

**CORCORAN CITY COUNCIL,  
JOINT POWERS FINANCE AUTHORITY,  
SUCCESSOR AGENCY FOR CORCORAN RDA,  
& HOUSING AUTHORITY  
AGENDA**

City Council Chambers  
1015 Chittenden Avenue  
Corcoran, CA 93212

*Tuesday, December 14, 2021  
5:30 P.M*

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**Public Inspection:** A detailed City Council packet is available for review at the City Clerk's Office, located at Corcoran City Hall, 832 Whitley Avenue.

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**Notice of ADA Compliance:** In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the City Clerk's Office at (559) 992-2151.

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**ROLL CALL**

Mayor:	Patricia Nolen
Vice Mayor:	Jeanette Zamora-Bragg
Council Member:	Greg Ojeda
Council Member:	Sidonio "Sid" Palmerin
Council Member:	Jerry Robertson

**INVOCATION**

**FLAG SALUTE**

**1. PUBLIC DISCUSSION**

Members of the audience may address the Council on non-agenda items; however, in accordance with government code section 54954.2, the Council may not (except in very specific instances) take action on an item not appearing on the posted agenda.

This is the time for members of the public to comment on any matter within the jurisdiction of the Corcoran City Council. This is also the public's opportunity to request that a Consent Calendar item be removed from that section and made a regular agenda item. The councilmembers ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome.

After receiving recognition from the chair, speakers shall state their name and address and proceed with comments. Each speaker will be limited to five (5) minutes.

2. **CONSENT CALENDAR (VV)**

All items listed under the consent calendar are considered to be routine and will be enacted by one motion. If anyone desires discussion of any item on the consent calendar, the item can be removed at the request of any member of the City Council and made a part of the regular agenda.

- 2-A. Approval of minutes of the meeting of the City Council on November 9, 2021.
- 2-B. Authorization to read ordinances and resolutions by title only.

3. **APPROPRIATIONS (VV)**

Approval of Warrant Register dated November 23, 2021 and December 14, 2021. *(Ruiz-Nuñez) (VV)*

4. **PRESENTATIONS**

- 4-A. Presentation of Proclamation No. 2021-02 Honoring the Corcoran High School Football Team on their 2021 Battle of Highway 43 Championship. *(Gatzka)*
- 4-B. Update on CalPERS UAL Restructuring Strategy and consider approval of Resolution No. 3112 Directing Staff to take actions necessary to issue Lease Revenue Bonds for the Purpose of Refunding some or all of the City's unfunded Accrued Liability. *(Ruiz-Nuñez) (VV)*

5. **PUBLIC HEARINGS** – None

6. **WRITTEN COMMUNICATIONS** – None

7. **STAFF REPORTS**

- 7-A. Consider adopting Resolution No. 3111 to authorize the City Manager to Execute State Water Resources Control Board Agreement No. D2102002 on behalf of the City. *(Gatzka) (VV)*
- 7-B. Authorize the City of Corcoran to participate in both California Opioid Settlement Agreements. *(Gatzka) (VV)*
- 7-C. Consider Appointment to the Corcoran Planning Commission. *(Spain) (VV)*

8. **MATTERS FOR MAYOR AND COUNCIL**

- 8-A. Information Items
- 8-B. Staff Referral Items - *Items of Interest (Non-action items the Council may wish to discuss)*
- 8-C. Committee Reports

9. **CLOSED SESSION**

9A. **THREAT TO PUBLIC SERVICES OR FACILITIES** (Government Code § 54957(a)). Consultation with City Manager, Chief of Police and Deputy Chief specify name of law enforcement agency and title of officer, or name of applicable agency representative and title).

10. **ADJOURNMENT**

I certify that I caused this Agenda of the Corcoran City Council meeting to be posted at the City Council Chambers, 1015 Chittenden Avenue on December 11, 2021.

  
Marlene Spain, City Clerk





**MINUTES  
CORCORAN CITY COUNCIL,  
JOINT POWERS FINANCE AUTHORITY,  
SUCCESSOR AGENCY FOR CORCORAN RDA,  
& HOUSING AUTHORITY REGULAR MEETING**

**Tuesday, November 9, 2021**

The regular session of the Corcoran City Council was called to order by Mayor Nolen, in the City Council Chambers, 1015 Chittenden Avenue, Corcoran, CA at 5:30 P.M.

**ROLL CALL**

Councilmembers present: Greg Ojeda, Pat Nolen, Sidonio Palmerin, Jerry Robertson and Jeanette Zamora-Bragg

Councilmembers absent:

Staff present: Joseph Beery, Joseph Faulkner, Greg Gatzka, Soledad Ruiz-Nuñez, Reuben Shortnacy, Marlene Spain and Kevin Tromborg

Press present: None

**INVOCATION** - Invocation was led by Councilmember Robertson

**FLAG SALUTE** – Flag salute was led by Councilmember Ojeda

**1. PUBLIC DISCUSSION**

Linda Flores-Green, addressed the Council regarding the drainage at her home and issue with sand in her water.

Al Engle, addressed the Council regarding the red curb on Dairy Ave that is creating a parking issue for the Episcopal Church on Dairy Street.

Louise Valdez, 907 Dairy Ave, addressed the Council regarding her concerns with the driveway approaches on Dairy Ave. Valdez stated that the City recently installed a rubber bump to alleviate some of the dipping issue as she exits her driveway, and although it has help she is still dealing with the traffic issue as a result of having to exit slowing onto Dairy Ave.

At 5:43 Vice-Mayor Zamora-Bragg stepped away from the dais.

**2. CONSENT CALENDAR (VV)**

Following Council discussion, a **motion** was made by Robertson and seconded by Ojeda to approve the Consent Calendar. Motion carried by the following vote:

**AYES:** Nolen, Ojeda, Palmerin, and Robertson  
**NOES:**  
**ABSENT:** Zamora-Bragg

- 2-A. Approval of minutes of the meeting of the City Council on October 26, 2021.
- 2-B. Authorization to read ordinances and resolutions by title only.
- 2-C. Approve Resolution 3110 allocating monies to be used during Fiscal Year 2021-2022.

At 5:46 p.m. Vice-Mayor Zamora-Bragg returned to the dais.

3. **APPROPRIATIONS** (VV)

Following Council discussion, a **motion** was made by Robertson and seconded by Zamora-Bragg to approve warrant register dated November 9, 2021. Motion carried by the following vote:

**AYES:** Nolen, Ojeda, Palmerin, Robertson and Zamora-Bragg  
**NOES:**  
**ABSENT:**

4. **PRESENTATIONS** – None

5. **PUBLIC HEARINGS** – None

6. **WRITTEN COMMUNICATIONS** – None

7. **STAFF REPORTS**

- 7-A. City Manager, Greg Gatzka gave an update on the State Assembly Redistricting.
- 7-B. City Manager, Greg Gatzka gave an update on the Kings County Board Redistricting Update.
- 7-C. Following Council discussion a **motion** was made by Zamora-Bragg and seconded by Robertson to approve advertisement for one (1) unscheduled vacancy and alternate(s) on the Corcoran Planning Commission and requested the City Manager to write a letter to Corcoran Planning Commission regarding attendance and issues with quorums on behalf of the City Council. Motion carried by the following vote:

**AYES:** Nolen, Ojeda, Palmerin, Robertson and Zamora-Bragg

**NOES:**

**ABSENT:**

**8. MATTERS FOR MAYOR AND COUNCIL**

**8-A.** Council received information items.

**8-B.** Staff received referral items.

**8-C.** Committee reports.

**CLOSED SESSION** – None

**ADJOURNMENT**            **7:33 P.M.**

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Patricia Nolen, Mayor

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Marlene Spain, City Clerk

**APPROVED DATE:** \_\_\_\_\_



# 1

# Accounts Payable

## Blanket Voucher Approval Document



User: spineda  
Printed: 11/05/2021 - 3:01PM  
Warrant Request Date: 11/9/2021  
DAC Fund:

Batch: 00511.11.2021 - Wmt Rgstr 11/09/21 FY202

Line	Claimant	Amount
1	American Office Solutions, LLC	68.36
2	American Office Solutions, LLC	135.30
3	Amtrak	1,625.00
4	Amtrak	1,625.00
5	Caves & Associates	525.00
6	City of Corcoran	405.89
7	City of Corcoran	401.91
8	Cooks Communications	3.75
9	Farley Law Firm	15,706.00
10	Fresno City College	368.00
11	Gary V. Burrows Inc.	3,690.24
12	Hanford Veterinary Hospital	1.33
13	Navia Benefit Solutions	220.00
14	PG&E	9.52
15	PG&E	2,620.86
16	PG&E	9.56
17	PG&E	161.44
18	PG&E	1,939.73
19	PG&E	169.02
20	Terminix	42.22
21	The Gas Company	62.66
22	The Gas Company	217.81
23	The Gas Company	14.79
24	The Gas Company	80.81
25	The Printer	291.35
26	Tulare-Kings Veterinary ER Svc	122.03
Page Total:		\$30,517.58
Grand Total:		\$30,517.58

Page Total: \$30,517.58

# Accounts Payable Voucher Approval List

User: spineda  
 Printed: 11/05/2021 - 3:03PM  
 Batch: 00511.11.2021 - Wmt Rgstr 11/09/21 FY2022



Warrant Date	Vendor	Description	Account Number	Amount
11/9/2021	American Office Solutions, LLC	IL0DRAC AAAAQ1272 T20210811.0026	104-432-300-200	11.41
11/9/2021	American Office Solutions, LLC	IL0DRAC AAAAQ1272 T20210811.0026	105-437-300-200	11.39
11/9/2021	American Office Solutions, LLC	IL0DRAC AAAAQ1272 T20210811.0026	145-410-300-200	11.39
11/9/2021	American Office Solutions, LLC	IL0DRAC AAAAQ1272 T20210811.0026	120-435-300-200	11.39
11/9/2021	American Office Solutions, LLC	IL0DRAC AAAAQ1272 T20210811.0026	121-439-300-200	11.39
11/9/2021	American Office Solutions, LLC	IL0DRAC AAAAQ1272 T20210811.0026	109-434-300-200	11.39
11/9/2021	American Office Solutions, LLC	BATTERY BACK UP	104-421-300-181	135.30
11/9/2021	Amttrak	TICKETS 125 HANF TO HANFORD	145-410-300-292	812.50
11/9/2021	Amttrak	TICKETS 125 HANF TO CORCORAN	145-410-300-292	812.50
11/9/2021	Amttrak	TICKETS 125 CORCORAN TO HANFORD	145-410-300-292	812.50
11/9/2021	Amttrak	TICKETS 125 HANFORD TO CORCORAN	145-410-300-292	812.50
11/9/2021	Caues & Associates	NEGOTIATIONS NOV 2021	104-402-300-200	525.00
11/9/2021	City of Corcoran	2410 BELL CITY SVC	301-430-300-316	181.10
11/9/2021	City of Corcoran	1630 BREWER CITY SVC	301-430-300-316	220.81
11/9/2021	City of Corcoran	PER DIEM FLORES-FEMALE ENFORCERS	104-421-300-270	64.00
11/9/2021	City of Corcoran	CRAMER PARKING FOR TRAINING	104-421-300-270	10.00
11/9/2021	City of Corcoran	HAYHURST PER DIEM-EXEC ASSST	104-421-300-154	156.00
11/9/2021	City of Corcoran	TRUNK OR TREAT-CANDY	104-421-300-260	175.89
11/9/2021	Cooks Communications	LATE PAYMENT INV#149072	104-403-300-200	3.75
11/9/2021	Farley Law Firm	LEGAL EXPENSES THROUGH OCT 2021	104-403-300-200	1,232.50
11/9/2021	Farley Law Firm	527 DAIRY AVE	104-403-300-200	1,354.53
11/9/2021	Farley Law Firm	24434 6 1/4 AVE	104-403-300-200	2,259.35
11/9/2021	Farley Law Firm	RETAINER FEE	104-403-300-200	250.00
11/9/2021	Farley Law Firm	GATEWAY PARK HEARING	104-403-300-200	6,220.98
11/9/2021	Farley Law Firm	DR HORTON TRACT 880	104-403-300-200	4,388.64
11/9/2021	Fresno City College	TRAINING BONILLA & CARRASCO : 7086/ TRAFFIC COLLISION	104-421-300-270	368.00
11/9/2021	Gary V. Burrows Inc.	FUEL STATEMENT	104-421-300-250	1,909.76
11/9/2021	Gary V. Burrows Inc.	FUEL STATEMENT	104-431-300-250	93.50
11/9/2021	Gary V. Burrows Inc.	FUEL STATEMENT	104-435-300-250	196.48
11/9/2021	Gary V. Burrows Inc.	FUEL STATEMENT	109-434-300-250	617.11
11/9/2021	Gary V. Burrows Inc.	FUEL STATEMENT	112-438-300-250	280.23
11/9/2021	Gary V. Burrows Inc.	FUEL STATEMENT	120-435-300-250	281.98
11/9/2021	Gary V. Burrows Inc.	FUEL STATEMENT	105-437-300-250	311.18
11/9/2021	Hanford Veterinary Hospital	DOG FOOD	104-421-300-217	1.33

11/9/2021	Navia Benefit Solutions	COBRA ADMIN SEPT 2021	104-402-300-200	110.00
11/9/2021	Navia Benefit Solutions	COBRA ADMIN OCT 2021	104-402-300-200	110.00
11/9/2021	PG&E	ACCT#0264009458-3	301-430-300-316	161.44
11/9/2021	PG&E	ACCT#1301593806-4	104-432-300-240	2,620.86
11/9/2021	PG&E	ACCT#277783766-0	105-437-300-240	169.02
11/9/2021	PG&E	ACCT#5304135173-4	109-434-300-240	1,939.73
11/9/2021	PG&E	ACCT#9417235641-5	301-430-300-316	9.56
11/9/2021	PG&E	ACCT#8465964727-9	301-430-300-316	9.52
11/9/2021	Terminix	BUSINESS CARDS FOR C CAMPOS	104-405-300-150	42.22
11/9/2021	The Gas Company	ACCT#06301527005	120-435-300-242	80.81
11/9/2021	The Gas Company	ACCT#05463252576	104-432-300-242	62.66
11/9/2021	The Gas Company	ACCT#11971525008	104-432-300-242	217.81
11/9/2021	The Gas Company	ACCT#12602978541	104-432-300-242	14.79
11/9/2021	The Printer	CPD ENVELOPES	104-421-300-155	291.35
11/9/2021	Tulare-Kings Veterinary ER Svc	VET SVC ANIMAL CONTROL C2101692	104-421-300-203	122.03

Warrant Total:

30,517.58





# Accounts Payable

## Blanket Voucher Approval Document



User: spineda  
Printed: 11/11/2021 - 12:02PM  
Warrant Request Date: 11/11/2021  
DAC Fund:

Batch: 00512.11.2021 - Wrmt Rgstr 11/23/21 FY202

Line	Claimant	Amount
1	American Business Machines	15.00
2	Amtrak	1,625.00
3	Amtrak	1,625.00
4	Best Deal Food Co Inc.	96.14
5	Corcoran Heating & Air	178.00
6	Dept of Justice	460.00
7	Employment Development Dept	461.86
8	Frontier Communications	55.30
9	Frontier Communications	127.13
10	Frontier Communications	296.11
11	Frontier Communications	287.79
12	Frontier Communications	308.26
13	Kings Waste & Recycling	40,700.50
14	Law & Associates Investigations	1,200.00
15	LexisNexis Risk Data Management, Inc.	150.00
16	Office Depot	99.33
17	Office Depot	55.05
18	Office Depot	4.54
19	Office Depot	609.56
20	PG&E	4,298.28
21	PG&E	14.36
22	PG&E	127,641.40
23	PG&E	35.76
24	Pizza Factory	9.74
25	Prime Towing & Transport, Inc.	210.00
26	Quadient Leasing USA, Inc.	1,202.62
27	The Gas Company	23.11
28	Trans Union LLC	76.42
29	TSA Consulting Group, Inc.	50.00
30	Tule Trash Company	4,577.34
<b>Page Total:</b>		<b>\$186,493.60</b>
<b>Grand Total:</b>		<b>\$186,493.60</b>

Page Total: \$186,493.60

# Accounts Payable Voucher Approval List



User: spineda  
 Printed: 11/11/2021 - 12:19PM  
 Batch: 00512.11.2021 - Wmt Rgstr 11/23/21 FY2022

Warrant Date	Vendor	Description	Account Number	Amount
11/11/2021	American Business Machines	FREIGHT CHARGES MAGENTA TONER COPY ROOM	104-432-300-210	15.00
11/11/2021	Antrak	TICKETS 125 CORC TO HANF	145-410-300-292	812.50
11/11/2021	Antrak	TICKETS 125 HANF TO CORC	145-410-300-292	812.50
11/11/2021	Antrak	TICKETS 125 CORC TO HANF	145-410-300-292	812.50
11/11/2021	Antrak	TICKETS 125 HANF TO CORC	145-410-300-292	812.50
11/11/2021	Best Deal Food Co Inc.	JAIL SUPPLIES	104-421-300-148	17.30
11/11/2021	Best Deal Food Co Inc.	WALK LIKE MADD	104-421-300-154	51.45
11/11/2021	Best Deal Food Co Inc.	COFFEE & CREAMER	145-410-300-210	12.26
11/11/2021	Best Deal Food Co Inc.	DOG FOOD	104-421-300-203	15.13
11/11/2021	Corcoran Heating & Air	HEATER/FURNACE TUNE UP	145-410-300-200	178.00
11/11/2021	Dept of Justice	LIVE SCAN FEE OCT 2021	104-421-300-148	460.00
11/11/2021	Employment Development Dept	UNEMPLOYMENT BENEFIT E ROCHA JULY TO SEPT 2021	104-421-200-131	118.93
11/11/2021	Employment Development Dept	UNEMPLOYMENT BENEFIT E CHAVEZ JULY TO SEPT 2021	120-435-200-131	17.15
11/11/2021	Employment Development Dept	UNEMPLOYMENT BENEFIT E CHAVEZ JULY TO SEPT 2021	105-437-200-131	17.15
11/11/2021	Employment Development Dept	UNEMPLOYMENT BENEFIT E CHAVEZ JULY TO SEPT 2021	145-410-200-131	17.15
11/11/2021	Employment Development Dept	UNEMPLOYMENT BENEFIT E CHAVEZ JULY TO SEPT 2021	104-432-200-131	137.17
11/11/2021	Employment Development Dept	UNEMPLOYMENT BENEFIT E CHAVEZ JULY TO SEPT 2021	104-412-200-131	154.31
11/11/2021	Frontier Communications	ACCT 55999510200731195	104-421-300-220	308.26
11/11/2021	Frontier Communications	ACCT 55999214080910985	104-432-300-220	127.13
11/11/2021	Frontier Communications	ACCT 20914815380301985	136-415-300-220	55.30
11/11/2021	Frontier Communications	ACCT 55999212160621185	120-435-300-220	296.11
11/11/2021	Frontier Communications	ACCT 55999241850629065	105-437-300-220	287.79
11/11/2021	Kings Waste & Recycling	GREEN WASTE 173.19 UNITS/TONS	112-436-300-192	6,957.60
11/11/2021	Kings Waste & Recycling	BLUE CANS 63.44 UNITS/TONS	112-436-300-192	2,537.60
11/11/2021	Kings Waste & Recycling	MISC COMM 555.85 UNITS/TONS	112-436-300-192	31,205.30
11/11/2021	Law & Associates Investigations	BG INVESTIGATION	104-421-300-200	1,200.00
11/11/2021	LexisNexis Risk Data Management, Inc.	BACKGROUND SVC OCT 2021	104-421-300-200	150.00
11/11/2021	Office Depot	OFFICE SUPPLIES	104-405-300-150	165.32
11/11/2021	Office Depot	OFFICE SUPPLIES	104-432-300-150	174.81
11/11/2021	Office Depot	OFFICE SUPPLIES	104-432-300-150	269.43
11/11/2021	Office Depot	OFFICE SUPPLIES	104-405-300-150	55.05
11/11/2021	Office Depot	OFFICE SUPPLIES	104-432-300-150	4.54
11/11/2021	Office Depot	OFFICE SUPPLIES	104-405-300-150	99.33
11/11/2021	PG&E	ACCT#99497000756-9	111-601-300-240	9.53

11/11/2021	PG&E	ACCT#99497000756-9	145-410-300-240	850.81
11/11/2021	PG&E	ACCT#99497000756-9	138-413-300-200	3,485.01
11/11/2021	PG&E	ACCT#99497000756-9	104-412-300-240	981.84
11/11/2021	PG&E	ACCT#99497000756-9	104-432-300-240	5,926.45
11/11/2021	PG&E	ACCT#99497000756-9	104-432-320-240	545.90
11/11/2021	PG&E	ACCT#99497000756-9	109-434-300-240	431.85
11/11/2021	PG&E	ACCT#99497000756-9	120-435-300-240	15,584.01
11/11/2021	PG&E	ACCT#99497000756-9	121-439-300-240	491.75
11/11/2021	PG&E	ACCT#99497000756-9	105-437-300-240	99,334.25
11/11/2021	PG&E	ACCT#5304135173-4	111-602-300-200	257.30
11/11/2021	PG&E	ACCT#5304135173-4	111-601-300-240	74.41
11/11/2021	PG&E	ACCT#5304135173-4	111-603-300-240	10.48
11/11/2021	PG&E	ACCT#5304135173-4	111-604-300-240	100.32
11/11/2021	PG&E	ACCT#5304135173-4	104-412-300-240	11.36
11/11/2021	PG&E	ACCT#5304135173-4	109-434-300-240	3,766.16
11/11/2021	PG&E	ACCT#5304135173-4	111-605-300-200	78.25
11/11/2021	PG&E	ACCT#86707342837	301-430-300-316	35.76
11/11/2021	PG&E	ACCT#8796488111-1	301-430-300-316	14.36
11/11/2021	Pizza Factory	INMATE MEALS	104-421-300-148	9.74
11/11/2021	Prime Towing & Transport, Inc.	TOWING CPD CASE C2101668	104-421-300-280	210.00
11/11/2021	Quantient Leasing USA, Inc.	CITY HALL POSTAGE & FOLDING MACHINE LEASE#N1902141	104-432-300-180	994.45
11/11/2021	Quantient Leasing USA, Inc.	PD POSTAGE MACHINE LEASE#N19021861	104-432-300-180	208.17
11/11/2021	The Gas Company	ACCT#00888349024	145-410-300-242	23.11
11/11/2021	Trans Union LLC	PROF SVC BACKGROUND	104-421-300-200	76.42
11/11/2021	TSA Consulting Group, Inc.	OCT 2021 SVC FEE 401 A PLAN ADMIN	104-405-300-200	50.00
11/11/2021	Tule Trash Company	DUMP FEE	112-436-300-192	144.40
11/11/2021	Tule Trash Company	PULL FEE	112-436-300-200	1,316.20
11/11/2021	Tule Trash Company	DUMP FEE	112-436-300-192	218.18
11/11/2021	Tule Trash Company	PULL FEE	112-436-300-200	1,059.80
11/11/2021	Tule Trash Company	DUMP FEE	112-436-300-192	540.56
11/11/2021	Tule Trash Company	PULL FEE	112-436-300-200	1,298.20

**Warrant Total: 186,493.60**



# Accounts Payable

## Blanket Voucher Approval Document



User: spineda  
Printed: 11/22/2021 - 11:35AM  
Warrant Request Date: 11/23/2021  
DAC Fund:

Batch: 00502.11.2021 - Wrnt Rgstr 11/23/21 FY202

Line	Claimant	Amount
1	American Office Solutions, LLC	250.00
2	American Office Solutions, LLC	350.00
3	American Office Solutions, LLC	360.00
4	American Office Solutions, LLC	1,200.00
5	American Office Solutions, LLC	360.00
6	Beatwear Inc	781.12
7	BNI Building News	265.93
8	Business Card- Bank of America Credit Cards	23,555.22
9	C. A. Reding Company, Inc	53.70
10	Cannon Financial Services, Inc.	1,020.64
11	Che Valdiviez	200.00
12	City of Avenal	4,782.90
13	Corcoran Publishing Company	200.00
14	Data Ticket Inc	200.00
15	Fresno City College	1,011.00
16	Kings County Clerk	240.00
17	New Life Tabernacle	400.00
18	Nick Champi Enterprises	389.00
19	Pizza Factory	9.74
20	Price, Paige & Company	1,670.00
21	Quadient	1,100.00
22	Richard A. Blak, PhD	900.00
23	Robert Perez	150.00
24	Springbrook Holding Company LLC	28,487.18
25	Terminix	64.00
26	The Gas Company	55.90
27	The Gas Company	141.14
28	The Gas Company	127.78
29	The Gas Company	22.46
30	The Printer	56.78
31	Tulare County Tax Collector	420.98
32	Tule Trash Company	96,593.81
33	Univar USA Inc	5,106.62
34	USA Blue Book	6.61
35	Utility Cost Management, LLC	6,767.51
36	Verizon Wireless	861.02
37	Vulcan Materials Company	448.69
38	Will Tiesiera Ford-Mercury	370.00
39	Wood Rogers, Inc.	315.00

Page Total: \$179,294.73

Grand Total: \$179,294.73

Page Total: \$179,294.73

# Accounts Payable Voucher Approval List



User: spineda  
 Printed: 11/22/2021 - 11:36AM  
 Batch: 00502.11.2021 - Wmt Regstr 11/23/21 FY2022

Warrant Date	Vendor	Description	Account Number	Amount
11/23/2021	American Office Solutions, LLC	INTERNET OUTAGE	104-421-300-181	1,200.00
11/23/2021	American Office Solutions, LLC	9/17/21 ROUND TRIP MILEAGE	145-410-300-200	120.00
11/23/2021	American Office Solutions, LLC	9/22/21 ROUND TRIP MILEAGE	145-410-300-200	120.00
11/23/2021	American Office Solutions, LLC	9/8/21 ROUND TRIP MILEAGE	145-410-300-200	120.00
11/23/2021	American Office Solutions, LLC	UPGRADE RIMS	104-421-300-181	360.00
11/23/2021	American Office Solutions, LLC	11/4/21 SERVERS TO UPDATE AUTO SURFACE PRO 5 HRS	145-410-300-200	100.00
11/23/2021	American Office Solutions, LLC	11/4/21 SERVERS TO UPDATE AUTO SURFACE PRO 5 HRS	145-410-300-200	100.00
11/23/2021	American Office Solutions, LLC	11/5/21 TABLET SOFTWARE CONNECTION	145-410-300-200	150.00
11/23/2021	American Office Solutions, LLC	BATTER BACK UP	104-421-300-181	250.00
11/23/2021	Beatwear Inc	UNIFORM SHIRTS-DISP	104-421-300-230	216.96
11/23/2021	Beatwear Inc	CLASS A JACKET-CARRILLO	114-414-300-210	314.64
11/23/2021	Beatwear Inc	UNIFORM SHIRTS-DISP	104-421-300-230	54.24
11/23/2021	Beatwear Inc	UNIFORMS/SHIRTS -ARMORY	104-421-300-210	65.09
11/23/2021	Beatwear Inc	CLASS A SHIRT-CARRILLO	114-414-300-210	130.19
11/23/2021	BNI Building News	BOOK/2022 ENR SQ FT. COSTBOOK	104-406-300-170	117.95
11/23/2021	BNI Building News	REMODELERS COST	104-406-300-170	147.98
11/23/2021	Business Card- Bank of America Credit Cards	AMAZON 2 SLEDGE HAMMER	105-437-300-210	137.86
11/23/2021	Business Card- Bank of America Credit Cards	AMAZON STATION 10 WWTP	120-435-300-140	525.94
11/23/2021	Business Card- Bank of America Credit Cards	PUMP TEST PROS PUMP TEST	105-437-300-200	2,200.00
11/23/2021	Business Card- Bank of America Credit Cards	AMAZON REACHER WITH GRIP	109-434-300-210	107.56
11/23/2021	Business Card- Bank of America Credit Cards	USPS MAILING	105-437-300-210	8.12
11/23/2021	Business Card- Bank of America Credit Cards	DOLLAR GENERAL REDEDICATION OF VETS HALL DECOR	104-431-300-210	5.41
11/23/2021	Business Card- Bank of America Credit Cards	BRIDJIT RAMPS ON DAIRY AVE	109-434-300-210	1,596.00
11/23/2021	Business Card- Bank of America Credit Cards	AMAZON REDEDICATION OF VETS HALL DECOR	104-431-300-210	16.69
11/23/2021	Business Card- Bank of America Credit Cards	FUEL SHELL	104-406-300-250	60.44
11/23/2021	Business Card- Bank of America Credit Cards	NNA NOTARY TRAINING	312-406-300-270	419.48
11/23/2021	Business Card- Bank of America Credit Cards	LEMOORE SPORTSMANS CLUB	104-421-300-210	203.00
11/23/2021	Business Card- Bank of America Credit Cards	CPD SHIRTS	104-421-300-210	361.39
11/23/2021	Business Card- Bank of America Credit Cards	TRAINING: HOTEL ACCOMADATIONS	104-421-300-270	185.06
11/23/2021	Business Card- Bank of America Credit Cards	TRAINING: PARKING FEE	104-421-300-270	19.00
11/23/2021	Business Card- Bank of America Credit Cards	AMAZON -TV AT VETS HALL	104-432-320-210	1,842.99
11/23/2021	Business Card- Bank of America Credit Cards	ACROBAT ADOBE	104-431-500-200	12.99
11/23/2021	Business Card- Bank of America Credit Cards	AMAZON VETS HALL WALL TV.MOJNT	104-432-300-210	77.93
11/23/2021	Business Card- Bank of America Credit Cards	CALBO TRAINING HOTEL STAY 10/24-28/2021	312-406-300-270	1,282.16

11/23/2021	Business Card- Bank of America Credit Cards	OFFICE SUPPLIES	104-432-300-150	56.59
11/23/2021	Business Card- Bank of America Credit Cards	SUPPLIES FOR COUNCIL MEETING	104-401-300-271	11.49
11/23/2021	Business Card- Bank of America Credit Cards	LCW WEBINAR	104-402-300-271	75.00
11/23/2021	Business Card- Bank of America Credit Cards	PAL CHRISTMAS EVENT SUPPLIES	331-425-300-210	770.50
11/23/2021	Business Card- Bank of America Credit Cards	FPPC FEE FOR NOLEN FORMS SUBMITTED	104-401-300-170	412.00
11/23/2021	Business Card- Bank of America Credit Cards	DRUG SCREEN FOR S ALONSO & A CASH	104-412-300-200	58.58
11/23/2021	Business Card- Bank of America Credit Cards	HALLOWEEN CANDY	114-414-300-210	51.95
11/23/2021	Business Card- Bank of America Credit Cards	COBAN ANNUAL RENEWAL	104-421-300-210	1,247.84
11/23/2021	Business Card- Bank of America Credit Cards	INTERNET SVC ACCT#41872 COMCAST	104-432-300-220	291.09
11/23/2021	Business Card- Bank of America Credit Cards	INTERNET SVC ACCT#0566 COMCAST	104-421-300-220	586.51
11/23/2021	Business Card- Bank of America Credit Cards	INTERNET SVC ACCT#7740 COMCAST	104-421-300-220	2,483.56
11/23/2021	Business Card- Bank of America Credit Cards	INTERNET SVC ACCT#77130 COMCAST	120-435-300-220	248.04
11/23/2021	Business Card- Bank of America Credit Cards	WTFM REPAIRS UNIT#256 PD	104-421-300-260	1,532.00
11/23/2021	Business Card- Bank of America Credit Cards	SPRINGBROOK TRAINING 11/16-19/2021	104-405-300-270	900.00
11/23/2021	Business Card- Bank of America Credit Cards	EARTHLINK	104-401-300-157	34.95
11/23/2021	Business Card- Bank of America Credit Cards	CSMFO CONF REGISTRATION	104-405-300-270	470.00
11/23/2021	Business Card- Bank of America Credit Cards	CSMFO CONF HOTEL	104-405-300-270	258.31
11/23/2021	Business Card- Bank of America Credit Cards	HOLIDAY DINNER DECORATIONS & SUPPLIES	104-405-300-210	822.80
11/23/2021	Business Card- Bank of America Credit Cards	4 CITY CARDIGAN FOR FINANCE	331-425-300-210	114.28
11/23/2021	Business Card- Bank of America Credit Cards	1 CITY CARDIGAN FOR COMDEV	104-405-300-200	28.57
11/23/2021	Business Card- Bank of America Credit Cards	1 CITY CARDIGAN FOR CITY CLERK	104-406-300-210	28.56
11/23/2021	Business Card- Bank of America Credit Cards	TONER REFUND	104-402-300-210	-62.77
11/23/2021	Business Card- Bank of America Credit Cards	TAX ON QUOTE 617784 TACK BOARDS	104-421-300-150	56.83
11/23/2021	Business Card- Bank of America Credit Cards	TRAINING CRAMER	104-421-300-270	125.00
11/23/2021	Business Card- Bank of America Credit Cards	WATER PROOF PANTS-EVIDENCE	104-421-300-210	37.88
11/23/2021	Business Card- Bank of America Credit Cards	OFFICE SUPPLIES; COFFEE	104-421-300-150	44.64
11/23/2021	Business Card- Bank of America Credit Cards	DUPLICATE KEY MADE-GATE	104-421-300-150	8.63
11/23/2021	Business Card- Bank of America Credit Cards	EVIDENCE MAILED TO LAB	104-421-300-210	13.94
11/23/2021	Business Card- Bank of America Credit Cards	OFFICE SUPPLIES; TONER	104-421-300-150	114.81
11/23/2021	Business Card- Bank of America Credit Cards	OFFICE SUPPLIES; NOTE PADS	104-421-300-150	12.49
11/23/2021	Business Card- Bank of America Credit Cards	OFFICE SUPPLIES; ENVELOPES	104-421-300-150	122.25
11/23/2021	Business Card- Bank of America Credit Cards	OFFICE SUPPLIES; BATTERIES	104-421-300-150	6.43
11/23/2021	Business Card- Bank of America Credit Cards	RITE AIDE; TRUNK OR TREAT	104-421-300-210	24.87
11/23/2021	Business Card- Bank of America Credit Cards	OFFICE SUPPLIES; DESK HEATER	104-421-300-150	43.29
11/23/2021	Business Card- Bank of America Credit Cards	WRITING PADS	104-432-300-150	16.08
11/23/2021	Business Card- Bank of America Credit Cards	POST TABS	104-421-300-200	144.08
11/23/2021	Business Card- Bank of America Credit Cards	VEH MAINT WINDOW CLEANER	104-421-300-270	21.41
11/23/2021	Business Card- Bank of America Credit Cards	OFFICE SUPPLIES; TONER	104-421-300-150	135.31
11/23/2021	Business Card- Bank of America Credit Cards	UNIT DETAIL	104-421-300-270	121.50
11/23/2021	Business Card- Bank of America Credit Cards	VEHICLE MAINT; COPY PAPER	104-421-300-150	30.84
11/23/2021	Business Card- Bank of America Credit Cards	TRAVEL/TRAINING FAIRFIELD PFARR	104-421-300-270	928.18
11/23/2021	Business Card- Bank of America Credit Cards	TRAVEL/TRAINING CLIFFS HAYHURST	104-421-300-270	685.08
11/23/2021	Business Card- Bank of America Credit Cards	ANIMAL CONTROL; TONGS & GLOVES	104-421-300-203	322.13
11/23/2021	Business Card- Bank of America Credit Cards	BACKGROUNDS; PROF SVCS	104-421-300-210	14.13





11/23/2021	Robert Perez	BOOTS REIMB	105-437-200-125	150.00
11/23/2021	Springbrook Holding Company LLC	SPRINGBROOK ANNUAL MAINT	104-405-300-200	26,714.68
11/23/2021	Springbrook Holding Company LLC	OCT ONLINE PAYMENT	105-437-300-200	886.24
11/23/2021	Springbrook Holding Company LLC	OCT ONLINE PAYMENT	112-438-300-200	443.13
11/23/2021	Springbrook Holding Company LLC	OCT ONLINE PAYMENT	120-435-300-200	265.88
11/23/2021	Springbrook Holding Company LLC	OCT ONLINE PAYMENT	121-439-300-200	177.25
11/23/2021	Terminix	PEST CONTROL 210 BELL OCT 2021	313-605-300-200	64.00
11/23/2021	The Gas Company	ACCT#20001594009	104-432-300-242	22.46
11/23/2021	The Gas Company	ACCT#06301527005	104-432-320-242	55.90
11/23/2021	The Gas Company	ACCT#15829731015	104-432-300-242	141.14
11/23/2021	The Gas Company	ACCT#00891595001	104-432-300-242	127.78
11/23/2021	The Printer	BUSINESS CARDS D LUPIAN	104-406-300-210	42.22
11/23/2021	The Printer	SEARCH WARRANT INV -TAX	104-421-300-155	14.56
11/23/2021	Tulare County/Tax Collector	PROP TAX E 1/2 & POR SW 1/4 SEC 6:21/23	104-406-300-200	420.98
11/23/2021	Tule Trash Company	CONTRACT	112-436-300-200	112,963.64
11/23/2021	Tule Trash Company	FRANCHISE FEE 12.73%	104-000-316-024	-14,380.27
11/23/2021	Tule Trash Company	FRANCHISE FEE /OCT 2021	112-436-316-023	-1,933.56
11/23/2021	Tule Trash Company	FRANCHISE FEE /OCT 2021 COMMERCIAL TEMP	104-000-316-024	-56.00
11/23/2021	Univar USA Inc	SODIUM HYPOCHLORITE CHEMICALS	105-437-300-219	5,106.62
11/23/2021	USA Blue Book	REPLC PIPE STICKERS FOR WTP	105-437-300-140	6.61
11/23/2021	Utility Cost Management, LLC	SE SE SW 6 21 23 WELL 7A MAR TO JUNE 2021	105-437-300-240	1,346.56
11/23/2021	Utility Cost Management, LLC	SE SW 6 21 23 WELL 3A MAR TO JUNE 2021	105-437-300-240	5,420.95
11/23/2021	Verizon Wireless	CELL PHN SVC	145-410-300-220	137.15
11/23/2021	Verizon Wireless	WIRELESS AIR CARDS	145-410-300-220	38.01
11/23/2021	Verizon Wireless	BUS AIR CARDS X6	145-410-300-220	228.06
11/23/2021	Verizon Wireless	ON CALL CELL PHN SVC	105-437-300-220	3.42
11/23/2021	Verizon Wireless	WIRELESS AIRCARDS	105-437-300-220	76.02
11/23/2021	Verizon Wireless	CELL PHN SVC RICK ADAMS	104-433-300-200	0.62
11/23/2021	Verizon Wireless	CELL PHN SVC JOE FAULKNER	104-431-300-200	1.31
11/23/2021	Verizon Wireless	WIRELESS AIR CARDS	104-431-300-200	38.01
11/23/2021	Verizon Wireless	CELL PHN SVC	104-406-300-220	126.50
11/23/2021	Verizon Wireless	AIR CRDS X2	104-406-300-220	76.02
11/23/2021	Verizon Wireless	MOBILE MIFI HOTSPOT	104-431-300-200	38.01
11/23/2021	Verizon Wireless	CELL PHN SVC -L MUSTAIN	104-405-300-200	30.21
11/23/2021	Verizon Wireless	CELL PHN SVC -M SPAIN	104-402-300-200	26.03
11/23/2021	Verizon Wireless	CELL PHN SVC G GATZKA	104-402-300-200	41.65
11/23/2021	Vulcan Materials Company	POR#24784 STREET MAINT REPAIRS	109-434-300-213	448.69
11/23/2021	Will Tiesiera Ford-Mercury	21B05 RECALL & FAN ASSEMBLY UNIT 256	104-421-300-260	370.00
11/23/2021	Wood Rogers, Inc.	CORCORAN WELL 8C	105-437-300-200	315.00

Warrant Total: 179,294.73



# Accounts Payable

## Blanket Voucher Approval Document



User: spineda  
Printed: 11/24/2021 - 10:51AM  
Warrant Request Date: 11/24/2021  
DAC Fund:

Batch: 00522.11.2021 - Wrmt Rgstr 11/23/21 FY202

Line	Claimant	Amount
1	AT&T Mobility	42.67
2	Az Auto Parts	189.26
3	Badger Meter	4,088.77
4	BC Laboratories, Inc	130.00
5	Best Deal Food Co Inc.	13.52
6	Bogie's Pump Systems	7,278.51
7	Brenntag Pacific, Inc.	9,256.22
8	BSK Associates	1,733.50
9	C & H Fence & Patio, Inc.	19,828.20
10	C. A. Reding Company, Inc	92.28
11	California Department of Transportation	58.32
12	California Industrial Rubber	263.76
13	California Surveying Draft Supply	1,299.00
14	Cannon Financial Services, Inc.	326.95
15	Central Valley Sweeping LLC	5,800.00
16	Corcoran Publishing Company	485.00
17	Direct Distributing, Inc.	1,134.94
18	Dylan Zable	150.00
19	Ewing Irrigation Products, Inc	412.29
20	Felder Communications	779.50
21	Ferguson Enterprises, Inc	95.40
22	Ferguson Enterprises, Inc. #3325	235.99
23	Frontier Communications	55.82
24	Hannah Smith	200.00
25	Home Depot Credit Services	4,265.42
26	Interstate Gas Services	1,017.50
27	Jesus Guerrero	139.41
28	KMS Mechanics Inc.	1,031.55
29	KRC Safety Co. Inc.	5,431.86
30	Lacey Animal Hospital	456.40
31	Linde Inc.	5,778.55
32	Lowe's	147.76
33	Matson Alarm Co. Inc.	126.50
34	Mattos Underground Construction, Inc.	120,702.80
35	McCain Inc.	232.74
36	Nacho's Automotive	124.75
37	O'Reilly	187.89
38	PACE Supply	7,953.49
39	Pacific Orchard Development, Inc.	5,540.68
40	PG&E	483.89
41	PG&E	40.20
42	Proclean Supply	1,384.16
43	Prudential Overall Supply	687.74
44	Quality Pool Service	850.00
45	Radius Tire Co.	1,548.78
46	Revize LLC	4,250.00



# Accounts Payable Voucher Approval List



User: spineda  
 Printed: 11/24/2021 - 10:52AM  
 Batch: 00572.11.2021 - Wmnt Rgstr 11/23/21 FY2022

Warrant Date	Vendor	Description	Account Number	Amount
11/24/2021	AT&T Mobility	ACCT#834605440 WWTP DUTY MAN CELL	120-435-300-220	42.67
11/24/2021	Az Auto Parts	JUMPER CABLES STOCK	105-437-300-210	149.84
11/24/2021	Az Auto Parts	AIR COMPLER FOR SHOP	104-433-300-210	17.43
11/24/2021	Az Auto Parts	AIR FILTER FOR SHOP USE	104-433-300-210	20.99
11/24/2021	Az Auto Parts	FINANCE CHARGE	105-437-300-210	1.00
11/24/2021	Badger Meter	1" METERS & REGISTERS FOR STOCK	105-437-300-210	990.60
11/24/2021	Badger Meter	METERS REGISTERS	105-437-300-210	2,262.34
11/24/2021	Badger Meter	METERS FOR STOCK	105-437-300-210	1,442.58
11/24/2021	Badger Meter	CREDIT ORDER#1025078	105-437-300-210	-606.75
11/24/2021	BC Laboratories, Inc	MONTHLY ARSENIC TESTING SAMPLES OCT 2021	120-435-300-200	130.00
11/24/2021	Best Deal Food Co Inc.	SUPPLIES	120-435-300-210	13.52
11/24/2021	Bogge's Pump Systems	ARPA- BACKUP RECIRCULATION PUMP	120-435-500-540	7,278.51
11/24/2021	Brenntag Pacific, Inc.	50% CAUSTIC SODA FOR PH ADI CHEMICALS	105-437-300-219	9,256.22
11/24/2021	BSK Associates	OTIS AVE MAIN PROJECT	105-437-500-550	81.50
11/24/2021	BSK Associates	QUANTI TRAY TOTAL COLIFORM AND ECOLI	105-437-300-200	17.75
11/24/2021	BSK Associates	QUANTI TRAY ARSENIC NITRATE SAMPLING	105-437-300-200	62.25
11/24/2021	BSK Associates	SAMPLIG	105-437-300-200	210.25
11/24/2021	BSK Associates	QUANTI TRAY ARSENIC NITRATE	105-437-300-200	62.25
11/24/2021	BSK Associates	QUANTI TRAY TOTAL COLIFORM & E COLI	105-437-300-200	159.75
11/24/2021	BSK Associates	QUANTI TRAY TOTAL COLIFORM & E COLI	105-437-300-200	159.75
11/24/2021	BSK Associates	GROUND WATER SAMPLING	105-437-300-200	109.75
11/24/2021	BSK Associates	QUANTI TRAY ARSENIC NITRATE	105-437-300-200	74.25
11/24/2021	BSK Associates	PLANT INF/EFF LAGOON	120-435-300-200	195.00
11/24/2021	BSK Associates	PLANT INF/EFF LAGOON	120-435-300-200	312.00
11/24/2021	BSK Associates	QUANTI TRAY TOTAL COLIFORM & E COLI	105-437-300-200	159.75
11/24/2021	BSK Associates	SAMPLING	105-437-300-200	129.25
11/24/2021	C & H Fence & Patio, Inc.	WATER TREATMENT PLAN PRIVACY FENCING	105-437-500-551	19,828.20
11/24/2021	C. A. Reding Company, Inc	COPIER LEASE WTP	105-437-300-180	92.28
11/24/2021	California Department of Transportation	SIGNAL & LIGHTING JULY TO SEPT 2021 NORTH ENTRANCE	109-434-300-160	58.32
11/24/2021	California Industrial Rubber	LONGER HOSES	105-437-300-210	263.76
11/24/2021	California Surveying Draft Supply	TRIMBLE RENTAL: FOR GIS	105-437-300-210	1,299.00
11/24/2021	Cannon Financial Services, Inc.	COPIER SVC RENTAL PD NOV 2021	104-421-300-180	326.95
11/24/2021	Central Valley Sweeping LLC	STREET SWEEPING OCT 2021	112-438-300-200	1,933.00
11/24/2021	Central Valley Sweeping LLC	STREET SWEEPING OCT 2021	109-434-300-200	1,933.00

11/24/2021	Central Valley Sweeping LLC	STREET SWEEPING OCT 2021	121-439-300-200	1,934.00
11/24/2021	Corcoran Publishing Company	NOTICE TO CONTRACTOR GATEWAY PARK PUBLISH 10/7/21	307-449-300-200	130.00
11/24/2021	Corcoran Publishing Company	CAT AD OCT 2021	145-410-300-156	283.00
11/24/2021	Corcoran Publishing Company	NEXEL 1/7/21 AND 10/21/21	104-421-300-156	72.00
11/24/2021	Direct Distributing, Inc.	REPLC LIGHTS FOR WTP	105-437-300-140	128.08
11/24/2021	Direct Distributing, Inc.	PVC PARTS FOR STOCKS	105-437-300-210	211.62
11/24/2021	Direct Distributing, Inc.	PVC PARTS FOR STOCKS	105-437-300-210	68.59
11/24/2021	Direct Distributing, Inc.	PVC PARTS FOR STOCKS	105-437-300-210	431.57
11/24/2021	Direct Distributing, Inc.	WWTP NON POTABLE	120-435-300-140	290.14
11/24/2021	Direct Distributing, Inc.	FINANCE CHARGE	105-437-300-210	4.94
11/24/2021	Dylaz Zable	BOOTS REIMBURSEMENT	105-437-200-125	150.00
11/24/2021	Ewig Irrigation Products, Inc	CREDIT DEPT SUPPLIES PARKS	104-412-300-210	-201.96
11/24/2021	Ewig Irrigation Products, Inc	DEPT SUPPLIES FOR PARKS	104-412-300-210	614.25
11/24/2021	Felder Communications	RADIO MAINT & REPAIRS	145-410-300-141	51.50
11/24/2021	Felder Communications	RADIO MAINT & REPAIRS	104-412-300-141	34.00
11/24/2021	Felder Communications	RADIO MAINT & REPAIRS	104-421-300-141	490.00
11/24/2021	Felder Communications	RADIO MAINT & REPAIRS	104-431-300-141	42.50
11/24/2021	Felder Communications	RADIO MAINT & REPAIRS	109-434-300-141	51.00
11/24/2021	Felder Communications	RADIO MAINT & REPAIRS	120-435-300-141	34.00
11/24/2021	Felder Communications	RADIO MAINT & REPAIRS	105-437-300-141	59.50
11/24/2021	Felder Communications	RADIO MAINT & REPAIRS	121-439-300-141	17.00
11/24/2021	Ferguson Enterprises, Inc	STOCK BUG SCREENS	105-437-300-210	95.40
11/24/2021	Ferguson Enterprises, Inc #3325	MEASURING WHEELS FOR WTP	105-437-300-210	235.99
11/24/2021	Frontier Communications	ACCT#55999212650917185	120-435-300-220	55.82
11/24/2021	Hannah Smith	VETS HALL REFUND DEPOSIT 11/2021	104-000-362-085	200.00
11/24/2021	Home Depot Credit Services	TOTE FOR STREET SUPPLIES	109-434-300-210	151.51
11/24/2021	Home Depot Credit Services	CALOES FY 16/17 DEPOT CARPETS	145-410-300-145	3,928.65
11/24/2021	Home Depot Credit Services	CALOES FY 16/17 DEPOT CARPETS	145-410-300-145	-706.67
11/24/2021	Home Depot Credit Services	LIGHT BULBS FOR BLDs	104-432-300-210	231.52
11/24/2021	Home Depot Credit Services	CALOES FY 16/17 DEPOT CARPETS	145-410-300-145	50.00
11/24/2021	Home Depot Credit Services	CALOES FY 16/17 DEPOT CARPETS	145-410-300-145	610.41
11/24/2021	Interstate Gas Services	REFUSE RELATED CONSULTING SEPT AND OCT 2021	112-438-300-200	1,017.50
11/24/2021	Jesus Guerrero	BOOT REIMB 2022	105-437-200-125	139.41
11/24/2021	KMS Mechanics Inc.	CYLINDERS FOR BIG PRESS	105-437-300-140	1,031.55
11/24/2021	KRC Safety Co. Inc.	WATERMAIN PROJECT OTIS	105-437-500-550	2,707.55
11/24/2021	KRC Safety Co. Inc.	SIGN REPLC	109-434-300-214	2,145.07
11/24/2021	KRC Safety Co. Inc.	STREET SIGN REPLC	109-434-300-214	421.83
11/24/2021	KRC Safety Co. Inc.	PO#24786	120-435-300-260	157.41
11/24/2021	Lacey Animal Hospital	C2101607-A/C	104-421-300-203	163.40
11/24/2021	Lacey Animal Hospital	C2101622-A/C	104-421-300-203	293.00
11/24/2021	Linde Inc.	CARBON DIOXIDE PURCHASE CHEMICALS	105-437-300-219	5,594.53
11/24/2021	Linde Inc.	CO2	105-437-300-219	92.01
11/24/2021	Linde Inc.	CO2	105-437-300-219	92.01
11/24/2021	Lowe's	OTIS WATERLINE PROJECT CONCRETE	105-437-500-550	147.76

11/24/2021	Maison Alarm Co. Inc.	RAO ALARM SYSTEM MONITORING & SVC	104-432-300-200	126.50
11/24/2021	Mattos Underground Construction, Inc.	OTIS AVE MAIN PROJECT	105-437-500-550	120,702.80
11/24/2021	McCam Inc.	STREET SIGNAL LIGHTS	109-434-300-210	232.74
11/24/2021	Nacho's Automotive	SMOG UNIT 156	120-435-300-260	124.75
11/24/2021	O'Reilly	WTP SUPPLIES FOR TRUCKS	105-437-300-260	16.76
11/24/2021	O'Reilly	FUEL ADDITIVE FOR UNIT 156	121-439-300-260	29.22
11/24/2021	O'Reilly	AIR FILTER FOR STOCK UNITS 275 & 280	104-421-300-260	42.64
11/24/2021	O'Reilly	BROKE ROTOR UNIT 156	120-435-300-260	97.85
11/24/2021	O'Reilly	FINANCE CHARGE	105-437-300-210	1.42
11/24/2021	PACE Supply	STOCK PARTS HYDRANT	105-437-300-210	806.46
11/24/2021	PACE Supply	REPLC BRASS PARTS	105-437-300-140	761.04
11/24/2021	PACE Supply	BRASS PARTS FOR STOCK SUPPLY	105-437-300-210	1,437.82
11/24/2021	PACE Supply	STOCK PARTS HYDRANT	105-437-300-210	393.12
11/24/2021	PACE Supply	OTIS WATERLINE PORJECT 12" MJ FLG ADAPTOR	105-437-500-550	308.39
11/24/2021	PACE Supply	BRASS PARTS FOR STOCK SUPPLY	105-437-300-210	1,732.31
11/24/2021	PACE Supply	3/4" & 1" BRASS PARTS FOR STOCK	105-437-300-210	1,313.99
11/24/2021	PACE Supply	BRASS PARTS FOR STOCK SUPPLY	105-437-300-210	224.49
11/24/2021	PACE Supply	G5 BOXES & LIDS FOR STOCK	105-437-300-210	1,191.78
11/24/2021	PACE Supply	1" BRASS PARTS FOR STOCK	105-437-300-210	1,182.82
11/24/2021	PACE Supply	COMMERCIAL FIRE HYDRANT	105-437-300-140	3,386.47
11/24/2021	PACE Supply	1" BRASS PARTS FOR STOCK	105-437-300-210	474.50
11/24/2021	PACE Supply	CREDIT FOR SUPPLIES	105-437-300-210	-5,259.70
11/24/2021	Pacific Orchard Development, Inc.	PISTACHIO PROJECT: TRAINING TREES	139-450-300-200	568.40
11/24/2021	Pacific Orchard Development, Inc.	PISTACHIO PROJECT: TYPING THE BUDDED TREES	139-450-300-200	3,224.81
11/24/2021	Pacific Orchard Development, Inc.	PISTACHIO PROJECT: TRAINING TREES	139-450-300-200	1,747.47
11/24/2021	PG&E	ACCT#3357250173-3	104-432-300-240	483.89
11/24/2021	PG&E	ACCT#1056173633-0	301-430-300-316	40.20
11/24/2021	Proclean Supply	JANITORIAL SVCS	104-432-300-216	1,374.31
11/24/2021	Proclean Supply	JANITORIAL SVCS	104-432-300-216	9.85
11/24/2021	Prudential Overall Supply	ENTRANCE RUGS/SHOP TOWELS/DUST MOPS	145-410-300-200	59.72
11/24/2021	Prudential Overall Supply	ENTRANCE RUGS/SHOP TOWELS/DUST MOPS	136-415-300-200	42.74
11/24/2021	Prudential Overall Supply	ENTRANCE RUGS/SHOP TOWELS/DUST MOPS	104-432-300-200	186.51
11/24/2021	Prudential Overall Supply	ENTRANCE RUGS/SHOP TOWELS/DUST MOPS	104-432-300-200	195.61
11/24/2021	Prudential Overall Supply	ENTRANCE RUGS/SHOP TOWELS/DUST MOPS	104-432-320-200	27.20
11/24/2021	Prudential Overall Supply	ENTRANCE RUGS/SHOP TOWELS/DUST MOPS	104-433-300-200	34.31
11/24/2021	Prudential Overall Supply	ENTRANCE RUGS/SHOP TOWELS/DUST MOPS	104-433-300-200	18.33
11/24/2021	Prudential Overall Supply	ENTRANCE RUGS/SHOP TOWELS/DUST MOPS	120-435-300-200	59.72
11/24/2021	Prudential Overall Supply	ENTRANCE RUGS/SHOP TOWELS/DUST MOPS	105-437-300-200	63.60
11/24/2021	Quality Pool Service	MONTHLY SVC OCT 2021	138-413-300-200	850.00
11/24/2021	Radius Tire Co.	FLAT REPAIR UNIT 188	104-406-300-260	25.00
11/24/2021	Radius Tire Co.	4 REAR NEW TIRES UNIT 169	145-410-300-260	1,403.78
11/24/2021	Radius Tire Co.	REPLC 1 NEW TIRE UNIT 224	104-421-300-260	70.00
11/24/2021	Radius Tire Co.	TIRE REPAIR UNIT 184	109-434-300-140	50.00
11/24/2021	Revize LLC	NEW CITY WEBSITE BY REVIZE ANNUAL FEE & TECH SUPPC	104-401-300-157	4,250.00

11/24/2021	S & F. Specialty Equipment	SPRAY RIG REPLC PARTS	105-437-300-140	21.22
11/24/2021	Sawelle & Rosprim Hardware, Inc.	SUPPLIES	105-437-300-210	23.87
11/24/2021	Sawelle & Rosprim Hardware, Inc.	SUPPLIES	120-435-300-210	25.56
11/24/2021	Sawelle & Rosprim Hardware, Inc.	SUPPLIES	105-437-300-210	20.55
11/24/2021	Sawelle & Rosprim Hardware, Inc.	SUPPLIES	120-435-300-210	0.00
11/24/2021	Sawelle & Rosprim Hardware, Inc.	SUPPLIES	120-435-300-210	77.47
11/24/2021	Sawelle & Rosprim Hardware, Inc.	SUPPLIES	105-437-300-210	15.27
11/24/2021	Sawelle & Rosprim Hardware, Inc.	SUPPLIES	120-435-300-210	175.19
11/24/2021	Sawelle & Rosprim Hardware, Inc.	SUPPLIES	105-437-300-210	47.18
11/24/2021	Sawelle Rosprim Machine Shop	WWTP: NON POTABLE	120-435-300-140	46.01
11/24/2021	Sawelle Rosprim Machine Shop	WWTP: NON POTABLE	120-435-300-140	46.01
11/24/2021	Shyan Bhaskar, MD	PRE EMPL PHYSICAL M SALAS	104-412-300-200	120.00
11/24/2021	Shyan Bhaskar, MD	PRE EMPL PHYSICAL R SEVILLA	104-412-300-200	125.00
11/24/2021	Simplot Grower Solutions	FINANCE CHARGE	139-450-300-210	57.64
11/24/2021	Simplot Grower Solutions	PISTACHIO FARMING CHEMICALS	139-450-300-210	2,386.33
11/24/2021	Superior Electric Works Inc.	SVC REPAIR STREET LIGHT AT DAIRY/WHITLEY AVE	109-434-300-260	933.98
11/24/2021	Superior Electric Works Inc.	REPLC ANTENNA AT WELL 7A	105-437-300-200	2,617.19
11/24/2021	TF Tire & Service	REPLC 1 FRONT TIRE ON UNIT 86	109-434-300-260	234.76
11/24/2021	Tulare Lake Drainage District	2021-22 ASSESSMENT 51.82 ACRES	105-437-300-160	259.10
11/24/2021	Turnipseed Electric Svc Inc	NON POTABLE SYSTEM	120-435-300-200	428.24
11/24/2021	Turnipseed Electric Svc Inc	NON POTABLE SYSTEM	120-435-300-200	1,917.64
11/24/2021	Uline, Corn	MEASURE A SPLASH PAD PINIC TABLES	138-413-500-540	5,811.81
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X5	105-437-200-125	159.82
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X80%	120-435-200-125	72.15
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X20%	121-439-200-125	18.04
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X80%	120-435-200-125	90.77
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X20%	121-439-200-125	22.69
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X2	104-412-200-125	48.20
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X2	109-434-200-125	50.12
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	104-432-200-125	23.12
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	104-412-200-125	44.94
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	104-432-200-125	34.18
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	105-437-200-125	22.60
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X80%	120-435-200-125	23.07
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X20%	121-439-200-125	5.77
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	109-434-200-125	31.44
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	104-433-200-125	28.84
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X80%	120-435-200-125	31.13
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X20%	121-439-200-125	7.78
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	104-433-200-125	38.91
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	105-437-200-125	124.98
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X4	145-410-200-125	128.16
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X4	145-410-200-125	78.36
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	104-433-200-125	59.65



11/24/2021	UNIFIRST Corporation	UNIFORMS COST X1	104-433-200-125	67.32
11/24/2021	UNIFIRST Corporation	UNIFORMS COST X6	105-437-200-125	143.04
11/24/2021	Valley Elevator Inc.	CITY HALL ELEVATOR	104-432-300-210	2,655.50
11/24/2021	Valley Elevator Inc.	CITY HALL ELEVATOR	104-432-300-210	1,925.00
11/24/2021	VSS International, Inc.	SBI-MICROSURFACING	110-434-300-200	117,599.38
11/24/2021	VSS International, Inc.	HSIP 5223-021 MICROSURFACING	109-434-300-200	133,413.17
11/24/2021	VSS International, Inc.	SBI-MICROSURFACING	110-434-300-200	76,851.43
11/24/2021	W3i Engineering	WEST LAGOON EXPANSION PROJECT	120-435-500-330	11,074.70
		<b>Warrant Total:</b>		<b>576,596.25</b>



# Accounts Payable

## Blanket Voucher Approval Document



User: spineda  
Printed: 12/07/2021 - 3:27PM  
Warrant Request Date: 12/7/2021  
DAC Fund:

Batch: 00511.12.2021 - Wrnt Rgstr 12/14/21 PG&E

Line	Claimant	Amount
1	PG&E CFM/PPC	4,655.14

Page Total: \$4,655.14

Grand Total: \$4,655.14

Page Total: \$4,655.14

# Accounts Payable

## Voucher Approval List

User: spinedia  
Printed: 12/07/2021 - 3:30PM  
Batch: 00511.12.2021 - Wmt Egstr 12/14/21 PG&E FY2022



Warrant Date	Vendor	Description	Account Number	Amount
12/7/2021	PG&E CFM/PPC	CDBG LAGOON EXPANSION	275-549-500-531	4,655.14

**Warrant Total:** 4,655.14

City of

# CORCORAN

A MUNICIPAL CORPORATION

FOUNDED 1914

**PRESENTATION  
ITEM #: 4-A**

**MEMORANDUM**

**TO:** City Council

**FROM:** Greg Gatzka, City Manager

**DATE:** December 10, 2021

**MEETING DATE:** December 14, 2021

**SUBJECT:** Proclamation 2021-02 honoring the Corcoran High School Football Team on their 2021 Battle of Highway 43 Championship.

**Recommendation:**

Approve Proclamation 2021-02 honoring the Corcoran High School Football Team.

**Discussion:**

Approve Proclamation 2021-02 honoring the Corcoran High School Football Team on their 2021 Battle of Highway 43 Championship.

**Budget Impact:**

No impact to the budget.

**Attachments:**

Proclamation 2021-02 honoring the Corcoran High School Football Team.

**Proclamation No. 2021-02**

**A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF CORCORAN  
HONORING THE CORCORAN HIGH SCHOOL FOOTBALL TEAM ON THEIR 2021  
BATTLE OF HIGHWAY 43 CHAMPIONSHIP**

**WHEREAS**, the Corcoran High School Football Team has had an ongoing rivalry against Sierra Pacific High School Football for the Battle of Highway 43 since 2011; and

**WHEREAS**, the Corcoran High School Football Team won the first four years of the Battle of Highway 43 Trophy, but has not reclaimed Trophy since 2014; and

**WHEREAS**, 2021 Corcoran High School Football Team, coached by Grant Kapigian with a Varsity Roster of 81 Players had a stellar year with 11 wins, 1 loss, and an amazing Homecoming win on October 1, 2021 against Lindsay High School, for all of Corcoran to be proud of; and

**WHEREAS**, the October 29, 2021, the 2021 Corcoran High School Football Team with great courage and determination defeated Sierra Pacific High School 45 to 7 and reclaimed the Title of Battle of Highway 43 Champions and brought home the Battle Trophy.

**NOW THEREFORE BE IT PROCLAIMED THAT**, the Mayor and City Council hereby recognize and honor:

*Corcoran High School Football*

**AND, BE IT FURTHER PROCLAIMED** that the City Council extends its warmest congratulations to the 2021 Corcoran High School Football Team, Coach Kapigian & Coaching Staff, School Staff, Corcoran Boosters, Students, and Parents who all made this 2021 an amazing and exciting Corcoran High School Football Year.

**DATED: December 14, 2021**

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Patricia Nolen, Mayor

**STAFF REPORT  
ITEM #: 4 B****MEMORANDUM****TO:** City Council**FROM:** Soledad Ruiz-Nunez, Finance Director**DATE:** December 10, 2021 **MEETING DATE:** December 14, 2021**SUBJECT:** Update on CalPERS UAL Restructuring Strategy**Summary:**

Presentation by NHA Advisors regarding the CalPERS Unfunded Accrued Liability restructuring project, key updates, and potential next steps. Resolution No. \_\_\_ will also be considered, which, if adopted, would (1) Appoint the financing team; (2) Delegate the City Manager with authority to proceed with a private placement and sign a bank term sheet; and (3) Approve a Debt Management Policy.

**Discussion:**

Over the past several months, NHA Advisors has been assisting the City in evaluating strategies (Prepayment, Additional Discretionary Payments, Section 115 Trust, UAL Restructuring) to address the rising cost associated with the Unfunded Accrued Liability.

We refer to “Unfunded Liability” as the gap between assets and what is needed to meet obligations to retirees. Numerous reasons have hurt the retirement system assets, a few key ones are: CalPERS investment losses due to the dot.com bubble burst in 2000, the collapse of the housing market in 2008, and other CalPERS assumption changes. The City of Corcoran has a \$9.8 million Unfunded Accrued Liability with CalPERS.

On October 26, NHA Advisors led a workshop with City Council that provided an overview of historical CalPERS pension costs trends and various cost management strategies for consideration. NHA also led a second workshop in November for City Council. Given that interest rates are at historically low levels, and based on Staff’s recommendation, Council directed staff and NHA to continue evaluating the concept of restructuring the UAL at a lower interest rate using a lease revenue bond.

Since that time, a broker-dealer (Hilltop Securities, or HTS) was engaged by the team as well as legal counsel (Stradling). HTS and Stradling are both very active with UAL restructurings, both in the public offering markets (bond issued to many investors), as well as the private placement market (direct placement to a single bank).

On Tuesday, December 14<sup>th</sup>, NHA will provide an update on the process, with a specific comparison of the two options available: a public offering and a private placement. While there is due diligence that the financing team is still working through, there is preliminary interest from a highly interested bank (Sterling) that has indicated they could offer a sub-3% interest rate for a loan up to a 20-year term. This private placement rate is significantly better than the public offering market, would require less staff time, has lower financing costs and more flexible prepayment terms, and would allow the City to lock the rate this year as opposed to waiting until next year (for a public offering) and taking interest rate risk. The team is also seeking preliminary bids from other banks as well.

The presentation will provide an update on the viability of this preliminary bank offer, as well as a comparison of options for the City Council to consider. Resolution No. 3112, if approved, would allow the City to lock the interest rate with Sterling Bank, with final City Council approval of bond documents occurring on January 11<sup>th</sup>.

Attachments

- Presentation
- Resolution No. 3112
- Debt Management Policy





**CITY OF CORCORAN**  
**PENSION COST RESTRUCTURING BONDS – PROCESS UPDATE**

**CORCORAN**  
CALIFORNIA

**NHA | ADVISORS**  
Financial & Policy Strategies.  
Delivered.

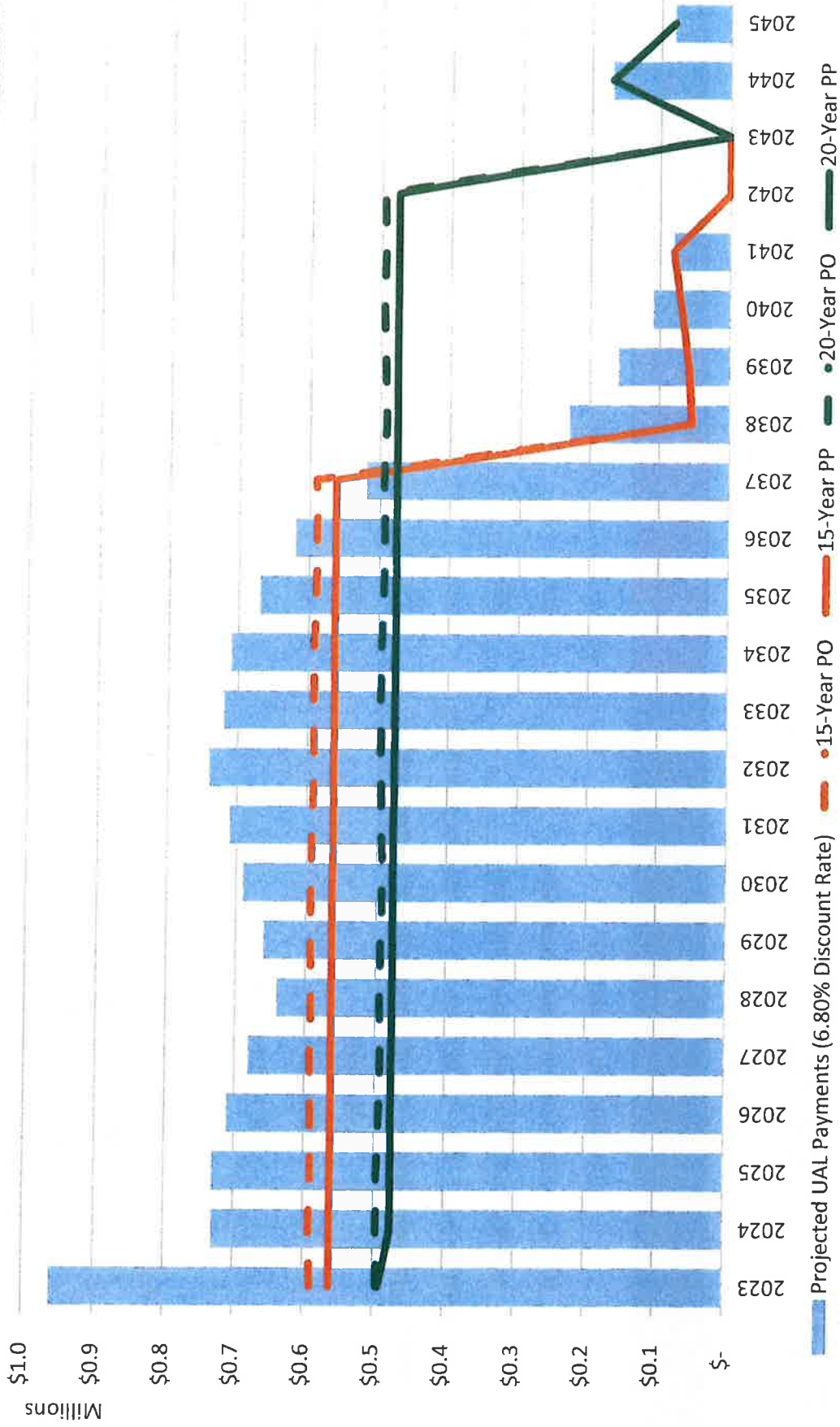
DECEMBER 14, 2021

## Discussion Topics

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- ▶ Update on CalPERS UAL Restructuring Project
- ▶ Private Placement (loan with bank) vs. Public Offering (bond to investors) comparison
- ▶ 15 vs. 20 Year Term Comparison
- ▶ Next Steps

# City of Corcoran Public Offering (PO) vs. Private Placement (PP) POB



**Note:** Figures shown are preliminary estimates for illustration. Assumes CalPERS earns 6.8% investment earnings. Lines represent combined debt service + unrefunded UAL payments.

# City of Corcoran Public Offering (PO) vs. Private Placement (PP) POB

Metrics	15-Year (PP)	15-Year (PO)	20-Year (PP)	20-Year (PO)
Estimated UAL Funded (\$)	\$6,209,347	\$6,209,347	\$6,209,347	\$6,209,347
% UAL Funded (Current Asset Valuations)	63%	63%	63%	63%
Funded Ratio (Current Asset Valuations)	89%	89%	89%	89%
% UAL Funded (Projected After FY 2021 Returns & 6.8% Discount Rate)	89%	89%	89%	89%
Funded Ratio (Projected After FY 2021 Returns & 6.8% Discount Rate)	98%	98%	98%	98%
Maturity	15 Years	15 Years	20 Years	20 Years
Average Life	9.4 Years	9.2 Years	12.5 Years	12.2 Years
All-In Interest Rate	2.80%	3.44%	3.23%	3.58%
PV Savings (%)	31.98%	25.28%	27.15%	23.18%
PV Savings (\$)	\$1,985,786	\$1,570,027	\$1,685,849	\$1,439,205
Cumulative Savings	\$2,378,648	\$1,941,239	\$1,530,246	\$1,180,496
Savings (2023-2037)	\$2,056,987	\$1,619,578	\$3,330,553	\$3,073,597
Average Savings (2023-2037)	\$137,132	\$107,972	\$222,037	\$204,906

**Note:** Figures shown are preliminary estimates for illustration. Assumes CalPERS earns 6.8% investment earnings.

## Tradeoffs Between 20-Year vs. 15-Year Option

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- ▶ **15-Year Option**
  - ▶ Slightly lower interest rate and more cumulative savings
  - ▶ Higher annual payment; Less savings over next 14 years and less resiliency to handle future economic shocks, including CalPERS' investment underperformance
- ▶ **20-Year Option**
  - ▶ Slightly higher interest rate and less cumulative savings
  - ▶ Lower annual payment; More savings in the next 14 years and increased long-term resiliency
- ▶ **Flexible call (prepayment) feature will allow City to refinance or start paying debt off early before 10 years**




## Benefits of Private Placement Option

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- ▶ Lower interest rate
- ▶ Lower financing costs
- ▶ Less staff time
- ▶ Ability to lock interest rate 2 months sooner
- ▶ Earlier payment to CalPERS provides \$30K discount
- ▶ More flexible prepayment terms (< 10 years)
- ▶ No credit rating or investor disclosure needed

## Next Steps for Private Placement Option

- ▶ December 14th – approve Resolution :
  - ▶ Appoints the financing team
  - ▶ Delegates the City Manager with authority to proceed with a private placement and sign a Bank Term Sheet
  - ▶ Approve a Debt Management Policy
- ▶ Pursue Credit Approval with Bank (still unknown)
- ▶ Title insurance on leased assets
- ▶ Refine numerical analysis
  - ▶ Savings/debt statistics provided are best estimates and will change slightly once final coordination and quantitative analysis with CalPERS occurs
- ▶ January 11th – City Council approval of final documents
- ▶ Late January – Close financing and pay off portion of UAL with CalPERS





**RESOLUTION NO. 3112**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORCORAN DIRECTING STAFF TO TAKE ACTIONS NECESSARY TO ISSUE LEASE REVENUE BONDS FOR THE PURPOSE OF REFUNDING SOME OR ALL OF THE CITY'S UNFUNDED ACCRUED LIABILITY**

WHEREAS, the City of Corcoran (the "City") has previously adopted a retirement plan pursuant to the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law") and elected to become a contracting member of the California Public Employees' Retirement System ("PERS");

WHEREAS, the Retirement Law and the contract (the "PERS Contract") effective July 1, 1948, between the Board of Administration of PERS and the City Council of the City (the "City Council") obligate the City to (i) make contributions to PERS to fund pension benefits for certain City employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the foregoing purposes;

WHEREAS, this City Council of the City desires to refund all or a portion of the City's obligation to PERS evidenced by the PERS Contract through the issuance by the City of its City of Corcoran Taxable Lease Revenue Bonds (the "Bonds") on the basis of a private placement with Stirling National Bank ("Stirling"), or any other lender selected by the City Manager;

WHEREAS, in order to provide for the issuance of the Bonds, City staff, under the direction of the City Manager, and with the assistance of certain attorneys, consultants, and other third parties designated in Section 2 hereof, will proceed to evaluate the feasibility of and take actions needed to proceed with the refunding of all or a portion of the City's obligation to PERS through issuance of the Bonds;

WHEREAS, prior to and as a condition to issuance of the Bonds, the City Council of the City must authorize the issuance of the Bonds at a future public meeting; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORCORAN DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

**Section 1.** The City Manager, the Finance Director, and each of their designees are hereby authorized and directed to work with the attorneys, consultants, and third parties designated in Section 3 below to take all actions necessary and appropriate to present the Bonds and related agreements, including a trust agreement, Site Lease, Lease Agreement and Assignment Agreement, and other appropriate agreements, to the City Council of the City for approval at a future meeting.

**Section 2.** The City Manager is hereby authorized to negotiate the terms of the sale of the Bonds to Stirling, or another lender as determined by the City Manager, and to execute any documents necessary to effect such sale upon the terms so negotiated.

**Section 3.** The City Council hereby approves and appoints each of Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel, NHA Advisors, as Municipal Advisor, and Hilltop Securities Inc., as Placement Agent, to provide such services to the City as may be required

to issue the Bonds. The City Manager, the Finance Director and each of their designees are hereby authorized to enter into contracts or to sign such other documentation as is necessary or appropriate to evidence such engagements and retain such services in connection with the Bonds.

**Section 4.** The City Council hereby approves the Debt Issuance and Management Policy presented at this meeting and adopts such policy as applicable to the City going forward.

**Section 5.** All the recitals in this Resolution are true and correct and this City Council so finds, determines and represents.

I hereby certify that this resolution was passed and adopted at a meeting of the City Corcoran of the City of Corcoran duly called and held on December 14, 2021 by the following vote:

AYES;

NOES;

ABSENT;

APPROVED: \_\_\_\_\_  
PATRICIA NOLEN, MAYOR

ATTEST: \_\_\_\_\_  
MARLENE SPAIN, CITY CLERK

## DEBT MANAGEMENT POLICY

This Debt Management Policy of the City of Corcoran (the "City") was approved by the City Council on December 14, 2021. This Debt Management Policy may be amended by the City Council as it deems appropriate from time to time in the prudent management of the debt of the City. Any approval of debt by the City Council that is not consistent with this Debt Management Policy shall constitute a waiver of this Debt Management Policy.

### Findings

This Debt Management Policy are intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the City.

The City hereby recognizes that a fiscally prudent debt policy is required to:

- Maintain the City's sound financial position.
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the City's credit-worthiness.
- Ensure that all debt is structured to protect both current and future taxpayers, ratepayers and constituents of the City.
- Ensure that the City's debt is consistent with the City's planning goals and objectives and capital improvement program or budget, as applicable.

### Policies

#### **A. Purposes for Which Debt May Be Issued**

- 1) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City.
  - a) Long-term debt financings are appropriate when the following conditions exist:
    - When the project to be financed is necessary to provide basic services.
    - When the project to be financed will provide benefit to constituents over multiple years.
    - When total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
    - When the debt is used to refinance outstanding debt to produce debt service savings or to realize the benefits of a debt restructuring.

- b) Long-term debt financings are not appropriate for current operating expenses and routine maintenance expenses.
  - c) The City may use long-term debt financings subject to the following conditions:
    - The project to be financed must be approved by the City Council.
    - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project.
    - The City estimates that sufficient revenues will be available to service the debt through its maturity.
    - The City determines that the issuance of the debt will comply with the applicable state and federal law.
- 2) Short-term debt. Short-term debt may be issued to provide financing for the City's operational cash flows to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.
- 3) Financings on Behalf of Other Entities. The City may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

## **B. Types of Debt**

The following types of debt are allowable under this Debt Management Policy:

- general obligation bonds
- bond or grant anticipation notes
- tax and revenue anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds (including enterprise and sales tax revenue bonds) and certificates of participation
- pension obligation bonds
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes

- tax increment financing to the extent permitted under state law
- conduit financings, such as financings for affordable rental housing and qualified 501c3 organizations

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and the City Council may approve such debt without an amendment of these Debt Management Policies.

Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

#### **C. Relationship of Debt to Capital Improvement Program and Budget**

New debt issues, and refinancing of existing debt, must be analyzed for compatibility within the City's Ten-Year Capital Improvement Plan.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The City shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

#### **D. Policy Goals Related to Planning Goals and Objectives**

The City is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Debt Management Policy and to implement policy decisions incorporated in the City's Five-Year Financial Plan and its annual operating budget.

It is a policy goal of the City to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt

service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

#### **E. Internal Control Procedures**

When issuing debt, in addition to complying with the terms of these Debt Management Policies, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the City's investment policies as they relate to the investment of bond proceeds.

It is the policy of the City to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds. The City will submit a requisition only after obtaining the signature of the Finance Director. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the Finance Director shall retain records of all expenditures of proceeds through the final payment date for the debt.

**STAFF REPORT  
ITEM #: 7-A**

**MEMO**

**TO:** Corcoran City Council

**FROM:** Greg Gatzka, City Manager

**DATE:** December 7, 2021

**MEETING DATE:** December 14, 2021

**SUBJECT:** Closing Resolution for State Revolving Loan Agreement

**Summary:**

Execution of the City of Corcoran Water Meter Installation Project No. 161004-001C through the State Water Resources Control Board Agreement No. D2102002.

**Recommendation:**

Consider adopting Resolution No. 3111 to authorize the City Manager to Execute Agreement No. D2102002 on behalf of the City.

**Budget impact:**

The total project cost is \$3,460,155. State Water Resources Control Board funding to support this City water meter installation project will include approximately 54% bond funding that will be repaid back by the City from the water fund. The remaining 46% (\$1,605,096) will be forgiven and treated like a grant and not require repayment.

**Background:**

On March 9, 2021, this Council adopted Resolution No. 3078 to authorize the sale agreement for State Bond funding for the City's water meter installation project, and hired Kutak Rock LLP as Bond Counsel. The State has now issued and assigned the State Water Resources Control Board Agreement No. D2102002 for this project and is ready for execution. In order to finalize this agreement, the City Manager needs to sign the agreement and provide three attachments that include:

1. Opinion of General Counsel
2. Bond Counsel Letter
3. Closing Resolution authorizing the City Manager to sign the agreement.

The City Manager has coordinated with our City Attorney to prepare the General Counsel document, and with Albert Reyes with Kutak Rock LLP to prepare the Bond Counsel letter.

Once the Council authorizes the City Manager to sign the agreement all documents will be sent to the State to finalize the funding agreement for the City's water meter installation project.

**Attachments:**

City of Corcoran Resolution No. 3111

State Water Resources Control Board Agreement No. D2102002



**RESOLUTION NO. 3111**

**A RESOLUTION OF THE CITY OF CORCORAN ACCEPTING AND INSTRUCTING THE CITY MANAGER TO EXECUTE THE DRINKING WATER STATE REVOLVING LOAN AGREEMENT AND RELATED DOCUMENTS FOR THE WATER METER INSTALLATION PROJECT**

**WHEREAS**, the City of Corcoran ("City") applied for financing under the State Water Resources Control Board's ("SWRCB") Drinking Water State Revolving Fund ("DWSRF") program for the Water Meter Installation Project; and

**WHEREAS**, the Project will install approximately 3,500 digital water meters throughout the City that communicate via short range radio and will enhance and automate water meter reading by replacing 1,894 older meters and installing 1,598 new meters on unmetered properties; and

**WHEREAS**, the City's application to the SWRCB for DWSRF financing has been approved and a financing agreement has been issued for the City's execution; and

**WHEREAS**, under Resolution No. 2962, the City authorized the City Manager to sign and file on behalf of the City a financing agreement application from the State Water Resources Control Board; and

**WHEREAS**, the City Council has reviewed the conditions and requirements provided in the DWSRF financing agreement, the Budget and Expenditure Summary, and the Contractor's Release Form and wishes to proceed in entering into the agreement and its related documents with the SWRCB to fund the Project.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY DOES HEREBY RESOLVE, DETERMINE AND ORDER:**

**Section 1.** The City Council hereby approves the conditions and requirements provided in Installment Loan Agreement and related documents.

**Section 2.** The City Manager or designee is hereby authorized to execute the Installment Loan Agreement, including the Budget and Expenditure Summary contained as Exhibits in the Installation Loan Agreement and any amendments thereto for the Project.

**Section 3.** The executed Installment Loan Agreement will provide the City an amount of three million four hundred sixty thousand one hundred fifty five dollars and no cents (\$3,460,155.00) at zero percent (0%) interest rate, and Principal Forgiveness Component of one million six hundred five thousand ninety six dollars and no cents (\$1,605,096.00), with the remainder of one million eight hundred fifty five thousand fifty nine dollars (\$1,855,059.00) to be paid by this City.

**Section 4.** The City Manager or designee is hereby authorized to execute a certificate of completion of the Project once construction is complete, as required under the DWSRF program.

**AYES:**

**NOES:**

**ABSENT:**

**PASSED AND ADOPTED** at a regular meeting held on December 14, 2021.

**APPROVED:**

---

Patricia Nolen, Mayor

**ATTEST:**

---

Marlene Spain, City Clerk

I, hereby certify that the foregoing Resolution No. 3111 was passed and adopted at a regular meeting of said City Council on the 14th day of December 2021, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this [ ]th day of \_\_\_\_\_ 2021.

---

City Clerk





State Water Resources Control Board

October 7, 2021

City of Corcoran  
Attn: Greg Gatzka – City Manager  
832 Whitley Ave.  
Corcoran, CA 93212

Agreement Number: D2102002  
Project Number: 1610004-001C

Enclosed is your Agreement for your approval and signature. This Agreement cannot be considered binding by either party until executed by the State Water Resources Control Board (State Water Board).

If you are in agreement with all terms and conditions of the Agreement, please sign and date **two (2) signature pages**; return only the two (2) signature pages – it is not necessary to send the entire Agreement - **no later than thirty (30) calendar days from the date of this letter to:**

**Overnight Mail**

State Water Resources Control Board  
Attention: Noel Carolipio Jr.  
Division of Financial Assistance  
1001 I Street, 16<sup>th</sup> Floor  
Sacramento, CA 95814

**US Mail**

State Water Resources Control Board  
Attention: Noel Carolipio Jr.  
Division of Financial Assistance  
P. O. Box 944212  
Sacramento, CA 94244-2120

In order for the Funding Agreement to be executed by the State Water Board, the following items **must also be returned with the signed signature pages:**

1. Opinion of General Counsel.
2. Bond Counsel Letter.
3. Closing Resolution.

Be aware that all projects receiving funding must comply with all applicable implementing guidelines and regulations adopted by California Department of Industrial Relations (DIR), regarding state prevailing wage requirements. You must contact DIR for guidance on how to comply. Information can be found at: <http://www.dir.ca.gov/lcp.asp>.

**Additional Compliance Requirements:**

Davis Bacon Compliance:

[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/davisbacon.shtml](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/davisbacon.shtml)

Mr. Carolipio may be contacted at (916) 449-5694 or [noel.carolipio@waterboards.ca.gov](mailto:noel.carolipio@waterboards.ca.gov)

Once the Agreement is signed by both parties, we will forward an executed copy to you for your records.

Enclosures

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR



---

**DRINKING WATER**

---

**CITY OF CORCORAN**

**AND**

**CALIFORNIA STATE WATER RESOURCES CONTROL BOARD**



**CONSTRUCTION  
INSTALLMENT SALE AGREEMENT**

**PROJECT NO. 1610004-001C  
WATER METER INSTALLATION PROJECT**

**AGREEMENT NO. D2102002**

**PROJECT FUNDING AMOUNT: \$3,460,155.00  
PRINCIPAL FORGIVENESS COMPONENT: \$1,605,096.00  
ESTIMATED REASONABLE PROJECT COST: \$3,460,155.00**

**ELIGIBLE WORK START DATE: JANUARY 1, 2018  
ELIGIBLE CONSTRUCTION START DATE: APRIL 26, 2021  
CONSTRUCTION COMPLETION DATE: JULY 1, 2023  
FINAL DISBURSEMENT REQUEST DATE: JANUARY 1, 2024  
FINAL PAYMENT DATE: JULY 1, 2053  
RECORDS RETENTION END DATE: JULY 1, 2059**

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## AGREEMENT

### 1. AUTHORITY.

- (a) The State Water Resources Control Board (State Water Board) is authorized, and implements its authority, to provide financial assistance under this Agreement pursuant to Section 116760 et seq. of the Health and Safety Code, and Resolution Nos. 2019-0065 and 2020-0022.
- (b) The Recipient is authorized to enter into this Installment Sale Agreement (Agreement) pursuant to Authorized Rep Resolution No. 2962.

### 2. INTENTION.

- (a) The Recipient desires to receive financial assistance for and undertake work required for the drinking water construction Project according to the terms and conditions set forth in this Agreement.
- (b) The State Water Board proposes to assist in providing financial assistance for eligible costs of the Project in the amount set forth in Exhibit B, according to the terms and conditions set forth in this Agreement, with the expectation that the Recipient shall repay a portion of the financial assistance to the State Water Board.
- (c) The Recipient intends to evidence its obligation to submit Payments to the State Water Board and secure its obligation with Net Revenues of its water enterprise, as set forth in Exhibit B, according to the terms and conditions set forth in this Agreement.
- (d) The Recipient intends to certify and evidence its compliance with the Tax Covenants set forth in Exhibit F.

### 3. AGREEMENT, TERM, DOCUMENTS INCORPORATED BY REFERENCE.

In consideration of the mutual representations, covenants and agreements herein set forth, the State Water Board and the Recipient, each binding itself, its successors and assigns, do mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement.

- (a) The Recipient hereby sells to the State Water Board and the State Water Board hereby purchases from the Recipient the Project. Simultaneously therewith, the Recipient hereby purchases from the State Water Board, and the State Water Board hereby sells to the Recipient, the Project in accordance with the provisions of this Agreement. All right, title, and interest in the Project shall immediately vest in the Recipient on the date of execution and delivery of this Agreement by both parties without further action on the part of the Recipient or the State Water Board.
- (b) Subject to the satisfaction of any condition precedent to this Agreement, this Agreement shall become effective upon the signature of both the Recipient and the State Water Board. Conditions precedent are not limited to the following:
  - i. The Recipient must deliver to the Division a resolution authorizing this Agreement.
  - ii. The Recipient must deliver an opinion of bond counsel and general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.
- (c) Upon execution, the term of the Agreement shall begin on the Eligible Work Start Date and extend through the Final Payment Date.
- (d) This Agreement includes the following exhibits and attachments thereto:

- i. EXHIBIT A – SCOPE OF WORK
- ii. EXHIBIT B – FUNDING TERMS
- iii. EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS
- iv. EXHIBIT D – SPECIAL CONDITIONS
- v. EXHIBIT E – PAYMENT SCHEDULE
- vi. EXHIBIT F – TAX CERTIFICATE

(e) This Agreement includes the following documents incorporated by reference:

- i. the Final Plans & Specifications, dated October 30, 2017, which are the basis for the construction contract to be awarded by the Recipient;
- ii. the Drinking Water System Permit No. 1610004;
- iii. the Recipient's Reimbursement Resolution No. 2963 dated March 12, 2019;
- iv. the Recipient's Tax Questionnaire dated April 8, 2020.
- v. the Davis-Bacon requirements found at:  
[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/docs/davisbac on/2021\\_dwsrf\\_governmental\\_entities.pdf](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/davisbac on/2021_dwsrf_governmental_entities.pdf)

**4. PARTY CONTACTS**

State Water Board		City of Corcoran	
Section:	Division of Financial Assistance	Name:	Greg Gatzka - City Manager
Name:	Brenda Pauli	Address:	832 Whitley Ave
Address:	1001 I Street, 16 <sup>th</sup> Floor	City, State, Zip:	Corcoran, CA 93212
City, State, Zip:	Sacramento, CA 95814	Phone:	(559) 992-2775
Phone:	(916) 341-5658	Fax:	
Fax:		Email:	<a href="mailto:greg.gatzka@cityofcorcoran.com">greg.gatzka@cityofcorcoran.com</a>
Email:	<a href="mailto:Brenda.Pauli@waterboards.ca.gov">Brenda.Pauli@waterboards.ca.gov</a>		

The Recipient may change its contact upon written notice to the Division, which notice shall be accompanied by authorization from the Recipient's Authorized Representative. The State Water Board will notify the Recipient of any changes to its contact.

While the foregoing are contacts for day-to-day communications regarding Project work, the Recipient shall provide official communications and events of Notice as set forth in Exhibit C to the Division's Deputy Director.

**5. DEFINITIONS.**

Unless otherwise specified, each capitalized term used in this Agreement has the following meaning:

"Additional Payments" means the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title, and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, staff, contractors, consultants, costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

"Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.

"Agreement" means this agreement, including all exhibits and attachments hereto.

"Authorized Representative" means the duly appointed representative of the Recipient as set forth in the certified original of the Recipient's authorizing resolution that designates the authorized representative by title.

"Bank" means the California Infrastructure and Economic Development Bank.

"Bond Funded Portion of the Project Funds" means any portion of the Project Funds which was or will be funded with Bond Proceeds.

"Bond Proceeds" means original proceeds, investment proceeds, and replacement proceeds of Bonds.

"Bonds" means any series of bonds issued by the Bank, the interest on which is excluded from gross income for federal tax purposes, all or a portion of the proceeds of which have been, are, or will be applied by the State Water Board to fund all or any portion of the Project Costs or that are secured in whole or in part by Payments paid hereunder.

"Charge In Lieu of Interest" means any fee or charge in lieu of some or all of, but not to exceed, the interest that would otherwise be owed under this Agreement, as set forth in Exhibit E.

"Code" as used in Exhibit F of this Agreement means the Internal Revenue Code of 1986, as amended, and any successor provisions and the regulations of the U.S. Department of the Treasury promulgated thereunder.

"Completion of Construction" means the date, as determined by the Division after consultation with the Recipient, that the work of building and erection of the Project is substantially complete, and is identified in Exhibit A of this Agreement.

"Cover Page" means the front page of this Agreement.

"Days" means calendar days unless otherwise expressly indicated.

"Debt Service" means, as of any date, with respect to outstanding System Obligations and, in the case of the additional debt tests in Exhibit B of this Agreement, any System Obligations that are proposed to be outstanding, the aggregate amount of principal and interest scheduled to become due (either at maturity or by mandatory redemption), together with any Charge In Lieu of Interest on this Obligation or other System Obligations to the State Water Board, calculated with the following assumptions:

- a. Principal payments (unless a different subdivision of this definition applies for purposes of determining principal maturities or amortization) are made in accordance with any amortization schedule published for such principal, including any minimum sinking fund payments;
- b. Interest on a variable rate System Obligation that is not subject to a swap agreement and that is issued or will be issued as a tax-exempt obligation under federal law, is the average of the SIFMA Municipal Swap Index, or its successor index, during the 24 months preceding the date of such calculation;
- c. Interest on a variable rate System Obligation that is not subject to a swap agreement and that is issued or will be issued as a taxable obligation under federal law, is the average of LIBOR, or its successor index, during the 24 months preceding the date of such calculation;

- d. Interest on a variable rate System Obligation that is subject to a swap agreement is the fixed swap rate or cap strike rate, as appropriate, if the variable rate has been swapped to a fixed rate or capped pursuant to an interest rate cap agreement or similar agreement;
- e. Interest on a fixed rate System Obligation that is subject to a swap agreement such that all or a portion of the interest has been swapped to a variable rate shall be treated as variable rate debt under subdivisions (b) or (c) of this definition of Debt Service;
- f. Payments of principal and interest on a System Obligation are excluded from the calculation of Debt Service to the extent such payments are to be paid from amounts then currently on deposit with a trustee or other fiduciary and restricted for the defeasance of such System Obligations;
- g. If 25% or more of the principal of a System Obligation is not due until its final stated maturity, then principal and interest on that System Obligation may be projected to amortize over the lesser of 30 years or the Useful Life of the financed asset, and interest may be calculated according to subdivisions (b)-(e) of this definition of Debt Service, as appropriate.

"Deputy Director" means the Deputy Director of the Division.

"District Office" means District Office of the Division of Drinking Water of the State Water Board.

"Division" means the Division of Financial Assistance of the State Water Board or any other segment of the State Water Board authorized to administer this Agreement.

"Division of Drinking Water" means the Division of Drinking Water of the State Water Board.

"Eligible Construction Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which construction costs may be incurred and eligible for reimbursement hereunder.

"Eligible Work Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any non-construction costs may be incurred and eligible for reimbursement hereunder.

"Enterprise Fund" means the enterprise fund of the Recipient in which Revenues are deposited.

"Event of Default" means the occurrence of any of the following events:

- a) Failure by the Recipient to make any payment required to be paid pursuant to this Agreement, including Payments;
- b) A representation or warranty made by or on behalf of the Recipient in this Agreement or in any document furnished by or on behalf of the Recipient to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
- c) A material adverse change in the condition of the Recipient, the Revenues, or the System, which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement.
- d) Failure by the Recipient to comply with the additional debt test or reserve fund requirement, if any, in Exhibit B or Exhibit D of this Agreement;
- e) Failure to operate the System or the Project without the Division's approval;
- f) Failure by the Recipient to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by the Division;

- g) The occurrence of a material breach or event of default under any System Obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption;
- h) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Recipient's property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Recipient's entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient's existence, or any action in furtherance of any of the foregoing;
- i) A determination pursuant to Gov. Code section 11137 that the Recipient has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code; or
- j) Loss of the Recipient's rights, licenses, permits, or privileges necessary for the operation of the System or the Project, or the occurrence of any material restraint on the Recipient's enterprise by a government agency or court order.

"Final Disbursement Request Date" means the date set forth as such on the Cover Page of this Agreement, after which date, no further Project Funds disbursements may be requested.

"Final Payment Date" is the date by which all principal and accrued interest due under this Agreement is to be paid in full to the State Water Board and is specified on the Cover Page of this Agreement.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year, or any other annual period selected and designated by the Recipient as its Fiscal Year in accordance with applicable law.

"Force Account" means the use of the Recipient's own employees, equipment, or resources for the Project.

"GAAP" means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor, or the Uniform System of Accounts, as adopted by the California Public Utilities Commission for water utilities.

"Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Recipient; non-project-specific accounting and personnel services performed within the Recipient organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; generic overhead or markup; and taxes.

"Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.

"Listed Event" means, so long as the Recipient has outstanding any System Obligation subject to Rule 15c2-12, any of the events required to be reported with respect to such System Obligation pursuant to Rule 15c2-12(b)(5).

"Material Obligation" means an obligation of the Recipient that is material to this transaction, including System Obligations.



"Maximum Annual Debt Service" means the maximum amount of Debt Service due on System Obligations in a Fiscal Year during the period commencing with the Fiscal Year for which such calculation is made and within the next five years in which Debt Service for any System Obligations will become due.

"Net Revenues" means, for any Fiscal Year, all Revenues received by the Recipient less the Operations and Maintenance Costs for such Fiscal Year.

"Obligation" means the obligation of the Recipient to make Payments (including Additional Payments) as provided herein, as evidenced by the execution of this Agreement, proceeds of such obligations being used to fund the Project as specified in the Project Description in Exhibit A and Exhibit B and in the documents thereby incorporated by reference.

"Operations and Maintenance Costs" means the reasonable and necessary costs paid or incurred by the Recipient for maintaining and operating the System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the System and insurance premiums; but excluding, in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles.

"Parity Obligation" means a debt obligation of the Recipient on parity with this Obligation. The Recipient's Parity Obligations are these:

- The Indenture of Trust between the City of Corcoran and US Bank National Association relating to the \$4,835,000 City of Corcoran Water Revenue Refunding Bonds Series 2012A (Bank Qualified), dated as of September 1, 2012
- The Indenture of Trust between the City of Corcoran and US Bank National Association relating to the \$19,790,000 City of Corcoran Water Revenue Refunding Bonds Series 2016A, dated as of August 1, 2016

"Payment" means any payment due to the State Water Board from the Recipient pursuant to this Agreement.

"Policy" means the State Water Board's "Policy for Implementing the Drinking Water State Revolving Fund," as amended from time to time, including the Intended Use Plan in effect as of the execution date of this Agreement.

"Project" means the Project financed by this Agreement as described in Exhibits A and B and in the documents incorporated by reference herein.

"Project Completion" means the date, as determined by the Division after consultation with the Recipient, that operation of the Project is initiated or is capable of being initiated, whichever comes first.

"Project Costs" means the incurred costs of the Recipient which are eligible for financial assistance under this Agreement, which are allowable costs as defined under the Policy, and which are reasonable, necessary and allocable by the Recipient to the Project under GAAP, and may include capitalized interest.

"Project Funds" means all moneys disbursed to the Recipient by the State Water Board for eligible Project Costs pursuant to this Agreement.

"Recipient" means the City of Corcoran

"Records Retention End Date" means the last date that the Recipient is obligated to maintain records and is set forth on the Cover Page of this Agreement.

"Reimbursement Resolution" means the Recipient's reimbursement resolution identified and incorporated by reference in this Agreement.

"Reserve Fund" means the reserve fund required pursuant to Exhibit B of this Agreement.

"Revenues" means, for each Fiscal Year, all gross income and revenue received or receivable by the Recipient from the ownership or operation of the System, determined in accordance with GAAP, including all rates, fees, and charges (including connection fees and charges) as received by the Recipient for the services of the System, and all other income and revenue howsoever derived by the Recipient from the ownership or operation of the System or arising from the System, including all income from the deposit or investment of any money in the Enterprise Fund or any rate stabilization fund of the Recipient or held on the Recipient's behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction.

"Rule 15c2-12(b)(5)" means Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

"Senior Obligation" means a debt obligation of the Recipient that is senior to this Obligation. There are no Senior Obligations.

"SRF" means the Drinking Water State Revolving Fund.

"State" means State of California.

"State Water Board" means the State Water Resources Control Board.

"Subordinate Obligation" means a debt obligation of the Recipient that is subordinate to this Obligation. There are no Subordinate Obligations.

"System" means all drinking water collection, transport, treatment, storage, and delivery facilities, including land and easements thereof, owned by the Recipient, including the Project, and all other properties, structures, or works hereafter acquired and constructed by the Recipient and determined to be a part of the System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.

"System Obligation" means any obligation of the Recipient payable from the Revenues, including but not limited to this Obligation, any Parity Obligation, any Subordinate Obligation, and such additional obligations as may hereafter be issued in accordance with the provisions of such obligations and this Agreement.

"Useful Life" means the economically useful life of the Project beginning at Completion of Construction and is set forth in Exhibit A.

"Year" means calendar year unless otherwise expressly indicated.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

**CITY OF CORCORAN:**

By: \_\_\_\_\_  
Name: Greg Gatzka  
Title: City Manager

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

**STATE WATER RESOURCES CONTROL BOARD:**

By: \_\_\_\_\_  
Name: Joe Karkoski  
Title: Deputy Director  
Division of Financial Assistance

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

## EXHIBIT A – SCOPE OF WORK

### A.1. PROJECT DESCRIPTION, USEFUL LIFE, AND SCOPE OF WORK.

(a) The Project is the project set forth on the Cover Page of this Agreement.

(b) The Useful Life of this Project is at least 30 years.

(c) Scope of Work.

The Recipient agrees to do the following:

The Project will furnish and install radio-read water meters for approximately 1,598 existing unmetered service connections (1,534 residential, 63 commercial, and 1 school) and replace, via force account, approximately 1,854 outdated and manually read existing meters (1,722 residential, 120 commercial, 3 schools, 2 prisons, and 7 hydrants). In addition, some service connections may need to be replaced.

### A.2. STANDARD PROJECT REQUIREMENTS.

#### A.2.1 Acknowledgements.

The Recipient shall include the following acknowledgement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

“Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. California’s Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.”

#### A.2.2 Reports

##### A.2.2.1 Progress Reports.

(a) The Recipient must provide a progress report to the Division each quarter, beginning no later than 90 days after execution of this Agreement.

(b) The Recipient must provide a progress report with each disbursement request. Failure to provide a complete and accurate progress report may result in the withholding of Project Funds, as set forth in Exhibit B.

(c) A progress report must contain the following information:

- i. A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;
- ii. A description of compliance with environmental requirements;

- iii. A listing of change orders including amount, description of work, and change in contract amount and schedule; and
- iv. Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

#### A.2.2.2 Project Completion Report.

(a) The Recipient must submit a Project Completion Report to the Division with a copy to the appropriate District Office on or before the due date established by the Division and the Recipient at the time of final project inspection. The Project Completion Report must include the following:

- i. Description of the Project,
- ii. Description of the water quality problem the Project sought to address,
- iii. Discussion of the Project's likelihood of successfully addressing that water quality problem in the future, and
- iv. Summary of compliance with applicable environmental conditions.

(b) If the Recipient fails to submit a timely Project Completion Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold disbursements under this Agreement or other agreements, and begin administrative proceedings.

#### A.2.2.3 As Needed Reports.

The Recipient must provide expeditiously, during the term of this Agreement, any reports, data, and information reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the state or federal government.

#### A.2.2.4 [Reserved].

#### A.2.2.5 DBE Reports for SRF Projects.

The Recipient must report Disadvantaged Business Enterprise (DBE) utilization to the Division on the DBE Utilization Report, State Water Board Form DBE UR334. The Recipient must submit such reports to the Division annually within ten (10) calendar days following October 1 until such time as the "Notice of Completion" is issued. The Recipient must comply with 40 CFR § 33.301 and require its contractors and subcontractors on the Project to comply.

#### A.2.3 Signage.

The Recipient shall place a sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site and shall maintain the sign in good condition for the duration of the construction period. The sign must include the following disclosure statement and color logos (available from the Division):

a.



b. "Funding for this Corcoran Water Meter Project has been provided in full or in part by the Drinking Water State Revolving Fund through an agreement with the State Water Resources Control Board. California's Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds."

c. The Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.

#### A.2.4 Commencement of Operations.

Upon Completion of Construction of the Project, the Recipient must expeditiously initiate Project operations.

#### A.3 DATES & DELIVERABLES.

(a) Time is of the essence.

(b) The Recipient must expeditiously proceed with and complete construction of the Project.

(c) The following dates are established as on the Cover Page of this Agreement:

- i. Eligible Work Start Date
- ii. Eligible Construction Start Date
- iii. Completion of Construction Date
- iv. Final Disbursement Request Date
- v. Records Retention End Date
- vi. Final Payment Date

(d) The Recipient must award the prime construction contract timely.

(e) The Recipient agrees to start construction no later than June 1, 2022.

(f) The Recipient must deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date.

(g) The undisbursed balance of this Agreement will be deobligated if the Recipient does not provide its final Disbursement Request to the Division on or before the Final Disbursement Request Date, unless prior approval has been granted by the Division.

Upon request by the Division, the Recipient shall submit verifiable data to support deliverables specified in the Scope of Work. The Recipient's failure to comply with this requirement may be construed as a material breach of this Agreement.

## EXHIBIT B – FUNDING TERMS

### B.1. FUNDING AMOUNTS AND DISBURSEMENTS

#### B.1.1 Funding Contingency and Other Sources.

(a) If this Agreement's funding for any fiscal year expires due to reversion or is reduced, substantially delayed, or deleted by the Budget Act, by Executive Order, or by order or action of the Department of Finance, the State Water Board has the option to either cancel this Agreement with no liability accruing to the State Water Board, or offer an amendment to the Recipient to reflect the reduced amount.

(b) If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's share of Project Costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to the State Water Board to be applied to Payments due hereunder, if any.

#### B.1.2 Estimated Reasonable Cost.

The estimated reasonable cost of the total Project, including associated planning and design costs is three million four hundred sixty thousand one hundred fifty-five dollars and no cents (\$3,460,155.00).

#### B.1.3 Project Funding Amount.

Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

#### B.1.4 Principal Forgiveness Component.

(a) Contingent on the Recipient's performance of its obligations under this Agreement, the State Water Board will forgive principal of not to exceed the amount of the Principal Forgiveness Component set forth on the Cover Page of this Agreement.

(b) Upon Completion of Construction, the State Water Board will prepare an alternate payment schedule reflecting this this grant.

**B. 1.5 Budget Costs.**

(a) Estimated budget costs are contained in the Summary Project Cost Table below:

ITEM	DESCRIPTION	TOTAL ESTIMATED COST	PROJECT FUNDING AMOUNT
A	Construction	\$1,109,549	\$1,109,549
B	Pre-Purchased Material/Equipment	\$1,889,232	\$1,889,232
C	Purchase of Land	\$0	\$0
D	Contingency	\$154,963	\$154,963
E	Allowances	\$306,411	\$306,411
Total		\$3,460,155	\$3,460,155

The Division's Final Budget Approval and related Form 259 and Form 260 will document a more detailed budget of eligible Project Costs and Project funding amounts.

Upon written request by the Recipient, the Division may adjust the line items of the Summary Project Cost Table at the time of Division's Final Budget Approval. Upon written request by the Recipient, the Division may also adjust the line items of the Summary Project Cost Table as well as the detailed budget at the time of Recipient's submittal of its final claim. Any line item adjustments to the Summary Project Cost Table that are due to a change in scope of work will require an Agreement amendment. The sum of adjusted line items in both the Summary Project Cost Table and the detailed budget must not exceed the Project Funding Amount. The Division may also propose budget adjustments.

(b) Under no circumstances may the sum of line items in the budget approved through the Final Budget Approval process exceed the Project Funding Amount. Any increase in the Project Funding Amount will require an Agreement amendment.

**B.1.6 Contingent Disbursement.**

(a) The State Water Board's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement.

(b) The State Water Board's obligation to disburse Project Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of Project Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such



disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

(c) Construction costs and disbursements are not available until after the Division has approved the final budget form submitted by the Recipient except that the Deputy Director of the Division may authorize the disbursement of up to ten percent (10%) of Project Funds for the reimbursement of eligible construction costs and pre-purchased materials prior to Division approval of the final budget form submitted by the Recipient. All other construction costs are not eligible for reimbursement until after this the Division has approved the final budget form submitted by the Recipient.

(d) No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.

(e) Construction costs incurred prior to the Eligible Construction Start Date are not eligible for reimbursement.

(f) Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.

(g) The Recipient agrees to ensure that its final Disbursement Request is received by the Division no later than the Final Disbursement Request Date, unless prior approval has been granted by the Division. If the final Disbursement Request is not received timely, the undisbursed balance of this Agreement will be deobligated.

(h) The Recipient is not entitled to interest earned on undisbursed funds.

#### B.1.7 Disbursement Procedure.

Except as may be otherwise provided in this Agreement, disbursement of Project Funds will be made as follows:

1. Upon execution and delivery of this Agreement by both parties, the Recipient may request immediate disbursement of any eligible incurred planning and design allowance costs through submission to the State Water Board of the Disbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed.
2. The Recipient must submit a disbursement request for costs incurred prior to the date this Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late disbursement requests may not be honored.
3. The Recipient may request disbursement of eligible construction and equipment costs consistent with budget amounts approved by the Division in the Final Budget Approval. The Deputy Director of the Division may authorize the disbursement of up to ten percent (10%) of Project Funds for the reimbursement of eligible construction costs and pre-purchased materials prior to Division approval of the final budget form submitted by the Recipient.
4. Additional Project Funds will be promptly disbursed to the Recipient upon receipt of Disbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of progress reports due under Exhibit A.
5. The Recipient must not request disbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual

payment of such cost by the Recipient is not required as a condition of disbursement request. Supporting documentation (e.g., receipts) must be submitted with each Disbursement Request. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Disbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed Disbursement Request. Upon request by the Division, supporting documents for professional and administrative services must include the employees' names, classifications, labor rates, hours worked, and descriptions of the tasks performed. Disbursement Requests submitted without supporting documents may be wholly or partially withheld at the discretion of the Division.

6. The Recipient must spend Project Funds within 30 days of receipt. If the Recipient earns interest earned on Project Funds, it must report that interest immediately to the State Water Board. The State Water Board may deduct earned interest from future disbursements.
7. The Recipient shall not request a disbursement unless that Project Cost is allowable, reasonable, and allocable.
8. Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, policies, or regulations.
9. No work or travel outside the State of California is permitted under this Agreement unless the Division provides prior written authorization. Failure to comply with this restriction may result in termination this Agreement, pursuant to Exhibit C. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>, as of the date costs are incurred by the Recipient.

#### B.1.8 Withholding of Disbursements.

Notwithstanding any other provision of this Agreement, the State Water Board may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:

- (a) The Recipient's failure to maintain reasonable progress on the Project as determined by the Division;
- (b) Placement on the ballot or passage of an initiative or referendum to repeal or reduce the Recipient's taxes, assessments, fees, or charges levied for operation of the System or payment of debt service on System Obligations;
- (c) Commencement of litigation or a judicial or administrative proceeding related to the Project, System, or Revenues that the State Water Board determines may impair the timely satisfaction of Recipient's obligations under this Agreement;
- (d) Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, United States Environmental Protection Agency's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;
- (e) A material adverse change in the condition of the Recipient, the Revenues, or the System, that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;

- (f) The Recipient's material violation of, or threat to materially violate, any term of this Agreement;
- (g) Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by the Recipient or its employees, or by its contractors or agents regarding the Project or the System;
- (h) An event requiring Notice as set forth in Exhibit C;
- (i) An Event of Default or an event that the Division determines may become an Event of Default.

#### B.1.9 Fraud and Misuse of Public Funds.

All requests for disbursement submitted must be accurate and signed by the Recipient's Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Recipient must not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the repayment of all Project Funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability.

#### B.2 RECIPIENT'S PAYMENT OBLIGATION, PLEDGE, AND RESERVE

##### B.2.1 Project Costs.

The Recipient must pay any and all costs connected with the Project including, without limitation, any and all Project Costs and Additional Payments. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient must nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.

##### B.2.2 Estimated Principal Payment Due.

The estimated amount of principal that will be due to the State Water Board from the Recipient under this Agreement is one million eight hundred fifty-five thousand fifty-nine dollars and no cents (\$1,855,059.00).

##### B.2.3 Interest Rate and In-Lieu of Interest Charges.

(a) The Recipient agrees to make all Payments according to the schedule in Exhibit E, and as otherwise set forth herein, at an interest rate of Zero % (0%) per annum.

(b) Interest will accrue beginning with each disbursement.

(c) In lieu of, and not to exceed, interest otherwise due under this Agreement, the Recipient agrees to pay the following charge(s), as further set forth in Exhibit E:

- an Administrative Service Charge
- a Drinking Water Small Community Emergency Grant Fund Charge

##### B.2.4 [Reserved].

**B.2.5 Obligation Absolute.**

The obligation of the Recipient to make the Payments and other payments required to be made by it under this Agreement, from the Net Revenues and/or other amounts legally available to the Recipient therefor, is absolute and unconditional, and until such time as the Payments and Additional Payments have been paid in full, the Recipient must not discontinue or suspend any Payments or other payments required to be made by it hereunder when due, whether or not the Project, or any related part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such Payments and other payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

**B.2.6 Payment Timing.**

(a) The Recipient must pay interest annually, by July 1 of each year, until one year after Completion of Construction. Beginning no later than one year after Completion of Construction, the Recipient must make annual Payment of the principal of the Project Funds, together with all interest accruing thereon by July 1, 2024. The Recipient must make Payments fully amortizing the total principal of the Project by the Final Payment Date. Payments are based on a standard fully amortized assistance amount with equal annual payments.

(b) The remaining balance is the previous balance, plus the disbursements, plus the accrued interest on both, plus any Charge In Lieu of Interest, less the Payment. Payment calculations will be made beginning one (1) year after Completion of Construction. Exhibit E is a payment schedule based on the provisions of this Exhibit and an estimated disbursement schedule. Actual payments will be based on actual disbursements.

(c) Upon Completion of Construction and submission of necessary reports by the Recipient, the Division will prepare an appropriate payment schedule and supply the same to the Recipient. The Division may amend this schedule as necessary to accurately reflect amounts due under this Agreement. The Division will prepare any necessary amendments to the payment schedule and send them to the Recipient. The Recipient must make each Payment on or before the due date therefor. A ten (10) day grace period will be allowed, after which time a penalty in the amount of costs incurred by the State Water Board will be assessed for late payment. These costs may include, but are not limited to, lost interest earnings, staff time, bond debt service default penalties, if any, and other related costs. For purposes of penalty assessment, payment will be deemed to have been made if payment is deposited in the U.S. Mail within the grace period with postage prepaid and properly addressed. Any penalties assessed will not be added to the assistance amount balance, but will be treated as a separate account and obligation of the Recipient. The interest penalty will be assessed from the payment due date.

(d) The Recipient is obligated to make all payments required by this Agreement to the State Water Board, notwithstanding any individual default by its constituents or others in the payment to the Recipient of fees, charges, taxes, assessments, tolls or other charges ("Charges") levied or imposed by the Recipient. The Recipient must provide for the punctual payment to the State Water Board of all amounts which become due under this Agreement and which are received from constituents or others in the payment to the Recipient. In the event of failure, neglect or refusal of any officer of the Recipient to levy or cause to be levied any Charge to provide payment by the Recipient under this Agreement, to enforce or to collect such Charge, or to pay over to the State Water Board any money collected on account of such Charge necessary to satisfy any amount due under this Agreement, the State Water Board may take such action in a court of competent jurisdiction as it deems necessary to compel the performance of all duties relating to the imposition or levying and collection of any of such Charges and the payment of the money collected therefrom to the State Water Board. Action taken pursuant hereto shall not deprive the State Water Board of, or limit the application of, any other remedy provided by law or by this Agreement.

(e) Each Payment must be paid in lawful money of the United States of America by check or other acceptable form of payment set forth at [www.waterboards.ca.gov/make\\_a\\_payment](http://www.waterboards.ca.gov/make_a_payment). The Recipient must pay Payments and Additional Payments from Net Revenues and/or other amounts legally available to the Recipient therefor.

**B.2.7 Pledged Revenues.**

**B.2.7.1 Establishment of Enterprise Fund and Reserve Fund.**

In order to carry out its System Obligations, the Recipient covenants that it shall establish and maintain or shall have established and maintained the Enterprise Fund. All Revenues received shall be deposited when and as received in trust in the Enterprise Fund. As required in this Exhibit, the Recipient must establish and maintain a Reserve Fund.

**B.2.7.2 Pledge of Net Revenues, Enterprise Fund, and Reserve Fund.**

The Obligation hereunder shall be secured by a lien on and pledge of the Enterprise Fund, Net Revenues, and any Reserve Fund on parity with the Parity Obligations and subordinate to the Senior Obligations. The Recipient hereby pledges and grants such lien on and pledge of the Enterprise Fund, Net Revenues, and any Reserve Fund to secure the Obligation, including payment of Payments and Additional Payments hereunder. The Enterprise Fund, Net Revenues in the Enterprise Fund, and any Reserve Fund shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Recipient.

**B.2.7.3 Application and Purpose of the Enterprise Fund.**

Subject to the provisions of any outstanding System Obligation, money on deposit in the Enterprise Fund shall be applied and used first, to pay Operations and Maintenance Costs, and thereafter, all amounts due and payable with respect to the System Obligations in order of priority. After making all payments hereinabove required to be made in each Fiscal Year, the Recipient may expend in such Fiscal Year any remaining money in the Enterprise Fund for any lawful purpose of the Recipient.

**B.2.8 No Prepayment.**

The Recipient may not prepay any portion of the principal and interest due under this Agreement without the written consent of the Deputy Director of the Division.

**B.2.9 Reserve Fund.**

Prior to Completion of Construction, the Recipient must establish a restricted Reserve Fund, held in its Enterprise Fund, equal to one year's Debt Service on this Obligation. The Recipient must maintain the Reserve Fund throughout the term of this Agreement. The Reserve Fund is subject to lien and pledged as security for this Obligation, and its use is restricted to payment of this Obligation during the term of this Agreement.

**B.3 RATES, FEES AND CHARGES.**

(a) The Recipient must, to the extent permitted by law, fix, prescribe and collect rates, fees and charges for the System during each Fiscal Year which are reasonable, fair, and nondiscriminatory and which will be sufficient to generate Revenues in the amounts necessary to cover Operations and Maintenance Costs, and must ensure that Net Revenues are equal to the sum of (i) at least 120% of the Maximum Annual Debt Service with respect to all outstanding System Obligations senior to and on parity with the

Obligation and (ii) at least 100% of the Maximum Annual Debt Service with respect to all outstanding System Obligations subordinate to the Obligation, so long as System Obligations other than this Obligation are outstanding. Upon defeasance of all System Obligations other than this Obligation, this ratio must be at least 120%, except where System Obligations are defeased pursuant to refunding obligations.

(b) The Recipient may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.

(c) Upon consideration of a voter initiative to reduce Revenues, the Recipient must make a finding regarding the effect of such a reduction on the Recipient's ability to satisfy the rate covenant set forth in this Section. The Recipient must make its findings available to the public. The Recipient's Authorized Representative must request, if necessary, the authorization of the Recipient's decision-maker or decision-making body to file litigation to challenge any such initiative that it finds will render it unable to satisfy the rate covenant set forth in this Agreement and its obligation to operate and maintain the Project for its Useful Life. The Recipient must diligently pursue and bear any and all costs related to such challenge. The Recipient must notify and regularly update the State Water Board regarding the status of any such challenge.

#### B.4 ADDITIONAL DEBT.

(a) The Recipient's future debt that is secured by Revenues pledged herein may not be senior to this Obligation.

(b) The Recipient may issue additional parity or subordinate debt only if all of the following conditions are met:

- i. Net Revenues in the most recent Fiscal Year, excluding transfers from a rate stabilization fund, if any, meet the ratio for rate covenants set forth in this Exhibit with respect to any outstanding and proposed additional obligations;
- ii. The Recipient is in compliance with any reserve fund requirement of this Obligation.

#### B.5 NO LIENS.

The Recipient must not make any pledge of or place any lien on the Project, System, or Revenues except as otherwise provided or permitted by this Agreement.

## EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS

### C.1 REPRESENTATIONS & WARRANTIES.

The Recipient represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement.

#### C.1.1 Application and General Recipient Commitments.

The Recipient has not made any untrue statement of a material fact in its application for this financial assistance, or omitted to state in its application a material fact that makes the statements in its application not misleading.

The Recipient agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.

The Recipient agrees to fulfill all assurances, declarations, representations, and commitments in its application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

#### C.1.2 Authorization and Validity.

The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.

#### C.1.3 No Violations.

The execution, delivery, and performance by Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date set forth on the first page hereof, or result in any breach or default under any contract, obligation, indenture, or other instrument to which Recipient is a party or by which Recipient is bound as of the date set forth on the Cover Page.

#### C.1.4 No Litigation.

There are, as of the date of execution of this Agreement by the Recipient, no pending or, to Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect the financial condition or operations of the Recipient, the System, the Revenues, and/or the Project.

There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain the System or any of the real or personal property related to or necessary for the Project.

#### C.1.5 Property Rights and Water Rights.

The Recipient owns or has sufficient property rights in the Project property for the longer of the Useful Life or the term of this Agreement, either in fee simple or for a term of years that is not

subject to third-party revocation during the Useful Life of the Project. The Recipient possesses all water rights necessary for this Project.

#### C.1.6 Solvency and Insurance.

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient. The Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient is able to pay its debts as they become due. The Recipient maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

#### C.1.7 Legal Status and Eligibility.

The Recipient is duly organized and existing and in good standing under the laws of the State of California. Recipient must at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. The Recipient acknowledges that changes to its legal or financial status may affect its eligibility for funding under this Agreement and commits to maintaining its eligibility. Within the preceding ten years, the Recipient has not failed to demonstrate compliance with state or federal audit disallowances.

#### C.1.8 Financial Statements and Continuing Disclosure.

The financial statements of Recipient previously delivered to the State Water Board as of the date(s) set forth in such financial statements: (a) are materially complete and correct; (b) present fairly the financial condition of the Recipient; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of the Recipient, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by Recipient and approved in writing by the State Water Board.

The Recipient is current in its continuing disclosure obligations associated with its material debt, if any.

#### C.1.9 System Obligations

The Recipient has no System Obligations other than those defined in this Agreement.

#### C.1.10 No Other Material Debt.

The Recipient has no Material Obligations other than System Obligations.

#### C.1.11 Compliance with State Water Board Funding Agreements.

The Recipient represents that it is in compliance with all State Water Board funding agreements to which it is a party.

### C.2 DEFAULTS AND REMEDIES

In addition to any other remedy set forth in this Agreement, the following remedies are available under this Agreement.



C.2.1 Return of Funds; Acceleration; and Additional Payments.

Notwithstanding any other provision of this Agreement, if the Division determines that an Event of Default has occurred, the Recipient may be required, upon demand, immediately to do each of the following:

- i. return to the State Water Board any grant or principal forgiveness amounts received pursuant to this Agreement;
- ii. accelerate the payment of any principal owed under this Agreement, all of which shall be immediately due and payable;
- iii. pay interest at the highest legal rate on all of the foregoing; and
- iv. pay any Additional Payments.

C.2.2 [Reserved].

C.2.3 Judicial remedies.

Whenever the State Water Board determines that an Event of Default shall have occurred, the State Water Board may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. Without limiting the generality of the foregoing, the State Water Board may:

- i. by suit in equity, require the Recipient to account for amounts relating to this Agreement as if the Recipient were the trustee of an express trust;
- ii. by mandamus or other proceeding, compel the performance by the Recipient and any of its officers, agents, and employees of any duty under the law or of any obligation or covenant under this Agreement, including but not limited to the imposition and collection of rates for the services of the System sufficient to meet all requirements of this Agreement; and
- iii. take whatever action at law or in equity as may appear necessary or desirable to the State Water Board to collect the Payments then due or thereafter to become due, or to enforce performance of any obligation or covenant of the Recipient under this Agreement.

Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the State Water Board under this Agreement, the State Water Board may make application for the appointment of a receiver or custodian of the Revenues, pending such proceeding, with such power as the court making such appointment may confer.

C.2.4 Termination.

Upon an Event of Default, the State Water Board may terminate this Agreement. Interest shall accrue on all amounts due at the highest legal rate of interest from the date that the State Water Board delivers notice of termination to the Recipient.

C.2.5 Damages for Breach of Tax-Exempt Status.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the loss of tax-exempt status for any bonds of the State or any subdivision or agency thereof, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

#### C.2.6 Damages for Breach of Federal Conditions.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

#### C.2.7 Remedies and Limitations.

None of the remedies available to the State Water Board shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. The State Water Board may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy.

Any claim of the Recipient is limited to the rights and remedies provided to the Recipient under this Agreement and is subject to the claims procedures provided to the Recipient under this Agreement.

#### C.2.8 Non-Waiver.

Nothing in this Agreement shall affect or impair the Recipient's Obligation to pay Payments as provided herein or shall affect or impair the right of the State Water Board to bring suit to enforce such payment. No delay or omission of the State Water Board in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a waiver of any such Event of Default. The State Water Board may exercise from time to time and as often as shall be deemed expedient by the State Water Board, any remedy or right provided by law or pursuant to this Agreement.

#### C.2.9 Status Quo.

If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to the State Water Board, then the State Water Board shall be restored to its former position, rights and remedies as if no such action had been brought.

### C.3 STANDARD CONDITIONS

#### C.3.1 Access, Inspection, and Public Records.

The Recipient must ensure that the State Water Board, the Governor of the State, the United States Environmental Protection Agency, the Office of Inspector General, any member of Congress, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of the Agreement. The Recipient acknowledges that, except for a subset of information regarding archaeological records, the Project records and locations are public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, disbursement requests, and supporting documentation submitted hereunder.

#### C.3.2 Accounting and Auditing Standards; Financial Management Systems; Records Retention.

(a) The Recipient must maintain project accounts according to GAAP as issued by the Governmental Accounting Standards Board (GASB) or its successor. The Recipient must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets.

(b) The Recipient must comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this Agreement. To the extent applicable, the Recipient is bound by, and must comply with, the provisions and requirements of the federal Single Audit Act of 1984 and 2 CFR Part 200, subpart F, and updates or revisions, thereto.

(c) Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient must:

- i. Establish an official file for the Project which adequately documents all significant actions relative to the Project;
- ii. Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all assistance funds received under this Agreement;
- iii. Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to assistance funds disbursed under this Agreement;
- iv. Establish an accounting system which will accurately depict final total costs of the Project, including both direct and Indirect Costs;
- v. Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
- vi. If Force Account is used by the Recipient for any phase of the Project, other than for planning, design, and construction engineering and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect Costs from Force Account are not eligible for funding.

(d) The Recipient must maintain separate books, records and other material relative to the Project. The Recipient must also retain such books, records, and other material for itself and for each contractor or subcontractor who performed or performs work on this project for a minimum of thirty-six (36) years after Completion of Construction. The Recipient must require that such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the California State Auditor, the Bureau of State Audits, the United States Environmental Protection Agency (USEPA), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned. The Recipient must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

### C.3.3 Amendment.

No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by both the Recipient and the Deputy Director or designee.

Requests for amendments must be in writing and directed to the contact listed in Section 4 and to the Division's Chief of Loans and Grants Administration Section.

C.3.4 Assignability.

This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

C.3.5 Audit.

(a) The Division may call for an audit of financial information relative to the Project if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of state or federal requirements. If an audit is called for, the audit must be performed by a certified public accountant independent of the Recipient and at the cost of the Recipient. The audit must be in the form required by the Division.

(b) Audit disallowances must be returned to the State Water Board.

C.3.6 Bonding.

Where contractors are used, the Recipient must not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00.

C.3.7 Competitive Bidding

Recipient must adhere to any applicable state law or local ordinance for competitive bidding and applicable labor laws.

C.3.8 Compliance with Applicable Laws, Rules, and Requirements.

The Recipient must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, to the extent applicable, the Recipient must:

(a) Comply with the provisions of the adopted environmental mitigation plan, if any, for the term of this Agreement;

(b) Comply with the Policy; and

(c) Comply with and require compliance with the state and federal requirements set forth elsewhere in this Agreement.

C.3.9 Computer Software.

The Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

C.3.10 Conflict of Interest.

The Recipient certifies that its owners, officers, directors, agents, representatives, and employees are in compliance with applicable state and federal conflict of interest laws.

C.3.11 Continuous Use of Project; No Lease, Sale, Transfer of Ownership, or Disposal of Project.

The Recipient agrees that, except as provided in this Agreement, it will not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the Project during the Useful Life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all disbursed Project Funds or all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments that may be due.

#### C.3.12 Data Management.

The Recipient will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.

#### C.3.13 Disputes.

(a) The Recipient may appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.

(b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.

(c) Recipient must continue with the responsibilities under this Agreement during any dispute.

(d) This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

#### C.3.14 Drug-Free Workplace.

The Recipient certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act (Gov. Code. §§ 8350-8357). The Recipient shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the Recipient's workplace and specifying the actions to be taken against employees for violations of the prohibition. The Recipient shall establish a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace, the Recipient's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs, and penalties that may be imposed upon employees for drug abuse violations. The Recipient shall provide that every employee who works on the Project receives a copy of the Recipient's drug-free workplace policy statement and agrees to abide by the terms of the statement as a condition of employment on the Project.

#### C.3.15 Environmental Clearance.

(a) Notwithstanding any other provision, the State Water Board has no binding obligation to provide funding under this Agreement except for activities excluded from, not subject to, or exempt under the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). No work that is subject to CEQA or NEPA may proceed under this Agreement until the State Water Board has provided approval to proceed. Upon receipt and review of the Recipient's environmental documents, the State Water Board shall make the appropriate environmental findings before determining whether to

approve construction or implementation funding for the Project under this Agreement. Providing approval for such construction or implementation funding is fully discretionary. The State Water Board may require changes in the scope of work or additional mitigation as a condition to providing construction or implementation funding under this Agreement. Recipient shall not perform any work subject to CEQA and/or NEPA before the State Water Board completes its environmental review and specifies any changes in scope or additional mitigation that may be required. Proceeding with work subject to CEQA and/or NEPA without approval by the State Water Board shall constitute a breach of a material provision of this Agreement.

(b) If this Project includes modification of a river or stream channel, the Recipient must fully mitigate environmental impacts resulting from the modification. The Recipient must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.

#### C.3.16 Governing Law.

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

#### C.3.17 Income Restrictions.

The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient under this Agreement must be paid by the Recipient to the State Water Board, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.

#### C.3.18 Indemnification and State Reviews.

The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board, the Bank, and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the System or the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the System or the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System or the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement, except those arising from the gross negligence or willful

misconduct of the Indemnified Persons. The Recipient must also provide for the defense and indemnification of the Indemnified Persons in any contractual provision extending indemnity to the Recipient in any contract let for the performance of any work under this Agreement, and must cause the Indemnified Persons to be included within the scope of any provision for the indemnification and defense of the Recipient in any contract or subcontract. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section survive the term of this Agreement.

#### C.3.19 Independent Actor.

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

#### C.3.20 Integration.

This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on either party.

#### C.3.21 Leveraging Covenants.

(a) Notwithstanding any other provision hereof, the Recipient covenants and agrees that it will comply with the Tax Covenants set forth in Exhibit F of this Agreement.

(b) The Recipient covenants to furnish such financial, operating and other data pertaining to the Recipient as may be requested by the State Water Board to: (i) enable the State Water Board to cause the issuance of Bonds and provide for security therefor; or (ii) enable any underwriter of Bonds issued for the benefit of the State Water Board to comply with Rule 15c2-12(b)(5). The Recipient further covenants to provide the State Water Board with copies of all continuing disclosure documents or reports that are disclosed pursuant to (i) the Recipient's continuing disclosure undertaking or undertakings made in connection with any outstanding System Obligation, (ii) the terms of any outstanding System Obligation, or (iii) a voluntary disclosure of information related to an outstanding System Obligation. The Recipient must disclose such documents or reports to the State Water Board at the same time such documents or reports are submitted to any dissemination agent, trustee, nationally recognized municipal securities information repository, the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website or other person or entity.

#### C.3.22 No Discrimination.

(a) The Recipient must comply with Government Code section 11135 and the implementing regulations (Cal. Code Regs, tit. 2, § 11140 et seq.), including, but not limited to, ensuring that no person is unlawfully denied full and equal access to the benefits of, or unlawfully subjected to discrimination in the operation of, the Project or System on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation as such terms are defined under California law, for as long as the Recipient retains ownership or possession of the Project.

(b) If Project Funds are used to acquire or improve real property, the Recipient must include a covenant of nondiscrimination running with the land in the instrument effecting or recording the transfer of such real property.

(c) The Recipient must comply with the federal American with Disabilities Act of 1990 and implementing regulations as required by Government Code section 11135(b).

- (d) The Recipient's obligations under this section shall survive the term of this Agreement.
- (e) During the performance of this Agreement, Recipient and its contractors and subcontractors must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.
- (f) The Recipient, its contractors, and subcontractors must ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
- (g) The Recipient, its contractors, and subcontractors must comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
- (h) The Recipient, its contractors, and subcontractors must comply with all applicable federal civil rights regulations, including statutory and national policy requirements. (2 CFR § 200.300). This includes, to the greatest extent practicable and to the extent permitted by law, the requirement to respect and protect the freedom of persons and organizations to engage in political and religious speech. (Executive Order 13798).
- (i) The Recipient, its contractors, and subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- (j) The Recipient must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

#### C.3.23 No Third Party Rights.

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein.

#### C.3.24 No Obligation of the State.

Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.

#### C.3.25 Notice.

Upon the occurrence of any of the following events, the Recipient must provide notice as set forth below.

- (a) Within 24 hours of the following, the Recipient must notify the Division by phone at (916) 327-9978 and by email to [brenda.pauli@waterboards.ca.gov](mailto:brenda.pauli@waterboards.ca.gov); [matthew.freese@waterboards.ca.gov](mailto:matthew.freese@waterboards.ca.gov) and [DrinkingWaterSRF@waterboards.ca.gov](mailto:DrinkingWaterSRF@waterboards.ca.gov):
- i. The seizure of, or levy on, any Revenues securing this Agreement;
  - ii. Any discovery of any potential tribal cultural resource and/or archaeological or historical resource. Should a potential tribal cultural resource and/or archaeological or historical resource be discovered during construction or Project implementation, the Recipient must ensure that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made



recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Recipient must implement appropriate actions as directed by the Division.

- (b) [Reserved].
- (c) Within five (5) business days, the Recipient must notify the Division by phone at (916) 327-9978; by email to [Lance.Reese@waterboards.ca.gov](mailto:Lance.Reese@waterboards.ca.gov) [brenda.pauli@waterboards.ca.gov](mailto:brenda.pauli@waterboards.ca.gov); [matthew.freese@waterboards.ca.gov](mailto:matthew.freese@waterboards.ca.gov) and [DrinkingWaterSRF@waterboards.ca.gov](mailto:DrinkingWaterSRF@waterboards.ca.gov); and by mail to the contact address set forth in Section 4 of this Agreement of the occurrence of any of the following events:
- i. Bankruptcy, insolvency, receivership or similar event of the Recipient, or actions taken in anticipation of any of the foregoing;
  - ii. Change of ownership of the Project or the System or change of management or service contracts, if any, for operation of the System;
  - iii. Loss, theft, damage, or impairment to Project, the Revenues or the System;
  - iv. Failure to meet any debt service coverage test in Exhibit B of this agreement;
  - v. Draws on the Reserve Fund;
  - vi. Listed Events and Events of Default, except as otherwise set forth in this section;
  - vii. Failure to observe or perform any covenant or comply with any condition in this Agreement;
  - viii. An offer from a public entity to purchase the Project or the System or any portion thereof, or any of the real or personal property related to or necessary for the Project;
  - ix. A proceeding or action by a public entity to acquire the Project or the System by power of eminent domain;
  - x. Incurrence of a System Obligation or other Material Obligation by the Recipient; or
  - xi. A default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a System Obligation or other Material Obligation of the Recipient, any of which reflect financial difficulties.
- (d) Within ten (10) business days, the Recipient must notify the Division by phone at (916) 327-9978, by email to [brenda.pauli@waterboards.ca.gov](mailto:brenda.pauli@waterboards.ca.gov); [matthew.freese@waterboards.ca.gov](mailto:matthew.freese@waterboards.ca.gov) and [DrinkingWaterSRF@waterboards.ca.gov](mailto:DrinkingWaterSRF@waterboards.ca.gov), and by mail to the contact address set forth in Section 4 of this Agreement of the following events:
- i. Material defaults on Material Obligations, other than this Obligation;
  - ii. Unscheduled draws on material debt service reserves or credit enhancements, reflecting financial difficulties;
  - iii. Substitution of credit or liquidity providers, if any or their failure to perform;
  - iv. Any litigation pending or threatened with respect to the Project or the Recipient's technical, managerial or financial capacity to operate the System or the Recipient's continued existence;
  - v. Circulation of a petition to repeal, reduce, or otherwise challenge the Recipient's rates for services of the System;
  - vi. Consideration of dissolution, or disincorporation, or any other event that could materially impair the Revenues;
  - vii. Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds;

- viii. Rating changes on outstanding System Obligations, if any;
  - ix. Issuance of additional Parity Obligations;
  - x. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board; or
  - xi. Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, United States Environmental Protection Agency's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;
- (e) The Recipient must notify the Division promptly by phone at (916) 327-9978, by email to [brenda.pauli@waterboards.ca.gov](mailto:brenda.pauli@waterboards.ca.gov); [matthew.freese@waterboards.ca.gov](mailto:matthew.freese@waterboards.ca.gov) and [DrinkingWaterSRF@waterboards.ca.gov](mailto:DrinkingWaterSRF@waterboards.ca.gov), and by mail to the contact address set forth in Section 4 of this Agreement of any of the following events:
- i. The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this financial assistance, or in any certification, report, or request for disbursement made pursuant to this Agreement, by the Recipient, its employees, agents, or contractors;
  - ii. Any substantial change in scope of the Project. The Recipient must undertake no substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;
  - iii. Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
  - iv. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more;
  - v. Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Recipient agrees to promptly notify the Division. This notification is in addition to the Recipient's obligations under the federal Endangered Species Act;
  - vi. Any Project monitoring, demonstration, or other implementation activities required in Exhibit A or Exhibit D of this Agreement, if any;
  - vii. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state representatives with at least ten (10) working days' notice to the Division;
  - viii. Any allegation of research misconduct involving research activities that are supported in whole or in part with EPA funds under this Project, as required by Exhibit C.4.3(xxvii);
  - ix. Any events requiring notice to the Division pursuant to the provisions of this Agreement;
  - x. Completion of Construction of the Project, and actual Project Completion;
  - xi. The award of the prime construction contract for the Project;
  - xii. Initiation of construction of the Project.

#### C.3.26 Operation and Maintenance; Insurance.

The Recipient agrees to sufficiently and properly staff, operate and maintain all portions of the System during the Useful Life of the Project in accordance with all applicable state and federal laws, rules, and regulations.

The Recipient will procure and maintain or cause to be maintained insurance on the System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the System) as are usually covered in connection with systems similar to the System. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the System. The Recipient must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the System must be free and clear of all claims and liens. If such net proceeds are insufficient to reconstruct, repair, or restore the System to the extent necessary to enable the Recipient to pay all remaining unpaid principal portions of the Payments, if any, in accordance with the terms of this Agreement, the Recipient must provide additional funds to restore or replace the damaged portions of the System.

Recipient agrees that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

#### C.3.27 Permits, Subcontracting, and Remedies.

Recipient must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to the Division before any construction begins.

The Recipient must not contract or allow subcontracting with excluded parties. The Recipient must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. For any work related to this Agreement, the Recipient must not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at

[http://www.waterboards.ca.gov/water\\_issues/programs/enforcement/fwa/dbp.shtml](http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml)

#### C.3.28 Professionals.

The Recipient agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. To demonstrate compliance with California Code of Regulations, title 16, sections 415 and 3065, all technical reports must contain a statement of the qualifications of the responsible registered professional(s). As required by these laws, completed technical reports must bear

the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

#### C.3.29 Prevailing Wages.

The Recipient agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. The Recipient must monitor all agreements subject to reimbursement from this Agreement to ensure that the prevailing wage provisions of the State Labor Code are being met.

In addition, the Recipient agrees to comply with the Davis-Bacon provisions incorporated by reference in Section 3 of this Agreement.

#### C.3.30 Public Funding.

This Project is publicly funded. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

#### C.3.31 Recipient's Responsibility for Work.

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The State Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

#### C.3.32 Related Litigation.

Under no circumstances may the Recipient use funds from any disbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to repay all of the disbursed funds plus interest in the event that Recipient does not complete the project.

#### C.3.33 Rights in Data.

The Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request.

#### C.3.34 State Water Board Action; Costs and Attorney Fees.

Any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation

between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

C.3.35 Timeliness.

Time is of the essence in this Agreement.

C.3.36 Unenforceable Provision.

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

C.3.37 Venue.

Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

C.3.38 Waiver and Rights of the State Water Board.

Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.

C.4 MISCELLANEOUS STATE AND FEDERAL REQUIREMENTS

C.4.1 [Reserved].

C.4.2 State Cross-Cutters.

Recipient represents that, as applicable, it complies and covenants to maintain compliance with the following for the term of the Agreement:

- i. The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.
- ii. Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- iii. Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.
- iv. Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.
- v. Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- vi. Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).

- vii. Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.
- viii. Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- ix. Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- x. Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.

#### C.4.3 Federal Requirements and Cross-Cutters for SRF Funding.

The Recipient acknowledges, warrants compliance with, and covenants to continuing compliance with the following federal terms and conditions for the Useful Life of the Project:

- i. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient shall not purchase "iron and steel products" produced outside of the United States on this Project. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient hereby certifies that all "iron and steel products" used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. "Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
- ii. The Recipient must include in full the Wage Rate Requirements (Davis-Bacon) language incorporated by reference in Section 3 of this Agreement in all construction contracts and subcontracts.
- iii. The Recipient must comply with the signage requirements set forth in Exhibit A.
- iv. The Recipient shall notify the State Water Board and the USEPA contact of public or media events publicizing the accomplishment of significant events related to this Project and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.
- v. The Recipient shall comply with applicable EPA general terms and conditions found at <http://www.epa.gov/ogd>.
- vi. No Recipient may receive funding under this Agreement unless it has provided its Unique Entity Identifier, assigned by the System for Award management, to the State Water Board.
- vii. [Reserved].
- viii. The Recipient represents and warrants that it and its principals are not excluded or disqualified from participating in this transaction as such terms are defined in Parts 180 and 1532 of Title 2 of the Code of Federal Regulations (2 CFR). If the Recipient is excluded after execution of this Agreement, the Recipient shall notify the Division within ten (10) days and shall inform the  
Exhibit C

Division of the Recipient's exclusion in any request for amendment of this Agreement. The Recipient shall comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR. Such compliance is a condition precedent to the State Water Board's performance of its obligations under this Agreement. When entering into a covered transaction as defined in Parts 180 and 1532 of 2 CFR, the Recipient shall require the other party to the covered transaction to comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR.

- ix. To the extent applicable, the Recipient shall disclose to the State Water Board any potential conflict of interest consistent with USEPA's Final Financial Assistance Conflict of Interest Policy at <https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy>. A conflict of interest may result in disallowance of costs.
- x. USEPA and the State Water Board have the right to reproduce, publish, use and authorize others to reproduce, publish and use copyrighted works or other data developed under this assistance agreement.
- xi. Where an invention is made with Project Funds, USEPA and the State Water Board retain the right to a worldwide, nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention owned by the Recipient. The Recipient must utilize the Interagency Edison extramural invention reporting system at <http://iEdison.gov> and shall notify the Division when an invention report, patent report, or utilization report is filed.
- xii. The Recipient agrees that any reports, documents, publications or other materials developed for public distribution supported by this Agreement shall contain the Disclosure statement set forth in Exhibit A.
- xiii. The Recipient acknowledges that it is encouraged to follow guidelines established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, with respect to enabling individuals with disabilities to participate in its programs supported by this Project.
- xiv. The Recipient, its employees, contractors and subcontractors and their employees warrants that it will not engage in severe forms of trafficking in persons, procure a commercial sex act during the term of this Agreement, or use forced labor in the performance of this Agreement. The Recipient must include this provision in its contracts and subcontracts under this Agreement. The Recipient must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient understands that failure to comply with this provision may subject the State Water Board to loss of federal funds. The Recipient agrees to compensate the State Water Board for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement if the Recipient that is a private entity is determined to have violated the foregoing.
- xv. The Recipient certifies to the best of its knowledge and belief that:
  - a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
  - b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Agreement, the Recipient shall complete and

submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, and notify the State Water Board.

The Recipient shall require this certification from all parties to any contract or agreement that the Recipient enters into and under which the Recipient incurs costs for which it seeks disbursements under this Agreement.

- xvi. The Recipient must comply with the following federal non-discrimination requirements:
- a. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP).
  - b. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities.
  - c. The Age Discrimination Act of 1975, which prohibits age discrimination.
  - d. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, which prohibits discrimination on the basis of sex.
  - e. 40 CFR Part 7, as it relates to the foregoing.
- xvii. If the Project relates to construction of a publicly owned treatment works, where the Recipient contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services, the Recipient shall ensure that any such contract is negotiated in the same manner as a contract for architectural and engineering services is negotiated under chapter 11 of title 40, United States Code, or an equivalent State qualifications-based requirement as determined by the State Water Board.
- xviii. If the Project relates to construction of a publicly owned treatment works, the Recipient certifies that it has developed and is implementing a fiscal sustainability plan for the Project that includes an inventory of critical assets that are a part of the Project, an evaluation of the condition and performance of inventoried assets or asset groupings, a certification that the Recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan, and a plan for maintaining, repairing, and, as necessary, replacing the Project and a plan for funding such activities.
- xix. Executive Order No. 11246. The Recipient shall include in its contracts and subcontracts related to the Project the following provisions:
- "During the performance of this contract, the contractor agrees as follows:"(a) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.*
- "(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.*



*"(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*

*"(d) The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*

*"(e) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.*

*"(f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*

*"(g) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."*

- xx. The Recipient agrees to comply with the requirements of USEPA's Program for Utilization of Small, Minority and Women's Business Enterprises.
- xxi. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Recipient may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: <http://www.sam.gov/> .
- xxii. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655. The Recipient must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.105.
- xxiii. The Recipient agrees that if its network or information system is connected to USEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, it will ensure that any connections are secure.

- xxiv. All geospatial data created pursuant to this Agreement that is submitted to the State Water Board for use by USEPA or that is submitted directly to USEPA must be consistent with Federal Geographic Data Committee endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).
- xxv. If the Recipient is a water system that serves 500 or fewer persons, the Recipient represents that it has considered publicly-owned wells as an alternative drinking water supply.
- xxvi. The Recipient represents that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and it is not a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.
- xxvii. The Recipient agrees to immediately notify the Project Manager in writing about any allegation of research misconduct involving research activities that are supported in whole or in part with EPA funds under this Project, including fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results, or ordering, advising, or suggesting that subordinates engage in research misconduct.
- xxviii. The Recipient agrees to comply with, and require all contractors and subcontractors to comply with, EPA's Scientific Integrity Policy, available at <https://www.epa.gov/osa/policy-epa-scientific-integrity>, when conducting, supervising, and communicating science and when using or applying the results of science. For purposes of this condition scientific activities include, but are not limited to, computer modelling, economic analysis, field sampling, laboratory experimentation, demonstrating new technology, statistical analysis, and writing a review article on a scientific issue.
- The Recipient shall not suppress, alter, or otherwise impede the timely release of scientific findings or conclusions; intimidate or coerce scientists to alter scientific data, findings, or professional opinions or exert non-scientific influence on scientific advisory boards; knowingly misrepresent, exaggerate, or downplay areas of scientific uncertainty; or otherwise violate the EPA's Scientific Integrity Policy. The Recipient must refrain from acts of research misconduct, including publication or reporting, as described in EPA's Policy and Procedures for Addressing Research Misconduct, Section 9.C, and must ensure scientific findings are generated and disseminated in a timely and transparent manner, including scientific research performed by contractors and subcontractors.
- xxix. The Recipient agrees to comply with the Animal Welfare Act of 1966 (7 USC 2131-2156). Recipient also agrees to abide by the "U.S. Government Principles for the Utilization and Care of Vertebrate Animals used in Testing, Research, and Training," available at <http://grants.nih.gov/grants/olaw/references/phspol.htm#USGovPrinciples>.
- xxx. The Recipient certifies that no Project Funds will be used on:
- a. Video surveillance or telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
  - b. Telecommunications or video surveillance services produced by such entities;
  - c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to

- be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country; or
- d. Other telecommunications or video surveillance services or equipment in violation of 2 CFR 200.216.

EXHIBIT D – SPECIAL CONDITIONS

Technical:

- a) The Recipient acknowledges the provisions of California's Water Measurement Law (California Water Code, Division 1, Chapter 8, commencing with Section 500), and the Recipient agrees to commence charging, not later than one year following Project completion, a volumetric water rate to all customers whose water meters were installed as a component of the Project.
- b) All new construction materials/equipment must be free of lead.
- c) The recipient must provide a copy of its professional engineering services contract(s) to the Division prior to disbursement of funds or costs incurred under such contract(s).

FUNDS RELATED TO CONTAMINATION

(a) As a condition precedent to this Agreement and prior to any disbursement, the Recipient shall (i) notify the Division of any demands made by the Recipient against third parties for monetary damages, reimbursement of costs, or other relief, including litigation, related to drinking water contamination, including but not limited to contamination by 1,2,3-trichloropropane (1,2,3-TCP); and (ii) unless waived by the Division, notify and provide to the Division copies of any agreements with third parties (e.g., settlement agreements, consent agreements, etc.) or court or administrative orders arising out of litigation or disputes related to contamination of the drinking water associated with the Project.

(b) After execution of this Agreement, the Recipient shall notify the Division promptly of the new occurrence of any matters requiring notice under paragraph (a), above. Upon request, the Recipient shall promptly provide information and copies of documents as requested by the Division.

(c) The Recipient shall place all funds received after the date of this Agreement under any order or agreement described in paragraphs (a)(ii) and (b), above, into a restricted account to be used either for a capital improvement project that addresses the contamination, or for operation and maintenance of treatment or remediation of the contamination. Alternatively, upon consent of the Division, the funds received after the date of this Agreement under any such order or agreement shall be used as match funding for the Project or held in a restricted reserve account to support the financial capacity of the System.

(d) The amount of this Agreement may be reduced, and/or disbursements withheld, to offset amounts received under any contamination-related order or agreement described in paragraphs (a)(ii) or (b), above, to avoid double recovery. Noncompliance with paragraphs (a), (b), or (c) above shall be an Event of Default.

**EXHIBIT E – PAYMENT SCHEDULE**

See the attached preliminary Payment Schedule. The final Payment Schedule will be forwarded to the Recipient after all disbursements have been paid and construction of the Project has been completed.

## EXHIBIT F – TAX CERTIFICATE

### F.1 Purpose.

The purpose of this Exhibit F is to establish the reasonable expectations of the Recipient regarding the Project and the Project Funds, and is intended to be and may be relied upon for purposes of Sections 103, 141 and 148 of the Code and as a certification described in Section 1.148-2(b)(2) of the Treasury Regulations. This Exhibit F sets forth certain facts, estimates and circumstances which form the basis for the Recipient's expectation that neither the Project nor the Bond Funded Portion of the Project Funds is to be used in a manner that would cause the Obligation to be classified as "arbitrage bonds" under Section 148 of the Code or "private activity bonds" under Section 141 of the Code.

### F.2 Tax Covenant.

The Recipient agrees that it will not take or authorize any action or permit any action within its reasonable control to be taken, or fail to take any action within its reasonable control, with respect to the Project which would result in the loss of the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code.

### F.3 Governmental Unit.

The Recipient is a state or local governmental unit as defined in Section 1.103-1 of the Treasury Regulations or an instrumentality thereof (a "Governmental Unit") and is not the federal government or any agency or instrumentality thereof.

### F.4 Financing of a Capital Project.

The Recipient will use the Project Funds to finance capital expenditures it has incurred or will incur for the construction, reconstruction, installation or acquisition of the Project in accordance with the terms of this Agreement. Such expenditures shall not have previously been financed with the proceeds of any other issue of indebtedness except for interim financing by the Recipient, the date of maturity, prepayment or redemption of which is within thirty (30) days of the date of disbursement of Project Funds under this Agreement. All Project Funds shall be allocated to expenditures by the Recipient within thirty (30) days of the date of disbursement, including (if at all) Project Funds allocated to repay interim financing of the Recipient. For purposes of this Section F.4, "interim financing" means notes, commercial paper, loans, lines of credit and other forms of short-term borrowing.

### F.5 Ownership and Operation of Project.

The Recipient exclusively owns and, except as provided in Section F.12 hereof, operates the Project.

### F.6 Temporary Period.

The Recipient reasonably expects that at least eighty-five percent (85%) of the Bond Funded Portion of the Project Funds will be allocated to expenditures for the Project within three (3) years of the earlier of the effective date of this Agreement or the date the Bonds are issued ("Applicable Date"). The Recipient has incurred, or reasonably expects that it will incur within six (6) months of the Applicable Date, a substantial binding obligation (i.e., not subject to contingencies within the control of the Recipient or a related party) to a third party to expend at least five percent (5%) of the Bond Funded Portion of the Project Funds on Project Costs. The completion of acquisition, construction, improvement and equipping of the Project and the allocation of the Bond Funded Portion of the Project Funds to Project Costs will proceed with due diligence.

F.7 Working Capital.

No operational expenditures of the Recipient or any related entity are being, have been or will be financed or refinanced with Project Funds.

F.8 Expenditure of Proceeds.

The Bond Funded Portion of the Project Funds shall be used exclusively for the following purposes: (i) Reimbursement Expenditures (as defined in Section F.20 below), (ii) Preliminary Expenditures (as defined in Section F.20 below) in an aggregate amount not exceeding twenty percent (20%) of the Bond Funded Portion of the Project Funds, (iii) capital expenditures relating to the Project originally paid by the Recipient on or after the date hereof, (iv) interest on the Obligation through the later of three (3) years after the Applicable Date or one (1) year after the Project is placed in service, and (v) initial operating expenses directly associated with the Project in the aggregate amount not more than five percent (5%) of the Bond Funded Portion of the Project Funds.

F.9 Private Use and Private Payments.

No portion of the Project Funds or the Project is being, has been or will be used in the aggregate for any activities that constitute a Private Use (as defined below). No portion of the principal of or interest with respect to the Payments will be secured by any interest in property (whether or not the Project) used for a Private Use or in payments in respect of property used for a Private Use, or will be derived from payments in respect of property used for a Private Use. "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities, other than a Governmental Unit. The leasing of the Project or the access by or the use of the Project by a person or entity other than a Governmental Unit on a basis other than as a member of the general public shall constitute a Private Use. Use by or on behalf of the State of California or any of its agencies, instrumentalities or subdivisions or by any local Governmental Unit and use as a member of the general public will be disregarded in determining whether a Private Use exists. Use under an arrangement that conveys priority rights or other preferential benefits is generally not use on the same basis as the general public. Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if (i) different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable; or (ii) a specially negotiated rate arrangement is entered into, but only if the user is prohibited by federal law from paying the generally applicable rates, and the rates established are as comparable as reasonably possible to the generally applicable rates. An arrangement that does not otherwise convey priority rights or other preferential benefits is not treated, nevertheless, as general public use if the term of the use under the arrangement, including all renewal options, is greater than 200 days. For this purpose, a right of first refusal to renew use under the arrangement is not treated as a renewal option if (i) the compensation for the use under the arrangement is redetermined at generally applicable, fair market value rates that are in effect at the time of renewal; and (ii) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business.

F.10 No Sale, Lease or Private Operation of the Project.

The Project (or any portion thereof) will not be sold or otherwise disposed of, in whole or in part, to any person who is not a Governmental Unit prior to the final maturity date of the Obligation. The Project will not be leased to any person or entity that is not a Governmental Unit prior to the final maturity date of the Obligation. Except as permitted under Section F.12 hereof, the Recipient will not enter any contract or arrangement or cause or permit any contract or arrangement to be entered with persons or entities that are not Governmental Units if that contract or arrangement would confer on such persons or entities any right to use the Project on a basis different from the right of members of the general public. The contracts or arrangements contemplated by the preceding sentence include but are not limited to management contracts, take or pay contracts or put or pay contracts, and capacity guarantee contracts.

F.11 No Disproportionate or Unrelated Use.

No portion of the Project Funds or the Project is being, has been, or will be used for a Private Use that is unrelated or disproportionate to the governmental use of the Project Funds.

F.12 Management and Service Contracts.

The Recipient represents that, as of the date hereof, it is not a party to any contract, agreement or other arrangement with any persons or entities engaged in a trade or business (other than Governmental Units) that involve the management or operation of property or the provision of services at or with respect to the Project that does not comply with the standards of the Treasury Regulations, Revenue Procedure 97-13, as modified by Revenue Procedure 2001-39 and IRS Notice 2014-67, or Revenue Procedure 2017-13, as applicable. The Recipient represents that it will not be party to any such contract, agreement or arrangement with any person or entity that is not a Governmental Unit for the management of property or the provision of services at or with respect to the Project, while the Obligation (including any obligation or series thereof issued to refund the Obligation, as the case may be) is outstanding, except: (a) with respect to any contract, agreement or arrangement that does not constitute "private business use" of the Project under Code §141(b), or (b) with respect to any contract, agreement or arrangement that complies with (i) Revenue Procedure 97-13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 38, and as amplified by Notice 2014-67, with respect to contracts entered into before August 18, 2017 and not materially modified or extended after August 18, 2017, or (ii) Revenue Procedure 2017-13, with respect to contracts entered into or materially modified or extended on or after August 18, 2017, or (c) with respect to any contract, agreement or arrangement that does not give rise to use of the Bond Funded Portion of the Project Funds or the Project by a non-Governmental Unit of more than the amount of such non-qualified use permitted by the Code, or (d) in the event that the Recipient receives an opinion of counsel, satisfactory to the State Water Board and the Bank and expert in the issuance of state and local government bonds the interest on which is excluded from gross income under Section 103 of the Code ("Nationally-Recognized Bond Counsel"), that such contract, agreement or arrangement will not adversely affect the exclusion of the interest on the Obligation from gross income for federal income taxation purposes.

F.13 No Disposition of Financed Property.

As of the date hereof, the Recipient does not expect to sell or otherwise dispose of any portion of the Project, in whole or in part, prior to the final maturity date of the Obligation.

F.14 Useful Life of Project.

As of the date hereof, the Recipient reasonably expects that the economic useful life of the Project, commencing at Project Completion, will be at least equal to the term of this Agreement, as set forth in Exhibit A hereto.

F.15 Payments.

Payments generally are expected to be derived from assessments, taxes, fees, charges or other current Revenues of the Recipient in each year, and such current Revenues are expected to equal or exceed the Payments during each payment period. Any amounts accumulated in a sinking fund or bona fide debt service fund to pay Payments (whether or not deposited to a fund or account established by the Recipient) will be disbursed to pay Payments within thirteen months of the initial date of accumulation or deposit. Any such fund used for the payment of Payments will be depleted once a year except for a reasonable carryover amount not exceeding the greater of earnings on such fund or one-twelfth of the Payments in either case for the immediately preceding year.

F.16 No Other Replacement Proceeds.

The Recipient will not use any of the Bond Funded Portion of the Project Funds to replace or substitute other funds of the Recipient that were otherwise to be used to finance the Project or which are or will be used to acquire securities, obligations or other investment property reasonably expected to produce a yield that is materially higher than the yield on the Bonds.



F.17 No Sinking or Pledged Fund.

Except as set forth in Section F.18 below, the Recipient will not create or establish any sinking fund or pledged fund which will be used to pay Payments on the Obligation within the meaning of Section 1.148-1(c) of the Treasury Regulations. If any sinking fund or pledged fund comes into being with respect to the Obligation before the Obligation has been fully retired which may be used to pay the Payments, the Recipient will invest such sinking fund and pledged fund moneys at a yield that does not exceed the yield on the Bonds.

F.18 Reserve Amount.

The State Water Board requires that the Recipient maintain and fund a separate account in an amount equal to one (1) year of debt service with respect to the Obligation (the "Reserve Amount") as set forth in Exhibit B. The Recipient represents that the Reserve Amount is and will be available to pay debt service with respect to the Obligation, if and when needed. The Reserve Amount consists solely of revenues of the Recipient and does not include any proceeds of any obligations the interest on which is excluded from gross income for federal income tax purposes or investment earnings thereon. The aggregate of the Reserve Amount, up to an amount not exceeding the lesser of (i) ten percent of the aggregate principal amount of the Obligation, (ii) the maximum annual debt service with respect to the Obligation, or (iii) 125 percent of the average annual debt service with respect to the Obligation, will be treated as a reasonably required reserve fund.

F.19 Reimbursement Resolution.

The "reimbursement resolution" adopted by the Recipient is incorporated herein by reference.

F.20 Reimbursement Expenditures.

Reimbursements are disallowed, except as specifically authorized in Exhibit B or Exhibit D of this Agreement. To the extent so authorized, a portion of the Bond Funded Portion of the Project Funds may be applied to reimburse the Recipient for Project Costs paid before the date hereof, so long as the Project Cost was (i) not paid prior to sixty (60) days before the Recipient's adoption of a declaration of official intent to finance the Project, (ii) not paid more than eighteen (18) months prior to the date hereof or the date the Project was placed-in-service, whichever is later, and (iii) not paid more than three (3) years prior to the date hereof (collectively, "Reimbursement Expenditures"), unless such cost is attributable to a "preliminary expenditure." Preliminary expenditure for this purpose means architectural, engineering, surveying, soil testing and similar costs incurred prior to the commencement of construction or rehabilitation of the Project, but does not include land acquisition, site preparation and similar costs incident to the commencement of acquisition, construction or rehabilitation of the Project. Preliminary expenditures may not exceed 20% of the Bond Funded Portion of the Project Funds.

F.21 Change in Use of the Project.

The Recipient reasonably expects to use all of the Bond Funded Portion of the Project Funds and the Project for the entire stated term to maturity of the Obligation. Absent an opinion of Nationally-Recognized Bond Counsel to the effect that such use of the Bond Funded Portion of the Project Funds will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to Section 103 of the Code, the Recipient will use the Bond Funded Portion of the Project Funds and the Project solely as set forth in this Agreement.

F.22 Rebate Obligations.

If the Recipient satisfies the requirements of one of the spending exceptions to rebate specified in Section 1.148-7 of the Treasury Regulations, amounts earned from investments, if any, acquired with the Bond Funded Portion of the Project Funds will not be subject to the rebate requirements imposed under Section 148(f) of the Code. If the Recipient fails to satisfy such requirements for any period, it will notify the State Water Board and the Bank immediately and will comply with the provisions of the Code and the Treasury Regulations at such time, including the payment of any rebate amount calculated by the State Water Board or the Bank.

F.23 No Federal Guarantee.

The Recipient will not directly or indirectly use any of the Bond Funded Portion of the Project Funds in any manner that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code, taking into account various exceptions including any guarantee related to investments during an initial temporary period until needed for the governmental purpose of the Bonds, investments as part of a bona fide debt service fund, investments of a reasonably required reserve or replacement fund, investments in bonds issued by the United States Treasury, investments in refunding escrow funds or certain other investments permitted under the Treasury Regulations.

F.24 No Notices or Inquiries from IRS.

Within the last 10 years, the Recipient has not received any notice of a final action of the Internal Revenue Service that determines that interest paid or payable on any debt obligation of the Recipient is or was includable in the gross income of an owner or beneficial owner thereof for federal income tax purposes under the Code.

F.25 Amendments.

The provisions in this Exhibit may be amended, modified or supplemented at any time to reflect changes in the Code upon obtaining written approval of the State Water Board and the Bank and an opinion of Nationally-Recognized Bond Counsel to the effect that such amendment, modification or supplement will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to Section 103 of the Code.

F.26 Reasonable Expectations.

The Recipient warrants that, to the best of its knowledge, information and belief, and based on the facts and estimates as set forth in the tax covenants in this Exhibit, the expectations of the Recipient as set forth in this Exhibit are reasonable. The Recipient is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in the provisions in this Exhibit.

F.27 Assignment.

The Recipient consents to any pledge, sale, or assignment to the Bank or a trustee for the benefit of the owners of the Bonds, if any, at any time of any portion of the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement and the right to make all related waivers and agreements in the name and on behalf of the State Water Board, as agent and attorney-in-fact, and to perform all other related acts which are necessary and appropriate under this Agreement, if any, and the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement to Payments (but excluding the State Water Board's rights to Additional Payments and to notices, opinions and indemnification under each Obligation).

**STAFF REPORT  
ITEM #: 7-B****MEMO****TO: Corcoran City Council****FROM: Greg Gatzka, City Manager****DATE: December 9, 2021****MEETING DATE: December 14, 2021****SUBJECT: California Agreement for Opioid Settlement****Summary:**

Registration with the State to participate in the California State Subdivision Agreement for eligibility of receiving Settlement Funds from the Distributor Settlement and Janssen Settlement.

**Recommendation:**

Authorize the City of Corcoran to participate in both California Opioid Settlement Agreements.

**Budget impact:**

None with this action. By agreeing to participate in the two agreements, the City of Corcoran will be eligible to receive 0.0107032% of the State's settlement from Distributor Settlement, and 0.0107032% from the Janssen Settlement. It is unknown at this time what dollar amount the State will receive, but in order for the City to be eligible to receive funds, the City of Corcoran must register as part of both California State-subdivision Agreements.

**Background:**

On, November 17, 2021, the Office of the Attorney General and League of California Cities advised all Cities and Counties within the State of California of their eligibility to participate in the two California State-Subdivision Agreements as part of the National Opioid Settlement. The deadline to register with the State is January 2, 2022. The Distributor Settlement Agreement is related to a settlement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation. The Janssen Settlement Agreement is related to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc. and Janssen Pharmaceutica, Inc. Any funds received from these settlement agreements must be used for future opioid remediation subject to the limitations in the agreement.

**Attachments:**

Registration for the Distributor Settlement

Registration for the Janssen Settlement



Thank you for registering your subdivision on the national settlement website and for considering participating in the proposed Settlement Agreement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation (collectively “Settling Distributors”). This virtual envelope contains a Participation Form for the settlement including a release of claims and a separate Signature Page for California’s Proposed State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds. Both documents in this envelope must be executed, without alteration, and submitted in order for your subdivision to be considered potentially “participating.”

The sign-on period for subdivisions ends on January 2, 2022. On or after that date, the states (in consultation with the subdivisions) and the Settling Distributors will determine whether the subdivision participation rate is sufficient for the settlement to move forward. If the deal moves forward, your release will become effective. If it does not, it will not.

As a reminder, if you have not already started your review of the settlement documentation, detailed information about the Settlements may be found at: <https://nationalopioidsettlement.com/>. This national settlement website also includes links to information about how the Settlements are being implemented in your state and how settlement funds will be allocated within your state, including information about, and links to, any applicable allocation agreement or legislation. This website will be supplemented as additional documents are created. California has also created a state-specific website which may be accessed here: <https://oag.ca.gov/opioids>. If you have questions, please contact [OpioidSettlement-LocalGovernment@doj.ca.gov](mailto:OpioidSettlement-LocalGovernment@doj.ca.gov).

**Settlement Participation Form**

Governmental Entity: Corcoran city	State: CA
Authorized Signatory: Greg Gatzka	
Address 1: 832 Whitley Ave.	
Address 2:	
City, State, Zip: Corcoran	California 93212
Phone: (559) 992-2151 ext. 2510	
Email: greg.gatzka@cityofcorcoran.com	

The governmental entity identified above (“Governmental Entity”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 (“Distributor Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Distributor Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Distributor Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Distributor Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Distributor Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Distributor Settlement and becoming a Releaser, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Distributor Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Distributor Settlement.
7. The Governmental Entity has the right to enforce the Distributor Settlement as provided therein.



8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Distributor Settlement, including but not limited to all provisions of Part XI, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Distributor Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Distributor Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Distributor Settlement.
10. In connection with the releases provided for in the Distributor Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Distributor Settlement.
11. Nothing herein is intended to modify in any way the terms of the Distributor Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Distributor Settlement in any respect, the Distributor Settlement controls.



**I swear under penalty of perjury that I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.**

**Signature:** \_\_\_\_\_

**Name:** Greg Gatzka

**Title:** City Manager

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





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

**1. Introduction**

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

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

**2. Definitions**

- a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Distributor Settlement Agreement.
- b) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.
- c) *Litigating Special District* means a school district, fire protection district, health authority, health plan, or other special district that has filed a lawsuit against an Opioid Defendant. Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.
- d) *Plaintiff Subdivision* means a Subdivision located in California, other than a Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

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

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

### **3. General Terms**

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

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

### **4. State Allocation**

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

#### **A. State of California Allocation**

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

#### **B. CA Abatement Accounts Fund**

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

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

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

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

- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Distributor Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Distributor Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.
- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

**ii. Use of CA Abatement Accounts Funds**

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Distributor Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
  - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
  - (2) creating new or expanded Substance Use Disorder (“SUD”) treatment infrastructure;
  - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
  - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
  - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services (“DHCS”) may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the Distributor Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

**iii. CA Abatement Accounts Fund Oversight**

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Distributor Settlement Agreement or this CA Distributor Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Distributor Settlement Agreement or this CA Distributor Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

**C. CA Subdivision Fund**

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

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

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

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

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

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

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

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

## **5. State and Subdivision Reporting**

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the Distributor Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and the Distributors.
- e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

**6. Miscellaneous**

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Distributor Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Distributor Settlement Agreement, this CA Distributor Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Distributor Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the Distributor Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.



The undersigned, Corcoran city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Distributor Settlement is a requirement to be an Initial Participating Subdivision in the Distributor Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Distributor Settlement.

I swear under penalty of perjury that I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: Greg Gatzka

Title: City Manager

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



## APPENDIX I

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

## APPENDIX 1

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

## APPENDIX 1

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

## APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Arcata	Humboldt	0.054%		0.0447660%
City	Eureka	Humboldt	0.117%	0.143%	0.1216284%
City	Fortuna	Humboldt	0.032%		0.02666837%
County	<b>Imperial County</b>	Imperial	0.258%	0.315%	0.2679006%
City	Brawley	Imperial	0.011%		0.0087986%
City	Calexico	Imperial	0.019%		0.0152799%
City	El Centro	Imperial	0.158%		0.1302522%
City	Imperial	Imperial	0.006%		0.0048791%
County	<b>Inyo County</b>	Inyo	0.073%	0.089%	0.0754413%
County	<b>Kern County</b>	Kern	2.517%	3.079%	2.6159145%
City	Arvin	Kern	0.006%		0.0046425%
City	Bakersfield	Kern	0.212%		0.1747198%
City	California City	Kern	0.009%		0.0070820%
City	Delano	Kern	0.030%		0.0249316%
City	McFarland	Kern	0.003%		0.0025644%
City	Ridgecrest	Kern	0.015%		0.0120938%
City	Shafter	Kern	0.013%		0.0103417%
City	Tehachapi	Kern	0.009%		0.0073580%
City	Wasco	Kern	0.008%		0.0069861%
County	<b>Kings County</b>	Kings	0.293%		0.2413469%
City	Avenal	Kings	0.007%		0.0056335%
City	Corcoran	Kings	0.013%		0.0107032%
City	Hanford	Kings	0.027%		0.0226038%
City	Lemoore	Kings	0.016%		0.0131900%
County	<b>Lake County</b>	Lake	0.795%		0.6545389%
City	Clearlake	Lake	0.041%	0.050%	0.0426253%
City	Lakeport	Lake	0.021%	0.026%	0.0222964%
County	<b>Lassen County</b>	Lassen	0.319%	0.391%	0.3320610%
City	Susanville	Lassen	0.027%		0.0219295%
County	<b>Los Angeles County</b>	Los Angeles	13.896%	16.999%	14.4437559%



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

## APPENDIX 1

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

## APPENDIX 1

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



## APPENDIX 1

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

## APPENDIX 1

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

## APPENDIX 1

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



## APPENDIX 1

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

## APPENDIX 1

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

## APPENDIX 1

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



## APPENDIX I

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

## APPENDIX 1

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



## APPENDIX 1

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

## APPENDIX 2

### Cost Reimbursement Procedure

#### 1. Additional defined terms:

- a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were paid or incurred (i) prior to July 21, 2021 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting this CA Distributor Allocation Agreement. Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.
- b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the Distributor Settlement Agreement or Section XI and Exhibit R of the Janssen Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.
- c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.
- d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

#### 2. Cost Reimbursement to Plaintiff Subdivision

- a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating a National Opioid Settlement with Distributors, Johnson & Johnson, and others.
- b) Claims Procedure.
  - i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section X or Exhibit R of the Distributor Settlement Agreement or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for

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

- ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.
- iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.
- iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.
- v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.
- vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section V.B.2 of the Distributor Agreement.
- vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and the Distributors a

report of the fees and expenses incurred by the Special Master pursuant to Section V.B.2 of the Distributor Agreement.

c) Claims Priority and Limitation.

- i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.
- ii. Final Awards of Costs that do not exceed seventy-five thousand dollars (\$75,000.00) will be paid next in priority after the Special Master's approved invoices.
- iii. Final Awards of Costs in excess of seventy-five thousand dollars (\$75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.
- iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.
- v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.
- vi. In no event shall more than \$28 million of the total CA Subdivision Funds paid pursuant to the Distributor Settlement Agreement and the Janssen Settlement Agreement be used to pay Costs.

d) Collateral Source Payments and Third-Party Settlement.

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

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

### APPENDIX 3

#### CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

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

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

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

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

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

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

[DATE]

[SUBDIVISION SIGNATURE BLOCK]

[DATE]

[COUNSEL SIGNATURE BLOCK]

[DATE]

[ATTORNEY GENERAL SIGNATURE BLOCK]

Thank you for registering your subdivision on the national settlement website and for considering participating in the proposed Settlement Agreement with Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. (collectively “Janssen”). This virtual envelope contains a Participation Form for the settlement including a release of claims and a separate Signature Page for California’s Proposed State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds. Both documents in this envelope must be executed, without alteration, and submitted in order for your subdivision to be considered potentially “participating.”

The sign-on period for subdivisions ends on January 2, 2022. On or after that date, the states (in consultation with the subdivisions) and Janssen will determine whether the subdivision participation rate is sufficient for the settlement to move forward. If the deal moves forward, your release will become effective. If it does not, it will not.

As a reminder, if you have not already started your review of the settlement documentation, detailed information about the Settlements may be found at: <https://nationalopioidsettlement.com/>. This national settlement website also includes links to information about how the Settlements are being implemented in your state and how settlement funds will be allocated within your state, including information about, and links to, any applicable allocation agreement or legislation. This website will be supplemented as additional documents are created. California has also created a state-specific website which may be accessed here: <https://oag.ca.gov/opioids>. If you have questions, please contact [OpioidSettlement-LocalGovernment@doj.ca.gov](mailto:OpioidSettlement-LocalGovernment@doj.ca.gov).

**Settlement Participation Form**

Governmental Entity: Corcoran city	State: CA
Authorized Signatory: Greg Gatzka	
Address 1: 832 Whitley Ave.	
Address 2:	
City, State, Zip: Corcoran	California 93212
Phone: (559) 992-2151 ext. 2510	
Email: greg.gatzka@cityofcorcoran.com	

The governmental entity identified above (“Governmental Entity”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 (“Janssen Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Janssen Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Janssen Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Janssen Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Janssen Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Janssen Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Janssen Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Janssen Settlement.
7. The Governmental Entity has the right to enforce the Janssen Settlement as provided therein.





8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Janssen Settlement, including but not limited to all provisions of Section IV (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Janssen Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Janssen Settlement shall be a complete bar to any Released Claim.
  
9. In connection with the releases provided for in the Janssen Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Janssen Settlement.
  
10. Nothing herein is intended to modify in any way the terms of the Janssen Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Janssen Settlement in any respect, the Janssen Settlement controls.



I swear under penalty of perjury that I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: Greg Gatzka

Title: City Manager

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



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

**1. Introduction**

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

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

**2. Definitions**

- a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Janssen Settlement Agreement.
- b) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.
- c) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.
- d) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.
- e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc.,

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

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

### **3. General Terms**

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

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

### **4. State Allocation**

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

#### **A. State of California Allocation**

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

#### **B. CA Abatement Accounts Fund**

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

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

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

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

- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Janssen Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Janssen Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.
- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

**ii. Use of CA Abatement Accounts Funds**

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Janssen Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
  - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
  - (2) creating new or expanded Substance Use Disorder (“SUD”) treatment infrastructure;
  - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
  - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
  - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services (“DHCS”) may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the Janssen Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

**iii. CA Abatement Accounts Fund Oversight**

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Janssen Settlement Agreement or this CA Janssen Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Janssen Settlement Agreement or this CA Janssen Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

**C. CA Subdivision Fund**

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

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

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

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

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

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



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

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

## **5. State and Subdivision Reporting**

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section VI(B)(2) of the Janssen Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Janssen.
- e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

**6. Miscellaneous**

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Janssen Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Janssen Settlement Agreement, this CA Janssen Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Janssen Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the Janssen Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

The undersigned, Corcoran city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Janssen Settlement is a requirement to be an Initial Participating Subdivision in the Janssen Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Janssen Settlement.

I swear under penalty of perjury that I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: Greg Gatzka

Title: City Manager

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



## APPENDIX 1

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

## APPENDIX I

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

## APPENDIX 1

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

## APPENDIX I

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



## APPENDIX 1

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



## APPENDIX 1

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

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

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



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

## APPENDIX I

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

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



## APPENDIX 1

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

## APPENDIX I

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



## APPENDIX 1

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

## APPENDIX 1

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

## APPENDIX I

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

## APPENDIX 2

### Cost Reimbursement Procedure

#### 1. Additional defined terms:

- a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were paid or incurred (i) prior to July 21, 2021 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting this CA Janssen Allocation Agreement. Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.
- b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the Distributor Settlement Agreement or Section XI and Exhibit R of the Janssen Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.
- c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.
- d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

#### 2. Cost Reimbursement to Plaintiff Subdivision

- a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating a National Opioid Settlement with Distributors, Johnson & Johnson, and others.
- b) Claims Procedure.
  - i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section X or Exhibit R of the Distributor Settlement Agreement or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for

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

- ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.
- iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.
- iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.
- v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.
- vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section VI.B.2 of the Janssen Agreement.
- vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Janssen a report

of the fees and expenses incurred by the Special Master pursuant to Section VI.B.2 of the Janssen Agreement.

c) Claims Priority and Limitation.

- i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.
- ii. Final Awards of Costs that do not exceed seventy-five thousand dollars (\$75,000.00) will be paid next in priority after the Special Master's approved invoices.
- iii. Final Awards of Costs in excess of seventy-five thousand dollars (\$75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.
- iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.
- v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.
- vi. In no event shall more than \$28 million of the total CA Subdivision Funds paid pursuant to the Distributor Settlement Agreement and the Janssen Settlement Agreement be used to pay Costs.

d) Collateral Source Payments and Third-Party Settlement.

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

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



**APPENDIX 3**

**CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT**

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

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

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

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

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

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

[DATE]

[SUBDIVISION SIGNATURE BLOCK]

[DATE]

[COUNSEL SIGNATURE BLOCK]

[DATE]

[ATTORNEY GENERAL SIGNATURE BLOCK]



City of

# CORCORAN

A MUNICIPAL CORPORATION

FOUNDED 1914

**STAFF REPORT  
ITEM #: 7-C**

**MEMO**

**TO:** Corcoran City Council

**FROM:** Marlene Spain, City Clerk/ Assistant to the City Manager

**DATE:** December 10, 2021

**MEETING DATE:** December 14, 2021

**SUBJECT:** Consider appointment(s) to the Corcoran Planning Commission

**Recommendation:**

Fill one (1) unscheduled vacancy and alternate vacancy(ies) on the City of Corcoran Planning Commission.

**Discussion:**

Following direction provided to Staff, a notice announcing the unscheduled vacancy on the Planning Commission was published in the Corcoran Journal. The filing deadline to submit an application was set for November 25, 2021.

Attached for Council review are the applications received by Jason Mustain. We also received and addition application by Katlyn Smith, however, it was submitted after the deadline.

The unscheduled appointment is for the remainder of Vicente Carrasco's term which would expire on December 31, 2022.

Once an appointment is made, staff will notify the applicants of the Council's decision.

**Budget Impact:**

None

City Offices

**COMMISSION/COMMITTEE MEMBERSHIP APPLICATION**

I hereby express an interest in being appointed to the following commission or committee: (Please print or type)

Name Robert Jason Mustain Telephone No. (559) 362-4243

Address 1017 Josephine Avenue Corcoran Ca 93212

Length of Residency in Corcoran 19 years

Occupation Fire Captain

Education Some College

Affiliations Real Estate Agent, Property Investor

Reason(s) for Seeking Appointment I would like the challenge and honor to serve this great commuinity again and be apart of the development and planning of Corcoran's future.

Additional Comments I have previously served as Planning Commission and the City Council and would appreciate the opportunity to serve once again.

(attach additional sheets if needed)

Signature [Handwritten Signature]

Date 11-1-2021

RETURN COMPLETED FORM TO: City Clerk  
City of Corcoran  
832 Whitley Avenue  
Corcoran, CA 93212



For Inquiries Phone: 559-992-2151 extension 235

**COMMISSION/COMMITTEE MEMBERSHIP APPLICATION**

I hereby express an interest in being appointed to the following commission or committee: (Please print or type)

Corcoran Planning Commision

Name Katlyn SmithFrazier Telephone No. (559) 362-4200

Address 1030 Josephine Corcoran CA 93212

Length of Residency in Corcoran 35 years

Occupation Office Manager / Kings Mosquito Abatement Dis.

Education High School / Some College

Affiliations Corcoran Little League / Corcoran Chamber /

Christmas Tree Committee / RAC / Pine Village HOA / Corcoran Blue Dolp

Reason(s) for Seeking Appointment Very involved in our Community

Additional Comments \_\_\_\_\_

(attach additional sheets if needed)

Signature Katlyn Frazier

Date 12/09/2021

RETURN COMPLETED FORM TO:

City Clerk  
City of Corcoran  
832 Whitley Avenue  
Corcoran, CA 93212



For Inquiries Phone: 559-992-2151 extension 235



City of

# CORCORAN

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## MATTERS FOR MAYOR AND COUNCIL ITEM #: 8

### MEMORANDUM

**MEETING DATE:** December 14, 2021  
**TO:** Corcoran City Council  
**FROM:** Greg Gatzka, City Manager  
**SUBJECT:** Matters for Mayor and Council

#### UPCOMING EVENTS / MEETINGS

- December 15, 2021 (Wednesday) Employee Appreciation Luncheon- 11:30 a.m. at the Veteran's Hall
- December 24 and 27 (Friday and Monday) City Offices Closed in Observation of Christmas
- January 31, 2021 (Friday) City Officer Closed in Observation of New Year's Day
- January 11, 2021 (Tuesday) City Council Meeting – 5:30 PM

- A. City Manager's Report:
  
- B. Council Comments – *This is the time for council members to comment on matters of interest.*
  - 1. Staff Referral Items
  
- C. Committee Reports
  - 1. Kings Waste and Recycling Agency (KWRA)
  - 2. Kings County Association of Governments (KCAG)
  - 3. Kings Community Action Organization

City Offices





**COUNCIL REQUESTS OR REFERRAL ITEMS  
PENDING FURTHER ACTION or RESOLUTION BY STAFF**

<b>DATE</b> Sent to Council/ Request made	<b>REQUEST</b>	<b>STATUS</b>	<b>DEPARTMENT RESPONSIBLE</b> Dept/Division
01/20/21	Staff has been in contact with several members of the Corcoran Cemetery District Board. Effort is being made to coordinate a time for the requested meeting.	In progress	City Manager
09/06/20	Council requested informal meeting with two members of the Corcoran Cemetery District Board.		
06/13/20	Council directed Staff to begin preparing a public nuisance ordinance.	In progress	Community Development/Police Department
03/12/19	Council requested that Staff prepare ordinance specifically prohibiting smoking in public parks. It was recommended that the City also consider an ordinance prohibiting dogs in public parks.	In progress	Community Development

