the cost of providing the various services, including but not limited to, providing funds for operations, capital improvements, debt service and vehicle replacement costs; and

WHEREAS, the proposed rates are non-discriminatory and do not exceed the cost of providing services for which the rates are imposed; and

WHEREAS, the City Council deems it in the public interest to adjust the wastewater rates as set forth in the attached Exhibit “A” known as the City of Hanford Water, Wastewater, and Stormwater Utility Rate Study 2023.

WHEREAS, the City Council will defer changes of stormwater rates and re-notice property owners upon reconsideration;

NOW, THEREFORE, BE IT RESOLVED that the rates on Exhibit “A” are approved, effective March 1st, 2024; and thereafter as specified, on July 1, 2024; July 1, 2025; July 1, 2026; and July 1, 2027.

PASSED, ADOPTED AND APPROVED this 6th day of February 2024 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Travis Paden
MAYOR of the City of Hanford

Attest:

Natalie Corral
City Clerk



CITY OF HANFORD

Water, Wastewater, and Stormwater Utility Rate Study 2023

FINAL REPORT
November 7, 2023



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

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

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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 XIII C and XIII D 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:

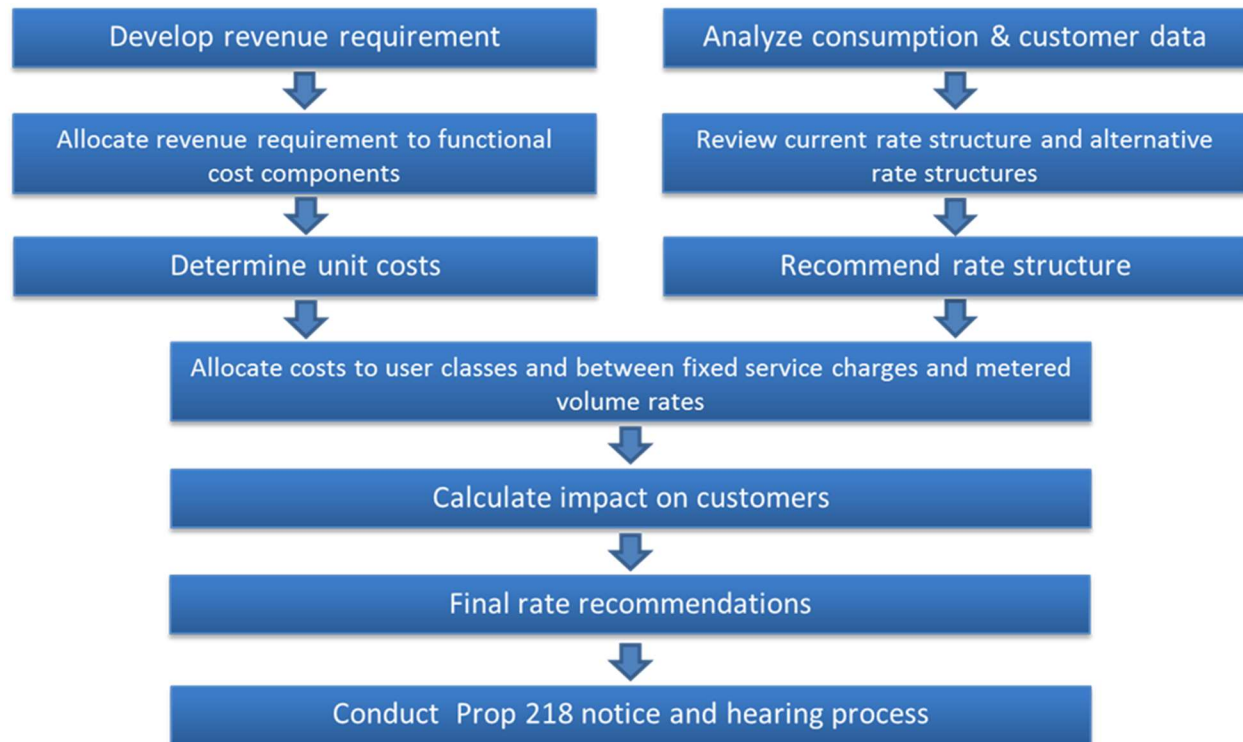
1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
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
<i>Effective Date</i>	<i>July 1, 2018</i>	<i>Feb 1, 2024</i>	<i>July 1, 2024</i>	<i>July 1, 2025</i>	<i>July 1, 2026</i>	<i>July 1, 2027</i>
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
<i>Effective Date</i>	<i>July 1, 2011</i>	<i>Feb 1, 2024</i>	<i>July 1, 2024</i>	<i>July 1, 2025</i>	<i>July 1, 2026</i>	<i>July 1, 2027</i>
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						
<u>Metered Water (\$/CCF) [1]</u>						
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

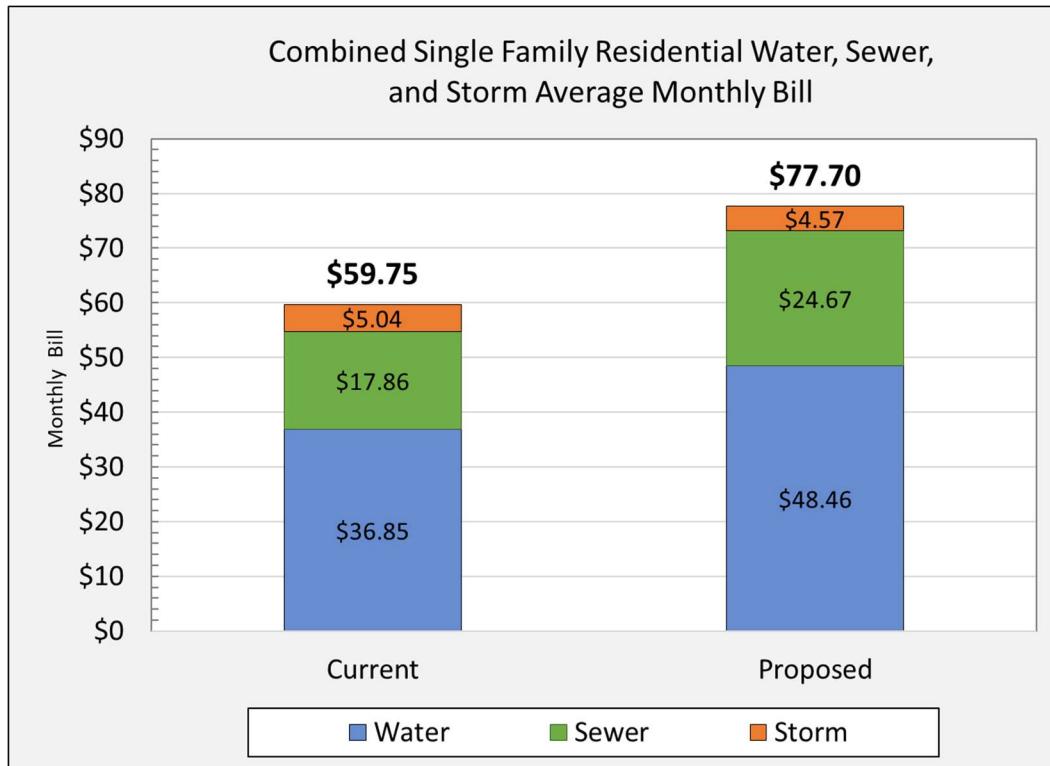
Table 3: Proposed Monthly Storm Drainage Fees
City of Hanford
Utility Rate Study

	Current Rates	PROPOSED				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
<i>Effective Date</i>	<i>July 1, 2011</i>	<i>Feb 1, 2024</i>	<i>July 1, 2024</i>	<i>July 1, 2025</i>	<i>July 1, 2026</i>	<i>July 1, 2027</i>
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

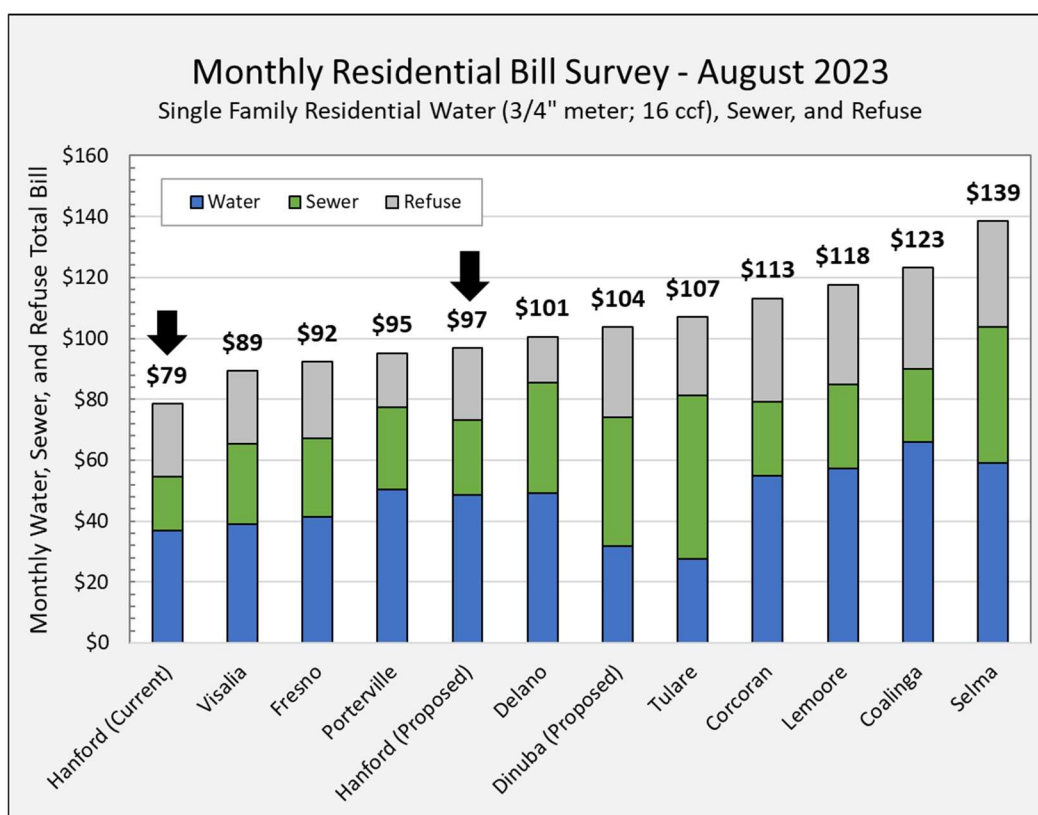
For all three utilities, the first rate change is proposed to go into effect February 1, 2024 with subsequent rate effective each July 1 beginning in 2024 through 2027. The typical monthly water use of a single family customer is 16 ccf per month. Based on these parameters, the City's current total combined 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	<u>129,074</u>	<u>\$189,739</u>	<u>2.0%</u>
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	<u>\$882,730</u>	<u>16.7%</u>
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	<u>\$4,527</u>	<u>0.1%</u>
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	<u>79,588</u>	<u>\$230,009</u>	<u>4.3%</u>
Subtotal Commercial		390,738	\$700,207	13.2%
Schools	Charge per student (ADA)	# of students	Estimated Revenue	% of Total
	\$0.51		<u>\$48,539</u>	<u>0.9%</u>
Subtotal Schools			\$48,539	0.9%
Septage	Usage Charge (\$/1000 gal)	Billed Flow (1,000 gal)	Estimated Revenue	% of Total
	\$26.19	765	<u>\$20,038</u>	<u>0.4%</u>
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

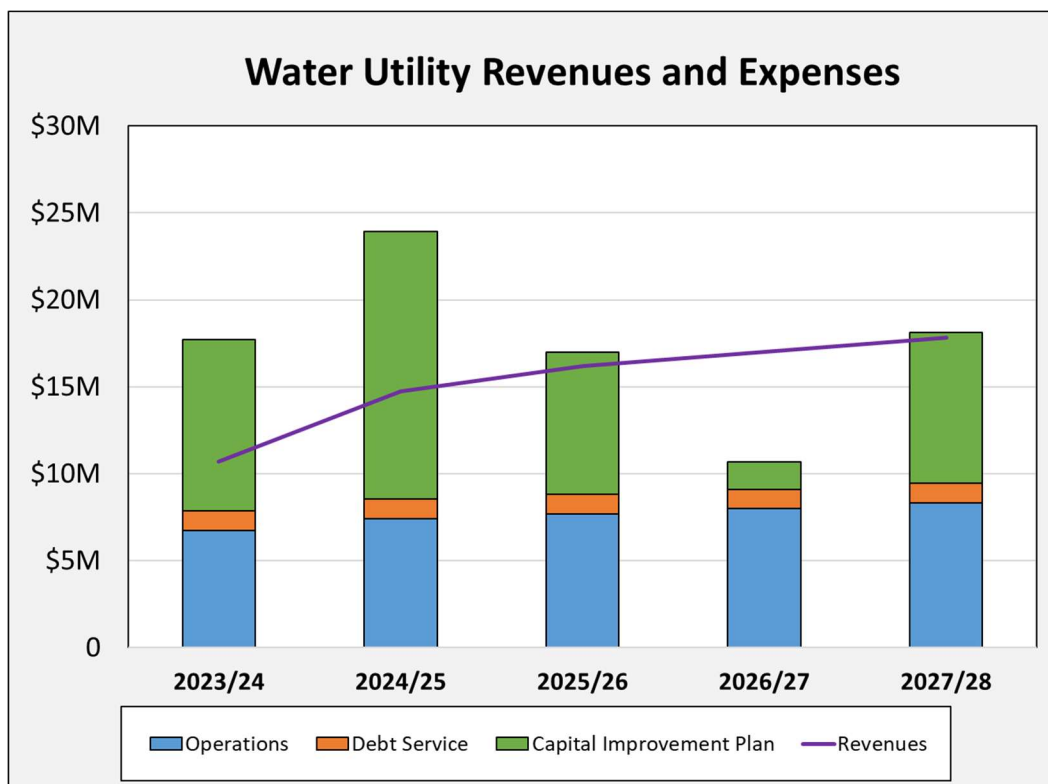


Table 10: Water Cash Flow Projection
City of Hanford
Utility Rate Study

	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					
<i>Rate Revenues [2]</i>	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	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>
Total Revenue	10,697,000	14,756,000	16,202,000	16,997,000	17,832,000
EXPENSES					
<i>Operating Expenses</i>					
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	<u>1,645,000</u>	<u>1,645,000</u>	<u>1,694,000</u>	<u>1,745,000</u>	<u>1,797,000</u>
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
<i>Debt Service</i>					
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
Add'l Transfer to Capital Fund	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
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
<i>Operations Fund Reserve Target [3]</i>	4,488,000	4,835,000	4,977,000	5,117,000	5,284,000
<i>Operating Reserve Target Met?</i>	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
<i>Revenues</i>					
Transfer from Operations Fund (#570250)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Transfer from Operations Fund	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Subtotal Capital Revenues	8,500,000	8,500,000	6,000,000	6,000,000	6,000,000
<i>Capital Plan Expenses</i>	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.
- *Customer 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 Base & Extra	Fixed Charge	
			Meters	Customer Service
<u>Operating Expenses</u>				
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	<u>\$1,645,000</u>	<u>100.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Subtotal	\$5,655,000	\$4,245,133	\$704,933	\$704,933
		75.07%	12.47%	12.47%
City Services Allocation	<u>\$1,065,000</u>	<u>75.07%</u>	<u>12.47%</u>	<u>12.47%</u>
Total Operating	\$6,720,000	\$5,044,615	\$837,693	\$837,693
<u>Non-Operating Expenses</u>				
Debt Service (5-year avg)	\$1,128,600	100.00%	0.00%	0.00%
Water CIP Projects (5-year avg) [1]	<u>\$8,733,800</u>	<u>56.36%</u>	<u>43.45%</u>	<u>0.19%</u>
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
<u>Customer Service Charge</u>	<u>5.2%</u>	<u>\$647,633</u>	<u>\$744,796</u>	<u>\$819,291</u>	<u>\$860,248</u>	<u>\$903,266</u>
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						
<i>Growth Increase % [1]</i>		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						
<i>Annual Increase % [2]</i>		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
<u>Customer Service Charge</u>		<u>\$647,633</u>	<u>\$744,796</u>	<u>\$819,291</u>	<u>\$860,248</u>	<u>\$903,266</u>
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
<u>Total Number of Meter Equivalents</u>		<u>20,229</u>	<u>20,411</u>	<u>20,595</u>	<u>20,780</u>	<u>20,967</u>
Total Meter Equivalent Charge		\$14.47	\$16.49	\$17.98	\$18.71	\$19.47
Meter Equivalent Charge by Meter Size						
<u>Meter Size</u>	<u>Ratio</u>					
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
<u>Total Number of Meters</u>		<u>18,305</u>	<u>18,470</u>	<u>18,636</u>	<u>18,804</u>	<u>18,973</u>
Total Customer Service Charge per Account		\$2.95	\$3.36	\$3.66	\$3.81	\$3.97
TOTAL MONTHLY FIXED CHARGE [1]						
<u>Meter Size</u>						
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
<u>Total Consumption (ccf)</u>	<u>4,324,846</u>	<u>4,324,846</u>	<u>4,363,769</u>	<u>4,403,043</u>	<u>4,442,671</u>
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)	<u>3,892,361</u>	<u>3,892,361</u>	<u>3,927,392</u>	<u>3,962,739</u>	<u>3,998,404</u>
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)	<u>3,459,877</u>	<u>3,459,877</u>	<u>3,491,016</u>	<u>3,522,435</u>	<u>3,554,137</u>
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)	<u>2,811,150</u>	<u>2,811,150</u>	<u>2,836,450</u>	<u>2,861,978</u>	<u>2,887,736</u>
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)	<u>2,162,423</u>	<u>2,162,423</u>	<u>2,181,885</u>	<u>2,201,522</u>	<u>2,221,335</u>
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

Fiscal Year	Current [1]	PROPOSED				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
<i>Effective Date</i>	<i>July 1, 2018</i>	<i>Feb 1, 2024</i>	<i>July 1, 2024</i>	<i>July 1, 2025</i>	<i>July 1, 2026</i>	<i>July 1, 2027</i>
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

<u>Meter Charges</u>						
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%
<u>Consumption Charge</u>		44.8%	15.5%	8.9%	4.1%	3.9%
<u>Drought Consumption Charges</u>						
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

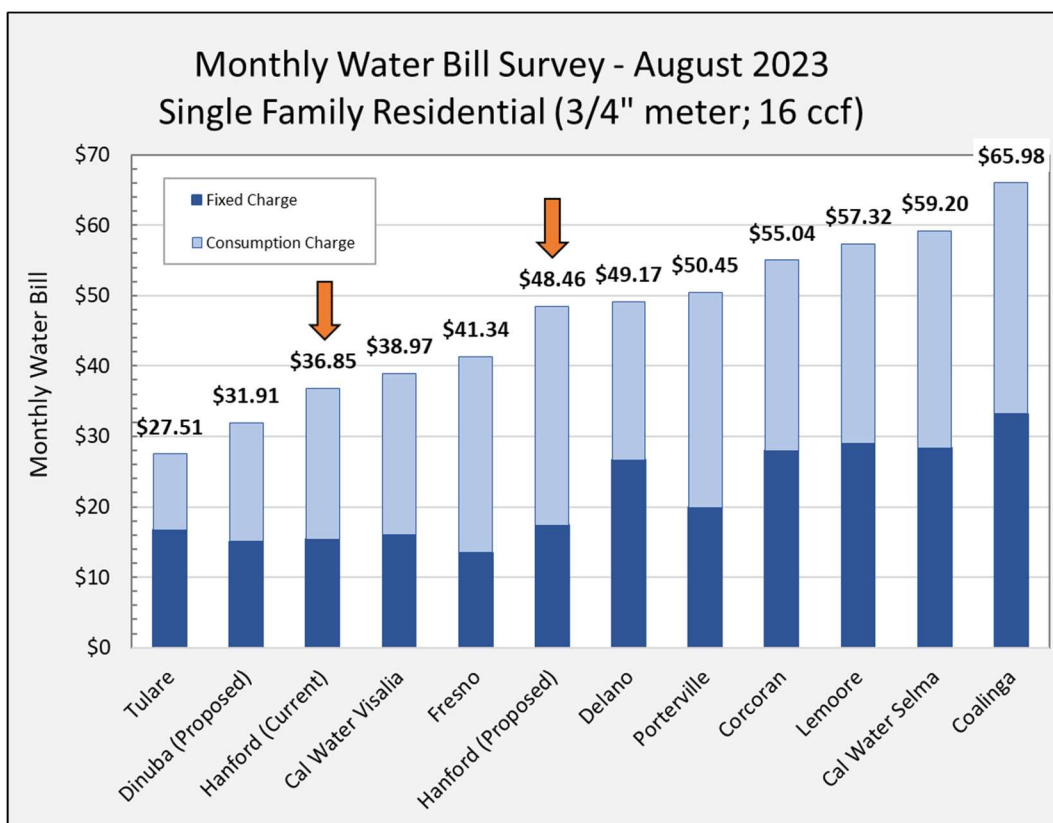
RESIDENTIAL BILL IMPACTS - 5/8", 3/4", & 1" METER

	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	<u>\$8.04</u>	<u>\$11.64</u>	<u>\$13.44</u>	<u>\$14.64</u>	<u>\$15.24</u>	<u>\$15.84</u>
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	<u>\$13.40</u>	<u>\$19.40</u>	<u>\$22.40</u>	<u>\$24.40</u>	<u>\$25.40</u>	<u>\$26.40</u>
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	<u>\$21.44</u>	<u>\$31.04</u>	<u>\$35.84</u>	<u>\$39.04</u>	<u>\$40.64</u>	<u>\$42.24</u>
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	<u>\$33.50</u>	<u>\$48.50</u>	<u>\$56.00</u>	<u>\$61.00</u>	<u>\$63.50</u>	<u>\$66.00</u>
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	<u>\$53.60</u>	<u>\$77.60</u>	<u>\$89.60</u>	<u>\$97.60</u>	<u>\$101.60</u>	<u>\$105.60</u>
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.

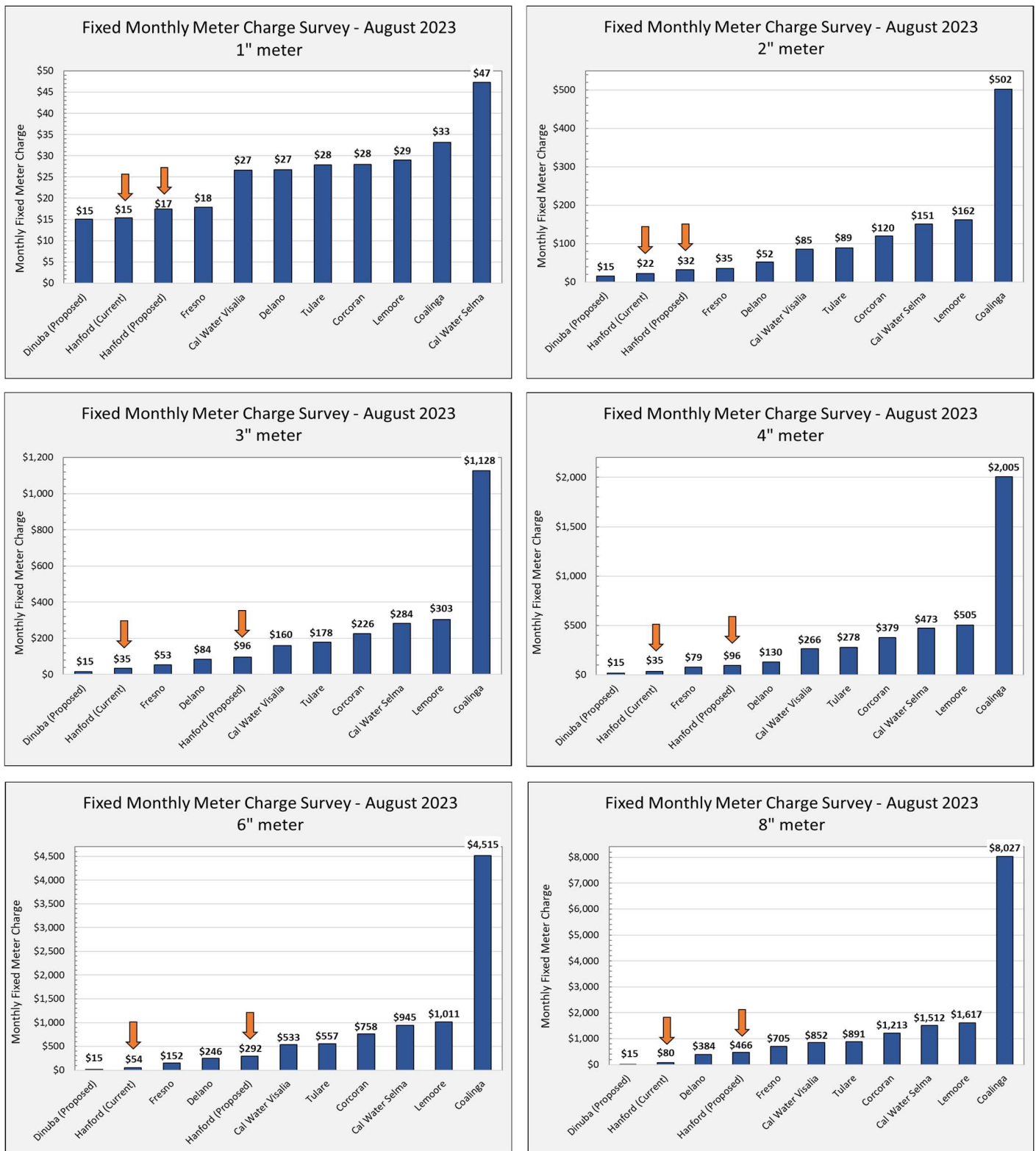
Figure 5: Monthly Single Family Residential Water Bill Survey



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 13 th	-	-	-	\$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/10 th -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
<u>Annual Lift Station Rehab</u>	<u>-</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$600,000</u>
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

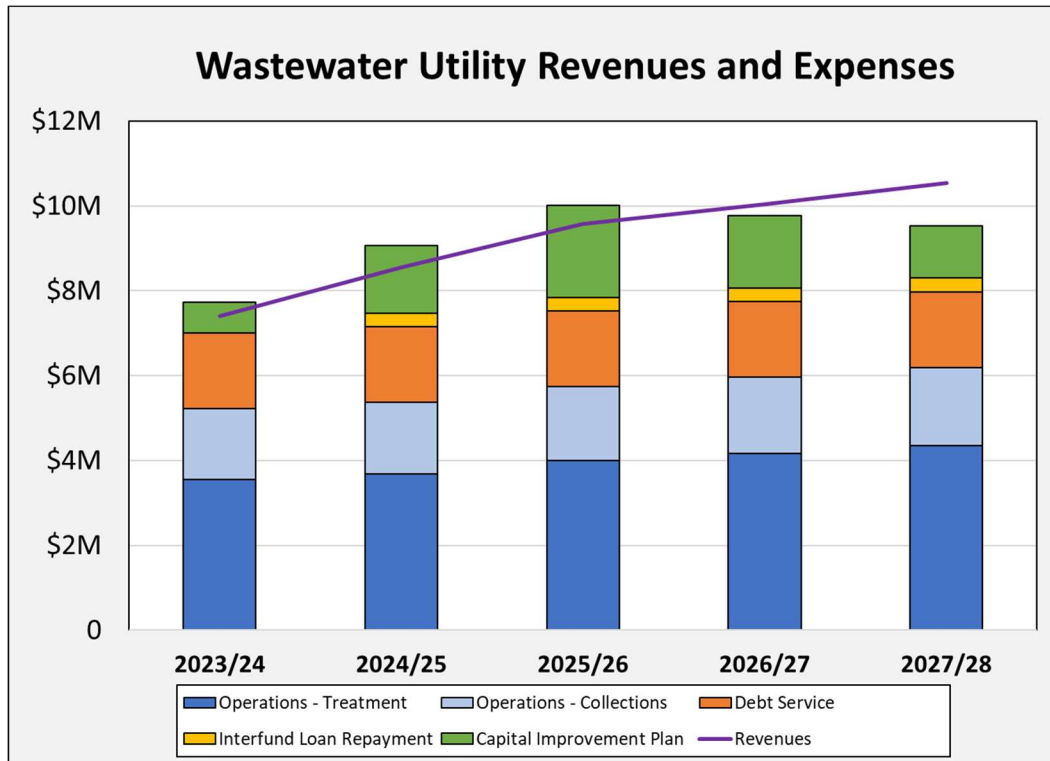


Table 21: Wastewater Cash Flow Projection
City of Hanford
Utility Rate Study

	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					
<i>Rate Revenues</i>	5,954,000	8,405,000	9,414,000	9,885,000	10,379,000
<u><i>Non-Rate Revenue</i></u>					
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	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
Subtotal Non-Rate Revenues	154,000	154,000	154,000	154,000	154,000
Interfund Loan	<u>1,300,000</u>				
Total Revenue	7,408,000	8,559,000	9,568,000	10,039,000	10,533,000
EXPENSES					
<u><i>Operating Expenses [2]</i></u>					
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	<u>68,000</u>	<u>68,000</u>	<u>70,000</u>	<u>72,000</u>	<u>74,000</u>
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
<u><i>Debt Service</i></u>					
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	<u>559,000</u>	<u>559,000</u>	<u>558,000</u>	<u>558,000</u>	<u>558,000</u>
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
<i>Operating Reserve Target Met?</i>	no	no	no	no	yes
Debt Service Coverage (Target = 1.20x) [7]	1.23	1.79	2.15	2.30	2.44
<i>Target Met?</i>	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
<u>Revenues</u>					
Transfer from Operations Fund	0	1,000,000	1,700,000	1,704,000	1,239,000
<u>Capital Expenses</u>					
Capital Plan	<u>732,000</u>	<u>1,590,000</u>	<u>2,164,000</u>	<u>1,704,000</u>	<u>1,239,000</u>
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
<i><u>Operating Expenses</u></i>					
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	<u>\$511,000</u>	<u>0.0%</u>	<u>80.0%</u>	<u>10.0%</u>	<u>10.0%</u>
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	<u>\$68,000</u>	<u>0.0%</u>	<u>100.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Subtotal Collections	\$1,671,000	\$383,500	\$1,287,500	\$0	\$0
Composite Collection & Treatment		14.8%	46.0%	19.6%	19.6%
<i><u>Non-Operating Expenses (5-Year Averages)</u></i>					
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)	<u>\$1,485,800</u>	<u>14.8%</u>	<u>46.0%</u>	<u>19.6%</u>	<u>19.6%</u>
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
<u>Metered Water [1]</u>					
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				
<u>Metered Water (Per ccf) [3]</u>				
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						
<u>Metered Water (Per ccf) [1]</u>						
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							
<u>Metered Water (Per ccf) [1]</u>							
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%

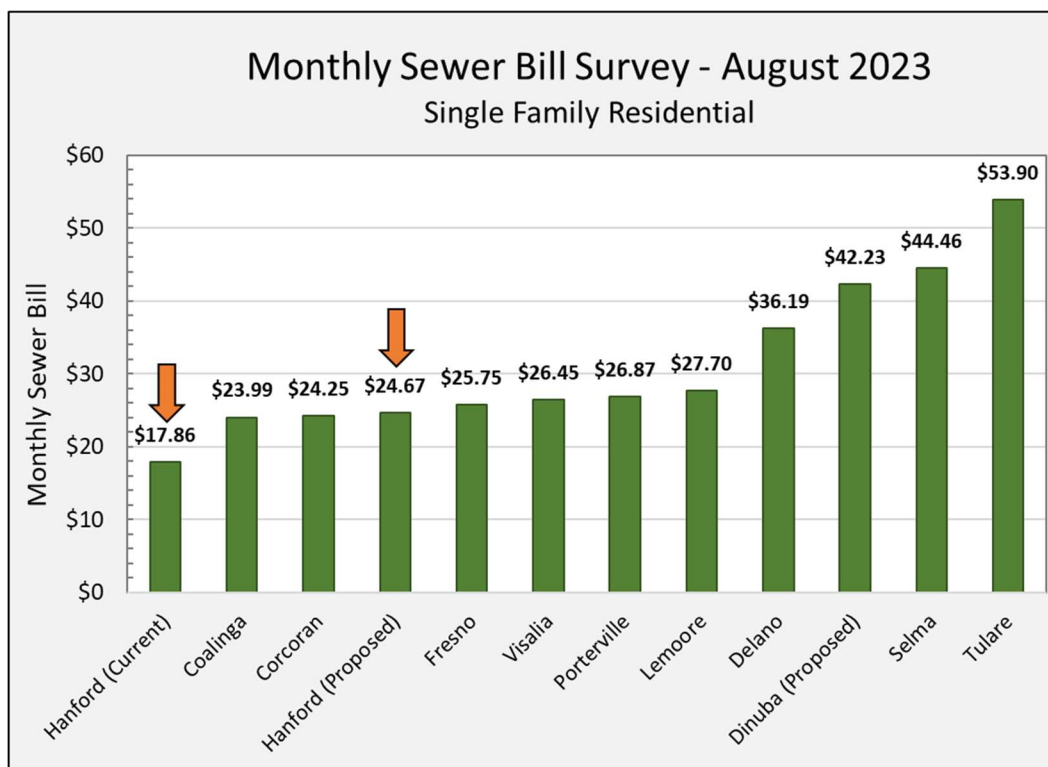
1 - Per hundred cubic feet (ccf)

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	15	\$23.10					
Total Sewer Bill			\$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	30	\$46.20					
Total Sewer Bill			\$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	10	\$14.40					
Total Sewer Bill			\$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	20	\$28.80					
Total Sewer Bill			\$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

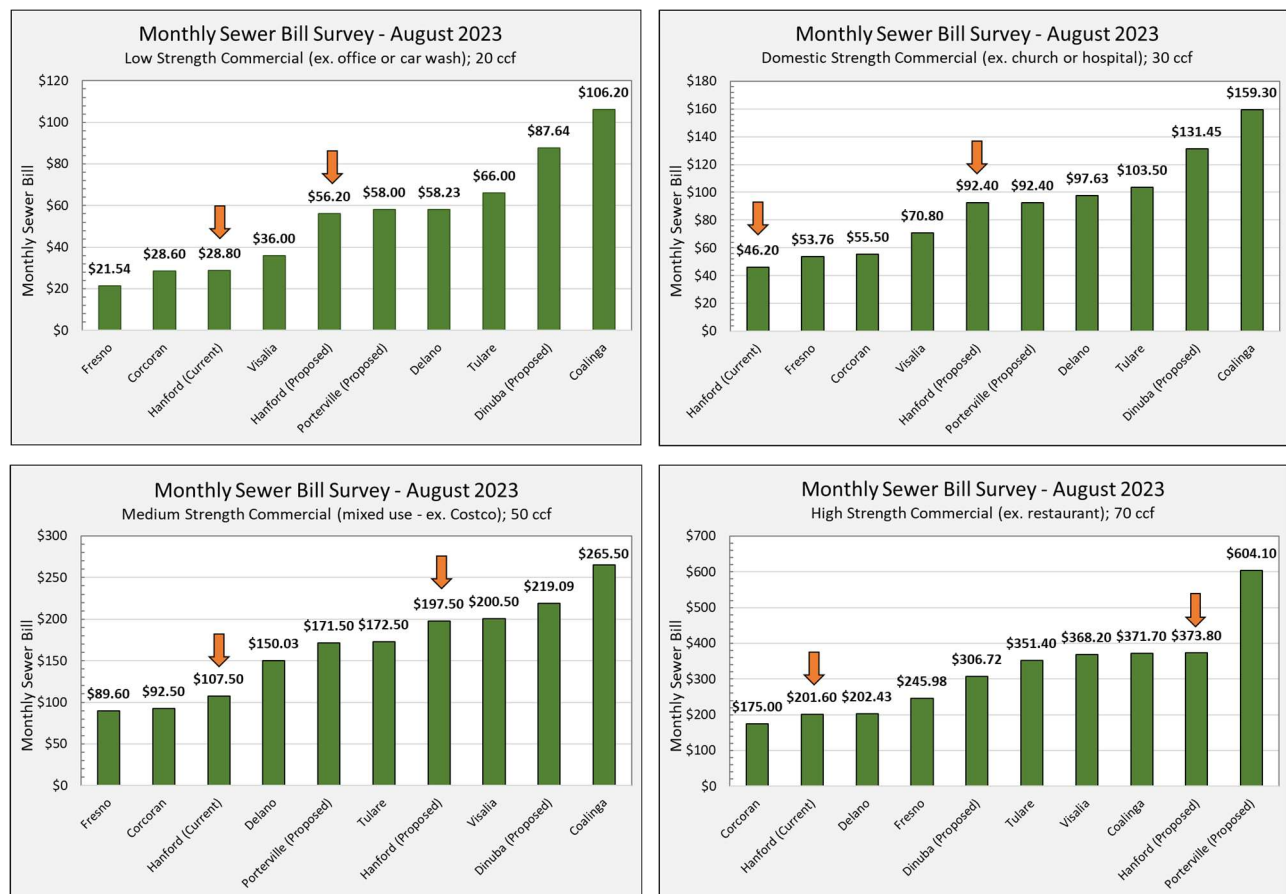
	Monthly Use (ccf)	Current Bill	Proposed				
			Feb 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
Medium Strength - 30 ccf	30	\$64.50					
Total Sewer Bill			\$118.50	\$132.60	\$148.50	\$156.00	\$163.80
\$ Change			\$54.00	\$14.10	\$15.90	\$7.50	\$7.80
% Change			83.7%	11.9%	12.0%	5.1%	5.0%
Medium Strength - 50 ccf	50	\$107.50					
Total Sewer Bill			\$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	70	\$201.60					
Total Sewer Bill			\$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	100	\$288.00					
Total Sewer Bill			\$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 Storm 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

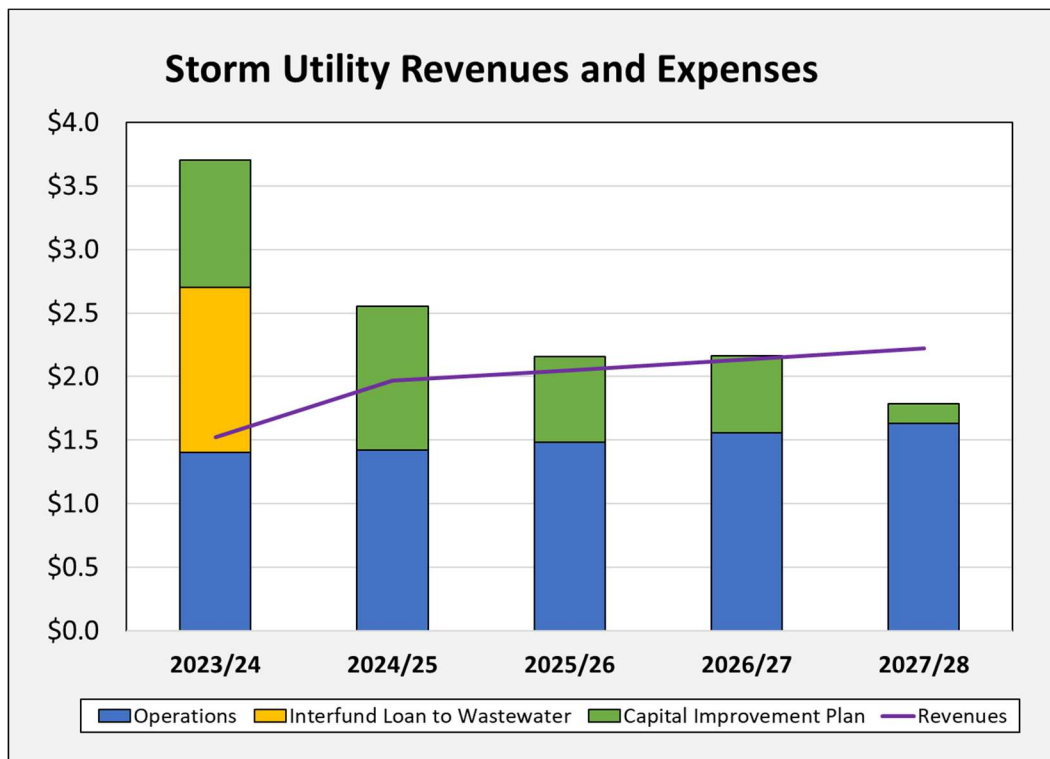


Table 30: Storm Drainage Cash Flow Projection
City of Hanford
Utility Rate Study

	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					
<i>Rate Revenues</i>	1,477,000	1,597,000	1,677,000	1,761,000	1,849,000
<u><i>Non-Rate Revenue</i></u>					
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	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
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					
<u><i>Operating Expenses</i></u>					
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	<u>51,000</u>	<u>51,000</u>	<u>53,000</u>	<u>55,000</u>	<u>57,000</u>
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
<i>Operating Reserve Fund Target [2]</i>	701,000	710,000	743,000	778,000	815,000
<i>Operating Reserve Target Met?</i>	yes	yes	yes	yes	yes
CAPITAL & RESERVE BEG. FUND BALANCE [3]	(\$730,000)	(\$730,000)	(\$480,000)	(\$251,000)	\$40,000
<u><i>Revenues</i></u>					
Transfer from Operations Fund	1,004,000	1,386,000	900,000	900,000	900,000
<u><i>Capital Expenses</i></u>					
Capital Plan	<u>1,004,000</u>	<u>1,136,000</u>	<u>671,000</u>	<u>609,000</u>	<u>159,000</u>
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 parcels² 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	<u>29</u>	<u>0.2%</u>	<u>220.5</u>	7.60	0.15	<u>33.1</u>	<u>1.3%</u>
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

		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						
	% of Total Impervious Area					
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
<u>Schools</u>	<u>1.3%</u>	<u>\$19,074</u>	<u>\$20,027</u>	<u>\$21,029</u>	<u>\$22,080</u>	<u>\$23,184</u>
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
<u>Total Number of Residential Accounts</u>		<u>16,041</u>	<u>16,041</u>	<u>16,041</u>	<u>16,041</u>	<u>16,041</u>
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
<u>Total Acres</u>		<u>702.5</u>	<u>702.5</u>	<u>702.5</u>	<u>702.5</u>	<u>702.5</u>
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
<u>Total Acres</u>		<u>281.9</u>	<u>281.9</u>	<u>281.9</u>	<u>281.9</u>	<u>281.9</u>
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
<u>Total Acres</u>		<u>255.5</u>	<u>255.5</u>	<u>255.5</u>	<u>255.5</u>	<u>255.5</u>
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
<u>Total Acres</u>		<u>171.0</u>	<u>171.0</u>	<u>171.0</u>	<u>171.0</u>	<u>171.0</u>
Monthly Storm Drain Rate per Acre		\$28.84	\$30.28	\$31.79	\$33.38	\$35.05

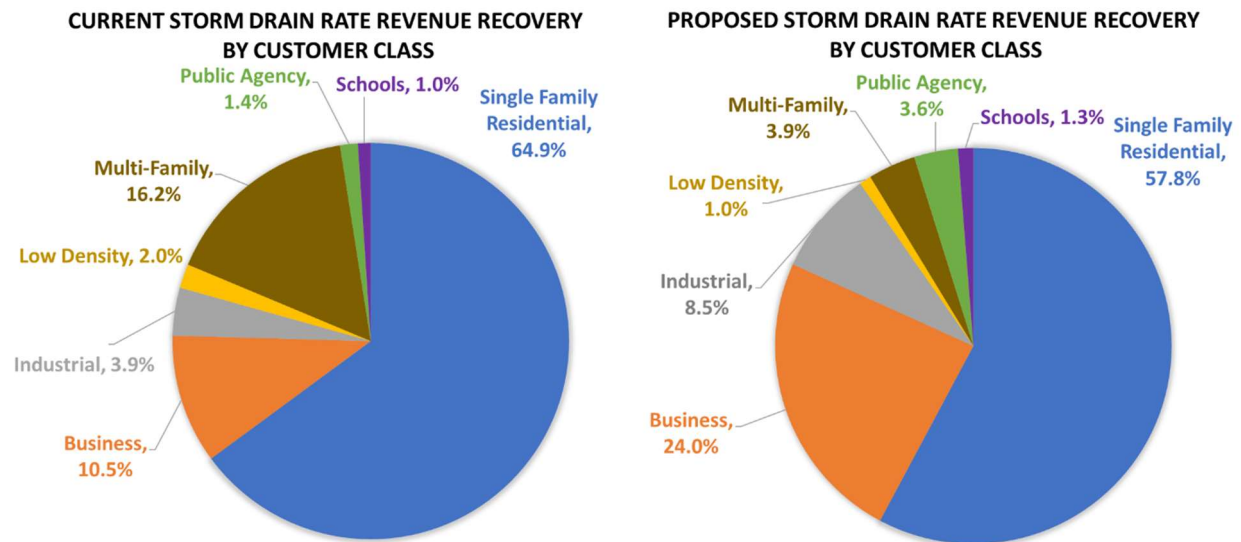
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Rate Calculation for Public Agency					
Total Revenue Requirement	\$54,339	\$57,055	\$59,908	\$62,904	\$66,049
Total Acres	<u>104.7</u>	<u>104.7</u>	<u>104.7</u>	<u>104.7</u>	<u>104.7</u>
Monthly Storm Drain Rate per Acre	\$43.25	\$45.42	\$47.69	\$50.07	\$52.57
Rate Calculation for Schools					
Total Revenue Requirement	\$19,074	\$20,027	\$21,029	\$22,080	\$23,184
Total Acres	<u>220.5</u>	<u>220.5</u>	<u>220.5</u>	<u>220.5</u>	<u>220.5</u>
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

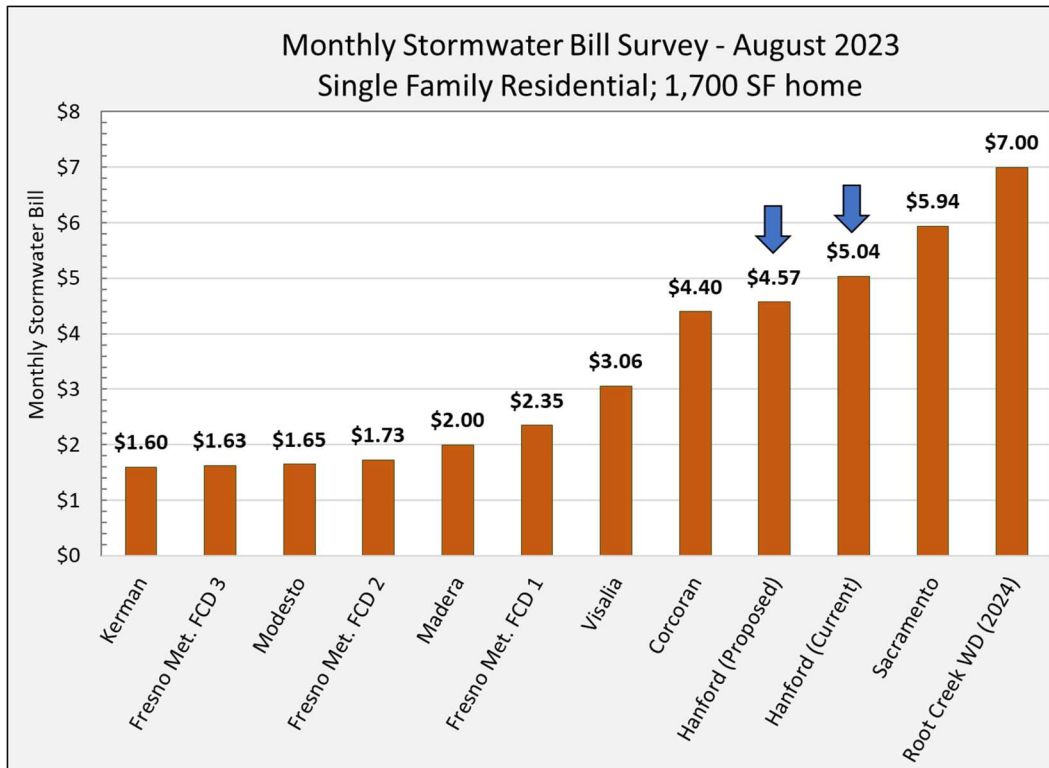
Fiscal Year Effective Date	CURRENT Jul 1, 2011	PROPOSED				
		FY2023/24 Feb 1, 2024	FY2024/25 Jul 1, 2025	FY2025/26 Jul 1, 2026	FY2026/27 Jul 1, 2027	FY2027/28 Jul 1, 2028
Single Family Residential (per account)	\$5.04	\$4.57	\$4.79	\$5.03	\$5.29	\$5.55
All Other Customers (per acre)						
Business		\$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

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

Fiscal Year	Current Rates [1]	PROPOSED				
		2023/24	2024/25	2025/26	2026/27	2027/28
<i>Effective Date</i>	<i>July 1, 2018</i>	<i>Feb 1, 2024</i>	<i>July 1, 2024</i>	<i>July 1, 2025</i>	<i>July 1, 2026</i>	<i>July 1, 2027</i>
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
<i>Effective Date</i>	<i>July 1, 2018</i>	<i>Feb 1, 2024</i>	<i>July 1, 2024</i>	<i>July 1, 2025</i>	<i>July 1, 2026</i>	<i>July 1, 2027</i>
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
<i>Effective Date</i>	<i>July 1, 2011</i>	<i>Feb 1, 2024</i>	<i>July 1, 2024</i>	<i>July 1, 2025</i>	<i>July 1, 2026</i>	<i>July 1, 2027</i>
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
<i>Effective Date</i>	<i>July 1, 2011</i>	<i>Feb 1, 2024</i>	<i>July 1, 2024</i>	<i>July 1, 2025</i>	<i>July 1, 2026</i>	<i>July 1, 2027</i>
SINGLE FAMILY RESIDENTIAL (per account)	\$5.04	\$4.57	\$4.79	\$5.03	\$5.29	\$5.55
ALL OTHER CUSTOMERS (per acre)						
Business	<i>varies</i>	\$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	<i>varies</i>	\$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.

Every written protest MUST include ALL of the following to be counted:

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



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: PUBLIC HEARING

SUBJECT:

Public Hearing to receive comments on the proposed Zone Text Amendment No. 2024-01, a request to amend Title 17, Section 17.56.230 of the Hanford Municipal Code in order to comply with free speech requirements and establish a new application process for murals and Introduction of Ordinance 24-01, approving the ZTA.

RECOMMENDATION:

Recommendation: That the City Council, by motion, Introduce Ordinance 24-01, approving Zone Text Amendment No. 2024-01.

BACKGROUND:

The Hanford City Council directed staff to review the current mural ordinance and evaluate whether changes were necessary to comply with free speech requirements and to create a new application process. Staff review of the ordinance revealed that several design guidelines in HMC 17.56 related to murals are not enforceable, due to content-based restrictions. Except for obscene content and commercial advertisements, the City is not able to deny a mural permit based on the content of the mural.

Zoning Text Amendment 2024-01 would remove the content-based requirements from the City's mural ordinance and replace it with criteria that outlines the application process, allows the City to adopt a mural policy, and prohibits murals that are obscene or classified as commercial advertisements.

Due to the need to overhaul the entire ordinance, staff recommends deletion of the existing ordinance and replacement with the following text:

17.56.230 Wall mural placement and design criteria.

The Community Development Director is authorized to implement and administer a city mural policy and application process for private structures, as adopted by the city council by resolution, which establishes requirements for murals on private structures.

A. Allowed Murals. An application which meets all of the following criteria, and which is not otherwise prohibited by this Chapter, will be allowed:

- 1. Submission of a complete mural application;*

2. *Compliance with all the requirements of the adopted mural policy and all requirements of this Code;*

3. *Located within the City's MX-D zone;*

4. *Payment of any fees required for a mural permit.*

B. Prohibited Murals. The following murals are prohibited:

1. *Murals containing statements, words, symbols, or characters of an obscene nature.*

2. *Murals that contain commercial advertisements or contain words and/or images which specifically identify or reflect the business, products and/or services provided by any business service or economic activity.*

C. This ordinance shall not apply to spaces not visible from the street or other public or private property.

Since content-based restrictions are unenforceable, the mural policy has been revised to eliminate discretionary approval and allow for staff-level approval. Staff will review each application to ensure that the necessary information has been provided, as well as ensure that the application does not propose a mural which is obscene in nature, or proposes commercial speech/depictions.

In taking action on a Zone Text Amendment, the City Council must make the appropriate findings, in accordance with Section 17.86.030 of the Hanford Municipal Code:

1. The amendment is internally consistent with the goals, objectives, and policies of the General Plan and this title;

ANALYSIS: That according to General Plan Policy E8, the City of Hanford shall support local arts and cultural activities that can contribute to the local economy, enrich residents' lives, and strengthen a sense of community. The revision of Section 17.56.230 of the Hanford Municipal Code is consistent with the policies of the General Plan, as it continues the support of local arts activities that may enrich residents' lives and strengthen a sense of community.

2. The amendment would not be detrimental to the public health, safety, or welfare of the community;

ANALYSIS: That the revision of Section 17.56.230 of the Hanford Municipal Code is not detrimental to the public health, safety, or welfare of the community.

3. The amendment would maintain the appropriate balance of land uses within the City;

ANALYSIS: That the amendment will not affect the balance of land uses within the City of Hanford. The zone text amendment pertains to mural regulations, only.

4. The anticipated land uses on the subject site would be compatible with existing and future surrounding uses;

ANALYSIS: That the zone text amendment applies to wall murals in the MX-D Downtown Mixed Use zone district and will not propose a change in land uses.

The proposed mural policy and mural ordinance are attached. Pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) guidelines, the project is exempt from environmental review.

FISCAL IMPACT:

N/A

ATTACHMENTS:

1. Ordinance 24-01 ZTA 2024-01
2. Proposed Mural Ordinance
3. Mural Policy and Guidelines
4. Notice of Exemption 2024-01

ORDINANCE NO. 24-01

AN ORDINANCE APPROVING ZONE TEXT AMENDMENT NO. 2024-01, A REQUEST BY THE CITY OF HANFORD TO APPROVE ZONE TEXT AMENDMENT NO. 2024-01 AND AMEND TITLE 17, SECTION TITLE 17, SECTION 17.56.230 WALL MURAL PLACEMENT AND DESIGN CRITERIA.

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

SECTION 1: The Hanford Municipal Code Title 17, the Zoning Ordinance contains regulations to ensure the public health, safety, peace, comfort, convenience, prosperity and general welfare of the citizens of Hanford, including zoning categories, allowed uses and development standards.

SECTION 2: The City Council has held a public hearing on the amendment to Title 17, to amend Title 17, Section 17.56.230 – Wall mural placement and design criteria of the Hanford Municipal Code by adding sections in order to remove the content-based requirements from the City's mural ordinance and replace it with criteria that outlines the application process, allows the City to adopt a mural policy, and prohibits murals that are obscene or classified as commercial advertisements. The proposed ordinance changes are attached as **Exhibit A**; the proposed mural policy is attached as **Exhibit B**.

SECTION 3: The City Council finds that the adoption of this ordinance is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to the following section of the CEQA Guidelines, 14 Cal. Code of Regulations, Chapter 3.

- a) The ordinance is exempt under Section 15061(b) (3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 4: The proposed amendment was evaluated for consistency with the General Plan and the Zoning Ordinance in accordance with Sections 17.86.030 and based on the following findings:

1. The amendment is internally consistent with the goals, objectives, and policies of the General Plan and this title;

ANALYSIS: That according to General Plan Policy E8, the City of Hanford shall support local arts and cultural activities that can contribute to the local economy, enrich residents' lives, and strengthen a sense of community. The revision of Section 17.56.230 of the Hanford Municipal Code is consistent with the policies of the General Plan, as it continues the support of local arts activities that may enrich residents' lives and strengthen a sense of community.

2. The amendment would not be detrimental to the public health, safety, or welfare of the community;

ANALYSIS: That the revision of Section 17.56.230 of the Hanford Municipal Code is not detrimental to the public health, safety, or welfare of the community.

3. The amendment would maintain the appropriate balance of land uses within the City;

ANALYSIS: That the amendment will not affect the balance of land uses within the City of Hanford. The zone text amendment pertains to mural regulations, only.

4. The anticipated land uses on the subject site would be compatible with existing and future surrounding uses;

ANALYSIS: That the zone text amendment applies to wall murals in all the MX-D Downtown Mixed Use zone district and will not propose a change in land uses.

SECTION 5: The City Council of the City of Hanford does ordain that Title 17 is hereby amended, as shown in **Exhibit A**.

SECTION 6: That the ordinance shall take effect thirty (30) days after its passage, and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on February 6, 2024, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED

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 ordinance was duly introduced at a regular meeting of the City Council of the City of Hanford on the 6th day of February, 2024, and it was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the ____ day of ____, 2024.

NATALIE CORRAL
CITY CLERK

17.56.230 Wall mural placement and design criteria.

The Community Development Director is authorized to implement and administer a city mural policy and application process for private structures, as adopted by the city council by resolution, which establishes requirements for murals on private structures.

A. Allowed Murals. An application which meets all of the following criteria, and which is not otherwise prohibited by this Chapter, will be allowed:

1. Submission of a complete mural application;
2. Compliance with all the requirements of the adopted mural policy and all requirements of this Code;
3. Located within the City's MX-D zone;
4. Payment of any fees required for a mural permit.

B. Prohibited Murals. The following murals are prohibited:

1. Murals containing statements, words, symbols, or characters of an obscene nature.
2. Murals that contain commercial advertisements or contain words and/or images which specifically identify or reflect the business, products and/or services provided by any business service or economic activity.

C. This ordinance shall not apply to spaces not visible from the street or other public or private property;

Mural Policy and Guidelines

Thank you for your interest in creating a mural in Hanford. To effectively implement a successful mural program, which will ensure consistency and aesthetic value in the community, it is important that applicants adhere to the following guidelines. The application process and guidelines that follow are intended to provide mural applicants with a reasonable process that will safeguard the interests of the community.

Mural Review Process

Murals which are non-commercial, contain no advertising copy, and which do not function as an advertisement are allowed, subject to review by the Community Development Department.

Design Criteria

The Department will verify that the proposed mural:

1. Conforms with City ordinances that prohibit indecency or obscenity in public;
2. Is not an advertisement or commercial in nature; however, this will in no way limit or restrict the artist's right to include speech and/or artistic expression in a mural that is not commercial as defined above;
3. Is being painted with the written authorization of the property owner; and
4. Is located within the City's MX-D Downtown Mixed Use zone district.

The City's Community Development Department will issue a permit to the applicant if their Mural Application meets the Design Criteria. The Community Development Department may recommend design revisions and require applicants to resubmit if the design criteria are not met.

Appeals

In the event that the applicant fails to receive approval for the submitted mural design they may appeal this decision to the City Council, in accordance with HMC 1.08. (application and fees apply).

Timeframe

In determining the timeframe for the approval process, applicants should allow sufficient time for the mural proposal to be reviewed two times, in the event a recommendation is made by staff for a design revision. Typically, requests for approval should be received no later than 90 days prior to actual implementation of design.

Mural Application

The Mural Application shall contain the following:

1. A rendering or photo of the proposed mural at a 1:12 scale [1 inch = 1 foot] minimum
2. Specifications regarding the mural (location, size, type of paint/media, type of graffiti-proofing);
3. Signed authorization to paint mural from property owner;
4. Expected timeframe for completion;
5. Application for Encroachment Permit and/or Historic Resource Permit, if necessary.

PLEASE NOTE: Once the mural has been approved, the artist may not make additional changes to the design without Community Development Department approval.

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1. Submission of a complete mural application;
2. Compliance with all the requirements of the adopted mural policy and all requirements of this Code;
3. Located within the City's MX-D zone;
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3. Is being painted with the written authorization of the property owner; and
4. Is located within the City's MX-D Downtown Mixed Use zone district.

The City's Community Development Department will issue a permit to the applicant if their Mural Application meets the Design Criteria. The Community Development Department may recommend design revisions and require applicants to resubmit if the design criteria are not met.

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4. Expected timeframe for completion;
5. Application for Encroachment Permit and/or Historic Resource Permit, if necessary.

PLEASE NOTE: Once the mural has been approved, the artist may not make additional changes to the design without Community Development Department approval.

Notice of Exemption 2024-01

To: ☐ Office of Planning and Research
P.O. Box 3044, Room 212
Sacramento, CA 95812-3044

☒ County Clerk
County of Kings
Kings County Government Center
Hanford, CA 93230

From: City of Hanford
317 North Douty Street
Hanford, CA 93230

Project Title: Zone Text Amendment No. 2024-01

Project Location – City of Hanford

Project Location – City: Hanford

Project Location – County: Kings County

Description of Nature, Purpose and Beneficiaries of Project: Zone Text Amendment No. 2024-01: a request to amend Title 17, Section 17.56.230 of the Hanford Municipal Code in order to remove content-based restrictions on murals and establish a policy for reviewing and approving murals in the City of Hanford

Name of Public Agency Approving Project: City of Hanford, Planning Division

Name of Person or Agency Carrying Out Project: City of Hanford

Exempt Status: **(check one)**

- ☐ Ministerial (Sec. 21080(b)(1); 152698);
☐ Declared Emergency (Sec. 21080(b)(3); 15269 (a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☐ Categorical Exemption: State type and section number:
☒ Statutory Exemption. State code number: 15061(b)(3) General Rule

Reasons why project is exempt:

The proposed ordinance is exempt under Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The proposed project is a text amendment that is not associated with a physical development; therefore, there are no physical impacts that will result from the project.

Lead Agency

Contact Person: Jason Waters Area Code/ Telephone: (559) 585-2590

Signature: _____ Date: January 23, 2024 Title: Deputy City Manager

☒ Signed by Lead Agency Date received for filing at OPR: _____
☐ Signed by Applicant



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: Successor Agency for the discussion of the following

SUBJECT:

Review And Approval Of The Recognized Obligation Payment Schedule (ROPS 24-25) For The Period July 1, 2024 To June 30, 2025.

RECOMMENDATION:

Recommendation:

That the RDA Successor Agency review and approve the Recognized Obligation Payment Schedule (ROPS 24-25) for the period July 1, 2024 To June 30, 2025.

Recommended Motion:

That the RDA Successor Agency, by motion, approve the Recognized Obligation Payment Schedule (ROPS 24-25) for the period July 1, 2024 to June 30, 2025.

BACKGROUND:

AB 1484 and amendments under SB 107 require Redevelopment Agency (RDA) Successor Agencies to prepare a Recognized Obligation Payment Schedule (ROPS) annually and submit the ROPS to the State Department of Finance (DOF). The ROPS 24-25 is a list of obligations or payments that are, or may be, due within the twelve-month period. The attached ROPS is for the period of July 1, 2024 to June 30, 2025. Once all obligations are paid in full, the Agency can file a dissolving statement with the DOF and future ROPS statements will no longer need to be filed.

Approval of the City of Hanford's ROPS 24-25 by the Kings County Oversight Board took place at the January 24, 2024 meeting. This approval is necessary in order to submit the ROPS to the State Department of Finance (DOF) by the February 1, 2024 deadline.

The Agency owes Kings Economic Development Corporation (EDC) principal on a loan for purchase of land in the Kings Industrial Park plus appreciated value. The EDC will also be entitled to a portion of the "appreciation" in accordance with the terms of its Promissory Note. As instructed by the DOF, since the amount of appreciation will not be realized until the date of sale, the Agency shall report the outstanding debt as \$0.

The subject land was in a long pending lawsuit which was settled with final City Council approval at a Special Meeting held on January 31, 2023. While the lawsuit did not legally prevent other potential buyers from purchasing the land, it did have discouraging effects. Interested parties indicated a

desire to continue negotiations once all legal matters were resolved.

Staff is requesting the (City Council serving as) RDA Successor Agency Board approve the ROPS 24-25 for the period July 1, 2024 - June 30, 2025.

FISCAL IMPACT:

None until sale of land occurs.

ATTACHMENTS:

1. ROPS FY24-25
2. 24-25 ROPS Signed Resolution - Hanford

Recognized Obligation Payment Schedule (ROPS 24-25) - Summary
Filed for the July 1, 2024 through June 30, 2025 Period

Successor Agency: Hanford

County: Kings

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	24-25A Total (July - December)	24-25B Total (January - June)	ROPS 24-25 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ -	\$ -	\$ -
F RPTTF	-	-	-
G Administrative RPTTF	-	-	-
H Current Period Enforceable Obligations (A+E)	\$ -	\$ -	\$ -

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Aubrey Carri Financial Analyst
 Name Title

/s/ Aubrey Carri 1/8/2024
 Signature Date

Hanford
Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances
July 1, 2021 through June 30, 2022
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.									
A	B	C	D	E	F	G	H		
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	Fund Sources					Comments		
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF			
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin			
1	Beginning Available Cash Balance (Actual 07/01/21) RPTTF amount should exclude "A" period distribution amount.			242,686					
2	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller								
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)					(1,543)			
4	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC			No entry required					
6	Ending Actual Available Cash Balance (06/30/22) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$242,686	\$-	\$1,543			

Hanford
Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail
July 1, 2024 through June 30, 2025

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					ROPS 24-25B (Jan - Jun)					24-25B Total	
											Fund Sources					Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
								\$-		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-				
1	KINGS EDC LOAN	Third-Party Loans	05/04/2000	06/30/2043	KINGS EDC	LOAN FOR LAND PURCHASE	INDUSTRIAL PARK	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
3	SUCCESSOR AGENCY ADM	Admin Costs - Litigation	07/01/2019	06/30/2043	CITY OF HANFORD	ADMINISTRATIVE COSTS	ALL AREAS	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

Hanford
Recognized Obligation Payment Schedule (ROPS 24-25) - Notes
July 1, 2024 through June 30, 2025

Item #	Notes/Comments
1	
3	

**BEFORE THE BOARD OF THE COUNTYWIDE
OVERSIGHT BOARD, KINGS COUNTY**

**A RESOLUTION OF THE COUNTYWIDE
OVERSIGHT BOARD APPROVING AND
ADOPTING THE CITY OF HANFORD
SUCCESSOR AGENCY RECOGNIZED
OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD JULY 1, 2024
THROUGH JUNE 30, 2025, PURSUANT
TO THE PROVISIONS SET FORTH IN
HEALTH AND SAFETY CODE
SECTION 34180(g)(AB 1X 26) _____/**

RESOLUTION NO. OB24002

WHEREAS, on December 29, 2011, the California Supreme Court upheld the validity of AB 1X 26 (“AB 1X 26”), requiring that each redevelopment agency be dissolved; and

WHEREAS, Assembly Bill 1484, Chaptered on June 27, 2012 requires that Successor Agency’s to former Redevelopment Agency’s review, approve and forward the Recognized Obligation Payment Schedule (“ROPS”) to the County Oversight Board in order to have the County Oversight Board approval of the ROPS prior to submission date; and

WHEREAS, pursuant to HSC section 34177 (o), commencing with the ROPS covering the period from July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an Oversight Board approved annual ROPS to Department of Finance and the County Auditor-Controller by February 1, 2016, and each February 1 thereafter; and

WHEREAS, commencing on and after July 1, 2018, in each county where more than one oversight board was created by operation, there shall be only one oversight board, which shall be staffed by the county auditor-controller; and

WHEREAS, the City Council of the City of Hanford, by operation of law and by action duly and regularly taken became the successor agency to the dissolved redevelopment agency (“Successor Agency”); and

WHEREAS, pursuant to the requirements of AB 1X 26, the Successor Agency has prepared a Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025; and

WHEREAS, the County Oversight Board to the Successor Agency has been appointed pursuant to Health and Safety Code Section 34179; and

WHEREAS, the Successor Agency has presented the Recognized Obligation Payment Schedule described above to the County Oversight Board for its approval pursuant to Health and Safety Code Section 34180(g).

NOW, THEREFORE, BE IT RESOLVED that the County Oversight Board finds as follows:

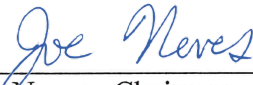
1. The foregoing Recitals are incorporated herein and made a part hereof.

2. The Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025, attached as "Exhibit A" to this Resolution, is hereby approved and adopted.

3. The Board has authorized and directed Successor Agency staff to (1) post the Recognized Obligation Payment Schedule on the Successor Agency's website; (2) notify by mail or electronic means, the County Auditor-Controller, the State Department of Finance, and the State Controller of the County Oversight Board's action approving and adopting the Recognized Obligation Payment Schedule; and (3) provide those offices with an address to the City's website where the Recognized Obligation Payment Schedule is posted.

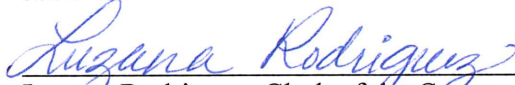
4. The Countywide Oversight Board Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED on this 24 day of January 2024.



Joe Neves, Chairman – Countywide Oversight Board

ATTEST:

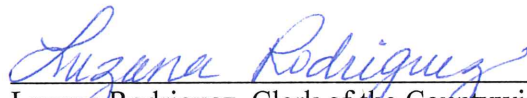


Luzana Rodriguez, Clerk of the Countywide Oversight Board

STATE OF CALIFORNIA }
COUNTYWIDE OVERSIGHT BOARD }

I, Luzana Rodriguez, Clerk of the Countywide Oversight Board do hereby certify that the foregoing Resolution was duly and regularly adopted by the Countywide Oversight Board at a regular meeting thereof held on the 24 day of January, 2024 by the following vote:

AYES:	Dial, Ahrens, Neves, Palmerin, Nikoghosian
NOES:	None
ABSENT:	None
ABSTAIN:	None



Luzana Rodriguez, Clerk of the Countywide Oversight Board



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024	AGENDA SECTION: GENERAL BUSINESS
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SUBJECT:

Authorization to reimburse Woodside 06N, LP, in the amounts of \$546,798.00 for the city park land acquisition and improvements for the city neighborhood park located within Tract No. 929, Unit No. 1; AND \$94,189.10 for the purchase and dedication of right of way and street improvements on 13th Avenue located outside of development boundaries; AND approve an additional appropriation of \$546,798.00 from the Parks Impact Fee Fund, and \$94,189.10 from the Transportation Impact Fee Fund to fulfill the reimbursements; AND approve an additional appropriation of \$12,800.00 from the Park Impact Fee Fund for Parks Department staff to provide and install solar powered safety lighting and a drinking fountain at Tract 929 neighborhood park.

RECOMMENDATION:

That the City Council, by motion;

1. Authorize a Reimbursement to Woodside 06N, LP In the amount of \$204,219.00 for the acquisition and dedication of the city neighborhood park; and \$342,579.00 for the park improvements, located within Tract No. 929, Unit No. 1, for a total of \$546,798.00;
2. Appropriate an additional \$546,798.00 from the Parks Impact Fees fund to fulfill the park land acquisition and improvements reimbursements;
3. Appropriate an additional \$12,800.00 from the Parks Impact Fees fund to allow city staff to install the required landscape safety lighting and drinking fountain at the neighborhood park.
4. Authorize a Reimbursement to Woodside 06N, LP In the amount of \$26,033.00 for the acquisition and dedication of Right of Way on 13th Avenue located outside of the development boundaries; and \$65,656.10 for the street improvements along the frontage as identified in the Conditions of Approval, for a total of \$91,689.10;
5. Appropriate an additional \$91,689.10 from the Transportation Impact Fee fund to fulfill the reimbursement for the additional right of way acquisition and street improvements on 13th Avenue located outside of the development boundaries.

RECOMMENDED MOTION:

I move that the City Council appropriate and approve reimbursement to Woodside 06N,LP in

the amount of \$546,798.00 from the Park Impact Fees Reimbursement Fund for the land acquisition and improvements constructed at the neighborhood park at Tract 929, Unit 1, AND appropriate and reimburse in the amount of \$91,689.10 from the Transportation Impact Fees fund for the off site right of way acquisition and improvements on 13th Avenue; AND approve an additional appropriation in the amount of \$12,800.00 from the Parks Impact Fee fund for Parks Division staff to install safety lighting and a drinking fountain at Tract 929, Unit 1.

BACKGROUND:

Tract 929, Unit No. 1, is an 80 lots single family development that is located at the northeast corner of 13th Avenue and Devon Street, as shown on the attached Final Map. Tract 929 has been developed in two phases and contains a total of 158 residential lots as shown on the attached Tract 929 Tentative Map.

On December 3, 2019, the City Council approved the attached Resolution 19-44-R for Woodside 06N, LP to develop Tract 929, which included requirements for the development of a City neighborhood park to be built with Unit 1, and to attempt to acquire and to make improvements for the segment of 13th Avenue outside of the development boundaries, as needed to complete the full width improvements of 13th Avenue.

The Conditions of Approval, which are included in Resolution 19-44-R, state that:
“.....Developer shall be entitled to a credit towards the subdivision park impact fee obligation for all park improvements constructed by the developer in accordance with the Municipal Code. Developer shall submit competitive bid cost proposals to substantiate cost for reimbursable items for City Public Utilities and Engineering review and approval prior to beginning construction. Reimbursement for park land acquisition costs shall be determined based upon the market value of the property at the time filing the tentative subdivision map with the city as per section 66480 of the Subdivision Map Act.”

A copy of Section 6640 of the Subdivision Map Act is attached for Council Review.

The land purchase price, as substantiated by the developer, was \$100,000.00 per acre. With a 2.04219 acre park, the reimbursement for park land acquisition totals \$204,219.00

The costs for park improvement are summarized in the attached Tract 929-1 Reimbursement Calculations Summary. Woodside Homes provided costs and backup to support the improvements performed, and city negotiated costs for the park reimbursement for a total of \$342,579.00.

As shown in the attached Calculations Summary, the total reimbursement for neighborhood park land acquisition and improvements totals \$546,798.00.

Per the Conditions of Approval, the landscape plans for the neighborhood park omitted the required reimbursable installation of landscape safety lighting and a drinking fountain. As the said improvements are a 100% reimbursable item, staff met and concurred that the Parks Department city forces shall install the improvements noted in Resolution 19-44-R that were not installed. To resolve the omission, staff required the developer to provide the improvement plan for the improvements, and city staff would provide and install the facilities.

Sierra Design has provided the design for the installation of solar powered decorative safety lighting and a drinking fountain for the park. The determination to have city staff install said

improvements provides a cost savings to the city for markups and labor charges.

As shown on the attached Calculation Summary, the estimated cost for the city to install the facilities is \$12,800.00. An additional appropriation in the amount of \$12,800.00 is requested from the Parks Impact Fees Fund for city staff to provide and install landscape safety lighting and a drinking fountain per the approved plan.

Additionally, the Conditions of Approval state:

“That the developer shall attempt to acquire additional street right-of-way along the “Existing Residence” frontage and make street improvements. City to reimburse for offsite right-of-way and improvement cost.”

Woodside 06N, LP negotiated an agreement for the right of way purchase on 13th Avenue in the amount of \$100,000 per acre and performed the frontage improvements. The Grant Deed which recorded on February 7, 2023 is attached for Council review. A total of 11,340 sf (0.260330 acres) was dedicated for 13th Avenue right of way. This amounts to a reimbursement for 13th Avenue right of way of \$26,033.00.

As required per the Conditions of Approval, the developer installed and provided the city with their improvement costs for the street improvements on 13th Avenue located outside the boundaries of the subdivision. Per the attached Calculations Summary, the reimbursable street improvements installed total \$65,656.10.

As shown in the attached Calculation Summary, the total reimbursement for 13th Avenue street right of way and improvements totals \$91,689.10.

At this time, the developer is requesting reimbursement for the park land and park improvements, and for the offsite land acquisition and street improvements on 13th Avenue located outside of the development boundary. Reimbursement for other city impact fee reimbursable improvements will be requested separately.

The city collects impact fees with each building permit. As shown on the attached Calculation Summary, the Park Impact Fees collected for the full development of Tract 929 Units 1 and 2 (158 lots total) at \$2,899.77 per lot, totals \$458,163.66 in Park Impact Fees to be collected by the city. The Transportation Impact Fees collected for the full development of Tract 929 Units 1 and 2 at \$4,117.12 per lot, totals \$650,504.96 in Transportation Impact fees to be collected.

If approved by Council, reimbursements to the developer will be provided immediately, as the 13th Avenue right of way has been dedicated and accepted, and the Final Map has been recorded and Lot A (park), has been accepted by the City. Additionally, city staff will order materials and install improvements for landscape safety lighting and drinking fountain at the Tract 929 neighborhood park.

FISCAL IMPACT:

The FY 23/24 Park Oversizing developer reimbursement budget has a current balance of \$0 after previous reimbursements. (21800000-823609). An additional appropriation of \$546,798.00 is needed from the Park Transportation Impact Fees fund to fulfill the reimbursement for Park land acquisition and improvements; AND an additional \$12,800.00 is

needed from the Parks Impact Fee Fund for city forces to provide and install the landscape safety lighting and drinking fountain at the neighborhood park, as required per Conditions of Approvals.

The FY 23/24 Transportation developer oversizing reimbursement budget has a current balance of \$0. An additional appropriation of \$65,656.10 is needed from the Transportation Impact Fees fund to fulfill the reimbursement for the required additional right of way acquisition and frontage improvements on 13th Avenue outside of the development boundaries.

ATTACHMENTS:

1. NON-PUBLIC McCutcheon - 13th Ave right of way
2. PARK LAND PURCHASE Duyst PA
3. Tract 929, Unit 1 Final Map
4. Tract 929 Tentative Map
5. Resolution 19-44-R
6. Subdivision Map Act Section 66479-66480
7. TRACT 929 Unit 1 Reimbursement Calculations Summary
8. Grant Deed - 13th Ave - McCutcheon

OWNER'S STATEMENT

WE, THE UNDERSIGNED, DO HEREBY STATE THAT WE ARE THE OWNERS OF OR HAVE SOME RIGHT, TITLE, OR INTEREST IN AND TO THE REAL PROPERTY INCLUDED WITHIN THE SUBDIVISION SHOWN UPON THIS MAP AND THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID PROPERTY AND THAT WE CONSENT TO THE MAKING OF SAID MAP AND SUBDIVISION AS SHOWN ON THIS MAP AND DO HEREBY DEDICATE IN FEE TO PUBLIC USE ALL OF THE STREETS. WE ALSO DEDICATE THOSE EASEMENTS SHOWN HEREON FOR PUBLIC UTILITIES, LANDSCAPE AND SIDEWALKS. WE FURTHER DEDICATE LOT "A" FOR STORM DRAIN PURPOSES AS SHOWN UPON THIS MAP AND THOSE CERTAIN STRIPS OF LAND DESIGNATED AS "FUTURE STREETS", RESERVING TO OURSELVES FOR THE USE OF OURSELVES AND THE SUCCESSIVE OWNERS, ALL ORDINARY USES OF SAID LAND UNTIL SUCH TIME AS THE PROPER LEGISLATIVE BODY SHALL ACCEPT DEDICATION OF, OR ACQUIRE ADDITIONAL RIGHT OF WAY, TO CONSTITUTE THE PERMANENT WIDTH AND/OR EXTENSIONS OF THOSE STREETS HAVING A PARTIAL WIDTH AND/OR DEAD-ENDING, AS SHOWN HEREON. WE ALSO DEDICATE THE EASEMENTS TO THE PUBLIC SHOWN HEREON FOR THE PURPOSES DEFINED HEREON.

WOODSIDE 06N, LP, A CALIFORNIA LIMITED PARTNERSHIP
BY: WDS GP, INC., A CALIFORNIA CORPORATION, ITS GENERAL PARTNER

Matt Smith
MATT SMITH, AUTHORIZED SIGNER

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF FRESNO
ON FEBRUARY 1, 2021 BEFORE ME, S. LEYBA-STRONG
NOTARY PUBLIC, PERSONALLY APPEARED MATT SMITH

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT. I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.
WITNESS MY HAND AND OFFICIAL SEAL

SIGNATURE S. Leyba-Strong
(PRINT NAME) S. LEYBA-STRONG
MY COMMISSION NO. 2314685 MY COMMISSION EXPIRES DECEMBER 6, 2023
PRINCIPAL OFFICE IN COUNTY OF FRESNO

TAX COLLECTOR'S STATEMENT

THIS IS TO CERTIFY THAT THE PROVISIONS OF ARTICLE 8 OF CHAPTER 4 OF THE GOVERNMENT CODE HAVE BEEN COMPLIED WITH REGARDING DEPOSITS.

DATE: Feb 23, 2021
JAMES P. ERB, CPA; DIRECTOR OF FINANCE

BY: Alda M. Silva, Deputy

CIVIL ENGINEERS
ZUMWALT
HANSEN &
LAND SURVEYORS

609 N. IRWIN ST.

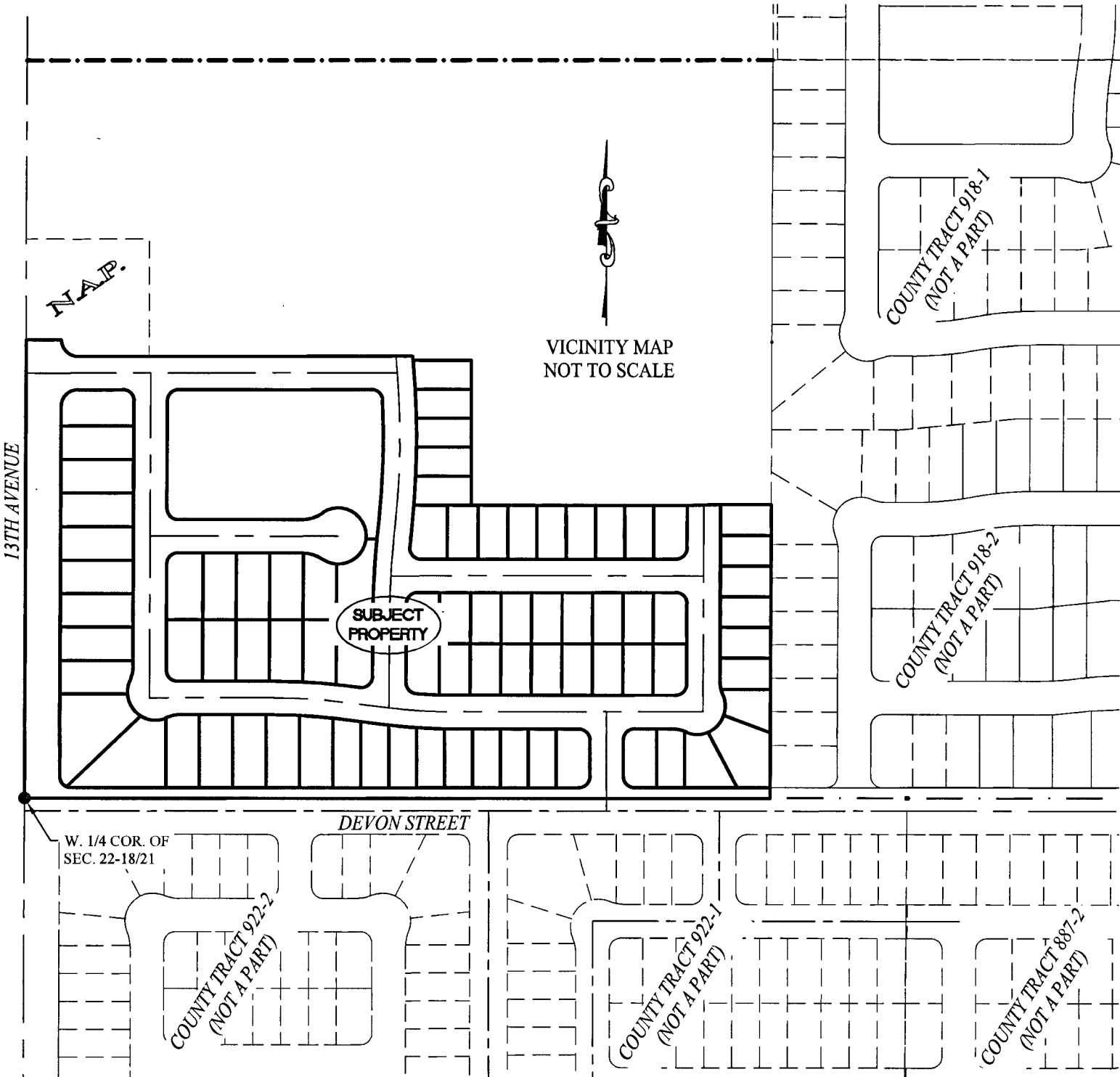
HANFORD, CA. 93230

PH. (559) 582-1056

FILE NO. 0778012

SHEET ONE OF FIVE SHEETS

COUNTY TRACT No. 929
UNIT 1
CITY OF HANFORD, COUNTY OF KINGS,
STATE OF CALIFORNIA



LEGAL DESCRIPTION

UNIT 1
THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF KINGS, CITY OF HANFORD, DESCRIBED AS FOLLOWS:

SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22 TOWNSHIP 18 SOUTH, RANGE 21 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF HANFORD, COUNTY OF KINGS, STATE OF CALIFORNIA ACCORDING TO THE APPROVED GOVERNMENT TOWNSHIP THEREOF;

EXCEPTING THEREFROM THE FOLLOWING PARCEL;

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22; THENCE SOUTH 00° 06' 53" WEST, ALONG THE WEST LINE OF SAID QUARTER SECTION, A DISTANCE OF 320.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89° 50' 45" EAST, PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 220.00 FEET; THENCE SOUTH 00° 06' 53" WEST, A DISTANCE OF 209.71 FEET, PARALLEL WITH THE WEST LINE OF LAST SAID NORTHWEST QUARTER; THENCE SOUTH 89° 53' 36" WEST, A DISTANCE OF 126.89 FEET; THENCE ON A TANGENT CURVE TO THE RIGHT, CONCAVE NORTHEASTERLY, WITH A RADIUS OF 30.00 FEET, THROUGH A CENTRAL ANGLE OF 89° 12' 12", AN ARC LENGTH OF 46.71 FEET, TO A POINT 63.00 FEET EASTERLY OF THE WEST LINE OF SAID NORTHWEST QUARTER; THENCE SOUTH 89° 50' 45" WEST, PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 63.00 FEET TO A POINT ON THE WEST LINE OF SAID NORTHWEST QUARTER; THENCE NORTH 00° 06' 53" EAST, ALONG LAST SAID WEST LINE, A DISTANCE OF 180.00 FEET TO THE TRUE POINT OF BEGINNING;

CONTAINING 39.52 ACRES, MORE OR LESS

PURSUANT TO THAT CERTAIN PARCEL MAP WAIVER FOR LOT LINE ADJUSTMENT NO. 2020-01, RECORDED APRIL 13, 2020 AS INSTRUMENT NO. 2006367, OFFICIAL RECORDS

ENGINEER'S STATEMENT

THIS MAP CONSISTING OF FIVE SHEETS WAS PREPARED BY ME, OR UNDER MY DIRECTION, AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF MATT SMITH OF WOODSIDE HOMES, INC., IN THE MONTH OF DECEMBER, 2018. I HEREBY STATE THAT ALL OF THE MONUMENTS ARE OF THE CHARACTER, AND OCCUPY THE POSITIONS INDICATED, OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE ONE YEAR AFTER THE RECORDING OF THIS MAP, AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED. THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

DATED THIS 17th DAY OF February, 2021.
John A. Zumwalt
JOHN A. ZUMWALT, R.C.E. 21489



ACTING CITY SURVEYOR

I, JOHN B. HARDIN, HEREBY STATE THAT I HAVE CAREFULLY EXAMINED THE ANNEXED MAP, THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT, AND IN ACCORDANCE WITH SECTIONS 66425 THROUGH 66450, INCLUSIVE, OF THE GOVERNMENT CODE.

DATED THIS 10th DAY OF MARCH, 2021.
John B. Hardin
JOHN B. HARDIN, R.C.E. 21753
ACTING FOR THE CITY OF HANFORD



CITY ENGINEER'S STATEMENT

I, JOHNATHAN L. DOYEL, HEREBY STATE THAT I HAVE CAREFULLY EXAMINED THE ANNEXED MAP, THAT THE SUBDIVISION AS SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, AND ANY APPROVED ALTERATIONS THEREOF AND THAT ALL PROVISIONS OF ANY LOCAL ORDINANCES AND SECTIONS 66425 THROUGH 66450 OF THE GOVERNMENT CODE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH.

DATED THIS 17th DAY OF March, 2021.
Johnathan L. Doyel
JOHNATHAN L. DOYEL, CITY ENGINEER R.C.E. 62044



CITY CLERK'S CERTIFICATE

I HEREBY STATE THAT AT A REGULAR MEETING OF THE HANFORD CITY COUNCIL HELD ON THE 10th DAY OF March, 2021, AN ORDER WAS DULY AND REGULARLY MADE AND ENTERED APPROVING THIS MAP AND SUBDIVISION AND ACCEPTING, SUBJECT TO IMPROVEMENT, ON BEHALF OF THE GENERAL PUBLIC, THE STREETS AND EASEMENTS AS INCLUDED WITHIN THE BOUNDARIES OF THE SUBDIVISION SHOWN UPON THIS MAP.

DATED THIS 17th DAY OF March, 2021.
Natalie Corral
NATALIE CORRAL, CITY CLERK

PLANNING COMMISSION CERTIFICATE

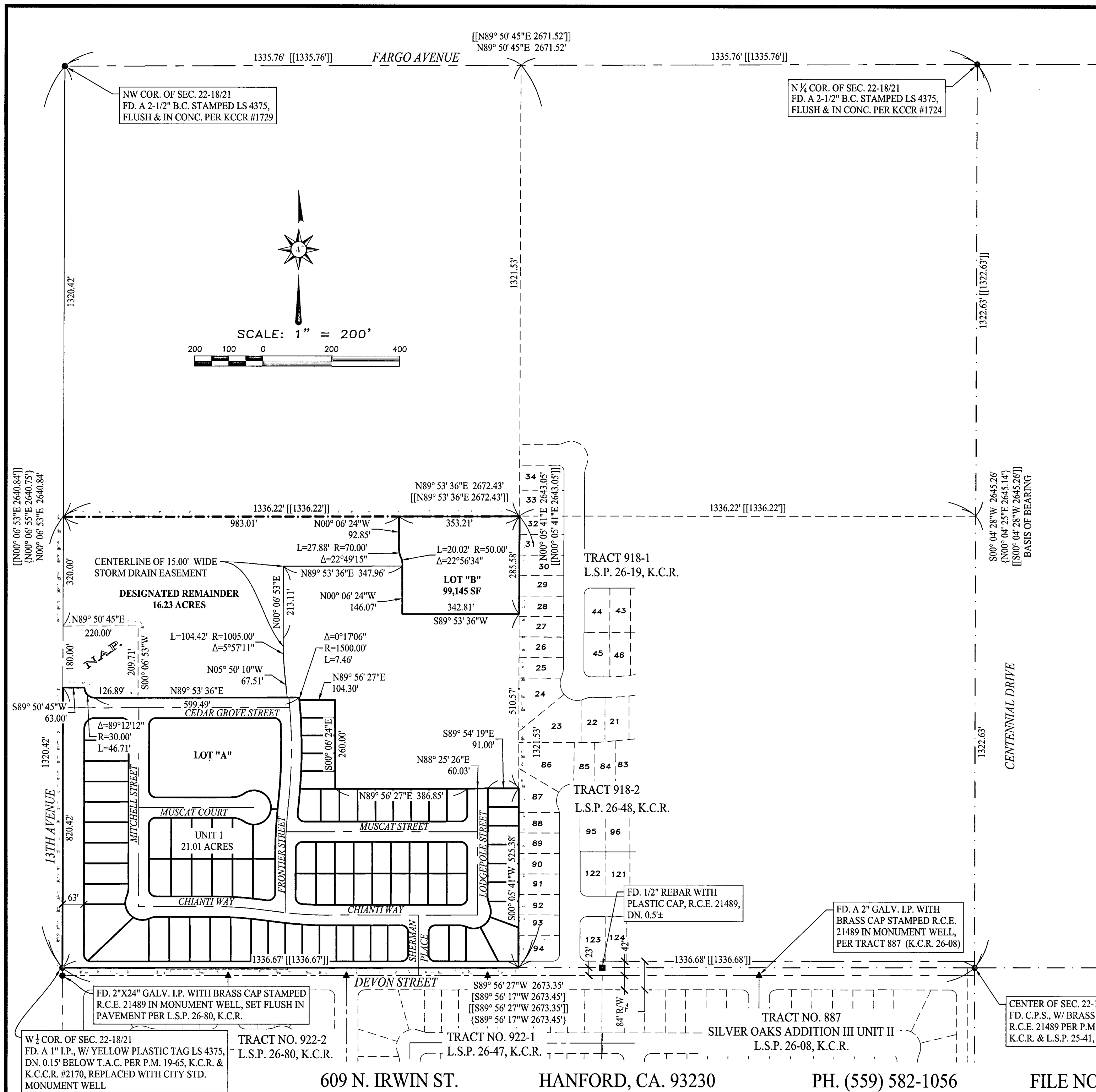
APPROVED BY THE HANFORD PLANNING COMMISSION IN ACCORDANCE WITH THE REQUIREMENTS OF LAW IN DULY AUTHORIZED MEETING HELD November 12, 2019.
DATED THIS 16th DAY OF March, 2021.

Mario Cifuentes
Mario Cifuentes, City Manager

RECORDER'S CERTIFICATE

FEE BOOK NO. 2107093 FEE PAID \$91.00
RECORDED AT THE REQUEST OF ZUMWALT-HANSEN & ASSOCIATES, INC. ON THIS 8th DAY OF April, 2021, AT 44 MINUTES PAST 8 O'CLOCK IN VOLUME 210 OF LICENSED SURVEYORS' PLATS, AT PAGE 83, KINGS COUNTY RECORDS.

KRISTINE LEE, KINGS COUNTY RECORDER
BY: Kristine Lee
DEPUTY



COUNTY TRACT No. 929

UNIT 1

CITY OF HANFORD, COUNTY OF KINGS, STATE OF CALIFORNIA

BASIS OF BEARINGS
 THE BASIS OF BEARINGS FOR THIS SURVEY IS BASED ON GPS OBSERVATIONS OF THE FOUND MONUMENTS USING NETWORK RTK SOLUTIONS PROVIDED BY THE CALIFORNIA SURVEYING AND DRAFTING SUPPLY REAL-TIME NETWORK, USING THE 2016 ADJUSTMENT. ON THIS BASIS, THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 22, T. 18 S., R. 21 E., M.D.B. & M. BEARS S00° 04' 28"W.

SURVEYOR'S NOTE
 ALL CURVES ARE TANGENT UNLESS OTHERWISE NOTED

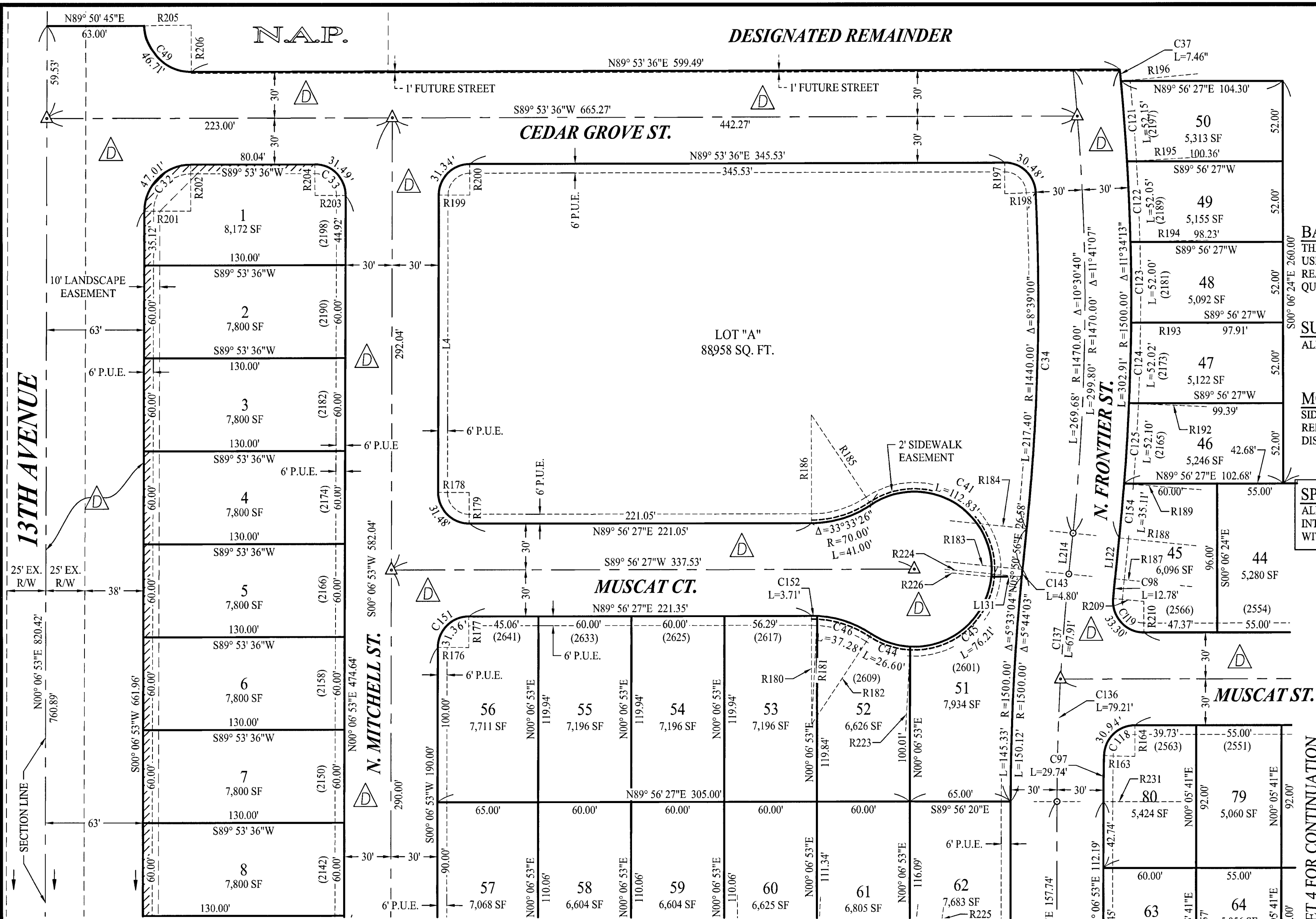
MONUMENT NOTE:
 SIDE AND REAR LOT CORNERS ADJACENT TO 13TH AVENUE AND DEVON STREET ARE MONUMENTED BY 1/2" REBAR, 30" LONG, WITH YELLOW PLASTIC TAG MARKED R.C.E. 21489, SET 6"± DEEP, ON THE LOT LINE A DISTANCE OF 14.00' (PERPENDICULAR) FROM THE SIDE OR REAR CORNER.

SPECIAL MONUMENT NOTE:
 ALL FRONT CORNERS ADJACENT TO STREETS ARE MONUMENTED AS WITNESS CORNERS, SET ON THE INTERSECTION OF THE LOT LINE AND THE FRONT P.U.E. LINE AND ARE MARKED BY 1/2" REBAR, 30" LONG WITH RED PLASTIC TAG STAMPED "CONT. PT., R.C.E. 21489", AND SET 6"± DEEP, EXCEPT AS SHOWN OTHERWISE.

- LEGEND**
- FOUND MONUMENT AS NOTED
 - ▲ FOUND 2-1/2" BRASS CAP STAMPED R.C.E. 21489, ON A 2" I.P., INSIDE A MONUMENT WELL
 - SET STEEL SPIKE WITH BRASS TAG, R.C.E. 21489, FLUSH IN PAVEMENT
 - △ SET 2"X24" GALV. I.P. WITH BRASS CAP STAMPED R.C.E. 21489 IN MONUMENT WELL, MONUMENT WELL SET FLUSH IN PAVEMENT.
 - LOT CORNERS ARE MARKED WITH 1/2" REBAR, 30" LONG, TAGGED R.C.E. 21489, SET 6" DEEP
 - INDICATES 6' PUBLIC UTILITY EASEMENT
 - △ NOW OFFERED FOR DEDICATION AS PUBLIC STREETS
 - { } RECORD DATA PER LSP 21-53, K.C.R.
 - [] RECORD DATA PER LSP 25-41, K.C.R.
 - [] RECORD DATA PER LSP 26-19, K.C.R.
 - () INDICATES STREET ADDRESSES
 - /// ACCESS DENIED TO DEVON STREET AND 13TH AVENUE

K.C.R. KINGS COUNTY RECORDS
 K.C.C.R. KINGS COUNTY CORNER RECORD
 K.C.O.R. KINGS COUNTY OFFICIAL RECORDS
 C.P.S. COTTON PICKER SPINDLE
 N.A.P. NOT A PART
 ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF

CIVIL ENGINEERS
**ZUMWALT
 HANSEN**
 LAND SURVEYORS



COUNTY TRACT No. 929
UNIT 1
CITY OF HANFORD, COUNTY OF KINGS,
STATE OF CALIFORNIA

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Radial Line Table		Radial Line Table		Radial Line Table		Radial Line Table		Line Table			Curve Table				Curve Table				Curve Table			
Line #	Bearing	Line #	Bearing	Line #	Bearing	Line #	Bearing	Line #	Length	Bearing	Curve #	Length	Radius	Delta	Curve #	Length	Radius	Delta	Curve #	Length	Radius	Delta
R163	N88° 42' 08"W	R184	N84° 09' 04"W	R196	N84° 33' 50"E	R206	N00° 06' 24"W	L3	192.08'	S00° 06' 53"W	C32	47.01'	30.00'	89° 46' 44"	C49	46.71'	30.00'	89° 12' 12"	C125	52.10'	1500.00'	1° 59' 25"
R164	N00° 03' 33"W	R185	N33° 36' 59"W	R197	S00° 06' 24"E	R209	N84° 39' 34"W	L4	192.08'	S00° 06' 53"W	C33	31.49'	20.00'	90° 13' 16"	C97	29.74'	1440.00'	1° 10' 59"	C136	79.21'	1470.00'	3° 05' 15"
R176	N89° 53' 07"W	R186	S00° 03' 33"E	R198	N87° 11' 56"E	R210	N00° 03' 33"W	L122	26.58'	N05° 50' 56"E	C34	217.40'	1440.00'	8° 39' 00"	C98	12.78'	1440.00'	0° 30' 30"	C137	67.91'	1470.00'	2° 38' 49"
R177	N00° 03' 33"W	R187	S84° 09' 04"E	R199	S89° 53' 07"E	R223	N03° 00' 51"E	L131	19.74'	S89° 56' 27"W	C36	145.33'	1500.00'	5° 33' 04"	C118	30.94'	20.00'	88° 38' 35"	C143	4.80'	1500.00'	0° 11' 00"
R178	S89° 53' 07"E	R188	S84° 09' 04"E	R200	N00° 06' 24"W	R224	N84° 20' 04"W	L214	26.58'	N05° 50' 56"E	C37	7.46'	1500.00'	0° 17' 06"	C119	33.30'	20.00'	95° 23' 59"	C152	3.71'	70.00'	3° 02' 22"
R179	S00° 03' 33"E	R189	S85° 29' 32"E	R201	N89° 53' 07"W	R225	N07° 01' 09"E				C41	112.83'	50.00'	129° 17' 47"	C121	52.15'	1500.00'	1° 59' 32"	C153	31.48'	20.00'	90° 10' 26"
R180	S00° 03' 33"E	R192	S87° 28' 57"E	R202	S00° 06' 24"E	R226	N84° 19' 12"W				C44	26.60'	50.00'	30° 29' 03"	C122	52.05'	1500.00'	1° 59' 17"				
R181	N02° 58' 49"E	R193	S89° 28' 10"E	R203	S89° 53' 07"E	R231	S89° 53' 07"E				C45	76.21'	50.00'	87° 20' 03"	C123	52.00'	1500.00'	1° 59' 11"				
R182	N33° 29' 53"E	R194	N88° 32' 39"E	R204	S00° 06' 24"E						C46	37.28'	70.00'	30° 31' 04"	C124	52.02'	1500.00'	1° 59' 14"				
R183	N84° 09' 04"W	R195	N86° 33' 21"E	R205	S89° 05' 48"W																	

CIVIL ENGINEERS
**ZUMWALT
HANSEN &**
LAND SURVEYORS

SEE SHEET 3 FOR CONTINUATION

Radial Line Table		Radial Line Table		Radial Line Table		Radial Line Table		Radial Line Table		Line Table			Curve Table			
Line #	Bearing	Line #	Bearing	Line #	Bearing	Line #	Bearing	Line #	Bearing	Line #	Length	Bearing	Curve #	Length	Radius	Delta
R140	S07° 01' 09"W	R150	N00° 03' 33"W	R160	S89° 54' 19"E	R187	S84° 09' 04"E	R213	N01° 38' 32"E	L3	192.08'	S00° 06' 53"W	C41	112.83'	50.00'	129° 17' 47"
R141	S06° 35' 36"W	R151	N89° 56' 27"E	R161	S89° 54' 19"E	R188	S84° 09' 04"E	R220	S71° 26' 14"E	L4	192.08'	S00° 06' 53"W	C45	76.21'	50.00'	87° 20' 03"
R142	S03° 48' 00"W	R152	S00° 03' 33"E	R162	N00° 03' 33"W	R189	S85° 29' 32"E	R221	S22° 59' 05"E	L122	26.58'	N05° 50' 56"E	C94	7.66'	1030.00'	0° 25' 33"
R143	S01° 00' 57"W	R153	S00° 03' 33"E	R163	N88° 42' 08"W	R190	S00° 03' 33"E	R231	S89° 53' 07"E	L131	19.74'	S89° 56' 27"W	C95	19.32'	1030.00'	1° 04' 30"
R144	S00° 03' 33"E	R154	S20° 03' 28"W	R164	N00° 03' 33"W	R191	S89° 54' 19"E			L214	26.58'	N05° 50' 56"E	C97	29.74'	1440.00'	1° 10' 59"
R145	S00° 03' 33"E	R155	N22° 44' 28"E	R165	N89° 53' 07"W	R192	S87° 28' 57"E			L215	19.00'	S00° 05' 41"W	C98	12.78'	1440.00'	0° 30' 30"
R146	S89° 56' 27"W	R156	N67° 17' 17"E	R166	S04° 05' 30"W	R193	S89° 28' 10"E			L218	15.00'	S44° 58' 06"E	C101	33.48'	20.00'	95° 54' 04"
R147	S89° 56' 27"W	R157	N76° 30' 45"E	R168	S88° 52' 22"E	R209	N84° 39' 34"W						C102	30.03'	20.00'	86° 01' 23"
R148	N00° 03' 33"W	R158	N89° 54' 19"W	R183	N84° 09' 04"W	R210	N00° 03' 33"W						C103	31.42'	20.00'	90° 00' 00"
R149	S89° 56' 27"W	R159	S00° 03' 33"E	R184	N84° 09' 04"W	R212	S00° 03' 33"E									

COUNTY TRACT No. 929
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CITY OF HANFORD, COUNTY OF KINGS,
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SURVEYOR'S NOTE

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MONUMENT NOTE:

SIDE AND REAR LOT CORNERS ADJACENT TO 13TH AVENUE AND DEVON STREET ARE MONUMENTED BY 1/2" REBAR, 30" LONG, WITH YELLOW PLASTIC TAG MARKED R.C.E. 21489, SET 6"± DEEP, ON THE LOT LINE A DISTANCE OF 14.00' (PERPENDICULAR) FROM THE SIDE OR REAR CORNER.

SPECIAL MONUMENT NOTE:

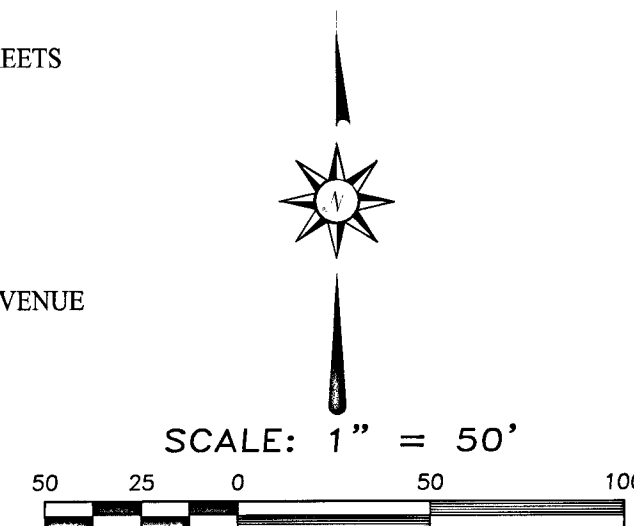
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LEGEND

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- △ NOW OFFERED FOR DEDICATION AS PUBLIC STREETS
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K.C.C.R. KINGS COUNTY CORNER RECORD
K.C.O.R. KINGS COUNTY OFFICIAL RECORDS
C.P.S. COTTON PICKER SPINDLE
N.A.P. NOT A PART
ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF



Curve Table				Curve Table				Curve Table			
Curve #	Length	Radius	Delta	Curve #	Length	Radius	Delta	Curve #	Length	Radius	Delta
C104	31.42'	20.00'	90° 00' 00"	C115	16.59'	70.00'	13° 34' 56"	C128	119.18'	1000.00'	6° 49' 43"
C105	31.42'	20.00'	90° 00' 00"	C116	31.36'	20.00'	89° 50' 46"	C129	4.36'	1000.00'	0° 14' 59"
C106	31.42'	20.00'	90° 00' 00"	C117	31.47'	20.00'	90° 09' 14"	C130	28.80'	970.00'	1° 42' 05"
C109	24.58'	70.00'	20° 07' 01"	C118	30.94'	20.00'	88° 38' 35"	C131	41.47'	970.00'	2° 26' 58"
C110	3.28'	70.00'	2° 41' 00"	C119	33.30'	20.00'	95° 23' 59"	C136	79.21'	1470.00'	3° 05' 15"
C111	39.90'	50.00'	45° 43' 33"	C120	31.36'	20.00'	89° 50' 46"	C137	67.91'	1470.00'	2° 38' 49"
C112	42.28'	50.00'	48° 27' 09"	C123	52.00'	1500.00'	1° 59' 11"	C138	50.22'	1030.00'	2° 47' 36"
C113	36.02'	50.00'	41° 16' 29"	C124	52.02'	1500.00'	1° 59' 14"	C139	50.05'	1030.00'	2° 47' 03"
C114	11.27'	70.00'	9° 13' 28"	C125	52.10'	1500.00'	1° 59' 25"	C154	35.11'	1500.00'	1° 20' 28"

CIVIL ENGINEERS

ZUMWALT
HANSEN & CO.

LAND SURVEYORS

609 N. IRWIN ST.

HANFORD, CA. 93230

PH. (559) 582-1056

FILE NO. 0778012

SHEET FOUR OF FIVE SHEETS

Radial Line Table		Radial Line Table		Radial Line Table		Radial Line Table		Radial Line Table		Line Table			Curve Table				Curve Table				Curve Table				Curve Table			
Line #	Bearing	Line #	Bearing	Line #	Bearing	Line #	Bearing	Line #	Bearing	Line #	Length	Bearing	Curve #	Length	Radius	Delta	Curve #	Length	Radius	Delta	Curve #	Length	Radius	Delta	Curve #	Length	Radius	Delta
R132	N89° 53' 07"W	R141	S06° 35' 36"W	R169	N06° 08' 29"E	R180	S00° 03' 33"E	R213	N01° 38' 32"E	L3	192.08'	S00° 06' 53"W	C41	112.83'	50.00'	129° 17' 47"	C92	0.54'	50.00'	0° 37' 20"	C118	30.94'	20.00'	88° 38' 35"	C139	50.05'	1030.00'	2° 47' 03"
R133	N00° 03' 33"W	R142	S03° 48' 00"W	R170	N02° 47' 37"E	R181	N02° 58' 49"E	R223	N03° 00' 51"E	L4	192.08'	S00° 06' 53"W	C44	26.60'	50.00'	30° 29' 03"	C93	13.92'	970.00'	0° 49' 20"	C119	33.30'	20.00'	95° 23' 59"	C140	45.72'	970.00'	2° 42' 02"
R134	N22° 53' 55"W	R143	S01° 00' 57"W	R171	S00° 03' 33"E	R182	N33° 29' 53"E	R225	N07° 01' 09"E	L122	26.58'	N05° 50' 56"E	C45	76.21'	50.00'	87° 20' 03"	C94	7.66'	1030.00'	0° 25' 33"	C127	123.54'	1000.00'	7° 04' 42"	C141	60.19'	970.00'	3° 33' 20"
R135	S00° 03' 33"E	R163	N88° 42' 08"W	R172	N00° 03' 33"W	R183	N84° 09' 04"W	R227	S85° 49' 42"W	L131	19.74'	S89° 56' 27"W	C46	37.28'	70.00'	30° 31' 04"	C97	29.74'	1440.00'	1° 10' 59"	C128	119.18'	1000.00'	6° 49' 43"	C148	15.78'	1030.00'	0° 52' 40"
R136	S00° 03' 33"E	R164	N00° 03' 33"W	R173	N89° 53' 07"W	R184	N84° 09' 04"W	R228	N31° 46' 34"E	L214	26.58'	N05° 50' 56"E	C87	27.91'	70.00'	22° 50' 31"	C98	12.78'	1440.00'	0° 30' 30"	C129	4.36'	1000.00'	0° 14' 59"	C149	60.18'	1030.00'	3° 20' 52"
R137	S02° 38' 29"W	R165	N89° 53' 07"W	R174	N67° 02' 36"W	R187	S84° 09' 04"E	R229	N22° 16' 35"W	L217	15.00'	S45° 01' 20"W	C88	23.67'	50.00'	27° 07' 42"	C99	23.37'	20.00'	66° 57' 39"	C131	41.47'	970.00'	2° 26' 58"	C150	51.28'	1030.00'	2° 51' 10"
R138	S06° 11' 49"W	R166	S04° 05' 30"W	R175	S89° 53' 07"E	R188	S84° 09' 04"E	R230	N23° 09' 14"E				C89	47.17'	50.00'	54° 03' 08"	C100	8.10'	20.00'	23° 12' 47"	C136	79.21'	1470.00'	3° 05' 15"	C151	31.36'	20.00'	89° 49' 34"
R139	S07° 01' 09"W	R167	S07° 01' 42"W	R176	N89° 53' 07"W	R209	N84° 39' 34"W						C90	47.17'	50.00'	54° 03' 08"	C101	33.48'	20.00'	95° 54' 04"	C137	67.91'	1470.00'	2° 38' 49"	C152	3.71'	70.00'	3° 02' 22"
R140	S07° 01' 09"W	R168	S88° 52' 22"E	R177	N00° 03' 33"W	R210	N00° 03' 33"W						C91	27.90'	70.00'	22° 50' 22"	C102	30.03'	20.00'	86° 01' 23"	C138	50.22'	1030.00'	2° 47' 36"	C153	31.48'	20.00'	90° 10' 26"

COUNTY TRACT No. 929

UNIT 1

CITY OF HANFORD, COUNTY OF KINGS,

STATE OF CALIFORNIA

BASIS OF BEARINGS
THE BASIS OF BEARINGS FOR THIS SURVEY IS BASED ON GPS OBSERVATIONS OF THE FOUND MONUMENTS USING NETWORK RTK SOLUTIONS PROVIDED BY THE CALIFORNIA SURVEYING AND DRAFTING SUPPLY REAL-TIME NETWORK, USING THE 2016 ADJUSTMENT. ON THIS BASIS, THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 22, T. 18 S., R. 21 E., M.D.B. & M. BEARS S00° 04' 28"W.

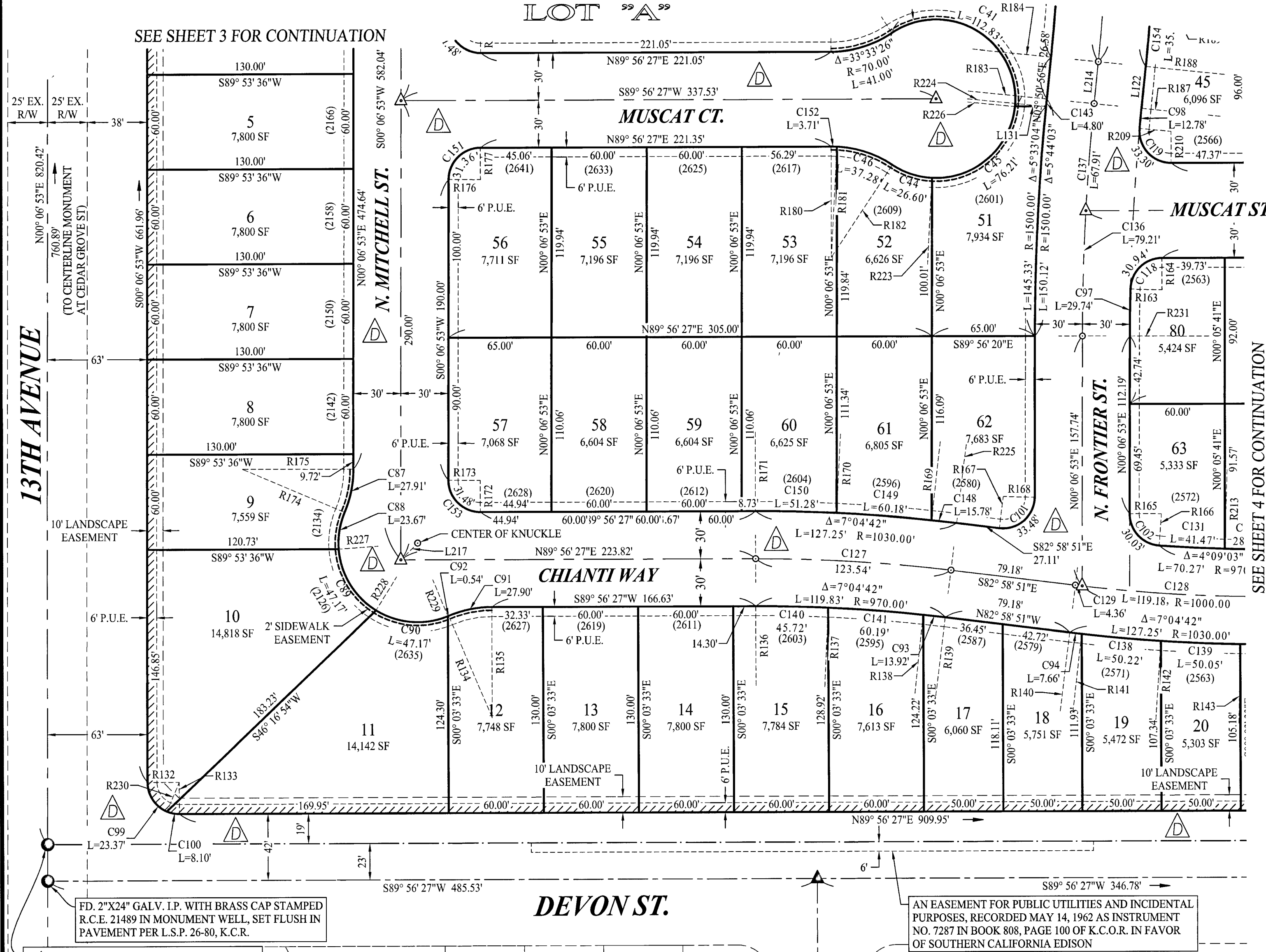
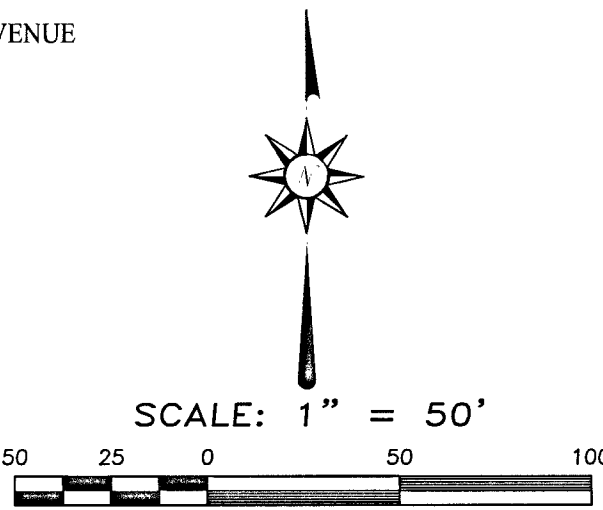
SURVEYOR'S NOTE
ALL CURVES ARE TANGENT UNLESS OTHERWISE NOTED

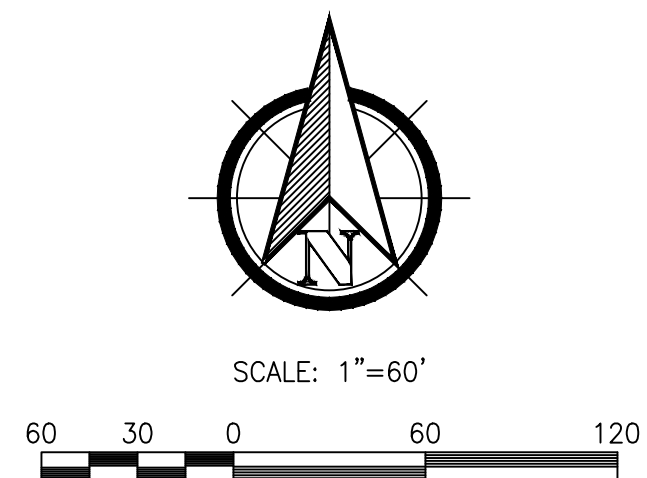
MONUMENT NOTE:
SIDE AND REAR LOT CORNERS ADJACENT TO 13TH AVENUE AND DEVON STREET ARE MONUMENTED BY 1/2" REBAR, 30" LONG, WITH YELLOW PLASTIC TAG MARKED R.C.E. 21489, SET 6"± DEEP, ON THE LOT LINE A DISTANCE OF 14.00' (PERPENDICULAR) FROM THE SIDE OR REAR CORNER.

SPECIAL MONUMENT NOTE:
ALL FRONT CORNERS ADJACENT TO STREETS ARE MONUMENTED AS WITNESS CORNERS, SET ON THE INTERSECTION OF THE LOT LINE AND THE FRONT P.U.E. LINE AND ARE MARKED BY 1/2" REBAR, 30" LONG WITH RED PLASTIC TAG STAMPED "CONT. PT., R.C.E. 21489", AND SET 6"± DEEP, EXCEPT AS SHOWN OTHERWISE.

- LEGEND**
- FOUND MONUMENT AS NOTED
 - ▲ FOUND 2-1/2" BRASS CAP STAMPED R.C.E. 21489, ON A 2" I.P., INSIDE A MONUMENT WELL
 - ⊙ SET STEEL SPIKE WITH BRASS TAG, R.C.E. 21489, FLUSH IN PAVEMENT
 - △ SET 2"x24" GALV. I.P. WITH BRASS CAP STAMPED R.C.E. 21489 IN MONUMENT WELL, MONUMENT WELL SET FLUSH IN PAVEMENT.
 - LOT CORNERS ARE MARKED WITH 1/2" REBAR, 30" LONG, TAGGED R.C.E. 21489, SET 6" DEEP
 - INDICATES 6' PUBLIC UTILITY EASEMENT
 - △ NOW OFFERED FOR DEDICATION AS PUBLIC STREETS
 - { } RECORD DATA PER LSP 21-53, K.C.R.
 - [] RECORD DATA PER LSP 25-41, K.C.R.
 - [] RECORD DATA PER LSP 26-19, K.C.R.
 - () INDICATES STREET ADDRESSES
 - /// ACCESS DENIED TO DEVON STREET AND 13TH AVENUE

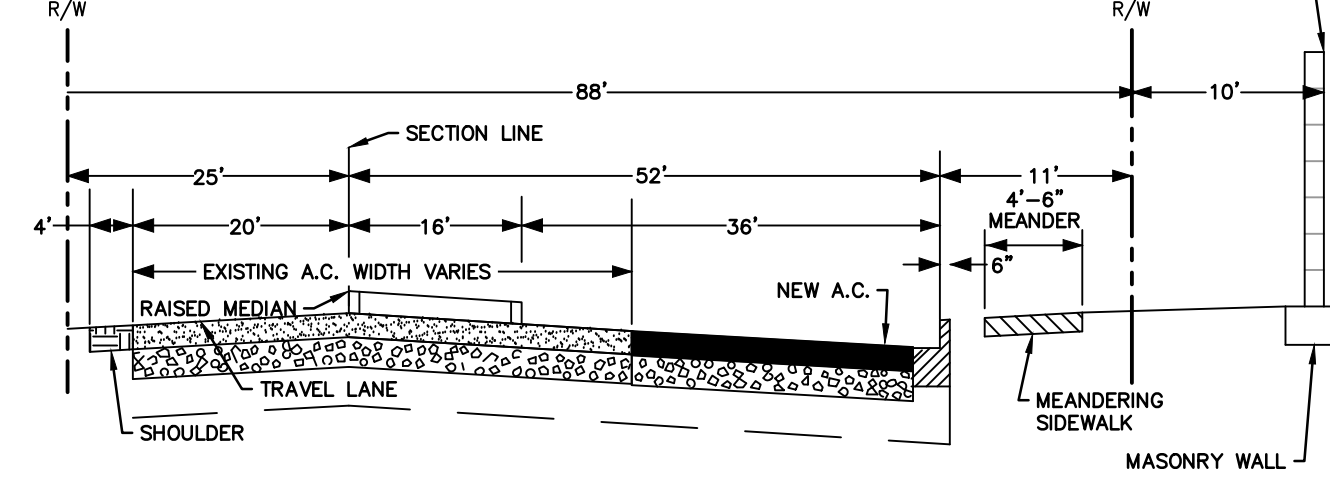
K.C.R. KINGS COUNTY RECORDS
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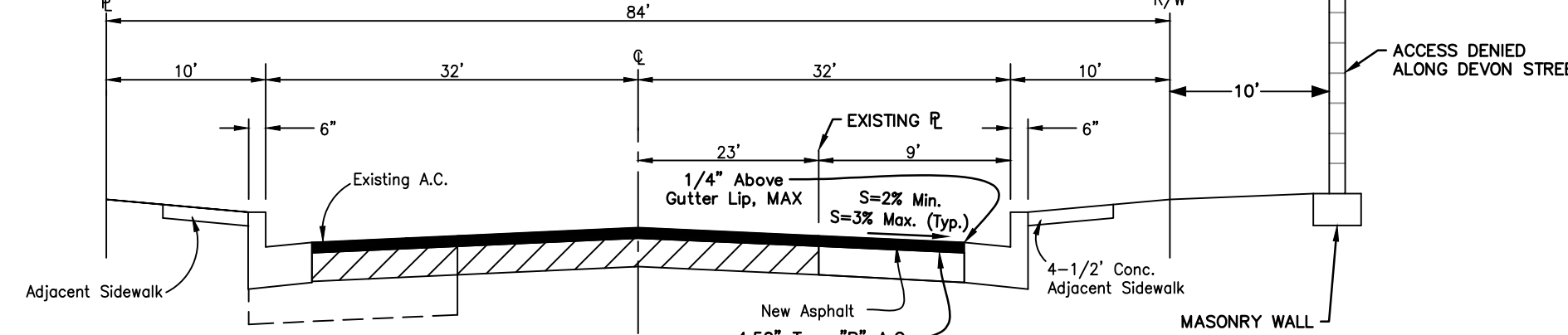
SECTION A-A 13TH AVENUE

Not to Scale
Per City Std. ST-18 (Looking North)



SECTION B-B DEVON STREET

Not to Scale
Looking West (Per City Std. ST-20)



VESTING TENTATIVE SUBDIVISION MAP COUNTY TRACT NO. 929

CITY OF HANFORD, COUNTY OF KINGS, STATE OF CALIFORNIA

OWNER
ALBERT & JANETTE DUYST
2574 FAIRMONT DRIVE
HANFORD, CA 93230

APPLICANT
WOODSIDE HOMES
9 RIVER PARK PLACE, STE 430
FRESNO, CA 93720

GENERAL INFORMATION

EXISTING ZONE	COUNTY
PROPOSED ZONE	R-L-5
EXISTING USE	VACANT
PROPOSED USE	RESIDENTIAL
SEWER	CITY OF HANFORD
WATER	CITY OF HANFORD
STORM DRAIN	ON-SITE BASIN
A.P.N.	009-030-042
ELECTRIC	SCE
GAS	GAS COMPANY
TELEPHONE	AT&T
CABLE	COMCAST
TOTAL AREA	39.73 ACRES

LEGAL DESCRIPTION

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 18 SOUTH, RANGE 21 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF KINGS, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22; THENCE SOUTH ALONG THE WEST LINE OF SAID SECTION, 250 FEET TO THE TRUE POINT OF BEGINNING; THENCE EAST PARALLEL WITH THE NORTH LINE OF SAID SECTION, 436 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID SECTION, 250 FEET; THENCE WEST PARALLEL WITH THE NORTH LINE OF SAID SECTION, 436 FEET; TO THE WEST LINE OF SAID SECTION; THENCE NORTH ALONG SAID WEST LINE, 250 FEET TO THE POINT OF BEGINNING.

LOT INFORMATION

TOTAL LOTS:	158 LOTS
UNIT 1 LOTS:	80 LOTS
UNIT 2 LOTS:	78 LOTS
TOTAL AREA BEFORE LLA:	38.026 ACRES
TOTAL AREA AFTER LLA:	39.62 ACRES
LOTS PER ACRE BEFORE LLA:	4.16
LOTS PER ACRE AFTER LLA:	3.99

MINIMUM LOT SIZE: 5,000 S.F. (LOT 142)
MAXIMUM LOT SIZE: 14,818 S.F. (LOT 10)
AVERAGE LOT SIZE: 6,336± S.F.

AREA

INTERIOR STREET DEDICATION: 10.01 AC.
EXTERIOR STREET DEDICATION: 1.74 AC.
TOTAL STREET AREA: 11.75 AC. NET
BASIN DEDICATION: 99,145 SQ. FT.

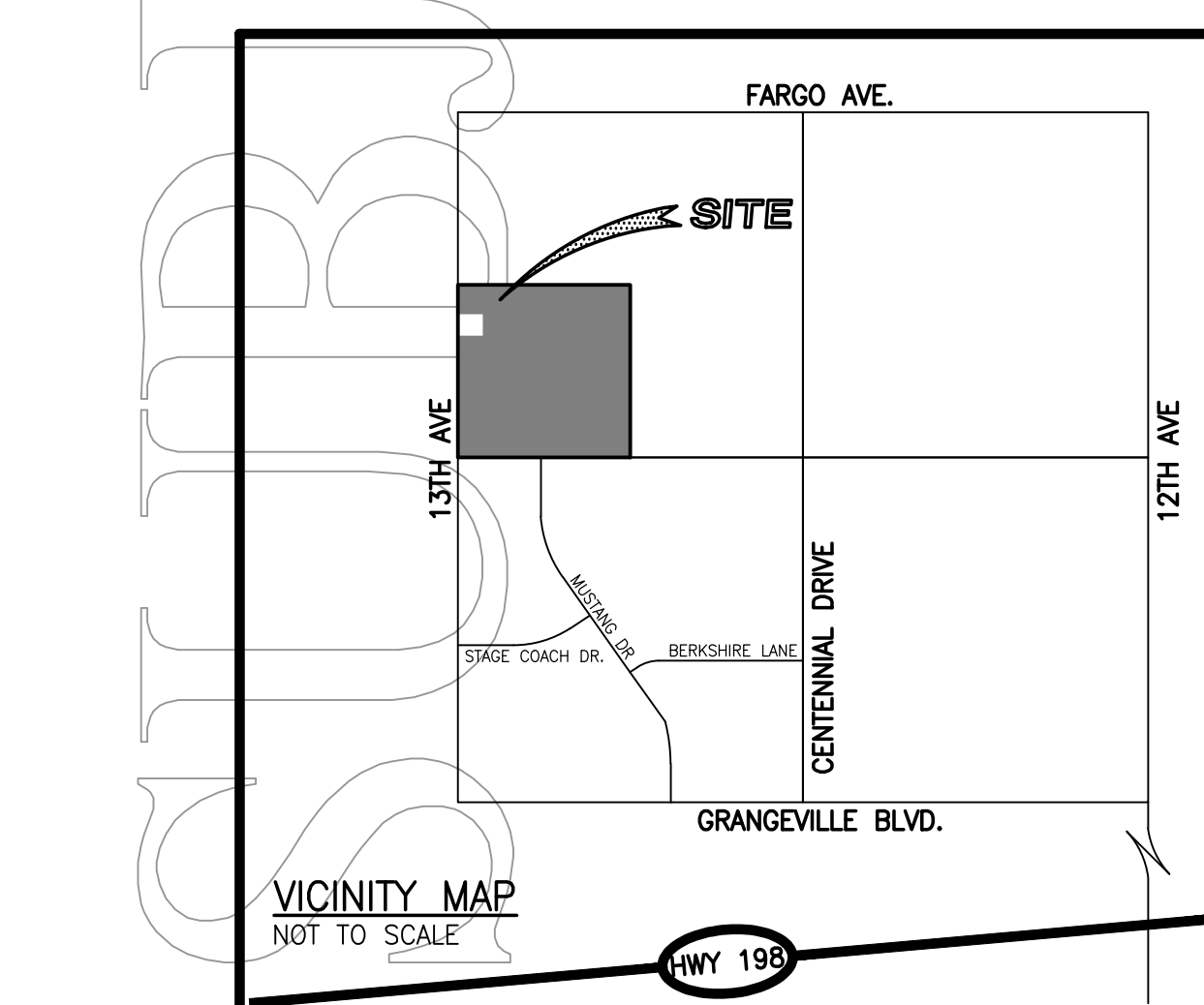
PER ZONING ORDINANCE MINIMUM LOT WIDTH FOR R-L-5 IS 50' (60' CORNER LOTS)

NOTE

A LOT LINE ADJUSTMENT WILL NEED TO BE FILED WITH APN 009-030-043 PRIOR TO RECORDING UNIT II

AREAS REQUIRING A LOT LINE ADJUSTMENT IN PHASE II

- ### LEGEND
- Domestic Well
 - Down Guy
 - Electric Meter
 - Irrigation Standpipe
 - Irrigation Valve
 - Misc. Topo, As Noted
 - Telephone Pedestal
 - Tree
 - Utility Pole
 - Utility Pole with Transformer
 - Electric Line
 - Water Line
 - Irrigation Line
 - Existing Pavement
 - Agreement for Exchange of Real Property and Escrow Instructions
 - CONCRETE CROWN
 - EDGE OF PAVEMENT
 - FLOW LINE
 - INVERT
 - ORIGINAL GROUND
 - STORM DRAIN MANHOLE
 - SANITARY SEWER MANHOLE
 - TOP OF CURB
 - PHASE LINE



WOODSIDE HOMES
9 RIVER PARK PLACE, STE 430
FRESNO, CA 93720



TR 929
VESTING TENTATIVE
SUBDIVISION MAP
FOR:
WOODSIDE HOMES

CIVIL ENGINEERS
**ZUMWALT
HANSEN & ASSOCIATES**
LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93230
Office: (559) 582-1056
Fax: (559) 584-4143

DRAWN BY: MO
CHECKED BY: AD
INDEXED BY:
DATE: 6/20/2019
JOB NO.: 0778012
SHEET: 1 OF 1



RESOLUTION 19-44-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING VESTING TENTATIVE TRACT 929, A REQUEST TO SUBDIVIDE 39.75 ACRES INTO 158 SINGLE-FAMILY RESIDENTIAL LOTS IN AN AREA PROPOSED TO BE DESIGNATED R-L-5 LOW-DENSITY RESIDENTIAL. THE PROJECT IS LOCATED AT THE NORTHEAST CORNER OF DEVON STREET AND 13TH AVENUE (APN 009-030-042 AND A PORTION OF 009-030 -043)

At a regular meeting of the City Council of the City of Hanford duly called and held on December 3, 2019, by motion of Councilmember Draxler, and seconded by Councilmember Devine, and duly carried, the following resolution was adopted:

WHEREAS, Vesting Tentative Subdivision Map No. 929, filed by Woodside Homes, a request to subdivide 39.75 acres into 158 single-family residential lots in an area proposed to be designated R-L-5 Low-Density Residential, as shown in Exhibit A, has been reviewed by the City Council of the City of Hanford, in accordance with Title 16 of the Hanford Municipal Code; and

WHEREAS, the City Council has carefully considered recommendations and testimony presented at the public hearing of December 3, 2019, and

WHEREAS, all affected public utility companies, various governmental department agencies, staff, and the City Council, have given careful consideration to this tentative subdivision map and have made recommendations thereon; and

WHEREAS, the Initial Study, Mitigated Negative Declaration No. 2019-36, and all notices related thereto were prepared in compliance with the California Environmental Quality Act (CEQA) and the City of Hanford Municipal Code and Policies; and

WHEREAS, the City Council has made the following findings, pursuant to Section 16.04.010 of the Hanford Subdivision Ordinance, Section 66474 of the Subdivision Map Act and Hanford's Zoning Ordinance:

City of
Original
Hanford

1. Consistency Finding:

ANALYSIS: That a consistency finding can be made, because the proposed subdivision map is consistent with the State Subdivision Map Act, General Plan, Zoning Ordinance, and Subdivision Ordinance. All lots proposed meet the minimum lot size of the R-L-5 Low-Density Residential Zone District, which is 5,000 square feet. The minimum lot size within the subdivision is 5,000 sq. ft. The average lot size is 6,336 sq. ft.

2. Design Finding:

ANALYSIS: That the design or improvement of the subdivision is consistent with the State Subdivision Map Act, General Plan, Zoning Ordinance, and Subdivision Ordinance. All lots proposed meet the minimum lot size of the R-L-5 Low-Density Residential Zone District, which is 5,000 square feet. The minimum lot size within the subdivision is 5,000 sq. ft. The average lot size is 6,336 sq. ft. All improvements are to be developed in accordance with Public Works Construction Standards.

3. Type of Development Finding:

ANALYSIS: That the site is physically suitable for the type of development proposed under Tentative Tract 929. The lots proposed meet the minimum lot size of the R-L-5 Low-Density Residential Zone District. All parcels have adequate street frontage on a public street and meet the minimum depth and width required for the district.

4. Density Finding:

ANALYSIS: That a density finding can be made, because the site is physically suitable for the proposed density of development. The General Plan prescribes a density range between two and 10 units per acre, with an expected average of four units per gross acre. The project has a density of 3.99 dwelling units per gross acre.

5. Environmental Finding:

ANALYSIS: That an initial study was conducted. On the basis of the initial study, the Community Development Department has determined that the project described above would not have significant adverse impacts on the environment, with the incorporation of mitigation measures. Mitigated Negative Declaration No. 2019-36 has been prepared for the project.

6. Public Health Finding:

ANALYSIS: That the design of the subdivision and type of improvements are not likely to cause serious health problems. The City of Hanford Building Division is responsible for ensuring that future construction of the site follows adopted building codes, thus reducing exposures to accidents to the general public. Consultation was sent for Tentative Tract 929 to interested agencies, including the County Health Department, Public Works Department, Fire Department, and Building Division. Any improvements or mitigations required for public health and safety were applied to the proposal and required in the conditions of approval.

7. Improvements and Access Findings:

ANALYSIS: That the design of the subdivision and type of improvements will not conflict with easements acquired by the public at large for access through or use of the property within the proposed subdivision.

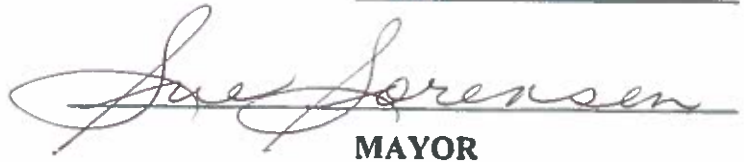
NOW, THEREFORE, BE IT RESOLVED, that the City Council finds that no significant environmental impacts would result from the proposed project with the incorporation of mitigation measures, adopts a Mitigation Monitoring and Reporting Program, attached as **Exhibit B**, and certifies that Mitigated Negative Declaration No. 2019-36 was prepared consistent with the California Environmental Quality Act (CEQA) Guidelines and City of Hanford Environmental Guidelines.

THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of Hanford hereby approves Tentative Tract 929, subject to the conditions of approval, attached as **Exhibit C**, and the following:

1. That this tentative subdivision map becomes null and void after 24 months has elapsed from the date of approval, if the above conditions have not been satisfied or bonded for, and a final map recorded. A time extension may be granted by the approving body upon written request by the applicant. The time extension, if approved, will be subject to the improvement standards and fees in effect at the time the time the extension for the tentative subdivision map is granted.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Hanford held on the 3rd day of December, 2019 by the following vote:

AYES:	Council Member	<u>Draxler</u>
		<u>Devine</u>
		<u>Sorensen</u>
		<u>Ramirez</u>
		<u>Brieno</u>
NOES:	Council Member	<u>X</u>
ABSTAIN:	Council Member	<u>X</u>
ABSENT:	Council Member	<u>X</u>


MAYOR

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

I, Sarah Martinez, City Clerk of the City of Hanford, do hereby certify that the foregoing Resolution was duly passed and adopted by the City Council of the City of Hanford at a regular meeting thereof held on the 3rd day of December, 2019.

Dated: 12/4/19


City Clerk

Exhibit A:
Vesting Tentative Tract 929

**VICKING TOWNHIP SUBDIVISION MAP
COUNTY TRACT NO. 929**

[illegible][illegible]

NOTES

1. The first step in the process is to identify the problem. This involves gathering information about the situation and the people involved.

2. The second step is to analyze the problem. This involves breaking the problem down into smaller parts and identifying the causes.

3. The third step is to develop a plan. This involves deciding on the best way to solve the problem and setting goals.

4. The fourth step is to implement the plan. This involves putting the plan into action and monitoring progress.

5. The fifth step is to evaluate the results. This involves assessing the effectiveness of the solution and making adjustments if necessary.

11

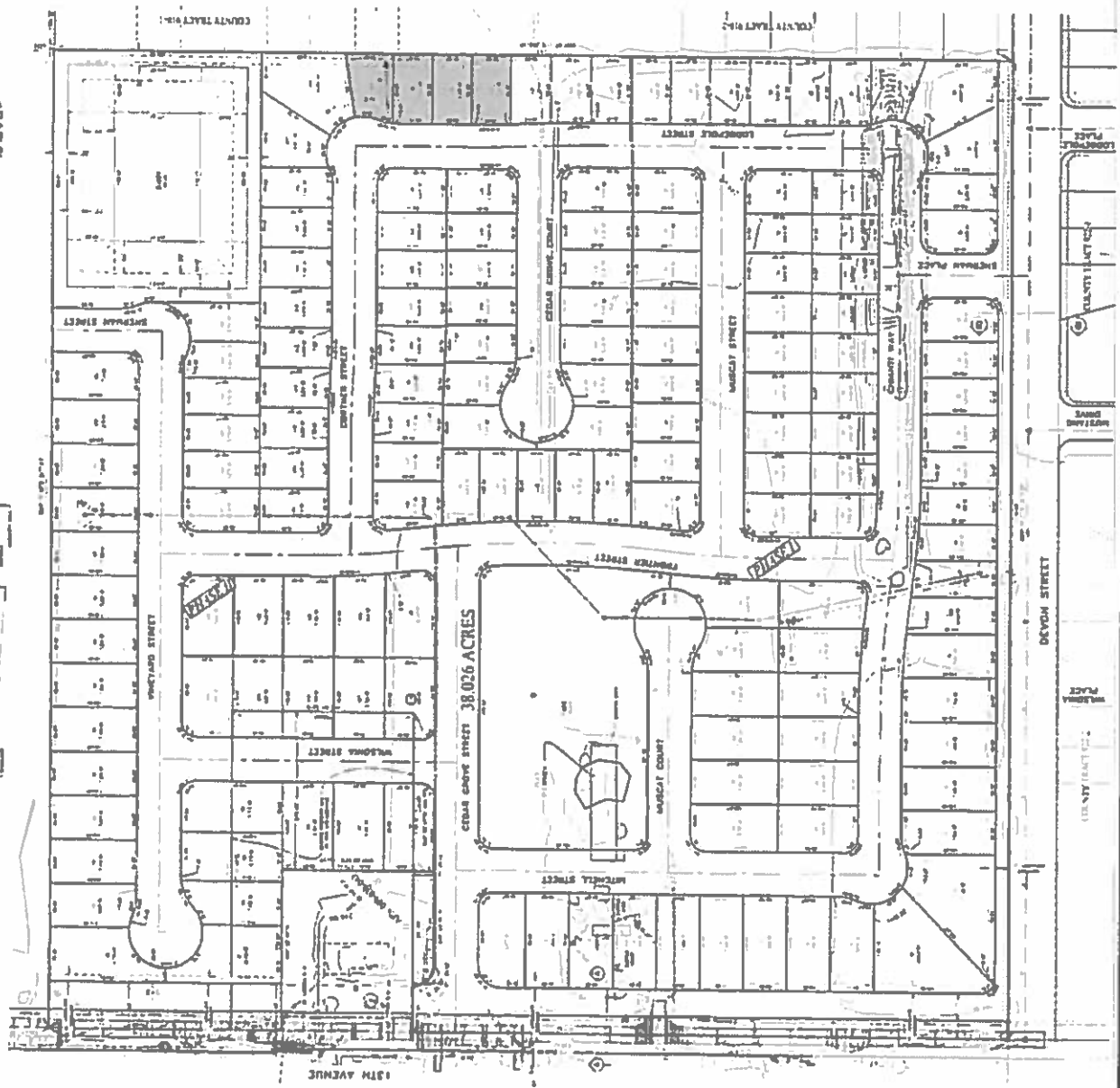
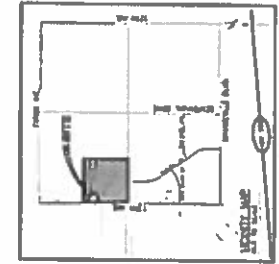


Exhibit B:
Mitigation Monitoring and Reporting Program

**Annexation 156, Prezone No. 2019-03, and Tentative Tract 929
Mitigation Measures
Mitigated Negative Declaration 2019-36**

Mitigation Number	Potential Impact	Mitigation Measure	Responsible Party
AESTHETICS			
MM Aesthetics 1	The project could substantially degrade the existing visual character or quality of the site and its surroundings?	That the applicant develop the project consistent with the General Plan, Hanford Municipal Code, and Tree Ordinance.	Developer
MM Aesthetics 2	The project may create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	That the development comply with the Hanford Municipal Code Section 17.50.140 Outdoor Lighting Standards and the California Building Code for outdoor lighting standards.	Developer
AGRICULTURE RESOURCES			
MM Agriculture 1	Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	That a right-to-farm provision be recorded with the recording of the final subdivision map(s) to insure that future residents of the homes in the project are aware of the adjacent agricultural uses and their right to continue to operate.	Developer
AIR QUALITY			

MM Air Quality 1:	The project may conflict with or obstruct implementation of the applicable air quality plan?	That the applicant complies with the SJVAPCDC Air Quality Plan and obtains any necessary permits through the SJVAPCD.	Developer to file application with San Joaquin Valley Air Pollution Control District
MM Air Quality 2:	The project could potentially violate any air quality standard or contribute substantially to an existing or projected air quality violation?	That effective dust control must be maintained on the job site at all times in order to reduce the risk of valley fever to workers and nearby residents. More information regarding the prevention of work related valley fever is available at www.cdph.ca.gov/programs/hesis/Documents/CocciFact.pdf and http://www.cdph.ca.gov/programs/ohb/Documents/OccCocci.pdf . Contact the San Joaquin Valley Air Pollution Control District for more information on dust control techniques.	Developer
MM Air Quality 3	The project could potentially result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	The project is subject to District Rule 9510, which is intended to mitigate a project's impact on air quality through project design elements or by payment of applicable off-site mitigation fees. The applicant is required to submit an Air Impact Assessment (AIA) application to the District prior to issuance of a building permit.	Developer
CULTURAL RESOURCES			
MM Cultural Resources 1-4	The project could potentially cause a substantial adverse change in the significance of an archeological resource pursuant to Public Resources Code 15064.5?	MM Cultural Resources 1: That a Burial Treatment Plan be entered to by the applicant/property owner prior to any earth disturbing activities. MM Cultural Resources 2: In order to assist in the recognition of cultural resources, a training session for all construction crew members should be conducted in advance of the initiation of any construction activities at the site. The training session will provide information on recognition of artifacts, human remains, and cultural deposits to help in the recognition of potential issues.	Developer to coordinate with the Tachi Yokut Tribe; Developer or representative to notify archeologist or coroner of

	The project could potentially disturb human remains, including those interred outside of formal cemeteries?	MM Cultural Resources 3: If artifacts, exotic rock, shell or bone are uncovered during the construction, work should stop in that area immediately. A qualified archeologist should be contacted to examine and evaluate the deposit, and consult with the appropriate Native American group(s) MM Cultural Resources 4: In the event of discovery or recognition of any human remains in any location other than a dedicated cemetery, there shall be no further excavation or disturbance of the site or any nearby area suspected to overlie adjacent remains until the Kings County Coroner has determined that the remains are not subject to any provisions of law concerning investigation of the circumstances, manner and cause of death, and the recommendations concerning the treatment and disposition of the human remains have been made to the person responsible for the excavation or to his or her authorized representative.	discovery (if uncovered)
MM Cultural Resources 3	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	MM Cultural Resources 3: If artifacts, exotic rock, shell or bone are uncovered during the construction, work should stop in that area immediately. A qualified archeologist should be contacted to examine and evaluate the deposit, and consult with the appropriate Native American group(s)	Developer or representative to notify archeologist of discovery (if uncovered)
GEOLOGY AND SOILS			
MM Geology 1:	That the project may expose people or structures to potential substantial adverse effects including the risk of loss, injury, or death involving: - strong seismic ground shaking; - seismic-related ground failure, including liquefaction. The project may be located on a geologic unit or soil that is unstable, or	That the development of the project complies with the applicable General Plan policies, as well as the California Building Code.	City of Hanford must ensure conditions are set forth to mitigate impacts; Developer to comply with standards

	that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?		
MM Geology 2:	That the project may expose people or structures to potential substantial adverse effects including the risk of loss, injury, or death involving: - strong seismic ground shaking; - seismic-related ground failure, including liquefaction. The project may be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	That a geotechnical and soil studies be prepared as a required by the Building Official (if applicable).	Building Official to require; developer to conduct study
MM Geology 3:	That the project could result in substantial soil erosion or the loss of topsoil?	That the physical development of the project comply with the Hanford Municipal Code Section 15.52 Flood Damage Prevention Regulation and the California Building Code, along with the plan check and development review process.	City to require; developer to comply
HAZARDS AND HAZARDOUS MATERIALS			
MM Hazards 1	That the project could create a significant hazard to the public or the	If hazardous materials at or above threshold reporting quantities (55 gallons of a liquid, 500 pounds of a solid, or 200 cubic feet of a gas) will be kept on site during the construction phase, a Hazardous Materials	Developer

	environment through the routine transport, use, or disposal of hazardous materials?	Business Plan must be filed online at http://cers.calepa.ca.gov within 30 days of beginning operations. Hazardous materials are broadly defined, and include fuel, lubricants, antifreeze, motor vehicle batteries, welding gases, paints, solvents, glues, agricultural chemicals, etc. Please contact our office if you require assistance with the online registration process. Any quantities of hazardous wastes generated by the construction operation must be managed in accordance with Federal, State, and local laws and regulations. Hazardous wastes cannot be disposed of into the municipal waste stream or onsite sewage disposal system. The owner/operator must contact the Kings County Environmental Health Department at with any questions regarding proper management and reporting of hazardous wastes, such as waste oil/filters, associated with this operation.	
MM Hazards 2	That the project could create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? That the Project could create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	Any quantities of hazardous wastes generated by the construction operation must be managed in accordance with Federal, State, and local laws and regulations. Hazardous wastes cannot be disposed of into the municipal waste stream or onsite sewage disposal system. The owner/operator must contact our office at with any questions regarding proper management and reporting of hazardous wastes, such as waste oil/filters, associated with this operation.	Developer
HYDROLOGY AND WATER QUALITY			
MM Hydrology 1 & 2	The project could potentially violate water quality standards or waste discharge requirements. That the project could	1) All new development that disturbs more than one acre is required to comply with the General Permit Order No. 2012-006-DWQ during construction. Proponents of new development would have to develop and implement a stormwater pollution prevention plan (SWPPP) that specifies best management practices (BMPs) to prevent construction pollutants from contacting stormwater, with the intent of keeping all	City to require; Developer to provide

	potentially substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	products of erosion from moving off-site and into receiving waters; eliminate or reduce non-stormwater discharges to storm sewer systems and other waters of the United States; and inspect all BMPs; 2) New development would be required to implement appropriate minimum control measures (MCMs) and design standards in compliance with Phase II General Permit, as outlined in the Stormwater Management Plan, as well as the City's grading plan and site development requirements.	
MM Hydrology 3	The project could potentially substantially alter the existing drainage pattern of the site or area, including through the alteration of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	New development must submit grading plans. Site development must comply with the requirements of the City Building Division and incorporate best management practices/design standards.	City to require; Developer to provide
	Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	New development must submit grading plans. Site development must comply with the requirements of the City Building Division and incorporate best management practices/design standards.	City to require; Developer to provide
MM Hydrology 4	Otherwise substantially degrade water quality?	New development would have to incorporate best management practices and adhere to design standards to maximize the reduction of pollutant loadings in runoff to the maximum extent practical.	City to require; Developer to provide

NOISE					
MM Noise 1:	Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	Comply with applicable regulations and policies of the General Plan to ensure that construction-related impacts would be attenuated to the greatest extent feasible.	Residents and developer; Police to enforce		
MM Noise 2 & 3:	Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? The project could cause a substantial temporary or periodic increase in ambient noise levels existing without the project?	Construction is limited to the hours of 7 a.m. to 10 p.m.	Developer; Police to enforce		
PUBLIC FACILITIES					
MM Public Facilities 1:	The project may result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities. (Fire)	The project will be subject to fire impact fees.	Developer to pay		
MM Public Facilities 2	The project may result in substantial adverse	The project will be subject to police impact fees.	Developer to pay		

	physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities. (Police)		
MM Public Facilities 3	The project may result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities. (Schools)	That the development of the project will be subject to School Impact Fees.	Developer to pay
RECREATION			
MM Recreation 1	The project could potentially increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	That a two-acre park shall be provided for the subdivision proposed under Tentative Tract 929.	City to require; developer to provide
UTILITIES AND SERVICE SYSTEMS			
MM Utilities 1	Would the project have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or	That the future development would be required to implement water conservation measures.	City to require and ensure compliance; developer and future occupants

	expanded entitlements needed?		to adhere
MM Utilities 2:	Would the project comply with federal, state, and local statutes related to solid waste?	That the future project be required to comply with all statutes and regulations related to solid waste.	City to require; developer to provide

Exhibit C:
Conditions of Approval

PLANNING DIVISION
SITE PLAN REVIEW COMMENTS

MEETING DATE: July 10, 2019

TENTATIVE TRACT NO. 929

CONTACT: Gabrielle Myers, Senior Planner: (559) 585-2578

General Plan Designation: Low-Density Residential

Zoning: Pre-zone for R-L-5 Low-Density Residential

Other Special Districts: N/A

Planning Division Recommendation ☒ Revise and Proceed ☐ Resubmit

Required Entitlements:

1. Annexation
2. Pre-Zone
3. Lot Line Adjustment

General Requirements:

- ☒ That the applicant hereby agrees to hold the City of Hanford and all of its departments, officers, agents, and employees free and harmless of and from all claims of any kind or nature arising out of or by reason of the approval of this project.
- ☒ That approval of this project does not exempt compliance with all applicable sections of the Uniform Fire and Building Codes, Zoning Ordinance, Public Works Improvement Standards, and other City Ordinances.
- ☒ That the final map be submitted to the City Engineer and Community Development Department for compliance with the Tentative Subdivision Map approval prior to recording the final map.
- ☒ That all conditions of approval listed in this resolution by the City of Hanford be contained in the line drawing submitted for building permits.
- ☒ That in accordance with Title 16 of the Hanford Municipal Code, all conditions of this subdivision listed herein, and contained in subsequent improvement agreements, excluding the landscape district, must be completed and accepted for maintenance by the City Council prior to the final building inspection and occupancy permits being issued for the first house in the subdivision.
- ☒ That Vesting Tentative Tract 929 be developed consistent with the approved tentative tract map, attached as Exhibit A.

- ☒ That the tentative tract is subject to the mitigations cited in the Mitigation Monitoring and Reporting Program, attached as Exhibit B (to be developed as part of the environmental review of the project).

Right-to-Farm:

- ☒ Notwithstanding any other provision in this Chapter, agricultural operations are the principal and favored use of land in the areas of Kings County designated "Agricultural" in the Kings County General Plan and included in the agricultural zone districts of the Kings County zoning ordinance. In order to implement Policy LU 8.2 and Program LU 8.2-A of the city of Hanford General Plan, there is hereby adopted in the city of Hanford a policy to (1) protect agricultural land, operations, and facilities from conflicting use due to the encroachment of incompatible, non-agricultural uses of the land in agricultural areas of the county, and (2) to advise developers, owners, and subsequent purchasers of property in the city of Hanford within one (1) mile of the city's urban limit line of the inherent potential inconveniences and discomforts often associated with agricultural activities and operations, including, but not limited to, equipment and animal noise; farming activities conducted on a 24-hour a day, 7-days a week basis; odors from manure, fertilizers, pesticides, chemicals, or other sources; the aerial and ground application of chemicals and seeds; dust; flies and other insects; and smoke from agriculture operations.
 - ☒ That no lawfully established and otherwise lawful agricultural activity, operation, or facility, or appurtenances thereto, conducted or maintained for commercial agricultural purposes in a manner consistent with proper and accepted customs and standards as established and followed by similar agricultural operations in the same locality, shall be or become a nuisance, private or public, due to any changed condition in or about the locality, including, but not limited to, the encroachment of non-agricultural uses such as residences.
 - ☒ In order to carry out the goals and policies of the city of Hanford General Plan, and the provisions of this chapter, the following notices and disclosures shall be required:
 - ☒ All approvals for improvement or development of property including without limitation application for rezonings, land divisions, zoning permits, and residential building permits, on property in the city of Hanford within one (1) mile of the city's urban limit line, shall include a condition that notice and disclosure of this agricultural land use policy be given by the applicant, or the owner if different from the applicant. The applicant, or owner if different from the applicant, shall also acknowledge the contents of the notice and disclosure, which includes a description of the property the notice and disclosure pertains to, in the Official Records of the Kings County Recorder, and recorded at the applicant's own expense.
- Zoning:**
- ☒ That all requirements of the R-L-5 Low-Density Residential district shall apply.

Dwelling Units per Lot (Section 17.10.050)

- ☒ That not more than one dwelling unit shall be allowed on each lot, unless approved as an accessory use to an allowed or approved conditional use, or approved as an accessory dwelling unit, in accordance with Section 17.60.030 of the Hanford Municipal Code.

Coverage (Section 17.10.060)

- ☒ That the maximum overage shall be determined by the combined building setback requirements, accessory structure limitations, and off-street parking requirements.

Building Setback Area (Section 17.10.070)

- ☒ That no structure shall be placed within a building setback area.
- ☒ The front building setback area shall be 15 feet from the front lot line for livable space and 20 feet for garages, carports, and other non-livable building space.
- ☒ That the rear building setback shall be 15 feet from the rear lot line, except where there is a landscape easement with a wall or fence on the rear of the lot, then the rear building setback shall be 20 feet.
- ☒ The rear building setback area shall be increased by 10 feet for buildings over one-story high.
- ☒ That where there is a landscape easement with a wall or fence on the street side of the lot the side yard setback area shall be measured from the easement area instead of the side lot line.

Distance between Structures (Section 17.10.080)

- ☒ The minimum distance between structures shall be 10 feet, except as provided by the building code.

Height of Structures (Section 17.10.090)

- ☒ The maximum structure height shall be 35 feet.

Driveways (Section 17.10.110)

- ☒ That the width of a driveway and any paved area shall not cumulatively exceed 40% of the width of the lot's street frontage on which the driveway and any paved area faces. In the case of "L" or "U" shaped driveways or other configurations besides perpendicular driveways, the paved area of these driveways shall not exceed 50% of the front building setback area.
- ☒ That on corner lots, the driveway shall be located on the side of the lot adjacent to the interior lot line.
- ☒ That on key lots, the driveway shall be located on the side of the lot, which is not adjacent to the rear lot line of the adjacent reverse corner lot.

Usable Open Space (Section 17.10.150)

- ☒ That each lot shall provide for a usable open space area of a minimum 400 feet that is a minimum 15 feet wide.

Landscaping (Section 17.10.160)

- ☒ That landscaping be provided in accordance with Section 17.52 Landscape Standards of the Hanford Municipal Code.
- ☒ That except for driveways and approved parking areas all yard areas and setback areas visible from the street shall be landscaped with live plant materials and ornamentation common to the Hanford area or up to 100% of the yard and setback area may be landscaped with artificial turf and other permeable surfaces.
- ☒ That two street trees, a minimum 15 gallon size, shall be planted on all lots 6,000 square feet or greater. One of the two shall be planted 12 feet (no greater or no less) from the face of the front lot line street curb.
- ☒ That one street tree, a minimum 15 gallon size, shall be planted on all lots less than 6,000 square feet. The tree shall be planted in the parkway. If there is no parkway, the tree shall be planted four feet behind the sidewalk.
- ☒ That there shall be two additional street trees, a minimum 15 gallon size, planted on all corner lots in the parkway adjacent to the street side lot line.
- ☒ That all species of trees shall be selected from a list approved by the City Parks and Recreation Commission.
- ☒ That each lot owner within Tentative Tract 929 shall care for and maintain the trees and lawn area located in the parkway in front of their lot(s). For corner lots, the lot owner shall also care for and maintain the parkway trees and land area along the street-side of their lot. The parkway is defined as that land area located between the street curb and the public sidewalk.

Environmental Requirements:

- ☒ That if fireplaces are proposed in the residential units, natural gas fireplaces or EPA-certified wood-burning fireplaces/stoves are to be installed in every unit that has a fireplace. Conventional open-hearth fireplaces are not allowed.
- ☒ That natural gas lines and electrical outlets be installed in backyards or patios to encourage use of gas and/or electric barbecues.
- ☒ That electrical outlets be installed around the exterior of the residential units to encourage use of electric lawn mowers, edgers, etc.

Noise:

- ☒ That construction equipment is muffled and construction activities be limited to the hours between 7:00 a.m. to 10:00 p.m., Monday through Friday, unless the construction is within the enclosed structure or approved by the Community Development Department.
- ☒ That noise from fixed mechanical equipment, when measured at the property line, meets the standard of the Hanford Noise Element.

Rooftop Equipment HMC Section 17.50.100

- ☒ That all elevator housing and mechanical equipment located on the roof of any building shall be screened from adjacent views and contained within a completely enclosed penthouse or portion of the same building having walls and roofs with construction and appearance similar to the building.

Outdoor Lighting Standards HMC Section 17.50.140

- ☒ That all lights and light fixtures, except public street lights, shall be located, aimed or shielded so as to minimize light trespassing across property boundaries or skyward.
- ☒ That no lights or light fixtures shall flash, revolve, blink or otherwise resemble a traffic control signal or operate in such a fashion to create a hazard for passing traffic.
- ☒ That building mounted lighting fixtures shall be attached only to the walls of the building. The top of a light fixture attached to a building wall shall not be higher than the top of the building parapet or the top of the roof eave, whichever is lower.
- ☒ That canopy ceiling light fixtures shall be recessed or the sides of the lens area shall be shielded in order to eliminate emission of horizontal light.
- ☒ That mercury vapor lamps shall be a fully shielded fixture with all light directed on-site.
- ☒ That freestanding light fixtures shall not exceed eighteen (18) feet in height measured from the top of a light fixture to the adjacent grade at the base of the support for that light fixture.

Tents, Tarps, and Other Coverings (Section 17.50.130)

- ☒ That no front or side building setback area shall be covered by tents, tarps, cloth, fabric, or a wood or metal covering or structure except for the following:
 - ☒ Standard window and door awnings
 - ☒ Ornamental covers, such as a sidewalk or entry awning trellis, or other similar improvement intended as an improved passageway or for aesthetic purposes providing architectural integrity with the building to which it is attached. Supports shall be ninety (90) percent open and shall not be enclosed.

Dust Control:

- ☒ That the appropriate dust-control practices of the San Joaquin Valley Air Pollution Control District shall be implemented.
- ☒ That the any necessary permits be obtained through the San Joaquin Valley Air Pollution Control District.

BUILDING DIVISION

TT 929 (504-0532)

Contact Building Official: Tom Webb (569) 585-2684

Concerning questions that you may have on the conditions listed below:

Soils:

1. That a preliminary soils report, prepared by a qualified soil's engineer, be provided to the Engineering and Building Departments prior to approval of Subdivision Improvement Plans.
2. That a final soils report, prepared by a qualified soils engineer, be provided to the Engineering Department and Building Division prior to acceptance of the subdivision improvements by the City or issuance of building permits or whichever comes first.
3. That the developer retain the design engineer to inspect and verify that grading within the subdivision was constructed as per the approved design, and a copy of the report be provided to the Building Division prior to building permit issuance.

Street Names and Addresses:

1. That street addresses for each lot, as provided by the Building Division, be included on the subdivision final map.
2. That street names, as shown on the tentative subdivision map, be included on the subdivision final maps.
3. That all single family dwellings within the subdivision have illuminated address numbers 2-¼ inches high or be within an illuminated area with 3-½ inch high address numbers installed on the front most part of the building leading to the entrance. In either case the address numbers shall be of contrasting colors with the background.
4. That all landscaping requires permits and must meet requirements at time of installation.
5. That a map must be provided to show existing streets names of surrounding subdivisions that have City maintained streets.

PROJECT: Tentative Parcel Map No. 504-0532, located at the 13th Ave & Cedar Grove St.

I ☒ (do) ☐ (do not) have comments regarding this project.

FIRE DEPARTMENT

*Contact Battalion Chief: David D. Sumaya (559) 585-2545
Concerning questions that you may have on the conditions listed below:*

General:

1. That water mains and fire hydrants be installed before construction (unless otherwise approved by the Fire Department) and be of sufficient capacity for fire protection as well as domestic supply. Fire hydrant(s) are to be located as designated by the Fire Department. All fire hydrants and mains are to meet City standards.
2. That water mains and fire hydrants be installed as per specifications of the Hanford Water Department and shall be of sufficient capacity for fire protection as well as domestic supply. Fire hydrants are to be located as designated by the City Fire Department.
3. That the blue dot location marker(s) is installed six inches from the middle of the street on the hydrant side.
4. An all weather access road that conforms to City standard ST36, shall be installed around the entire project, minimum width of 20 feet and no less than 14 feet vertical clearance. Access roads shall be maintained throughout the duration of the project.
5. No combustible materials shall be allowed on site prior to the hydrant system being operational and approved.



City of Hanford

Department of Public Works

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PROJECT: Tract 929 – Woodside Homes – 13th Avenue and Devon Street

Maps and Plans:

1. That the developer shall submit to the City Engineer a set of construction plans on 24" x 36" sheets for all required improvements. Plans shall be prepared by a registered civil engineer and shall include a drainage and utility plan identifying sizes and location of sanitary sewer, storm drainage and water mains, curbs, gutters, sidewalks, masonry walls, street lights, street improvements, culverts and landscape improvements and all other infrastructure required to complete development. All plans shall be approved by the City Engineer and all other involved agencies before the release of the building permits.
2. That prior to beginning any construction or within ten (10) calendar days after the approved plans are released by the City, the developer shall submit to the City of Hanford Engineering Division one (1) reproducible and four (4) blue line copies of the approved set of construction plans and four (4) bound sets of the approved construction specifications, if any.
3. That within twenty (20) calendar days after all improvements have been constructed and accepted by the City, the developer shall submit to the City of Hanford Engineering Division one (1) reproducible and one (1) blue line copy of the approved set of construction plans revised to reflect all field revisions and marked "RECORD DRAWING."

Easements:

1. That all easements shall be designated on the subdivision final map as required by the utility companies and where needed for providing service to street lights and landscape improvements as designated by the City Public Utilities and Engineer Department.
2. That all easements for irrigation ditches and / or irrigation pipelines shall be legally abandoned or relocated to the satisfaction of the City Engineer prior to the recording of a subdivision final map.
3. That all proposed landscape/public utility easements, located as shown on the tentative subdivision map, shall be dedicated to the City and be delineated on the final subdivision map. Landscape/public utility easement shall meet or exceed the following minimum widths:
 - a.) 13th Ave– Ten feet
 - b.) Devon Street – Ten feet
 - c.) All residential streets – Six feet

Dedications:

1. That all proposed streets and street extensions, located as shown on the tentative subdivision map, shall be dedicated to the City as public right-of-way, and any alteration of existing utilities shall be the responsibility of the developer.

John Doyel
Utilities and Engineering Director (559) 585-2571

08/05/19
DATE



City of Hanford Department of Public Works

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2. That all proposed landscape public utility easements, located as shown on the tentative subdivision map shall be dedicated to the City for landscape and public utility purposes concurrent with the recording of a subdivision final map, unless modified herein.

Restricted Access:

1. That a one-foot reservation strip shall be established at the end or sides of all streets abutting undeveloped property and be indicated on the subdivision final map.
2. That all access shall be restricted from lots at the property lines backing onto 13th Ave and Devon Street and shall be indicated on the subdivision final map.

Street Improvements:

1. That all improvements consisting of sanitary sewers, storm sewers, water mains, concrete curbs, gutters, sidewalks, street lights, landscaping, street sub-grading, surfacing and striping and all other improvements shall be installed in accordance with Chapter 16.24, "Improvements", of the Hanford Municipal Code and this resolution pertaining to subdivision improvements in effect at the time of filing the tentative subdivision map.
2. That all streets within the subdivision shall be developed to residential street standard ST-32, except the following:
 - a. 13th Ave shall be developed as a major arterial street along the entire development frontage. All improvements shall be constructed in conformance with City Standards ST-17 and ST-18 and as follows:
 1. Traffic Index used for the design of street structural section shall be a minimum of 10.0.
 2. A geotechnical report shall be submitted to the City Engineer identifying the existing structural section thickness of 13th Avenue, from Devon Street to the northern limits of subdivision, concurrent with the submittal of development improvement plans. Reconstruction of 13th Avenue between Devon Street and the north boundary of subdivision (or another form of mitigation as approved by the City Engineer) will be required if the existing street structural section does not conform to City Standards and Specifications.
 3. Street improvements shall include, but not be limited to, the installation of concrete curb and gutter, sidewalk, landscaping, decorative masonry block wall, street lights, half width street construction on the east side of 13th Avenue, including pavement reconstruction of existing roadway if applicable, plus a 16 foot wide concrete curbed and landscaped raised median with a protected southbound left turn lane at Devon Street and Stagecoach Drive, and a minimum 12 foot Southbound travel lane and a 4 foot paved shoulder west of the median, including pavement reconstruction of roadway if applicable, and all street signing, striping and transition paving as required.
 - b. Devon Street shall be developed as a major collector street, along the development frontage of the subdivision. All improvements shall be constructed in conformance with City Standards ST-17 and ST-23, and as follows:

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1. Traffic index used for the design of street structural section shall be a minimum of 8.0.
2. Street improvements shall include, but not be limited to, the installation of concrete curb and gutter, sidewalk, landscaping, decorative masonry block wall, street lights, half width street construction south of the centerline, plus a 12 foot westbound travel lane and 4 foot paved shoulder north of the centerline, including pavement reconstruction of existing roadway if applicable, and all street signing, striping and transition paving as required. (Raised median island not required).
3. A left-hand turn pocket will be required for southbound traffic to Devon Street.
3. That street lights shall be installed throughout the subdivision in conformance with City Standard GE-56 and Southern California Edison requirements. Street lights shall be located as designated by City Engineer.
4. That the developer shall attempt to acquire additional street right-of-way along the "Existing Residence" frontage and make street improvements. City to reimburse for offsite right-of-way and improvement cost.
5. That development is subject to a transportation mitigation impact fee as required by City Municipal Code section 15.48 and any revisions thereof. Developer shall be entitled to a credit towards their development impact fee for permanent street improvements constructed by developer within 13th Ave, consisting of curb & gutter, street striping, signing and street paving from gutter lip to edge of the existing 13th Ave street sections. If applicable, developer may also be entitled to credit towards impact fees for supplemental transportation capacity improvements to the existing 13th Ave street section. Transitional paving improvements beyond the development limits, that are not considered to be a permanent improvements and the reconstruction of the existing 13th Ave street section, if required, will not be subject to a credit. Developer shall submit competitive bid proposals to substantiate the cost of reimbursable items for City Public Utilities and Engineer Department review and approval prior to beginning construction. All documentation materials submitted for reimbursement consideration shall be well organized and tabulated for convenient reference by Public Utilities and Engineer staff. Improvement quantities and costs proposed for reimbursement must be clearly identified in the documentation provided, and not combined or aggregated with non-reimbursable subdivision improvement costs. Appropriate graphic exhibits referenced to the subdivision improvement plans shall also be provided as needed to facilitate the reimbursement review process.

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Backup Parkway Improvements:

1. That the developer shall design and construct the following improvements along the development frontages of 13th Avenue and Devon Street for lots backing onto said streets:
 - a. A minimum six foot high decorative masonry block wall with continuous reinforced concrete footings. Masonry walls shall be treated with anti-graffiti repellent. The minimum height of the wall shall be measured from the highest elevation grade of the property located adjacent to either side of the wall. Wall heights shall be maintained at a uniform grade / slope whenever possible. If elevation changes are required, steps shall be introduced at pilaster locations and / or changes in wall direction. Wall improvement plans shall be designed to incorporate architectural, civil and structural components into one set of drawings. Wall plans shall be reviewed and approved by both the City Public Utilities and Engineer and Community Development Departments.
 - b. A 4 1/2 foot wide meandering detached sidewalk along the development frontages of 13th Avenue and Devon Street.
 - c. Landscaping and irrigation system improvements along the development frontages of 13th Avenue and Devon Street shall be prepared by a licensed landscape architect. Plans shall be reviewed and approved by the City Public Utilities and Engineer, Parks & Recreation, and Community Development Departments.
2. That all species of trees and plants shall be selected from a list approved by the City's Parks and Recreation Commission.
3. That all new and existing electrical boxes, control boxes and other equipment boxes (excluding traffic control) cabinets along the street frontage shall be painted hunter green or be of a color compatible with the landscaping. Prior to painting, all metal surfaces shall be treated with an etching primer (zinc chromate) or equivalent. All new irrigation electrical and control cabinets shall be mounted into the masonry wall per City Standards.
4. That a covenant including each residential lot within the subdivision and requiring care and maintenance of local street park strip landscape improvements along the individual lot frontage(s) by the homeowners thereof shall be recorded concurrent with the final map.

Neighborhood Park Improvements:

1. That the developer shall consult with City Parks & Recreation and Utilities and Engineering staff prior to the design and construction of park facility improvements. The design and construction of park facility improvements shall be concurrent with the first phase of development. Park improvements shall include, but may not be limited to: Recreational areas, decorative landscaping and irrigation system improvements, drinking fountains, park benches, decorative security lights and trash receptacles. The developer shall retain the services of a licensed landscape architect to design all park facility improvements.
2. That the development is subject to a park development mitigation impact fee as required by City Municipal Code Section 15.44 and any revisions thereof. Developer shall be entitled to a credit towards the subdivision park impact fee obligation for all park improvements constructed

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by the developer in accordance with the Municipal Code. Developer shall submit competitive bid cost proposals to substantiate cost for reimbursable items for City Public Utilities and Engineering department review and approval prior to beginning construction. Reimbursement for park land acquisition costs shall be determined based upon the market value of the property at the time of filing the tentative subdivision map with the city as per Section 66480 of the Subdivision Map Act.

Sewer Improvements:

1. That the developer's engineer shall provide a sanitary sewer master plan complete with calculations for the entire subdivision for City Utilities and Engineering Department review and approval prior to recording a subdivision final map for the development. Provisions shall be made to provide service for future areas of development located adjacent to the subdivision.
2. That the developer shall extend existing sewer within Devon Street to 13th Ave.
3. That the developer may be entitled to a refund for sewer main over-sizing in accordance with City Municipal Code Section 13.08. Developer's engineer shall be required to submit calculations to substantiate request for an over-sizing refund to the City Public Utilities and Engineering Department for review and approval. The developer shall submit competitive bid proposals to substantiate costs for sewer main over-sizing for City Utilities and Engineering Department review and approval prior to beginning construction.
4. That the developer may be entitled to enter into a reimbursement agreement in accordance with City Municipal Code section 13.08 for sewer system improvements which also provide a benefit to others. Developer shall submit competitive bid proposals to substantiate costs for said sewer system improvements for Public Utilities and Engineering Department review and approval prior to beginning construction.

Storm Drainage Improvements:

1. That the developer's engineer shall provide a storm drainage master plan complete with calculations for the entire subdivision for City Public Utilities and Engineering Department review and approval prior to recording a subdivision final map for the development. Provisions shall be made to provide service for future areas of development located adjacent to the subdivision.
2. That all drainage from proposed development shall be retained in retention drainage basin located as shown on the tentative subdivision map.
3. That developer shall be required to comply with State of California Water Resources Control Board requirements specifically related to the National Pollution Elimination System Permit process.

John Doyel
Utilities and Engineering Director (559) 585-2571

08/05/19
DATE



City of Hanford

Department of Public Works

900 South 10th Ave. • Hanford, CA 93230-5234 • (559) 585-2550

Water System:

1. That the developer's engineer shall provide a Water System Master Plan complete with calculations for the entire subdivision for City review and approval prior to recording a subdivision final map for the development. Provisions shall be made to provide service for future areas of development located adjacent to the subdivision.
2. That a minimum 12 inch diameter water main and appurtenances shall be extended within the future alignment of Devon Street, from the eastern limits of subdivision to 13th Avenue, and within 13th Ave, from Devon Street to the northerly boundary. Improvements shall conform to the City's water master plan.
3. That the developer may be entitled to a refund for water main over-sizing in accordance with City Municipal Code Section 13.04. Developer's engineer shall be required to submit calculations to substantiate request for an over-sizing refund to the City Public Utilities and Engineer Department for review and approval. The developer shall submit competitive bid proposals to substantiate costs for water main over-sizing for City Public Utilities and Engineer Department review and approval prior to beginning construction.
4. That the developer may be entitled to enter into a reimbursement agreement in accordance with City Municipal Code section 13.04 for water system improvements which also provide a benefit to others. Developer shall submit competitive bid proposals to substantiate costs for said water system improvements for Public Utilities and Engineer Department review and approval prior to beginning construction.
5. That all existing water wells located within the proposed development shall be abandoned in conformance with State of California Department of Health Standards.

Assessment District:

1. That the developer shall enter into an agreement with the City for the formation of a tax assessment district for the maintenance of interior subdivision street lighting, decorative block fencing, and landscaping located along the property frontages of 13th Avenue and Devon Street located as shown on the tentative subdivision map.
2. That prior to funds from the tax assessment district being obtained, the developer shall be responsible for the maintenance of all landscaping, subdivision interior street lighting and decorative fencing.

City Development Impact Fees:

1. That development is subject to a Police Development Impact Fee as required by City Ordinance No. 98-14, and any revisions thereof. Fee payable with each building permit.
2. That development is subject to a Fire Development Impact Fee as required by City Ordinance No. 98-14, and any revisions thereof. Fee payable with each building permit.
3. That development is subject to a Park Development Impact Fee as required by City Ordinance No. 90-10 and any revisions thereof. Fee payable with each building permit.

John Dovel
Utilities and Engineering Director (559) 585-2571

08/05/19
DATE



City of Hanford

Department of Public Works

900 South 10th Ave. • Hanford, CA 93230-5234 • (559) 585-2550

4. That development is subject to a Transportation mitigation Impact fee as required by City Ordinance No. 90-09 and any revisions thereof. Fee payable with each building permit.
5. That the development is subject to a Wastewater System Development Impact fee as required by City Ordinance No. 98-14, and any revisions thereof. Fee payable with each building permit.
6. That development is subject to a Water System Development Impact Fee as required by City Ordinance No. 98-14 or any revisions thereof. Fee payable with each building permit.
7. That development is subject to a Refuse and Recycling Development Impact Fee as required by City Ordinance No. 05-16 or any revisions thereof. Fee payable with each building permit.
8. That development is subject to a Storm Drainage Development Impact Fee as required by City Ordinance No. 98-14, and any revisions thereof. Fee payable prior to recording of subdivision final map.
9. That development is subject to a 12th Avenue Sanitary Sewer area of benefit district assessment fee as required by City Ordinance No. 92-03 or any revisions thereof, if applicable. Fee shall be payable prior to recording to recording of final subdivision map.

John Dovel
Utilities and Engineering Director (559) 585-2571

08/05/19
DATE

66479 Provisions for Reservation of Property for Certain Public Facilities by Local Agency

There may be imposed by local ordinance a requirement that areas of real property within the subdivision be reserved for parks, recreational facilities, fire stations, libraries, or other public uses, subject to the following conditions:

- (a) The requirement is based upon an adopted specific plan or an adopted general plan containing policies and standards for those uses, and the required reservations are in accordance with those policies and standards.
- (b) The ordinance has been in effect for a period of at least 30 days prior to the filing of the tentative map.
- (c) The reserved area is of such size and shape as to permit the balance of the property within which the reservation is located to develop in an orderly and efficient manner.
- (d) The amount of land reserved will not make development of the remaining land held by the subdivider economically unfeasible.

The reserved area shall conform to the adopted specific or general plan and shall be in such multiples of streets and parcels as to permit an efficient division of the reserved area in the event that it is not acquired within the prescribed period; in such event, the subdivider shall make those changes as are necessary to permit the reserved area to be developed for the intended purpose consistent with good subdividing practices.

[Amended, Chapter 1009, Statutes of 1984]

66480 Requirement and Time Period for a Public Agency to Enter into Binding Agreement to Acquire Reserved Area

The public agency for whose benefit an area has been reserved shall at the time of approval of the final map or parcel map enter into a binding agreement to acquire such reserved area within two years after the completion and acceptance of all improvements, unless such period of time is extended by mutual agreement. The purchase price shall be the market value thereof at the time of the filing of the tentative map plus the taxes against such reserved area from the date of the reservation and any other costs incurred by the subdivider in the maintenance of such reserved area, including interest costs incurred on any loan covering such reserved area.

Tract 929, Units 1 & 2 = 158 lots					
Tract 929, unit 1 Reimbursements	Quantity	Unit	Unit Cost	Cost	
Offsite (NAP) Improvements and R/W -					
Additional R/W on 13th Avenue (63 x 180' = 11340 SF) (\$100k/AC)	0.26033	LS	\$100,000.00	\$26,033.00	\$26,033.00
C&G	180	LF	\$11.00	\$1,980.00	
Sidewalk (180' x 4')	720	SF	\$2.95	\$2,124.00	
6" AC + 10" AB (180' x 34') with escalation cost	6120	SF	\$3.99	\$24,425.45	
Landscaping (frontage) cost based on Park sf costs	1080	SF	\$0.90	\$975.62	
Irrigation (frontage)	1080	SF	\$1.07	\$1,154.04	
Median curb	360	LF	\$9.00	\$3,240.00	
Stamped concrete	720	SF	\$7.95	\$5,724.00	
Block Wall - not included in conditions of approval	180	LF	\$0.00	\$0.00	\$39,623.10
					\$65,656.10
Park Improvements					
Irrigation				\$80,360.00	
Landscape				\$95,056.00	
Site Amenities				\$31,641.00	
Play Structuree				\$93,062.00	
City approves costs for park concrete at the same rates as the subdivision improvement rates.					
Davis and Roberts Invoice for park					
Sidewalk	13200	LF	\$2.95	\$38,940.00	
Mowstrip and Park Curb	320	LF	\$11.00	\$3,520.00	
					\$342,579.00
Park Land Reimbursement	2.04219	AC	\$100,000.00		\$204,219.00
					\$546,798.00
	Quantity	Unit	Cost		

	Lots in Unit 1 AND Unit 2		Impacy Fee	Collected	Reimbursements
Park Impact Fee	158		\$2,899.77	\$458,163.66	\$546,798.00
Transportation Impact	158		\$4,117.12	\$650,504.96	\$65,656.10

City Forces Install at Park	<u>Description</u>	<u>Quantity</u>	<u>Cost</u>	<u>Total</u>
	Solar lights (First Lite Model SCL2)	4	\$1,500.00	\$6,000.00
	Drinking Fountain (Haws Model 3500)	1	\$5,300.00	\$5,300.00
	Construct Sump Drain	1	\$1,500.00	\$1,500.00
				\$12,800.00



DOC NBR: 2301830 02/07/2023 08:41 AM
OFFICIAL RECORDS OF Kings County
Kristine Lee, Clerk-Recorder,
RECORDING FEE: \$0.00
COUNTY TAX: \$0.00
CITY TAX: \$0.00

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Hanford
319 N. Douty St.
Hanford, CA 93230
Attn: City Clerk

CONFORMED COPY

DOC TYPE: 07
6 PGS
R065

CITY OF HANFORD

SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

Grant Deed

TITLE OF DOCUMENT

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

SEPARATE PAGE PURSUANT TO GOVERNMENT CODE 27361.6
ADDITIONAL FEES MAY BE REQUIRED

RECORDING REQUESTED BY:

When Recorded Mail Document and Tax
Statement To:

Name: City of Hanford
319 N. Douty St.
Hanford, CA 93230

APN: 009-030-145 / 168

SPACE ABOVE THIS LINE FOR RECORDER'S USE

*EXEMPT FROM RECORDING FEES
PURSUANT TO GCM CODE SECTION
27281 AND DOCUMENTARY TRANSFER
TAX PURSUANT TO DOCUMENT AND GCM CODE SECTION 11922*

GRANT DEED

The undersigned grantor(s) declare(s)

Documentary transfer tax is \$ None

		computed on the full value of property conveyed, or
		computed on the full value less value of liens or encumbrances remaining at time of sale,
		Unincorporated Area (X) City of Hanford

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Brian D. McCutcheon, an unmarried man

hereby GRANT(S) to:

CITY OF HANFORD, a Municipal Corporation,

Property in fee, over and across the real property in the City of Hanford, County of Kings, State of California, described as follows:

SEE EXHIBIT "A" ATTACHED FOR LEGAL DESCRIPTION AND PLAT, and CERTIFICATE OF ACCEPTANCE, attached hereto and made a part hereof.

DATE: October 26, 2021

Brian D. McCutcheon

By: 

BRIAN D. MCCUTCHEON

MAIL TAX STATEMENTS AS DIRECTED ABOVE

GRANT DEED

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Kings

On Oct 30, 2021 before me, GAY Lynne Hooper, Notary Public, personally appeared Brian D. McCutcheon, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature GAY Lynne Hooper

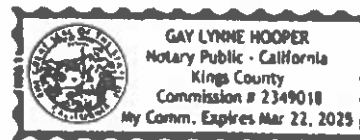


EXHIBIT A

A portion of the Southwest Quarter, of the Northwest Quarter, of Section 22, Township 18 South, Range 21 East, MDB&M, according to the approved Government Township Plats thereof, in the City of Hanford, County of Kings, State of California described as follows:

Commencing at the Northwest corner of said Southwest quarter of the Northwest quarter of said Section 22;

Thence South $0^{\circ}06'53''$ West, along the West line of said Quarter, a distance of 320.00 feet to the True Point of Beginning;

Thence North $89^{\circ}50'45''$ East, parallel with the North line of said Section 22, a distance of 63.00 feet;

Thence South $0^{\circ}06'53''$ West, parallel with the West line of said Quarter, a distance of 180.00 feet;

Thence South $89^{\circ}50'45''$ West, parallel with the North, line of said Section 22, a distance of 63.00 feet to the West line of said Quarter;

Thence North $0^{\circ}06'53''$ East, along last said West line, a distance of 180.00 feet to the True Point of Beginning;

Containing 11,340 square feet, more or less.

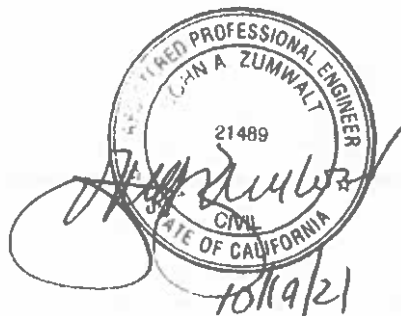
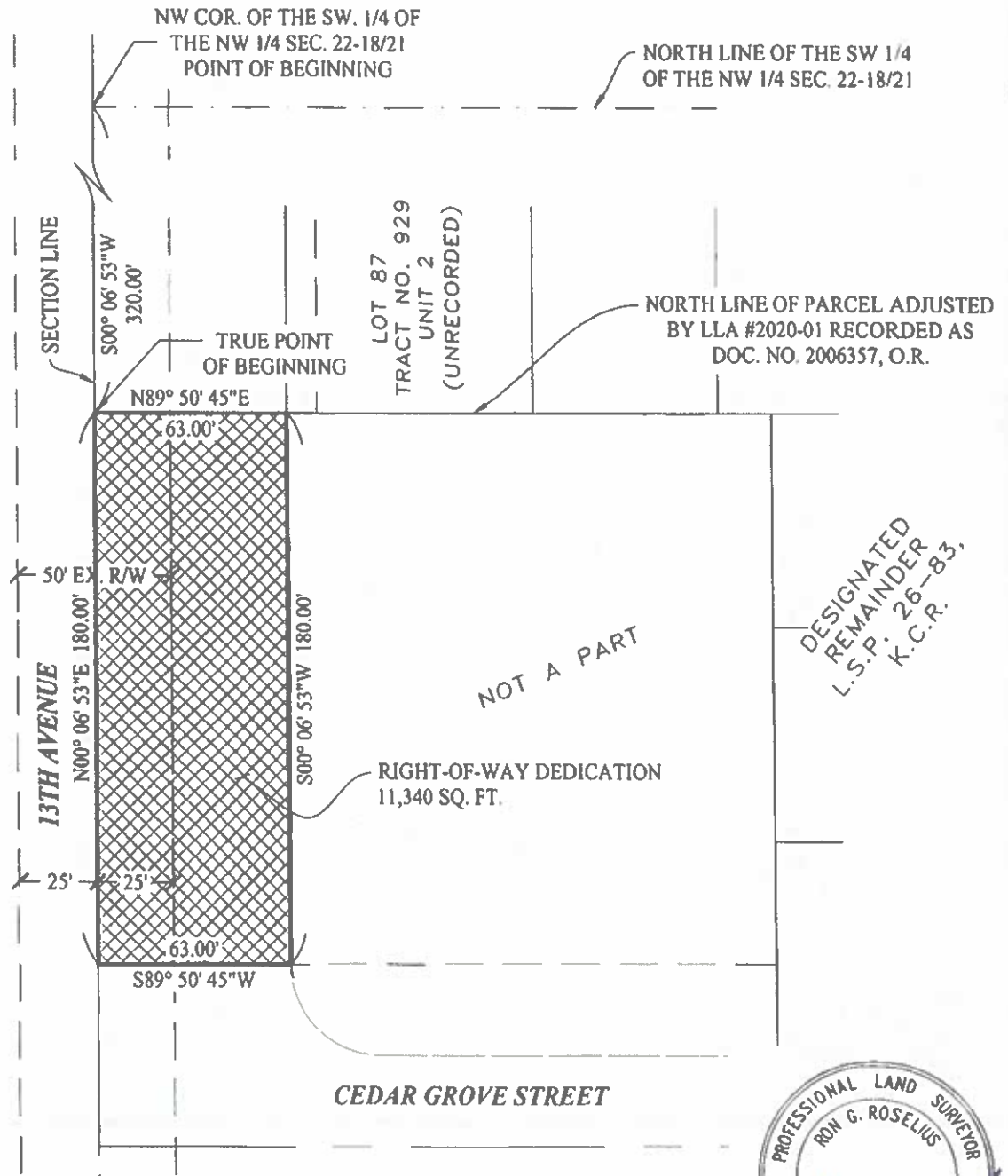


EXHIBIT "A"



0 25 50
SCALE: 1"=50'



CML ENGINEERS
ZUMWALT
HANSEN & ASSOCIATES
LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93230
Office: (559) 582-1056
Fax: (559) 584-4143

**63' WIDE
RIGHT-OF-WAY
DEDICATION**

Job No. 0778013
Drawn By: MO
Checked By: RR
Indexed By:
Date: 7/23/2021

Sheet No.

1 of 1

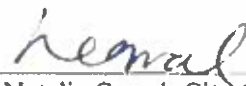
DEED CERTIFICATION

This is to certify that the interest in real property conveyed by the Grant of Easement Deed dated October 26, 2021 from Brian D. McCutcheon, to the CITY OF HANFORD, a municipal corporation, is hereby accepted by order of the City Council of the City of Hanford and the Grantee consents to recordation by its duly authorized officer.

DATED: 11-28, 2021

CITY OF HANFORD,
a municipal corporation

By: 
For: Mario Cifuentes, City Manager

Attest: 
Natalie Corral, City Clerk



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: GENERAL BUSINESS

SUBJECT:

Authorization to reimburse Presidio JJR Sterling Oaks 104, LLC in the amount of \$672,607.51 for the City Park land acquisition and park improvements located within Tract No. 865, Unit No. 1; and approve an additional appropriation of \$522,607.51 from the Parks Impact Fee Fund to fulfill reimbursements.

RECOMMENDATION:

That the City Council, by motion:

1. Authorize a Reimbursement to Presidio JJR Sterling Oaks 104, LLC in the amount of \$672,607.51 for the City Park land acquisition and improvements located within Tract No. 865, Unit No. 1
2. Appropriate an additional \$522,607.51 from the Parks Impact Fees budget to fulfill reimbursements.

RECOMMENDATION MOTION: I move to authorize a reimbursement to Presidio JJR Sterling Oaks 104, LLC in the amount of \$672,607.51 for the City Park land acquisition and improvements located within Tract No. 865, Unit No. 1; AND appropriate an additional \$522,607.51 from the Parks Impact Fees budget to fulfill the reimbursement.

BACKGROUND:

Tract No. 865, Unit No. 1, is a 100 lots single family development that is located at the northeast corner of Houston Avenue and Alpine Street, as shown on the attached Final Map. This first phase is part of the larger Live Oak East Master Planned Development, which will contain 1560 single family residential lots at completion.

On December 1, 2020, the City Council approved the attached Resolution 20-23-R for Vesting Tentative Tract 865 for Presidio JJR Sterling Oaks 104, LLC. The development included requirements for the construction of a City Park, and states that the developer will be reimbursed for park land and for 50% of the park improvements through a Parks Impacts Fee credit at the time of

building permits. A copy of Resolution 20-23-R is attached for Council review, which includes the Conditions of Approval. As noted on page 12 of 16, "the Developer shall be entitled to a 50% credit towards park development impact fees in accordance with PUD master plan requirements". Per the attached final map, 3.79 acres of park land was dedicated to the City of Hanford, and improvements were completed per the Conditions of Approval (COA) requirements.

The Subdivision Map Act, Section 66480 states that "reimbursements for park land acquisition costs shall be determined based upon the market value of the property at the time of filing the tentative map with the city". The land purchase price was \$50,000.00 per acre. With a 3.79-acre park, the reimbursement for land acquisition totals \$189,500.00

The developer is requesting reimbursement for the park land acquisition and for 50% of the required park improvements costs. Based on the costs provided by the developer and per the COA, the total reimbursement for Tract 865, Unit 1 park land and improvements totals \$672,607.51. A copy of the reimbursement calculations is attached for review.

Tract 865, Unit 1 has been paying the Park Impact Fee with each building permit at the assessed rate of \$2,687.08 per lot. The total park impact fees collected for Unit 1 is \$268,708.00. Current and future Live Oak East developments will increase the park impact fees contributions, and at completion, the 1560 lots will provide \$4,191,844.90 in collected park impact fees. A copy of the Live Oak East masterplan layout is attached for Council review.

If approved by Council, reimbursements to the developer will be provided immediately, as the Final Map has been recorded and Lot B (park) has been improved and accepted by the city.

FISCAL IMPACT:

The FY 22/23 Parks Oversizing developer reimbursement project has a current balance of \$150,000 (21800000-823609). An additional appropriation of \$522,607.51 is needed from the Park Impact Fee Fund to reimburse the developer the \$672,607.51 for park land acquisition and improvement requirements.

Attached for Council review is Municipal Code 15.44, Park Impact Fees.

ATTACHMENTS:

1. TRACT 865-1 PARK Reimbursement Calculations
2. 1-TR 865-1-Recorded FM
3. 2-Resolution 20-33-R - Council-highlights
4. 3-TRACT 865-1 PARK Reimbursement Calculations
5. 4-Chapter 15.44 PARK FACILITIES IMPACT FEE
6. 5-Live Oak East Masterplan

OWNERS' STATEMENT:

WE, THE UNDERSIGNED, DO HEREBY STATE THAT WE ARE THE OWNERS OF, OR HAVE SOME RIGHT, TITLE OR INTEREST IN AND TO THE REAL PROPERTY INCLUDED WITHIN THE SUBDIVISION SHOWN UPON THIS MAP AND THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID PROPERTY AND THAT WE CONSENT TO THE MAKING OF SAID MAP AND SUBDIVISION AS SHOWN WITHIN THE DISTINCTIVE BORDER LINES.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED IN FEE FOR PUBLIC PURPOSES:
ALL PUBLIC STREETS, LOTS A, B, C, D AND E AS SHOWN UPON SAID MAP WITHIN SAID SUBDIVISION AND

THOSE CERTAIN STRIPS OF LAND DESIGNATED AS "FUTURE STREETS", RESERVING TO OURSELVES, FOR THE USE OF OURSELVES, AND THE SUCCESSIVE OWNERS, ALL ORDINARY USES OF SAID LAND UNTIL SUCH TIME AS THE PROPER LEGISLATIVE BODY SHALL ACCEPT DEDICATION OF, OR ACQUIRE ADDITIONAL RIGHT OF WAY, TO CONSTITUTE THE PERMANENT WIDTH AND/OR EXTENSION OF THOSE STREETS HAVING A PARTIAL WIDTH AND/OR DEAD-ENDING, AS SHOWN HEREON.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES:
ALL PUBLIC UTILITY EASEMENTS AS SHOWN UPON SAID MAP WITHIN SAID SUBDIVISION.

RELINQUISH TO THE CITY OF HANFORD ALL ACCESS RIGHTS FROM LOTS AT THE PROPERTY LINES BACKING OR SIDING ONTO:

S. ALPINE AVENUE, BUTTERFIELD LANE AND HOUSTON AVENUE, EXCEPT FOR PEDESTRIAN WALKWAYS, AS SHOWN UPON SAID MAP WITHIN SAID SUBDIVISION.

OWNERS: PRESIDIO JJR STERLING OAKS 104, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 64 PERCENT INTEREST AND PRESIDIO JJR HIDDEN OAKS 104, LLC A DELAWARE LIMITED LIABILITY COMPANY, AS TO AN UNDIVIDED 36 PERCENT INTEREST

BY: Joseph A. Leal DATE 06/21/2021

(PRINT NAME AND TITLE)
JOSEPH A. LEAL, PRESIDENT

BY: Joseph A. Leal DATE 06/21/2021

(PRINT NAME AND TITLE)
JOSEPH A. LEAL, PRESIDENT

NOTARY'S ACKNOWLEDGEMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA

COUNTY OF TULARE } S.S.

ON JUNE 21, 2021, BEFORE ME, AMANDA RAMOS, A NOTARY PUBLIC,

PERSONALLY APPEARED JOSEPH A. LEAL
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND: Amanda Ramos PRINTED NAME: AMANDA RAMOS

PRINCIPAL COUNTY OF BUSINESS: TULARE MY COMMISSION EXPIRES: 04/10/2022

COMMISSION NUMBER: 2234275

TAX COLLECTOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THE PROVISIONS OF ARTICLE 8 OF CHAPTER 4 OF THE GOVERNMENT CODE HAVE BEEN COMPLIED WITH REGARDING DEPOSITS.

JAMES P. ERB, C.P.A., DIRECTOR OF FINANCE

BY Brittany Ontiveros DATE 8-30-21
DEPUTY

AGRICULTURAL STATEMENT:

IF YOUR REAL PROPERTY IS NEAR PROPERTY USED FOR AGRICULTURAL OPERATIONS, YOU MAY BE SUBJECT TO INCONVENIENCES OR DISCOMFORTS ARISING FROM SUCH OPERATIONS, ON ANY 24 HOUR BASIS. SAID DISCOMFORTS MAY INCLUDE, BUT NOT BE LIMITED TO EQUIPMENT NOISES, ODORS FROM MANURE OR OTHER CHEMICALS, AND DUST OR SMOKE. THE CITY OF HANFORD HAS DETERMINED THAT THE USE OF REAL PROPERTY FOR AGRICULTURAL OPERATIONS IS A HIGH PRIORITY AND FAVORED USE TO THE CITY AND THE COUNTY AND WILL NOT BE CONSIDERED A NUISANCE FOR THOSE INCONVENIENCES OR DISCOMFORTS ARISING FROM AGRICULTURAL OPERATIONS, PROVIDED SUCH OPERATIONS ARE CONSISTENT WITH ACCEPTED CUSTOMS, STANDARDS AND LAWS.

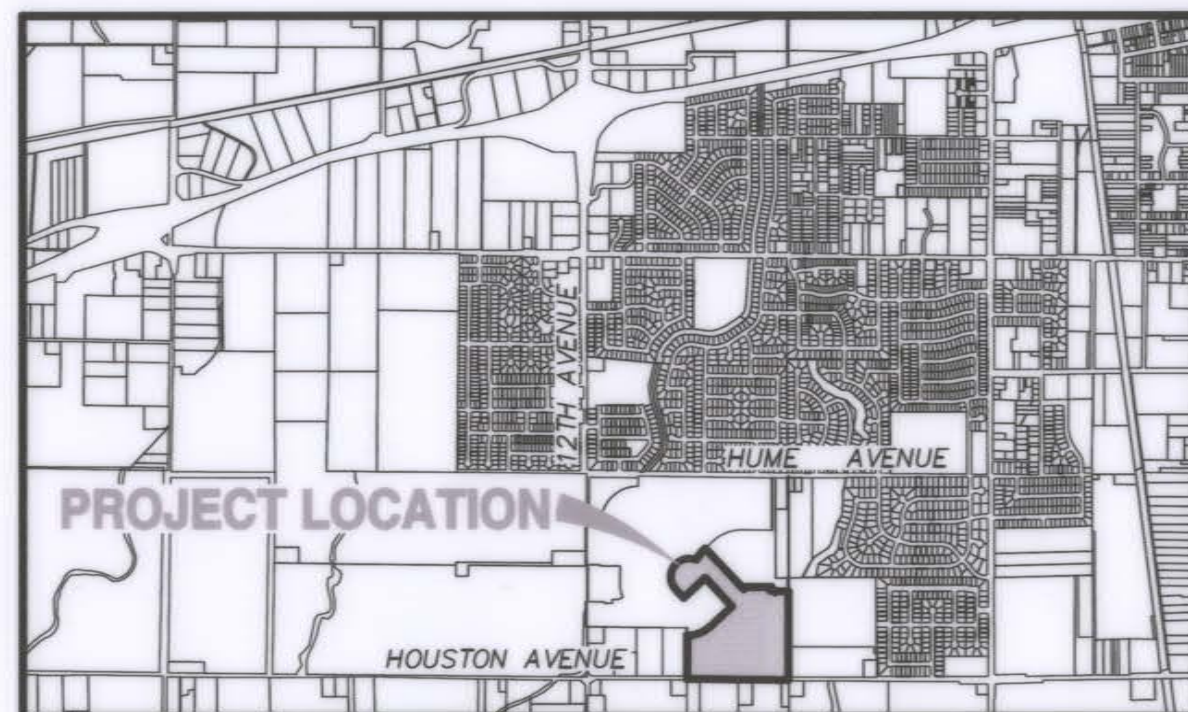
COUNTY TRACT No. 865
**LIVE OAK EAST
UNIT NO. 1**

LYING IN A PORTION OF THE
SOUTHWEST QUARTER OF SECTION 2,
TOWNSHIP 19 SOUTH, RANGE 21 EAST, M.D.B.&M.
CITY OF HANFORD, COUNTY OF KINGS,
CALIFORNIA

DECEMBER, 2020

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
(209) 524-3525



VICINITY MAP

NOT TO SCALE

NOTARY'S ACKNOWLEDGEMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA

COUNTY OF _____ } S.S.

ON _____, BEFORE ME, _____, A NOTARY PUBLIC,

PERSONALLY APPEARED _____
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND: _____ PRINTED NAME: _____

PRINCIPAL COUNTY OF BUSINESS: _____ MY COMMISSION EXPIRES: _____

COMMISSION NUMBER: _____

CITY CLERK'S CERTIFICATE:

THIS IS TO CERTIFY THAT AT A REGULAR MEETING OF THE HANFORD CITY COUNCIL HELD ON THE 3rd DAY OF August, 20 21, AN ORDER WAS DULY AND REGULARLY MADE AND ENTERED APPROVING THIS MAP AND SUBDIVISION AND ACCEPTING, SUBJECT TO IMPROVEMENT, ON BEHALF OF THE PUBLIC, THE STREETS, LOTS A, B, C, D AND E AND EASEMENTS INCLUDED WITHIN THE BOUNDARIES OF THE SUBDIVISION SHOWN UPON THIS MAP.

DATED THIS 11th DAY OF August, 20 21.

Natalie Corral
NATALIE CORRAL, CITY CLERK

SURVEYOR'S STATEMENT:

THE SURVEY FOR THIS MAP WAS MADE BY ME OR UNDER MY DIRECTION ON OCTOBER 13, 2018, AND THE SURVEY IS TRUE AND COMPLETE AS SHOWN. THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF JJR MANAGEMENT SERVICES, INC. ON APRIL 29, 2020. I HEREBY STATE THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE OCTOBER 31, 2021, THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

DATED THIS 18th DAY OF June, 20 21

Nicole Cannella
NICOLE CANNELLA, P.L.S. 9089

**CITY ENGINEER'S STATEMENT:**

I, JOHNATHAN L. DOYEL, HEREBY STATE THAT I HAVE CAREFULLY EXAMINED THE ANNEXED MAP, THAT THE SUBDIVISION AS SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, AND ANY APPROVED ALTERATIONS THEREOF AND THAT ALL PROVISIONS OF ANY LOCAL ORDINANCES AND SECTIONS 66425 THROUGH 66450 OF THE GOVERNMENT CODE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH.

DATED THIS 11th DAY OF August, 20 21

Johnathan L. Doyel
JOHNATHAN L. DOYEL, CITY ENGINEER C-62044

**ACTING CITY SURVEYOR'S STATEMENT:**

I, JOHN B. HARDIN, HEREBY STATE THAT I HAVE CAREFULLY EXAMINED THE ANNEXED MAP, THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT, AND IN ACCORDANCE WITH SECTIONS 66425 THROUGH 66450 INCLUSIVE, OF THE GOVERNMENT CODE.

DATED THIS 29th DAY OF JUNE, 20 21

John B. Hardin
JOHN B. HARDIN, R.C.E. 21753
ACTING FOR THE CITY OF HANFORD

**PLANNING COMMISSION CERTIFICATE:**

APPROVED BY THE HANFORD PLANNING COMMISSION IN ACCORDANCE WITH THE REQUIREMENTS OF LAW IN DULY AUTHORIZED MEETING HELD NOVEMBER 10, 20 20.

DATED THIS 11th DAY OF AUGUST, 20 21.

Gabrielle Myers
GABRIELLE MYERS, COMMUNITY DEVELOPMENT DIRECTOR (ACTING)

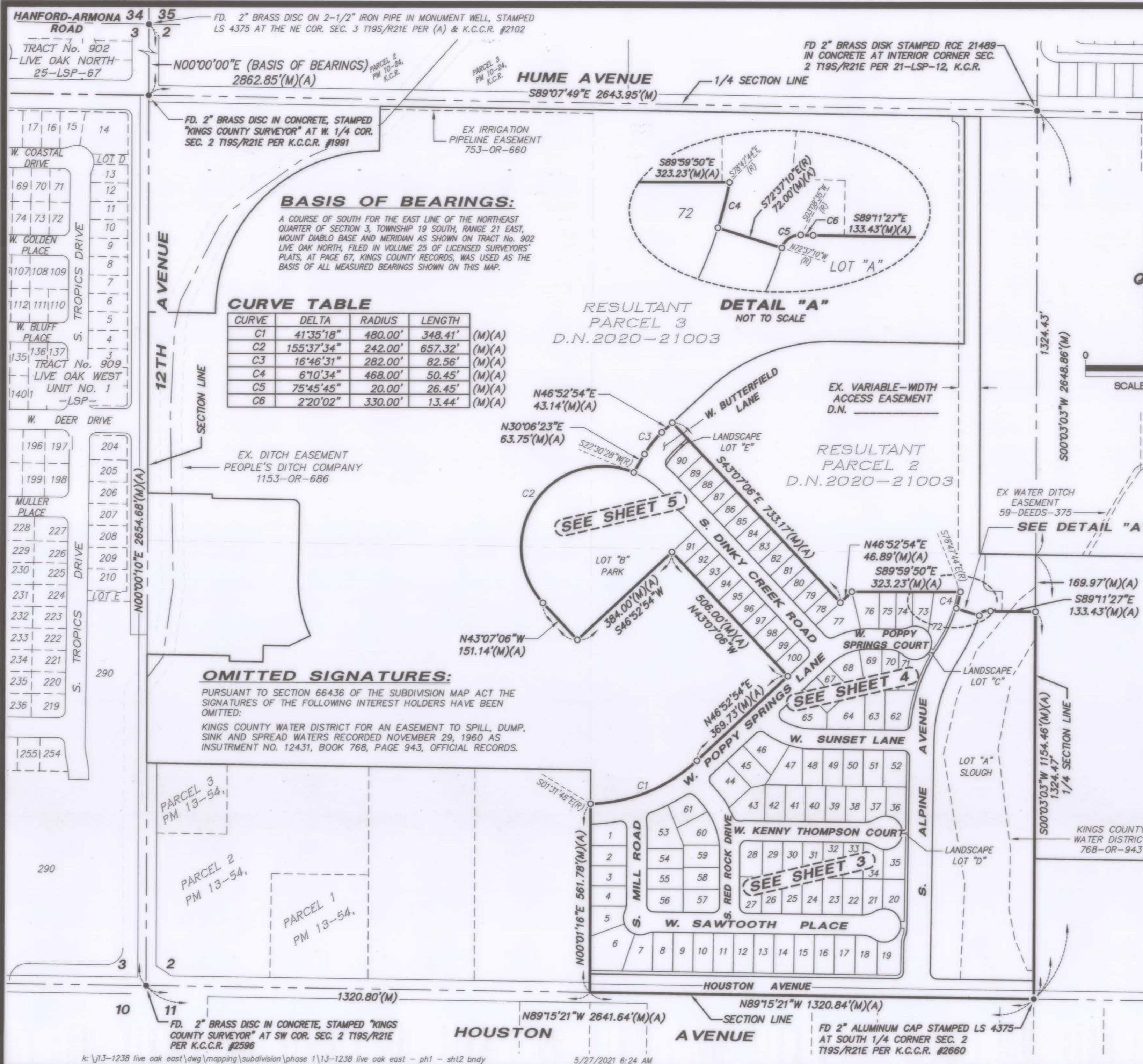
RECORDER'S STATEMENT:

DOCUMENT NO. 21201025 FEE PAID \$91.00
RECORDED AT THE REQUEST OF NORTHSTAR ENGINEERING GROUP, INC.
ON THIS 20th DAY OF September, 20 21
AT 7 MINUTES PAST 12 O'CLOCK P.M. IN
VOLUME 26 OF LICENSED SURVEYORS' PLATS, AT PAGE 93
KINGS COUNTY RECORDS

KRISTINE LEE, COUNTY RECORDER

BY: reuevas
DEPUTY

SHEET 1 OF 5



TRACT NO. 865 LIVE OAK EAST PHASE 1

LYING IN A PORTION OF THE
SOUTHWEST QUARTER OF SECTION 2,
TOWNSHIP 19 SOUTH, RANGE 21 EAST, M.D.B.&M.
CITY OF HANFORD, COUNTY OF KINGS,
CALIFORNIA
DECEMBER, 2020

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
(209) 524-3525

REFERENCES:

(A) D.N. 2020-21003, K.C.R.

NOTES:

1. ALL LINES ADJACENT TO CURVES ARE TANGENT
UNLESS A RADIAL BEARING IS SHOWN.
2. SEE SHEET 4 OF 5 FOR LEGEND.

LEGAL DESCRIPTION:

BEING ALL OF PARCELS 1, 2 AND 3 AS DESCRIBED IN GRANT DEED TO IMPLACABLE
PROPERTIES, LLC RECORDED ON JANUARY 1, 2014 AS DOCUMENT NO. 2014-1401539, KINGS
COUNTY RECORDS, SITUATE IN THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 19
SOUTH, RANGE 21 EAST, MOUNT DIABLO MERIDIAN, COUNTY OF KINGS, CALIFORNIA, SAID
PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION
2; THENCE

ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 2, SOUTH 89°15'21"
EAST 1320.80 FEET TO THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE
SOUTHWEST QUARTER OF SAID SECTION 2 BEING ALSO THE SOUTHWEST CORNER OF SAID
PARCEL 1 AND TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE

ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF
SECTION 2 AND SAID PARCEL 1, NORTH 00°01'16" EAST 561.78 FEET TO THE BEGINNING OF
A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 480.00 FEET, TO WHICH A
RADIAL LINE BEARS SOUTH 01°31'48" EAST AND HAVING A CENTRAL ANGLE OF 41°35'18";
THENCE LEAVING SAID WEST LINES AND ALONG THE ARC OF SAID CURVE, 348.41 FEET;
THENCE

NORTH 46°52'54" EAST 369.73 FEET; THENCE

NORTH 43°07'06" WEST 506.00 FEET; THENCE

SOUTH 46°52'54" WEST 384.00 FEET; THENCE

NORTH 43°07'06" WEST 151.14 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, HAVING
A RADIUS OF 242.00 FEET AND HAVING A CENTRAL ANGLE OF 155°37'34"; THENCE
ALONG THE ARC OF SAID CURVE, 657.32 FEET; THENCE

NORTH 30°06'23" EAST 63.75 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, HAVING
A RADIUS OF 282.00 FEET AND HAVING A CENTRAL ANGLE OF 16°46'31"; THENCE
ALONG THE ARC OF SAID CURVE, 82.56 FEET; THENCE

NORTH 46°52'54" EAST 43.14 FEET; THENCE

SOUTH 43°07'06" EAST 733.17 FEET; THENCE

NORTH 46°52'54" EAST 46.89 FEET; THENCE

SOUTH 89°59'50" EAST 323.23 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE
RIGHT, HAVING A RADIUS OF 468.00 FEET, TO WHICH A RADIAL LINE BEARS SOUTH
78°47'44" EAST AND HAVING A CENTRAL ANGLE OF 06°10'34"; THENCE
ALONG THE ARC OF SAID CURVE, 50.45 FEET; THENCE

SOUTH 72°37'10" EAST 72.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE
RIGHT, HAVING A RADIUS OF 20.00 FEET, TO WHICH A RADIAL LINE BEARS NORTH 72°37'10"
WEST AND HAVING A CENTRAL ANGLE OF 75°45'45"; THENCE
ALONG THE ARC OF SAID CURVE, 26.45 FEET TO THE BEGINNING OF A REVERSE CURVE TO
THE LEFT, HAVING A RADIUS OF 330.00 FEET, TO WHICH A RADIAL LINE BEARS SOUTH
03°08'35" WEST AND HAVING A CENTRAL ANGLE OF 02°20'02"; THENCE

ALONG THE ARC OF SAID CURVE, 13.44 FEET; THENCE

SOUTH 89°11'27" EAST 133.43 FEET TO A POINT ON THE EAST LINE OF SAID SOUTHWEST
QUARTER OF THE SOUTHWEST QUARTER OF SECTION 2, BEING ALSO THE EAST LINE OF SAID
PARCEL 1; THENCE
ALONG SAID EAST LINES, SOUTH 00°03'03" WEST 1154.46 FEET TO THE SOUTHWEST CORNER
OF SAID SOUTHWEST QUARTER OF SECTION 2 AND SAID PARCEL 1; THENCE
ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 2 AND SAID PARCEL 1,
NORTH 89°15'21" WEST 1320.84 FEET TO THE POINT OF BEGINNING.

CONTAINING 36.82 ACRES MORE OR LESS

SHEET 2 OF 5

TRACT NO. 865 LIVE OAK EAST PHASE 1

LYING IN A PORTION OF THE
SOUTHWEST QUARTER OF SECTION 2,
TOWNSHIP 19 SOUTH, RANGE 21 EAST, M.D.B.&M.
CITY OF HANFORD, COUNTY OF KINGS,
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DECEMBER, 2020

NORTHSTAR ENGINEERING GROUP, INC.

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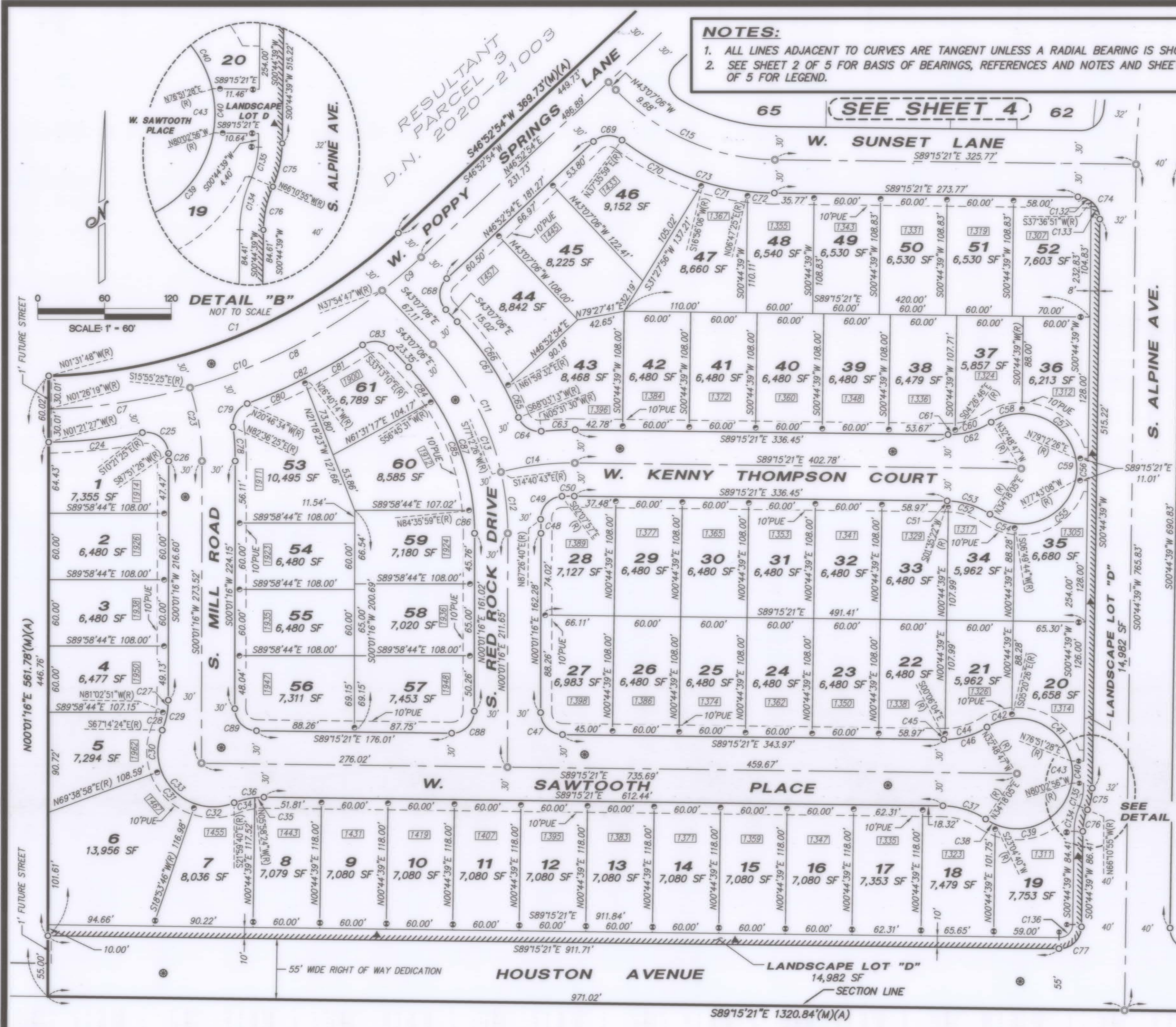
- NOTES:**
1. ALL LINES ADJACENT TO CURVES ARE TANGENT UNLESS A RADIAL BEARING IS SHOWN.
 2. SEE SHEET 2 OF 5 FOR BASIS OF BEARINGS, REFERENCES AND NOTES AND SHEET 4 OF 5 FOR LEGEND.

CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH	CURVE	DELTA	RADIUS	LENGTH
C7	14°29'05"	510.00'	128.93'	C55	84°32'52"	50.00'	73.78'
C8	21°59'22"	510.00'	195.73'	C56	23°04'26"	50.00'	20.14'
C9	51°21'19"	510.00'	46.33'	C57	78°27'47"	50.00'	68.47'
C10	41°40'47"	510.00'	371.00'	C58	33°33'26"	50.00'	29.28'
C11	30°19'33"	250.00'	132.32'	C59	24°06'52"	50.00'	215.65'
C12	12°48'50"	250.00'	55.91'	C60	28°22'01"	70.00'	34.66'
C13	43°08'22"	250.00'	188.23'	C61	51°1'25"	70.00'	6.34'
C14	15°25'22"	250.00'	67.30'	C62	33°33'26"	70.00'	41.00'
C15	46°08'15"	200.00'	161.05'	C63	6°16'09"	280.00'	30.64'
C23	18°37'26"	208.00'	67.61'	C64	73°34'43"	20.00'	25.68'
C24	8°59'58"	540.00'	84.82'	C65	6°03'41"	280.00'	29.62'
C25	98°12'51"	20.00'	34.28'	C66	15°06'38"	280.00'	73.84'
C26	2°09'50"	178.00'	6.72'	C67	21°10'19"	280.00'	103.47'
C27	8°55'53"	70.00'	10.91'	C68	90°00'00"	20.00'	31.42'
C28	13°48'27"	70.00'	16.87'	C69	80°43'05"	20.00'	28.18'
C29	22°44'20"	70.00'	27.78'	C70	20°39'53"	230.00'	82.95'
C30	43°06'38"	50.00'	37.62'	C71	10°08'41"	230.00'	40.72'
C31	50°45'12"	50.00'	44.29'	C72	6°02'46"	230.00'	24.27'
C32	40°53'26"	50.00'	35.68'	C73	36°51'20"	230.00'	147.95'
C33	13°45'16"	50.00'	117.60'	C74	90°31'42"	20.00'	31.42'
C34	16°01'16"	70.00'	19.57'	C75	23°04'26"	50.00'	20.14'
C35	6°43'03"	70.00'	8.21'	C76	23°04'26"	50.00'	20.14'
C36	22°44'19"	70.00'	27.78'	C77	90°00'00"	20.00'	31.42'
C37	33°33'26"	70.00'	41.00'	C78	7°24'51"	238.00'	30.80'
C38	11°13'25"	50.00'	9.79'	C79	76°37'01"	20.00'	26.74'
C39	103°07'36"	50.00'	90.00'	C80	5°53'40"	540.00'	55.55'
C40	23°05'36"	50.00'	20.15'	C81	6°32'56"	540.00'	61.72'
C41	82°11'54"	50.00'	71.73'	C82	12°26'36"	540.00'	117.27'
C42	27°28'21"	50.00'	23.97'	C83	80°06'04"	20.00'	27.96'
C43	24°06'52"	50.00'	215.65'	C84	9°52'37"	220.00'	37.93'
C44	32°42'43"	70.00'	39.97'	C85	27°50'28"	220.00'	106.90'
C45	0°50'43"	70.00'	1.03'	C86	5°25'17"	220.00'	20.82'
C46	33°33'26"	70.00'	41.00'	C87	43°08'22"	220.00'	165.64'
C47	89°16'37"	20.00'	31.16'	C88	90°43'23"	20.00'	31.67'
C48	2°34'36"	280.00'	12.59'	C89	89°16'37"	20.00'	31.16'
C49	90°25'23"	20.00'	31.56'	C128	90°00'00"	20.00'	31.42'
C50	2°52'36"	220.00'	11.05'	C132	36°52'12"	20.00'	12.87'
C51	0°50'43"	70.00'	1.03'	C133	53°07'48"	20.00'	18.55'
C52	32°42'43"	70.00'	39.97'	C134	23°04'26"	58.00'	23.36'
C53	33°33'26"	70.00'	41.00'	C135	23°04'26"	42.00'	16.91'
C54	27°28'21"	50.00'	23.97'	C136	90°00'00"	12.00'	18.85'

KINGS COUNTY
WATER DISTRICT
768-OR-943

LOT "A"
SLOUGH
7.15 ACRES
(SEE SHEET 4)



TRACT NO. 865 LIVE OAK EAST PHASE 1

LYING IN A PORTION OF THE
SOUTHWEST QUARTER OF SECTION 2,
TOWNSHIP 19 SOUTH, RANGE 21 EAST, M.D.B.&M.
CITY OF HANFORD, COUNTY OF KINGS,
CALIFORNIA
DECEMBER, 2020

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
(209) 524-3525

LEGEND:

- SET 3/4"x30" IRON PIPE, TAGGED L.S. 9099, U.O.N.
- SET STREET INTERSECTION SURVEY MONUMENT PER CITY OF HANFORD STANDARD DRAWING NO. GE-14 WITH 2" BRONZE SURVEY MARKER STAMPED L.S. 9099
- SET 1.00 FOOT WITNESS CORNER (3/4" x 24" IRON PIPE TAGGED L.S. 9099) MEASURED ALONG THE LOT LINE, FROM ACTUAL LOT CORNER, U.O.N.
- SET 3.00 FOOT WITNESS CORNER (3/4" x 24" IRON PIPE TAGGED L.S. 9099) MEASURED ALONG THE LOT LINE, FROM ACTUAL LOT CORNER, U.O.N.
- SET 3/4" x 30" IRON PIPE TAGGED L.S. 9099 AT ALL LOT CORNERS U.O.N.
- FOUND MONUMENT AS NOTED

- FD FOUND
- SN SEARCHED, FOUND NOTHING
- (A) D.N. 2020-21003, K.C.R.
- (M) MEASURED
- K.C.R. KINGS COUNTY RECORDS
- K.C.C.R. KINGS COUNTY CORNER RECORDS
- U.O.N. UNLESS OTHERWISE NOTED
- PM PARCEL MAP
- L.S.P. LICENSED SURVEYORS' PLATS
- O.R. OFFICIAL RECORDS
- Calc. CALCULATED FROM RECORD
- G.L.O. GENERAL LAND OFFICE
- D.N. DOCUMENT NUMBER
- [234] STREET ADDRESS NUMBER
- RESTRICTED ACCESS

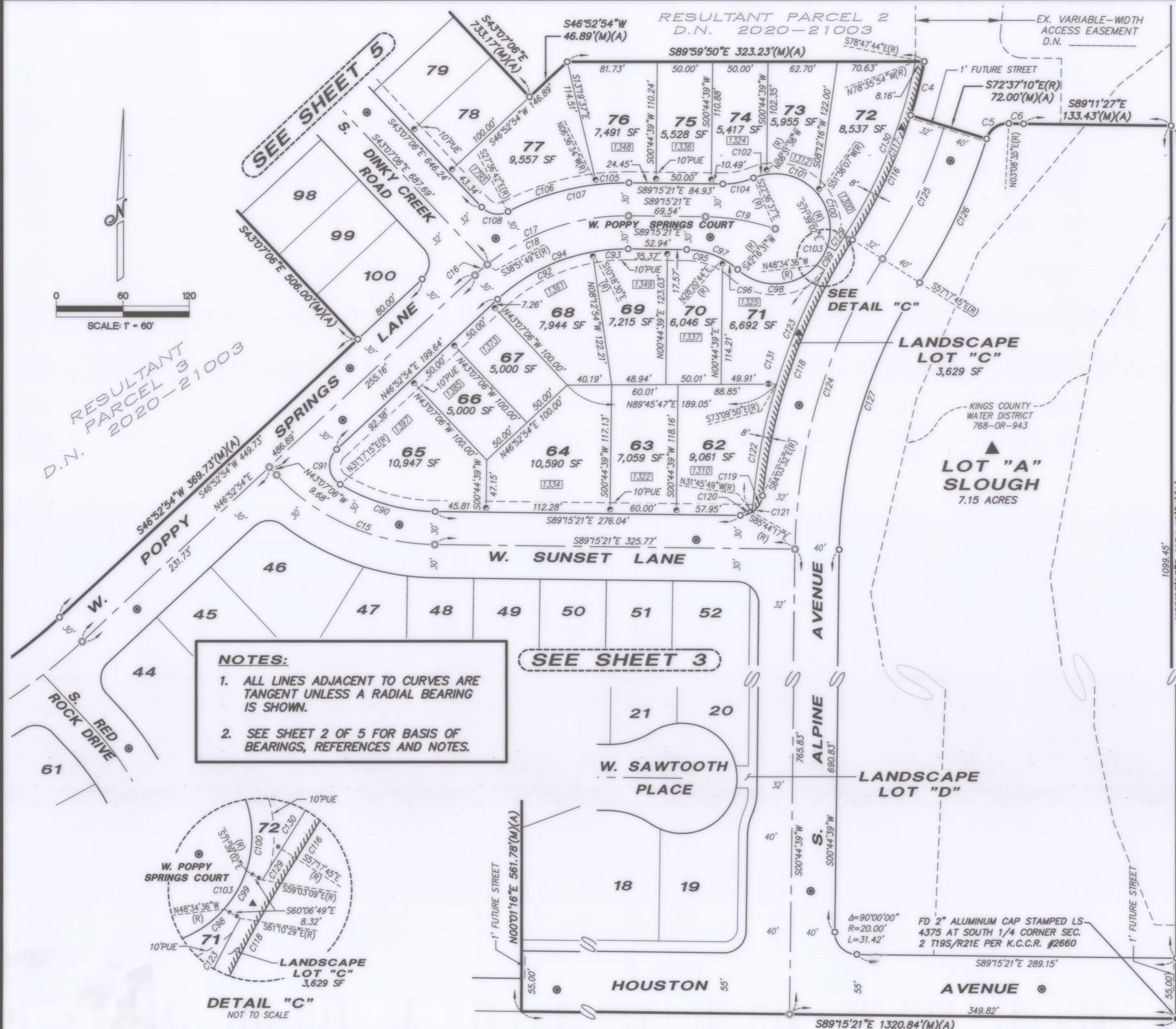
THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES:

- P.U.E. PUBLIC UTILITY EASEMENT NOW OFFERED FOR DEDICATION
- AREA NOW OFFERED FOR DEDICATION FOR PUBLIC STREET AND UTILITY PURPOSES.
- ▲ AREA NOW OFFERED FOR DEDICATION FOR PUBLIC UTILITY AND LANDSCAPE PURPOSES.

CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH	CURVE	DELTA	RADIUS	LENGTH
C15	46°08'15"	200.00'	161.05'	C105	7°21'13"	230.00'	29.52'
C16	4°15'17"	200.00'	14.85'	C106	21°00'08"	230.00'	84.31'
C17	39°36'28"	200.00'	138.26'	C107	28°21'21"	230.00'	113.83'
C18	43°51'45"	200.00'	153.11'	C108	74°29'36"	20.00'	26.00'
C19	18°20'56"	200.00'	64.05'	C116	15°19'25"	468.00'	125.17'
C90	30°32'36"	170.00'	90.62'	C117	21°29'59"	468.00'	175.61'
C91	105°35'39"	20.00'	36.86'	C118	26°45'47"	532.00'	248.50'
C92	32°48'36"	170.00'	97.35'	C119	52°17'43"	20.00'	18.25'
C93	11°03'09"	170.00'	32.79'	C120	32°30'28"	20.00'	11.35'
C94	43°51'45"	170.00'	130.14'	C121	84°48'11"	20.00'	29.60'
C95	27°36'05"	70.00'	33.72'	C122	12°34'27"	540.00'	118.51'
C96	13°55'47"	70.00'	17.02'	C123	11°59'21"	540.00'	112.99'
C97	41°31'52"	70.00'	50.74'	C124	31°57'36"	500.00'	278.90'
C98	90°51'07"	50.00'	79.28'	C125	15°19'25"	500.00'	133.73'
C99	23°04'26"	50.00'	20.14'	C126	15°19'25"	540.00'	144.42'
C100	56°42'51"	50.00'	49.49'	C127	31°57'36"	460.00'	256.59'
C101	60°09'45"	50.00'	52.50'	C129	1°45'24"	540.00'	16.56'
C102	14°04'59"	50.00'	12.29'	C130	21°18'09"	460.00'	171.03'
C103	244°53'08"	50.00'	213.70'	C131	24°33'48"	540.00'	231.50'
C104	23°21'16"	70.00'	28.53'				

SHEET 4 OF 5



TRACT NO. 865
**LIVE OAK EAST
PHASE 1**

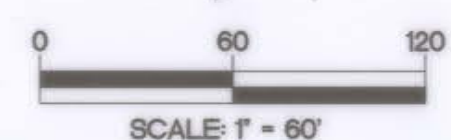
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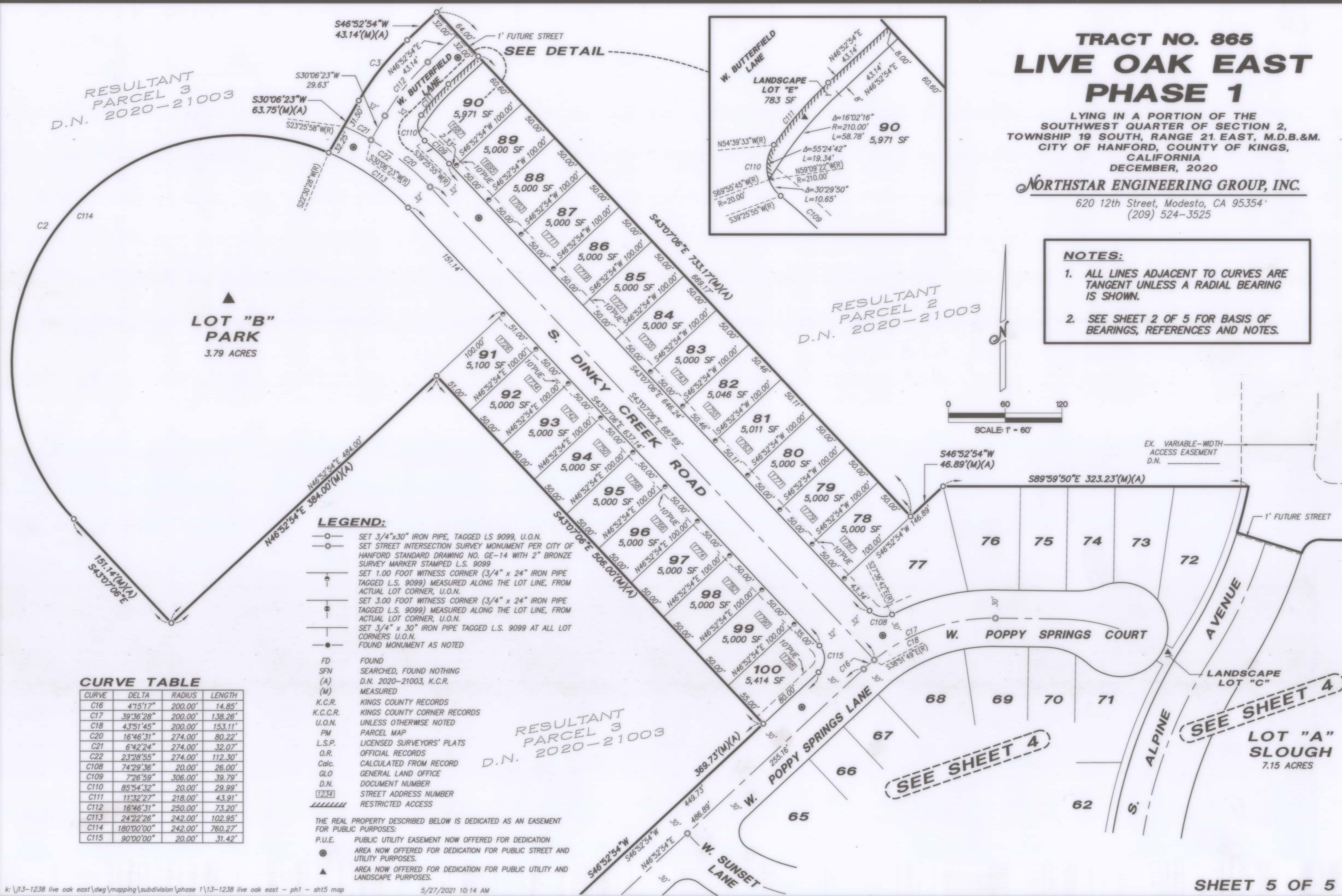
CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C16	4°15'17"	200.00'	14.85'
C17	39°36'28"	200.00'	138.26'
C18	43°51'45"	200.00'	153.11'
C20	16°46'31"	274.00'	80.22'
C21	6°42'24"	274.00'	32.07'
C22	23°28'55"	274.00'	112.30'
C108	74°29'36"	20.00'	26.00'
C109	7°26'59"	306.00'	39.79'
C110	85°54'32"	20.00'	29.99'
C111	11°32'27"	218.00'	43.91'
C112	16°46'31"	250.00'	73.20'
C113	24°22'26"	242.00'	102.95'
C114	180°00'00"	242.00'	760.27'
C115	90°00'00"	20.00'	31.42'

LEGEND:

- SET 3/4"x30" IRON PIPE, TAGGED LS 9099, U.O.N.
- SET STREET INTERSECTION SURVEY MONUMENT PER CITY OF HANFORD STANDARD DRAWING NO. GE-14 WITH 2" BRONZE SURVEY MARKER STAMPED L.S. 9099
- SET 1.00 FOOT WITNESS CORNER (3/4" x 24" IRON PIPE TAGGED L.S. 9099) MEASURED ALONG THE LOT LINE, FROM ACTUAL LOT CORNER, U.O.N.
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- L.S.P. LICENSED SURVEYORS' PLATS
- O.R. OFFICIAL RECORDS
- Calc. CALCULATED FROM RECORD
- GLO GENERAL LAND OFFICE
- D.N. DOCUMENT NUMBER
- [1234] STREET ADDRESS NUMBER
- ||||| RESTRICTED ACCESS

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES:
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AREA NOW OFFERED FOR DEDICATION FOR PUBLIC STREET AND UTILITY PURPOSES.
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RESOLUTION 20-33-R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING AN
AMENDMENT TO VESTING TENTATIVE TRACT 865.**

At a regular meeting of the City Council of the City of Hanford duly called and held on December 1, 2020 by motion of Councilmember Smansen, and seconded by Councilmember Breno, and duly carried, the following resolution was adopted:

WHEREAS, the applicant requested an amendment to Tentative Tract 865, requesting to remove certain language from the resolution for Vesting Tentative Tract 865, consistent with changes made to the Live Oak Development Agreement; and

WHEREAS, the Planning Commission held a public hearing on November 10, 2020 and received testimony for and against the project; and

WHEREAS, the Planning Commission determined that the revisions to Vesting Tentative Subdivision Map No. 865 were not significant and recommended approval of the amendment to the City Council at their regularly scheduled meeting on November 10, 2020; and

WHEREAS, the City Council has carefully considered recommendations and testimony presented at the public hearing of December 1, 2020, and

WHEREAS, all various governmental department agencies, staff, and the City Council, have given careful consideration to this Planned Unit Development/Master Plan and have made recommendations thereon; and

WHEREAS, Vesting Tentative Subdivision Map No. 865 was approved by the Planning Commission on August 9, 2009 and the City Council on September 15, 2009, pursuant to Section 66474 of the Subdivision Map Act; and,

WHEREAS, on September 15, 2009, the City of Hanford City Council reviewed the Live Oak Development project, for which an Environmental Impact Report (SCH #2006091015) was prepared, and a Statement of Overriding Considerations was adopted for the impacts to Agricultural Resources, Air

Quality, and Energy Conservation and Climate Change. A Notice of Determination was filed with Kings County on September 18, 2009; and

WHEREAS, the Final Environmental Impact Report identified significant environmental impacts that can be mitigated to substantially lessen the environmental effects relating to Air Quality, Biological Resources, Hazards and Hazardous Materials, Hydrology and Water Quality, Noise, Public Facilities and Services, and Transportation and Circulation; and

WHEREAS, the City Council, on September 15, 2009, systematically identified both the significant effects of the proposed project and the feasible alternatives or feasible mitigation measures which will avoid or substantially lessen such significant effects in accordance with the provisions of the California Environmental Quality Act as more specifically articulated in “The Mitigation Monitoring and Reporting Plan” in an appendix of the final EIR and incorporated herein by this reference; and

WHEREAS, the changes proposed to the Live Oak Development have been analyzed in an addendum to the EIR (Addendum #1) to verify that a subsequent EIR is not warranted, as none of the circumstances requiring a subsequent EIR, identified in Section 15162, have been met; therefore, in accordance with Section 15164 of the California Environmental Quality Act (CEQA) Guidelines, an addendum to the EIR (SCH #2006091015) would adequately address the amendments proposed under this project. The changes proposed to the Live Oak Development project do not further affect any of the environmental factors evaluated under the Live Oak EIR (SCH #2006091015). Consequently, a subsequent or supplemental EIR or IS/MND is not required. Staff has evaluated the changes proposed in the addendum to the initial study and determined that the changes proposed would not result in any new or increased environmental impacts that were not identified in the EIR; and

WHEREAS, the City Council has made the following findings pursuant to Section 66474 of the Subdivision Map Act:

1. That the proposed subdivision map is consistent with the State Subdivision Map Act, General Plan, and Zoning Ordinance;
2. That the design or improvement of the subdivision is consistent with general or specific plans;

3. That the site is physically suitable for the type of development;
4. That the site is physically suitable for the proposed density of development;
5. That the design of the subdivision and the proposed improvements are not likely to cause substantial environmental damage, or substantially and unavoidably injure fish or wildlife or their habitat;
6. That the design of the subdivision and type of improvements are not likely to cause serious public health problems; and
7. That the design of the subdivision and the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of the property within the proposed subdivision.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Hanford finds the revisions to Vesting Tentative Subdivision Map No. 865 are substantially consistent with the original approval of the vesting map in 2009; and

THEREFORE BE IT FURTHER RESOLVED that the City Council approves this revised resolution for Vesting Tentative Subdivision Map No. 865, subject to the following conditions of approval:

PLANNING DEPARTMENT

Contact Senior Planner Gabrielle Myers (559) 585-2578

Concerning questions that you may have on the conditions listed below:

General:

1. That the applicant hereby agrees to hold the City of Hanford and all of its departments, officers, agents, and employees free and harmless of and from all claims of any kind or nature arising out of or by reason of the approval of this project.
2. That approval of this project does not exempt compliance with all applicable sections of the Uniform Fire and Building Codes, Zoning Ordinance, Public Works Improvement Standards, and other City Ordinances except as modified by Planned Unit Development No. 2005-04; and except as may be determined by the Development Agreement and development rights of a Vesting Tentative Map per the Subdivision Map Act.
3. That the final map be submitted to the City Engineer and Community Development Department for compliance with the Vesting Tentative Subdivision Map approval prior to recording the final map.

4. That in accordance with Title 16 of the Hanford Municipal Code, all conditions of this subdivision listed herein, and contained in subsequent improvement agreements, excluding the landscape district, must be completed and accepted for maintenance by the City Council prior to the final building inspection and occupancy permits being issued for the first house in the subdivision.
5. That trees be planted, as specified in the Master plan and that all species of trees shall be selected from a list approved by the City Street Tree Commission.
6. That all pertinent conditions of approval for Planned Unit Development No. 2005-04 and the Development Agreement shall be conditions of approval for Vesting Tentative Subdivision Map No. 865.

Zoning:

1. That the proposed subdivision is subject to the R-L-5 Low-Density Residential zone district standards, except as modified by Planned Unit Development No. 2005-04, as specified in the Master Plan.
2. That all lots be limited to single-family residential development.
3. That any changes to the proposed phasing be approved by the Community Development Department.

Special Requirements:

1. That a right-to-farm provision be recorded with the recording of the final subdivision map to insure that future residents of the homes in the subdivision are aware of the adjacent agricultural uses and their right to continue to operate.
2. That each lot owner within Tract No. 865 shall care for and maintain the trees and lawn area located in the parkway in front of their lot(s). For corner lots, the lot owner shall also care for and maintain the parkway trees and lawn area along the street side of their lot. . All species of trees shall be selected from a list approved by the City Street Tree Commission. The parkway is defined as that land area located between the street curb and the public sidewalk.
3. That the tree(s) and lawn area are to be properly pruned, mowed, sprayed, watered and fertilized on a regular on-going basis in order to preserve the health and life of the tree(s) and lawn area.
4. That should the tree(s) and lawn area become damaged, severely pruned, neglected, removed or die, the lot owner shall replace said tree(s) and lawn area within thirty (30) days after the date of written notice from the City of Hanford. The tree(s) shall be replaced with a 15 gal. size tree of the same species that was originally planted. The lawn area shall be replaced with lawn. Rocks, bark, ground cover, plants or paving are not allowed in the parkway
5. That the "NOTICE, DISCLOSURE, ACKNOWLEDGMENT AND AGREEMENT OF CONTINUED CARE AND MAINTENANCE BY LOT OWNER OF THE TREES AND LAWN AREA PLANTED IN THE PARKWAY" be recorded concurrent with the recording of the subdivision final map to insure that future residents of homes in the subdivision are aware of the obligation to maintain the landscaping within the park strip. Each lot owner is to be provided a copy of said Notice, Disclosure, Acknowledgement, and Agreement, attached as Exhibit "A".

City Development Impact Fees:

1. That development is subject to a Police Development Impact Fee as required by City Ordinance No. 98-14, or any revisions thereof, if applicable. Fee shall be payable with each building permit.
2. That development is subject to a Fire Development Impact Fee as required by City Ordinance No. 98-14, or any revisions thereof, if applicable. Fee shall be payable with each building permit.
3. That development is subject to a Park Development Impact Fee as required by City Ordinance No. 90-10, or any revisions thereof, if applicable. Fee shall be payable with each building permit.
4. That development is subject to a Transportation mitigation impact fee as required by City Ordinance No. 90-09, or any revisions thereof, if applicable. Fee shall be payable with each building permit.
5. That development is subject to a Wastewater System Development Impact fee as required by City Ordinance No. 98-14, or any revisions thereof, if applicable. Fee shall be payable with each building permit.
6. That development is subject to a Water System Development Impact Fee as required by City Ordinance No. 98-14, or any revisions thereof, if applicable. Fee shall be payable with each building permit.
7. That development is subject to a Refuse and Recycling Development Impact Fee as required by City Ordinance No. 05-16, or any revisions thereof, if applicable. Fee shall be payable with each building permit.
8. That development is subject to a Storm Water development impact fee as required by City Ordinance No. 98-14, or any revisions thereof, if applicable. Fee shall be payable prior to recording of subdivision final map.
9. That development is subject to a 12th Avenue Sanitary Sewer Area Benefit District assessment fee as required by City Ordinance No. 92-03, or any revisions thereof, if applicable. Fee shall be payable prior to recording of subdivision final map.

Environmental Requirements:

1. That if fireplaces are proposed in the residential units, natural gas fireplaces or EPA certified wood-burning fireplaces/stoves are to be installed in every unit that has a fireplace. Conventional open-hearth fireplaces are not allowed.
2. That electric or low nitrogen oxide (NO) emitting gas-fired water heaters be installed in each house.
3. That natural gas lines and electrical outlets be installed in backyards or patios to encourage use of gas and/or electric barbecues for each house.
4. That electrical outlets be installed around the exterior of the residential units to encourage use of electric lawn mower, edgers, etc.
5. That options offered as part of the Live Oak Master Plan be available to buyers within this subdivision. Options to include solar panels, drive strips with front facing garages instead of driveways, and second units to be allowed on lots 5,500 sq. ft. and larger. Options shall be shown on the master building plans so as to be available to all buyers of qualified lots.

6. That the project is subject to the San Joaquin Valley Unified Air Pollution Control District's Indirect Source Review Rule 9510. **An application must be filed with the District immediately upon approval of project.** For more information and instruction, contact the District's ISR staff by telephone at (559) 230-5800 or by email at ISR@valleyair.org.
7. That the project is subject to all rules and regulations of the San Joaquin Valley Unified Air Pollution Control District for residential development.

Archeological:

1. That if any archeological resources or endangered species are discovered during the construction, the contractor shall stop excavation and notify the Community Development Department for appropriate mitigation measures.

Dust Control:

1. That the following dust control practices be implemented:

Pre-construction

That material excavated or graded be sufficiently watered to prevent excessive amounts of dust. Watering should occur at least twice a day with complete coverage, preferably in the late morning and after work is completed for the day.

That clearing, grading, earth moving, or excavation activities cease during periods of high winds greater than 20 mph.

That earth material transported off-site be either sufficiently watered or securely covered to prevent excessive amounts of dust.

That areas disturbed by clearing, earth moving, or excavation activities be minimized at all times.

That where acceptable to the Fire Department, weed control should be accomplished by mowing instead of disking, thereby leaving the ground undisturbed and with a mulch covering.

During Construction

After clearing, grading, earth moving, or excavation operations, during the construction phase, fugitive emissions should be controlled by the following methods:

That nonactive portions of the construction site be restricted from vehicular movement.

That active portions of the site should be sufficiently watered to prevent excessive amounts of dust.

General Fugitive Dust

At all times, fugitive dust emissions should be controlled using the following procedures:

That on site vehicle speed should be limited to 15 mph.

That areas with vehicle traffic be watered periodically or have petroleum-based palliatives applied for stabilization of dust emissions.

That during rough grading and construction, streets next to the project site be swept at least once per day, or as required to remove silt, which may have accumulated from construction activities.

That during rough grading and construction, access to the site should require the building of an apron into the project site from adjoining paved roadways. The apron should be paved or have a petroleum-based palliative applied.

Ozone Precursors

At all times, ozone precursor emissions should be controlled by the following methods:

That all internal combustion engine drive equipment be properly maintained and well-tuned according to the manufacturer's specifications.

PRIVATE UTILITY COMPANIES

Contact the following persons concerning questions that you may have on the conditions listed below:

Southern California Edison Co., David Loftin: (559) 684-3557

AT&T, John Lewis: (559) 739-6455

Southern California Gas Co., Louise Brown: (559) 739-2316

ComCast, Micahel Corral: (559) 217-9003

USA: 811

Public Utilities:

1. That all utilities, including cable TV, shall be installed underground within the subdivision. The developer shall be required to notify the utility companies in writing of this requirement.
2. That all utility transformers within the development are recommended to be subsurface type installations. The developer has the option of placing the transformers above or below ground. If above ground transformers are to be installed, the developer is to meet with City Engineering and Edison Company to determine an appropriate location of the transformer away from street view. The developer is responsible for notifying Southern California Edison Company in writing of the type of installation.
3. That all existing utility poles and appurtenances located along the property frontage of 12th Avenue shall be installed underground at the developer's expense.

PUBLIC WORKS DEPARTMENT

Contact Public Works Director John Doyel (559)585-2571
Concerning questions that you may have on the conditions listed below:

Maps and Plans:

1. That the developer shall submit to the City Engineer a set of construction plans on 24" x 36" sheets for all required improvements. Plans shall be prepared by a registered civil engineer and shall include a drainage and utility plan identifying sizes and location of sanitary sewer, storm drainage and water mains, curbs, gutters, sidewalks, masonry walls, street lights, street improvements, park and landscape improvements and all other infrastructure required to complete development. All plans shall be approved by the City Engineer and all other involved agencies before the release of the building permits.
2. That prior to beginning any construction or within ten (10) calendar days after the approved plans are released by the City, the developer shall submit to the City of Hanford Engineering Division one (1) reproducible and four (4) blue line copies of the approved set of construction plans and four (4) bound sets of the approved construction specifications, if any.
3. That within twenty (20) calendar days after all improvements have been constructed and accepted by the City, the developer shall submit to the City of Hanford Engineering Division one (1) reproducible and one (1) blue line copy of the approved set of construction plans revised to reflect all field revisions and marked "RECORD DRAWING."

Easements:

1. That all easements shall be designated on the subdivision final map as required by the utility companies and where needed for providing service to street lights and landscape improvements as designated by the City Public Works Department.
2. That all easements for irrigation ditches and/or irrigation pipelines shall be legally abandoned or relocated to the satisfaction of the City Engineer prior to the recording of a subdivision final map.

Dedications:

1. That all proposed streets and street extensions, located as shown on the tentative subdivision map, shall be dedicated to the City as public right-of-way, and any alteration of existing utilities shall be the responsibility of the developer.
2. That all proposed landscape public utility easements, located as shown on the tentative subdivision map shall be dedicated to the City for landscape and public utility purposes concurrent with the recording of a subdivision final map.
3. That the proposed neighborhood park, located as shown on the tentative subdivision map (Lot "A"), shall be dedicated to the City for landscape and public utility purposes concurrent with the recording of a subdivision final map.
4. That proposed open space/slough area, located as shown on the tentative subdivision map (Lot "B") shall be dedicated to the City for open space/drainage purposes concurrent with the recording of a subdivision final map.

Restricted Access:

1. That a one-foot reservation strip shall be established at the end or sides of all streets abutting undeveloped property and be indicated on the subdivision final map.
2. That all access shall be restricted from lots at the property lines backing or siding onto 12th Avenue, S. Alpine Avenue, Butterfield Lane and Hume Avenue (except for pedestrian walkways) and shall be indicated on the subdivision final map.

Street Improvements:

1. That all improvements consisting of sanitary sewers, storm sewers, water mains, concrete curbs, gutters, sidewalks, street lights, landscaping, street sub-grading, surfacing and striping and all other improvements shall be installed in accordance with Chapter 16.24, "Improvements", of the Hanford Municipal Code and this resolution pertaining to subdivision improvements in effect at the time of filing the tentative subdivision map.
2. That all streets within the subdivision shall be developed to residential street standard ST-32, modified as indicated on the tentative subdivision map, (Street narrowing adjacent to park for traffic calming), except the following:
 - a. Houston Avenue shall be developed as a major Arterial street along the development frontage of the subdivision in conformance with city Standards ST-17 and ST-18, modified as indicated on the tentative subdivision map and as follows:
 1. Traffic index used for the design of the street structural section shall be a minimum of 10.0
 2. A geotechnical report shall be submitted to the City Engineer identifying the existing structural section thickness of Houston Avenue along the development frontage of the subdivision concurrent with the submittal of development improvement plans. Reconstruction of existing Houston Avenue street section (or another form of mitigation as approved by the City Engineer) along the development frontage of the subdivision will be required if the existing street structural section does not conform to City Standards and Specifications.
 3. Street improvements shall include, but not be limited to, the installation of concrete curb & gutter, sidewalk, landscaping, masonry block wall, street lights, street striping, signing, and transitional paving tapers to provide for both acceleration and deceleration lanes at entrances to subdivision. Pavement widening along Houston Avenue property frontage other than as stated herein shall be deferred until additional travel lanes
 - b. Twelfth Avenue shall be developed as an arterial street, along the development frontages of the subdivision, and "Not-a-part" areas south of Hume and north of Butterfield Lane in accordance with section 66462.5 of the Subdivision Map Act. All improvements shall be constructed in conformance with City Standards ST-17 and ST-20, modified as indicated on the tentative subdivision map and as follows:
 1. Traffic index used for the design of street structural section shall be a minimum of 10.0.
 2. A geotechnical report shall be submitted to the City Engineer identifying the existing structural section thickness of Houston Avenue along the development frontage of the subdivision concurrent with the submittal of development improvement plans.

Reconstruction of existing Houston Avenue street section (or another form of mitigation as approved by the City Engineer) along the development frontage of the subdivision will be required if the existing street structural section does not conform to City Standards and Specifications.

3. Street improvements shall include, but not be limited to, the installation of concrete curb and gutter, sidewalk, landscaping, masonry block wall, street lights, pavement striping, signing, and transitional paving tapers to provide for both acceleration and deceleration lanes at entrances to subdivision. Pavement widening along Houston Avenue property frontage other than as stated herein shall be deferred until additional travel land capacity is warranted. Installation of Class II aggregate base rock (4" minimum thickness) over compacted native soil shall be required in the area between existing roadway and new curb and gutter section. A petroleum based palliative shall be applied to the base rock surface to provide dust control. The installation of a raised concrete median in Houston Avenue is not required.
- c. S. Alpine Avenue and Butterfield Lane shall be developed as collector streets in conformance with City Standards ST-26, modified as indicated on the tentative subdivision map.
4. That street lights shall be installed throughout the subdivision in conformance with City Standard GE-56 and PUD master plan requirements. Street lights located along Houston Avenue and S. Alpine Avenue shall be octagon concrete type poles as indicated on City Standard GE-56. Street lights located along all other streets within the subdivision shall be decorative lights in conformance with PUD master plan and Southern California Edison Company requirements. Street lights shall be located as designed by City Engineer.
5. That development is subject to a transportation mitigation impact fee as required by City Municipal Code section 15.48 and any revisions thereof. Developer shall be entitled to a credit towards impact fees for permanent street widening improvements constructed by developer within Houston Avenue, consisting of curb and gutter, street striping, signing and street paving from gutter lip to edge of existing Houston Avenue street section. If applicable, developer may also be entitled to credit towards impact fees for supplemental transportation capacity improvements to the existing Houston Avenue street section. Temporary transitional paving improvements beyond the development limits will not be subject to a credit. Developer shall submit competitive bid proposals to substantiate the cost of reimbursable items for City Public Works Department review and approval prior to beginning construction. All documentation materials submitted for reimbursement consideration shall be well organized and tabulated for convenient reference by Public Works staff. Improvement quantities and costs proposed for reimbursement must be clearly identified in the documentation provided, and not combined or aggregated with non-reimbursable subdivision improvement costs. Graphic exhibits referenced to the subdivision improvement plans shall also be provided as needed to facilitate the reimbursement review process.
6. That the developer is responsible for payment of a proportionate cost share of future improvements to mitigate interim impacts to the 13th Avenue/Highway 198 interchange as identified in the project Environmental Impact Report and the Traffic Impact Study prepared by the firm of KD Anderson Transportation Engineers. Payment of developer's equitable share of improvement costs shall be held in a separate interest bearing account and reserved for the interim improvements referenced above.

Backup Parkway Improvements:

1. That the developer shall design and construct the following improvements along the development frontages of Houston Avenue, S. Alpine Avenue and Butterfield Lane for lots backing or siding onto said streets :
 - a. A minimum six foot high (or as determined by Mitigation Measure 4.8.2b(1) in the MMRP), decorative masonry block wall with continuous reinforced concrete footings. Masonry walls shall be treated with anti-graffiti repellent. The minimum height of the wall shall be measured from the highest elevation grade of the property located adjacent to either side of the wall. Wall heights shall be maintained at a uniform grade / slope whenever possible. If elevation changes are required, steps shall be introduced at pilaster locations and / or changes in wall direction. Wall improvement plans shall be designed to incorporate architectural, civil and structural components into one set of drawings. Wall plans shall be reviewed and approved by both the City Public Works and Community Development Departments.
 - b. Masonry walls shall be constructed along the development frontages of Houston Avenue, S. Alpine Avenue and Butterfield Lane for all lots backing or siding onto said streets.
 - c. A 4 ½ foot wide detached sidewalk along the development frontages of Houston Avenue, S. Alpine Avenue and Butterfield Lane.
 - d. Landscape and irrigation system improvements along the development frontage of Houston Avenue, S. Alpine Avenue and Butterfield Lane (right of way and landscape easement areas). Landscape plans shall be prepared by a licensed landscape architect. Plans shall be reviewed and approved by both the City Public Works and Community Development Departments.
2. That a minimum of four trees per lot shall be planted in the front yards of homes at the time each lot is landscaped in accordance with City Ordinance 17.18.100 (F). For corner lots, a minimum of two trees per lot are to be planted between the curb and sidewalk along both street frontages located adjacent to the lot. Trees planted in the park strip shall be located in conformance with City Standard GE-13. Developer shall submit a landscape and irrigation system improvement plan for each house plan proposed within the subdivision for City Community Development Department review and approval.
3. That all species of trees and plants shall be selected from a list approved by the City Street Tree Commission.
4. That all new and existing electrical boxes, control boxes and other equipment boxes (excluding traffic control) cabinets along the street frontage shall be painted hunter green or be of a color compatible with the landscaping. Prior to painting, all metal surfaces shall be treated with an etching primer (zinc chromate) or equivalent. All above-ground pedestals and other utility boxes shall be located between back of sidewalk and masonry wall.

Park Improvements:

1. That all park facility and open space perimeter improvements shall conform to PUD master plan requirements and City Standards and Specifications. Developer shall retain the services of a landscape architect to design all park facility and open space perimeter improvements. Improvements shall include, but not be limited to, installation of a baseball court, horse shoe pit, covered picnic areas, tot-lot playground, connective linear park, decorative security lighting, drinking fountains, park benches, trash receptacles, and landscaping and irrigation systems. Park and open space improvements shall be

constructed concurrent with the first phase of the development, or as detailed in the Development Agreement.

2. That a minimum six foot high decorative masonry block wall shall be constructed along the south property line of proposed neighborhood park (adjacent to lots 99, 100, 117 and 118).
3. That the development is subject to a park development mitigation impact fee as required by City Municipal Code section 15.44 and any revisions thereof. Developer shall be entitled to a 50% credit towards their park development impact fee, as specified in development agreement, for all park and open space improvements provided by developer in accordance with PUD master plan requirements.

Sewer Improvements:

1. That the developer's engineer shall provide a sanitary sewer master plan complete with calculations for the entire subdivision for City Public Works Department review and approval prior to recording a subdivision final map for the first phase of development. Provisions shall be made to provide service for future areas of development located adjacent to the subdivision.
2. That a minimum 8" diameter sanitary sewer main and appurtenances (unless determined otherwise by the City Engineer) shall be extended within S. Alpine Avenue, from W. Hackberry Lane to Butterfield Lane, to accommodate future development located east of S. Alpine Avenue.
3. That developer is entitled to a reimbursement agreement in accordance with City Municipal Code Section 13.08 for sanitary sewer main improvements constructed within S. Alpine Avenue which also provide a benefit to others. Developer shall submit competitive bid proposals to substantiate costs for sanitary sewer main improvements installed within S. Alpine Avenue, if applicable, for City Public Works Department review and approval prior to beginning construction.

Storm Drainage Improvements:

1. That the developer's engineer shall provide a storm drainage master plan complete with calculations for the entire subdivision for City Public Works department review and approval prior to recording a subdivision final map for the first phase of development. Provisions shall be made to provide service for future areas of development located adjacent to the subdivision.
2. That all drainage from proposed development shall be directed to the Sand Slough drainage basin (Lot "A") located as shown on the tentative subdivision map.
3. That developer shall install a minimum 36 inch diameter storm drain pipeline and appurtenances within Houston Avenue in conformance with City storm drainage master plan requirements. The proposed storm drain line will connect the Sand Slough basin located as shown on the tentative subdivision map to an existing slough basin located south of Houston Avenue and just east of proposed development.
4. That development is subject to a storm water development impact fee as required by City Ordinance No. 98-14 or any revisions thereof, if applicable. Developer shall be entitled to a credit towards their storm water development impact fee for capacity enhancement improvements constructed within Sand Slough (Lot "A") that satisfy all (full credit) or a portion (partial credit) of their storm water storage requirements.
5. That developer shall be required to comply with State of California Water Resources Control Board requirements specially related to the National Pollution Elimination System Permit process.

Water System:

1. That the developer's engineer shall provide a Water System Master Plan complete with calculations for the entire subdivision for City review and approval prior to recording a subdivision final map for the first phase of the development. Provisions shall be made to provide service for future areas of development located adjacent to the subdivision.
2. That a minimum 18 inch diameter water main and appurtenances shall be extended within Houston Avenue from the eastern boundary of proposed development, as shown on the Live Oak master plan, (East property line of existing Sanchez development) to 12th Avenue. Improvement shall conform to the City's water system master plan.
3. That a minimum 12 inch diameter water main and appurtenances shall be extended within 12th Avenue from Houston Avenue to Hume Avenue in conformance with City's water system master plan.
4. Developer maybe entitled to a refund for water main over-sizing in accordance with City Municipal Code Section 13.04. Developer's engineer shall be required to submit calculations to substantiate request for an over-sizing refund to the City Public Works Department for review and approval. If applicable, developer shall submit competitive bid proposals to substantiate costs for water main over-sizing for City Public Works Department review and approval prior to beginning construction.
5. That developer is entitled to a reimbursement agreement in accordance with City Municipal Code section 13.04 for water system improvements installed within Houston Avenue, 12th Avenue and S. Alpine Avenue, which also provide a benefit to others. Developer shall submit competitive bid proposals to substantiate costs for said water system improvements for Public Works Department review and approval prior to beginning construction.
6. That all existing water wells located within the proposed development shall be abandoned in conformance with State of California Department of Health Standards.

Assessment District:

1. That the developer shall enter into an agreement with the City for the formation of a tax assessment district for the maintenance of neighborhood park landscaping (Lot "A"), open space slough area (Lot "A"), subdivision street lighting, decorative fencing, and common area landscaping located along the property frontages of Houston Avenue, S. Alpine Avenue and Butterfield Lane located as shown on the tentative subdivision map.
2. That prior to funds from the tax assessment district being obtained, the developer shall be responsible for the maintenance of all landscaping including park and open space areas, subdivision street lighting and decorative fencing.

FIRE DEPARTMENT

Contact Fire Marshall Christy Whittington (559)585-2594
Concerning questions that you may have on the conditions listed below:

General:

1. That water mains and fire hydrants be installed before housing construction (unless otherwise approved by the Fire Department) and be of sufficient capacity for fire protection as well as domestic supply.

Fire hydrants are to be located as designated by the Fire Department. All fire hydrants and mains are to meet City standards.

2. That the blue dot fire hydrant location markers be installed six inches from the middle of the street.
3. That an all weather 20 ft. wide road be provided throughout the subdivision where houses are being constructed, as required by City Ordinance No. 929, prior to the issuance of building permits.

BUILDING DIVISION

Contact Building Official: Tom Webb (559) 585-2584

Concerning questions that you may have on the conditions listed below:

Soils:

1. That a preliminary soils report, prepared by a qualified soil's engineer, be provided to the Engineering and Building Departments prior to approval of Subdivision Improvement Plans.
2. That a final soils report, prepared by a qualified soils engineer, be provided to the Engineering and Building Departments prior to acceptance of the subdivision improvements by the City or issuance of building permits or whichever comes first.
3. That the developer retain the design engineer to inspect and verify that grading within the subdivision was constructed as per the approved design, and a copy of the report be provided to the Building Department prior to building permit issuance.

Street Names and Addresses:

1. That street addresses for each lot, as provided by the Building Division, be included on the subdivision final map.
2. That street names, as shown on the tentative subdivision map, be included on the subdivision final maps.
3. That all single family dwellings within the subdivision have illuminated address numbers 2-¼ inches high or be within an illuminated area with 3-½ inch high address numbers installed on the front most part of the building leading to the entrance. In either case the address numbers shall be of contrasting colors with the background.

Kings County Impact Fees:

1. That Tentative Tract 865 is subject to the following Kings County Impact fees:
 - a. Criminal Justice
 - b. Library
 - c. Animal Control
 - d. Compliance

EXPIRATION:

That this Vesting Tentative Tract Map shall expire with the expiration of the Live Oak Development Agreement.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Hanford held on the 1st day of December, 2020 by the following vote:

AYES: Council Member

Draxler
Ramirez
Sorensen
Brieno
Devine

NOES: Council Member

ABSTAIN: Council Member

ABSENT: Council Member

John Draxler
MAYOR

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

I, **Natalie Ortega**, City Clerk of the City of Hanford, do hereby certify that the foregoing Resolution was duly passed and adopted by the City Council of the City of Hanford at a regular meeting thereof held on the 1st day of December, 2020.

Dated: 12/1/2020

Natalie Ortega
City Clerk

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO : _____

CITY OF HANFORD
COMMUNITY DEVELOPMENT DEPARTMENT
317 N. Douty Street
Hanford, CA 93230

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**NOTICE, DISCLOSURE, ACKNOWLEDGMENT AND AGREEMENT OF CONTINUED CARE AND
MAINTENANCE BY LOT OWNER OF THE TREES AND LAWN AREA PLANTED IN THE PARKWAY
FOR TRACT NO. 865**

NOTICE IS HEREBY GIVEN that City of Hanford Planning Commission Resolution No. 2020-16 approved the development of Tract No. 865 subject to the following conditions pertaining to the continued care and maintenance of the tree(s) and lawn area located in the parkway of said Tract No. 865 by the lot owners in Tract No. 865:

CONDITIONS:

1. Each lot owner within Tract No. 865 shall care for and maintain the trees and lawn area located in the parkway in front of their lot(s). For corner lots, the lot owner shall also care for and maintain the parkway trees and lawn area along the street side of the lot. All species of trees shall be selected from a list approved by the City Street Tree Commission. The parkway is defined as that land area located between the street curb and the public sidewalk.
2. The tree(s) and lawn area are to be properly pruned, mowed, sprayed, watered and fertilized on a regular on-going basis in order to preserve the health and life of the tree(s) and lawn area.
3. Should the tree(s) and lawn area become damaged, severely pruned, neglected, removed, or die, the lot owner shall replace said tree(s) and lawn area within a reasonable time frame, but no later than thirty (30) days after the date of written notice from the City of Hanford. The tree(s) shall be replaced with a 15 gal. size tree of the same species that was originally planted. The lawn area shall be replaced with lawn. Rocks, bark, ground cover, plants or paving are not allowed in the parkway.
4. We understand and agree that our failure to comply with the conditions identified above shall constitute a breach of our obligations as identified in this document and shall also constitute a violation of the provisions of Chapter 17.52 of the Hanford Municipal Code.

WE HEREBY ACKNOWLEDGE AND UNDERSTAND our obligations for the care and maintenance of the parkway along the street frontage(s) of our lot and agree to be bound by the same.

PROPERTY ADDRESS: _____, Hanford, CA 93230

LEGAL DESCRIPTION OF PROPERTY: Lot No. _____ of Tract No. 865, Unit No. _____

ASSESSOR'S PARCEL NUMBER: _____ - _____ - _____

Owner's Signature _____
Print or Type Owner's Name _____

Date _____

Owner's Signature _____
Print or Type Owner's Name _____

Date _____

(attach Notary acknowledgment)

36.82 total acres, Park = 3.79 acres					
Tract 865, unit 1					
Reimbursements					
	Unit 1+100 lots, Unit 2+116 lots	Quantity	Unit	Unit Cost	Cost
Park					
Park Improvements					
Landscape design (Design of park not reimbursable)	-	LS	\$13,027.50	\$0.00	\$0.00
Irrigation/Landscaping (LIR)	1	LS	\$483,667.00	\$483,667.00	\$241,833.50
Hydroseed	130000	sf	\$0.10	\$13,000.00	\$6,500.00
Site Amenities (LIR) 3D benches, 5 trash receptical	1	LS	\$25,199.00	\$25,199.00	\$12,599.50
Play Equipment (LIR)	1	LS	\$171,845.00	\$171,845.00	\$85,922.50
Horseshoe Pit (LIR)	1	%	\$17,074.00	\$17,074.00	\$8,537.00
Pergola (LIR) (two structures)	1	LS	\$67,842.00	\$67,842.00	\$33,921.00
Core Drill Footings for Pergula	2	LS	\$1,500.00	\$1,500.00	\$1,500.00
Park #1 Mow Curb	413	LF	\$25.00	\$10,325.00	\$5,162.50
Final Grade (included in Park Rough and Final Grade)	2	EA	\$2,016.00	\$4,032.00	\$2,016.00
Parkway Grading	59	EA	\$125.00	\$7,375.00	\$3,687.50
Additional CCO Rough and Final Grade	1	LS	\$13,800.00	\$13,800.00	\$6,900.00
Park Rough Grade and Final Grade (price per contract)	165092.4	SF	\$0.16	\$25,915.51	\$12,959.75
Park Concrete sidewalk	12,500.00	SF	\$6.40	\$80,000.00	\$40,000.00
Park Curb & Gutter (This is frontage)	0.00	LF	\$16.75	\$0.00	\$0.00
Park Asphalt	0.00	SF	\$2.40	\$0.00	\$0.00
Block Wall	484.68	LF	\$89.00	\$43,136.52	\$21,568.26
Block Wall Columns	0	EA	\$2,138.00	\$0.00	\$0.00
Park Maintenance (maintenance not reimbursable)	0	LS	\$2,925.00	\$0.00	\$0.00
Park Land Reimbursement	3.79	AC	\$50,000.00	\$189,500.00	\$189,500.00 - per Subdiv. Map Act
SJV Homes Management Fee	10%		\$58,607.54	\$0.00	
Engineering Reimbursement Fee	15%		\$87,911.31	\$0.00	
				\$1,155,715.03	\$672,607.51 Reimbursement
Park Impact Fees paid with Building Permit					
	100 TR 865-1		\$2,687.08	\$268,708.08	\$580,408.28
	116 TR 865-2		\$2,687.08	\$311,701.28	
Low Oak Development	1560 total lots		\$2,687.08		\$4,191,844.80

Park Improvements

1. That all park facility and open space perimeter improvements shall conform to PUD master plan requirements and City Standards and Specifications. Developer shall retain the services of a landscape architect to design all park facility and open space perimeter improvements. Improvements shall include, but not be limited to: installation of a seasonal court, horse shoe pit, covered picnic areas, toilet playground, connective linear park, decorative security lighting, drinking fountain, park benches, trash receptacles, and landscaping and irrigation systems. Park and open space improvements shall be constructed concurrent with the first phase of the development, or as detailed in the Development Agreement.
2. That a minimum six foot high decorative masonry block wall shall be constructed along the south property line of proposed neighborhood park (adjacent to lots 99, 100, 117 and 118).
3. That the developer is subject to a park development mitigation impact fee as required by City Municipal Code section 15.44 and any increase thereof. Developer shall be entitled to a 50% credit towards their park development impact fee, as specified in development agreement. For all park and open space improvements provided by developer in accordance with PUD master plan requirements.

Title 15 BUILDINGS AND CONSTRUCTION

Chapter 15.44 PARK FACILITIES IMPACT FEE

15.44.010 Purpose.

15.44.020 Area parks facilities development impact fee.

15.44.030 Exemptions.

15.44.040 Limited use of fees.

15.44.050 Developer construction of facilities.

15.44.060 Credit for private open space.

15.44.070 Annual engineering cost index.

15.44.010 Purpose.

In order to implement the goals and objectives of the land use and circulation elements of the city’s general plan and the city’s parks and recreation master plan, and to mitigate the congestion and overcrowding impacts caused by new development in the Hanford city area, certain parks and recreational facilities must be constructed. The city council has determined that a parks facilities development impact fee is needed in order to finance these public improvements and to pay for the development’s fair share of the construction costs of these improvements. In establishing the fee described in the following sections, the city council has found the fee to be consistent with its general plan. (Prior code § 10-1.101)

15.44.020 Area parks facilities development impact fee.

A parks facilities development impact fee is established on issuance of all residential building permits for development in the Hanford city area to pay for parks and recreational facilities improvements. The city council shall, in a council resolution, set forth the specific amount of the fee, describe the benefit and impact area on which the development fee is imposed, list the specific public improvements to be financed, describe the estimated cost of these facilities, describe the reasonable relationship between this fee and the various types of new developments and set forth the time for payment. As described in the fee resolution, this development fee shall be paid by each developer prior to issuance of a building permit. On an annual basis, the city council shall review this fee to determine whether the fee amounts are reasonably related to the impacts of developments and whether the described public facilities are still needed and/or what additional facilities may be needed. (Prior code § 10-1.102)

15.44.030 Exemptions.

The following shall be exempted from payment of the parks facilities development impact fee:

A. Alterations or expansion of an existing building where no additional units are created;

B. The replacement of a destroyed or partially destroyed dwelling or dwelling structure with a new dwelling or dwelling structure of the same size and use, provided that no additional vehicle trips will be produced over and above those produced by the original use;

C. The installation of a replacement mobilehome on a lot or other such site when a park facilities development impact fee for such mobilehome site has previously been paid pursuant to this chapter or where a mobilehome legally existed on such site on or prior to the effective date of the ordinance codified in this chapter.

Any claim of exemption must be made no later than the time of application for a building permit or permit for mobilehome installation. Any claim not so made shall be deemed waived. (Prior code § 10-1.103)

15.44.040 Limited use of fees.

The revenues raised by payment of this fee shall be placed in a separate and special account and such revenues, along with any interest earnings on that account, shall be used solely to:

A. Pay for the city's future construction of facilities described in the resolution enacted pursuant to Section 15.44.020, or to reimburse the city for those described or listed facilities constructed by the city with funds advanced by the city from other sources; or

B. Reimburse developers who have been required or permitted by Section 15.44.050 to install such listed facilities which are oversized. (Prior code § 10-1.104)

15.44.050 Developer construction of facilities.

Whenever a developer is required, as a condition of approval of a development permit, to construct a public facility described in a resolution adopted pursuant to Section 15.44.020 which facility is determined by the city to be oversized over that needed for the impacts of that development and when such construction is necessary to ensure efficient and timely construction of the facilities network, a reimbursement agreement with the developer and a credit against the fee, which would otherwise be charged pursuant to this chapter on the development project, shall be offered. The reimbursement amount shall not include the portion of the improvement needed to provide services or mitigate the need for the facility or the burdens created by the development. (Prior code § 10-1.105)

15.44.060 Credit for private open space.

No credit shall be given for private open space in the subdivision except as hereinafter provided. Where private open space usable for active recreational purposes is provided in a proposed planned development or real estate development as defined in Sections 11003 and 11003.1 of the [Business and Professions Code](#), partial credit, not to exceed fifteen percent (15%) shall be given against the requirement of payment of fees of land dedication in lieu thereof if the city council finds that it is in the public interest to do so and that all the following standards are met:

A. Yards, court areas, setbacks and other open areas required by the zoning and building ordinances and regulations shall not be included in the computation of such private open space; and

B. Private park and recreation facilities shall be owned by a homeowners association composed of all property owners in the subdivision and being an incorporated nonprofit organization capable of dissolution only by a one hundred percent (100%) affirmative vote of the membership, operated under recorded land agreements through which each lot owner in the neighborhood is automatically a member, and each lot is subject to a charge for proportionate share of expenses for maintaining the facilities; and

C. Use of the private open space is restricted for park and recreation purposes by recorded covenant which runs with the land in favor of the future owners of the property and which cannot be defeated or eliminated without the consent of the city or its successor; and

D. The proposed private open space is reasonably adaptable for use for park and recreation purposes, taking into consideration such factors as size, shape, topography, geology, access and location; and

E. Facilities proposed for the open space are in substantial accordance with the provisions of the parks and recreation element of the general plan; and

F. The open space for which credit is given is generally a minimum of three (3) acres and provides one or more of the local park basic elements listed below, or a combination of such other recreation improvements that will meet the specific recreation needs of future residents of the area as determined by the city council:

1. Recreational open spaces, which are generally defined as park areas for active recreation pursuits such as soccer, golf, baseball, softball and football, and have at least one acre of maintained turf with less than five percent (5%) slope,
2. Court areas, which are generally defined as tennis courts, badminton courts, shuffleboard courts or similar hard surfaced areas especially designed and exclusively used for court games,
3. Recreational swimming areas, which are defined generally as fenced areas devoted primarily to swimming, diving or bathhouses, or other facilities developed and used exclusively for swimming and diving and consisting of no less than fifteen (15) square feet of water surface area for each three percent (3%) of the population of the subdivision with a minimum of eight hundred (800) square feet of water surface area per pool together with an adjacent deck and/or lawn area twice that of the pool,
4. Recreation buildings and facilities designed and primarily used for the recreational needs of residents of the development.

The determination of the city council as to whether credit shall be given and the amount of credit shall be final and conclusive. (Prior code § 10-1.106)

15.44.070 Annual engineering cost index.

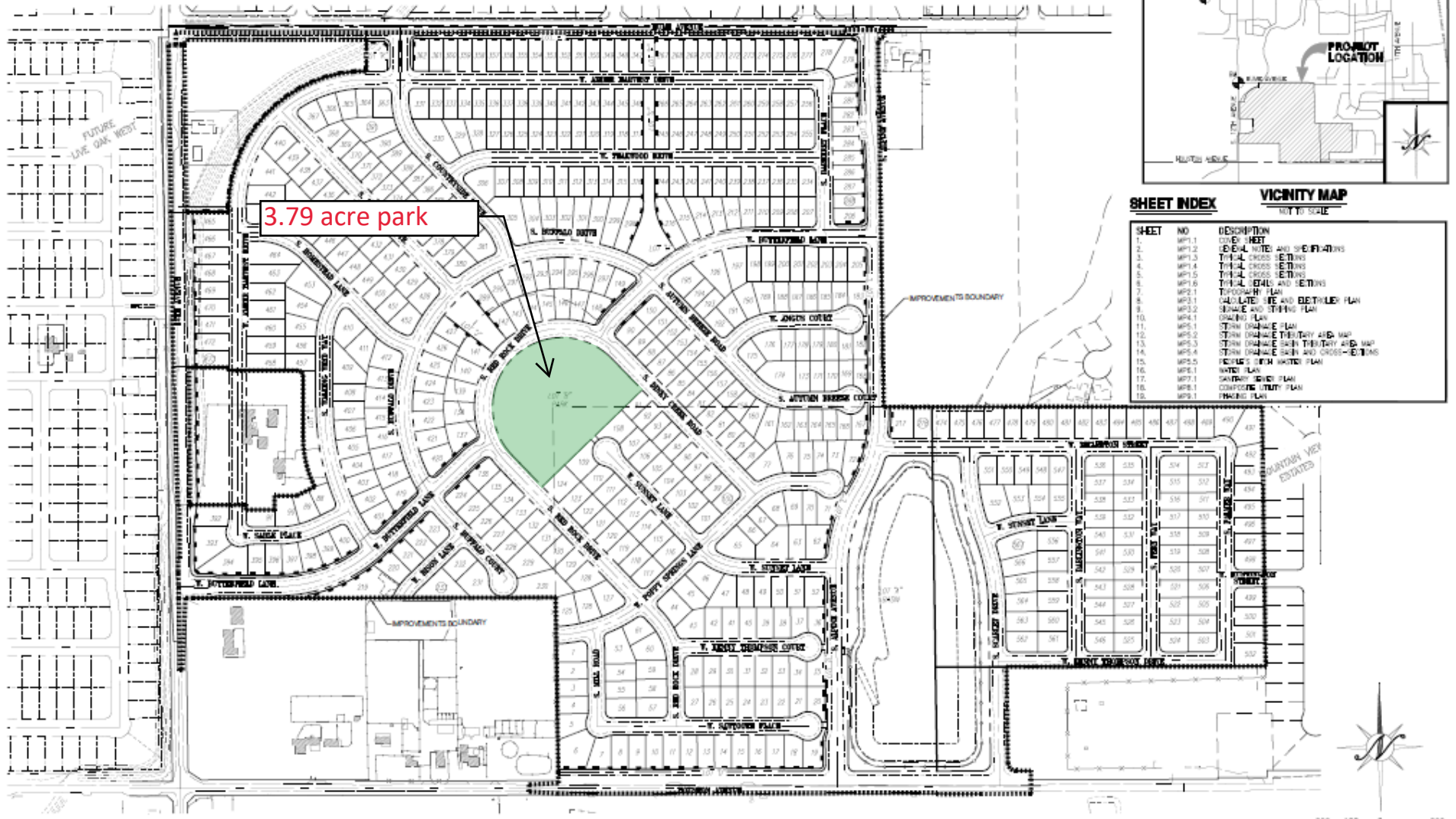
The park facilities impact fee established hereunder may be adjusted by resolution of the city council of the city of Hanford on or before July 1 of each fiscal year by a percentage no greater than the engineering cost index as published by the Engineer News Record for the preceding twelve (12) months. (04-11, Added, 05/04/2004)

Contact:

City Clerk: 559-585-2515

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MASTER PLANS FOR LIVE OAK EAST TRACT 865, 881, 912 HANFORD, CALIFORNIA



ABBREVIATIONS





AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: GENERAL BUSINESS

SUBJECT:

Introduction of Ordinance No. 24-01, Amending Municipal Code 2.48 relating to the City's Purchasing System

RECOMMENDATION:

Recommendation: That the City Council, by motion approve the introduction of Ordinance No. 24-01, Amending Municipal Code 2.48 relating to the City's Purchasing System

Recommended Motion: I move to approve the introduction of the first reading of Ordinance No. 24-01, Amending Municipal Code 2.48 relating to the City's Purchasing System

BACKGROUND:

In order to stay up to date on federal, state or local needs, staff is proposing to amend Municipal Code 2.48 relating to the City's Purchasing System so that the HMC refers to a City Council adopted Purchasing Policy that will allow the City to be timely in implementing necessary changes and make efficient purchasing decisions. The Policy will include more detail than could practically be included in the Municipal Code.

The Purchasing Policy will clarify and update policies and procedures for employees and vendors to readily reference. The Policy will expand on and provide direction in the areas of establishing efficient procedures for positive financial control, clear definition of purchasing authority, and recordkeeping of details for items purchased. The policy is written to promote cost-effective procurement of goods and services and assist in understanding individual responsibilities in the purchasing process by clearly specifying an applicable set of procedures to be used by the City of Hanford employees in obtaining the goods and services necessary in carrying out their responsibilities to the City, community, and its citizens.

There are no substantial procurement changes recommended, and the Policy will clarify processes and provide detail for reference regarding almost all aspects of purchasing. Included below are some highlights of what the proposed Purchasing Policy will have (which is in line with current Municipal Code):

- Identifies the Director of Finance, Purchasing Agent and other staff's authority and responsibilities
- States Purchase Authority Levels:

\$1 - \$9,999

Department Head/Purchasing Agent

\$10,000 - \$49,999	City Manager
\$50,000 or greater	City Council

- Defines formal and informal bid processes
- Retains Uniform Cost Accounting Act requirements for Public Works projects
- Retains a *Local Vendor Preference* to vendors maintaining a fixed business location within city limits giving local vendors award if within 5% of the lowest bid

Staff has drafted a Purchasing Policy for City Council to review prior to formal action to be recommended on February 20, 2024.

FISCAL IMPACT:

This amendment, in conjunction with the implementation of a Purchasing Policy (to be approved by resolution), will allow for centralized procurement standards. Future amendments to the Purchasing Policy will be done by City Council Resolution which will enable the City to adjust in a more timely fashion to any potential changes to federal, state or local law that may be required.

The fiscal impact of the Purchasing Policy will be to ensure that the City has done due diligence in obtaining the most cost-effective products and services available, ultimately saving taxpayer dollars.

ATTACHMENTS:

1. 2024.01.08 Purchasing Ordinance Amendment
2. 2024.01.27 Purchasing Policy draft

ORDINANCE NO. _____

**AN ORDINANCE AMENDING HANFORD MUNICIPAL CODE 2.48 RELATING TO
THE CITY'S PURCHASING SYSTEM.**

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

Section 1: Hanford Municipal Code Chapter 2.48 contains provisions and policies regarding the City of Hanford's (city) purchasing system.

Section 2: The City Council has determined it to be in the city's best interest to update the purchasing system and associated policies.

Section 3: Hanford Municipal Code Section 2.48.010 is hereby deleted in its entirety and restated as follows:

"Except as otherwise provided by state law or policies adopted by City Council resolution and except as to public works projects, the city's Director of Finance shall be the officer in charge of the purchasing function and shall have the general responsibility for purchases of supplies and services for the use of all departments of the City."

Section 4: Hanford Municipal Code Section 2.48.020 is hereby deleted in its entirety and restated as follows:

"A. The duties and responsibilities of the city's Director of Finance and other city personnel under the city's purchasing system shall be established by City Council resolution, the terms of which are incorporated herein by reference.

"B. It shall be the duty of each department to use its best efforts to secure the lowest price for such services and supplies."

Section 5: Hanford Municipal Code Sections 2.48.030 is hereby deleted in its entirety and restated as follows:

"2.48.030 Purchasing System Policies

"Purchasing system policies, including, without limitation, policies regarding purchasing and contract procedures; ethical considerations; purchasing specifications; methods of acquisition, bid requirements and associated procedures; goods and services contracts; contract administration and enforcement; vendor relations and performance; insurance and bond requirements required under city contracts; policies regarding inventory control, fixed assets and surplus items; cost control methods; receiving procedures; payment procedures; federal, state, and local tax requirements; policies regarding public works contracts; and federal procurement policies shall be established by City Council resolution, the terms of which are incorporated herein by reference."

Section 6: Hanford Municipal Code Sections 2.48.035 through 2.48.070 are hereby deleted in their entirety.

Section 7: This ordinance shall take effect thirty (30) days after its passage and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on February 20, 2024, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED

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 ordinance was duly introduced at a regular meeting of the City Council of the City of Hanford on the 6th day of February, 2024, and it was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the 20th day of February, 2024.

NATALIE CORRAL
CITY CLERK



SUBJECT	PURCHASING POLICY
DATE	XX-XX-2024
PREPARED BY	FINANCE DEPT
APPROVED BY	CITY COUNCIL

CITY OF HANFORD PURCHASING POLICY

DRAFT

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A. INTRODUCTION - PURCHASING AND CONTRACT PROCEDURES

1. PURPOSE

The purpose of this manual is to provide a set of policies and procedures that comply with applicable Federal, State, local, and general laws and regulations to promote cost-effective procurement of goods and services. In the event the provisions of this manual directly conflict with Federal, State, or local law, the latter shall govern.

This manual has been compiled to assist employees in understanding their responsibilities in the purchasing process by clearly specifying an applicable set of procedures to be used in obtaining the goods and services necessary to carry out their responsibilities to the City, community, and its citizens.

2. PURCHASING SYSTEM

A purchasing system is used for the purchase of all city goods and services. The system is to aid in establishing efficient procedures for positive financial control, to clearly define authority, and for recordkeeping of the details related to all purchases.

3. PURCHASING AUTHORITY AND RESPONSIBILITY

The Purchasing Agent, under the administrative direction of the Finance Director, shall have delegated authority to oversee general supervision of the Purchasing Division. The Purchasing Agent has the authority and responsibility to carry out and/or delegate applicable procurement laws and develop policies with regard to purchasing and related contractual agreements for goods and services.

The Purchasing Agent has the authority to assist with Public Works projects to contract for various services including construction, alteration and repair and architectural, engineering, and design consulting services.

In summary, the Purchasing Agent processes purchase requisitions for all City departments; obtains and evaluates competitive bids, quotes, estimates and proposals; awards and contracts; creates, distributes and centrally files all purchasing documents; administers purchase orders and contracts and monitors vendor performance.

4. OTHER DUTIES OF PURCHASING AGENT

Additional authority and responsibilities to:

- Redistribute, sell or otherwise dispose of personal property no longer required by the using department, i.e. surplus property.
- Establish standard specifications, with department input, for items commonly used by City departments.
- Coordinate lease-purchase agreements and consultant agreements.
- The Purchasing Agent may organize and establish standards of type, design, quality or brand of purchases. The Purchasing Agent shall receive recommendations from the City Manager, City Council, Department Heads, or any other authorized City employees to purchase goods and services for special needs or particular uses. The Purchasing Agent shall consult with and give consideration to the recommendations received from all City departments regarding their requirements.

5. PURCHASE AUTHORITY LEVELS

Purchasing Agent/Department – \$1 - \$9,999:

City Manager - \$10,000 - \$49,999:

City Council – \$50,000 or greater:

Departments must complete all the necessary required staff reports and any other documentation applicable and secure a scheduled date to be listed on the City Council Agenda.

Architectural, engineering, construction management, land surveying, specialized and design services shall be procured in accordance with the Uniform Public Construction Cost Accounting Act if not subject to other state or federal funding requirements.

6. DELEGATION OF AUTHORITY

The Finance Director may delegate any of the duties listed above to the Purchasing Agent or other City employees. Those individuals shall follow all the requirements of this Purchasing Policy and shall consult with the Finance Director or Purchasing Agent on technical aspects of the purchasing process.

PROCURING GOODS AND SERVICES ON BEHALF OF THE CITY OF HANFORD WITHOUT THE PROPER AUTHORITY CAN RESULT IN THE INDIVIDUAL BEING HELD PERSONALLY RESPONSIBLE FOR CHARGES INCURRED.

7. COORDINATION WITH CITY DEPARTMENTS

While City departments have the primary responsibility for the determination of goods and services, which they requisition, the Purchasing Agent will evaluate quality, quantity and type selected to ensure that the best interests of the City are served. Departments are encouraged to consult with the Finance Director or Purchasing Agent concerning materials specification or other general information. The Purchasing Agent will arrange demonstrations of products and equipment and obtain other information when requested to do so by the departments. Information on new products, services or procedures should be shared with the Purchasing Agent as soon as any purchase is contemplated.

8. GOALS AND OBJECTIVES OF THE PURCHASING DIVISION

Internal management and operation of the Purchasing Division shall, with respect to the purchase or contract for goods and services required by departments, conform to: (i) the purchasing procedures prescribed by Federal, State, and local laws and ordinances; and (ii) other administrative rules and regulations prescribed by the Finance Director and/or the City Manager that contribute to the following objectives:

- To provide City departments with quality and timely service that allows them to fulfill their obligations effectively.
- To ensure that the City receives the best value obtainable for each tax dollar expended.
- To promote free and open competition and equal opportunity for all qualified and responsible bidders. The following are four (4) fundamental elements of the procurement process:
 1. Buying the proper goods and services for the purpose required.
 2. Having material available at the proper time.
 3. Securing the proper amount.
 4. Paying the proper price.

B. ETHICAL CONSIDERATIONS

1. CODE OF ETHICAL CONDUCT

The primary mission of City Government is to serve the citizens of the City of Hanford. To perform its mission effectively, the City must have the trust and confidence of the public it serves. That trust is dependent upon City employees discharging their duties honestly, forthrightly, objectively and with personal integrity.

To secure and maintain the trust and confidence of the public, the City of Hanford is committed to upholding the highest standards of ethical conduct. Of key importance in determining whether a particular action is proper or improper, is how the action is perceived. The full measure of ethical review is not limited to the narrow confines of a specific job, task or department. The review must also determine whether the action gives the appearance of wrongdoing, inequity, impropriety or the perception of misconduct when viewed by the public.

2. ETHICAL CONDUCT

All City employees, including elected officials, shall:

Adhere to the highest moral principles and demonstrate loyalty to coworkers, the public and government departments.

Uphold the Constitution, laws and legal regulations of the United States, Federal, State, local laws and all governments therein and never be a party to their evasion.

Give a full day's labor for a full day's pay: giving to the performance of one's duties, one's earnest effort and best thought carrying out responsibilities.

Seek to find and employ more efficient and economical ways of getting tasks accomplished.

Never discriminate or act unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept, for oneself or family, favors or benefits under circumstances that might be construed by reasonable persons as influencing the performance of employee governmental duties.

Accept no money, commissions or thing of value of any kind, in exchange for, or as quid pro quo for City services.

Work related gratuities (example - Promotional items/swag, Christmas/holiday gifts) are only to be accepted if they constitute a gesture of goodwill toward the agency or if the primary purpose furthers a legitimate City interest, as opposed to the personal interest of the recipient. These are allowed if given to a division or department and not limited to specific individuals. Any doubts about the propriety of accepting a particular gratuity should be resolved by refusal of the gratuity. Work related gratuities shall, in addition to the terms contained herein, be subject to the California Political Reform Act and associated Fair Political Practices Commission regulations.

Make no promise of any kind binding upon the duties of office, since a city employee has no private word, which may be binding upon public duty.

Engage in no business with the government, either directly or indirectly, which is inconsistent with the conscientious performance of employee's governmental duties and policies. A City employee who seeks to do business with the City is subject to the restrictions and limitations of Government Code Section 1090, *et seq.*, regarding employees contracting with their own agencies.

Never use any confidential or non-public information received in the performance of employee's governmental duties as a means for making private profit.

Treat all individuals encountered in the performance of employee's duties in a respectful and professional manner.

Uphold these principles, ever conscious that a public office is a public trust.

3. PUBLIC PURCHASING STANDARDS

City Employees should endeavor to promote loyalty to your organization, justice to those who you interact with, and faith in your profession by:

- A. Avoiding the intent and appearance of unethical or compromising practice in business relationships, actions and communications. Avoid delivery of goods and services to employee's personal residential address. Regarding all business interactions, communications and practices, City employees are advised to display a professional work attitude, appearance and demeanor.
- B. Conducting international purchasing in accordance with the laws, customs and practices of foreign countries, consistent with federal, state, and local laws and this Policy. Demonstrate loyalty to the employer by diligently following the lawful instructions, rules and policies of the employer, using reasonable care and only authority granted. Acknowledge and obey the letter and spirit of laws governing the purchasing practices and remain alert to the legal ramifications of purchasing decisions. Refrain from reciprocal agreements that restrain competition.
- C. Refraining from any private business or professional activity that would create a conflict between personal interests and the interests of the employer and discourage purchasing involvement in employer-sponsored programs of personal purchases that are not business related. Refrain from soliciting or accepting money, loans, credits or prejudicial discounts and the acceptance of gifts, entertainment, favors or services from present or potential suppliers that might influence or appear to influence purchasing decisions. Encourage all segments of society to participate by demonstrating support for local, small, disadvantaged and minority-owned businesses.
- D. Handling confidential or proprietary information belonging to employers or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations and City policies.
- E. Promoting positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle and avoid favoritism to exclusive vendors and practices, giving all qualified vendors an equal opportunity. Extend vendor representatives professional treatment and being conscious they are important sources of information and assistance with City procurement activities and cooperate with all organizations and individuals engaged in enhancing the development and maintaining the purchasing profession. To conduct ourselves with fairness and dignity and to demand honesty and truth in buying and selling.
- F. Regarding public service as a sacred trust, giving primary consideration to the interests of the governmental unit by whom we are employed. Enhance the proficiency and stature of the purchasing profession by acquiring and maintaining current technical knowledge and the highest standards of ethical behavior.
- G. Purchasing from responsible vendors for the best value obtainable, securing the maximum benefit for each tax dollar expended and cooperate with all organizations and individuals engaged in enhancing the development and maintaining the purchasing profession.

4. CONFLICT OF INTEREST REGULATIONS

Conflicts of interest occur when a conflict exists between the public interest and the private monetary interest of a public official or employee. Conflicts of interest can also occur with regards to individuals who have left government employment, when former public officials are able to exert undue influence over the purchasing process because of their past personal connections inside government.

City employees and officers are prohibited from having any financial interest, direct or indirect, in any City contract.

No member of the Council or of any board, nor any officer or employee of the City shall be or become interested in any contract for which bids are or may be required for the furnishing of labor or materials to or for the City, nor shall any of them receive any gratuity or advantage from any contract or from the contractor furnishing any labor or material under any contract, the cost or consideration of which is payable from the City treasury. Any such contract with the City, in which any such officer or employee is or becomes interested, shall be declared void by the Council.

Generally speaking, an employee should not participate directly or indirectly when the following conditions apply:

- A. The employee or any member of the employee's immediate family has a financial interest in the purchase.
- B. A business or organization, in which the employee or any member of the employee's immediate family has a financial interest, is involved in the purchase.
- C. Any other person, business or organization, with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment, is involved in the purchase.

Regarding Purchasing Bidding process:

No officer or employee of the City shall aid or assist a bidder in securing a contract to furnish labor or materials or supplies at a higher price or rate than that proposed by any other responsible bidder, or shall favor one bidder over another, giving or withholding information, or shall willfully mislead any bidder in regard to the character of the materials or supplies of a quality inferior to that called for by contract, or shall knowingly certify to a greater amount of labor performed than has actually been performed or to the receipt of a greater amount of material or supplies than has actually been received.

5. PURCHASING FOR PERSONAL USE

City of Hanford employees shall not use their official capacity or City time to negotiate or make personal purchases for themselves or others. Employees must act purely in the best interest of the public at all times and avoid the introduction of personal factors. This section shall in no way be interpreted to allow the violation of Government Code Section 1090, *et seq.*

6. GIFTS, GRATUITIES AND KICKBACKS

City of Hanford Council members and other officials or employees are prohibited from accepting any gift or gratuity that may give advantage to any contract or contractor, however, a gift or gratuity is allowed subject to Fair Political Practices Commission (FPPC) rules. This policy is designed to prohibit actions that may tend to unduly and improperly influence officers and employees in the discharge of their duties, or grant, in the discharge of their duties, any improper favor, service or thing of value.

The City recognizes the responsibility of its employees to maintain good relations with all members of the community and believes this can be accomplished in a professional manner without gifts or gratuities interfering and influencing employees. Should a gift be accepted by an employee who is required to file FPPC Form 700, they must disclose on Form 700 gifts from a single source if the cumulative value is \$50 or more (or as otherwise determined by the FPPC) and may not accept gifts from any single source totaling more than \$590 in a calendar year (or as otherwise determined by the FPPC).

As opposed to gratuities, which up to a financial limit are not illegal, kickbacks are always illegal. Kickbacks are "financial payment for receiving a contract".

It shall be illegal for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated with contracting, as an inducement for the award of a subcontract or order.

7. UNETHICAL USE OF CONFIDENTIAL INFORMATION

City employees are frequently made privy to confidential information (information not subject to disclosure under the Public Record Act) in the course of their duties, and the prohibition against the misuse of confidential information is just as fundamental to ethical purchasing as it is to any other sphere of government. It shall be unethical for any employee, or former employee, knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

8. RECOVERY OF KICKBACKS BY THE CITY

Upon showing that a subcontractor made a kickback to a prime contractor or a higher tier subcontractor in connection with the award of a subcontract or an order, it shall be conclusively presumed that the amount discovered was included in the price of the subcontract or order and ultimately borne by the City and will be recoverable from the recipient. In addition, that amount may also be recovered from the subcontractor making such kickbacks. Recovery from one offending party shall not preclude recovery from other and all offending parties.

9. SANCTIONS FOR ETHICAL VIOLATIONS

Any employee who violates ethical standards may be disciplined in accordance with the City of Hanford disciplinary procedures as outlined in the employee's applicable bargaining group Memorandum of Understanding.

C. SPECIFICATIONS

A specification is a purchase description, and it is at the heart of the procurement process. A specification means any description of the physical or functional characteristics, or of the nature of the goods and services. It may include a description of any requirement for inspecting, testing, or preparing a supply, service or construction item for delivery. It may also include drawings or samples.

A specification identifies what the buyer is to buy, informs prospective suppliers what is specifically required, provides the basis for the resulting purchase order or contract and establishes the standard against which inspections and tests are made.

1. GENERAL SPECIFICATIONS GUIDANCE

All specifications shall seek to promote overall economy and functionality for the purposes intended and to encourage competition in satisfying the City's needs and shall not be unduly restrictive.

In order that the City receive the best quality of goods and services at the most advantageous price, the Purchasing Division will not issue bids for any article of a specific brand, nor any patented apparatus or

appliance, when such requirements would prevent competition on the part of dealers or manufacturers of other articles of equal value, utility or merit. This means simply that Purchasing will not exclude competition by insisting on a particular manufacturer's product when other products of equal quality and functionality are available. Purchasing may ask for bids on approved equals. If a specific product is required, the requisitioning department must justify in writing, using a Sole Source Justification to the Purchasing Agent, that the product desired has significant features which are lacking in other goods or services marketed by competitors.

2. DEPARTMENT RESPONSIBILITIES

It is the responsibility of the requisitioning department to write and justify specifications for goods and services of a technical nature or those requiring engineering. Purchasing has the authority to question any specification which seems unreasonably restrictive, excessive, inordinate, or otherwise inappropriate. Requestors should contact Purchasing if assistance is needed with departmental specifications.

Vendors can be valuable sources of information, but care must be taken not to obligate the City to a particular vendor and not to tailor a specification to a particular vendor's product.

3. TYPES OF SPECIFICATIONS

- A. Standard Specifications are a result of standardization. Standard specifications describe the quality of materials to be purchased and are developed after carefully considering the requirements of the City and the various types of products and supplies purchased by the organization. Examples of items lending themselves to standardization are office supplies, computer supplies, paper towels, toilet tissue and public safety equipment such as ammunition, ballistic vests, light bars, mobile radios and even fire apparatus.
- B. Brand Name Specifications are the most restrictive type of specification. This specification lists trade names, catalog numbers and model numbers of a particular manufacturer. Ideally, more than one brand name should be specified. When listing brand names, vendors should always be given the opportunity to submit bids for "equal" products. Brand name products typically cost more because specifying those limits competition.
- C. Qualified Products Lists can be generated with the help of vendors. During initial specification development, the specifications are sent to several vendors who are asked to comment on the specifications. Adjustments are made to the specifications based on the vendor comments and products are tested to determine suitability. Once a Qualified Products List is generated, additional tests may not be required. Qualified Products Lists are typically used for construction materials.
- D. Design Specifications detail how a project is to be constructed or equipment is to be built. These specifications are typically used in public works construction projects.
- E. Performance Specifications are less concerned with how a product is made and focus more on how well it performs. They describe a product by its capacity or operation, not by its physical characteristics. The vendor must show acceptable performance of his product as demonstrated by testing.

4. SPECIFICATION CHECKLIST

The description of the item should be written out unless it is common industry terminology or if there's a potential for an abbreviation to be interpreted incorrectly. As part of the description, the following should be included:

- A. Size - dimensions, weight, volume, etc.
- B. Color

- C. State an estimate of requirements, i.e., quantity.
- D. If known, a satisfactory make, model and part number. List all necessary features and do not list unnecessary ones. This information will be used to determine "equal" makes, models and part numbers.
- E. Drawings or photographs, when useful.
- F. Packaging - describe how the units are packaged. For instance, case, totes, containers, packages.
- G. Purpose - briefly describe the intended use(s) of the item. For instance, mention the make and model of equipment when buying a supply item for that equipment. Mention other significant information or anything else that may be unique to your use of the item.
- H. Goods and services brochures or literature.
- I. State estimated cost, if applicable.
- J. List known source(s), include company name, address and phone number.
- K. State purchase order number to aid in clarification and reduce mix-ups.

5. SOLE SOURCE JUSTIFICATION

Sole source purchases must be well documented and provide verification that a good faith search for alternatives has been made. Sole source justification shall be provided by the using department and subsequently verified by the Purchasing Division/Finance Department. If a department believes that only a specific vendor, specific make and model of equipment or type of material will meet its needs, it must attach to the requisition, a Sole Source Justification. The justification should explain why it is in the City's best interest to select a vendor without competitive bidding.

If other brands and models have been tested or previously used and determined to be unsuitable, the department should specify the brands and models used, the dates used, and why they are not acceptable.

A contract may be awarded without competition after departments have conducted a good-faith review of the available sources and confirmed that there is only one source for the required goods and services.

Departments may conduct negotiations and secure, as appropriate, as to price, delivery and terms subsequently resulting in a purchase order, contract or agreement. The Sole Source justification shall include the vendor's name, amount, pricing, agenda, staff report, lists of the items, equipment, services, bid or proposal procured under each purchase order, contract or agreement. A record of the sole source procurement process will be maintained in the Purchasing system as a public record and/or audit document.

6. VALUE ANALYSIS

Value analysis involves analyzing the intended function of a product and then specifying only the features that are actually needed.

The goal is to eliminate the purchase of unnecessary features and functions, thereby reducing cost and buying the most basic product capable of doing the job required. For example, if a mid-size automobile meets your requirements, the specifications should not be written for a larger vehicle. The requesting department should employ value analysis when writing specifications.

7. STANDARDIZATION

It is the policy of the City of Hanford Purchasing Division that goods and services may be standardized when the Purchasing Agent has determined that it is the best interest of the City of Hanford or when required for the health, safety or welfare of the public or of the employees of the City of Hanford. Standardization may occur when significant cost savings can be demonstrated. Standardization may limit the purchase to a single brand, trade name or sole source provider.

Standardization involves the creation of a specification through value analysis that will economically perform the needed function for multiple end users and departments of the product.

Standardization can result in cost savings because the purchase of fewer unique type items in larger quantities earns better discounts. Also, by calling for industry standard rather than custom features, availability is increased, and cost is decreased and reduces maintenance and training costs.

Standardization Process

The factors to be taken into consideration in standardization of goods and services are as follows:

- A. Repair and maintenance costs would be minimized if the product does not have an inherent defect.
- B. User personnel training would be minimized.
- C. Supplies or spare parts would be minimized.
- D. Modifications to existing equipment would not be necessary.
- E. Training of repair and maintenance personnel would be minimized.
- F. Match to existing supplies, materials and equipment is needed for efficient operation of a function or program.

Standardization is a collaborative effort between Purchasing and the departments. If standardization is deemed necessary, a department should prepare a memo to the Purchasing Agent requesting standardization, outlining the reasons for such action, based on one or more of the factors listed above.

8. USE OF RECYCLED PRODUCTS

Its purpose is to promote and reach out to markets (when applicable) for recycled products by establishing preferential purchase programs for City departments and contractors resulting in diverting materials from the solid waste organizations and local landfills.

Purchasing shall conform to the state's mandates regarding recycled product procurement and recordkeeping (See Public Contract Code Section 22150, *et seq.*, and California of Regulations Title 14, Sections 18993.3 and 18993.4). Such requirements include, without limitation:

- If fitness and quality are equal, the City must purchase recycled products, as defined in Public Contract Code Section 12200, instead of nonrecycled products, whenever recycled products are available at the same or lesser total cost than nonrecycled items.
- Public Resource Code Section 12209(c) requires that recycled paper products utilized by the City consist of at least thirty percent (30%), by fiber weight, of postconsumer recycled content fiber; provided however, subsection (c)(2) of that statute identifies distinct fiber content requirements for toilet paper, paper towels, facial tissue, toilet seat covers, general purpose paper wipers, and food service ware.
- The City must require all businesses from which it purchases paper products and printing and writing paper to certify in writing the minimum percentage, if not the exact percentage, of postconsumer material in the paper products and printing and writing paper offered or sold to the jurisdiction. The certification shall be furnished under penalty of perjury in a form and manner determined by the City; provided however, the City may waive the certification requirement if the percentage of postconsumer material in the paper products, printing and writing paper, or both can be verified by the product label, catalog, invoice, or a manufacturer or vendor Internet website.

The provisions of this Section 8 shall supplement, and do not supersede, the requirements of state law, including, without limitation, the Public Contract Code and the California Code of Regulations.

The City will also purchase paper products and printing and writing paper that meet Federal Trade Commission recyclability standards as defined in 16 Code of Federal Regulations (CFR) Section 260.12.

Vendors will certify in writing, on invoices or receipts provided, that paper products and printing and writing paper offered or sold to the City are eligible to be labeled with an unqualified recyclable label as defined in 16 CFR Section 260.12.

Buying recycled products benefits the City in the following ways:

- A. Buying recycled products conserves resources by reducing our dependence on virgin raw materials whose cost will continue to climb as sources are depleted. The growth in recycling results in the creation of jobs and economic development opportunities.
- B. Buying recycled products is a proactive, rather than reactive approach to our waste management.
- C. Reflects the City's image as an agency who promotes environmental stewardship.
- D. Many recycled products are competitively priced or less expensive than their non-recycled counterparts.

Definitions:

Recycled Material – Waste material and by-products that have been recovered or diverted from solid waste and that can be utilized in place of raw or virgin material in manufacturing a product. Recycled material may consist of materials derived from post-consumer waste, manufacturing waste, industrial scrap, agricultural wastes and other items, all of which can be used in the manufacture of new products.

Post-consumer Recycled (Recovered) Materials – A material or product that has served its intended use and has been discarded for disposal or recovery by a final consumer. Examples of post-consumer recovered materials include, but are not limited to, used newspaper, office paper, yard waste, plastic bottles, aluminum cans, oil, asphalt, concrete and tires.

Recycled Product Preference –To provide for the purchase of products by the City that, price, and quality being equal, preference shall be given to recycled products or vendors utilizing them.

General Policies:

- A. All City departments shall use recycled products and recyclable products in accordance with state law. Special emphasis shall be placed on the purchase of products manufactured with post-consumer recycled material.
- B. All departments may, at their option and with Purchasing's concurrence, require procurement of designated recycled products or recyclable products above the levels required by state law and this policy.
- C. The City shall require its contractors and consultants to use and specify recycled products and recyclable products in fulfilling contractual obligations as required by state law, and, if not required by state law, whenever practicable.
- D. The City shall promote the use of recycled products and recyclable products by publicizing its procurement program whenever practicable.



Designated Recycled Primary Products

1. Paper and Products

- A. Paper for printing and writing must be selected and purchased containing at least thirty percent (30%) post-consumer material, if that paper is available at a cost equal to or less than paper made of virgin material and meeting the quality and specifications of the virgin material paper.
- B. Vendors will certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the paper products and printing and writing paper offered or sold to the city. This certification requirement may be waived if the percentage of postconsumer material in the paper products, printing and writing paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.
- C. City departments and agencies shall use for their letterhead stationery, envelopes and business cards, recycled paper whenever applicable that includes the required post-consumer content.
- D. City departments shall ensure that, for all printing, Invitations to Bid, Requests for Proposals, etc., departments shall:
 - Use recycled paper with required postconsumer recycled content fiber satisfying state requirements for all printed or photocopied material whenever practicable.
 - Use both sides of paper sheets for reports, bids, proposals, etc., whenever practicable.
 - Purchasing shall purchase copiers and printers capable of using recycled paper of the appropriate grade.
- E. Vendors shall provide records to the City's recovered organic waste product procurement record-keeping designee regarding all paper products and printing and writing paper purchases within thirty (30) days of the purchase (both recycled-content and non-recycled content, if any is purchased) made by any division or department or employee of the City. Records shall include a copy (electronic or paper) of the invoice or other documentation of purchase, written certifications as required herein for recycled-content purchases, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-recycled content paper products or printing and writing papers are provided, include a description of why recycled-content paper products or printing and writing papers were not provided.

2. Lubricating oil with refined oil content

Oil for use in all City vehicles must be selected and purchased that is re-refined oil, if that re-refined oil is available at a cost equal to virgin oil and meets the quality, performance and specifications of the virgin oil, for intended use and such use does not void manufacturer warranties.

Responsibilities of Departments

Evaluate each designated recycled product regarding its particular application. Determine when to use standard products or required recycled products. Reach out to Purchasing if the recycled products are not achieving necessary performance standard or that the product will negatively impact health, safety or operational efficiency. Ensure that contracts are issued by the City for recycled products whenever required, and, if not required, when practicable, and that vendors and contractors provide recycled product certification.

D. METHODS OF ACQUISITION

1. OVERVIEW

This chapter summarizes the methods and means for procuring goods and services.

Procurements are not approved until all guidelines, procedures and policies are satisfied and approval from the City Council, City Manager, Finance Director, Department Head and other levels is/are obtained.

When a requirement is determined, the item and its purchase price will determine the procurement method that will be used to purchase the City's supplies, services and equipment. The following will assist in determining the procurement method to be used and reach out to Purchasing if assistance is needed.

Is the item available on an existing City contract?

Should petty cash be used for the purchase?

Is the item below the \$2,500 transaction limit of the Purchasing Card (P-Card)?

Is the item above the \$2,500 transaction limit requiring minimum of three (3) competitive quotes and the department to select the lowest quote and attach quotes for claim processing?

Is the item above the \$5,000 and below \$10,000 transaction limit requiring department to generate a requisition for Purchase Order, including three (3) bids or quotes and requiring Department Head approval?

Is the item above the \$10,000 and below \$50,000 transaction limit requiring department to generate a requisition for Purchase Order, including three bids or quotes, requiring City Manager Approval?

Is the item above \$50,000 transaction limit requiring department to generate a requisition for Purchase Order, including three (3) bids or quotes, inclusion on City Council Agenda, staff report, contract or agreement, grant documents, requiring City Manager and City Council Approval?

If none of the above methods are applicable, contact the Purchasing Division for guidance and assistance with the most efficient method to procure the goods or services. Competitive bids or quotations will be secured for all contracts, \$2,500 or over, except Sole Source and Emergency procurement methods.

GENERAL BID REQUIREMENT

Bidding is required at a minimum for purchases of goods and services having a total value of \$2,500 or more. Three (3) quotes or bids are required. Less than three (3) quotes or bids will require documentation of attempt and/or sole source justifications. In most cases, the department shall award to the lowest responsible vendor, however there may be instances where uniqueness of products/service, delivery time, credentials, proprietary goods modify the general bid requirement. Modifications will require documentation and/or sole source justification documenting the necessity to deviate from lowest cost.

2. ACQUISITION PROCESS

The City of Hanford has several methods for acquiring goods and services. The method used is determined by the dollar value of the final award. The following is a list of various purchasing options and thresholds to consider, if applicable, which may require different processes:

Purchases Less Than or Equal To \$2,500

Annual Contract

Informal Bid Process

Formal Bid Process

Purchasing Card

Department Purchase Order

Blanket Purchase Order

Petty Cash
Claim for Purchase less than \$5,000
Purchases Greater than \$2,500
Purchases Greater than \$2,500 but less than \$5,000
Purchases Greater than \$5,000 but less than \$10,000
Purchases Greater than \$10,000 but less than \$50,000
Purchases Greater than \$50,000

The department should obtain bids first and then process a requisition. Departments may secure bids, quotes, proposals and informal estimates via telephone (and subsequently documented), bid invitation, facsimile or by email. A minimum of three (3) vendors are to be contacted when soliciting bids and proposals.

Local and disadvantaged vendors who can supply the commodity requested will be included in solicitations for **bids** and proposals.

The City will notify potential bidders of bid information via the City's Bidnet Website and advertisement in trade journals, newspapers or other media as required. Projects over \$50,000 shall have a notice inviting bids published in a newspaper of general circulation within the city by one or more insertions, the first of which shall be at least seven (7) days before the date for opening bids.

3. REQUISITIONING OF GOODS AND SERVICES

All requirements for goods and services with an estimated cost of \$5,000 or more shall be confirmed within the Purchasing system in the form of a Purchase Requisition. The requisition requires account numbers and hierarchy approvals. The Departmental fund manager and Department Head shall authorize expenditure funds from the account number listed on the requisition. The requisition is a request for an order and originates in the user department. The requisition will identify the goods and services required, provide recommended or potential vendors and will be approved in the Purchasing system's hierarchy of workflow approvals, authorized management or their designated representative. (see Purchase Workflow and Requisition Workflow in appendices)

Purchasing will review the requisitions to see if the information provided is accurate and complete and approve, reject or contact department to add additional information. The Purchasing system provides a feature titled "Notes" where employees may insert justification and clarification of the purchase at the time of entry if the backup information attached is not clear. This feature should be used whenever possible.

Requisitions must have quotes, estimates, proposals, or bids attached, but not an invoice. If an invoice is present, that demonstrates that departments are not following the purchasing policy procedures. When applicable, include a copy of the Council Agenda item, a Staff Report, a Contract, an Agreement, or Grant documentation. Include any other information or documentation that will assist in clarification, explanation, or justification of purchase.

Special Circumstances – Goods or services related to data processing systems, communications equipment, legal services, grant-funded programs and emergency procedures require special processing as follows:

Data Processing Systems – Departments requesting Information Technology processing systems shall refer such requests to the Information Technology division for assistance with recommendation prior to generating a requisition in the Purchasing system. Information Technology equipment shall describe the hardware or software items and any installation of computer cabling will be managed by the Information Technology Division.

Lease or Rental – Acquiring equipment through lease or rental is not to be used to circumvent purchasing policy and procedures. Lease or rental contracts will be reviewed by Purchasing Agent and subsequent hierarchy of approvals. Leased Equipment is used when there is a long-term need (greater than 12 months) for items and must be appropriately budgeted and approved at the department level. Rental equipment is used when there is a short-term need (12 months or less) for items and must be appropriately budgeted and approved at the department level.

Grant-Funded Programs – State or federally funded grant programs have special requirements covering the acquisition of goods and services. It is the department's grant manager's responsibility to adhere to the grant agreement, to ensure compliance, and to make the Purchasing Division aware of these provisions so any required procedures may be followed.

Federal Grants – All grant procurement and related expenditures must adhere to the procurement guidelines of the Uniform Guidance (UG), formally Code of Federal Regulations (C.F.R.) Title 2-Grants and Agreements, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Such procurement standards in the UG are covered in paragraphs 200.317 to 200.327.

All City agreements, which expend federal grant award funds, must adhere to Appendix II to CFR Part 200, which outlines contract provisions to be included in agreements expending federal awards.

Emergency Purchases – In the event of a bona fide emergency, the Purchasing Agent shall be contacted (if possible) to discuss the matter. If Purchasing is not available, the department head or designated representative may contact the Finance Director or City Manager for approval regarding making the purchase. In all instances, report the purchase and immediately prepare a requisition. When selecting purchase order type, select emergency. Each emergency purchase shall be submitted on a separate requisition and shall not be mixed with routine items being requisitioned in the regular manner.

An emergency purchase requires the subsequent approval and confirmation of Purchasing. If the purchase is over the specified dollar limits, it may also require the approval of the City Manager. Check with Purchasing as soon as possible after the obligation has been made.

Emergency purchases that are not approved and confirmed by either the Purchasing Agent, Department Head or the City Manager shall be deemed improper and may be subject to further investigation, resulting in suspension of purchasing privileges, reimbursement, disciplinary or legal actions.

Competitive bids or proposals are not required in an emergency when goods or services are immediately necessary for the preservation of the public health, welfare, or safety or for the protection of City property. In such case, the City Manager may determine and declare that the public interest or necessity demands the immediate expenditure of public money to safeguard life, health or property, and thereupon they may proceed, without advertising for bids, to expend or enter into a contract involving the expenditure of any money required in such emergency.

Per Public Contract Code Section 20168, with respect to projects subject to bidding requirements of the Public Contract Code, in the case of emergency, the City Council may pass a resolution by a four-fifths (4/5ths) vote its members declaring that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. Upon adoption of the resolution, the City may expend the sum required in the emergency without complying with statutory bidding requirements; provided however, the City will comply with the emergency contracting procedures of Public Contract Code Section 22050.

4. REQUISITIONING FLEET EQUIPMENT

Vehicles and equipment are crucial to City operations. Consequently, the development of specifications for both should take into consideration the function for which the equipment or vehicle will be operated;

additional aftermarket required equipment and associated acquisition process; operating and maintenance costs; and other relevant factors.

The acquisition of new vehicles or equipment requires review of the Fleet Services Division. Draft specifications including initial operating requirements of the equipment, vehicles and heavy equipment, in most instances, will be prepared by the Fleet Services who may request assistance regarding the initial operating requirements from the department and Purchasing for bid process.

Non-Budgeted Items: Departments requesting additional or mid-fiscal year vehicles or equipment shall identify additional funding for the purchase of the vehicles or equipment. The purchase and/or appropriation may require City Manager or City Council approval prior to purchase.

5. REQUISITIONING COMMUNICATIONS EQUIPMENT

All requests for communications equipment and service, such as mobile and portable phones and pagers, applications, programs, and software that may impact the City's network infrastructure, require Information Technology review, assessments and recommendations prior to purchase.

6. DIRECT PURCHASES BY USER DEPARTMENTS

Nearly all purchases will be reviewed by Purchasing. Purchases can be made from a local merchant within the City limits or nearby such as Home Depot, Lowes, and Chevron. Departments are advised to scan receipt detail with required ORG & OBJ and/or PO and submit copies to the AP email at billing@hanford.city.

Purchasing Card (P-Card): Purchasing Cards facilitate small-dollar purchases while reducing the administrative costs associated with authorizing, tracking, paying and reconciling those purchases. Employees must enter every P-Card transaction receipt into the Purchasing system. If food is bought for a public event, include the event flyer. If a transaction receipt is lost, fill out a Lost Receipt form and include, as an attachment, to the transaction. Habitual lost receipts may result in the suspension, revocation, or termination of the cardholder's purchasing privileges. In addition, noncompliance may further subject the cardholder to disciplinary action, up to and including termination of employment.

Blanket Purchase Order (BPO): The BPO is a multi-purpose contract serving the ordering, receiving and payment functions. The BPO procedure is intended to facilitate the economical, timely and limited procurement of goods and services by City departments for an indefinite period of time. A Blanket Purchase Order number is given to Vendor prior to order. Departments can view vendor Blanket Purchase order in the Purchasing system under Module titled "Purchase Order Central." Particular situations may or may not require bids or quotes. When preparing BPO for next new fiscal year, review expenditures of the previous year to confirm if more or less funds are required and reflected on the next fiscal year BPO to be completed by July 1st. Departments are encouraged to provide justification and to obtain competitive pricing when economically practical.

Purchase Order (PO) – A Purchase Order is a contract serving the ordering, receiving and payment functions. Purchase Orders are intended to facilitate the economical, timely and limited procurement of goods and services by City departments. A Purchase Order number is given to Vendor prior to order. Departments can view vendor Purchase Orders in the Purchasing system under the Module titled "Purchase Order Central." Purchase Orders are to be used for those goods and services having an aggregate value of \$5,000 and above. Purchase Orders must be accompanied by an itemized quote or formal bid that is clear and readable. If applicable, attach Agenda Item, Staff Report, Contract/Agreement, Grant documents and any other information that will assist in explaining, clarifying and justifying the purchase.

Purchase Order Acceptance/Rejection by Vendor– In instances where a purchase for goods or services is over \$5,000 dollars and the vendor does not accept a purchase order, departments are still required to generate a requisition for a purchase order to the vendor prior to making payment with their P-Card.

Finance, by use of the Purchasing system, requires tracking and regulating and, for auditing purposes, must record purchases above \$5,000 and can liquidate a purchase order when purchased and paid with P-Card.

7. CLAIM POLICY

A single purchase below \$5,000 to a vendor may be processed by claim. A Claim form must include ORG & OBJ, authorized department representative signature and printed name.

Authorized payments by claim of \$5,000 and above are membership dues, software/subscription renewals, periodicals, books, conference preregistrations and travel. Another alternate payment option for the items listed is a P-card.

8. INVOICE ENTRY PROCEDURE

After a vendor has completed their contract obligation for goods and/or services, vendors should email invoices and statements to billing@hanford.city or mail to 315 N. Douty St. Hanford, CA. 93230. Invoices may also be emailed or mailed directly to the department.

Invoices without purchase orders will be emailed to the department to research and enter into the Purchasing System. Each department is advised to review invoice entry to verify vendor, amount, remittance address, invoice date, and that the ORG & OBJ are correct. All purchases will include an invoice as an attachment. Confirm the invoice scan is clear and readable, in PDF format or format acceptable to the system.

9. PETTY CASH

Finance maintains a petty cash fund to accommodate purchases of a minor amount (less than \$25) that cannot be effectively made by Purchase Order or Direct Payment (Accounts Payable claim). As authorized, an employee may make a necessary purchase and be reimbursed from petty cash or may draw an advance to cover a purchase. In either instance a receipt from the vendor is required by Finance.

The following conditions apply to utilization of petty cash.

- A. The total item cost of such purchases, including sales tax, does not exceed \$25.
- B. The item represents an unusual or infrequent purchase.
- C. An appropriate department supervisor must approve any such procurements.

E. BID REQUIREMENTS AND PROCEDURES

1. OVERVIEW

This chapter includes policies and procedures for the use of each authorized source selection method. In addition, it states policies and procedures on contracts, appeals, plant inspection, audit of vendor records, reporting suspected antitrust practices and retention of procurement records.

2. FAIR AND OPEN COMPETITION

Healthy competition is at the heart of efficient purchasing. Competition is directly related to the prices the City pays and the quality of the goods and services it obtains.

The foundation for effective, fair, and open competition is equal treatment of each vendor, inclusive of Local Vendor Preference and Disadvantaged Business Enterprise goals. It is imperative that no vendor is given an undue advantage over the others. Therefore, vendor offers will be kept confidential during the bidding process. A vendor is not entitled, nor should they ever be given the opportunity to know the bids

of the competitors that would allow a bidder to undersell its competition. In addition, vendors will not be allowed to dictate the specifications and thereby limit the bidding to only their company's product.

A consultant to the City who makes a needs assessment shall not be allowed to bid on a project except when full disclosure is made to the City and if allowed by state law.

Subject to the provisions of "Exceptions to Competitive Bids", no department shall draft, or cause to be drafted any invitation to bid or request for proposal, in such a manner as to limit the bidding, directly or indirectly, to any one bidder.

3. PROCUREMENT OPPORTUNITIES

The City of Hanford encourages businesses located inside and outside the City of Hanford to participate in the City's procurement process. Any fixed business within City limits may be eligible for local vendor preference.

The City will ensure a wide dissemination of bid information by use of the City's solicitation service via the Bidnet Website, the Tulare-Kings Builders Exchange, Central California Builders Exchange of Fresno and advertisements in local newspaper such as the Hanford Sentinel as required.

Bids are normally open for two or more weeks. Potential vendors are encouraged to frequently review the listing of open bids on the City's proposal and bid website. Copies of the specific bids will be made available upon request.

4. BIDDING REQUIREMENTS

Exemptions to Competitive Bids: The City of Hanford requires that competitive bids be secured whenever possible for all contracts for goods and services that are proposed to be acquired by the City except in the following cases:

Goods or services are valued at \$2,499 or less.

In an emergency when goods or services are immediately necessary for the preservation of public health, welfare or safety or for the protection of City property (see Emergency Purchases).

When in unusual or extraordinary circumstances, the City Council or the City Manager determines that the best interests of the City would not be served by securing competitive bids or issuing a request for proposal. In instances which departments or Purchasing does not conduct the competitive bidding process, solicitation of bids or proposals cannot be secured, provided a full explanation with sufficient reasons and detail as to why no bids are required, justification and reasons from department or department head requesting a sole source for goods or service are in the City's best interests and not seek competitive bids or proposals. (see Sole Source Purchases).

5. COMPETITIVE BIDS

The City of Hanford requires that competitive bids be secured for all contracts for goods or services \$2,500 and above. This is done to ensure that the goods or services acquired by the City of Hanford are at the lowest cost to the taxpayers.

There are two types of competitive bids - informal and formal. Informal bids consist of phone and fax quotes e.g. verbal (subsequently documented in writing) and written quotes. Formal bids consist of Requests for Proposals, Requests for Qualifications and Invitations to Bid, to be submitted in sealed envelopes. Normally, goods and services being procured under \$50,000 may utilize informal procedures and goods and services being procured over \$50,000 require formal procedures.

6. INFORMAL BID PROCESS

Purchases from \$2,500 to \$49,999 will be subject to the informal bid process. All requests for quotes, bids, estimates, proposals, offers, oral costs or prices solicited by the Purchasing Agent and departments may be in writing, via facsimile or by phone. They should be documented (in writing) and attached to the requisition when generated in the Purchasing system. Finance and Purchasing will have the ultimate responsibility to verify all price quotation information obtained by other City personnel. If the departments are soliciting the product or price information, they may not commit the City with regard to preference for any product or vendor. In addition, vendor pricing shall not be disclosed to any of the prospective vendors until a decision for award has been made. An award is to be made to the most responsive, responsible bidder via a Purchase Order. If the award is to be made to other than the lowest bidder, a written statement justifying the award must be attached to requisition in Purchasing system. In instances of appeal, City Council may become involved and accept or reject solicited quotes, bids, estimates and proposals.

7. FORMAL BID AND PROPOSAL PROCESS

Purchases \$50,000 or greater shall be subject to the formal bid process which may consist of Requests for Proposal or Requests for Bid. Formal bids include complete specifications, contractual terms and conditions applicable, distinctly describe the project, state the time and place for receiving bids or proposals and submission instructions. The solicitation will be publicized online and as required with the Tulare-Kings Builders Exchange, Central California Builders Exchange of Fresno, advertisements in local newspaper at least thirty (30) calendar days before the bid opening date.

The following conditions apply to the formal Bid process:

Formal Sealed Bidding: Formal competitive bidding to the extent consistent with State and Federal law is required for the procurement of supplies, equipment and any item, or group of items and services. Additionally, certain requirements must be met in the formal contract process, including advertising requirements, bid opening procedures and award of contract. Professional Service Contracts are generally exempt from the formal sealed bid process.

Public Notice of Bid Advertisements: Bids that have not closed will be available for public inspection on the City's Bidnet Website.

Public Notice of the Request for Bid shall be a minimum of ten (10) calendar days prior to the date set for the opening of bids. Such notice may include publication in a newspaper, trade publication or other printed matter of general circulation and Bidnet Website. The public notice shall state the bid item and the place, date and time of the bid opening.

Notification of Potential Bidders: The Purchasing Agent shall solicit bids from prospective vendors, companies and firms by written request, facsimile request, online and as required with Tulare-Kings Builders Exchange, Central California Builders Exchange of Fresno, advertised in local newspaper such as the Hanford Sentinel.

The City's online bid management software (BidNet) is the preferred method of solicitation and will forward bids to registered vendors. The Purchasing Agent shall solicit bids from all responsible, prospective suppliers whose names are on the Bidder List. In addition, the use of trade journals, City department email lists forwarded to Purchasing, and website search engines should be used to locate additional vendors to obtain the widest possible circulation of the bid.

Bidding Time and Due Date: The bidding time will be determined by the Purchasing Agent or department, consistent with their requirements, but should be no less than (10) calendar days after the bids are advertised online and as required in the local newspaper. All bid solicitations shall provide sufficient time for bidders to prepare and submit their bids.

Purchasing may change the bid due date. Such changes will be issued in writing in the form of an addendum to all mediums used to disseminate bid notices inviting bids. Any oral interpretations of contract specifications, terms and conditions shall be confirmed in writing by the Purchasing Agent in the form of an addendum.

Form of Bid – To receive consideration, bids shall be made on the Bid form provided within the bid solicitation. Bids must be signed by an authorized representative of the vendor. Invitations for bids shall state that the City reserves the right to waive any informality or irregularity in the bids and the right to reject all bids.

Bid Bonds and Contract Bonds: Bids for construction work shall be presented with the bidder's security required under the Public Contract Code. For matters in which state law does not require bid security, when deemed necessary, a bidder's security payable to the City may be required. Such a requirement will be included as a part of the Request for Bids. Bid security may be in the form of cash, a certified check payable to the Hanford  Council, cashier's check payable to the Hanford City Council, or surety bond payable to the Hanford City Council. The amount of security shall be not less than ten percent (10%) of the contract price. The bid security will be retained by the City until the related contract is executed. Upon an award to the lowest bidder, the security of unsuccessful bidders shall be returned in a reasonable period of time, but in no event shall the security be held beyond sixty (60) calendar days from the time the award is made. A successful bidder shall forfeit bid security upon refusal or failure to execute the contract within fifteen (15) days after written notice of award of contract. If the successful bidder fails to enter into the contract when offered, the City Council may direct City staff to rebid or may award the contract to the next lowest responsive responsible bidder. If the City Council awards the contract to the next lowest bidder, the amount of the lowest bidder's bid security shall be applied by the City to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder. The Purchasing Agent shall require the contractor or consultant to supply the City with bonds covering faithful performance and labor and materials as required by state or federal law, and, if not required by such law, the Purchasing Agent may require such bonds if he or she believes that security is reasonably required to protect the City's interests.

Discussion with responsible responsive competitors, for the purpose of clarification and to assure full understanding of responsiveness to the solicitation requirements, may be entertained through the City's online question and answer tab. During the discussion process, there shall be no disclosure of any information derived from the proposals of the competitors.

Bid Opening: Bid results will be publicly available for viewing soon after the bid opening deadline on the City's Bidnet Website. Bids will be opened publicly in the presence of one or more witnesses at the time and place designated. Online bid viewing is the alternate method currently being used by the City. The amount of each bid and other relevant information, together with the name of each bidder shall be recorded and each bid result shall be viewable and open to public inspection online. After the bid submission deadline, the apparent lowest bid will be viewable.

Late Bids – All bids must be received by the time specified in the bid solicitation. Late bids will not be considered and shall be returned unopened to the bidder.

Tie Bids – All other things being equal, tie bids shall be granted to the responsible local vendor. If tie bids of two responsible bidders are neither local vendors, the bid shall be awarded by the flip of a coin by the Purchasing Agent in the presence of witnesses. 

In accordance with Public Contract Code Section 20167, the City Council may reject any or all bids presented and may, at its discretion, re-advertise for other bids, or the City Council may, after rejecting

bids, determine and declare by a four-fifths vote of all of its members, that the work in question may be more economically or satisfactorily performed by day labor, or the labor and materials purchased at a lower price in the open market, and after adoption of a resolution to that effect.

Notice of Cancellation or Rejection of Bids: In the event of a cancellation of the bid, all participating bidders will be notified. If all bids are rejected, the reason(s) will be documented in the bid file.

Appeals – Because it is essential that bidders, offerors and contractors have confidence in the procurement procedures for soliciting and awarding contracts, it is the policy of the Purchasing Division to offer all bidders, offerors and contractors the opportunity to appeal award of purchases or contracts. The following procedures shall apply with regards to appeals by prospective bidders, offerors or contractors: Any proposer, or contractor who is allegedly aggrieved in connection with the solicitation or award of a contract may protest. Proposers are to be advised that protests of the process, terms, conditions or any other aspect of the solicitation must be made prior to the proposal due date. Proposers may not protest the contents of the specifications of the proposal, nor the award based on the use of the Local Vendor Preference. Protests must be transmitted by facsimile, email or by mail to the attention of the Purchasing Agent.

Award protests must be made immediately, and in no event later than five working days after the close of proposal due date and time. All protests must include the following information:

1. The name, address, telephone number and email address of the protestor.
2. The signature of the protestor or protestor's representative.
3. The solicitation or Proposal number.
4. A detailed statement of the legal and/or factual grounds of the protest and all documentation supporting the proposer's position at the time of the initial protest.
5. The form of relief requested.

In an effort to limit frivolous protests, vendors who file two (2) protests within twelve (12) calendar months, whose protests are not resolved in their favor, may be prohibited from submitting future bids.

Award – The contract shall be awarded by notice with reasonable promptness. Unless bids are rejected, award shall be made to the most responsive, responsible bidder whose proposal meets the requirements and criteria set forth in the Request for Bid. The contract file shall contain a written explanation of the award decision.

A responsible bidder is one who has the capability, financial capacity and integrity to perform the contract. A responsive bidder is one who commits to all the material terms (e.g., price, quantity, quality and delivery) of the Request for Bid.

Request for Proposals (RFP): Detailed procedures for obtaining the services of engineers, architects, land surveyors, planners and other specialized professions. In some cases, the competitive bidding process may not be the best method of acquisition. A viable alternative is the competitive sealed proposal, generally called a Request for Proposals process.

Request For Qualifications (RFQ) - The City may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and

reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform and provide other services.

The RFP and /RFQ processes will be utilized when:

- Staff resources are not sufficient to perform these services and when the services are not of an on-going nature that would require a full-time employee
- Staff does not possess the required expertise
- The nature of the services requires third party objectivity
- State or Federal law prohibits assigning such services to staff
- The required services cannot be provided more economically by staff
- There exists an emergency or urgent need for services to preserve public health and safety

Competitive bidding for specialized services is not in the best public interest because it may lead to employment of the least qualified, rather than the best qualified, as should be the objective. The objective of competitive bidding is low cost. Only when services or a product can be described in sufficient detail, where all parties can bid on the same basis for comparison, should bidding be considered. Professional services in engineering, law, architecture, medicine, land surveying, and planning, to name a few, are not recognized as being amenable to detailed specifications.

The RFP process is the process used when the City cannot precisely set forth its needs. The Request for Proposals process is a form of soliciting an offer by one party to another with reference to some unique or technical task or equipment. An RFP is primarily used for professional and specialized services such as engineering and architectural services, or for equipment that is complex or highly technical in nature. Instead of specifications, a statement or scope of work is written, and the vendors are asked to propose solutions. This process may be used as a basis for acquiring goods or services or entering into a contract when specification and price will not necessarily be the predominant award criteria. The process may subject to the competitive sealed bid process and the following requirements:

- When there is no clearly established quantifiable standard associated with the service or asset being requested.
- When evaluation factors involve relative technical or professional ability of the offerors to perform.
- When the evaluation process involves weighing artistic and aesthetic values.
- When price or cost may be a secondary consideration.
- When it is likely to best serve the City's interest if a contract award were made to the most advantageous proposal rather than the lowest price submitted.

The award of the contract shall be subject to City Council approval if the contract resulting from the RFP is expected to exceed \$50,000.

If the RFP process is used for a public project, as defined in Section 20161 of the California Public Contract Code, the proposal shall be subject to City Council approval regardless of the cost of the project.

The "General Conditions" of the RFP details what information vendors are to submit and in what form, the cost of their proposals, how the City will evaluate the proposals, select the vendor and develop the contract.

Under normal conditions, the time for processing an RFP is ninety (90) days. This allows vendors enough time to develop their proposals and City departments enough time to schedule and conduct interviews or demonstrations. Departments shall specify any required time frame less or greater than the ninety (90) day period. Complete and acceptable proposals shall include:

- A clear description of the specifications or scope of services.
- Specifically identify, in realistic terms, what the proposer is to accomplish.
- Description of the items to be delivered or services to be performed.
- Format and number of copies if any required.
- Established timeline schedules, including dates for award of contract, commencement of service performance.
- Pre-Proposal Conferences and Equipment Demonstrations.
- The relative importance of each evaluation criteria item
- If deemed appropriate, known or estimated budgetary limitations on the specification or service.
- The professional qualifications of the personnel that the firm will commit to the assignment.
- An overall description of the techniques to be used in solving the problem.
- Amount of time and staff to be expended.
- Facilities and equipment to be utilized.
- Description and percentage of work to be performed by subcontractors.
- Indemnification
- Insurance and bonding requirements
- Data security
- Warranties
- Compliance with applicable City, State and Federal laws, rules and regulations
- If grant-related, compliance with applicable rules and regulations as required by the funding source.

If a sample contract is included, RFP disclaimer language will be included stating that it is a sample contract and may or may not reflect final terms and conditions of the contract.

Amendments to the RFP: Amendments allow for any changes to the RFP, i.e. quantity, descriptions, schedules and opening dates, correct defects or ambiguities. Amendments to the RFP shall be identified as such and shall require that the offeror acknowledge all amendments issued.

Evaluation of Proposals: Selection of the evaluation should consist of knowledgeable individuals from the requesting department, representatives from other involved City departments, and, if deemed desirable, a recognized expert from the private sector. The evaluation committee shall compile scores of participating firm(s) or individual(s) submitting the most responsive proposal(s), price and all other factors considered.

Proposals must be evaluated based on the stated proposal criteria. A public agency in response to an RFP is not subject to disclosure under the California Public Records Act until the agency has completed negotiations with proposers. A major component of an RFP includes determining and specifying the evaluation criteria and the process for selection and award. The evaluation criteria should be tailored to the specific services and concerns and should reflect what matters most for a particular procurement. The evaluation criteria should be sufficiently detailed to enable meaningful comparisons. For a major, high-profile procurement, the  may appoint a panel of evaluators that includes experts in the field from outside the City. For more routine, small-scale procurements, City staff can usually handle the evaluation. When the evaluation is complete, the city must rank at least three entities based on a determination of value provided. The award must be made to the responsible consultant whose proposal is determined by the City to have offered the best value to the City and public.

Evaluation Factors  include but are not limited to:

- General quality and responsiveness of the offeror to terms and conditions and times of performance.

- Completeness and thoroughness of the proposal.
- Grasp of the problem or of the work to be performed and of the approach to be used.
- Evidence of good organizational and management practices.
- Qualifications of personnel.
- Experience and past performance
- Financial condition of the offeror.
- Price and cost breakdown, or price range and cost schedule.

Methods of Evaluation: Utilizing a scoring method, proposals shall be reviewed to determine those that meet the RFP requirements. The evaluation committee shall evaluate and score the proposals using the evaluation criteria specified in the RFP and shall prepare a priority list of offerors. The project manager or requesting department representative shall meet with the most responsive offeror to seek a clear understanding of the contract provisions and agreement to a fair and reasonable price. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, specification, work or services. Such revisions may be permitted after submission, yet prior to award, for the purpose of obtaining the best and final offer. The last page of the City's Professional Service Agreement "Exhibit A" is for incorporating negotiated, revised, and modified contract provisions or Scope of Services within the RFP. This process may be repeated until agreement of scope of work, timeline and costs are established with a capable firm or consultant.

Double-tiered proposal: The RFP may require that proposals be submitted with price and/or price breakdown in a separate sealed envelope. The evaluation committee shall review all proposals and score each proposal. After the evaluation committee has decided which vendor best fulfills the proposal requirements, sealed costs for only the chosen vendor will be opened and negotiated to come to an agreed upon contract amount.

8. SOLE SOURCE PURCHASES

Invitations to Bid, Requests for Proposals and Requests for Qualifications shall be secured for all contracts for goods or services acquired by the City which are \$2,500 or greater in value. However, in rare instances where bids or proposals cannot be secured for a unique or particular good or service and/or would not benefit the City, a full explanation shall be included in the requisition or Agenda Item, as appropriate. A Sole Source Justification memo shall be included stating reasons as to why the goods or services should not be subject to bid, or the reasons there is a single source request for the service, or that the City's interests are better served by the exemption. Such recommendation shall contain information in sufficient detail to support and justify the decision not to seek competitive bids or proposals.

Discuss with Purchasing, the specific performance or functional intent that justifies a sole source. Typically, sole source criteria are "match existing in place" or possessing a functional or performance characteristic that is, in the opinion of the requesting department, essential to performance of its mission and available from a single manufacturer or distributor.

The City shall search for alternative sources to ensure equal opportunity is extended to all potential vendors and competition is maximized. Multiple distribution for the identical manufacturer and/or functional equivalents of the requested item as determined by the requesting department or technical expert will not be considered sole source and shall be subject to open competitive bidding.

If a sole source decision is reached, the requesting department shall provide Sole Source Justification as supporting documentation with their requisition, contract/agreement into the Purchasing system. Purchasing will review the Sole Source for approval in the Purchasing system.

9. INSPECTION AND TESTING OF SUPPLIES AND EQUIPMENT

All City departments receiving orders shall inspect supplies and equipment to determine their conformance with the specifications set forth in the Purchase Order. The Purchasing Agent shall have the authority to require chemical and physical tests of samples submitted with bids and samples of deliveries that are necessary to determine their quality and conformance with specifications.

10. COOPERATIVE PURCHASING CONTRACTS

Purchasing may use State of California Cooperative Purchasing Contracts if the item on the state contract meets the City's needs and if it is unlikely that a separate City bid would result in more favorable prices, terms and/or conditions. Contracted buying groups are considered to take the place of competition if, in Purchasing's opinion, it is in the best interest of the City. This shall not, however, be interpreted to exempt the City from bidding requirements of the Public Contract Code.

F. GOODS AND SERVICES CONTRACTS

City employees do not have the authority to procure goods and services or make any purchases on behalf of the City without the proper authorization. Failing to obtain the proper authorization can result in the individual being held personally responsible for the obligation.

1. TYPES OF CONTRACTS

- A. Service Contracts – A contract between the City and a public or private entity that provides for the contracting of municipal services.
- B. Consultant, Professional, Personal Services – A contract between the City and a private firm that provides services of an advisory nature. A service generally provided by individuals or organizations who possess specific knowledge, technical skills or unique abilities not usually available within our City staff or to supplement staff services. The product may include services from attorneys, physicians, architects, engineers, accountants, consultants, specifically anything from answers to specific questions of design of a system or plan and include workshops, seminars, retreats, and conferences for which paid expertise is retained by contract.
- C. Grants – A transfer or irrevocable commitment of money from the Federal Government to State or local government (our City), to be expended on particular programs to for the performance of certain duties under the grant specifications. These duties become contractual obligations once the grant is accepted.
- D. Lease and Lease Purchase Contracts – A contract by which the City (lessee) enters into a contract with a second Vendor (lessor) for possession and use of equipment for a specified period of time at a negotiated cost.
- E. Equipment/Maintenance and Supply Contracts – A contract that outlines the responsibilities the vendor will undertake to ensure the upkeep, repair, and serviceability of equipment listed in the contract. Terms to consider are response time, equipment performance, parts, supplies, reports, networking and consumables.
- F. Capital Project/Public Works Contracts – Contracts for such items as the construction, alteration or repair of public buildings, roads, bridges, or other improvements are considered Public Works contracts and are bound by separate regulations. Public Works contract bidding and award procedures comply with the California Public Contract Code, the Municipal Code, and various State and Federal codes and regulations as indicated by the individual project.

Capital projects threshold of \$10,000 may require obtaining an asset number prior to generating a requisition. Asset numbers may be obtained from the Finance department. Asset numbers are required for items such as equipment, vehicles and capital improvement projects.

- G. Procurement Contracts, Supply Agreements, Annual Contracts – Price agreements for various standard goods and/or services utilized by City departments, executed by the Purchasing Agent and vendor only.
- H. Purchase Orders are contracts for goods and services. Typically, its terms and conditions are very simple in nature and require minimal auditing.
- I. Lease Contracts – A contract for limited use of real or personal property at an agreed price and for a limited term, i.e., specified period or month-to-month.
- J. Blanket Purchase Order – Issued by Purchasing for the purchase of specific goods or services over a set period of time, with general terms and conditions.
- K. Emergency Contracts – Contracts where the item or items to be purchased or rented are immediately necessary. Such contracts must later be approved and confirmed by the Purchasing Agent, or the City Council as provided by law.
- L. Contracts under \$10,000 require signature from the Department Head or Purchasing Agent. If the contract amount is over \$10,000 it will require the City Manager's signature. It is advised to attach a copy of a contract to Requisition, Blanket Purchase Order or Purchase Order and keep the file at department level.

2. GENERAL REQUIREMENTS

- A. Retroactive Contracts – No City contract shall commence prior to approval by the City Council, City Manager, Finance Director or the Purchasing Agent, as required under the Municipal Code and this Policy. Contractors and vendors shall be advised by the responsible department head that performance under the contract may not commence prior to such approval. No payment shall be made prior to this approval. Any variation of this policy must be justified in writing to the Purchasing Agent for approval.
- B. Contract Periods – Contracts for services shall normally cover not more than one to three (1 to 3) years with the option of one (1) extension for a designated timeframe. Normally, multiple-year contracts must include provisions for early termination and must be contingent upon available funding. Unless exempted as provided for above, no contract shall extend, either by original contract or by renewals or amendments, for more than a total period of five (5) years (60 months) unless competitive bids have been sought or an RFP has been processed, or there is a distinct and particular advantage to the City of Hanford to contract for longer periods of time.
- C. Compensation for Contracts – 1) A total lump sum or total fixed price for the total project. This avoids detailed accounting and is a contract for a given result. The City's concern is not with the cost incurred by the contractor, but with the end product. 2) Hourly rate plus cost reimbursement, with a ceiling on the total project or contract amount. The contractor agrees to charge only for the hours utilized at an agreed rate of compensation and reimbursement of costs. This method is also a contract for a given result. Payments by the City in advance are legally permitted, but discouraged and shall be made only when necessary. So that the City may realize income through investment of temporary excess monies, contracts or agreements containing provisions for advance payment by the City shall

provide for small, periodic payments which are tied to deliverable goods or services, rather than total contract price or lump sum advances, whenever it is advantageous for the City to do so.

- D. Contract Splitting – It is never permissible to split a contract or project in order to evade contract dollar limitation or bidding requirements.
- E. Contracts for Approval That Have Not Been Competitively Bid – It is the policy of the City of Hanford that Request for Bid or Requests for Proposals shall be secured for contracts for goods or services which are proposed to be acquired by the City. Any department head who submits a contract to the City Manager or the Purchasing Agent for approval that has not undergone the competitive bid process for selection of a contractor, shall submit with that contract, in a Staff Report a complete explanation of how the recommended vendor was selected. That explanation shall include the names of those prospective contractors contacted and their proposed fee for service; why the negotiated approach for selecting a contractor was used instead of the competitive bid process; and any other comments that support the recommendation.
- F. Contract Award –During the process of obtaining contractor signature of contract, all individuals involved are advised that the contract is of no force and may not commence performance until all required certificates of insurance and endorsements and required binding authoritative signatures are shown on contract and recorded with the City.
- G. Retention of Contract – In all cases, an original copy of the fully executed contract must remain on file in the office of the Purchasing Agent for no less than four (4) years from the date of completion of the work under the contract. In cases of litigation or other special circumstances (i.e., grant requirements), the contract is to remain on file until those special circumstances have been satisfied.

3. CONTRACT/AGREEMENT PREPARATION AND PROCESSING

Negotiation – The successful vendor has been identified and it is necessary to negotiate a contract. A working draft document is necessary. The Professional Services Template containing mandatory clauses may be obtained from the Purchasing Division. Purchasing and the City Attorney are available to assist in contract drafting and negotiations.

All contracts must contain the vendor's name, address, telephone number, Federal Tax I.D. Number or Social Security Number. Should the contract language differ from standard language or alterations be proposed for insurance clauses, the Department Head and Finance Director will be required to review and approve the proposed changes. Contracts may be accepted or rejected by the City Attorney due to incomplete or otherwise unacceptable language, terms, conditions and clauses.

City departments are not contracting entities. Contracts must be issued in the name of the City and service contracts having an aggregate cost exceeding \$2,500 but not to exceed \$9,999 must be approved by the Finance Director or Purchasing Agent. Contracts having an aggregate cost exceeding \$10,000 must be approved by the City Manager and contracts having an aggregate cost exceeding \$50,000 must be approved by City Council. Some or all of the following information is required and must be included with contracts being submitted for approval: the City's Service Agreement, Staff Report, Agenda, Contract, proposal, bid and any pertinent documentation.

4. CITY COUNCIL OR CITY MANAGER APPROVED CONTRACTS

Preparing, processing and monitoring contracts are the responsibilities of the department entering into the contract. Adequate time shall be given to the departments to review, approve and make any necessary changes to the contract. The City Manager or City Attorney may also require changes to be made to the contract or request additional information. Contracts with specific execution or renewal dates shall be

handled in a timely manner to assure approval prior to such dates. No work shall commence prior to the contract.

5. PURCHASING AGENT CONTRACTS

Procurement contracts for various standard goods and or services utilized by the City departments, where conditions are very simple in nature and delivery of that service can clearly be recognized and defined for purposes of knowing when completion has occurred, are executed by Purchasing and the vendor only. Often, the purchase order will substitute as the contract.

Purchasing may require approval by the City Manager, City Attorney, Finance Management or other departmental authority, as deemed necessary. Contracts may be generated at the department level and in conjunction with the assistance of Purchasing. An original copy of the contract will be signed by an authorized City representative, City Manager, City Finance Manager or Purchasing and the duly authorized vendor representative. The original will be digitized and retained by Purchasing and electronic copies will be provided to the department, City Risk Management Division and the vendor.

G. CONTRACT ADMINISTRATION, ENFORCEMENT AND LEGAL

REMEDIES

1. OVERVIEW

The procurement process does not end with the award of contract. The contractor's performance must be appropriately monitored. The contract itself may be amended in response to unforeseen problems and the contract must eventually be closed out or terminated, if not renewed. In performing these tasks, departments are requested to assure a mutual understanding of the rights, obligations, and responsibilities of both the contractor and the department under the contractual agreement and initiate any contract changes desired by the department. The goal is to protect the City's interests in the event of default by the contractor or contract termination and evaluate the performance of the contractor for future use by other City departments.

2. CONTRACT MONITORING

Contract monitoring allows the department to diagnose problems that may lead to work change orders, schedule slippages, cost overruns or unacceptable product quality. Departments should designate a Contract Administrator at the department level receiving the goods or services and establish administrative controls, monitor work progress regularly and establish cost controls. Vendor performance monitoring is a joint undertaking, and City personnel are active participants.

3. CONTRACT ADMINISTRATOR

The department head or designee shall formally begin contract negotiations with the consultant and request a Professional Service Agreement from Purchasing as a draft to forward to consultant, firm, contractor, or vendor for authorized signature. The department may also request that Purchasing attach the consultant's proposal to the agreement as Exhibit A of the City's Professional Services Agreement template.

After the contract/agreement is returned by the consultant with authorized signatures, the department may obtain the appropriate City signature resulting in a Fully Executed Contract/Agreement. The Department may keep a copy, if desired, but Purchasing will keep a copy and forward a copy of the Fully Executed Agreement to City Risk Management Division.

4. AMENDING THE CONTRACT

Unforeseen problems, circumstances and events may make a contract amendment necessary. To protect the City's interests, the department head or designee shall supervise all discussion with the contractor regarding

amendment and if assistance is needed, contact Purchasing. All amendments must be in writing and executed in the same manner as the original contract. The dollar amount of the amended contract must not exceed the signatory's limitations. If necessary, obtain appropriate City signatures. For purposes of approval, a copy of the original contract must accompany the proposed amendments. All change orders, amendments to contract and supplemental agreements must be signed by a City representative authorized to bind the City financially (generally the City Manager).

5. RENEWAL OF CONTRACTS

Contract for services shall usually not cover a period of more than one (1) year, although longer periods may be approved. Unless exempted from competitive bidding procedures, contracts for goods and service should not extend, either by original contract or by extension, beyond five (5) years unless competitive bids/proposals have been sought or approval is obtained from the Purchasing Agent.

Contracts shall not be renewed without thorough consideration of contract performance, availability of new or better contractors, changing circumstances and other factors which could affect the existing contract to determine whether its renewal is the most appropriate and cost-effective option.

Any decision to renew a contract must be made prior to the termination date of the existing contract. It is recommended that planning for renewal or a new contract begin no later than sixty (60), nor earlier than one hundred twenty (120) days prior to the existing termination date depending on the complexity of the contract and renewal. Prior to any renewals, department heads or contract managers at the department level may consult with Purchasing. Renewal shall not be used to circumvent any required bidding processes.

6. CLOSING OUT OR TERMINATING THE CONTRACT

All contractual relationships must eventually either be closed out upon completion of all the work or terminated prior to completion. A contract closeout is an administrative procedure involving formal acceptance of all contract deliverables and payment of the contractor's final invoice. A contract termination is generally a unilateral action that stops work on all or part of the contract for cause or convenience; termination for convenience may only occur if allowed under the contract. A contract can also be terminated by mutual agreement in the same way that a contract is executed and/or amended.

Close out of a contract should not occur until the City is satisfied that all contractual obligations have been met by the contractor. Confirmation that the required products or services have been delivered and compliance with corresponding technical specifications or scope of services is required prior to close-out. Where appropriate, the City shall formally notify the contractor, in writing, of the department's final acceptance of the services and the contractor's final invoice can now be processed.

When deemed necessary and appropriate, all or part of the contract may be terminated for cause whenever the contractor refuses or clearly fails to meet contractual performance requirements. Common causes for default include failure to deliver acceptable products or services; failure to meet scheduled delivery dates or contractual milestones; failure to resolve disputes or offer explanations on disputed terms, conditions or requirements; or demonstrated lack of progress that is harmful to the City. Prior to terminating a contract for cause, consult with Purchasing.

7. VENDOR REQUESTS FOR CHANGES OR CANCELLATIONS OF CONTRACT

General Policy is that a vendor's request for a change or cancellation to a purchase order or contract, which will result in additional cost to the city, shall be denied, unless denial of such request for a change or cancellation will cause documented undue hardship to the vendor or unless there is no reasonable alternative. If the vendor refuses to perform according to the original contract, they will be in breach of contract.

8. BREACH OF CONTRACT

Actual breach of contract is defined as a failure to perform on time and in the manner required by the contract. This includes failure to perform at all, as well as delivering the wrong goods or defective goods. In the case of breach, the City must have actual evidence of the breach before employing legal remedies.

A vendor shall be offered the opportunity to remedy a breach of contract. The vendor may notify the City of its intention to remedy delivery within the contract time or have further reasonable time to substitute a conforming requirement.

Departments should notify the vendor and Purchasing if a vendor has breached contract and how the breach has occurred. Reach an understanding with the vendor as to what their process is for remedy. If a vendor intends to remain in default, alert vendor of the City's legal rights, which is the right to obtain comparable goods elsewhere and charge the vendor the difference between the contract price and the comparable goods price that may be higher. The City may obtain this reimbursement for damages by deducting it from any money due the vendor or by accepting another form of vendor payment.

Document the verbal understanding, including a summary of the City's legal rights, as appropriate, in writing, and mail to the vendor. Additionally, send a copy to the Purchasing Department and attach a copy of the contract or agreement. The letter should set forth a date by which the vendor must reply or remedy default in order to avoid legal action by the City. Notice should also state that a failure to resolve this problem may result in removal from the City's Purchasing bid list. Preparation of this letter must be coordinated with Purchasing and must be approved by the City Attorney prior to mailing to the vendor.

If the vendor fails to fulfill contract requirements and has not replied in writing with an alternate proposal which is acceptable under the circumstances, Purchasing shall issue a written cancellation, signed by Purchasing, and approved by the City Attorney citing the vendor's breach of contract and shall proceed to obtain comparable goods elsewhere. It is assumed at this point that the City has exhausted all reasonable expectations of obtaining contract performance and cannot wait any longer for the goods.

9. CONTRACT ADMINISTRATION – FILES

It is imperative, from a legal perspective, that contract files, especially those pertaining to construction projects, are detailed and complete. The following is a list of the types of correspondence and documents that should be kept, as originals or copies depending upon the circumstance. This list is by no means exhaustive and merely reflects those documents that would be critical in the event of litigation or disputes.

Copies of All Contracts Pertaining to the Project

Architect

Construction

Consultants

Interlocal/Cooperative Agreements

Grants

Notice of Award Letters

Copy of the Purchase Order

Requests for Insurance and Bonds

Memos/Letters/Emails/Reports

Field Reports

Meeting Notes

Correspondence

Daily Diaries

Orders of Materials

Copies of Bonds and Insurance Certificates

Change Orders and Changer Order Correspondence
Notices of Breach
Notice of Completion

H. VENDOR RELATIONS AND PERFORMANCE

1. VENDOR RELATIONS

It is essential that a professional, business-like relationship of mutual trust and confidence exist between the City and its suppliers. The primary responsibility for establishing this relationship for the City rests with Purchasing.

All City representatives and employees are to demonstrate business-like professionalism when interacting and speaking with vendors and their representatives.

Vendors soliciting sales are to be received and if deemed necessary, forwarded to Purchasing. Purchasing shall not make, nor be asked to make unreasonable or unnecessary demands on suppliers.

2. UNAUTHORIZED VENDOR CONTACT WITH CITY DEPARTMENTS

Once the bid has been issued, prospective bidders are prohibited from contacting any City department during the bid process unless approval is received from Purchasing. Failure to comply with this policy will be considered cause to reject the vendor's bid. This does not preclude the vendor from contacting City departments concerning other ongoing business.

3. VENDOR VISITS

Visits by appointment are preferred since drop-in visits can lead to inconvenience for both parties. Buyers may be in a meeting or away from the office at the time of the unscheduled visit.

When a using department requires information from a vendor, these requests normally will be handled by department in case technical detail or preliminary information is required. If this occurs, keep copies of all supporting documents, especially correspondence that includes pricing.

Departments are advised to refrain from accepting vendors specific brands, products and supplies when legitimate competitive quotes are required and applicable. Visits with City departments may be made upon the recommendation of Purchasing. Purchasing will direct the vendor to the correct person and phone number. City employees should notify Purchasing if they receive a visit from a vendor with useful products and price information and should also encourage the vendor to contact Purchasing to schedule an appointment with the Purchasing Agent. Purchasing can assist vendors in using their sales time more efficiently by informing them about expiration dates of existing contracts, upcoming bids and where similar products are used throughout the City.

4. VENDOR OFFERS OF FREE TRIALS AND SAMPLES

In some industries it is common for vendors to offer free loaners, demonstrator equipment, trial use, free supplies or other promotional items. These offers are sales tactics and acceptance of such "free" equipment, supplies or services may or may not be in the City's best interest.

Any department that receives a "free" offer should contact Purchasing for assistance. The offer will be evaluated, and other alternatives will be considered which may better meet the department's needs. If the offer is in the best interest of the City, Purchasing will advise the department.

Occasionally, the City requires bidders to submit production samples of products that the City intends to purchase. For example, samples may be required for new, untried products where workmanship might be a

significant factor or in cases when most of the bidders are expected to be distributors who may offer a wide variety of similar products. Failure to comply with a request for submission of a sample may be cause for the bid to be declared non-responsive and subject to rejection.

The most responsive and responsible bidder's sample is retained to compare with the vendor's shipment of the purchased goods. This sample will be returned at the request of the chosen lowest bidder following acceptance of the total shipment. All other bidders wishing to have samples returned must pick them up at Purchasing within thirty (30) days following award of the bid. Samples not claimed within that period become the property of the City to be disposed of as the City sees fit. Bidders desiring to have samples returned by mail or parcel post must furnish return mail cartons, packing, postage, insurance, etc.

5. COMPETITIVE ELECTRONIC UPLOADED BIDS

When electronic bids are used for goods and services, all bids shall be publicly revealed, and the dollar amount of each bid shall be released and displayed on the City's Bidnet Website. It is to be understood that a bid containing irregularity or minor informality may be waived by the Purchasing Agent when it can be determined that such waivers will not adversely affect the bidding process.

6. RELEASING BID RESULTS

During the bidding process, each vendor's bid is kept confidential and is not shared with anyone. However, any vendor or member of the public is entitled to review Bid Results after the bidding process has been completed. Bid Results will become available to all interested parties by registering for an account with Bidnet Website. Bidnet registration is free and after a Bidnet account is established, access to the City's Bidnet Website will become available to review the bid results.

7. LOCAL VENDORS/ LOCAL VENDOR PREFERENCE

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

- A. Receipt of sales tax revenue from sales made within the city limits
- B. Cost savings resulting from local maintenance, repair, pick-up and delivery
- C. Use of the local labor force

When multiple bids are received, the Purchasing Agent under the direction of the City Finance Director will determine if a submitted bid is from a "local vendor" and eligible for the Local Vendor Preference. Therefore, any local responsible vendor maintaining a fixed business location within the City limits who submitted a bid within five percent (5%) of the lowest nonlocal bidder will be deemed eligible for local vendor preference and awarded the bid.

The local vendor preference shall not cumulatively be greater than \$150,000 (per Public Contract Code § 2002).

8. VENDOR PROTESTS

The procedures for protesting, both before and after an award, are stated herein. Protests must be made in writing to Purchasing within five (5) working days so that an objective decision can be made by the City and costly delays in the acquisition process can be avoided.

The Purchasing Manager or designee shall respond in writing within five working days to the protestor. If the protestor wishes to appeal the decision rendered by the Purchasing Agent, such appeal must be made in

writing to the City Manager within five (5) working days of the Purchasing Agent's response. The City of Hanford City Manager, Finance Director and Purchasing Agent shall have the authority to settle and resolve a protest of an aggrieved bidder.

Public Records Act (PRA) –All PRA requests shall be forwarded to the City Clerk for processing.

I. INSURANCE AND BONDS

1. OVERVIEW

City policy is to require contractors providing services, materials or construction to the City to indemnify, defend, and hold the City harmless for claims arising from their performance of the contract and supply proof of insurance coverage to the City. The proof the City requires is usually in the form of certificates of coverage and endorsements provided by the contractor's insurance broker or carrier. All insurance requirements made of the contractor must appear in the City agreement, and in the case of a competitive bid, they must also be in the Request For Bid or Request for Proposal.

2. GENERAL INSURANCE REQUIREMENTS

Most agreements require general liability and workers compensation coverage. In addition, automobile liability, professional liability, crime coverage, and/or some form of bond coverage may be required. As a rule, the insurance must be underwritten by a carrier admitted to transact business in California. The carrier must be able to demonstrate sufficient financial strength to provide the protection the City seeks. Generally, insurers with an A rating in A.M. Best's Guide and a financial size designation of VII or higher will meet the City's requirements. If departments need to determine the Best's rating on a carrier, contact the Risk Management Division. Per the requirements of the City's insurer, PRISM, the City must also be named as additional insured on the general liability and automobile liability coverage; the contractor's insurers must waive subrogation rights; the contractor's insurance must be primary and non-contributory with respect to coverage maintained by the City; and the contractor's coverage may not be modified or canceled without prior written notice to the City. This provision must be stated in the Request For Bid or Request for Proposals.

3. LIMITS OF INSURANCE

Purchasing will assist departments obtaining insurance from vendors, firms and contractors and consultants. Purchasing will include Certificates of Insurance and endorsements with Fully Executed Agreements and forward them to our Risk Management Division.

Commercial General Liability – The rule for minimum limits for general liability coverage is \$2 million, per occurrence, combined single limit for bodily injury, personal injury and property damage, with an annual aggregate, if any, of at least \$4 million. Any substantial, ongoing business shall carry insurance with these limits. In some instances, insurance requirements may vary (\$5 million per occurrence and \$10 million aggregate for construction projects with increased risk).

Automobile Liability – Contractors who will drive in the course of performing the service or who deliver and maintain a product must maintain auto liability insurance. The limits must be a minimum of \$1 million per occurrence, combined single limit for bodily injury and property damage. Coverage shall include any autos, owned autos and hired autos.

Professional Liability – Contractors who are required to be licensed by the State of California or by an agency designated by the State to perform their work must maintain professional liability insurance. Examples include doctors, nurses, psychologists, licensed clinical social workers, engineers, architects and attorneys. As a rule, the City requires limits of a minimum of \$2 million per incident and an annual aggregate of at least \$4 million.

Workers Compensation Coverage and Employer's Liability – Insurance with a limit of no less than \$1 million per accident for bodily injury or disease. In accordance with the Labor Code of the State of California, every employer must provide workers compensation coverage for their employees. Therefore, all contracts with individuals or organizations who have employees must require workers compensation coverage. Many contractors are sole providers and have no employees. These contractors are not required to cover themselves with workers compensation.

4. INSURANCE CERTIFICATES

Insurance certificates and endorsements providing evidence of coverage must be provided by the following categories of persons:

- Any individual or non-City organization using a City facility.
- Any individual performing a service or delivering a product under contract to the City.
- Any individual or organization constructing something for the City.
- Any agency required to provide such evidence as a condition of participating with the City in any endeavor, such as a joint powers authority.

Responsibility for obtaining Insurance Certificates and endorsements – The department designated as contract administrator for each agreement is responsible to forward any insurance certificates and endorsements on to Purchasing for review and approval. Utilize the current insurance specifications in all contract agreements. Note the expiration dates of the policies. If any expire during the term of the contract, replacement certificates and endorsements must be obtained to assure continuity of coverage. It's recommended vendor insurance certificates and endorsements are filed with the agreement so they can be available for inspection and to use as evidence of coverage in the event of a loss. Copies should also be placed in the bid file in Purchasing, the department designated as contract administrator, and City Risk Management Division. Notify Risk Management immediately in the event of claims or accidents arising from the work performed under the contract.

5. SUBCONTRACTORS

Vendors shall include all subcontractors as insured under its policies or shall require subcontractors to maintain the coverage required under this Policy. If subcontractors maintain their own coverage, the prime contractor shall provide its subcontractors' certificates and endorsements to the City when the prime contractor submits its certificates of insurance and endorsements.

6. INDEMNIFICATION CLAUSES

Defense and indemnification clauses require the contractor to reimburse the City for any costs the City may incur to defend and/or pay damages to a third party because of the contractor's actions or omissions. The City is not permitted to require the contractor to assume responsibility for the City's actions, but the City can require the contractor to defend it and reimburse it for any loss arising out of the contractor's performance of the contract. Occasionally, a contractor will demand that the City defend and indemnify the contractor against losses arising from the City's acts. Risk Management must be consulted in these instances.

7. BONDS

Bonds are policies issued by surety companies which guarantee that the contractor will meet the stated obligation. Types of Surety Bonds the City may use are:

Fidelity Bond – Reimburses an employer for loss sustained because of dishonest acts of employees covered by the bond.

Bid Bond – Guarantees that a contractor will enter into the contract under consideration if consultant is awarded and consultant will comply with all terms and conditions of the bid or proposal.

Payment or Labor and Materials Bond – Guarantees contractors will pay their subcontractors, employees and suppliers for labor, services and goods provided in performance of contracts for "public projects".

Payment bonds should be required for all contracts involving public works or which are valued at more than \$50,000.

Performance Bond – Guarantees performance by the contractor of all work under the contract, including replacement or repair of any defective materials or faulty workmanship and compliance with all the terms and conditions of the contract or agreement.

J. INVENTORY CONTROL, FIXED ASSETS AND SURPLUS ITEMS

1. OVERVIEW

Disposition of surplus City property will be accomplished through the Purchasing Division. Property will be disposed of by the following methods:

Citywide notice of available surplus items.

Negotiate with vendor to remove non- surplus property.

Trade-in on new equipment.

Sale at public auction.

Sale as scrap.

Donation to non-profit organization.

2. CITYWIDE NOTICE OF AVAILABLE SURPLUS PROPERTY

Each Department shall communicate or e-mail the availability, including necessary details of property designated as surplus, to the Purchasing department. In some instances, Purchasing may send out a citywide announcement that surplus furniture or items have become available. The goal is to repurpose the surplus items by a different City department that may be in need of the surplus items. The disposition or disposal of City property may only be authorized by the City Manager and Finance Director.

3. NEGOTIATE TO REMOVE NON-SURPLUS PROPERTY

In some instances, departments may need to purchase, replace and/or upgrade assets. As a result, the property which is being replaced is classified as surplus . Surplus property that is non-functional or no longer required, cannot be reused, and is no longer considered an asset, may be disposed of at the department level by negotiating with the vendor to include a fee in their quote to remove and dispose of the property.

4. TRADE-INS OF EQUIPMENT

Departments are encouraged to trade in equipment that is being replaced at the time of the new equipment acquisition. Trade-ins earn credits against the purchase of the new item, it minimizes transfer, moving and storage costs and results in faster, less costly disposition of unwanted equipment or auction processes. Trade-ins may be negotiated at the department level and must be processed through Purchasing. To trade in a unit, the department should attach supporting documentation to the requisition for new equipment purchase.

5. SALE AT PUBLIC AUCTION

The Purchasing Agent is responsible for the management of surplus property. Only the City Council, City Manager, City Finance Director and Purchasing Agent have the legal authority to sell or otherwise dispose of personal property owned by the City.

Departments managing surplus property that is no longer useful may notify Purchasing of items, furniture, materials and equipment to determine if it may potentially be sold at a Public Auction. The Department is to also send an email to Purchasing describing the equipment or material, including serial number, location, date available, contact person, their phone number, fixed asset identification number (if applicable) and if Public Works involvement is required for assistance with moving or transportation of item to be sold at public auction. Purchasing will also assist departments with information regarding selling recyclable materials to local scrap dealers.

K. COST CONTROL METHODS

1. PLANNED PURCHASES

Departments are advised to check if funds are available when considering purchases and prior to generating a requisition for purchase order. The department's designated employee should check the ORG & OBJ in the Purchasing system. If the Purchasing system queries an amount that is over budget, contact the Finance Director and Finance Manager for funding alternatives.

Departments are advised to monitor project accounts frequently to ensure it is not going over budget. If the project incurs unexpected or unanticipated costs above the original budget, if the incurred overrun costs are \$10,000 to \$50,000, City Manager approval is required in order to expense the additional unanticipated incurred costs and does not authorize appropriation for additional money.

Departments that do not have enough budget funds to cover a large purchase or are over-budget on a line item may request a budget amendment to transfer money between object lines within the same fund. However, it's not necessary for small purchases or if the overall net budget is anticipated to be positive at the fiscal year end. Department Heads should send budget amendment requests to the Finance Director including the amount and transfer object lines. The Finance Director does not have the authority to transfer money between different funds or transfer money between salary and operating accounts.

The City Manager does have authority to transfer money between different funds and transfer funds between salary and operating accounts.

Planned purchases save money, and departments are advised to receive, evaluate competitive bids, quotes, estimates, proposals and select the lowest bid. There may be case by case circumstances allowing departments to select other than lowest quote or bid with acceptable justification and proper approval.

2. SPECIFICATIONS

Prepare descriptive specifications for material, supplies and equipment that are sufficiently broad enough to promote competitive and uniform bidding and to attract and develop a group of responsible bidders able to offer the best prices consistent with the required quality, delivery and service.

3. COMPETITION

Procurement transactions must be conducted in a manner providing full and open competition. The basic principle of public purchasing is to promote free and open competition and to incorporate a clear and accurate description of the technical requirements for material, product or service to be procured. Competition is enhanced by non-restrictive specifications, by allowing adequate time for bidding and by inviting an adequate number of interested vendors to bid. The bidding process allows each vendor a chance to submit their best price for the item without knowledge of other vendor offers. It's imperative that departments identify all requirements that the offerors must fulfill and all other factors to be used in evaluating quotes, estimates, bids and proposals. Favoritism toward any vendor is strictly prohibited.

4. FREIGHT AND SHIPPING CHARGES

During ordering processes, freight, handling and other related costs incurred to place the purchased item in working order should be included when determining total bid price. In determining freight charges, the cost of transporting an item from its "shipping point" or "point of origin", to the City receiving point or "destination" must be considered during the bid process in order to determine the total actual bid. There are two main methods used in determining freight charges. FOB (Free on Board) Destination and FOB Shipping Point. FOB Destination indicates that title does not pass to the City until we receive the goods at the delivery address stated on the purchase order. FOB Shipping Point indicates that title passes to the City when the vendor delivers the goods to the carrier. Usually, the party holding title bears the risk for loss or damage to the goods and bears the responsibility of filing claims, if any, for such loss or damage.

As a rule, the City requires that materials and equipment purchased be delivered "FOB Destination". This means the purchase price includes delivery of the item and the City takes title to it when it is received on City premises. If a seller insists on shipping "FOB Shipping Point" the City takes title to it when it leaves the seller's dock and assumes the risk of loss during transit.

In the rare case where Purchasing accepts a "price in effect at time of shipment" offer, the purchase order should so state and the quote or bid file should document the necessity of accepting such an offer. If the price increases between the date of order and date of shipment, the vendor should supply the buyer with documentation, generally in the form of old and new published price lists.

If both buyer and vendor have agreed to a specific shipping mode, this should be noted on the purchase order in the description area. The shipping instructions, along with the particulars of the terms, should be included.

L. RECEIVING PROCEDURES

1. AUTHORIZED RECEIVING POINTS

Each department is responsible for receiving goods. Each department is responsible for staff authorized to sign for receipt of delivery. Departments are advised to physically inspect all goods prior to signing for the goods received.

The ordering department is obligated to accept delivery of any merchandise which has been ordered in accordance with purchasing procedures. If there is a change regarding the need for the items, the department should immediately execute a Purchase Order Change Order into the Purchasing system. It should be realized that there may be a restocking charge if the items must be returned through no fault of the supplying vendor. The City's failure to accept and pay for ordered goods is a breach of contract.

2. RECEIVING GOODS FROM THE CARRIER

Avoid accepting delivery of any merchandise until adequate identification from the packaging or delivery tags is obtained. A purchase order number or other suitable identification indicating that the merchandise should be delivered to the department, must be in evidence before the shipment is accepted. Sign only for the number of boxes or parcels which are received from the carrier listed on the delivery tag (carrier's receipt), delivery information on the boxes or parcels, or delivery driver digital handheld computer.

3. INSPECTING GOODS AFTER DELIVERY

Inspect the merchandise promptly after receipt. Inspections of items received and determination of compliance with the ordering description or specifications are the responsibilities of the ordering department. Check merchandise received against the packing slip and the purchase order. Importantly, if copies of invoices are received, they should be immediately forwarded to the person in the department who is authorized to process invoices.

4. LOST AND DAMAGED GOODS

Document any partial deliveries received on a copy of the purchase order. The receiving department should keep all packing materials and merchandise and report damage to the vendor immediately. Importantly, do not destroy damaged item(s) or any packaging materials. In cases of known damage (apparent at the time of delivery), put a note on copies of the delivery tag (carrier's receipt) "case damaged in shipment" and, if the item is visible and the damage is visible, also include "item visibly damaged." Obtain any type of tangible data stating the damage including delivery driver acknowledgement and signature. If possible, take a picture of the damaged box or parcel. Departments may communicate to vendor regarding remedy of damaged shipment. If the department is unsuccessful regarding remedy, forward all pertinent information to Purchasing for assistance. Purchasing will also alert company representative of the damaged shipment and request remedy.

5. INCORRECT GOODS

If the goods shipped do not comply with the purchase order, the receiving department will ask the vendor to bring them into compliance. If the vendor fails to do so within a reasonable time, the receiving department will notify Purchasing. Purchasing will notify the vendor of the breach of contract. It is the receiving department's responsibility to notify Purchasing of the need to charge the defaulting vendor with any additional cost experienced by the City due to the breach of contract.

6. DELIVERY OF GOODS AND SERVICES

Under the Uniform Commercial Code, as a rule, the City requires that goods and services purchased be delivered "FOB Destination". This means the purchase price includes delivery of the item, and the City takes title to it when it is received on City premises. If a seller insists on shipping "FOB Shipping Point" the City takes title to it when it leaves the seller's dock and assumes the risk of loss during transit. Should that occur, Purchasing and/or Risk Management should be consulted to determine the prudence of securing transit insurance.

M. PAYMENT PROCEDURES

1. OVERVIEW

Due to the large number of documents processed by the Finance Department, it is extremely important to promptly verify all goods received at the department level and forward all required information to Finance so they can begin to prepare payment processes as soon as possible. Payment documents that include discounts should be specially handled by both the department receiving the goods and the Finance Department to ensure that payments will be processed in time to receive the discount.

Generally, invoices are sent by the vendor to the ordering department or Finance Department. The requesting department verifies that all goods have been received and compares any packing slips or shipping documents with the purchase order. If the goods received match the purchase order, the department shall approve the invoice in the workflow approval. If there is a problem with the merchandise, i.e., damaged items, an incomplete order, incorrect items received or any other problem, the vendor should be notified, and the problem corrected before the payment document is prepared.

2. VENDOR RESPONSIBILITIES

Packing Slip – A packing slip should be included with each shipment. The related purchase order or contract number and the purchase order line-item numbers should be referenced.

Invoices – Invoices should refer to the purchase order number. Invoices which do not show a valid purchase order number should be directed to the vendor. Invoices may be mailed to the "Billing Address" shown on the purchase order, emailed or downloaded from vendor online portal. Invoice pricing, terms and conditions must be consistent with the purchase order. Incorrect invoices should be credited by the vendor.

in their entirety and re-issued. Contact the Finance Department Accounts Payable Division or Purchasing for assistance.

3. PAYMENT PROCESS

Advance payments by the City are legally permitted and require contacting the Finance Department to coordinate payment process. Contracts or agreements containing provisions for advance payments shall provide for small periodic payments which are tied to delivered goods or services, rather than total contract price or lump sum advances.

4. REGULAR PURCHASE ORDERS

Purchase Orders generated in the Purchasing system serve as contracts for goods and services. After the Purchase order has been printed, departments may mail, email, or call the vendor and communicate the purchase order number over the phone. A Purchase order is a legally binding document for the city financially. It can stand alone or include attachments for clarification purposes. Purchase orders encumber funds and assets. Each department is responsible for verifying quantity, quality and delivery.

Partial Shipments (receipts) - There will be instances when partial shipments are received. In these cases, the department should record the receiving information by attaching it to the purchase order, including any packing and freight slips and invoice.

5. PURCHASING CARD

The Purchasing CAL Card program issues P-Cards to authorized City employees as an alternative method of purchasing and paying for goods and services. Departments are to email Purchasing to request P-Cards for employees. The Department Head should be copied in on the emailed request.

The P-Card is intended for smaller purchases as a convenience and not to be used to circumvent the City's current Purchasing Policies. There are restrictions. The P-Card is currently being used for all purchases under \$2,500 without any additional competitive quotes. Every City employee authorized to possess a P-Card must obtain their activated new card, receive instructions and training for proper use of card and sign documents at the Purchasing department. Card holders will receive a copy of the Purchase Card Policy and are advised to read it and familiarize themselves with P-Card use and responsibilities.

- A. Keep a copy of receipt to scan.
- B. Finance does not need originals. Department may keep them on file.
- C. Receipt should have vendor name and amount.
- D. The general rule for food purchases must list the purpose and who attended. If a group, attach event flyer.
- E. Travel-related charges should have name, destination and travel dates. Attach Travel Approval form and brochure and agenda for trip. All P-Card questions should be directed to Purchasing.

Near the end of the month, (approximately the 26), each departmental P-Card statement approver will receive a statement of P-Card Transactions. It is the P-Card holder's responsibility to provide legible receipts, invoices, or digital electronic proof of payment to be reconciled to the statement in the Purchasing system. The P-Card transactions will be reviewed by a hierarchical approval group in Purchasing and Finance. Departments may be requested to resubmit missing information during review of receipts and backup documentation.

6. TRAVEL CLAIMS

The following are guidelines to assist with management of the P-Card processes. Updates to travel policy may be found in Administrative Regulations.

- A. Must be submitted at least two (2) weeks in advance of the event or within thirty (30) calendar days after.

- B. If entering claim early (such as months in advance), review instructions for early travel claim entry.
- C. If reimbursement, receipts required.
- D. Lodging and registrations should be paid for using P-Card.
- E. Day-only travel requires Supervisor signature.
- F. Overnight travel requires Department Head signature.
- G. Out-of-state travel requires City Manager signature.
- H. Certificates of Completion of training should be forwarded to AP@Hanford.city and Human Resources.

7. BLANKET PURCHASE ORDERS

Departments receiving reoccurring materials or services under the provisions of a Blanket Purchase Order shall obtain, at the time of purchase or delivery, a fully itemized invoice. Submit the invoice as soon as possible to the Finance department referencing the BPO Purchase Order Number.

- A. Monitor the BPO to determine whether account balance will cover purchases to the end of the year.
- B. Should a department project unforeseen new expenditures throughout the year, a purchase order change order should be processed to add more funding to cover the entire year.
- C. To assist in monitoring the account budget throughout the year, enter ORG & OBJ into the Purchasing system to check available funds.
- D. City Council approved ongoing expenditures or a competitive bid process for products or services to continue throughout the fiscal year. Include required collected quotes, estimates, proposals or bids.
- E. A yearly review should occur after the end of each fiscal year to determine the amount necessary to cover expenditures for the following fiscal year.

8. DEPARTMENT PURCHASE ORDERS

Department Purchase Orders are required for all purchases \$5,000 and above. Departments are advised to generate a requisition in the Purchasing system. After the requisition has been submitted by the department into workflow, the requisition will be reviewed to determine all the necessary information and appropriate attachments are included. After all workflow hierarchical approvals have been completed, the requisition will be converted to a Purchase Order and the department will be notified the Purchase Order is ready to be used. The department can notify the vendor of the PO number. The Department may go into the Purchasing system's Purchase Order Central module to print a hard copy of the Purchase Order.

9. EMERGENCY PURCHASES

In rare instances, Departments may have a need to obtain goods or services outside normal working hours, due to an emergency. On the day following the emergency, or at the next available opportunity, a requisition shall be prepared and processed as usual. Include in the requisition stating, "emergency purchase" and a brief report including the date, time and nature of the emergency for Purchasing and Finance to review.

Department shall process the requisition and select "Emergency" as the PO type. This will automatically issue a PO number instead of waiting until the requisition has received all workflow approvals. The following conditions apply.

- A. Department has obtained a single purchase or service from a vendor.
- B. Confirm a condition that poses an immediate threat to the public such as preservation of the public health, welfare, or safety or for the protection of City property.
- C. Quotes and estimates are not required but staff must obtain them when deemed appropriate according to the Purchasing Policy (based on availability and ability).

- D. Emergency purchases must have Department Head or City Manager approval either in writing or verbally prior to purchase. Make sure to include approval and justification for the emergency in your supporting documentation.
- E. On all invoices, indicate emergency purchase, who authorized the required approval, date of approval and a clear reason for the emergency.

10. CHECK RUNS

Currently, check runs occur bi-weekly. However, the schedule is subject to change as outlined on Finance's yearly check run schedule.

Workflow approvals must be completed by noon the day prior to check run day. Unscheduled check runs will not occur unless it's an emergency and is approved by the Finance Director.

N. FEDERAL, STATE AND LOCAL TAX REQUIREMENTS

1. SALES AND USE TAX ON TRANSPORTATION CHARGES

The sales tax rate for City of Hanford purchases is 7.25%. Depending on how freight charges are billed, they may be subject to sales tax. The following charges for freight are not taxable:

Separately stated charges, direct delivery to purchaser by U.S. mail, independent contractor or common carrier and actual freight charges are borne by the purchaser. These charges could be either FOB Destination or FOB Shipping Point as long as transportation costs are not fixed and are the responsibility of the purchaser and are explicitly separate from the cost of goods purchased.

"Delivered Price", but transportation charges are separately stated, shipment is directed to purchaser, and transportation occurs after the seller completes physical delivery per contract requirements, i.e., FOB Shipping Point.

Delivered by seller's own facilities, but transportation charges are separately stated, shipment is directly to purchaser and transportation occurs after title has passed to the purchaser per an explicit written agreement between seller and purchaser, i.e. FOB Shipping Point.

The following charges are taxable:

Transportation charges that are not separately set forth in the purchase order, contract for sale or invoice.
Transportation charges that are "incoming freight" such as shipment to the retailer, to the retailer's agent or the retailer's representative.

Delivered price which is also FOB Destination.

Transportation by seller's own facilities without any explicit written agreement regarding when title passes.

Transportation by seller's own facilities with FOB Destination terms.

2. LIABILITY FOR SALES AND USE TAX

Sales tax is a liability of the seller and is paid for the privilege to sell tangible personal property within the State of California. Sellers who conduct business within California, i.e. have employees, offices, stores or warehouses in California must register with the State of California Department of Revenue to collect sales tax.

Sellers may add sales tax to the selling price or include it in the selling price; either way, the amount must be remitted to the State by the seller. The buyer is not liable to the State for uncollected sales tax unless the

buyer caused the seller to erroneously believe the buyer was exempt from paying sales tax.

Use tax is an excise tax imposed upon the purchaser of goods for storage, use or consumption of goods in California. The City pays use tax directly to the State of California in lieu of paying sales tax whenever it buys tangible personal property from an out-of-state vendor who is not registered to collect California sales tax or whenever an in-state vendor does not charge the proper sales tax rate. Use tax is the liability of the buyer and not of the seller.

3. ITEMS EXEMPT FROM SALES AND USE TAX

Generally, the following items are not taxable. However, frequent changes by the State of California, as a result of court cases, can cause additions or deletions to the list.

- Labor on repairs when stated separately.
- Installation labor, an exception is modular panels from any vendor according to the State of California Franchise Tax Board.
- Parts covered by a maintenance agreement.
- Purchases for resale.
- Professional services.
- Transportation, shipping and freight charges from common carriers when itemized separately from the purchase price.
- Advertising.
- Purchases of property to be resold to the United States Government.
- Subscriptions to newspapers, newsletters, and other periodicals when they are published at stated intervals of at least four times per year but not more than sixty times per year.
- Software downloaded to the City's computer system.

4. MINIMIZING SALES AND USE TAX

Sometimes knowledge of tax laws will allow the City to reduce the amount of sales or use tax which is due and payable. For example, if lubricants are purchased in barrels and the empty barrels are returned to the vendor for credit, tax is only paid on the contents of the barrels and not on the purchase price of the barrels.

Since tax laws are revised frequently, when in doubt as to whether an item is taxable or not, contact the State of California Department of Tax and Fee Administration.

5. SHOWING SALES AND USE TAX ON PURCHASE ORDERS

Purchase orders must specify any applicable state and local taxes or the use tax unless the items are for resale.

If the items on the purchase order are for resale, the City's seller's permit number should be shown on the purchase order.

6. FEDERAL EXCISE TAXES

The City does not pay Federal Excise Taxes (F.E.T.).

O. GENERAL PUBLIC WORKS GUIDELINES

Departments may reach out to Purchasing and Public Works for any additional questions pertaining to their department's projects. Departments may contact Purchasing for assistance with prevailing wage requirements and bid document solicitation of projects on City's Bidnet Website. The City adheres to

several Public Works guidelines listed in the City of Hanford Municipal Code Chapter 2.50 Public Works Projects.

1. ADHERENCE TO PUBLIC WORKS RULES AND REGULATIONS

The City of Hanford adheres to the California Uniform Construction Cost Accounting Act, California Uniform Public Construction Cost Accounting Act and Public Contract Code (PCC) Sections 22001 and 22030.

2. PREVAILING WAGES RATES REQUIREMENT

There exists California Labor codes established by the Department of Industrial Relations (DIR) requiring Awarding bodies to pay prevailing wage rates to contractors. Our City is required to pay prevailing wage rates to contractors. Contractors, vendors or consultants are responsible for including prevailing wage rates in their quotes, estimates, bids and proposals. The State monitors that contractors are paying appropriate labor wages. Wage determination rates are available to any City employee by visiting the Department of Industrial Relations for the State of California.

- A. City departments are advised to ensure prevailing wage rates are included in quotes and bids for public works projects consisting of new construction, alteration, installation demolition, maintenance or repairs. If costs for the work performed is \$1,000 dollars and above, prevailing wages must be included in vendor quotes and bids.
- B. Projects that meet thresholds will be required to be registered with the Department of Industrial Relations (DIR) online system. Purchasing may reach out to departments to assist in obtaining project information.
 - \$25,000 threshold for new construction, alteration, installation, demolition and repair projects.
 - \$15,000 threshold for various maintenance projects include minor repainting, resurfacing streets and highways at less than one inch.
 - Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation, sprinkler systems and disking services.
 - Work performed to keep, operate and maintain publicly owned buildings, structures and ground facilities.

3. CALIFORNIA UNIFORM COST ACCOUNTING BID REQUIREMENTS

- A. If a project is estimated to be \$0.00 to \$60,000:
Work can be done by City Forces.
Receive proposals from a minimum of 3 contractors.
Work may be negotiated with the contractor or paid by Purchase Order.
- B. If project is estimated to be \$60,001 to \$200,000:
May use Informal Bidding procedures which do not require advertising.
Send proposal requests, Notice to Contractors, to contractors on the list that are within the work category.
Send plans and specifications to Exchanges and Plan Houses and post them online.
Three weeks minimum advertisement – four weeks preferred.
- C. If the project is \$200,001 and above:
Must follow Formal bidding procedures.
Advertise in newspaper two (2) times. First advertisement at least 30 days prior to bid opening – second advertisement at least 14 days prior to bid opening.
Send plans and specifications to Exchanges and Plan Houses and post online.

Four weeks minimum advertisement – five weeks preferred.

P. GENERAL FEDERAL PROCUREMENT GUIDELINES

All grant procurement and related expenditures must adhere to the procurement guidelines found in the Code of Federal Regulations (C.F.R.) Title 2-Grants and Agreements, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Such procurement standards in the Uniform Guidance (UG) are covered in paragraphs 200.317 to 200.327. All City agreements, which expend federal grant award funds, must adhere to Part 200, which outlines contract provisions to be included in agreements expending federal awards.

1. FEDERAL GRANT PROCUREMENT STANDARDS

- A. Departments are to fully comply with all procurement requirements found at 2 CFR 200.318 through 2 CFR 200.327. The regulations require that procurement activities be performed in an equitable and competitive manner to promote equal treatment, efficiency, and economy in federal grant activities. To ensure objective contractor performance and eliminate an unfair competitive advantage, contractors must be excluded from competing for such procurements if they develop or draft grant applications or contract specifications, requirements, statements of work, invitations for bids, and/or requests for proposals. No City department is exempt from these requirements per the Code of Federal Regulations (CFR).
- B. Departments are subject to the following procurement requirements when utilizing Federal Funds for purchase of goods and services, however, the requirements are only summarized and do not cover the entire Uniform Guidance published here at www.ecfr.gov under CFR 200. It is the responsibility of the grantee/department to ensure they follow the guidelines to avoid suspension or revocation of Federal assistance. The Uniform Guidance, or 2 CFR 200, sets strict requirements around procurement and guarding against conflicts of interest that can occur when purchasing goods and services under federally funded grants and contracts.

2. FEDERAL PROCUREMENT METHOD AND THRESHOLDS

 The methods departments must follow are outlined in 2 CFR 200.320, 200.317, 200.318, and 200.319. These regulations mandate the following thresholds related to procurement activities with Federal Grant funds.

- A. **Micro-Purchase Method**
Transactions where the aggregate dollar amount does not exceed the amount fixed by the Government Publishing Office (GPO), set to \$10,000. To the extent practical, the department must distribute these purchases equitably among qualified suppliers. Micro-purchases may be made with Management approval and with or without a competitive process. May be awarded without soliciting competitive price or rate quotations.
- B. **Simplified Acquisition Method**
Transactions for goods or services where the aggregate dollar amount is higher than the FAR micro-purchase threshold but does not exceed the simplified acquisition, which is currently \$250,000, requires an informal bidding process with price or rate quotations or proposals solicited from at least three (3) contractors, sources or qualified offers.
- C. **Sealed Bids (Typically Construction Projects) And Competitive Proposals.**
Transactions that exceed \$250,000, require formal procedures, must be publicized, identify all evaluation factors and their relative importance and the award to the lowest responsive and

responsible vendor/contractor shall be made by the City Council with the recommendation from the department overseer of the project or the Purchasing Manager.

D. Noncompetitive Proposals:

Also known as sole-source procurement, this may be appropriate only when specific criteria are met, and the Purchasing Manager or Finance Director approves. Applicable circumstances are:

- The acquisition of property, goods, and services, the aggregate dollar amount of which does not exceed the micro purchase threshold.
- The item is available only from a single source.
- The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation.
- The federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the City.
- The competition is determined inadequate after two (2) failed solicitations, failed contracts with a number of contractors, or lack of resources or qualified offers.



AGENDA STAFF REPORT

MEETING DATE: 2/6/2024

AGENDA SECTION: GENERAL BUSINESS

SUBJECT:

Discussion of Council Options and direction from the City Council Action related to the upcoming vacant Council seat in District C.

RECOMMENDATION:

Recommendation: That the City Council consider the pending resignation of Council member Sharp and discuss the next steps for addressing the Council vacancy in District C by one of the two processes outlined in Section 36512 of the Government Code as follows:

1. Appoint a new council member, and if so decided, direct staff to commence an appointment process to be determined by the City Council; or
2. Call a special election for the vacant seat and direct staff to bring a resolution before the City Council, requesting and consenting to a special election and setting specifications of the election; recognizing that Gov. Code § 36512 can be broadly interpreted to allow the seat to remain vacant until the November 5 general election is certified as the special election and general election would occur on the same date.

BACKGROUND:

Ms. Diane Sharp, District C Council member, has notified the Council that she intends to resign from Council, effective April 2, 2024.

With the pending resignation of Ms. Sharp, Council must now consider how they wish to address the vacant seat that will represent District C in the City of Hanford. Government Code section 36512 governs the process for filling a Council vacancy. That section of the Code provides that the council must, within 60 days from the date of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy. A person appointed or elected to fill a vacancy holds office for the unexpired term of the former incumbent, which would end December 31, 2024 or the certification of the November 5, 2024 General Election; whichever date comes first.

Upon notification by Ms. Sharp that she would be tendering her resignation, she also asked to be a part of the appointment process if Council chooses to use that process to fill the vacant seat. Government Code Section 36512(e)(1) indicates that, if the Council decides to fill the vacancy by appointment, Council member Sharp may vote on her replacement if her resignation will go into effect upon the successor's appointment. If Council member Sharp votes on her replacement, pursuant to Code Section 36512(e)(2), she would be prohibited from engaging in certain activities for two years following the appointment. The exact wording of those sections from the Government Code

is as follows:

- (e) (1) If the city council of a city that elects city council members by or from districts elects to fill a vacancy on the city council by appointment as a result of a city council member resigning from office, the resigning city council member may cast a vote on the appointment if the resignation will go into effect upon the appointment of a successor. A city council member shall not cast a vote for a family member or any other person with whom the city council member has a relationship that may create a potential conflict of interest.*
- (2) If a city council member elects to cast a vote under this subdivision, the city council member shall be prohibited from the following actions for a period of two years after the appointment of a successor:*
- (A) Advocating on any measure or issue coming before the city council in which the city council member may have a personal benefit.*
 - (B) Entering into a contract of any kind with the city or a city vendor.*
 - (C) Accepting a position of employment with the city or a city vendor.*
 - (D) Applying for a permit that is subject to the approval of the city council.*
- (3) This subdivision shall not apply to any city council member who is resigning from the city council due to charges of, or conviction for, corruption or criminal behavior, or who is subject to a recall election.*

If the City Council chooses to fill the vacancy through a special election - or if the council seeks to fill the position by appointment but does not do so within 60 days of the vacancy - the special election must be held on the next regularly established election date not less than 114 days from the call of the election. In this particular case, the County Elections department has confirmed that the election would take place on the second Tuesday in November, which would be November 5, 2024.

Special Election

Gov. Code § 36512 can be interpreted to mean that the Council may appoint a replacement during the sixty (60) day period, call a special election, or leave the seat vacant until the November 5, 2024 general election as the special and general elections would occur on the same date. If the City Council calls for a special election, the City Council would have to call the special election by adoption of a resolution within 60 days of the formal resignation of Ms. Sharp to meet statutory deadlines.

There is a considerable cost involved with a special election. The attached letter from the Kings County Elections office details the costs involved for the City of Hanford. Given the current number of registered voters in the City of Hanford District C, a special election of District C is estimated to cost approximately \$130,750 to 150,750.

Given the high cost of the special election, and the fact that those costs would be borne by the General Fund, staff would recommend that, if the Council does not appoint a replacement, the seat remain vacant until the November 5 general election results are certified, which would be the first meeting in December 2024, as the special election and the general election would occur on the same date.

The date of the special election, November 5, 2024, gives rise to a unique issue since the general election will occur on the same day. Depending on how long it takes the County Elections Department to process the special election ballots, certification of the special election may occur at or near the time that the results of the general election are certified. If the result of both elections are

certified at the same time, the winner of the general election will assume the District C seat without the winner of the special election taking office. Even if the results of the special election are certified first, the winner of that election could hold office for a very short period as the results of the general election may be certified shortly thereafter.

Appointment

Normally, if the City Council were to decide to appoint a new Council member, it must be done within 60 days. In this case, because Ms. Sharp has requested to be a part of an appointment process, her resignation would become effective with the date of the appointment of the replacement. This timeline does not apply.

Should the City Council decide to appoint a new Council member rather than go through a special election, the Council may choose any selection process at their disposal and, in the interest of time, staff would recommend the following process:

Applicants must be registered voters and reside within the geographical boundaries of District C, within the Hanford City limits. The City Clerk will verify voter registration status upon submission of the complete application. The successful applicant would serve from time of appointment until the results of the November 5, 2024 General Municipal Election are certified by the City Council.

Recommended Appointment Process Schedule

February 6, 2024 At a regular meeting, the City Council votes on the process for appointing a new council member, and directs staff on the following process.

February 7, 2024 The City Clerk posts a Notice of Vacancy and invites eligible residents to apply for the vacant council seat.

February 23, 2024 City Council applications are due to the City Clerk's Office by 5:00pm.

Late applications will not be accepted.

City Clerk notifies applicants as to whether their application is complete and whether they meet the minimum qualifications to hold office in District C in the City of Hanford. Applicants who submit incomplete applications, or who, when the application is submitted, do not meet the minimum qualifications to hold office in the City of Hanford will not be eligible to be considered by the City Council.

March 5, 2024 During a Study Session of the regular council meeting, the City Council considers those applicants who have submitted complete applications and meet the minimum qualifications, and each council member may recommend one (1) applicant for a total of up to five (5) applicants to be interviewed by the City Council.

March 19, 2024 During a Study Session of the regular council meeting, the City Council interviews up to five (5) applicants and either directs staff to bring back a Resolution of Appointment of the chosen candidate or Calling for a Special Election.

April 2, 2024 The City Council adopts a resolution confirming the appointment of the new City Councilmember, and the City Clerk administers the Oath of Office or Council shall adopt a resolution calling for a special election.

Once the City Council has decided to go through the appointment process for a new council member, the Council may choose any selection process at their disposal. Below, staff has recommended a fair and transparent process for consideration. The City Council may accept this process in its entirety, modify the process as it chooses or elect to choose a different process altogether.

Application:

Applicants must be registered voters of the City of Hanford, residing within the City limits. The City Clerk will verify voter registration status upon the submission of the complete application.

Applicants will be asked to submit a candidate statement with their application consisting of no more than 400 words for the City Council to review.

Applications will only be accepted online at www.hanford.city. A Call for applications will be posted on all of the city's social media platforms and website.

All submitted applications will be kept confidential until February 23, 2024 at 5:00 p.m. In accordance with the Public Records Act, applications and attachments submitted are considered public records and will be disclosed upon receipt of a public records request.

Recommended Applicants Selected for Interview Process:

The City Council will consider those applicants who have submitted qualifying applications, and each council member may recommend up to one qualified applicant for a total of up to five (5) applicants to be interviewed by the City Council.

Recommended Interview Process

For the interview process, the applicants will then be called in alphabetical order, by last name, and given up to five minutes to introduce themselves, describe why they should be selected to fill the vacant seat, and provide the City Council with any additional information that they feel relevant. The City Council will ask the same questions of the applicants after each candidate has had an opportunity to make their presentation. Each interview will be no more than 45 minutes.

Recommended Scoring Process

The City Council will score candidates using a forced ranking method. Each council member will rank the candidates highest to lowest after each interview. After the final interview, each candidate will be assigned a score associated with their final ranking. Candidates' scores will then be tabulated from each council member's ranking sheet. The Council may direct that the highest scoring applicant receives the appointment or continue further deliberations between the top two scores or any variation thereof.

FISCAL IMPACT:

There is no cost involved if the City Council decides to appoint a candidate to fill the vacant seat or leave it vacant. If the City Council decides to call a special election, the estimated cost for a special District C election has been quoted at \$130,750 to 150,750 by the County Elections department.

ATTACHMENTS:

1. Sharp Resignation
2. GOV_36512. Special Election Guidelines
3. Kings County Elections Dept estimate

Mario Cifuentez

From: Diane Sharp
Sent: Thursday, February 1, 2024 11:08 AM
To: Natalie Corral
Cc: Mario Cifuentez; Travis Paden
Subject: Resignation

VIA EMAIL

February 1, 2024

City Clerk
City of Hanford

With regret, I hereby resign from City Council District C Seat upon appointment of my replacement.

In consultation with the City Manager, this should occur at the City Council regular meeting of April 2, 2024.

Later in April, I am relocating, with my family, outside District C boundaries, thus forcing this action.

Thank you for your assistance and for all the fine work you do for the people of Hanford.

Diane Sharp

Sent from my iPhone

State of California

GOVERNMENT CODE

Section 36512

36512. (a) If a vacancy occurs in an appointive office provided for in this chapter, the council shall fill the vacancy by appointment. A person appointed to fill a vacancy holds office for the unexpired term of the former incumbent.

(b) If a vacancy occurs in an elective office provided for in this chapter, the council shall, within 60 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy.

(1) If the council calls a special election, the special election shall be held on the next regularly established election date not less than 114 days from the call of the special election. A person elected to fill a vacancy holds office for the unexpired term of the former incumbent.

(2) If the council fills the vacancy by appointment, the person appointed to fill the vacancy shall hold office pursuant to one of the following:

(A) If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general municipal election, the person appointed to fill the vacancy shall hold office until the next general municipal election that is scheduled 130 or more days after the date the council is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

(B) If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general municipal election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall hold office for the unexpired term of the former incumbent.

(c) Notwithstanding subdivision (b) and Section 34902, a city may enact an ordinance that does any of the following:

(1) Requires that a special election be called immediately to fill every city council vacancy and the office of mayor designated pursuant to Section 34902. The ordinance shall provide that the special election shall be held on the next regularly established election date not less than 114 days from the call of the special election.

(2) Requires that a special election be held to fill a city council vacancy and the office of mayor designated pursuant to Section 34902 when petitions bearing a specified number of verified signatures are filed. The ordinance shall provide that the special election shall be held on the next regularly established election date not less than 114 days from the filing of the petition. A governing body that has enacted such an ordinance may also call a special election pursuant to subdivision (b) without waiting for the filing of a petition.

(3) Provides that a person appointed to fill a vacancy on the city council holds office only until the date of a special election which shall immediately be called to fill the remainder of the term. The special election may be held on the date of the next regularly established election or regularly scheduled municipal election to be held throughout the city not less than 114 days from the call of the special election.

(d) (1) Notwithstanding subdivision (b) and Section 34902, an appointment shall not be made to fill a vacancy on a city council if the appointment would result in a majority of the members serving on the council having been appointed. The vacancy shall be filled in the manner provided by this subdivision.

(2) The city council may call an election to fill the vacancy, to be held on the next regularly established election date not less than 114 days after the call.

(3) If the city council does not call an election pursuant to paragraph (2), the vacancy shall be filled at the next regularly established election date.

(e) (1) If the city council of a city that elects city council members by or from districts elects to fill a vacancy on the city council by appointment as a result of a city council member resigning from office, the resigning city council member may cast a vote on the appointment if the resignation will go into effect upon the appointment of a successor. A city council member shall not cast a vote for a family member or any other person with whom the city council member has a relationship that may create a potential conflict of interest.

(2) If a city council member elects to cast a vote under this subdivision, the city council member shall be prohibited from the following actions for a period of two years after the appointment of a successor:

(A) Advocating on any measure or issue coming before the city council in which the city council member may have a personal benefit.

(B) Entering into a contract of any kind with the city or a city vendor.

(C) Accepting a position of employment with the city or a city vendor.

(D) Applying for a permit that is subject to the approval of the city council.

(3) This subdivision shall not apply to any city council member who is resigning from the city council due to charges of, or conviction for, corruption or criminal behavior, or who is subject to a recall election.

(Amended by Stats. 2015, Ch. 185, Sec. 1. (AB 952) Effective January 1, 2016.)



COUNTY OF KINGS ELECTIONS DEPARTMENT

1-800-289-9981 ext. 4401 / 559-852-4401
FAX: (559) 585-8453

Lupe Villa
Registrar of Voters
1400 W. Lacey Blvd. Bldg. #7
Hanford, California 93230
Elections@CountyofKings.com

January 31, 2024

Natalie Corral
City Clerk, City of Hanford
319 N. Douty St.
Hanford, CA 93230

Dear Ms. Corral,

As requested, the Kings County Elections Department has calculated the cost of a Special Election for a vacancy in City Council Area C. The costs billed for a special election will be actual costs incurred and may vary from this estimate based on a number of factors.

As of January 31, 2024, for a total registration count of **6,692 voters**, the estimate is **\$130,750.00 to \$150,750.00**.

If you have any questions regarding this cost estimate, please feel free to contact me at (559)-852-4402.

Cordially,

A handwritten signature in cursive script that reads "Emily Oliveira".

Emily Oliveira
Elections Supervisor