

Tuesday, July 16, 2013, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

**Americans With Disabilities Act** - The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6000) 24 hours prior to the meeting.

**Addressing the Council on Items on the Agenda** - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. Each citizen will be allowed a maximum of five minutes for input or testimony. At the Mayor's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

**Consent Calendar** - All items listed on the Consent Calendar are considered routine and/or consistent with previous Council direction. A motion and roll call vote may enact the entire Consent Calendar. No separate discussion of Consent Calendar items will occur unless members of the City Council, City staff or the public request discussion on a specific item at the beginning of the meeting.

**Addressing the Council on Items not on the Agenda** - The Brown Act prohibits discussion or action on items not on the posted agenda. Members of the public addressing the Council should state their names and addresses for the record, and for contact information. The City Council's Procedures for the Conduct of Public Meetings provide that "Items from the Audience" following the Consent Calendar will be limited to 15 minutes. "Items from the Audience" listed near the end of the agenda will not have a maximum time limit. Each member of the public will be allowed a maximum of five minutes for public input or testimony. However, a maximum time limit of less than five minutes for public input or testimony may be set for "Items from the Audience" depending upon the number of members of the public wishing to provide public input or testimony. The five minute maximum time limit for each member of the public applies to all "Items from the Audience." Any item not on the agenda, brought up by a member of the public shall automatically be referred to staff. In accordance with Council policy, if staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member to sponsor the item for discussion at a future meeting. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

**Presentations to Council** - Persons who wish to make presentations which may exceed the time limits are encouraged to submit comments in writing at the earliest possible time to ensure distribution to Council and other interested parties. Requests for letters to be read into the record will be granted only upon approval of the majority of the Council. Power Point (or similar) presentations need to be provided to the City Clerk's office at least 24 hours prior to the meeting. All presentations must comply with the applicable time limits. Prior to the presentation, a hard copy of the Power Point (or similar) presentation will be provided to the City Clerk's office for inclusion in the record of the meeting and copies shall be provided to the Council. Failure to comply will result in the presentation being rejected. Any materials distributed to a majority of the Council regarding an item on the agenda shall be made available for public inspection at the City Clerk's office (address above) during regular business hours.

**Notice** - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

Full copies of the agenda are available at City Hall, 333 Civic Center Plaza, the Tracy Public Library, 20 East Eaton Avenue, and on the City's website [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

CALL TO ORDER  
PLEDGE OF ALLEGIANCE  
INVOCATION  
ROLL CALL

1. CONSENT CALENDAR
  - A. Approval of Minutes
  - B. Authorize the Mayor to Sign a Quitclaim Deed Conveying Vacated Right-of-Way on Schulte Road to the Tracy Public Cemetery District, and Authorize the City Clerk to File the Quitclaim Deed with the San Joaquin County Recorder
  - C. Acceptance of the Tracy Airport Fixed Base Operator (FBO) Meter – CIP 77035A, Completed by Bockmon & Woody Electric Co., Inc. of Stockton, California, and Authorization for the City Clerk to File the Notice of Completion
  - D. Acceptance of the Corral Hollow Road Pavement Repair and Resurfacing (North of Linne Road to Peony Drive) – CIP 73127, (Federal Project Number RSTP-5192 (036)), Completed by Knife River Construction of Stockton, California, and Authorization for the City Clerk to File the Notice of Completion
  - E. Award a Construction Contract for Traffic Related Capital Improvement Projects (CIP 72072, 72080, and 72083) and Authorize the Mayor to Execute the Contract
  - F. Acceptance of the Bus Stop Improvements Project (Phase II) on Various City Streets - CIP 77539, Federal Transportation Improvement Program (TIP) No. 212-0000-0457, Grant No. CA-96-X003, Completed by American Asphalt, Inc., of Hayward, California, and Authorization for the City Clerk to File the Notice of Completion
  - G. Authorize an Appropriation of \$10,810 from the 2013 Edward Byrne Memorial Justice Assistance Grant (JAG) Program for the Purchase and Installation of Enhanced Technology for the Tracy Police Department's Law Enforcement Programs
2. ITEMS FROM THE AUDIENCE
3. PUBLIC HEARING TO CONSIDER A PROPOSED INCREASE TO WASTEWATER RATES AND INTRODUCTION OF AN ORDINANCE TO REVISE WASTEWATER RATES
4. APPROVE RESPONSES TO THE SAN JOAQUIN COUNTY GRAND JURY REPORT ON THEIR REVIEW OF (1) PUBLIC SAFETY IN SAN JOAQUIN COUNTY (CASE NO. 0912); (2) SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL BOARD (CASE NO. 1112); (3 ) IMPROVING DISPOSAL OF CITY AND COUNTY SURPLUS PUBLIC ASSETS (CASE NO. 0312) AND AUTHORIZE THE MAYOR TO SIGN THE RESPONSES
5. APPROVE A PROFESSIONAL SERVICES AGREEMENT (PSA) WITH CH2MHILL FOR DESIGN AND PREPARATION OF IMPROVEMENT PLANS AND CONSTRUCTION DOCUMENTS FOR CORRAL HOLLOW ROAD SEWER AND WATER SYSTEM IMPROVEMENTS REQUIRED TO SERVICE SOUTH SIDE DEVELOPMENTS IN ACCORDANCE WITH THE CITY'S APPROVED MASTER PLANS AND DETERMINE THE FORMAL REQUEST FOR PROPOSAL PROCEDURE IS NOT IN THE BEST INTEREST OF THE CITY IN THIS INSTANCE

6. ITEMS FROM THE AUDIENCE
7. STAFF ITEMS
  - A. Receive and Accept the City Manager Informational Update
8. COUNCIL ITEMS
  - A. Council Designation of Voting Delegate and up to Two Voting Alternates for the League of California Cities 2013 Annual Conference Business Meeting
9. ADJOURNMENT

**May 7, 2013, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

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Mayor Ives called the meeting to order at 7:00 p.m., and led the Pledge of Allegiance.

The invocation was offered by Pastor Scott McFarland, Journey Christian Church.

Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.

Mayor Ives and Police Chief Hampton swore in Police Officers Graham Hawkinson and Jeff Towers and Sargent Ryan Knight.

Mayor Ives presented Certificates of Appointment to new Transportation Advisory Commissioner Michael Carter.

Mayor Ives presented Certificates of Recognition to outgoing Transportation Advisory Commissioners Adam Duran and Mark Maynard.

Mayor Ives presented a proclamation to Jeanne Richards, Senior Center Volunteer, in recognition of Older Americans Month.

Mayor Ives presented a proclamation to Anita Hollingsworth and Sharon Germolus, Central Valley Velo, in recognition of National Bike to Work Week.

Mayor Ives recognized students from Tom Hawkins and Jefferson Elementary Schools in recognition of their D.A.R.E. graduation.

1. CONSENT CALENDAR - Following removal of items 1-C, 1-M and 1-N, it was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt the consent calendar. Roll call vote found all in favor; passed and so ordered.
  - A. Approval of Minutes – Regular minutes of March 5, 2013, and Joint City Council and Tracy Rural Fire Protection District Special minutes of March 19, 2013 were approved.
  - B. Consideration of a Resolution Approving the Exercise of Powers Agreement Establishing the Tracy Public Financing Authority between the City of Tracy and the South County Fire Authority – Resolution 2013-057 approved the Agreement.
  - D. Acceptance of the Boyd Service Center Building A Renovation, Expansion of Public Works Facility Phase 1 Project - CIP 71054A, Completed by Sierra Valley Construction of Roseville, California, and Authorization for the City Clerk to file the Notice of Completion – Resolution 2013-058 accepted the project.
  - E. Acceptance of the MacArthur Drive and Schulte Road Sidewalk Improvement Project – CIP 73132, Completed by Breneman Inc., of Walnut Creek,

- California, and Authorization for the City Clerk to File the Notice of Completion - Resolution 2013-059 accepted the project.
- F. Authorization to Continue the Existing Professional Services Agreement for One Final Year between the City of Tracy and the Tracy Unified School District (TUSD) to Provide 5th Grade Drug Abuse Resistance Education (D.A.R.E.) Services for Fiscal Year 2012-13, Authorize the Mayor to Execute the Agreement, Authorize Payment for Services Rendered, and Summary of the Classes Taught, Activities Shared and Materials Purchased - Resolution 2013-060 authorized continuing the Agreement.
- G. Award a Construction Contract to Knife River Construction of Stockton, California for the 12th Street Sidewalk Improvements - CIP 73134, Authorize Transfer of Funds from CIP 73132 to CIP 73134, and Authorize the Mayor to Execute the Contract - Resolution 2013-061 awarded the contract.
- H. Declaring and Approving the List of Surplus Equipment for Sale at Public Auction to the Highest Bidder - Resolution 2013-062 declared and approved the list.
- I. Authorize Staff to Send Notice Terminating the Professional Services Agreement with RBF Consulting, Inc.; Find that Compliance with the Formal Request for Proposal Procedures is not in the Best Interest of the City; and Approve a Professional Services Agreement with Kimley-Horn and Associates, Inc. Consulting for the Preparation of an Environmental Impact Report for the Tracy Hills Specific Plan Amendment - Resolution 2013-063 approved the actions.
- J. Approval of the Final Subdivision Map for Muirfield 7 - Phase 3, Tract 3265 - Resolution 2013-064 approved the subdivision map.
- K. Approve Amendment 1 to the Professional Services Agreement (PSA) with West Yost and Associates for Additional Services to Update the Evaluation of the Water Distribution Network of the City of Tracy's Existing Water Pressure Zone 3 Area - Resolution 2013-065 approved the amendment.
- L. Minor Amendment to the Plaza One Final Development Plan to Replace Parking Stalls with an Outdoor Dining Area Adjacent to the Building at 2972 West Grant Line Road - Applicant is JS Kendall Construction, Inc. for Plaza One, LLC - Resolution 2013-066 approved the amendment.
- C. Approval of Resolutions: (1) Initiating Proceedings for the Annual Levy for Tracy Consolidated Landscape Maintenance District, (2) Preliminarily Approving the Engineer's Report for the Tracy Consolidated Landscape Maintenance District, (3) Declaring the Intention to Levy Annual Assessments, and (4) Setting the Date for the Public Hearing – Council Member Rickman voiced his concern that the 2.2% CPI for the San Francisco-Oakland-San Jose Area was being used to bases increases on. Leon Churchill, Jr., City Manager, indicated there were no other metropolitan area cost of living indexes other than the bay area available. Mr. Churchill added that as others indexes are developed, staff will look at those.

Council Member Rickman asked how residents could find out what zone they reside in and if they will be affected. Anne Bell, Management Analyst, indicated if there is no increase over the maximum rate, then no notice will be sent out; however, the Engineer's Report will be posted on web site.

Mayor Ives invited members of the public to address Council on the item.

Robert Tanner, 1321 Rusher Street, asked what date the public hearing would be held. Ms. Bell stated the public hearing is scheduled for June 4, 2013.

It was moved by Council Member Rickman and seconded by Mayor Pro Tem Maciel to adopt Resolution 2013-067 initiating proceedings for the annual levy and collection of assessments for Tracy Consolidated Landscape Maintenance District; Resolution 2013-068 preliminarily approving the Engineer's Report; Resolution 2013-069 declaring the City's Intention to levy annual assessments. Mayor Ives abstained from Zone 24; Council Member Young abstained from Zone 3; Council Member Manne abstained from Zone 18.

- M. Approve an Exclusive Negotiating Rights Agreement by and Between the City of Tracy and Becker Commercial Properties for City-Owned Property Located Near the Southwest Corner of Naglee Road and Pavilion Parkway and Authorize the Mayor to sign the Agreement - Andrew Malik, Development Services Director, provided the staff report. The City owns 2.78-acres of property located near the southwest corner of Naglee Road and Pavilion Parkway, which is currently utilized as a Park and Ride Lot (the 'Site'). With the recent uptick in retail and restaurant activity, staff sees the Site as an opportunity to attract a prime retail or restaurant user to the I-205 area.

City Council recently approved an Exclusive Negotiating Rights Agreement (ENRA) with Becker Commercial Properties (the 'Developer') for development of a City-owned parcel adjacent to Texas Roadhouse. Negotiations with a restaurant tenant for that site have progressed favorably and staff has worked closely with the Developer to move the project forward. The City is now interested in pursuing the development of the City-owned Park and Ride site as well. The City and the Developer are aware of a few retail/restaurant tenants that have already shown interest in the Site. During that time, if the Developer is successful in obtaining a signed Letter of Interest (LOI) from a tenant that is acceptable to the City, then a Purchase Agreement will be prepared for Council consideration. The ENRA does provide a provision for a four month extension period if the Developer is making sufficient progress in the negotiation of a LOI or Lease Agreement with a desired tenant.

Staff has been in discussions with representatives from San Joaquin Council of Governments (SJCOG) regarding the relocation of the existing Park and Ride Lot to a neighboring property. The ENRA with Becker Commercial Properties contains a contingency clause related to the successful negotiation with SJCOG to relocate the Park and Ride Lot to an alternative site. Development of the Site will only occur if the City is successful in identifying a location and receiving approval from SJCOG to relocate the Park and Ride Lot.

There is no fiscal impact associated with this action. Staff recommended that Council approve an Exclusive Negotiating Rights Agreement by and between the City of Tracy and Becker Commercial Properties and authorize the Mayor to sign the Agreement.

Council Member Young indicated her concern was with the relocation of the Park and Ride site. Mayor Ives stated the Park and Ride Lot had to be replaced; that it could not be done away with. Mr. Malik added that staff was working with the Council of Governments on relocating the lot.

Mayor Ives invited members of the public to address Council on the item. There was no one wishing to address Council.

It was moved by Council Member Rickman and seconded by Mayor Pro Tem Maciel to adopt Resolution 2013-070 approving an Exclusive Negotiating Rights Agreement by and between the City of Tracy and Becker Commercial Properties and authorizing the Mayor to sign the Agreement. Voice vote found all in favor; passed and so ordered.

- N. Award a Construction Contract to MCI Engineering of Stockton, California, for Road Closing and Improvements at Railroad Crossings Project – CIP 73PP128, Appropriate Funds from Gas Tax Fund 245 to CIP 73PP128, and Authorize the Mayor to Execute the Contract - Kuldeep Sharma, City Engineer, provided the staff report. Mr. Sharma stated Union Pacific Railroad (UPRR) recently requested the City of Tracy to provide support and facilitate replacement of railroad crossing pads at the following four locations: Central Avenue at Sixth Street; MacArthur Drive at Sixth Street; Eleventh Street West of Lincoln Boulevard; Tracy Boulevard at Sixth Street.

UPRR owns the crossing right of way and the City has public access easements over these crossings. The proposed improvements are part of the UPRR at-grade crossing improvements presently being constructed in various cities in San Joaquin Valley including Lathrop and Manteca.

UPRR will remove the old tracks and the rubber/concrete crossings and replace with new rail and concrete panels. This will require street closures for one week at each location. The City will be responsible for the road closures, removal, elevations and installation of asphalt concrete pavement, grinding, asphalt, overlaying, pavement markings and striping, construction detour, and traffic control.

To minimize traffic impacts, UPRR has agreed to schedule this work when schools are closed for summer break during the following dates:

Central Avenue at Sixth Street: Closure from June 10 - 17  
MacArthur Drive at Sixth Street: Closure from June 17 - 24  
Eleventh Street West of Lincoln Boulevard: Closure from June 24 - July 1  
Tracy Boulevard at Sixth Street: Closure from July 1 - July 8

Since this project will have major impacts on circulation of traffic and public safety response, proper coordination and public information will be disseminated in advance at all of the impacted locations.

The project plans and specifications were prepared in-house by engineering staff. The project was advertised for competitive bids on April 20 and 27, 2013. Bids were received and publicly opened at 2:00 p.m. on May 2, 2013.

The lowest bid is from, MCI Engineering of Stockton, California. Staff has reviewed the lowest bid and completed the bid analysis. The bid is responsive and the bidder is responsible. Bidder has good references and has completed similar projects for other public agencies.

CIP 73PP128 is part of the Capital Improvement Project proposed budget for FY13-14, which will appropriate funds in the amount of \$230,000 on July 1, 2013. Staff requested that funds be appropriated now so that the project can be awarded in June to support UPRR's schedule. There will be no fiscal impact to the General Fund. Appropriation of funds in the amount of \$230,000 from Gas Tax Fund 245, to CIP 73PP128, is needed to complete the project.

Staff recommended that City Council award a construction contract to MCI Engineering of Stockton, California, for Road Closing and Improvements at Railroad Crossings Project – CIP 73PP128, in the amount not-to-exceed \$165,530, authorize an appropriation of funds in the amount of \$230,000 from the Gas Tax Fund 245, to CIP 73PP128, and authorize the Mayor to execute the construction contract.

Mayor Pro Tem Maciel asked if the road closures would be in effect 24 hours per day. Mr. Sharma stated yes.

Mayor Pro Tem Maciel asked if any of the work would be done after hours. Mr. Sharma stated not after 5 p.m.

Council Member Young asked staff how soon information would be going out, and suggested notifying the Chamber of Commerce regarding the 4<sup>th</sup> of July Parade. Mr. Sharma stated notification will begin on May 8, 2013, electronic sign boards will be placed near the sites, and staff will be coordinating with UPRR to confirm dates.

Council Member Manne asked if 100% closure was required in both directions. Mr. Sharma indicated it was a UPRR requirement. Mr. Sharma further indicated staff had asked for a bypass to no avail.

Council Member Manne asked if emergency access would be available 24 hours per day. Mr. Sharma indicated staff was only successful in getting a by-pass during the Eleventh Street improvements.

Mayor Ives indicated closing Eleventh Street for a week was unbelievable and believed UPRR should employ double shifts. Mr. Sharma indicated the City's



concerns were expressed to UPRR and the only concession was the emergency bypass on Eleventh Street.

Mayor Ives asked if any amount of money could be added to require them to work more than one shift. Mr. Sharma explained how that would be difficult to manage.

Council Member Manne asked if the elevation of the tracks would change. Mr. Sharma stated there should be minimal changes, and that the City will follow up creating slopes on each side of the tracks creating a smooth transition.

It was moved by Council Member Rickman and seconded by Council Member Young to adopt Resolution 2013-071 awarding a construction contract to MCI Engineering of Stockton, California, for Road Closing and Improvements at Railroad Crossings Project – CIP 73PP128, in an amount not-to-exceed \$165,530, authorizing appropriation of funds in the amount of \$230,000 from Gas Tax Fund 245 to CIP 73PP128, and authorizing the Mayor to execute the construction contract. Voice vote found all in favor; passed and so ordered.

2. ITEMS FROM THE AUDIENCE - Joe Murphy voiced his appreciation for Council and staff taking time to recognize seniors in Tracy.

Pastor Tim Heinrich and daughter Samantha Heinrich, 20 Appolosa Way, addressed Council regarding Lyme Disease. Pastor Heinrich and his daughter provided Council with additional information about the disease and asked that May be recognized as National Lyme Disease Awareness Month.

Paul Miles, 1397 Mansfield Street, addressed Council responding to comments made by Steve Abercrombie and Dave Helm at a previous Council meeting.

Mayor Pro Tem Maciel clarified that Items from the Audience was a critical part of a public meeting which allowed the public to have a voice in their government. Mayor Pro Tem Maciel stated the opportunity for public input did not preclude those making comments to attack staff or Council Members and that the comments were not necessarily factual.

Craig Saalwachter, 4083 Peyton Lane, addressed Council regarding the railroad crossing at MacArthur and Sixth Street, suggesting repairs also be made to the crossing at the same time as the scheduled repairs to the four railroad crossings discussed in a previous agenda item. Mr. Saalwachter commended staff on the improvements and appearance of the Lolly Hansen Senior Center. Mr. Saalwachter mentioned a new program for seniors titled R U OK, which provides phone calls to seniors who enroll in the program.

Robert Wilson, a member of Boy Scout Troop 505, invited the community to a fundraiser being held Saturday, May 11, 2013, between 10:00 a.m., and 3:00 p.m., at the Grocery Outlet. The Scouts will be selling hot dogs and root beer floats and donating the proceeds to the Tracy Animal Shelter.

3. APPROVING THE APPOINTMENT OF A TEMPORARY PROJECT SPECIALIST IN THE PUBLIC WORKS DEPARTMENT – Rod Buchanan, Interim Director of Public Works, provided the staff report. Mr. Buchanan stated that Steven Bayley

worked as a full-time employee in the Public Works Department for the past 19 years and retired on April 29, 2013.

Mr. Bayley has critical technical skills as well as institutional knowledge regarding the City's water resources and wastewater issues. He also has established critical working relationships with outside entities and has specialized technical knowledge for ongoing, long-term projects including Thermal Desalination, Aquifer Storage and Recovery, water storage in the Semitropic Water Storage Bank, water purchase from the City of Lathrop, additional water supply from the South San Joaquin Irrigation District, water supply from the Byron Bethany Irrigation District, Holly Sugar property farm lease, water supply for Legacy Fields, Bureau of Reclamation Long-Term contract renewal, and wastewater rates. Specialized technical service from Mr. Bayley is needed by the City on a part-time basis for a limited duration to ensure continued, uninterrupted progress on these projects. The specialized technical and institutional skills and knowledge needed are not readily available among current staff or in the open market.

Mr. Bayley will not work in excess of 960 hours in the coming year. He will be paid on an hourly basis, at no more than the equivalent of the hourly rate of the base salary of the Deputy Director position (which is the position that performs comparable duties). Mr. Bayley will not receive any additional benefits other than the hourly pay for actual hours worked. The City will ensure this appointment is in compliance with all statutes and regulations for annuitants under the California Public Employees Retirement System.

The California Public Employees Retirement System requires employers needing to hire recent retirees, to authorize the hire in a public meeting and to certify the nature and necessity of that employment. The appointment request is in compliance with regulations regarding the hiring of annuitants of the California Public Employees Retirement System.

There is no fiscal impact to the General Fund as all expenses are related to the Water and Wastewater Enterprise Funds. There are adequate funds in the adopted budget to cover the cost of this contract.

Staff recommended that Council approve the appointment of Steven Bayley to a temporary assignment as a Project Specialist in the Public Works Department.

Mayor Ives invited members of the public to address Council on the item. There was no one wishing to address Council.

Mayor Pro Tem Maciel stated it had been a pleasure to work with Mr. Bayley; that Mr. Bayley's knowledge is impressive. Mayor Pro Tem Maciel indicated this was an appropriate opportunity to take advantage of Mr. Bayley's knowledge and skills.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2013-072 approving the appointment of a temporary Project Specialist in the Public Works Department. Voice vote found all in favor; passed and so ordered.

4. COUNCIL DISCUSSION AND DIRECTION REGARDING OPTIONS FOR A CITY-FUNDED PROGRAM FOR OFF-SITE INFRASTRUCTURE IMPROVEMENTS IN SPECIFIC AREAS IN THE CITY – Andrew Malik, Development Services Director, provided the staff report. On March 5, 2013, Council considered a request from Montessori School representatives to have the City fund certain infrastructure improvements associated with a proposed new Montessori School in the City of Tracy. Council directed staff to research similar policies other Cities may have and explore options for a City-funded program. Council had an interest in a program that could potentially expedite construction of certain off-site infrastructure for specific areas of the City with special consideration given to areas that specifically promote uses such as educational, quality of life, or economic development.

In directing staff to research other City's policies with similar programs, Council commented that, if Redevelopment was still an active tool, the Mount Oso area would be an excellent candidate to focus Redevelopment efforts. The applicant made the argument that private investment in this area would eliminate blight and encourage others to develop.

In researching other Cities, no City had a similar City-funded program for public off-site infrastructure improvements.

**OFF-SITE INFRASTRUCTURE CITY-FUNDED PROGRAM DESCRIPTION:**

This public off-site Infrastructure program intends to stimulate the private sector to invest in certain underserved markets of the community to reduce blight and encourage economic development, given that the State has eliminated redevelopment agencies in California.

Any person may request that Council expedite construction of public off-site infrastructure. Council may, at its sole discretion, consider such requests. In determining whether to consider or grant such request, Council may take into account the following:

1. The area must be within the City and have development potential; and
2. The development planned for the area must create a minimum of five new jobs in the City; and
3. The improvements must be located within the identified program area; and
4. The area will likely attract the following uses;
  - i. Private Educational Use
  - ii. Office, Retail, or Industrial Use
  - iii. Other Quality of Life Use (Recreational, etc.)

No construction contract for off-site infrastructure under this program would be entered into by the City unless it has collected fair-share (off-site and development impact fees) from a developing property that is requesting infrastructure assistance as part of this program.

Should Council wish to proceed to establish a City-funded off-site infrastructure program, staff envisions that the City would provide an initial one-time City-funded appropriation to this program and that on-going funds would be received by the City as properties in the area develop. The City would be repaid the costs of fronting the infrastructure as these areas develop over time. If all of the funds are expended, no

new requests will be considered until additional funds are collected from developing areas under the program.

As discussed during the March 5, 2013 Council meeting, with the elimination of redevelopment in California, cities have very few funding options at their disposal. In fact, many cities have not only lost funding options but they find themselves owing the State millions as part of the redevelopment unwinding process. The City of Tracy, although in better shape than many other cities, also has limited funding available. The following represents potential funding options for the proposed program.

One particular funding source discussed during the last Council meeting was to use any remaining portion of the Residential Area Specific Plan (RSP) – Economic Development Fund. After accounting for previous Council commitments, there is a remaining fund balance of \$89,899. This money could be used for the initial funding source for the Off-site Infrastructure City-Funded Program. It should be noted that the anticipated amount necessary to cover the off-site infrastructure costs for the Mount Oso area (after fair-share contribution by Montessori) is approximately \$204,624.

Council may wish to have a separate policy discussion about the options to replenish the RSP Economic Development Fund using one-time revenues once revenues exceed expenses.

Every year the City receives Federal Community Development Block Grant (CDBG) funds that are to be used for low and moderate income programs to either: 1) provide operational funding for local service organizations; or 2) provide capital funding in support of service organizations or census tract areas that qualify under the low and moderate income categories.

The City has used CDBG funds to construct alley improvements and Americans with Disability Act (ADA) improvements primarily in the downtown area. Only one small neighborhood north of Eleventh Street along Holly Drive qualifies for CDBG funding besides the downtown. CDBG funds can be used for water and sewer lines within those two designated areas because they meet Housing and Urban Development (HUD) standards for low and moderate income criteria.

Community Facilities District (CFD) are a common funding mechanism to construct various infrastructure needed for development. CFDs have been widely used in Tracy to fund infrastructure in mostly vacant undeveloped areas such as the Northeast Industrial Area (NEI), Industrial Area Specific Plan (ISP), and various residential projects. A CFD is a land based financing method where tax exempt bonds are issued and the source of repayment is an annual assessment on the lands within the District. Should Council direct staff to pursue this funding source, staff will work with the property owners in the proposed area to gain commitment and ultimate approval of the financing mechanism. This approach has been successfully used in the Berg/Byron area as well as other development areas of the City. An important step is to get district property owners to buy into the concept of developing their property.

Senator Lois Wolk's proposed legislation, Senate Bill 33 (SB 33), would allow cities and counties to borrow money for economic development projects through infrastructure financing districts. The districts could replace about 425 redevelopment agencies in California, which the State has eliminated to save \$1.7 billion. According to Senator

Wolk, "The logic behind redevelopment is this: Getting rid of blight attracts development, which increases property values." New development and higher property values in general mean more money for local governments. If approved, the Senate Bill would go into effect on January, 2014.

**Option 1** - Defer consideration of this program until after the 2013 Legislative session to see if SB 33 or other comparable bills are passed as a funding source.

Given the limited amount of funds remaining in the RSP Economic Development Fund, this option would allow time to determine if already committed RSP Funds will indeed be spent or if projects come in under budget freeing up some additional funds.

**Option 2** - Adopt the program and use the remaining \$89,899 RSP Economic Development Funds. This option would commit the last remaining RSP Economic Development Funds to this new program. It is unknown how many other projects would qualify or be interested in this program. The infrastructure request for the Mount Oso area is approximately \$204,624. This option would not cover the cost of the current request from Montessori.

**Option 3** - Pursue the creation of a CFD for key areas of the City. This option would involve staff working proactively with developers and property owners in key development areas of the City to solve infrastructure needs. This approach is staff intensive and would involve staff reaching out to vacant property owners to gauge their interest in developing or placing an assessment on their property in anticipation of development.

Should Council wish to proceed with a new City-funded program, staff recommended Council direct staff to return with a Resolution similar to the City's current Retail, Industrial, and Office Incentive Program for Council adoption.

There is no fiscal impact if Council selects Option 1: There will be an impact to the City's RSP Economic Development Fund if Council selects Option 2, leaving a zero balance in the fund. Option 3 may have General Fund impact due to costs related to additional staff resources and hiring consultants in the creation of the CFD. Some of the bond consultant costs may be funded through the sale of the bonds which Staff would need to confirm given the changes in the financial markets over the past few years.

Staff recommended that Council direct staff to pursue Option 1 as it will not result in an impact to the City's General Fund and will preserve some amount of funding in the RSP Economic Development Fund.

Council Member Rickman asked for clarification regarding SB 33. Mr. Malik explained that infrastructure financing districts take some of the tax that applies to the area and earmarks it for specific areas similar to redevelopment areas.

Mayor Ives asked if it was used to defray debt on the bonds. Mr. Malik indicated the ultimate revenue source is increment in property tax.

Mayor Ives invited members of the audience to address Council.

Pamela Rigg, Administrator of the Montessori School, thanked Council for their willingness to listen to the school's concern and addressing the blighted area near their existing school. Ms. Rigg suggested Council: 1) accept the staff report related to off-site infrastructure funding (eligibility and thresholds); and 2) use funding that is available through the RSP Fund of almost \$90,000.

Mayor Ives referred to the Byron/Berg Road area CFD and asked what the benefits were. Mr. Malik stated if development were to occur in the Montessori School area, staff could explore a CFD option with neighboring property owners.

Mayor Ives asked if the property owners of the Byron/Berg Road area took advantage of the CFD to improve their property. Kuldeep Sharma, City Engineer, stated several property owners took advantage of the sewer and water lines that were installed because their wells were failing or had failed.

Council Member Rickman asked if the improvements were voluntary. Mr. Sharma stated yes.

Mayor Pro Tem Maciel stated he was reluctant to endorse any program that requires City funding, especially with development that is the responsibility of the property owner. Mayor Pro Tem Maciel further stated the RSP Fund has served the City well and that Council should be focusing on replenishing the fund not depleting it. Mayor Pro Tem Maciel suggested a CFD may be the most viable option and that it was not incumbent upon the City to facilitate it. Mayor Pro Tem Maciel indicated the suggestion that development of this site will act as a catalyst is optimistic.

Council Member Manne asked for additional information on SB 33. Mr. Malik referred to a Bill going forward related to Legoland in Carlsbad, California. Mr. Malik stated the Bill allows the City and County to negotiate how property taxes are divided.

Council Member Manne asked what the chances were of this Bill moving forward. Mr. Malik indicated with the absence of redevelopment, there was a lot of pressure from cities to get it passed.

Council Member Manne asked if the Bill was approved, how long it would take to go into effect. Mr. Malik stated it would become effective January 2014. Leon Churchill, Jr., City Manager, added that there was good momentum behind the Bill, but has been slowed down by the Governor's office as they try to wind down redevelopment. Mr. Churchill stated he would keep Council up to date regarding the proposed Senate Bill.

Council Member Manne asked if there were other less favorable options not provided to Council. Mr. Churchill indicated Council could consider the report and recommendation complete.

Council Member Manne stated if redevelopment funds were available, he would recommend using them in this area. However, he was not in favor of using

General Fund monies for this use. Council Member Manne indicated he was in favor of Option 1.

Council Member Young stated the area is so close to the heart of the City, she was not sure why Council did not feel it is part of the City's responsibility to build it up. Council Member Young indicated she was encouraged by SB 33, but believed the City should still take some level of responsibility in developing the area. Council Member Young asked for clarification regarding SB 33 and what the recommendation included. Mr. Malik indicated the recommendation suggests letting the City see what happens with SB 33 as a funding source, to look at RSP projects and the potential use of any leftover funds if projects come in under budget.

Council Member Rickman stated he agreed the Mount Oso area has been overlooked and does not understand why a water/sewer line was never put in place. Council Member Rickman stated he was struggling to differentiate how the situation with the Montessori School is different from any other economic development request. Mr. Churchill stated the driving force behind the Macy's transaction was in the public's best interest to repopulate the mall and increase sales tax. Mr. Churchill indicated there were two questions: 1) Is this the right area; and 2) Is it in the best interest of the community. Mr. Churchill stated staff has indicated that the area certainly would meet former redevelopment standards.

Council Member Rickman referred to funds allocated for Way-Finding Signs and the lack of proof that they have provided the City with any additional sales tax income. Council Member Rickman asked for an update on the Way-Finding Sign project. Mr. Malik indicated the project was currently in the design and specification process and should be ready to go out for bids in approximately two months. Council Member Rickman asked how much has been spent to date on the project. Mr. Malik stated \$350,000 was allocated in FY 11/12, and approximately \$278,000 was remaining.

Council Member Rickman asked if the Montessori School could pay any funding back over time. Mr. Churchill stated yes. Council Member Rickman asked Ms. Rigg that since she would be using public funds, could there be something done for Tracy residents like a break in school fees until funds were paid back, or provide access to any basketball court or other amenities the school might have to the general public. Ms. Rigg indicated the school would absolutely share any facilities with school aged children. Ms. Rigg stated there was less opportunities to reduce tuition rates.

Council Member Rickman asked if the Montessori School would consider entering into a Memorandum of Understanding for sharing facilities. Ms. Rigg stated yes.

Council Member Rickman asked if the Montessori School could pay back any funds over time. Ms. Rigg indicated it was her understanding that the neighboring property owners would be required to reimburse the City for any funds used to install the necessary infrastructure.

Mayor Pro Tem Maciel stated while the school does add to the quality of education in the City, he did not believe it qualifies under the umbrella of economic development. Mayor Pro Tem Maciel further stated if the City takes on the responsibility of paying fees for infrastructure and wait for future development to repay the City, the City could be waiting a very long time.

Mayor Ives stated if the City chose to not pursue a CFD, it did not preclude a group from forming one. Mayor Ives further stated it was not incumbent on the City to pay for the infrastructure, and was in favor of Option 1.

Council Member Rickman asked if the area has been undeveloped for so long, would it remain vacant forever. Mr. Malik indicated fees have been lowered by 35% in this area to encourage development and stated several property owners in the Larch/Clover area have joined together to consider developing.

Council Member Rickman asked if program management fees or other fees could be lowered. Mr. Sharma stated the fees listed include only 5% for program management fees.

Council Member Rickman asked if there were fees that could be lowered or reduced without the City taking a loss. Mr. Malik stated not without impacting the General Fund.

Council Member Manne asked if there was an RSP balance that is recommended to be maintained. Mr. Churchill stated RSP funds were a product of a settlement from Plan C development and was always considered as a catalyst to get the City through the Great Depression and a policy decision for the Council.

Council Member Young asked if the RSP balance could increase with more projects winding up. Mr. Malik stated yes, if bids come in lower than expected.

Council Member Young asked if staff would come back in January 2014 with an update. Mr. Malik stated he would provide an update as soon as the Senate has voted on SB 33.

Council Member Rickman encouraged Ms. Rigg to keep pushing her project.

Council Member Young reiterated that if the Council wants to move Tracy forward, other options will have to be explored and work needs to begin somewhere.

It was moved by Council Member Manne and seconded by Council Member Rickman to direct staff to pursue Option 1. Voice vote found all in favor; passed and so ordered.

5. ITEMS FROM THE AUDIENCE – None.

Mayor Ives called for a recess at 9:08 p.m., reconvening at 9:15 p.m.

6. STAFF ITEMS



- A. Consider an Early Start Time and Abbreviated Agenda for the August 6, 2013, City Council Meeting - Mayor Ives invited members of the public to address Council on the item. There was no one wishing to address Council.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to direct staff to schedule an early start time and abbreviated agenda for August 6, 2013, Council meeting, to allow staff and Council to participate in National Night Out. Voice vote found all in favor; passed and so ordered.

- B. Receive and Accept the City Manager Informational Update - Leon Churchill, Jr., City Manager, provided the staff report. Council accepted the informational update.

## 7. COUNCIL ITEMS

- A. Consider Whether an Item to Discuss a Senior Commission Should be Placed on a Future City Council Agenda - Council Member Young recommended Council discuss and support her recommendation of forming a Senior Commission. Council Member Young indicated this commission was needed for a growing segment of our community and would help give seniors a voice.

Mayor Ives asked how much staff time would be needed to work on the request. Leon Churchill, Jr., City Manager, indicated staff could be prepared to return to Council by the second meeting in June, 2013.

Mayor Pro Tem Maciel asked if part of the staff report would include the parameters of what that Commission would be charged with. Mr. Churchill indicated some bench marks could be provided as well as examples of best practices.

Mayor Ives invited members of the public to address Council on the item.

Robert Tanner, 1371 Rusher Street, asked if the Commission would work in conjunction with the County Commission, or would it be a separate Commission. Mayor Ives indicated it would probably be a City program.

It was moved by Council Member Young and seconded Council Member Rickman to direct staff to bring an item back for Council consideration regarding a Senior Commission. Voice vote found all in favor; passed and so ordered.

- B. Appoint one Applicant to the Parks and Community Services Commission - Council Member Young indicated she and Council Member Rickman interviewed the applicants.

It was moved by Council Member Young and seconded by Council Member Rickman to appoint Faith Ettinger to the Parks and Community Services Commission to serve the remainder of a term, which will end on January 1, 2014, and place Robert Young on the eligibility list. Voice vote found all in favor; passed and so ordered.

Council Member Rickman asked when a discussion on program management fees would return to Council. Leon Churchill, Jr., City Manager, indicated outside research has been commissioned and staff should be able to return within 60 days.

Council Member Rickman commended staff members who worked on the Block Party celebrating Cinco De Mayo, noting it was a great time for families to get out and enjoy the community.

Council Member Rickman stated it had been great working with Jon Mendelson of the Tracy Press and wished him luck in his future endeavors.

Council Member Young echoed Council Member Rickman's comments regarding Jon Mendelson.

8. ADJOURNMENT - It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adjourn. Voice vote found all in favor; passed and so ordered. Time 9:35 p.m.

The above agenda was posted at the Tracy City Hall on May 2, 2013. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

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City Clerk

**May 21, 2013, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

Mayor Ives called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

The invocation was offered by Reverend Vijn, Sant Nirankari Mission.

Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.

Officer Mike Reyna, Tracy Police Officer Association (TPOA) President, presented TPOA Scholarships to Ghoncheh Azadeh, Brianna Warner, Arashpreet Gill, Paul Gleason, Aloukika Shah, and Anamarie Mendez.

Sean Butler, Fire Engineer, provided a presentation regarding Drowning Prevention.

Mayor Ives presented a Certificate of Appointment to new Parks and Community Services Commissioner, Faith Ettinger.

Mayor Ives presented a proclamation to Mary Nicholson, founder and Director of Healings in Motion, in recognition of Stroke Awareness Day.

Mayor Ives presented a proclamation to Pastor Tim Heinrich, Samantha Heinrich and Keli Goble in recognition of Lyme Disease Awareness Month.

Mayor Ives presented a proclamation to Mayor Pro Tem Maciel in recognition of Water Awareness Month.

Mayor Ives recognized students from New Jerusalem, Traina and West Valley Elementary Schools in celebration of their D.A.R.E. graduation.

1. CONSENT CALENDAR - It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.
  - A. Approval of Minutes – Regular meeting minutes of March 19, 2013, and Special meeting minutes of April 2, 2013, were approved.
  - B. Authorization to Submit the Annual Claim to the State of California, through the San Joaquin County Council of Governments, for Transportation Development Act Funds in the amount of \$3,471,959 for Fiscal Year 2012-2013, and for the Finance and Administrative Services Director to Execute the Claim – Resolution 2013-073 authorized submittal of the claim.
  - C. Adopt a Resolution Authorizing the City Manager to Execute Contracts Necessary for the Purpose of Obtaining Proposition 63 Funds in the Amount of \$200,000 for the Mayor's Community Youth Support Network Grant Program and Appropriating \$200,000 from the San Joaquin County Behavioral Health Services

Community Service Agreement – Resolution 2013-074 authorized the City Manager to execute the contracts.

2. ITEMS FROM THE AUDIENCE - Paul Miles, 1397 Mansfield Street, addressed Council responding to Mayor Pro Maciel's comments made at the last Council meeting.
3. REVIEW AND DISCUSS INFORMATION SUBMITTED BY MR. ROGERS RELATED TO SEVEN CORPORATIONS, PENDING JUDGMENTS, LIENS AND BANKRUPTCY, AND PERSONAL FINANCIALS; DIRECT STAFF TO CEASE NEGOTIATIONS FOR A NEW EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT BETWEEN THE SPIRIT OF CALIFORNIA ENTERTAINMENT GROUP, INC. AND THE CITY OF TRACY; AND ADOPT A RESOLUTION TERMINATING THE EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT WITH TRACY'S CALIFORNIA BLAST LLC AND FIRST AMENDMENT WITH TRACY BLAST DEVELOPMENT, LLC – Maria Hurtado, Assistant City Manager, provided the staff report. On April 29, 2011, the City entered into an Exclusive Negotiating Rights Agreement (ENRA) with Tracy's California Blast, LLC regarding City-owned properties outside of the City limits on the west side of Tracy Boulevard adjacent to Legacy Fields and on the east side of Tracy Boulevard north of Arbor Road and north of the City's Wastewater Treatment Plant ("Holly Sugar Property"). On September 18, 2012, the City entered into the First Amendment to the ENRA with Tracy Blast Development, LLC (Tracy Blast).

On November 7, 2012, Council directed staff to enter into negotiations with the Spirit of California Entertainment Group, Inc. ("Spirit of California") for a new ENRA regarding the Holly Sugar Property. At that time, Council also directed that the ENRA with Tracy Blast should remain in place until a new ENRA with Spirit of California was approved.

After the November 7, 2012, Council meeting, it came to staff's attention that James B. Rogers may be or may have been associated with a number of other companies, lawsuits, bankruptcy proceedings, and judgment liens. On February 7, 2013, staff sent Mr. Rogers a letter requesting additional information on these matters, specifically requesting that all responses be of sufficient detail to allow staff to independently verify the information. On February 20, 2013, Mr. Rogers sent a letter to staff in response to staff's request. The responses in Mr. Roger's letter were general in nature and not supported by official documentation that staff could rely on to independently verify the information.

Consequently, on March 19, 2013, staff requested that Council cease negotiations with the Spirit of California for a new ENRA and adopt a resolution terminating the existing ENRA with Tracy Blast. At that meeting, Council provided Mr. Rogers with a 30 day extension to provide more detailed information relative to (1) seven corporations, (2) pending judgments, liens, and bankruptcy, and (3) personal financial information before determining whether or not to cease negotiations with the Spirit of California or terminating the existing ENRA with Tracy Blast.

Mr. Rogers submitted 29 documents in response to Council's request for additional information. Of the 29 documents, 10 are of a governmental agency which can be independently verified. No financial information was received.

"Official" information received from Mr. Rogers:

- Three articles of incorporation;

- One Form 200 (List of Officers) for one Corporation;
- Three documents showing the suspended status of three corporations

Additional Information Requested:

- Any "Official" documents filed with the Secretary of State for each of the seven corporations.

Mr. Rogers also submitted a number of letters from Mr. Rogers, his attorney, and from other parties related to the various corporations.

For each of the 16 pending judgment liens, federal and state liens, lawsuits and bankruptcy filing, staff requested that Mr. Rogers provide (1) a detailed description of the matter, (2) the status of the matter, (3) personal involvement in the matter, and (4) any legal document that relates to the matter that can be independently verified. Throughout the five check-in meetings held with Mr. Rogers between March 19, 2013, and May 21, 2013, staff clarified that for any lawsuits, Mr. Rogers should provide any "official" court approved "final judgment". For any judgment liens, Mr. Rogers should provide court approved judgments on liens (i.e. releases) showing that the lien had been paid, or any official court document that can be independently verified.

"Official" information received from Mr. Rogers:

- Official Court Order;
- US Bankruptcy Court Voluntary Petition;
- US Bankruptcy Court Statement of Financial Affairs.

Additional Information Requested:

- For any lawsuits: Provide any "Official" court approved "Final Judgments"
- For any judgment liens: provide Court approved judgments on liens; i.e. "Releases" showing that liens have been paid;
- Any "official" court documentation that can be independently verified.

The financial information requested from Mr. Rogers by the City includes: (1) Personal Financial Statements, (2) Federal Tax Returns for the current year and for the prior three years, and (3) a signed credit release form. This information is important and relevant as Mr. Rogers is listed as the Chief Executive Officer, Secretary, and sole Director of the Spirit of California Entertainment Group, Inc. with documents filed with the Secretary of State.

Mr. Rogers was also required to provide this information to the City under the existing ENRA with Tracy's California Blast, LLC. His failure to do so is one of the primary reasons staff has been recommending, since November 7, 2012, that this ENRA be terminated.

Staff recommended that Council cease negotiating a new ENRA between the Spirit of California Entertainment Group, Inc. and the City of Tracy and terminate the existing ENRA with Tracy's California Blast LLC.

This recommendation was based on the fact that the majority of the information submitted by Mr. Rogers is not documentation of a governmental agency that can be independently verified and because no financial information was submitted as requested by Council.

Council can direct staff to continue negotiating a new Exclusive Negotiating Rights Agreement (ENRA) between the Spirit of California Entertainment Group, Inc. and the City of Tracy and terminate the existing ENRA with Tracy's California Blast LLC. for non-compliance with submitting (1) Personal Financial Statements, (2) Federal Tax Returns for the current year and for the prior three years, and (3) a signed credit release form, as recommended to Council on November 7, 2012, and March 19, 2013.

Ms. Hurtado introduced Scott Rodde, National Development Council. Mr. Rodde indicated he has been providing financial capacity reviews for over 20 years, and named many of his former clients. Mr. Rodde indicated he had reviewed several financial documents from Mr. Rogers and the Spirit of California, describing limited earnings and limited equity capital of Mr. Rogers. Regarding Spirit of California (SOC) financial documents, Mr. Rodde indicated many documents did not comply with generally accepted accounting principles and therefore raise questions to the liquidity and capital of the SOC entity. Mr. Rodde concluded that it would be inappropriate to rely on Mr. Rogers or the SOC for financial assurances with respect to their role in the SOC as developers for the project. Mr. Rodde summarized that it was his professional opinion, based on the financial capacity provided, that the project has a 10% probability of success.

Council Member Manne asked for a description of the financial information provided. Mr. Rodde stated he received a personal financial statement dated May 15, 2013, personal tax returns for 2011 and 2012, and a quick books balance sheet for the SOC dated May 15, 2013.

Council Member Manne asked if there were other documents Mr. Rodde would have preferred to review. Mr. Rodde outlined those preferred documents.

Council Member Manne asked Mr. Rodde to explain his comment regarding documents received not complying with general accounting principles. Mr. Rodde explained the differences in the information provided and industry standards.

Mayor Ives invited the applicant to address Council.

Mr. Jim Rogers addressed Council indicating the information he supplied was overwhelmingly supportive that there has been no fraudulent activity in his past, and that the information was adequate. Mr. Rogers indicated the documents he supplied staff overwhelmingly attest to his credibility, and confirm that they have the assets to move forward. Mr. Rogers further indicated he needed to complete a competence study and asked that Council bear with him and his possible 10% success rate.

Council Member Manne indicated Council received a copy of a resolution from the Spirit of California regarding a buy-back protection for investors. Mr. Rogers indicated there was a rumor that they were looking for investors to give \$5,100. Mr. Rogers stated the SOC offered the buy-back protection this in case any investor was insecure about the project and wanted to get their money back.

Council Member Manne asked who the directors of SOC were. Mr. Rogers indicated just himself. Council Member Manne stated the resolution did not indicate the stock

would be refunded at the original purchase price. Mr. Rogers stated it would be at the purchase price.

Council Member Manne asked if the SOC has the ability to purchase the stock. Mr. Rodgers stated yes.

Mayor Pro Tem Maciel asked for the source of the \$2 million income. Mr. Rodgers indicated the income was from shares of stock purchased from a company called Adomani, which has been in operation for two years. A short discussion ensued regarding shares, stock information regarding the company, and its potential income for the SOC.

Mayor Pro Tem Maciel asked for clarification regarding correspondence which refers to a company that will acquire the first \$300 million in loans. Mr. Rogers stated he has been involved with a gentleman who is considered number one in the country for obtaining investment funds. Mr. Rogers indicated this gentleman has made the SOC project his number one project and has provided correspondence to Mr. Rodde regarding the probability of gaining EB500 funding through that program.

Mayor Pro Tem Maciel asked Mr. Rogers to explain what an EB500 program was and how he could obtain \$300 million in funding. Mr. Rogers explained EB500 was a statute in the Immigration Act of 1990, which allows immigrants to obtain a green card by investing in the United States.

Mayor Pro Tem Maciel asked Mr. Rogers if he was aware of any other project that has qualified for this type of funding. Mr. Rogers indicated the projects were disclosed in a letter to Mr. Rodde.

Council Member Young referred to the offer to buy back stock from Tracy investors asking if there was a 30-day deadline. Mr. Rogers indicated it was an oversight on his part and there was no time limit for the investors to request a refund.

Council Member Manne asked Mr. Rodde if the SOC had the liquidity to repay the stock. Mr. Rodde stated no, based on the balance sheet of May 15, 2013. Mr. Rodde provided a brief discussion regarding probability, liquidity, and financial capacity.

Council Member Rickman referred to EB500, asking Mr. Rodde if there was any evidence that Mr. Rogers could obtain that financing. Mr. Rodde indicated it has been his experience that EB500 has never been a primary funding source, but acts in a financing role, providing up to 20% of the financing.

Mr. Rogers indicated he did not plan on building the project all at once; his job was to get the team and finances together. Mr. Rogers stated the project and phasing would be laid out once the feasibility study was complete.

Council Member Rickman asked Mr. Rogers how much time he needed. Mr. Rogers stated in order to approach investors he needed an ENRA which would show investors the City wants the project. Mr. Rogers indicated he was not opposed to benchmarks and wanted an ENRA with a term of three years.

Mayor Pro Tem Maciel asked Mr. Rogers if it was his impression that granting an ENRA was an endorsement by the City. Mr. Rogers stated no, but it does let the investment community know there is a level of commitment.

Mayor Pro Tem Maciel asked Mr. Rogers if he would be at a disadvantage if he did not have an ENRA. Mr. Rogers stated a developer needs to have control over the property in order to invest money in the project.

A north side resident addressed Council concerning impacts to the City of Tracy from the project including noise, traffic, and airborne dirt. The resident urged Council to accept staff's recommendation.

Ron Forte, entrepreneur in the Central Valley, voiced his support indicating he was asked to speak about the project by Bob Crosario and Mr. Rogers. Mr. Forte stated Mr. Rogers would not be able to attract investors until he had an ENRA with the City.

Ron Fields addressed Council regarding Mr. Rogers and the entertainment aspect of the proposed project. Mr. Fields stated the project would be very good for the community.

Cheryl Madison Lancaster and Dennis Lancaster provided Council with three binders filled with petitions signed by individuals who would like to see the project in Tracy.

Mercedes Silveira, a resident since 1963, and an individual who invested \$5,100 in the project, asked Council to support the project.

A resident of Tracy stated he and many of his friends were excited about the project.

Ed Emery addressed Council in support of the project, indicating the project would bring more jobs to Tracy and suggested Council look at this as an investment in the community.

A Tracy High School student stated if the proposed project was built in Tracy, many people would stay in Tracy instead of moving away.

Mr. Martinez addressed Council in favor of the proposal, urging Council to move the project forward.

Mayor Ives called for a recess at 9:08 p.m., reconvening at 9:15 p.m.

Mayor Pro Tem Maciel asked Mr. Rodde if the comment Mr. Rogers made regarding his financial worth was consistent with the information provided. Mr. Rodde stated the information was consistent with what was provided, but stated he had a high uncertainty with the figures Mr. Rogers provided Council.

Council Member Rickman asked if anyone else has shown interest in that property. Andrew Malik, Development Services Director, stated there has been no other interest received.

Council Member Rickman asked if staff could establish benchmarks in the ENRA. Ms. Hurtado indicated benchmarks could be put in place.



Council Member Rickman asked if Mr. Rogers owed any money to the City. Ms. Hurtado stated Mr. Rogers was current.

Council Member Young asked if granting an ENRA would place the City in any type of liability. Dan Sodergren, City Attorney, stated depending on the terms of the ENRA, he was doubtful there would be any monetary liability.

Council Member Young asked for clarification regarding Mr. Roger's comment about issuing shares to local investors. Mr. Rogers indicated that was done to alleviate any concerns about the SOC taking money from local residents.

Council Member Young suggested it would be good for Council to give this project a chance to happen, especially since Mr. Rogers was willing to return funds to any resident that requested a refund. Council Member Young stated it may be appropriate to include benchmarks in the ENRA.

Mayor Pro Tem Maciel stated Council has never said this project was a bad idea; however he has not seen anything that provides him with confidence that the project can come to fruition. Mayor Pro Tem Maciel further stated he was in support of terminating the current ENRA and not initiating a new one.

Council Member Manne stated he was a proponent of the project, but the question was does the City want to continue to negotiate an ENRA with the SOC. Council Member Manne stated many questions were still unanswered and that he and the consultant did not have confidence that the applicant can bring the project forward.

Mayor Ives stated the project was worth negotiating. Mayor Ives further stated the risks that have to be mitigated are how much staff time is going to be spent and reimbursed. Mayor Ives indicated costs to this point have been partially mitigated through the existing ENRA. Mayor Ives indicated he did not mind asking staff to generate the basis for an ENRA with the SOC that has specific benchmarks that will logically require performance similar to other projects and that require the entity to defray staff costs during the negotiation process.

Council Member Rickman agreed that benchmarks were needed and the applicant needed to be held accountable for those benchmarks. Council Member Rickman added that communication needed to be improved.

Council Member Manne stated in order to be comfortable moving forward he would like to see a very conservative ENRA presented for approval.

Mr. Rogers commented that a considerable amount of money was being spent every day on the project. Mr. Rogers asked for an ENRA that allows him the leeway to set up a team and move forward. Mr. Rogers stated it was important to keep the existing ENRA with Tracy Blast until the new ENRA is signed.

Council Member Young stated she appreciated the work staff has invested in the item and the thoroughness of the information presented.

It was moved by Council Member Rickman and seconded by Council Member Manne to direct staff to continue negotiating an ENRA between the Spirit of California

Entertainment Group and the City of Tracy. Voice vote found Council Members Manne, Rickman, Young and Mayor Ives in favor; Mayor Pro Tem Maciel opposed.

Mayor Ives asked staff if the items Council discussed regarding the ENRA such as timing, cost, terms, would all come back to Council. Dan Sodergren, City Attorney, indicated staff would meet with Council and prepare options for negotiation which could be ready within 60 to 90 days.

Mr. Sodergren provided a brief recap on the next steps.

Ms. Hurtado clarified what was being proposed by the City Attorney and staff was that staff is to provide very conservative terms and timelines to Council to see if that was the course Council wanted staff to pursue. Once Council provided direction to staff on the negotiating parameters, staff could meet with the applicant.

Mayor Ives asked staff to bring back options to Council in an appropriate format which Council would turn around quickly at a Council meeting and develop the final ENRA.

4. REALLOCATION OF \$368,204 OF FEDERAL HOME INVESTMENT PARTNERSHIP ACT (HOME) FUNDS FROM THE BOUNCE BACK PROGRAM TO THE WOMEN'S CENTER TO ESTABLISH A SHELTER FOR BATTERED WOMEN AND CHILDREN IN TRACY - Scott Claar, Associate Planner, provided the staff report. HOME Investment Partnership Act Program (HOME) is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. HOME funds are allocated annually on a formula basis to states and local jurisdictions by the United States Department of Housing and Urban Development (HUD).

HOME funds may be used by local jurisdictions for a broad range of eligible activities including, but not limited to: (1) provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers, (2) build or rehabilitate housing for rent or ownership, or (3) other related affordable housing programs.

The City typically allocates HOME funds at the same time as the Community Development Block Grant (CDBG) process, in February/ March of each year. Allocations are made by City Council after evaluating applications for these funds. Over the past several years, the City has received very few applications for HOME funds. As a result, the City has allocated the majority of each year's HOME funds to the Down Payment Assistance Program and Rehab Program, both of which are administered by San Joaquin County. However, the balance of funds in these programs has remained high, and mostly unused, due to market conditions. This scenario is similar with other cities in the County.

The U.S. Department of Housing and Urban Development (HUD) has a five year expenditure deadline on HOME funds. On September 6, 2011, Council reallocated \$590,857 of HOME funds from the County's First Time Homebuyer and Rehabilitation Program to the Bounce Back to Homeownership-Option to Own Program, which is managed by Visionary Home Builders, a local non-profit agency (Resolution 2011-173). This reallocation to the Bounce Back Program was done in order to meet a federal deadline regarding the use of these funds. However, Visionary has not been able to

spend any of the funds in the Bounce Back Program due to market conditions and difficulty finding eligible applicants.

These HOME funds have been previously allocated by Council as follows: Down Payment Assistance Program \$253,684, Rehab Program \$20,764 and Bounce Back Program \$590,857.

On March 29, 2013, San Joaquin County informed staff that it had reviewed the balance of HOME funds available for the City. Due to the five year expenditure deadline, the County is asking that fiscal years 2006 thru 2008, totaling \$368,204 (all of which are currently allocated to the Bounce Back Program), be spent by September 30, 2013. Failure to spend this funding by September 30, 2013, will subject the unspent funds to be reclaimed by HUD.

Since being informed of this deadline by the County, staff has done additional outreach to seek eligible projects. The Women's Center project presents a timely opportunity for use of these HOME funds. Council allocated \$50,000 of HOME funds to this project for FY 2013-14. Sutter Tracy Hospital has contributed \$100,000 to the project. The Women's Center has a need for additional funds in order to acquire a suitable property in Tracy. Joelle Gomez, Chief Executive Officer of the Women's Center, has stated that \$368,204 in additional HOME funds would greatly assist the Women's Center in acquiring a new shelter in Tracy that meets their needs, and they would be able to accomplish this by the deadline of September 30, 2013.

If Council approves this reallocation to the Women's Center project, the City would still have a remaining HOME funds balance of \$222,653 in the Bounce Back Program, \$253,684 in the Down Payment Assistance Program, and \$20,764 in the Rehab Program.

There will be no impact to the General Fund. The project was previously allocated \$50,000 of HOME funds for FY 2013-2014. With Council's approval funding for the project would be increased by an additional \$368,204 of HOME funds.

Staff recommended that City Council reallocate \$368,204 of HOME funds from the Bounce Back Program to the Women's Center to establish a shelter for battered women and children in Tracy.

Mayor Pro Tem Maciel asked if this was a one-time allocation. Mr. Claar stated yes.

Mayor Ives asked if the amount was above the \$50,000 which has already been allocated. Mr. Claar stated yes.

Mayor Ives invited members of the public to address Council on the item.

Joelle Gomez, CEO for Women's Health Center, indicated the additional funds would expedite the process allowing them to double their bed capacity in Tracy. Ms. Gomez indicated the Women's Health Center did operate a shelter for battered women and children in Tracy for nine years which they had to close.

Council Member Young asked how long the other facility had been closed. Ms. Gomez stated since January 2013. Council Member Young asked if they were affiliated with the shelter in Stockton. Ms. Gomez stated these funds would allow them to purchase the home outright and would also help with their on-going budget.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2013-075 reallocating \$368,204 of Federal Home Investment Partnership Act (Home) funds from the Bounce Back Program to the Women's Center to establish a shelter for battered women and children in Tracy. Voice vote found all in favor; passed and so ordered.

5. PROVIDE DIRECTION ON THE DISPOSITION OF THE CITY-OWNED SCHULTE ROAD PROPERTY – Rod Buchanan, Interim Public Works Director, provided the staff report. The Schulte Road property is approximately 200-acres in total and is located on the south side of Schulte Road, west of Lammers Road.

On September 18, 2012, Council considered appropriating \$1,115,250 from the Residential Area Specific Plan (RSP) Fund for costs associated with the removal of use restrictions and federal reversionary rights on the 150-acre Schulte Road parcel. Council directed staff to request an extension from GSA while the City performed due diligence on the viability of a renewable energy project on the site. GSA did grant a six month extension to the City if the City agreed to pay a \$50,000 deposit by November 14, 2012.

On November 7, 2012, Council approved the appropriation of \$50,000 from the RSP Fund to be used for the deposit. Council also approved \$40,000 from the RSP Fund for necessary consultant services to assess the viability and best options for a renewable energy project on the site including obtaining and evaluation of necessary project development information, development of a Request for Proposals (RFP) and evaluation of submitted proposals. An RFP was issued for consulting services and in December 2012 URS was the consultant chosen to assist the City.

URS did finalize the Schulte Road Renewable Energy Development Options report in February, 2013. The report stated that several development pathways could be pursued to implement a viable renewable energy project on the Schulte site. An RFP was subsequently issued for project proposals and two proposals were received.

Two proposals were received from reputable companies. A complete analysis was performed by URS as to the viability of the proposals. It was found that both proposals would be viable to yield an alternative energy project and financial return for the City. It is important to note that negotiations with a firm have not yet been initiated and therefore a final agreement, including revenue projections, could contain different terms when presented to Council for final approval. Additionally, this analysis completes the scope of work by URS.

The primary basis of comparison for the two prospective developers is a project on the 50-acres already owned by the City and where the City enters into a Power Purchase Agreement (PPA) with the developer to offset a portion of the City's energy consumption via PG&E's RES-BCT program. The City would receive lease revenue from the developer on a \$/acre-year basis on the amount of property needed to execute the project. The City would also benefit from energy savings over time by

paying a known electricity rate via the PPA to the developer, which also in theory will hedge against the projected rise in retail electricity costs. The total revenue to the City from a PPA, by means of a reduction in current and projected future electricity costs, and ground lease payments from this comparison project alone ranges from \$450,000 to \$600,000 annually over a 20 year period, which would total \$9 million to \$2 million respectively. Both bidders' proposals contain indications of interest in making option payments to the City for the opportunity to develop additional projects on the remaining acreage of the site and with additional project stakeholders and off-takers.

The City has received two additional and separate unsolicited proposals.

Surland Communities has submitted a proposal to purchase 150-acres of the Schulte Property for \$1,100,000 for a potential solar project. The proposal also requests first right of refusal to purchase additional 50 City owned acres at a price of \$900,000. It should be noted that the Tracy Municipal Code provides that the disposition of real property shall be by competitive proposals unless Council determines other procedures are in the best interest of the City. If the City chooses to sell the property to Surland, the City Council would first have to make such findings.

Energy and Financial Consulting has submitted a non-solicited tentative private offering that proposes a turnkey project using a COP (Certificate of Participation) to secure long term, zero down, low cost funding for a 20 MW solar PV "FIT" (Feed In Tariff) project, on 100-acres. When secured, the rate should be approximately 3.55% for 20 years (final cost is set at offering time). The proposal states that the City's margin would be guaranteed from the utility, by means of a FIT agreement, for up to 25 years.

This proposal claims to ensure that all costs including the land purchase (150 acres), operations and maintenance, fees, interconnection to the grid, annual insurance costs and total revenues would be defined in advance and covered in the agreement. The utility FIT agreement would require the solar company to guarantee the system performance for up to 25 years. The project proposal assumes typical energy production for this size of system in this geographic location. Variables that could raise or lower the energy production (1% to 2%) include maintenance schedule and type, weather, sunlight and shading. The cost of the project would be approximately \$50,000,000. The City should realize an estimated profit of \$20,516,895 over the 25 year term of the "FIT" agreement. Substantially more revenue might be realized under a potential Power Purchase Agreement structure, which would have to be further explored.

The annual revenue varies by year with a majority of the profit realized in years 21 to 25. After the 25 years, the City could start using the energy created to offset the city's facility energy bills, via "virtual net metering". This could add up to many more millions of dollars over the remaining 5 to 15 year life of the solar PV system. After the system is no longer financially viable, the City would have the scrap value of the modules and redevelop or repurpose the 100-acres.

Staff requested that City Council provide direction relative to proceeding and outlined the options for consideration:

Option 1 - Direct staff to bring back a staff report authorizing the City to pay for costs associated with the removal of use restrictions and Federal reversionary rights on the 150-acre Schulte Road parcel. Given the viability projections of a successful solar project, coupled with the proposal from Surland Communities that would essentially guarantee full reimbursement for the 150-acres at a minimum, staff believes this is the best option at this time. This option would allow the City to further define the highest and best use for the property. If City Council chooses this option, staff will request that GSA immediately perform the appraisal on the 150-acres and bring back the appropriate staff report.

Option 2 - Direct staff to begin negotiations with Surland Communities for sale of the property. This option will allow for further vetting of the deal points and may allow staff to potentially present a purchase agreement on July 2, 2013 concurrently with request to authorize purchase of the 150-acres from GSA. This option will limit the City's option for further development of the 150-acre site; however, the funds necessary to remove the restrictions on the property could be utilized for other City purposes.

Option 3 - Direct staff to begin negotiations with one or more of the solar companies. This option will allow for a solar project on the property. Developing a solar project on the property would limit the City's ability for an alternate project on the site. Since there are multiple proposals for the site it is possible for the City to negotiate with more than one potential developer. This option would require a solar consultant in order to assist the negotiations and final agreements. If City Council chooses this option, staff will bring back a request for additional consultant services and begin negotiations.

There is no fiscal impact for this report. \$50,000 has been previously paid to fulfill the request from GSA for a deposit. This amount is refundable in the event the City does not move forward with completing the acquisition of the Schulte Road property. \$9,500 has been paid as a deposit for costs associated with previous and future appraisals. An appraisal is scheduled to be completed by GSA and the final acquisition price will be determined at that time.

Staff recommended that Council provide direction on the Schulte Road Solar Project as stated in Option 1.

Leon Churchill, Jr., City Manager, stated there is a time limits test needed to be met with the Federal Government as well as a financial objective of the City to shed assets. For those reasons, Mr. Churchill recommended Council accept Surland Communities proposal and direct staff to conduct negotiations. In addition, the City shall conduct discussions with Sun Power and Energy Financial Consulting if the proposal with Surland Communities is not consummated within 90 days.

Council Member Rickman asked if this property has a big pipeline running through it. Mr. Buchanan stated yes, there is an easement running through the property.

Mayor Ives asked for clarification regarding the "non-working assets" of 50 acres Mr. Churchill referred to. Mr. Churchill indicated the City owns the entire 200 acres, but 150 acres of the site contain restrictions.

Dan Sodergren, City Attorney, indicated the Federal Government has a revisionary interest in the property and the goal of the City has been to buy off that revisionary interest from the government.

Mayor Ives asked if the appraisal was being done in an effort to buy the revisionary acreage. Mr. Sodergren stated yes.

A discussion ensued regarding appraisals, acreage, and property ownership.

Mayor Ives referred to the 20 years of projected revenue totaling \$9 million. Mr. Buchanan invited a representative from Sun Power to address the question.

Bill Kelley, Sun Power Corporation, indicated the lease revenue would total approximately \$1.6 million over 20 years, but most of the savings would come from having an energy contract.

Mayor Ives asked if the Surland Communities proposal was a simple cash transaction. Mr. Buchanan stated yes, but did include an interest in some type of a solar project with the City.

Mayor Pro Tem Maciel asked if the projections were based on current technology. Mr. Buchanan stated yes.

Mayor Ives invited members of the audience to address Council. There was no one wishing to address Council on the item.

Mr. Sodergren indicated the proposal from Surland Communities would be a straight land sale, at which time Surland Communities could work with a solar company on a project.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to direct staff to negotiate with Surland Communities. Voice vote found all in favor; passed and so ordered.

6. ITEMS FROM THE AUDIENCE - Robert Tanner asked if the ENRA with Spirit of California would conflict with the ENRA with Combined Solar Technologies for the solar project at the Holly Sugar site. Mr. Sodergren stated the solar project was not within the Spirit of California project boundaries.

7. STAFF ITEMS

- A. Receive and Accept the City Manager Informational Update – Leon Churchill, Jr., City Manager, provided the staff report.

Council accepted the City Manager's informational update.

8. COUNCIL ITEMS - Council Member Rickman asked for the status of the Sports Hall of Fame request. Mr. Churchill indicated staff was diligently working with the beneficiary, but no specific date was available.

Council Member Young invited everyone to a Memorial Day event honoring Veterans on Monday, May 27, 2013 at 10:00 a.m. at the Tracy Cemetery. Council Member Young congratulated all 2013 graduates.

Mayor Pro Tem Maciel stated there would be a follow-up ceremony honoring Veterans on Memorial Day, Monday, May 27, 2013, at 11:30 a.m. at the Tracy War Memorial.

8. ADJOURNMENT - It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adjourn. Voice vote found all in favor; passed and so ordered. Time: 10:37 p.m.

The above agenda was posted at the Tracy City Hall on May 16, 2013. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

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City Clerk



**May 21, 2013, 6:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

1. Mayor Ives called the meeting to order at 6:00 p.m.
2. Roll call found Council Members Manne, Rickman, Mayor Pro Tem Maciel and Mayor Ives present; Council Member Young absent.
3. ITEMS FROM THE AUDIENCE – None.

Council Member Young joined the meeting at 6:01 p.m.

4. CONDUCT A BUDGET WORKSHOP – Leon Churchill, Jr., City Manager, provided introductory remarks and introduced Robert Harmon, Senior Accountant, who provided the staff report. Mr. Harmon provided a review of the operating, capital, and debt service budget as proposed by the City Manager. Mr. Harmon indicated this was the first proposed budget since FY 2006-07 that did not use reserves. Mr. Harmon outlined reasons for the improved budget including a rebound in sales tax, auto sales tax, and a slight increase in property tax.

Mr. Harmon outlined four new positions that were proposed for FY 2013-14, noting that 112 Full Time Equivalents (FTEs) have been eliminated since 2006-07.

Mr. Harmon outlined continued concerns for the City including: high unemployment, continued challenge to balance budget without Measure E, and continued increases in Public Employees Retirement System (CalPERS) rates.

The FY 2013-14 proposed budget is as follows for all funds:

Operating Budget	\$117,724,750
Capital Budget	\$ 57,464,300
Debt Service	\$ 20,696,850
Total Budget	\$195,885,900

Mayor Pro Tem Maciel asked if the property tax projections take into account the inclusion of proposed annexations into the City such as Ellis and Cordes Ranch. Mr. Churchill stated the numbers were based on actual development currently within the City.

Council Member Manne asked if any consideration was given regarding the City's aging workforce and FTE's. Maria Hurtado, Assistant City Manager, stated the initial workforce reduction included a complete workforce analysis on retirements that were occurring, and those have been taken into consideration. Ms. Hurtado stated an analysis has been completed on retirements that are contemplated for the next five years, and each position, at that time, will be evaluated to assess whether it is still a priority position.

Council Member Young asked if additional staff would be requested. Allan Borwick, Budget Officer, stated the reason the City is able to add four positions is because of retirements, and those vacated positions would remain vacant. Ms. Hurtado added that the current FTE estimate for FY 2013-14 are actual positions that the City plans to fill and any future vacancies due to attrition would be addressed as they occur.

Council Member Rickman asked for the City's reserve balance. Mr. Churchill stated approximately \$22 million. Council Member Rickman asked if there was a plan in place in case the City does not meet its goal of having a balanced budget at the time Measure E sunsets. Mr. Churchill stated the first goal is to reach the point where revenues meet expenditures at the expiration of Measure E. Mr. Churchill added beyond that, the decisions will be to continue to reduce expenditures by whatever means necessary to achieve that goal. Mr. Churchill further stated that the Council, at that time, will have to consider whether the need to meet revenues versus expenditures is absolute.

Mayor Ives stated the last 23 budgets he has been involved with have always included a conservative forecast and asked if the proposed budget was similar in approach. Mr. Churchill stated the budget was conservative in general and by nature. Mr. Churchill provided examples of conservatism in the budget.

Mayor Ives referred to the eight point plan outlined during the presentation and asked if something else was coming. Mr. Churchill indicated it was the same plan that is being refreshed by looking at where revenues can be maximized and where the costs of doing business can be reduced.

Mayor Ives referred to a point in the presentation that indicated the improved economy was worth \$1 million, asking if that was also conservative. Mr. Churchill stated it was very conservative and that it had already been surpassed.

Mayor Ives asked for clarification of the projected excess Measure E funds of \$1.6 million. Mr. Churchill stated the \$1.6 million was the cumulative total for Measure E. Mayor Ives asked if the current plan was to have any excess Measure E funds placed in the economic uncertainty fund. Mr. Churchill stated it was a natural holding spot for the funds, and that next spring Council will have additional discussions on the matter.

Mayor Ives asked Andrew Malik, Development Services Director, to outline how the additional FTE in the Economic Division would help him. Mr. Malik indicated the additional FTE would help the division keep up, along with the additional augmentation of a consultant on the manufacturing and retail side.

Mayor Ives asked if staff would articulate "the boulders running down the hill" and items out of the City's control. Mr. Churchill stated the City was aware of the concerns in our future related to CalPERS which will affect the 2015-16 budget. Mr. Churchill indicated it will force cities to use more consultants and part-time staff which will create a more nimble organization. Mr. Churchill stated he believes the City is well positioned.

Mayor Ives invited members of the public to address Council. There was no one wishing to address the Council on the matter.

Council Member Rickman asked if staff was ensuring that the City was getting the best deal when renegotiating consultant contracts. Mr. Churchill responded yes, as long as the City can maintain a competitive environment. Mr. Churchill added that the paradox of which is more costly; switching consultants which becomes an expensive process because of a learning curve, or maintaining consultants that have worked on major projects such as water and wastewater. Mr. Churchill stated the number one goal was to maintain a competitive environment.

Council Member Rickman asked if the City has asked consultants to lower their fees. Mr. Churchill indicated it was his understanding that some of these consultants have not increased their fees for several years.

Council Member Rickman asked if the City was relying on any state programs to balance the budget. Mr. Churchill stated there were no federal or state funds assumed for the budget. Mr. Churchill added on a capital or project basis, the City will continue to leverage outside resources.

Council Member Manne referred to the reduction in staff and asked if consultants were used to better steer the ship or as a tool due to lack of man hours. Mr. Churchill stated consultants were needed in areas where demand is more sporadic, over a short period of time, or for a skill set the City does not have in house.

Council Member Young asked if consultant contracts were set for a specific period of time. Mr. Churchill stated even with long time consultants there are termination clauses for each party. Mr. Churchill added that most contracts were project specific and very finite.

Mayor Ives asked Mr. Churchill to address levels of service. Mr. Churchill stated he could not say that service levels have remained the same over the last several years, but were appropriate and meet the needs of the community.

Council received the report.

5. Adjournment - It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adjourn. Voice vote found all in favor; passed and so ordered. Time 6:43 p.m.

The above agenda was posted at the Tracy City Hall on May 16, 2013. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

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City Clerk

AGENDA ITEM 1.B

REQUEST

**AUTHORIZE THE MAYOR TO SIGN A QUITCLAIM DEED CONVEYING VACATED RIGHT-OF-WAY ON SCHULTE ROAD TO THE TRACY PUBLIC CEMETERY DISTRICT, AND AUTHORIZE THE CITY CLERK TO FILE THE QUITCLAIM DEED WITH THE SAN JOAQUIN COUNTY RECORDER**

EXECUTIVE SUMMARY

In 1994, City Council authorized the abandonment of a portion of Schulte Road right-of-way west of MacArthur Drive located between the back of the sidewalk to the fence line fronting the Tracy Public Cemetery District (TPCD) property. A certified copy of the approved resolution was recorded with the San Joaquin County Recorder; however, a quitclaim deed was not recorded. In order to complete the abandonment process, a Quitclaim Deed to convey the vacated land to TPCD must be filed at the Office of the San Joaquin County Recorder.

DISCUSSION

On August 16, 1994, City Council authorized the abandonment of the excess street right-of-way on Schulte Road (summarily vacate), pursuant to Resolution 94-271. This abandonment involved a portion of Schulte Road right-of-way west of sidewalk to the fence line fronting TPCD on the north side of Schulte Road. The excess street right-of-way is approximately 4,155 square feet in area and is composed of two triangular areas between the TPCD property and Schulte Road, as shown on the attached Location Map.

A certified copy of the resolution was recorded with the San Joaquin County Recorder. However, a deed to convey the vacated land was not processed at that time. The Quitclaim Deed has been prepared and Engineering staff has reviewed the legal description and a map of the vacated land.

In return, TPCD will dedicate approximately 9 square feet of their property to the City such that the final right of way line of Schulte Road will be parallel with the sidewalk at this location. To prevent growth of weeds between the sidewalk and the new metal fence, a 12-inch wide concrete mow band will be installed by TPCD.

FISCAL IMPACT

There will be no impact to the General Fund. TPCD is responsible for the cost of preparing the legal description and map.

STRATEGIC PLAN

This is a routine operational item and does not relate to the City's four Strategic Plans.

RECOMMENDATION

That City Council, by resolution, authorize the Mayor to sign a Quitclaim Deed conveying the vacated right-of-way on Schulte Road to the Tracy Public Cemetery District, and authorize the City Clerk to file the Quitclaim Deed with the San Joaquin County Recorder.

Prepared by: Cris Mina, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

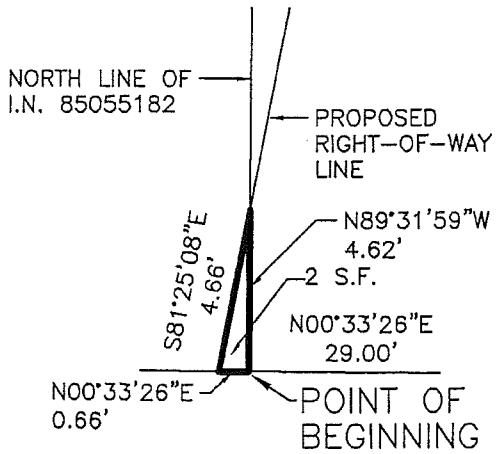
Approved by: Andrew Malik, Director of Development Services  
R. Leon Churchill, Jr., City Manager

ATTACHMENTS

Attachment A – Location Map

# LOCATION MAP

ATTACHMENT A



**DETAIL "A"**  
NOT TO SCALE

PROPOSED RIGHT-OF-WAY LINE

NORTH LINE OF I.N. 85055182 25' 30'

TRACY PUBLIC CEMETERY DISTRICT  
O.R. 3332-128

30' JORANOLLO DRIVE

ROAD

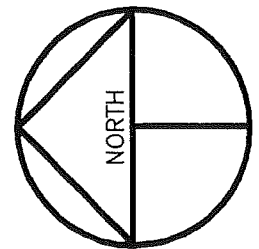
LEGEND:

- VACATED EXCESS RIGHT-OF-WAY

PROPOSED RIGHT-OF-WAY LINE

NORTH LINE OF I.N. 85055182

SCHULTE



SCALE: 1" = 60'

**QUARTAROLI & ASSOCIATES**

LAND SURVEYING - LAND PLANNING  
(209) 239-4908  
310 SUN WEST PLACE, SUITE "A"  
MANTECA, CA. 95337

(SEE DETAIL "A")  
WEST LINE OF 10.545 AC. PARCEL PER R.S. 19-104 AND EAST LINE OF MT. DIABLO PARK UNIT NO. 1, M.&P. 29-10

R.S. 19-104

MT. DIABLO PARK UNIT NO. 1, M.&P. 29-10

RESOLUTION 2013-\_\_\_\_\_

AUTHORIZING THE MAYOR TO SIGN A QUITCLAIM DEED CONVEYING VACATED RIGHT-OF-WAY ON SCHULTE ROAD TO THE TRACY PUBLIC CEMETERY DISTRICT, AND AUTHORIZING THE CITY CLERK TO FILE THE QUITCLAIM DEED WITH THE SAN JOAQUIN COUNTY RECORDER

WHEREAS, On August 16, 1994, City Council authorized the abandonment of the excess street right-of-way on Schulte Road (summarily vacate), pursuant to Resolution 94-271; and

WHEREAS, The abandonment involved a portion of Schulte Road right-of-way from the curb to the fence line fronting the Tracy Public Cemetery District (TPCD) property on the north side of Schulte Road; and

WHEREAS, The excess right-of-way on Schulte Road is approximately 4,155 square feet in area and is composed of two triangular shaped areas between the TPCD property and Schulte Road; and

WHEREAS, A certified copy of the resolution approving the abandonment was recorded with the San Joaquin County Recorder; and

WHEREAS, Engineering Division has reviewed the legal description and map of the vacated land; and

WHEREAS, A deed to convey the vacated land was not processed at that time; and

WHEREAS, TPCD will dedicate approximately nine square feet of their property to the City such that the final right-of-way line of Schulte Road will be parallel with the sidewalk; and

WHEREAS, In order to prevent growth of weeds between the sidewalk and the new metal fence, a 12-inch wide concrete mow band will be installed by TPCD; and

WHEREAS, There will be no impact to the General Fund. TPCD will pay for the cost of preparing the legal description and map including the cost of recording the Quitclaim Deed;

NOW, THEREFORE, BE IT RESOLVED, that City Council authorizes the Mayor to sign a Quitclaim Deed conveying the vacated right-of-way on Schulte Road to the Tracy Public Cemetery District, and authorizes the City Clerk to file the Quitclaim Deed with the San Joaquin County Recorder.

The foregoing Resolution was adopted by the Tracy City Council on the 16th day of July, 2013 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.C

REQUEST

**ACCEPTANCE OF THE TRACY AIRPORT FIXED BASE OPERATOR (FBO) METER – CIP 77035A, COMPLETED BY BOCKMON & WOODY ELECTRIC CO., INC. OF STOCKTON, CALIFORNIA, AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE NOTICE OF COMPLETION**

EXECUTIVE SUMMARY

The contractor has completed construction of the Fixed Base Operator (FBO) Airport Meter Project in accordance with project plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends Council accept the project to enable the City to release the contractor's bonds and retention.

DISCUSSION

On November 5, 2012, the City Manager, in accordance with Tracy Municipal Code (TMC) 2.20.260, executed the agreement with the lowest monetary bidder Bockmon & Woody Electric Co., Inc., of Stockton, California, in the amount of \$27,709 for Tracy Airport FBO Meter– CIP 77035A. Public Contract Code Sections 22032 and 22036 allow the public agency to procure informal bids for projects with anticipated cost less than \$45,000.

The purpose of this project is to provide separate electrical meters for the aircraft repair and maintenance facility and the administration and fuel facility. In order to achieve this goal, the scope of work for this project included installation of a 45 KVA electrical transformer, 100 Amp electrical panel, concrete transformer pad, miscellaneous conduit, and relocation existing transformer.

The project plans and specifications were prepared by in-house engineering staff. The project was advertised for informal bids on the City of Tracy's website and construction builder's exchanges on October 17, 2012, and six bids were received on October 30, 2012.

No change order was issued. Status of budget and project cost is as follows:

A. Construction Contract Amount	\$ 27,709.00
B. Design, construction inspection	\$ 2,191.00
C. Citywide Project management	<u>\$ 2,504.60</u>
Total Project Costs	\$ 32,404.60
Budgeted Amount	\$ 35,000.00

The project has been completed within the available budget, on schedule, per plans, specifications, and City of Tracy standards.



STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's strategic plans. The remaining funds will be used for future Airport projects.

FISCAL IMPACT

CIP 77035A is an approved Capital Improvement Project with sufficient funding and there will be no fiscal impact to the General Fund.

RECOMMENDATION

That City Council accept by resolution, construction of the Tracy Airport FBO Project CIP 77035A, completed by Bockmon & Woody Electric Co., Inc., of Stockton, California, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Prepared by: Paul Verma, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development Services Director  
R. Leon Churchill, Jr., City Manager

RESOLUTION 2013- \_\_\_\_\_

ACCEPTING THE TRACY AIRPORT FBO METER – CIP 77035A, COMPLETED BY BOCKMON & WOODY ELECTRIC CO., INC., OF STOCKTON, CALIFORNIA, AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE NOTICE OF COMPLETION

WHEREAS, On November 5, 2012, the City Manager, in accordance with Tracy Municipal Code (TMC) 2.20.260, executed the agreement with the lowest monetary bidder Bockmon & Woody Electric Co., Inc., of Stockton, California in the amount of \$27,709 for Tracy Airport FBO Meter– CIP 77035A; and

WHEREAS, The contractor has completed construction of the FBO Airport Meter Project in accordance with project plans, specifications, and contract documents; and

WHEREAS, Status of budget and project costs are estimated to be as follows:

A. Construction Contract Amount	\$ 27,709.00
B. Design, construction inspection	\$ 2,191.00
C. Citywide Project management	<u>\$ 2,504.60</u>
Total Project Costs	\$ 32,404.60
Budgeted Amount	\$ 35,000.00

WHEREAS, CIP 77035 is an approved Capital Improvement Project and there will be no impact to the General Fund;

NOW, THEREFORE BE IT RESOLVED, that City Council accept, construction of the Tracy Airport FBO Project CIP 77035A, completed by Bockmon & Woody Electric Co., Inc., of Stockton, California, and authorizes the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

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The foregoing Resolution \_\_\_\_\_ was adopted by the City Council on the 16<sup>th</sup> day of July, 2013, by the following vote:

AYES:           COUNCIL MEMBERS:  
 NOES:           COUNCIL MEMBERS:  
 ABSENT:        COUNCIL MEMBERS:  
 ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.D

REQUEST

**ACCEPTANCE OF THE CORRAL HOLLOW ROAD PAVEMENT REPAIR AND RESURFACING (NORTH OF LINNE ROAD TO PEONY DRIVE) – CIP 73127, (FEDERAL PROJECT NUMBER RSTP-5192 (036)), COMPLETED BY KNIFE RIVER CONSTRUCTION OF STOCKTON, CALIFORNIA, AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE NOTICE OF COMPLETION**

EXECUTIVE SUMMARY

The contractor has completed construction of pavement repair and resurfacing of the southbound lane of Corral Hollow Road between Peony Drive and Linne Road in accordance with project plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends Council accept the project to enable the City to release the contractor’s bonds and retention.

DISCUSSION

On October 2, 2012, City Council awarded a construction contract for pavement repair and resurfacing of the southbound lane of Corral Hollow Road to Knife River Construction of Stockton, California, in the amount of \$147,710. The limit of the project starts just south of Peony Drive and ends just north of Linne Road.

The scope of work for this project included the pavement repair and resurfacing of approximately 1,972 linear feet of the southbound lane of Corral Hollow Road from Peony Drive to Linne Road. The scope of work also included shoulder backing, re-striping, adjustment of existing water valves to grade, and re-installation of traffic loops. The north bound lanes generally constructed by fronting developments are in good condition and do not need repairs.

No change order was issued for this project. The project construction contract unit prices are based on estimated engineering quantities. Actual payment is based on field measured quantities installed by the contractor. According to the City’s inspection records, actual field measurement quantities are less than the contract quantities in the amount of \$(5,263.01). These quantities were deducted in accordance with the bid unit prices listed in the contract and are listed as under run quantities.

Status of budget and project costs is as follows:

A. Construction Contract Amount	\$ 147,710.00
B. Under run of quantities	\$ (5,263.01)
C. Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 42,960.00
D. Project Management Charges (Estimated)	<u>\$ 59,746.00</u>
Total Project Costs	\$245,152.99
Budgeted Amount	\$452,630.00

The project has been completed within the available budget, on schedule, per plans, specifications and City of Tracy standards.

This project was federally funded from the Regional Surface Transportation Program (RSTP), in the amount of \$452,630. A total of \$207,477.01 will be left over after completion of this project. The remaining funds will be de-obligated and allocated to another roadway project in the City through the Council of Governments (COG).

#### STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's strategic plans.

#### FISCAL IMPACT

CIP 73127 is an approved Capital Improvement Project with sufficient funding from RTSP funds and there will be no fiscal impact to the General Fund. All remaining funds will be transferred back into the roadway funds for other projects in the City through COG.

#### RECOMMENDATION

That City Council, by resolution, accept the Corral Hollow Road pavement repair and resurfacing (north of Linne Road to Peony Drive) – CIP73127, (Federal Project Number RSTP-5192 (036)), completed by Knife River Construction of Stockton, California and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder's Office. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Prepared by: Paul Verma, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development Services Director  
R. Leon Churchill, Jr., City Manager

RESOLUTION 2013- \_\_\_\_\_

ACCEPTING THE CORRAL HOLLOW ROAD PAVEMENT OVERLAY (NORTH OF LINNE ROAD TO PEONY DRIVE) – CIP 73127, (FEDERAL PROJECT NUMBER RSTP-5192 (036)), COMPLETED BY KNIFE RIVER CONSTRUCTION OF STOCKTON, CALIFORNIA, AND AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION

WHEREAS, On October 2, 2012, City Council awarded a construction contract for pavement repair and resurfacing of the southbound lane of Corral Hollow Road to Knife River Construction of Stockton, California, in the amount of \$147,710; and

WHEREAS, The contractor has completed construction of pavement repair and resurfacing of the southbound lane of Corral Hollow Road between Peony Drive and Linne Road in accordance with project plans, specifications, and contract documents; and

WHEREAS, Status of budget and project costs are estimated to be as follows:

A. Construction Contract Amount	\$147,710.00
B. Under run of quantities	\$ (5,263.01)
C. Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 17,000.00
D. Project Management Charges (Estimated)	<u>\$ 18,000.00</u>
Total Project Costs	\$177,477.00
Budgeted Amount	\$346,395.00

WHEREAS, CIP 73127 is an approved Capital Improvement Project and there will be no impact to the General Fund;

NOW, THEREFORE BE IT RESOLVED, That City Council accepts construction of the pavement repair and resurfacing of the southbound lane of Corral Hollow Road from south of Peony Drive to north of Linne Road, completed by Knife River Construction of Stockton, California and authorizes the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

\* \* \* \* \*

RESOLUTION \_\_\_\_\_  
Page 2

The foregoing Resolution \_\_\_\_\_ was adopted by the City Council on the 16<sup>th</sup> day of July, 2013, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.E

REQUEST

**AWARD A CONSTRUCTION CONTRACT FOR TRAFFIC RELATED CAPITAL IMPROVEMENT PROJECTS (CIP 72072, 72080, & 72083) AND AUTHORIZE THE MAYOR TO EXECUTE THE CONTRACT**

EXECUTIVE SUMMARY

City Council is requested to award the construction contract for traffic related Capital Improvement Projects that include modification of the traffic signal at Eleventh Street and East Street (CIP 72072), traffic controller replacement at Tracy Boulevard and Vallerand Drive (CIP 72080) and striping modification at the intersection of MacArthur Drive and Pescadero Avenue (72083). These projects are approved Capital Improvements projects and are consolidated into one project for bidding and construction purposes.

DISCUSSION

This construction contract involves the continuation three Capital Improvement Projects involving modification of the traffic signal at Eleventh Street and East Street (CIP 72072), traffic controller replacement at Tracy Boulevard and Vallerand Drive (CIP 72080) and striping modification at the intersection of MacArthur Drive and Pescadero Avenue (72083).

The modification of Eleventh Street and East Street Project – CIP 72072 provides for new traffic signal poles, mast arms, LED lighting, audible pedestrian signal heads, countdown pedestrian heads, traffic controllers, service, CCTV Camera etc. The existing outdated 170 Controller will be replaced with the new 2070 Controller to meet current State Department of Transportation standards.

The Tracy Boulevard and Vallerand Drive Project – CIP 72080 provides replacement of existing 170 Traffic Controller with new 2070 Traffic Controller including associated improvements.

The MacArthur Drive and Pescadero Avenue Intersection Project – CIP 72083 will provide Surface Transportation Assistance Act (STAA) improvements at this intersection to make it accessible for larger trucks.

Project design, improvement plans, specifications, and contract documents were prepared in-house by Development Services staff. The project was advertised for competitive bids on May 16, and May 23, 2013. The City received five bids on June 12, 2013 follow:

W. Bradley Electric, Novato, CA	\$236,000
Tennyson Electric, Livermore, CA	\$245,938
Pacific Excavation, Inc., Elk Grove, CA	\$269,144
Columbia Electric, San Leandro, CA	\$287,500

Stieny and Company, Vallejo, CA

\$296,552

W. Bradley Electric of Novato, California, the lowest monetary bidder, provided the City written notice that a clerical error was made in its bid and is withdrawing their bid in accordance with the provisions of the specifications (See Attachment A).

Staff, in consultation with the City Attorney's office, has reviewed the withdrawal request and determined that the withdrawal request from W. Bradley Electric is reasonable and is within the time frame as required by the project specifications and State law. Staff is hereby recommending accepting W. Bradley Electric's request for withdrawal of their bid.

Tennyson Electric is the next lowest monetary bidder. The bid analysis indicates that the bid is responsive and bidder is responsible. The contractor has good references and has completed similar projects for the City and other agencies.

Staff recommends this construction contract involving Traffic Signal Modification at Eleventh Street and East Street, Traffic Signal Controller replacement at Tracy Boulevard and Vallerand Drive, and STAA Improvements at the intersection of MacArthur Drive and Pescadero Avenue be awarded to Tennyson Electric of Livermore, California for the bid amount of \$245,938.

The anticipated cost for construction of this project, if awarded to Tennyson Electric, is estimated as follows:

	<u>Amount</u>
Construction Bid	\$245,938
Construction Contingency (~10%)	\$ 24,000
Design (~5%)	\$ 10,000
Design Support during Construction	\$ 2,000
Inspection (~5%)	\$ 10,000
City wide Project Management	<u>\$ 33,000</u>
Total Project Cost	\$324,938

A total of \$327,000 is budgeted for this project. If the project is awarded to Tennyson Electric of Livermore, California, it is anticipated that construction will commence by July 15, 2013, with completion expected by the end of November 2013.

#### STRATEGIC PLAN

This agenda item is a routine operational item and is not related to the City Council's four Strategic Plans.

#### FISCAL IMPACT

All three Capital Improvement Projects No. 72072, 72080, and 72083, which are part of this construction contract, are fully funded and budgeted projects.



RECOMMENDATION

It is recommended that City Council, by resolution, accept W. Bradley Electric's request for withdrawal of its bid and award a construction contract to Tennyson Electric of Livermore, California in the amount of \$245,938 for Traffic Signal Modification at Eleventh Street and East Street, Traffic Signal Controller replacement at Tracy Boulevard and Vallerand Drive, and STAA Improvements at MacArthur Drive and Pescadero Avenue - CIP 72072, 72080, and 72083, and authorize the Mayor to execute the contract.

Prepared by: Ripon Bhatia, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development and Engineering Services Director  
R. Leon Churchill, Jr., City Manager

ATTACHMENTS

Attachment A – W. Bradley Electric's Request to Withdraw Bid



*Electrical • Telcom • Security • Network  
Audio Visual • Traffic Signal*

City of Tracy  
Department of Transportation  
333 Civic Center Plaza.  
Tracy Ca. 95376

Attn: Mr. Ripon Bhatia  
Senior Engineer

Re: Traffic Signal Modification at  
Eleventh St & East St  
Traffic Signal controller replacement  
City of Tracy  
Project No. CIP. 72072, 72080 & 72083

Subject: Request for Relief of Bid

Dear Mr. Bhatia

W. Bradley Electric regrets to inform you that we have made a substantial material error in our bid and hereby requests for Relief of bid

We sent out our bid via FedEx on 6/11/13 for a 6/12/13 10:30 am scheduled delivery. We did this in good faith with quotations received by the specified electrical material vendor. At 10:59 am on 6/12/13 we received a revised bid from your specified material vendor adding \$18,620 to their quotation .

Attached are the two quotations received

We ask you for consideration upon your review in this matter

Regards,

A handwritten signature in black ink, appearing to read 'Rick Brumm', is written over the 'Regards,' text.

Rick Brumm

W. Bradley Electric

6/11/13  
1:58

# JAM SERVICES, INC.

958 E AIRWAY BLVD  
LIVERMORE, CA 94550

Telephone (925) 455-5267  
Fax (925) 455-5348

## PRICE QUOTATION – JSM061213C

SUBJECT: City of Tracy            Eleventh @ East  
BID DATE: 6-12-13

JAM Services is pleased to provide the following price quotation for the subject project.

LOCATION Eleventh @ East  
Traffic signal display to include: vehicle and pedestrian signal, framework, pedestrian pushbutton, and thru bolts. All red, yellow and green signal sections shall be LED. Pedestrian signal shall be LED countdown. Includes audible tactile ped signals.

TOTAL PRICE \$ 15,650.00

2070/332 controller cabinet w/McCain Adaptive software, ML688 switch, and MLU-16N.

TOTAL PRICE \$ 20,980.00

EVP package to include:

- (4) Detector
- (1) Discriminator

TOTAL PRICE \$ 3,360.00

Pole package to include:

- (1) Galvanized type 26-4-100, 40, 12
- (2) " " 24-4-100, 35, 12
- (1) " " 1-A 10'
- (1) " " PPB Post
- (4) LED luminaire

TOTAL PRICE \$ 25,850.00

LOCATION Eleventh @ East

2070/332 controller cabinet w/McCain Adaptive software, ML688 switch, and MLU-16N.

TOTAL PRICE \$ 20,980.00

Prices include delivery, but are net of applicable sales tax. If I can be of further assistance, please contact me at 925-455-5267. Please include the quote number when placing an order.

Thank you -- David Lebherz

\$ 86,820

6/12/13

10:59

# JAM SERVICES, INC.

958 E AIRWAY BLVD  
LIVERMORE, CA 94550

Telephone (925) 455-5267  
Fax (925) 455-5348

## PRICE QUOTATION - JSM061213C REVISED

SUBJECT: City of Tracy      Eleventh @ East  
BID DATE: 6-12-13

JAM Services is pleased to provide the following price quotation for the subject project.

LOCATION Eleventh @ East  
Traffic signal display to include: vehicle and pedestrian signal, framework, pedestrian pushbutton, and thru bolts. All red, yellow and green signal sections shall be LED. Pedestrian signal shall be LED countdown. Includes audible tactile ped signals. Includes spares per specifications.

TOTAL PRICE \$ 16,150.00

2070/332 controller cabinet w/2033, Adaptive software, Training, MLU-32EF, ML688 switch, Reconfiguring existing Actelis and Axis cameras, Actelis product training.

*ESTIMATE*

TOTAL PRICE \$ 32,980.00 **REVISED**

(1) CCTV

TOTAL PRICE \$ 5,250.00

EVP package to include:  
(4) Detector  
(1) Discriminator

TOTAL PRICE \$ 3,360.00

Pole package to include:  
(1) Galvanized type 26-4-100, 40, 12  
(2) " " 24-4-100, 35, 12  
(1) " " 1-A 10'  
(1) " " PPB Post  
(4) LED luminaire

TOTAL PRICE \$ 25,850.00

LOCATION Eleventh @ East  
2070/332 controller cabinet w/2033, Adaptive software, Training, and ML688 switch.

TOTAL PRICE \$ 21,980.00

QUOTE DOES NOT INCLUDE MLU-16N MODULE, THIS PRODUCT HAS BEEN DISCONTINUED. QUOTING MLU-32EF IN LIEU OF.

Prices include delivery, but are net of applicable sales tax. If I can be of further assistance, please contact me at 925-455-5267. Please include the quote number when placing an order.

*TOTAL \$ 105,440*

RESOLUTION 2013 - \_\_\_\_\_

ACCEPTING W. BRADLEY ELECTRIC'S REQUEST FOR WITHDRAWAL OF ITS BID AND APPROVING A CONSTRUCTION CONTRACT TO THE LOWEST RESPONSIVE RESPONSIBLE BIDDER FOR TRAFFIC SIGNAL MODIFICATION AT ELEVENTH STREET AND EAST STREET, TRAFFIC SIGNAL CONTROLLER REPLACEMENT AT TRACY BOULEVARD AND VALLERAND DRIVE, AND STAA IMPROVEMENTS AT MACARTHUR DRIVE AND PESCADERO AVENUE - CIP 72072, 72080, AND 72083, AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT

WHEREAS, The modification of Eleventh Street and East Street Project – CIP 72072 provides for new traffic signal poles, mast arms, LED lighting, audible pedestrian signal heads, countdown pedestrian heads, traffic controllers, service, CCTV Camera etc. The existing outdated 170 Controller will be replaced with the new 2070 Controller to meet current State Department of Transportation standards; and

WHEREAS, The Tracy Boulevard and Vallerand Drive Project – CIP 72080 provides replacement of existing 170 Traffic Controller with new 2070 Traffic Controller including associated improvements; and

WHEREAS, The MacArthur Drive and Pescadero Avenue Intersection Project – CIP 72083 will provide Surface Transportation Assistance Act (STAA) improvements at this intersection to make it accessible for larger trucks; and

WHEREAS, The project was advertised for competitive bids on May 16, and May 23, 2013; and

WHEREAS, The City received the following five bids on June 12, 2013:

W. Bradley Electric, Novato, CA	\$236,000
Tennyson Electric, Livermore, CA	\$245,938
Pacific Excavation, Inc., Elk Grove, CA	\$269,144
Columbia Electric, San Leandro, CA	\$287,500
Stieny and Company, Vallejo, CA	\$296,552

WHEREAS, W. Bradley Electric of Novato, California, the lowest monetary bidder, provided the City written notice that a clerical error was made in its bid and is withdrawing their bid in accordance with the provisions of the specifications; and

WHEREAS, Staff, in consultation with the City Attorney's office, has reviewed the withdrawal request and determined that the withdrawal request from W. Bradley Electric is reasonable and is within the time frame as required by the project specifications and State law; and

WHEREAS, The next lowest monetary bid is from Tennyson Electric of Livermore, California; the bid analysis indicates that the bid is "responsive" and the bidder is "responsible"; and

WHEREAS, The anticipated cost for construction of this project, if awarded to Tennyson Electric, is estimated as follows:

	<u>Amount</u>
Construction Bid	\$ 245,938
Construction Contingency (~10%)	\$ 24,000
Design (~5%)	\$ 10,000
Design Support during Construction	\$ 2,000
Inspection (~5%)	\$ 10,000
City wide Project Management	<u>\$ 33,000</u>
Total Project Cost	\$ 324,938

WHEREAS, A total of \$327,000 is budgeted for this project.

NOW, THEREFORE BE IT RESOLVED, That City Council accepts W. Bradley Electric's request for withdrawal of its bid and awards a construction contract to Tennyson Electric of Livermore, California in the amount of \$245,938 for Traffic Signal Modification at Eleventh Street and East Street, Traffic Signal Controller replacement at Tracy Boulevard and Vallerand Drive, and STAA Improvements at MacArthur Drive and Pescadero Avenue - CIP 72072, 72080, and 72083, and authorizes the Mayor to execute the contract.

The foregoing Resolution 2013-\_\_\_\_\_ was adopted by the City Council on the 16<sup>th</sup> day of July, 2013, by the following vote:

AYES:           COUNCIL MEMBERS:  
 NOES:           COUNCIL MEMBERS:  
 ABSENT:        COUNCIL MEMBERS:  
 ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
 Mayor

ATTEST:

\_\_\_\_\_  
 City Clerk

AGENDA ITEM 1.F

REQUEST

**ACCEPTANCE OF THE BUS STOP IMPROVEMENTS PROJECT (PHASE II) ON VARIOUS CITY STREETS - CIP 77539, FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM (TIP) NO. 212-0000-0457, GRANT NO. CA-96-X003, COMPLETED BY AMERICAN ASPHALT, INC., OF HAYWARD, CALIFORNIA, AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE NOTICE OF COMPLETION**

EXECUTIVE SUMMARY

The contractor has completed construction of the Bus Stop Improvement Project (Phase II) on Various City Streets - CIP 77539, in accordance with project plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends that Council accept the project to enable the City to release the contractor's bonds and retention.

DISCUSSION

On June 15, 2012, City Council awarded a construction contract for the Bus Stop Improvement Project (Phase II) on Various City Streets - CIP 77539, to American Asphalt, Inc., of Hayward, California, in the amount of \$1,479,846.

The scope of work for this project included improvements to 77 bus stops throughout the City. Out of the 77 locations, 9 locations included bus pullouts with shelters, 16 locations included improvements and bus shelters, and 52 locations included new benches. All locations included trash receptacles. All bus stops also provided landing pads for ADA access points and satisfy current ADA requirements.

One change order was issued in the amount of \$15,312.40 for this project which consisted of installation of irrigation system and landscape work at various bus stop locations and to pay for additional unforeseen conditions encountered during construction.

Status of budget and project costs is as follows:

A. Construction Contract Amount	\$1,479,846.00
B. Change orders	\$ 15,312.40
C. Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 176,672.00
D. Project Management Charges (Estimated)	<u>\$ 174,272.00</u>
Total Project Costs	\$1,846,102.40
Budgeted Amount	\$1,911,200.00

The project has been completed within the available budget, on schedule, per plans, specifications and City of Tracy standards.

#### STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's strategic plans.

#### FISCAL IMPACT

CIP 77539 is an approved Capital Improvement Project with sufficient funding and there will be no fiscal impact to the General Fund. All remaining unused funds will be transferred back into the CIP budget for future bus stops.

#### RECOMMENDATION

That City Council by resolution, accept construction of the Bus Stop Improvement Project (Phase II) on Various City Streets - CIP 77539, Federal Transportation Improvement Program (TIP) No. 212-0000-0457, Grant NO. CA-96-X003, completed American Asphalt, Inc., of Hayward, California, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Prepared by: Paul Verma, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development Services Director  
R. Leon Churchill, Jr., City Manager



RESOLUTION 2013- \_\_\_\_\_

ACCEPTING THE BUS STOP IMPROVEMENTS PROJECT (PHASE II) ON VARIOUS CITY STREETS - CIP 77539, FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM (TIP) NO. 212-0000-0457, GRANT NO. CA-96-X003 , COMPLETED BY AMERICAN ASPHALT, INC., OF HAYWARD, CALIFORNIA, AND AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION

WHEREAS, On June 5, 2012, City Council awarded a construction contract for the Bus Stop Improvement Project (Phase II) on Various City Streets - CIP 77539, to American Asphalt, Inc., of Hayward, California, in the amount of \$1,479,846; and

WHEREAS, The contractor has completed construction of the Bus Stop Improvement Project (Phase II) on Various City Streets - CIP 77539, in accordance with project plans, specifications, and contract documents; and

WHEREAS, One change order was received in the net amount of \$15,312.40; and

WHEREAS, Status of budget and project costs are estimated to be as follows:

A. Construction Contract Amount	\$1,479,846.00
B. Change orders	\$ 15,312.40
C. Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 176,672.00
D. Project Management Charges (Estimated)	<u>\$ 174,272.00</u>
Total Project Costs	\$1,846,102.40
Budgeted Amount	\$1,911,200.00

WHEREAS, CIP 77539, is an approved Capital Improvement Project and there will be no impact to the General Fund and all remaining funds will be transferred back into CIP for future Bus Stop Projects;

NOW, THEREFORE BE IT RESOLVED that City Council accepts construction of the Bus Stop Improvement Project (Phase II) on Various City Streets - CIP 77539, completed by American Asphalt, Inc., of Hayward, California, and authorizes the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

The foregoing Resolution 2013-\_\_\_\_\_ was adopted by City Council on the 16<sup>th</sup> day of July, 2013, by the following vote:

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:  
ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.G

REQUEST

**AUTHORIZE AN APPROPRIATION OF \$10,810 FROM THE 2013 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM FOR THE PURCHASE AND INSTALLATION OF ENHANCED TECHNOLOGY FOR THE TRACY POLICE DEPARTMENT'S LAW ENFORCEMENT PROGRAMS**

EXECUTIVE SUMMARY

The City of Tracy has been awarded \$10,810 from a Federal Justice Assistance Grant (JAG) Program for the purchase and installation of equipment to enhance surveillance and evidence collection. The City of Tracy may accept the grant and authorize an appropriation of \$10,810 to the Police Department budget for FY 13-14.

DISCUSSION

The Edward Byrne Justice Grant (JAG) Program (42 U.S.C. 3751(a)) is the primary provider of Federal criminal justice funding to State and local jurisdictions. JAG funds support all components of the criminal justice system by improving the effectiveness and efficiency of criminal justice systems, processes and procedures.

Agencies are allowed to use this grant to support a broad range of activities to prevent and control crime based upon their local needs and conditions. The Tracy Police Department has determined the most appropriate use of this grant is to purchase and install several components of technology to enhance the safety of citizens.

The Tracy Police Department intends to purchase electronic digital recorders, surveillance equipment, and automated external defibrillators described as follows:

<b>Digital Recording Equipment</b>	<b>\$2,810</b>
Provide patrol officers with digital recorders to use in the field to take notes and prepare reports and be downloaded to the PC.	
<b>Surveillance Equipment</b>	<b>\$5,000</b>
General Investigations Unit will obtain updated Surveillance technology to enhance criminal investigations.	
<b>Automated External Defibrillator</b>	<b>\$3,000</b>
To provide first line responders with AED's to prevent death from Sudden Cardiac Arrest (SCA) prior to the arrival of EMS personnel.	

STRATEGIC PLAN

This agenda item does not relate to the Council's four strategic plans.

FISCAL IMPACT

The City of Tracy will receive \$10,810 from the 2013 Federal JAG Program. There is no negative impact to the current fiscal budget as no City match is required. Accepting this grant funding requires the funds to be appropriated from the Federal JAG Program and \$10,810 added to the Police Department's Operating Budget.

RECOMMENDATION

That City Council, by resolution, authorize the acceptance of the grant and the appropriation of \$10,810 from the Federal JAG Program to the Police Department's Operating Budget for the purchase electronic digital recorders, surveillance equipment, and automated external defibrillators.

Prepared by: Lani Smith, Division Manager

Reviewed by: Chief Gary R. Hampton

Approved by: R. Leon Churchill, Jr., City Manager

RESOLUTION \_\_\_\_\_

AUTHORIZING AN APPROPRIATION OF \$10,810 FROM THE 2013 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM FOR THE PURCHASE AND INSTALLATION OF ENHANCED TECHNOLOGY FOR THE TRACY POLICE DEPARTMENT'S LAW ENFORCEMENT PROGRAMS

WHEREAS, The United States Department of Justice, Office of Justice Programs, Bureau of Justice Assistance coordinates the annual Edward Byrne Justice Assistance Grant (JAG) Program that makes available Federal public safety funds to local jurisdictions, and

WHEREAS, The City of Tracy is eligible to receive \$10,810 for calendar year 2013 under a pre-designated grant formula, and

WHEREAS, The Tracy Police Department intends to use the appropriation of \$10,810 to purchase electronic digital recorders, electronic surveillance equipment and automated external defibrillators;

NOW THEREFORE BE IT RESOLVED, That City Council hereby authorizes the appropriation of \$10,810 from the 2013 Edward Byrne Memorial Justice Grant (JAG) Program for the purchase of electronic digital recorders, electronic surveillance equipment, and automated external defibrillators to improve and enhance the Tracy Police Department's Law Enforcement Programs.

\* \* \* \* \*

The foregoing Resolution 2013-\_\_\_\_\_ was passed and adopted by the Tracy City Council on the 16<sup>th</sup> day of July, 2013, by the following vote:

AYES:            COUNCIL MEMBERS:

NOES:            COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 3

REQUEST

**PUBLIC HEARING TO CONSIDER A PROPOSED INCREASE TO WASTEWATER RATES AND INTRODUCTION OF AN ORDINANCE TO REVISE WASTEWATER RATES**

EXECUTIVE SUMMARY

A City Council workshop on the rate study was held on April 16, 2013, to review the proposed wastewater rate increase. The need for the increase is in large part to fund construction of a second outfall pipeline. The changes in future expenditures have been analyzed to determine the impact to wastewater rates. The current charge is \$31.00 per month for the single-family home and the proposed increase is to \$34.00 per month.

DISCUSSION

The goal of any rate setting process is to establish fair and equitable distribution of costs among users. The 2013 Wastewater Revenue Program Update has been prepared by CH2M Hill using the City's wastewater revenue program model. A City Council workshop on the rate study was held on April 16, 2013, to review the update. This study calculates rates based on revenue requirements for the upcoming years. The rate study recommendation is for a rate increase for the single-family home as well as rate increases for the multifamily, commercial, and industrial user classes. Expenses have been carefully managed and wastewater rates were last increased in 2006.

The need for the proposed rate increase is in large part to fund the construction of a second outfall pipeline project. The existing outfall pipeline was installed in the late 1970's so it will be nearly 40 years old by the time a second outfall can be constructed. The existing outfall is asbestos cement pipe. Asbestos cement is a very brittle material which can be easily damaged. And, there is currently only one outfall pipeline which makes it a single point of failure, meaning if the pipeline broke the City would have no other way to dispose of 9 million gallons per day of treated wastewater. Were there to be a significant release of treated wastewater to the environment, there would likely be significant regulatory fines and the potential for third party lawsuits. Importantly, the existing outfall pipeline is at capacity. The new, second outfall pipeline would parallel the existing outfall pipeline and would be approximately 3.5 miles long. Final design and permitting are nearly complete and the project will be ready for bidding this year. A redundant pipeline is needed in order to ensure continued long-term reliable disposal of the treated wastewater effluent.

Wastewater rates are calculated using the quantity of wastewater discharged (Flow) as well as the strength of the wastewater (BOD and Suspended Solids). Different types of users have different volumes and strengths of wastewater. The rate study establishes rates for user categories in proportion to Flow, BOD and Suspended Solids. Leprino

Foods, as a large industrial user, has flow measured and samples taken daily in order to determine accurate monthly charges.

The proposed rate for the single-family home to increase to \$34.00 per month. The current charge is \$31.00. Property owners were mailed a notice of the proposed increase indicating that a public hearing on the matter would be held at the City Council Meeting on July 16, 2013. If a majority protest does not exist, the Council may act on the proposed increase to the wastewater system charges. A majority protest would be a majority of the owners of the parcels affected by the rate increase.

#### FISCAL IMPACT

The proposed rate increase is needed to fund the Wastewater Enterprise Fund's share of the outfall pipeline project. The outfall pipeline project is to construct a new 42 inch diameter pipeline which will be 3.5 miles long with the associated pumping facilities. The new pipeline will have a capacity of 16 million gallons per day (mgd) and is estimated cost is \$25 million. The existing ratepayers' share of the project is a proration based on existing flow and new pipeline capacity. The existing flow is 9 mgd, so the ratepayers' share would be 9/16, or 56%, which equals \$14 million. This cost may be financed with bonds. New developments' share of the project would be \$11 million.

#### RECOMMENDATION

It is recommended that the Mayor open the public hearing and, upon close of the hearing if there is not a majority protest, that City Council introduce the attached ordinance to revise wastewater rates.

Prepared by: Steve Bayley, Public Works Project Specialist

Approved by: Rod Buchanan, Interim Public Works Director

Approved by: R. Leon Churchill, Jr., City Manager

Attachments: Exhibit A: Wastewater User Charges  
Exhibit B: Comparison of Monthly Wastewater User Charges for Selected Communities  
Exhibit C: 2013-2014 Wastewater Rate Study

## EXHIBIT A

### Wastewater User Charges

Residential (Monthly Charge)	
Single-Family Residential	\$34.00
Multiple-Family Dwellings	\$28.75
Septage (per 1,000 gallons)	\$66.90
Commercial Classes	
(Minimum Monthly Charge)	
Commercial I (Volume Charge per ccf )	\$1.98
Commercial II (Volume Charge per ccf )	\$2.91
Commercial III (Volume Charge per ccf )	\$4.89
(ccf = 100 cubic feet or 748 gallons)	
Industrial Charges	
Capacity Charges	
Flow (\$ per mgd per year)	\$285,430
BOD (\$ per lb.)	\$31.07
SS (\$ per lb.)	\$47.47
Use Charges	
Flow (\$ per mg)	\$767
BOD (\$ per 1,000 lbs.)	\$521.19
SS (\$ per 1,000 lbs.)	\$249.83
Industrial Charges (Leprino Foods)	
Capacity Charges	
Flow (\$ per mgd per year)	\$258,289
BOD (\$ per lb.)	\$28.23
SS (\$ per lb.)	\$43.13
Use Charges	
Flow (\$ per mg)	\$334
BOD (\$ per 1,000 lbs.)	\$489.19
SS (\$ per 1,000 lbs.)	\$232.35

(mgd = million gallons per day)

(mg = million gallons)

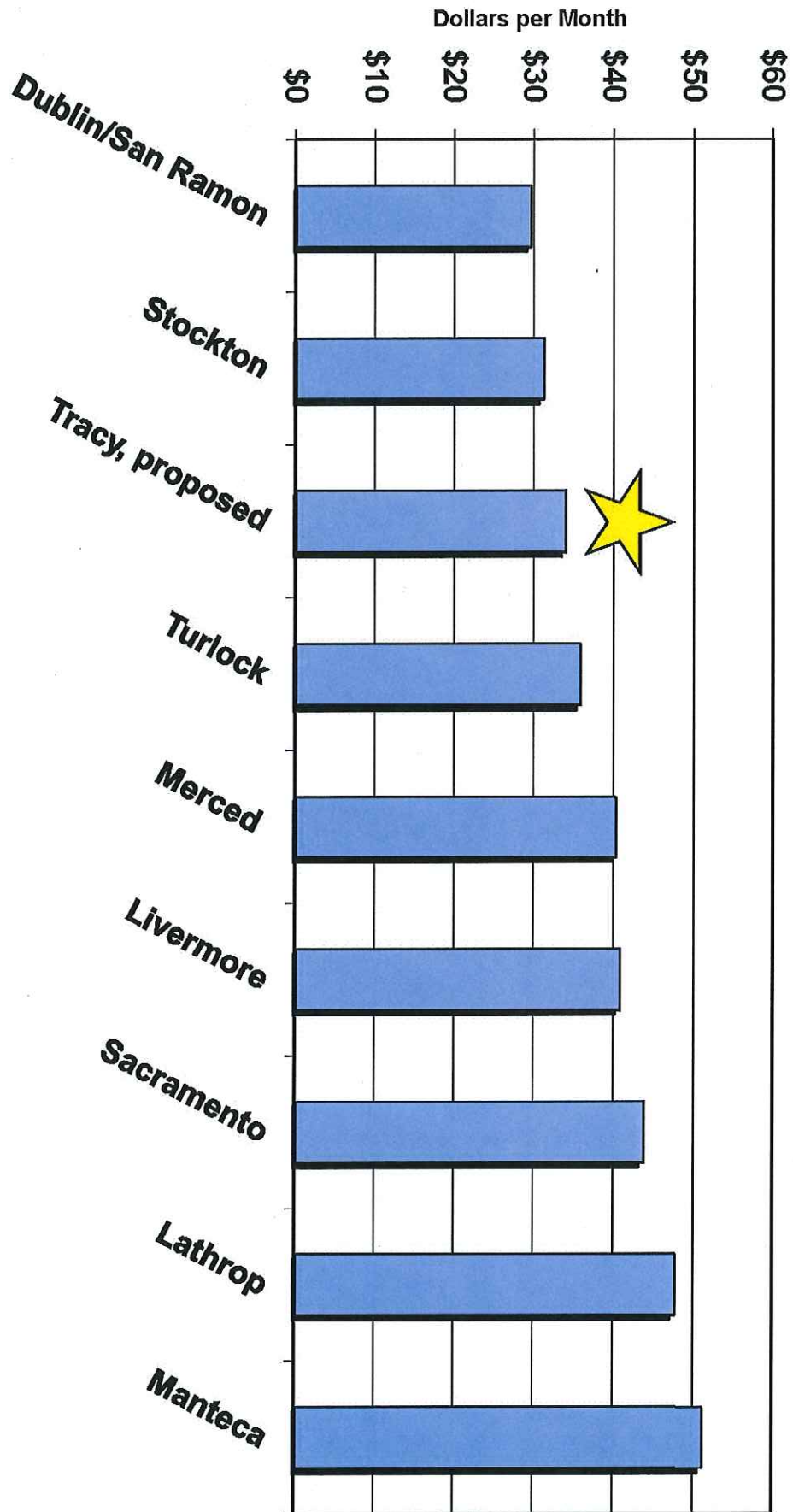


EXHIBIT ES-1  
Monthly Wastewater User Charges for Selected Communities



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*Final Report*

# 2013-2014 Wastewater Rate Study

Prepared for  
**City of Tracy**

April 2013

**CH2MHILL®**

2485 Natomas Park Drive  
Suite 600  
Sacramento, CA 95833

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# Preface

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CH2M HILL was authorized by the City of Tracy to update its sewer revenue program. The update on the City's sewer revenue program involved calculating user charges necessary to meet the City's Wastewater Enterprise Fund's fiscal years 2013-14 and 2014-15 revenue requirements. The study also projects revenue requirements and the resulting sewer rates.

The sewer revenue program was initially created in the late 1970s as part of the Environmental Protection Agency/State Water Resources Control Board (EPA/SWRCB) regulations for treatment plants receiving federal and state grant monies. These regulations were established to ensure equity among user groups. The regulations require costs to be allocated to loading parameters (flow, biochemical oxygen demand, and suspended solids) and require that all users pay the same unit charges for operating costs. The methodology followed by Tracy conforms to EPA/SWRCB guidelines.

As part of the requirements for receiving the 1975 grant monies, the City agreed to review its revenue program every 2 years. Over this time period, there has been little change in the procedure used to calculate rates. The last rate update was prepared in March 2006.

Similar to other California cities, City of Tracy is also required to upgrade its wastewater treatment plant to meet a tertiary treatment requirement and restrictive discharge requirements. These requirements are imposed through the existing National Pollutant Discharge Elimination System (NPDES) regulations. Based on the above requirement, the City's wastewater treatment facilities needed significant upgrades to meet NPDES permit requirements.

In 2003, the City sold bonds (through Certification of Participation) on the open market to provide funding for a portion of the upgrade project. The remaining funding was provided by sewer enterprise funds and state grants.

The purpose of this document is to describe the methodology and figures used in this update. The update involved obtaining financial and operating data for the water quality control facilities, determining the costs that need to be recovered through user charges, allocating these costs to customer classes, and recommending revisions to the existing sewer rates.

This document consists of five chapters. Chapter 1 describes the process followed for the sewer rate study. Chapter 2 identifies the users of the system and the wastewater characteristics. Chapter 3 describes the revenue requirements of the system. Chapter 4 reviews the cost allocation procedures. Chapter 5 describes the user charges.

# Executive Summary

Because of increases in costs related to changes in regulatory requirements and the continued escalation of operating costs, the City of Tracy is projecting higher revenue requirements for the sewer enterprise. This study proposes a rate increase that brings the revenues more in line with projected costs. Upgrade of the existing treatment facility is needed to meet the regulatory requirements. Expansion of the existing treatment facility is needed to provide wastewater treatment and disposal services to new users. Since it was cost-effective to combine both upgrade and expansion projects, it is being completed as an integral project to obtain the economy of scale.

Table ES-1 shows the projected average user charges over the next two years. In all cases, additional costs in labor, and chemical and electrical costs are included.

TABLE ES-1  
Average Rates for Fiscal Years 2013-14 and 2014-15  
City of Tracy 2013-2014 Wastewater Rate Study

Residential	Monthly Charge			
	Current	Average Rate		
Single-Family Residential	\$31.00	\$34.00		
Multiple-Family Dwellings	\$26.55	\$28.75		
Septage (per 1,000 gallons)	\$64.75	\$66.90		
Commercial Classes	Minimum Charge		Volume Charge per CCF	
	Current	Average Rate	Current	Average Rate
Commercial I	\$26.55	\$28.75	\$1.87	\$2.00
Commercial II	\$26.55	\$28.75	\$2.70	\$2.86
Commercial III	\$26.55	\$28.75	\$4.38	\$4.59
Industrial Charges, except Leprino	Current	Average Rate		
Capacity Charges				
Flow (\$ per MGD)	\$328,338	\$285,430		
BOD (\$ per lb)	\$35.92	\$31.07		
SS (\$ per lb)	\$54.25	\$47.47		
Use Charges				
Flow (\$ per MG)	\$469	\$767		
BOD ( \$ per 1,000 lbs)	\$477.16	\$521.19		
SS(\$ per 1,000 lbs)	\$225.40	\$249.83		
Charges for Leprino	Current	Average Rate		
Capacity Charges				
Flow (\$ per MGD)	\$244,984	\$258,289		
BOD (\$ per lb)	\$27.13	\$28.23		
SS (\$ per lb)	\$40.96	\$43.13		
Use Charges				
Flow (\$ per MG)	\$469	\$334		
BOD ( \$ per 1,000 lbs)	\$477.16	\$489.19		
SS(\$ per 1,000 lbs)	\$225.40	\$232.35		

Figure ES-1 shows the comparable wastewater user charges for selected communities. As shown in Figure ES-1, charges in other communities range from approximately \$30 to over \$50 per month.

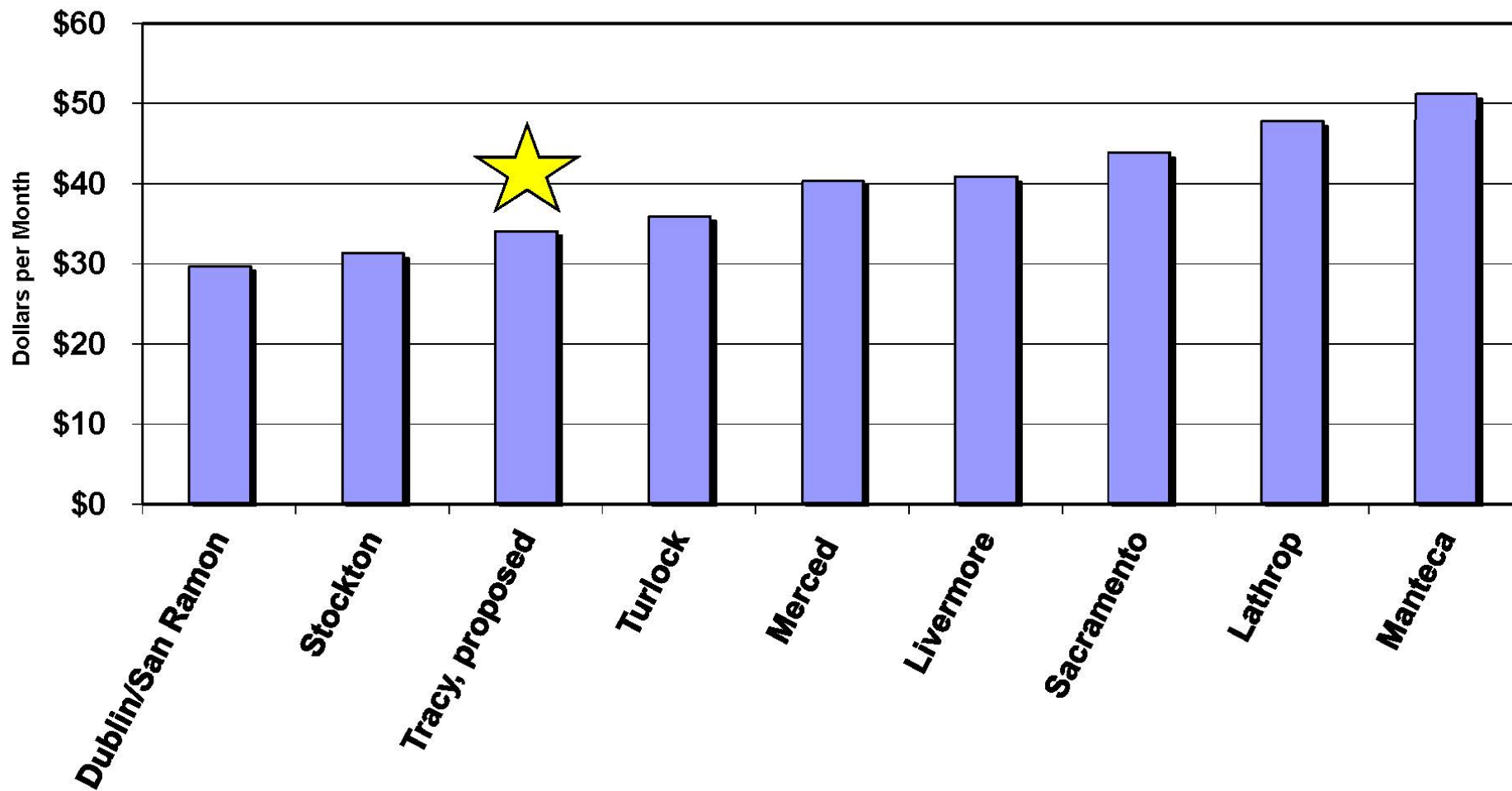


EXHIBIT ES-1  
Monthly Wastewater User Charges for Selected Communities

# General Overview of the Sewer Rate Determination Process

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## Introduction

This chapter outlines the essential steps typically involved in generating a set of wastewater system user charges. Figures 1-1 and 1-2 show the following basic steps in this process.

- Estimate annual wastewater system revenue requirements
- Determine revenue (costs) that must be recovered from user charges
- Allocate costs to loading parameters, which usually include flow, biochemical oxygen demand (BOD), and suspended solids (SS)
- Estimate annual wastewater system user or user class sewage loadings
- Compute unit costs of wastewater treatment for each loading parameter
- Allocate user charge revenue requirements to system users or user classes

## System Revenue Requirements

The first element of information required is an estimate of sewage system revenue that must be generated to cover expected (budgeted) expenditures. Typically, these include operation and maintenance (O&M) expenditures for collection and treatment, general administration expenditures, and debt service requirements. System revenue requirements are summarized below.

$$\begin{array}{r} \text{Collection and Treatment Expenditures} \\ + \text{General Administration Costs} \\ + \text{Debt Service} \\ \hline = \text{System Revenue Requirements (\$/year)} \end{array}$$

## User Charge Revenues

The portion of annual system revenue requirements to be recovered through user charges depends on a sewage utility's particular policy. Regulations set by the EPA require that a wastewater system generate sufficient revenues from user charges to recover annual system O&M costs. In California, EPA regulations are enforced by the SWRCB. According to the SWRCB's Revenue Program Guidelines, Section 1-4 (A)(1), "the portion of annual revenue requirements which constitute the cost of O&M of the treatment works must be recovered

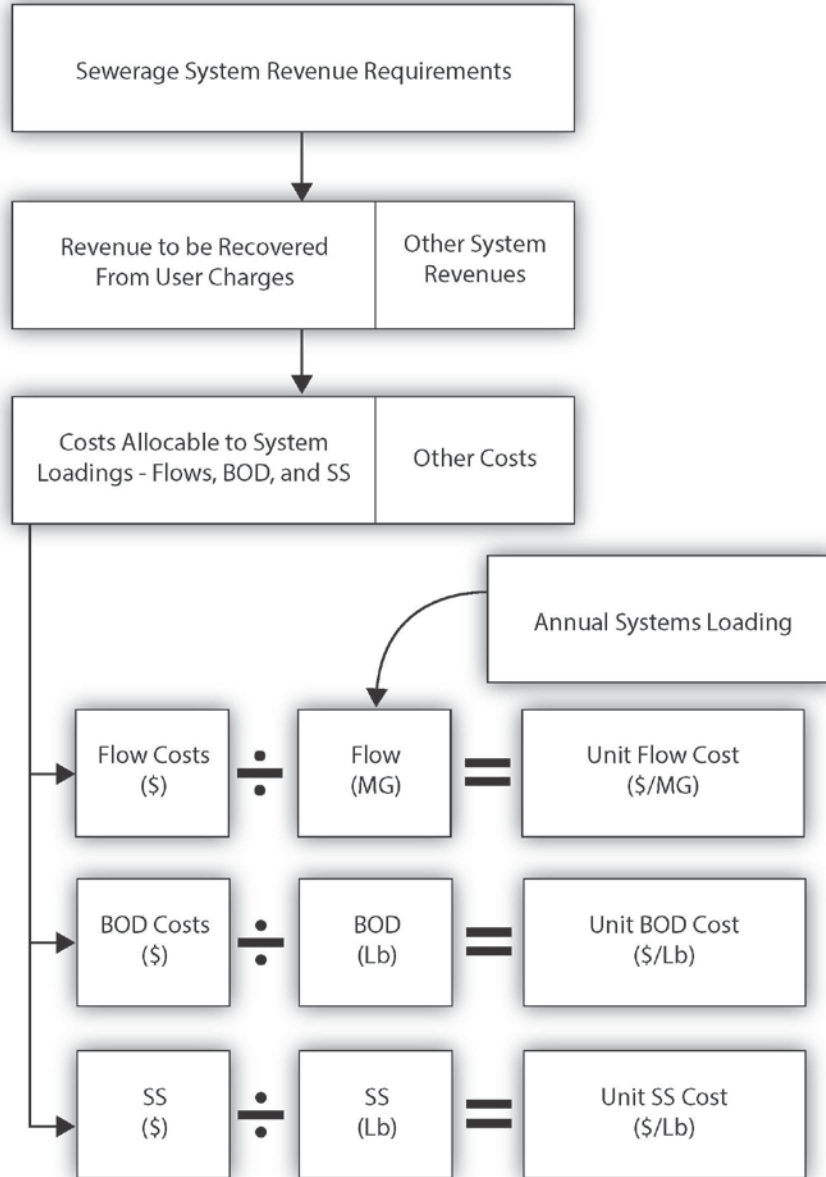


EXHIBIT 1-1  
Schematic of Rate Determination



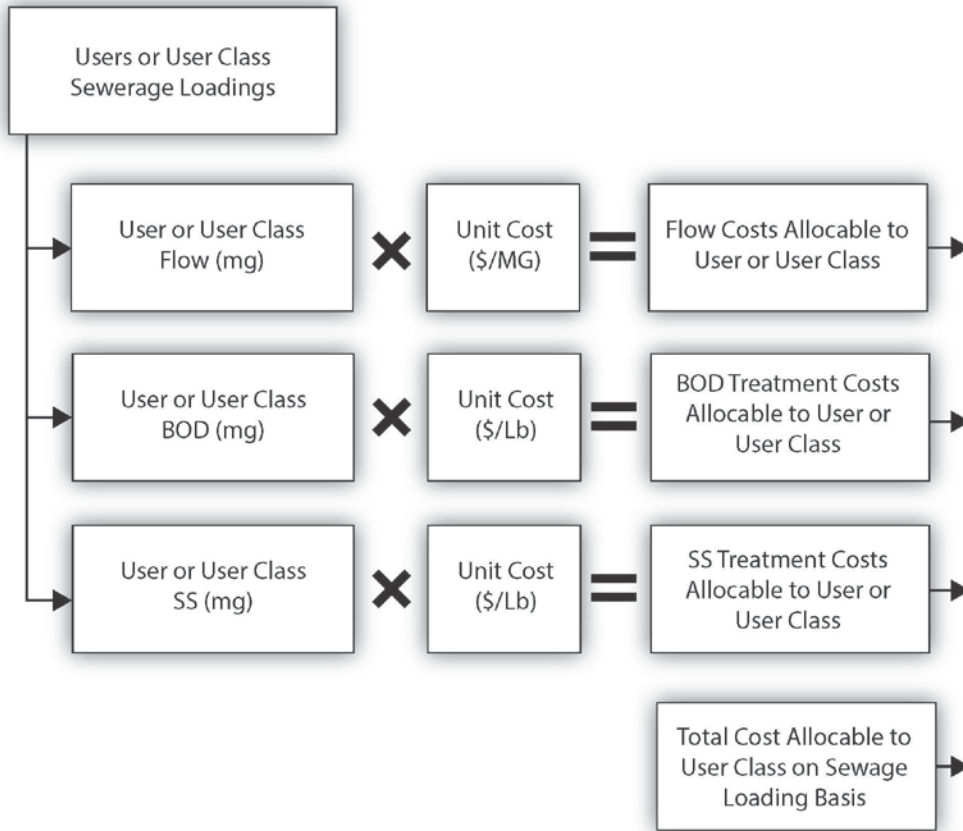


EXHIBIT 1-2  
Allocation of Costs to Users

from users by means of a user charge system based on actual use” (1995). The user charge system must result in the distribution of the O&M costs among all users in proportion to their loadings on the treatment works (Clean Water Act, Section 204 (b)(1)(A); 40 CFR 35.2140).

These regulations cover only the allocation of operating costs. The SWRCB “recommends” that capital costs be recovered in proportion to use. Capital costs can be recovered in whatever manner meets public approval. Public notice describing the impacts caused by the deviation from cost of service must be given. Other system revenues (e.g., system development charges) may be used to offset other portions of a system’s total revenue. The makeup of user charge revenue is shown below.

$$\begin{array}{r} \text{System Revenue Requirements} \\ - \text{General Administration Costs} \\ \hline = \text{User Charge Revenue Requirements (\$/year)} \end{array}$$

## Allocation of Costs to Sewage Loading Parameters

The next step involves the separation of user charge revenue requirements into system costs that are directly related to the collection, transmission, and treatment of wastewater, or those costs that are only indirectly related to wastewater treatment. The latter category typically includes items such as billing costs, auditing costs, and similar types of general administrative expenditures.

An analysis of the wastewater system’s treatment process and engineering judgment is used to allocate a portion of system costs to wastewater loading parameters. The result is an estimate of annual wastewater system flow costs, BOD treatment costs, and suspended solids treatment costs.

## Annual Wastewater Systems Loadings

An analysis of past water consumption records, if used in conjunction with estimates of the pollutant strengths of user (or user class) wastewater flows, can be the basis for estimates of annual wastewater system loadings.

Flow is measured in millions of gallons. BOD and suspended solids loadings are measured in pounds per million gallons. These estimates should correspond closely to wastewater loadings actually monitored at the system’s wastewater treatment works. Estimates of system flow and total pounds of BOD and SS to be treated can then be matched with cost allocations to determine the unit costs of wastewater treatment by loading parameter. For example, the portion of system costs determined to be associated with treatment of suspended solids is divided by estimated annual pounds of suspended solids to provide a unit cost (dollars per pound) for suspended solids treatment. Figure 1-1 illustrates this procedure.

## Distribution of Treatment Costs to System Users

Estimated annual system loadings are the sum of estimated user or user class loadings. The unit costs of treatment are multiplied by individual user or user class wastewater loadings to allocate a portion of the wastewater system’s revenue requirements to that user or user class. Figure 1-2 illustrates this process.

An equitable distribution of wastewater system costs to each user or user class is achieved using this method. The cost distribution will reflect contributions to the total treatment works loadings.

## **Distribution of Other Costs**

Before a user charge can be determined, general administration and overhead costs, which should be directly allocated by wastewater loadings, must be assigned to users. Several different methods can be employed. One method of allocating these costs to users (or user classes) is to compute a uniform annual charge per sewer connection. This method can be justified because billings and meter reading costs do not vary from customer to customer.

## **Determination of User Charge**

A wastewater rate for a user or user class can be computed in one of several ways. Typical types of wastewater rates are a uniform user charge per connection per billing period, a user charge based upon metered water use, or a combination of flat and usage or flow-based rates. The flow-based rate assumes that metered water use is an accurate indicator of a user's wastewater flows.

The result of this process should be an equitable distribution of system revenues that can be recovered through invoices to each user.

## Identification and Characteristics of Users

Until the annual and daily wastewater loadings for each user or user class have been estimated or identified, user revenue requirements cannot be equitably allocated to wastewater system users on the basis of their wastewater loadings. Ideally, this requires an estimate of each user's flow rates and strength loadings.

A more practical approach is to establish groups of users (customer classes) having similar flows and wastewater characteristics. Each customer class can then be assigned a share of the system costs based on its proportional contribution to total wastewater system loadings.

For billing purposes, the City of Tracy currently has five customer classes (two residential and three commercial) plus separate billing accounts for large industrial dischargers. Table 2-1 shows the type of users that fall into each commercial class.

**TABLE 2-1**  
Description of Commercial User Classes  
*City of Tracy 2013-2014 Wastewater Rate Study*

Commercial User Class	Assumed BOD/SS Concentration (mg/L)	Commercial Classes Included
I	150/150	Retail Stores, Banks, Laundries, Bars, Churches, Organizations, Institutions, Professional Offices, Services, Hospitals, Mortuaries, Schools
II	300/300	Service Stations, Repair Shops, Hotels, Motels, Light Industry, Warehousing, Shopping Centers (multiple tenants)
III	600/600	Restaurants, Bakeries (independently metered)

Table 2-2 shows the wastewater characteristics by class.

### Residential Wastewater Loadings

Two residential classes are used: single-family and multiple-family. As of July 2012, the City reported 21,618 single-family user accounts and 502 multiple-family user accounts. Table 2-2 is based on single-family connections producing an average flow of 300 gallons per dwelling unit per day and the assumption that wastewater averages 210 milligrams per liter (mg/L) for BOD and 250 mg/L for SS. The flow estimate is comparable to several other Central Valley communities, while the strength estimates are consistent with the City of Tracy *Wastewater Master Plan*.

TABLE 2-2  
Summary of User Classes  
City of Tracy 2013-2014 Wastewater Rate Study

User Groups	Number in Group	Estimated Non-Landscape Water Use (CCF)	% to Sewer	Flow mgd	Design Capacity				Total Annual			
					BOD mg/L	SS mg/L	BOD lbs/day	SS lbs/day	Days Discharging	Volume MG	BOD 1,000 lbs	SS 1,000 lbs
<b>Residential, Commercial, and Special Classes</b>												
Single-Family Residential	21,618			6.49	210	250	11,359	13,522	365	2,367	4,146	4,936
Multiple-Family Dwellings	502			0.61	210	250	1,073	1,277	365	224	392	466
Commercial I	396	315,000	90%	0.68	150	150	856	856	310	212	265	265
Commercial II	296	490,000	90%	1.06	300	300	2,662	2,662	310	330	825	825
Commercial III	52	38,000	90%	0.08	600	600	413	413	310	26	128	128
Septage	0	0	100%	0.01	5,400	12,000	225	500	365	2	82	183
<b>Subtotal</b>	<b>22,864</b>	<b>843,000</b>		<b>8.93</b>			<b>16,587</b>	<b>19,230</b>		<b>3,160</b>	<b>5,838</b>	<b>6,803</b>
<b>Industrial Users</b>												
H.J. Heinz property	0			0.00	0	0	0	0	0	0	0	0
Leprino	1			0.63	0	0	420	500	365	209	162	136
Laura Scudders	0			0.00	0	0	0	0	0	0	0	0
Other Industrial Users	0			0.00	0	0	0	0	0	0	0	0
Other Industrial Users	0			0.00	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>1</b>			<b>0.63</b>	<b>0</b>	<b>0</b>	<b>420</b>	<b>500</b>	<b>0</b>	<b>209</b>	<b>162</b>	<b>136</b>
<b>Special Classification</b>												
Infiltration/Inflow	0			0.35	0	0	0	0	0	50	0	0
<b>Subtotal</b>	<b>0</b>			<b>0.35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>0</b>
<b>Total 2013-14</b>	<b>22,865</b>			<b>9.91</b>	<b>0</b>	<b>0</b>	<b>17,007</b>	<b>19,730</b>	<b>0</b>	<b>3,419</b>	<b>6,000</b>	<b>6,939</b>
<b>Total 2014-15</b>	23,104			10.06	0	0	17,284	20,030	0	3,468	6,093	7,039
<b>Total 2015-16</b>	23,343			10.21	0	0	17,561	20,329	0	3,517	6,185	7,140
<b>Total 2016-17</b>	23,582			10.35	0	0	17,838	20,629	0	3,566	6,277	7,241

We have also estimated that multiple-family connections produce an average flow of 1,220 gallons of water per complex per day and that the wastewater averages 210 mg/L for BOD and 250 mg/L for SS. This study uses an average of 5.0 dwelling units per multi-family complex.

## Commercial Wastewater Loadings

Based on similarity of BOD and SS concentrations, three commercial classes are defined. Class I includes retail stores, banks, laundries, bars, churches, organizations, professional offices, services, hospitals, mortuaries, and schools. As of July 2012, this class included 396 accounts. Based on winter water use, estimated non-landscape water use is 31,500,000 cubic feet per year, 90 percent of which is assumed to reach the sewer. Average strengths are assumed to be 150 mg/L BOD and 150 mg/L SS. Users in this group are assumed to discharge an average of 310 days per year.

Class II includes service stations, repair shops, hotels, motels, light industry, and warehouses. As of July 2012, this class included 296 accounts. Based on winter water use, estimated non-landscape water use is 49,000,000 cubic feet per year, 90 percent of which is assumed to reach the sewer. Average strengths are assumed to be 300 mg/L BOD and 300 mg/L SS. Users in this group are assumed to discharge an average of 310 days per year.

Because of the difficulties of estimating strengths for shopping centers with multiple tenants (especially with tenant turnover), it is assumed that the strengths would fall in the Class II use. This is typical for users that include grocery stores and bakeries as one of the tenants.

Class III includes independently billed restaurants and bakeries. As of July 2012, this class included 52 accounts. Based on winter water use, estimated non-landscape water use is 3,800,000 cubic feet per year, 90 percent of which is assumed to reach the sewer. Average strengths are assumed to be 600 mg/L BOD and 600 mg/L SS. Users in this group are assumed to discharge an average of 310 days per year.

## Industrial Wastewater Loadings

Leprino is the last remaining large industrial discharger in Tracy. Leprino facilities are near the WWTP and they have installed their own collection system line to the plant. Based on loadings received from Leprino over the past year, the rates were calculated based on a design capacity of 0.63 mgd of flow, 420 lbs/day of BOD, and 500 lbs/day of SS. Total annual volumes of flow, BOD, and SS were estimated using last year's contribution.

## Future Loadings

Table 2-3 shows the projected new accounts for the residential and commercial users. For this study, the new accounts were assumed to have the average loadings of the existing customers. These new accounts were then used to project the future wastewater loadings.

TABLE 2-3  
 New Accounts  
*City of Tracy 2013-2014 Wastewater Rate Study*

	2014-15	Annual Increase	2015-16	Cumulative Annual Increase	2016-17	Cumulative Annual Increase
<b>Residential, Commercial, and Special Classes</b>						
Single-Family Residential	200	0.93%	200	1.85%	200	2.78%
Multiple-Family Dwellings	7	1.20%	6	2.39%	6	3.59%
Commercial I	12	5.05%	20	10.10%	20	15.15%
Commercial II	12	4.05%	12	8.11%	12	12.16%
Commercial III		1.92%	1	3.85%	1	5.77%
Septage						
<b>Total New Accounts</b>	<b>231</b>		<b>239</b>		<b>239</b>	
Cumulative Increase	1.05%		2.09%		3.14%	

# System Costs and Revenue Requirements

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Before rates and charges for wastewater service can be established, annual revenue requirements must be determined. The annual revenues of a wastewater treatment system must be able to recover the costs of operation, maintenance expenses, and system replacements. Replacements should include expenditures for obtaining and installing equipment and accessories necessary to maintain capacity and performance during the service life of the treatment works. Annual revenue requirements normally also include debt service and a reserve for capital improvements. Historical expenditures, the 2013-14 budget, and a projected budget through 2016-2017 are shown in Table 3-1.

## System Costs

### Operation and Maintenance Costs

The City of Tracy wastewater system O&M costs have been budgeted at \$7.97 million for fiscal year 2013-2014. Individual O&M cost components as well as the total O&M costs have shown wide variation in the past 5 years. In the absence of a consistent O&M cost percentage increase, a 3.5 percent increase has been assumed for all future years in this study.. Increased costs are associated with additional power, chemical, and operations cost to meet new regulatory requirements.

Operating costs are offset by investment earnings, miscellaneous revenues, and other financing sources to determine the amount of costs to be recovered from user charges. Unfortunately, while the City has been able to contain costs, other revenues have decreased. No investment earnings, miscellaneous revenue, and other financing sources are planned for 2013-2014 onwards.

### Capital Improvements

The capital improvement projects for the City are shown in Table 3-2. The projects are taken directly from the Capital Improvement Program Five Year Plan. Table 3-2 shows the annual outlays from Fund 521, the Wastewater Enterprise Fund.

New capital development fees are collected when new users connect to the system. Other developer contributions may be collected as a condition of development on a project by project basis. Debt issuance proceeds reflect those debt issues backed by the revenues of the wastewater enterprise. The debt service for these issues are shown in Table 3-1 as a revenue requirement to be repaid through user charges.



TABLE 3-1  
Revenue Requirements  
City of Tracy 2013-2014 Wastewater Rate Study

Operating Cost Summary		Actual	Actual	Actual	Actual	Budgeted	Projected			
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
								3.5%	3.5%	3.5%
							Inflation			
							Cumulative	100.0%	103.5%	107.1%
Fund 420 Programs	Program 5361 (2521)--Sewer Lift Stations	95,793	156,431	96,512	138,260	134,260	138,959	143,823	148,856	
	Program 5363 (2523)--Sewer Plant Maintenance	1,250,909	1,228,628	1,323,337	1,363,910	1,349,540	1,396,774	1,445,661	1,496,259	
	Program 5366 (2531)--Wastewater Plant Operations	3,006,191	2,899,390	3,059,823	3,206,490	3,238,960	3,352,324	3,469,655	3,591,093	
	Program 5353 (2562)--Sewer Collection	748,094	1,494,898	1,478,063	1,524,690	1,547,920	1,602,097	1,658,171	1,716,207	
	Additional Plant Operation costs	0	0	0	0	0	0	0	1,500,000	
Shared Funds, Fund 521 Share	Program 5870 (1441)--Revenue Collection	203,850	222,400	248,700	248,700	250,000	258,750	267,806	277,179	
	Program 5311 (2411)--Public Works Administration	27,570	24,600	25,760	24,900	25,000	25,875	26,781	27,718	
	Program 5663 (2423)--Utilities Engineering	31,919	31,699	70,130	96,680	100,000	103,500	107,123	110,872	
	Program 5367 (2541)--Utilities Quality Control	663,816	621,523	614,060	788,150	750,000	776,250	803,419	831,538	
Equipment Acquisition (Replacement) 593x (P153X)		437,956	69,879	148,000	104,600	50,000	51,750	53,561	55,436	
Rate Stabilization		0	0	0	0	0	0	0	0	
Program 5921--Indirect Costs		0	170,610	164,330	207,600	213,830	217,250	212,900	217,160	
Subtotal O&M Costs		6,698,944	7,191,644	7,466,915	8,009,490	7,969,510	8,244,379	8,520,978	10,316,021	
plus: Program 5951 (Special Reserves)		0	0	0	0	0	0	0	0	
less: Investment Earnings		0	0	0	0	0	0	0	0	
Miscellaneous Revenues		0	0	0	0	0	0	0	0	
Other Financing Sources		0	0	0	0	0	0	0	0	
<b>NET O&amp;M COSTS</b>		<b>6,698,944</b>	<b>7,191,644</b>	<b>7,466,915</b>	<b>8,009,490</b>	<b>7,969,510</b>	<b>8,244,379</b>	<b>8,520,978</b>	<b>10,316,021</b>	
	Annual Increase	0.00%	7.35%	3.83%	7.27%	-0.50%	3.45%	3.36%	21.07%	
<b>Capital Costs</b>										
		0	0	0	0	0	0	0	0	
Wastewater Revenue Refunding Bonds, Series 2003		356,208	352,608	347,923	352,519	0	0	0	0	
2004 Wastewater COPs		1,908,998	1,907,588	1,904,528	1,904,028	1,900,918	1,900,828	1,898,755	1,894,815	
WWTP Phase 2A		0	0	0	0	0	950,000	950,000	950,000	
Capital Improvement			4,869,238	4,897,156	1,398,154	2,490,000	1,370,000	2,135,000	1,400,000	
<b>TOTAL CAPITAL COSTS</b>		<b>4,376,026</b>	<b>7,129,433</b>	<b>7,149,606</b>	<b>3,654,700</b>	<b>4,390,918</b>	<b>4,220,828</b>	<b>4,983,755</b>	<b>4,244,815</b>	
<b>TOTAL ANNUAL COSTS</b>		<b>11,074,970</b>	<b>14,321,077</b>	<b>14,616,521</b>	<b>11,664,190</b>	<b>12,360,428</b>	<b>\$12,465,207</b>	<b>\$13,504,733</b>	<b>\$14,560,836</b>	
	Annual Increase		29.31%	2.06%	-20.20%	5.97%	0.85%	8.34%	7.82%	

## Debt Service

Debt service for the Wastewater Revenue Refunding Bonds was completed in 2012-13. Debt service for the 2004 Certificates of Participation is shown in Table 3-1.

## Depreciation/Capital Reserves

The City does not currently fund depreciation or set aside any capital reserves. Like the majority of municipalities, the City uses a cash basis (as opposed to a utility basis) for determining wastewater user charges. Under the cash basis, capital costs include debt service, any projects funded on a pay-as-you-go basis, and any contribution to capital reserves. Depreciation is not considered in determining the rates. Under the utility basis, capital costs consist of depreciation and a return on investment on the rate base. This is common for electric utilities.

## Revenue Requirements

Based on the addition of the net operating costs and the net capital costs, the net revenue requirement for 2013-2014 is \$12.36 million, compared to \$11.66 million in 2012-2013, an increase of 6.0 percent.

**TABLE 3-2**  
Capital Improvement Projects, F521 Wastewater  
City of Tracy 2013-2014 Wastewater Rate Study

Project #	Project Title	Total Projected Expenditures, All Funds	Percent Allocated to		Projected Expenditures, Fund 523 Wastewater only			
			All Users	All Users w/o Leprino	2013-14	2014-15	2015-16	2016-17
74004	Lining Sludge Drying Beds, WWTP	\$1,551,480	0%	0%	\$0	\$0	\$0	\$0
74059	WW Collection System, Capacity Study-CSOM	\$753,957	0%	0%	\$0	\$0	\$0	\$0
74064	Reclaimed Water Pipe, 11th St, west of Lammers	\$1,893,600	0%	0%	\$0	\$0	\$0	\$0
74069	WW Lines Extension-to Chrisman Site	\$1,819,000	0%	0%	\$0	\$0	\$0	\$0
74072	Replace Digester Cover, WWTP	\$4,319,950	0%	0%	\$0	\$0	\$0	\$0
74073	NPDES Permit Studies	\$2,638,000	0%	0%	\$0	\$0	\$0	\$0
74079	Digester Boiler #2, WWTP	\$223,308	0%	0%	\$0	\$0	\$0	\$0
74081	GIS for Utilities	\$1,875,000	0%	0%	\$0	\$0	\$0	\$0
74082	WW Lines Replacement Program-FY 09-10 Phase	\$568,700	0%	0%	\$0	\$0	\$0	\$0
74083	WWTP Expansion-Phase 2A	\$25,000,000	0%	0%	\$0	\$0	\$0	\$0
74084	WW Upgrades-East Side	\$2,115,200	0%	0%	\$0	\$0	\$0	\$0
74087	DAFT Replacement-WWTP	\$800,000	0%	0%	\$0	\$0	\$0	\$0
74088	WW Lines Replacement Program-FY 10-11	\$260,000	0%	0%	\$0	\$0	\$0	\$0
74089	WWTP Replacement Program-FY 10-11	\$230,000	0%	0%	\$0	\$0	\$0	\$0
74091	Wastewater Recycling Pipeline, Phase 1	\$3,045,000	0%	0%	\$0	\$0	\$0	\$0
74092	WW Lines Replacement Program-FY12	\$260,000	0%	0%	\$0	\$0	\$0	\$0
74093	WWTP Replacement Program-FY 12	\$230,000	0%	0%	\$0	\$0	\$0	\$0
74094	WWCS Capacity Maint Mgmt System-Data Acquisition	\$50,000	0%	0%	\$0	\$0	\$0	\$0
74095	Wastewater Discharge Permit Studies-FY 12	\$50,000	0%	0%	\$0	\$0	\$0	\$0
74096	WW Lines Replacement-Corral Hollow Road, north of GL	\$600,000	0%	0%	\$0	\$0	\$0	\$0
74097	Upgrade WW Collection System-Hansen Road	\$1,505,000	0%	0%	\$0	\$0	\$0	\$0
74098	WW Lines Replacement Program-FY 12-13 Phase	\$265,000	0%	0%	\$0	\$0	\$0	\$0
74099	WWTP Replacement Program-FY 12-13 Phase	\$240,000	0%	0%	\$0	\$0	\$0	\$0
74100	Wastewater Discharge Permit Studies-FY 13	\$50,000	0%	0%	\$0	\$0	\$0	\$0
74101	Security Cameras for WWTP	\$30,000	0%	0%	\$0	\$0	\$0	\$0
74102	Laboratory Information Management System	\$32,000	0%	0%	\$0	\$0	\$0	\$0
74103	WW Lines Replacement-Bessie Ave, Emerson to Grant Line Road	\$960,000	0%	100%	\$400,000	\$370,000	\$100,000	\$0
74PP-01b	WW Lines Replacement Program-Future Phases	\$1,090,000	0%	100%	\$0	\$0	\$275,000	\$280,000
74PP-032	WWTP Expansion, Phase 2B	\$10,375,000	100%	0%	\$1,550,000	\$700,000	\$1,500,000	\$700,000
74PP-033	Force Main Expansion-Larch Road	\$2,008,800	0%	0%	\$0	\$0	\$0	\$0
74PP-049	WWTP Expansion, Phase 3	\$14,000,000	0%	0%	\$0	\$0	\$0	\$0
74PP-54b	WWTP Replacement Program-Future Phases	\$1,020,000	100%	0%	\$200,000	\$300,000	\$260,000	\$270,000
74PP-064	Wastewater Conveyance for Tracy Gateway, Phase 1	\$2,147,500	0%	0%	\$0	\$0	\$0	\$0
74PP-065	Reclaimed WD System for Tracy Gateway Area	\$553,500	0%	0%	\$0	\$0	\$0	\$0
74PP-067	Reclaimed Water Improvements for Tracy Gateway Area	\$15,866,900	0%	0%	\$0	\$0	\$0	\$0
74PP-069	WWCS Improvements-NE Industrial Area #2-Phase 2	\$6,500,000	0%	0%	\$0	\$0	\$0	\$0
74PP-101	WWTP Expansion-Phase 4	\$105,100,000	0%	0%	\$0	\$0	\$0	\$0
Wastewater User Charge Survey (May 2005)	Wastewater Recycling Pipeline, Phase 2	\$1,500,000	0%	0%	\$0	\$0	\$0	\$0
74PP-108	Wastewater Discharge Permit Studies-Future Phases	\$200,000	100%	0%	\$340,000	\$0	\$0	\$150,000
0	0	\$0			\$0	\$0	\$0	\$0
0	0	\$0			\$0	\$0	\$0	\$0
0	0	\$0			\$0	\$0	\$0	\$0
0	0	\$0			\$0	\$0	\$0	\$0
0	0	\$0			\$0	\$0	\$0	\$0
0	0	\$0			\$0	\$0	\$0	\$0
0	Unscheduled Improvements							
	521 Wastewater Fund	\$211,726,895			\$2,490,000	\$1,370,000	\$2,135,000	\$1,400,000
	Allocated to All Users				\$2,090,000	\$1,000,000	\$1,760,000	\$1,120,000
	Allocated to All Users, w/o Leprino				\$400,000	\$370,000	\$375,000	\$280,000

## Cost Allocations

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The City of Tracy's wastewater treatment plant was designed to serve different types of users within the service area. Rate equity is achieved when the annual revenue requirements have been allocated to users in proportion to the costs of treatment and conveyance of individual users.

Costs are incurred in meeting two types of expenses: capital expenses (such as debt service and capital reserves) and O&M costs. Both costs must be allocated to the various customers.

Allocation of both capital and O&M expenses involves a two-step process. The first step is to use wastewater characteristics to identify and allocate costs of collection, treatment, and disposal. The wastewater characteristics (or treatment parameters) are flow, BOD, and SS. The unit costs of treatment are then determined for each of the three sewage loadings and infiltration/inflow (I/I). The second step is to multiply customers' loadings by the calculated unit costs to allocate user charge revenues by customer or customer class.

Operating costs are allocated to users according to annual usage of the wastewater facilities. Capital costs are allocated to users according to the capacity reserved in the plant for that particular user or user group.

### Capital Cost Allocation

The parameter allocation percentages used to proportion capital costs are presented in Table 4-1. The wastewater treatment plant facilities are also described in Table 4-1. Useful lives and allocation parameter percentages for each capital component were derived from SWRCB guidelines. The overall allocations used for the facilities are 3.1 percent to I/I, 62.7 percent to flow, 12.3 percent to BOD, and 21.9 percent to SS.

### Operation and Maintenance Cost Allocation

The SWRCB allows three ways to allocate treatment operating costs to loading parameters: allocating costs equally among parameters (one-third flow, one-third BOD, one-third SS), allocating costs based on actual treatment processes, or allocating costs based on the capital cost allocations. Following the City's present practice, operating cost allocations are based on the actual treatment processes and the cost of providing treatment. The operating cost allocations divide costs into collection and plant operating categories. Collection system costs are allocated 82 percent to flow, 11 percent to BOD, and 7 percent to SS. Because Leprino does not utilize the collection system, they do not participate in sharing the collection system costs. Operating costs for treatment are allocated 21 percent to flow, 51 percent to BOD, and 28 percent to SS. These costs allocations are based on a review of the City's maintenance records, power requirements, and operating history.

Administrative costs are primarily customer-related and are allocated by the number of customers.

TABLE 4-1  
Capital Cost Allocation  
City of Tracy 2013-2014 Wastewater Rate Study

Plant	Estimated Cost	Useful Life	Loading Parameters			Capital Recovery Factor	Annual Capital Recovery	Portion of Flow allocated to Infiltration/Inflow		4.7% 5.0%		
			Flow	BOD	SS			Capital Recovery Factor		Cost Allocations		
								I/I	Flow	BOD	SS	
Headworks												
Structure (40%)	\$1,080,000	40	100%			0.0583	\$62,940	\$2,222	\$60,718	\$0	\$0	
Equipment (60%)	\$1,620,000	15			100%	0.0963	\$156,075	\$0	\$0	\$0	\$156,075	
Primary Treatment												
Structure (60%)	\$3,240,000	40		35%	65%	0.0583	\$188,821	\$0	\$0	\$66,087	\$122,734	
Equipment (40%)	\$2,160,000	25	100%			0.0710	\$153,257	\$5,411	\$147,847	\$0	\$0	
Secondary Treatment												
Structure (60%)	\$16,080,000	40		35%	65%	0.0583	\$937,113	\$0	\$0	\$327,989	\$609,123	
Equipment (40%)	\$10,720,000	25	100%			0.0710	\$760,610	\$26,854	\$733,757	\$0	\$0	
Tertiary Treatment & Disinfection												
Deep bed filters												
Structure (50%)	\$4,150,000	40	100%			0.0583	\$241,854	\$8,539	\$233,316	\$0	\$0	
Equipment (50%)	\$4,150,000	20	100%			0.0802	\$333,007	\$11,757	\$321,250	\$0	\$0	
Chemical Handling, Storage & Feed System												
Structure (50%)	\$1,850,000	30	100%			0.0651	\$120,345	\$4,249	\$116,096	\$0	\$0	
Equipment (50%)	\$1,850,000	12	100%			0.1128	\$208,727	\$7,369	\$201,358	\$0	\$0	
Additional Chlorine Contact Tanks												
Structure (100%)	\$2,400,000	40	100%			0.0583	\$139,868	\$4,938	\$134,930	\$0	\$0	
Sludge Facilities (Solids Handling)												
Structure (60%)	\$4,020,000	40		50%	50%	0.0583	\$234,278	\$0	\$0	\$117,139	\$117,139	
Equipment (40%)	\$2,680,000	15		50%	50%	0.0963	\$258,197	\$0	\$0	\$129,099	\$129,099	
Building and Site work												
Structure (100%)	\$2,800,000	40	100%			0.0583	\$163,179	\$5,761	\$157,418	\$0	\$0	
Effluent Pumping and Conveyance												
Post Aeration Facility												
Structure (75%)	\$1,050,000					0.0583	\$61,192	\$2,160	\$59,032	\$0	\$0	
Equipment (25%)	\$350,000					0.0802	\$28,085	\$992	\$27,093	\$0	\$0	
Parallel Outfall & Diffuser to Old River												
Structure (100%)	\$9,500,000					0.0513	\$487,555	\$17,213	\$470,342	\$0	\$0	
Thermal Plan Compliance												
Structure (50%)	\$3,900,000					0.0710	\$276,715	\$9,770	\$266,945	\$0	\$0	
Equipment (50%)	\$3,900,000					0.0963	\$375,735	\$13,265	\$362,469	\$0	\$0	
<b>TOTALS</b>	<b>\$77,500,000</b>						<b>\$5,187,554</b>	<b>\$120,500</b>	<b>\$3,292,570</b>	<b>\$640,315</b>	<b>\$1,134,169</b>	
Parameter Allocation Percentages								2.32%	63.47%	12.34%	21.86%	

(a) Total capital cost shown is for all phases of the WWTP expansion. The total excludes additional mark-up costs such as contingency, engineering and administration, and program management.

## Unit Costs

Collection system and operating costs are divided by the parameter quantities to obtain unit costs for each parameter. Table 4-2 shows the unit costs for debt service and O&M costs for fiscal year 2013-2014. Table 4-3 shows the unit costs through 2016-2017. Revenue collection and public works administration costs are allocated to customer class on a flat charge per connection.

## Revenue Requirements

Revenue requirements are allocated to user classes by multiplying the unit costs shown in Table 4-2 and Table 4-3 by the wastewater loadings for each customer class outlined in Chapter 2. Table 4-4 shows the revenue requirements from each user class.

**TABLE 4-2**

## Unit Cost Determination

City of Tracy 2013-2014 Wastewater Rate Study

Cost Category	Allocable Costs 2013-14	Parameters	Allocation Percentages	Total Cost Allocated	Total Quantities	Unit Cost For Each Parameter
Operations and Maintenance- Collection w/o Leprino	\$1,682,180	I/I	1.44%	\$24,252		
		FLOW	80.56%	\$1,355,136	3,160	\$428.83 per MG
		BOD	11.00%	\$185,040	5,838	\$31.69 per 1,000 lbs
		SS	7.00%	\$117,753	6,803	\$17.31 per 1,000 lbs
Operations and Maintenance- Plant Operations + Rate Stabilization	\$5,702,330	I/I	1.44%	\$82,209		
		FLOW	19.56%	\$1,115,280	3,369	\$331.04 per MG
		BOD	51.00%	\$2,908,188	6,000	\$484.68 per 1,000 lbs
		SS	28.00%	\$1,596,652	6,939	\$230.10 per 1,000 lbs
Debt Service - Collection Service	\$0	I/I	3.48%	\$0		
		FLOW	96.52%	\$0	10	\$0 per mgd
		BOD	0.00%	\$0	17,007	\$0.00 per lb/day
		SS	0.00%	\$0	19,730	\$0.00 per lb/day
New Debt Service - WWTP Bond and COP	\$1,900,918	I/I	2.32%	\$44,156		
		FLOW	63.47%	\$1,206,523	10	\$126,159.04 per mgd
		BOD	12.34%	\$234,636	17,007	\$13.80 per lb/day
		SS	21.86%	\$415,603	19,730	\$21.06 per lb/day
Capital Improvements, All Users	\$2,090,000	I/I	2.32%	\$48,548		
		FLOW	63.47%	\$1,326,535	10	\$138,707.96 per mgd
		BOD	12.34%	\$257,975	17,007	\$15.17 per lb/day
		SS	21.86%	\$456,943	19,730	\$23.16 per lb/day
Capital Improvements, All Users except Leprino	\$400,000	I/I	2.32%	\$9,291		
		FLOW	63.47%	\$253,882	9	\$28,419.10 per mgd
		BOD	12.34%	\$49,373	16,587	\$2.98 per lb/day
		SS	21.86%	\$87,453	19,230	\$4.55 per lb/day
General and Administrative Costs Assessed at a Flat Charge per Connection	\$585,000				22,865	\$25.58 per account
<b>Total Costs Allocated</b>	<b>\$12,360,428</b>					

**TABLE 4-3**  
Unit Cost Determination  
City of Tracy 2013-2014 Wastewater Rate Study

Cost Category	Parameters		Unit Costs		
			2014-15	2015-16	2016-17
Operations and Maintenance- Collection w/o Leprino	I/I		\$25,100	\$25,979	\$26,888
	FLOW	per MG	\$437.05	\$445.52	\$454.26
	BOD	per 1,000 lbs	\$32.29	\$32.91	\$33.55
	SS	per 1,000 lbs	\$17.65	\$18.01	\$18.38
Operations and Maintenance- Plant Operations + Rate Stabilization	I/I		\$85,028	\$87,831	\$112,485
	FLOW	per MG	\$337.47	\$343.65	\$433.96
	BOD	per 1,000 lbs	\$493.70	\$502.37	\$633.91
	SS	per 1,000 lbs	\$234.59	\$238.91	\$301.73
Debt Service - Collection Service	I/I		\$0	\$0	\$0
	FLOW	per MGD	\$0	\$0	\$0
	BOD	per lb/day	\$0.00	\$0.00	\$0.00
	SS	per lb/day	\$0.00	\$0.00	\$0.00
New Debt Service - WWTP Bond and COP	I/I		\$66,221	\$66,173	\$66,081
	FLOW	per MGD	\$186,346	\$183,441	\$180,503
	BOD	per lb/day	\$20	\$20.02	\$19.68
	SS	per lb/day	\$31	\$30.64	\$30.15
Capital Improvements, All Users	I/I		\$23,229	\$40,882	\$26,016
	FLOW	per MGD	\$65,365	\$113,332	\$71,064
	BOD	per lb/day	\$7	\$12.37	\$7.75
	SS	per lb/day	\$11	\$18.93	\$11.87
Capital Improvements, All Users except Leprino	I/I		\$8,595	\$8,711	\$6,504
	FLOW	per MGD	\$25,863	\$25,796	\$18,960
	BOD	per lb/day	\$2.71	\$2.70	\$1.98
	SS	per lb/day	\$4.14	\$4.13	\$3.04
<b>General and Administrative Costs Assessed at a Flat Charge per Connection</b>		per account	\$26.21	\$26.85	\$27.50



**TABLE 4-4**  
Annual Revenues Needed  
City of Tracy 2013-2014 Wastewater Rate Study

Industry	Number in Group	O&M Collection	O&M Plant	Debt Service	New Debt Service	Capital Improvements			Annual Revenue Required	Annual Revenue Required Future Years		
						All Users	All Users, Except Leprino	General and Admin		2014-15	2015-16	2016-17
<b>Residential, Commercial, and Special Classes</b>												
Single-Family Residential	21,618	\$1,231,957	\$3,928,730	\$0	\$1,259,725	\$1,385,028	\$279,612	\$553,096	\$8,638,147	\$8,672,795	\$9,321,791	\$10,012,562
Multiple-Family Dwellings	502	\$116,338	\$371,004	\$0	\$118,960	\$130,793	\$26,405	\$12,844	\$776,345	\$780,369	\$842,643	\$909,117
Commercial I	396	\$103,938	\$259,820	\$0	\$116,132	\$127,683	\$25,879	\$10,132	\$643,584	\$668,454	\$753,951	\$817,602
Commercial II	296	\$181,903	\$699,132	\$0	\$227,055	\$249,640	\$50,273	\$7,573	\$1,415,575	\$1,461,203	\$1,623,501	\$1,797,238
Commercial III	52	\$17,243	\$99,968	\$0	\$24,806	\$27,273	\$5,452	\$1,330	\$176,073	\$178,616	\$193,444	\$215,399
Septage	0	\$6,549	\$82,468	\$0	\$14,278	\$15,698	\$3,088	\$0	\$122,081	\$122,013	\$128,748	\$145,471
<b>Subtotal</b>	<b>22,864</b>	<b>\$1,657,928</b>	<b>\$5,441,122</b>	<b>\$0</b>	<b>\$1,760,955</b>	<b>\$1,936,116</b>	<b>\$390,709</b>	<b>\$584,974</b>	<b>\$11,771,804</b>	<b>\$11,883,450</b>	<b>\$12,864,077</b>	<b>\$13,897,390</b>
<b>Industrial Users</b>												
H.J. Heinz		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leprino	1	\$0	\$178,999	\$0	\$95,807	\$105,336	\$0	\$26	\$380,168	\$373,585	\$411,080	\$425,472
Laura Scudders	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Industrial Users	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Industrial Users	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>1</b>	<b>\$0</b>	<b>\$178,999</b>	<b>\$0</b>	<b>\$95,807</b>	<b>\$105,336</b>	<b>\$0</b>	<b>\$26</b>	<b>\$380,168</b>	<b>\$373,585</b>	<b>\$411,080</b>	<b>\$425,472</b>
<b>Special Classifications</b>												
Infiltration/Inflow	0	\$24,252	\$82,209	\$0	\$44,156	\$48,548	\$9,291	\$0	\$208,455	\$208,172	\$229,576	\$237,974
<b>Subtotal</b>	<b>0</b>	<b>\$24,252</b>	<b>\$82,209</b>	<b>\$0</b>	<b>\$44,156</b>	<b>\$48,548</b>	<b>\$9,291</b>	<b>\$0</b>	<b>\$208,455</b>	<b>\$208,172</b>	<b>\$229,576</b>	<b>\$237,974</b>
<b>GRAND TOTAL</b>	<b>22,865</b>	<b>\$1,682,180</b>	<b>\$5,702,330</b>	<b>\$0</b>	<b>\$1,900,918</b>	<b>\$2,090,000</b>	<b>\$400,000</b>	<b>\$585,000</b>	<b>\$12,360,428</b>	<b>\$12,465,207</b>	<b>\$13,504,733</b>	<b>\$14,560,836</b>

## User Charges

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The user charges for the City of Tracy are based on the actual loadings for metered users, with unmetered user charges based on a flat charge. The City's current rates as well as projected user charges through 2016-17 are shown in Table 5-1. The proposed rates reflect both the increase in revenue requirements and changes in the number of customers.

On January 21, 2003, the Tracy City Council suggested a two-year rate be used instead of making annual adjustments. Subsequent rate studies have shown average rates for the next two fiscal years. Table 5-2a shows the average rates for the next two fiscal years, and Table 5-2b shows the average rates for fiscal years 2015-16 and 2016-17.

Table 5-3 shows the residential rates for several communities near the City of Tracy. This information was compiled from each community's web site. As the table shows, the single-family residential rate for Tracy is comparable to many communities that have been required to upgrade their systems.

TABLE 5-1  
Breakeven User Charges  
*City of Tracy 2013-2014 Wastewater Rate Study*

Residential	Monthly Charge				
	Current	2013-14	2014-15	2015-16	2016-17
		10.0%	-0.6%	6.6%	6.2%
Single-Family Residential	\$31.00	<b>\$34.10</b>	<b>\$33.90</b>	<b>\$36.15</b>	<b>\$38.40</b>
Multiple-Family Dwellings	\$26.55	<b>\$28.85</b>	<b>\$28.65</b>	<b>\$30.55</b>	<b>\$32.60</b>
Septage (per 1,000 gallons)	\$64.75	\$66.90	\$66.90	\$70.55	\$79.75
Commercial Classes	Volume Charge per CCF				
	Current	2013-14	2014-15	2015-16	2016-17
Commercial I	\$1.87	\$2.01	\$1.99	\$2.04	\$1.92
Commercial II	\$2.70	\$2.87	\$2.85	\$2.93	\$2.89
Commercial III	\$4.38	\$4.60	\$4.58	\$4.76	\$5.03
Industrial Charges, except Leprino	Current	2013-14	2014-15	2015-16	2016-17
Capacity Charges					
Flow (\$ per MGD)	\$328,338	\$293,286	\$277,575	\$322,569	\$270,526
BOD (\$ per lb)	\$35.92	\$31.94	\$30.21	\$35.09	\$29.42
SS (\$ per lb)	\$54.25	\$48.77	\$46.18	\$53.70	\$45.06
Use Charges					
Flow (\$ per MG)	\$469	\$760	\$775	\$789	\$888
BOD (\$ per 1,000 lbs)	\$477.16	\$516.38	\$526.00	\$535.28	\$667.46
SS(\$ per 1,000 lbs)	\$225.40	\$247.41	\$252.25	\$256.92	\$320.10
Capacity Charges	Current	2013-14	2014-15	2015-16	2016-17
Flow (\$ per MGD)	\$244,984	\$264,867	\$251,711	\$296,773	\$251,566
BOD (\$ per lb)	\$27.13	\$28.96	\$27.50	\$32.39	\$27.43
SS (\$ per lb)	\$40.96	\$44.22	\$42.03	\$49.57	\$42.02
Use Charges					
Flow (\$ per MG)	\$469	\$331	\$337	\$344	\$434
BOD (\$ per 1,000 lbs)	\$477.16	\$484.68	\$493.70	\$502.37	\$633.91
SS(\$ per 1,000 lbs)	\$225.40	\$230.10	\$234.59	\$238.91	\$301.73

TABLE 5-2A  
Average Rates for Fiscal Years 2013-14 and 2014-15  
*City of Tracy 2013-2014 Wastewater Rate Study*

Residential	Monthly Charge			
	Current	Average Rate		
Single-Family Residential	\$31.00	\$34.00		
Multiple-Family Dwellings	\$26.55	\$28.75		
Septage (per 1,000 gallons)	\$64.75	\$66.90		
Commercial Classes	Minimum Charge		Volume Charge per CCF	
	Current	Average Rate	Current	Average Rate
Commercial I	\$26.55	\$28.75	\$1.87	\$2.00
Commercial II	\$26.55	\$28.75	\$2.70	\$2.86
Commercial III	\$26.55	\$28.75	\$4.38	\$4.59
Industrial Charges, except Leprino	Current	Average Rate		
Capacity Charges				
Flow (\$ per MGD)	\$328,338	\$285,430		
BOD (\$ per lb)	\$35.92	\$31.07		
SS (\$ per lb)	\$54.25	\$47.47		
Use Charges				
Flow (\$ per MG)	\$469	\$767		
BOD ( \$ per 1,000 lbs)	\$477.16	\$521.19		
SS(\$ per 1,000 lbs)	\$225.40	\$249.83		
Charges for Leprino	Current	Average Rate	Loadings	Total Charge
Capacity Charges				
Flow (\$ per MGD)	\$244,984	\$258,289	0.63 mgd	\$162,722
BOD (\$ per lb)	\$27.13	\$28.23	420 lbs/day	\$11,858
SS (\$ per lb)	\$40.96	\$43.13	500 lbs/day	\$21,564
Use Charges				
Flow (\$ per MG)	\$469	\$334	209 mg	\$69,859
BOD ( \$ per 1,000 lbs)	\$477.16	\$489.19	162 1,000 lbs	\$79,249
SS(\$ per 1,000 lbs)	\$225.40	\$232.35	136 1,000 lbs	\$31,599
				\$376,851

**TABLE 5-2B**  
Average Rates for Fiscal Years 2015-16 and 2016-17  
*City of Tracy 2013-2014 Wastewater Rate Study*

<b>Residential</b>	<b>Monthly Charge</b>	
	<b>Proposed 2013-14 and 2014-15</b>	<b>Average Rate 2015-16 and 2016-17</b>
Single-Family Residential	\$34.00	\$37.30
Multiple-Family Dwellings	\$28.75	\$31.60
Septage (per 1,000 gallons)	\$66.90	\$75.15

<b>Commercial Classes</b>	<b>Minimum Charge</b>		<b>Volume Charge per CCF</b>	
	<b>Proposed</b>	<b>Average Rate</b>	<b>Proposed</b>	<b>Average Rate</b>
Commercial I	\$28.75	\$31.60	\$2.00	\$1.98
Commercial II	\$28.75	\$31.60	\$2.86	\$2.91
Commercial III	\$28.75	\$31.60	\$4.59	\$4.89

<b>Industrial Charges, except Leprino</b>	<b>Proposed</b>	<b>Average Rate</b>
Capacity Charges		
Flow (\$ per MGD)	\$285,430	\$296,548
BOD (\$ per lb)	\$31.07	\$32.26
SS (\$ per lb)	\$47.47	\$49.38
Use Charges		
Flow (\$ per MG)	\$767	\$839
BOD (\$ per 1,000 lbs)	\$521.19	\$601.37
SS(\$ per 1,000 lbs)	\$249.83	\$288.51

<b>Charges for Leprino</b>	<b>Proposed</b>	<b>Average Rate</b>	<b>Loadings</b>	<b>Total Charge</b>
Capacity Charges				
Flow (\$ per MGD)	\$258,289	\$274,170	0.63 mgd	\$162,722
BOD (\$ per lb)	\$28.23	\$29.91	420 lbs/day	\$11,858
SS (\$ per lb)	\$43.13	\$45.79	500 lbs/day	\$21,564
Use Charges				
Flow (\$ per MG)	\$334	\$389	209 mg	\$69,859
BOD (\$ per 1,000 lbs)	\$489.19	\$568.14	162 1,000 lbs	\$79,249
SS(\$ per 1,000 lbs)	\$232.35	\$270.32	136 1,000 lbs	\$31,599
				\$376,851

**TABLE 5-3**  
Residential Sewer Rate Comparison  
*City of Tracy 2013-2014 Wastewater Rate Study*

<b>City</b>	<b>Current Rate</b>
Dublin/San Ramon	\$29.62
Stockton	\$31.22
<b>Tracy, proposed</b>	<b>\$34.00</b>
Turlock	\$35.90
Merced	\$40.29
Livermore	\$40.75
Sacramento	\$43.76
Lathrop	\$47.70
Manteca	\$51.25

ORDINANCE \_\_\_\_\_

AN ORDINANCE OF THE CITY OF TRACY INCREASING WASTERWATER RATES

WHEREAS, The revenue requirements associated with providing wastewater service have increased due to higher operating costs and the need to construct a second outfall pipeline, and

WHEREAS. The City of Tracy needs to increase its rates for wastewater service in order to pay for the increased cost of providing wastewater service, and

WHEREAS, The revenues from the increased rates for wastewater service will not exceed the funds required to provide wastewater service, and

WHEREAS, The revenues derived from the increased rates for wastewater service will not be used for any purpose other than the provision of wastewater service, and

WHEREAS, The rates are based upon the wastewater service required of various classifications of residential, commercial, and industrial users, and

WHEREAS, The rates for wastewater service imposed upon any parcel or person as an incident of property ownership does not exceed the proportional cost of the wastewater service attributable to each parcel, and

WHEREAS, No rate or charge will be imposed if wastewater service is not used by a property owner;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES ORDAIN AS FOLLOWS:

SECTION 1: That the City's wastewater rates are adopted in the amounts set forth in the attached Exhibit A, which is incorporated by reference.

SECTION 2: This Ordinance shall take effect thirty (30) days after its final passage and adoption.

SECTION 3: This Ordinance shall be published once in the Tri Valley Herald, a newspaper of general circulation, within fifteen (15) days from and after its final passage and adoption.

\* \* \* \* \*

The foregoing Ordinance \_\_\_\_\_ was introduced at a regular meeting of the Tracy City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2013, and finally adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2013, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



## EXHIBIT A

### Wastewater User Charges

Residential (Monthly Charge)	
Single-Family Residential	\$34.00
Multiple-Family Dwellings	\$28.75
Septage (per 1,000 gallons)	\$66.90
Commercial Classes	
(Minimum Monthly Charge)	
Commercial I (Volume Charge per ccf )	\$1.98
Commercial II (Volume Charge per ccf )	\$2.91
Commercial III (Volume Charge per ccf )	\$4.89
(ccf = 100 cubic feet or 748 gallons)	
Industrial Charges	
Capacity Charges	
Flow (\$ per mgd per year)	\$285,430
BOD (\$ per lb.)	\$31.07
SS (\$ per lb.)	\$47.47
Use Charges	
Flow (\$ per mg)	\$767
BOD (\$ per 1,000 lbs.)	\$521.19
SS (\$ per 1,000 lbs.)	\$249.83
Industrial Charges (Leprino Foods)	
Capacity Charges	
Flow (\$ per mgd per year)	\$258,289
BOD (\$ per lb.)	\$28.23
SS (\$ per lb.)	\$43.13
Use Charges	
Flow (\$ per mg)	\$334
BOD (\$ per 1,000 lbs.)	\$489.19
SS (\$ per 1,000 lbs.)	\$232.35

(mgd = million gallons per day)

(mg = million gallons)

AGENDA ITEM 4

REQUEST

**APPROVE RESPONSES TO THE SAN JOAQUIN COUNTY GRAND JURY REPORT ON THEIR REVIEW OF (1) PUBLIC SAFETY IN SAN JOAQUIN COUNTY (CASE NO. 0912); (2) SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL BOARD (CASE NO. 1112); (3 ) IMPROVING DISPOSAL OF CITY AND COUNTY SURPLUS PUBLIC ASSETS (CASE NO. 0312) AND AUTHORIZE THE MAYOR TO SIGN THE RESPONSES**

EXECUTIVE SUMMARY

The 2012-2013 San Joaquin Grand Jury (Grand Jury) studied (1) the County's law and justice system in an effort to develop ideas to help reduce crime throughout the County; (2) the Mosquito and Vector Control District's Brown Act compliance and other issues; and (3) improving disposal of City and County surplus public assets.

The City is required to respond to the Grand Jury's findings and recommendations within 90 days of the request. Staff requests Council approve the prepared responses and authorize the Mayor to sign them.

DISCUSSION

With regard to the 2012-2013 San Joaquin Grand Jury report on Public Safety in San Joaquin County, the Grand Jury report addressed three areas within the law and justice system: law and justice staffing; county jail capacity; and law enforcement leadership. The full report is attached as Attachment D.

With regard to the 2012-2013 San Joaquin Grand Jury report on the Mosquito and Vector Control Board, the Grand Jury investigation was structured to focus on five specific issues: lack of transparency and compliance with the Brown Act at District Board meetings; lack of understanding about action related to health insurance benefits; Trustees' knowledge of District finances; appointment of Trustees to the District Board; and the best governance structure of the District Board to serve the public. The full report is attached as Attachment E.

With regard to the 2012-2013 San Joaquin Grand Jury report on improving disposal of City and County surplus public assets, the Grand Jury report investigated the disposition of local government's surplus public assets, in an effort to promote public transparency and consistency while disposing of capital assets. The full report is attached as Attachment F.

STRATEGIC PLAN

This is a routine operational item and is not related to any of the Council Strategic Plans.

FISCAL IMPACT

There is no fiscal impact with this agenda item.

RECOMMENDATION

That the City Council, by resolution, approve the City's responses to the San Joaquin County Grand Jury reports and authorize the Mayor to sign each of the three response letters.

Prepared by: Gary Hampton, Tracy Policy Chief  
Dan Sodergren, City Attorney

Reviewed by: Maria A. Hurtado, Assistant City Manager

Approved by: R. Leon Churchill, Jr., City Manager

ATTACHMENTS:

- A: Response Letter to Presiding Judge David P. Warner from City of Tracy  
re: Grand Jury Report: 2012-2013 Case #0912 - Public Safety in San Joaquin County
- B: Response Letter to Presiding Judge David P. Warner from City of Tracy  
re: Grand Jury Report: 2012-2013 Case #1112 - Mosquito and Vector Control Board
- C: Response Letter to Presiding Judge David P. Warner from City of Tracy  
re: Grand Jury Report: 2012-2013 Case #0312 – Improving Disposal of City and County  
Surplus Public Assets
- D: Grand Jury Report Case #0912
- E: Grand Jury Report Case #1112
- F: Grand Jury Report Case #0312



City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

ATTACHMENT A

CITY COUNCIL

MAIN 209.831.6000  
FAX 209.831.6120  
www.ci.tracy.ca.us

July 17, 2013

Presiding Judge David P. Warner  
Superior Court of California, County of San Joaquin  
222 E. Weber Ave., Room 303  
Stockton, CA 95202

RE: Grand Jury Report: 2012-2013 Case No. 0912 - Public Safety in San Joaquin County.

Honorable Judge Warner:

In accordance with California Penal Code Sections 933 and 933.05 the following responses are being submitted within 90 days of the request:

Grand Jury Findings

*Finding F1.1: The staffing of all law and justice agencies in the County has been reduced increasing the threat to the safety of the citizens and their property.*

The City of Tracy agrees with the premise of this finding; however Part-1 Crimes within Tracy have remained static during the past several years. Although the City of Tracy has reduced sworn and non-sworn staffing within the police department, no remarkable increase in crime has resulted. This is attributed to reorganization of the police department, wherein emphasis was placed on first response law enforcement services. Staff reductions have been isolated to non-critical support operation activities, which today are largely performed through volunteerism and/or enhanced technology.

*Finding F1.4: Continued and increased use of current technologies would make law enforcement agencies more efficient and offset some of the decreased staffing.*

The City of Tracy agrees with this finding and has made substantial technological investment into new Computer Aided Dispatch and Records Management software. This software enhances the police department's ability to more effectively deploy personnel resources and conduct advanced crime analysis activities to include predictive policing.

*Finding F3.1: The duplication of special units, specialized training and police functions (e.g., property room, dispatch, investigation technicians) cause inefficient use of limited resources.*

The City of Tracy agrees with this finding in general. However, not all specialized law enforcement functions are best accomplished via a regionalized approach. Tailoring law enforcement services to an individual community is directly connected to a community's quality of life.

*Finding F3.2: There are examples of cooperation between different agencies in the County but each agency still operates autonomously most of the time.*

The City of Tracy agrees with this finding. The Tracy Police Department has and will continue to pursue opportunities to collaborate with law enforcement organizations within the region.

#### Grand Jury Recommendations

*Recommendation R1.1.2: Each City Council, before September 1, 2013, adopt a policy that states it is a priority of the City to increase law enforcement staffing.*

The recommendation has been implemented. The City of Tracy has historically maintained Public Safety as a strategic priority within the City Business Plan.

*Recommendation R1.4: The Sheriff's Department and each city's police department review their current use of crime prevention technologies and develop a plan to implement new technologies that could help increase the efficiency of their agencies.*

The recommendation has been implemented. The City of Tracy is committed to all facets of crime prevention including technological approaches. The Tracy Police Department has invested heavily in crime prevention, thus the Tracy Community enjoys a relatively low crime rate within the region. The City of Tracy staffs within the police department crime prevention and crime analysis personnel. Those specialized positions are supported by analytical and predictive technology. The City is currently exploring the use of remote visual monitoring technology to enhance existing technology.

*Recommendation R3: The Board of Supervisors and the City Councils of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton and Tracy, before September 1, 2013, each appoint two representatives, one to represent law enforcement and one to represent the governing body or management, to form and ad hoc committee. The committee's*

July 17, 2013

Page 3

*purpose is to conduct a study on how to increase countywide efficiency of law enforcement agencies by taking a regional approach to some or all of their services. A preliminary report is to be released before December 31, 2013, of actions already taken to increase efficiency and additional actions that will be taken between January 2014 and June 2015.*

The recommendation will be implemented. The City of Tracy is willing to participate in discussions relative to forming such a committee. The scope of the ad hoc committee should be fleshed-out further, with timelines more conducive to a comprehensive evaluation.

Sincerely,

Brent H. Ives, Mayor  
On Behalf of the Tracy City Council

cc: Members of the Tracy City Council  
Leon Churchill, City Manager  
Dan Sodergren, City Attorney  
Gary Hampton, Chief of Police



City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

ATTACHMENT B

CITY COUNCIL

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www.ci.tracy.ca.us

July 17, 2013

Presiding Judge David P. Warner  
Superior Court of California, County of San Joaquin  
222 E. Weber Ave., Room 303  
Stockton, CA 95202

RE: Grand Jury Report: 2012-2013 Case No. 1112 – District Board Ignores the Peoples' Right to be Informed

Honorable Judge Warner:

In accordance with California Penal Code Sections 933 and 933.05 the following responses are being submitted within 90 days of the request:

Grand Jury Findings

*Finding F4.1 Membership on the [San Joaquin County Mosquito and Vector Control] District Board is seen as a family right and obligation passed through generations, or as a pathway for political advancement.*

The City of Tracy disagrees with this finding to the extent it pertains to the City of Tracy. The City of Tracy uses the following process to appoint individuals to the San Joaquin County Mosquito and Vector Control Board:

- City is notified by District of pending term expiration
- Recruitment conducted by Clerk's office
  - Letters with application sent to incumbent and those who provided interest cards
  - Notices sent to newspapers
- City Council asked to form a subcommittee to interview applicants
- Applicants interviewed by subcommittee
- Applicant appointed to 4 year term

July 17, 2013

2 of 2

*Finding F4.2 Long terms on the [San Joaquin County Mosquito and Vector Control] District Board may lead to complacency in reviewing District financial conditions and a clear understanding of issues brought before the Board for Consideration.*

The City of Tracy disagrees with this finding as a general statement. The number of terms a Board Member serves does not necessarily reflect on his or her competence or performance of duties.

*Finding F5.1 Issues regarding non-transparent functioning and actions of the [San Joaquin County Mosquito and Vector Control] District Trustees bring into question the need for the District Board as presently appointed by the Cities and the County Board of Supervisors.*

The City of Tracy disagrees with this finding as a general statement. The state Mosquito Abatement and Vector Control District Law governs the establishment and composition of such boards. (Health and Safety Code, §§ 2000 – 2045.) Under that law, the purpose of such boards is to establish policies for the operations of the district and to provide for the faithful implementation of those policies. (Health and Safety Code, § 2020.) The City believes these are important functions.

Grand Jury Recommendations

*Recommendation R4.1 No later than November 1, 2013, the County Board of Supervisors and the City Council of each city in the County petition the appropriate agencies and/or State legislature to establish term limits of two consecutive four-year terms for District Board Trustees.*

The recommendation will not be implemented as it is not reasonable as it pertains to the City of Tracy. The City receives very few applications from individuals interested in serving on the Board. Often times, there is only one application received. Furthermore, pursuant to state law, applicants should have experience, training, and education in fields that will assist in the governance of the Board. (Health and Safety Code, § 2022(d).) Establishing term limits may further limit the pool of qualified and interested applicants.

Sincerely,

Brent H. Ives, Mayor  
On Behalf of the Tracy City Council

cc: Members of the Tracy City Council  
Leon Churchill, City Manager  
Dan Sodergren, City Attorney





City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

ATTACHMENT C

CITY COUNCIL

MAIN 209.831.6000  
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www.ci.tracy.ca.us

July 17, 2013

Presiding Judge David P. Warner  
Superior Court of California, County of San Joaquin  
222 E. Weber Ave., Room 303  
Stockton, CA 95202

RE: Grand Jury Report: 2012-2013 Case No. 0312 – Improving Disposal of City and County Surplus Public Assets

Honorable Judge Warner:

In accordance with California Penal Code Sections 933 and 933.05 the following responses are being submitted within 90 days of the request:

Grand Jury Findings

*Finding F7.1 The City of Tracy has no procedures manual or clearly defined procedures for the disposition of surplus vehicles and equipment. While no indications of any questionable actions were identified, the lack of clear and transparent procedures could raise concerns about the public's interest being protected.*

The City agrees with the finding.

*Finding F7.2 The agreement with the private auction firm contained limited protection for the City against claims or other possible legal actions resulting from the auction.*

The City agrees with the finding.

Grand Jury Recommendations

*Recommendation R7.1 That prior to December 1, 2013, the City adopt procedures related to the disposition of vehicles and equipment, including who is responsible for the disposal, when council approval is required, notification requirements and information made available to the public.*

The recommendation will be implemented by December 1, 2013.

July 17, 2013

Page 2 of 2

*Recommendation R7.2 That the City Council direct the City Attorney to review the current agreement used for sale of surplus vehicles and equipment to ascertain its protection of City interests, or prepare a new sale agreement to be used by the City. The City Attorney's report to and action by the City Council is to occur prior to November 1, 2013.*

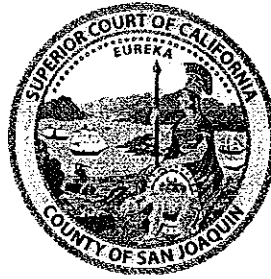
The recommendation will be implemented by November 1, 2013.

Sincerely,

Brent H. Ives, Mayor  
On Behalf of the Tracy City Council

cc: Members of the Tracy City Council  
Leon Churchill, City Manager  
Dan Sodergren, City Attorney  
Rod Buchanan, Interim Public Works Director

## San Joaquin County Grand Jury



### **Crime - Budget Cuts + AB 109 ≠ Safe Communities 2012-2013 Case No. 0912 – AMENDED REPORT 5/23/13**

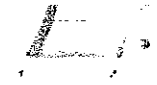
#### **Summary**

Crime is a serious issue in our local communities. Declining budgets have taken their toll on staffing throughout the law and justice system in San Joaquin County. The 2010-2011 Grand Jury issued a report titled *Budgetary Impact on Administration of Justice in San Joaquin County*, which provided an overview of crime in the County at that time and how budget reductions and staffing shortages negatively impacted public safety. Today, local newspapers continually report violent crimes. People are becoming more and more concerned about their safety. Even though the law and justice system is doing all it possibly can to protect public safety, countless issues are working against their efforts because of staff shortages and diminished resources.

The 2012-2013 San Joaquin Grand Jury (Grand Jury) studied the County's law and justice system in an effort to develop ideas to help reduce crime throughout the County. While the Grand Jury does not have the authority to change the system, it does have the responsibility to investigate, to determine findings, and to develop recommendations that could have a positive impact on the present situation. This report addresses three areas within the law and justice system: law and justice staffing, county jail capacity and law enforcement leadership.

Staffing has been reduced in all areas of the law and justice system. These reductions have negatively affected the level of all services provided. The Grand Jury is recommending the County and Cities adopt policies to increase law enforcement staffing.

The County Jail is overcrowded. In order to stay within a court-mandated capacity, inmates are regularly released before serving their full sentences. The Grand Jury recommends the County Board of Supervisors approve funding for much needed jail bed capacity, and that the approval include sufficient staffing to supervise the additional capacity.



San Joaquin County has talented people in leadership positions within the various law enforcement entities. However, the limited coordination between the different agencies must be increased. The Grand Jury is recommending that a committee be established to study methods and options to increase efficiencies in county-wide law enforcement.

### Glossary

<b>AB 109</b>	California Assembly Bill 109 passed in 2011 provided relief for overcrowding in State prisons; also known as realignment.
<b>AB 109 Inmate</b>	A person serving a sentence in the county jail that would have been in a State prison prior to AB 109.
<b>CBO</b>	Community Based Organization.
<b>CCP</b>	Community Corrections Partnership; the County group tasked with receiving and distributing AB 109 funds.
<b>CDCR</b>	California Department of Corrections and Rehabilitation.
<b>CHP</b>	California Highway Patrol.
<b>Court Cap</b>	The County Jail capacity that was set by the San Joaquin County Superior Court.
<b>DA</b>	San Joaquin County District Attorney.
<b>Defendant</b>	Someone who has been arrested but not tried for a crime; might be held in jail.
<b>FBI</b>	Federal Bureau of Investigation.
<b>GPS Monitor</b>	A device usually worn on the ankle that uses signals from satellites to determine location.
<b>Honor Farm</b>	A component of the San Joaquin County Jail that houses low risk inmates.
<b>ICE</b>	Immigration and Customs Enforcement; a federal agency.
<b>Inmate</b>	Anyone who is detained in a jail or prison; jail inmates include defendants and offenders.

<b>Stockton's Marshall Plan</b>	A plan to address the city's crime issues; with <i>Operation Ceasefire</i> as a major component.
<b>Metropolitan Police</b>	Merger of local police/sheriff's departments into one law enforcement agency which serves a metropolitan area/county.
<b>Non/non/non</b>	A non-serious, non-violent, non-sex crime as identified by AB 109.
<b>Offender</b>	Someone who has been convicted of a crime; often serves time in jail.
<b>Operation Ceasefire</b>	Stockton's partnership-based violence reduction strategy that employs respectful, direct communication with youth and young adults at highest risk of violence; primary goal is to reduce shootings.
<b>Parole</b>	Post-release supervision after serving time in a State prison.
<b>Probation</b>	Supervision of offender not in county jail.

### **Background**

Local news has featured stories about law and justice issues throughout the County. Headlines used have included "S.J. Jail full", "Prosecutors: Man raped, killed grandmother, Suspect freed early from crowded jail days before slaying", "County OKs \$15.2M for realignment", "S.J. expected 82 parole violators, instead got 1,752", and "Bullets fly during lunch-hour shootout".

The 2010-2011 San Joaquin County Grand Jury wrote an informational report titled "*Budgetary Impact on Administration of Justice in San Joaquin County.*" This report provided statistics regarding crime in the County. It also analyzed the impact of reduced budgets on our law and justice system which includes police departments, the Sheriff's Department, courts, the County Jail, Probation, the District Attorney and the Public Defender. That report included no recommendations but it painted a bleak picture regarding the rise in crime.

The Grand Jury toured the Deuel Vocational Institution and the San Joaquin County Jail in September and October of 2012. Members of the Grand Jury also participated in numerous ride-alongs with different law enforcement agencies. During these interactions with law enforcement professionals, AB 109 was frequently mentioned and examples were provided regarding the law's impact to County public safety organizations. As this complex information was being discussed, it became apparent that additional information was required to understand the far-reaching issues associated with AB 109. As a result of the press reports, discussions and tours, this investigation was initiated.

During the investigation, the Grand Jury observed many examples of the community's concern about public safety. On September 27, 2012, Sacramento's Channel 10 News hosted "Stockton, A City in Crisis" at the University of the Pacific (UOP) and drew a standing-room-only crowd.

On November 14, 2012, hundreds of citizens attended a meeting to learn about *Project Ceasefire*, a program instituted by the Stockton Police Department targeting violence. On November 15, 2012, hundreds attended another meeting at UOP to hear a panel of County law and justice leaders discuss the issues they are facing and what citizens could do to help. On February 8, 2013, hundreds attended a meeting to hear about the proposed *Stockton's Marshall Plan*. The large participation, the range of questions asked and the frustration exhibited by those attending these meetings supported the Grand Jury's conviction that it was investigating a topic of wide-spread interest and grave concern to our communities.

Two goals were established for this investigation. First, the Grand Jury wanted to help the County's law and justice agencies during this crisis of crime. At the same time, the Grand Jury wanted to give the public hope that crime could be reduced. The Grand Jury realized that new and creative solutions were needed: Doing more with less was not enough. Comments repeated during interviews such as "*We can't do that...*" and "*...that is the way we have always done it*" were not acceptable. Joint meetings between law enforcement agencies, county-wide task force efforts and some multiagency operations lasting a day or two were typical approaches observed. The Grand Jury used its unique county-wide perspective along with extensive research to determine creative findings and recommendations.

The Grand Jury also determined that this investigation could not include all aspects of the law and justice system. The Grand Jury made a conscious decision to not study many of the programs in the County that dissuade individuals from the life of crime. Three of these areas are: Support provided to our communities by Community Based Organizations (CBOs) to deter people from committing crimes; Programs in jails and prisons for inmates to obtain the education, training, and resources to help them on their reentry into society; and Support provided by CBOs to offenders after their release so they will not reoffend.

San Joaquin County is comprised of seven incorporated cities, one community services district and one large unincorporated area. The San Joaquin County Sheriff's Department (Sheriff's Department) is responsible for the County Jail and court services (bailiffs/prisoner security) at the Superior Courthouses in Stockton, Manteca and Lodi. In addition, the Sheriff's Department is responsible for law enforcement in all of the unincorporated areas and for the Mountain House Community Services District. The City of Lathrop's Police Services consists of a contracted force provided by the Sheriff's Department. Each of the other cities has its own police chief and police department. The Sheriff is an elected position and all police chiefs are appointed.

The County also supports certain aspects of other law enforcement within the justice system: For example, the Probation Department provides supervision of offenders in lieu of incarceration or after their release. This department is also responsible for the operation of the juvenile hall. The Superior Court, and staff necessary for its operation, is under the auspices of the State. To support the courts, the County's District Attorney's office prosecutes cases and the Public Defender's office provides for the defense of the accused. The District Attorney is elected and all other leaders are appointed.

When studying the law and justice system, it becomes obvious that all components are interconnected. Police departments, the Sheriff's Department, courts, the County Jail, Probation, the District Attorney and the Public Defender are all intertwined. A problem in any one component affects all other components.

## **AB 109**

Early in this investigation, the Grand Jury learned about AB 109/Realignment and its impact on public safety. This bill was the State's response to the 2009 ruling by a federal three-judge court which found that crowding in California's prisons was a primary cause of inadequate health care for prisoners. The federal court ordered California to reduce its prison population. The U.S. Supreme Court upheld that order in May 2011.

The provision of AB 109 that most affected the County was that offenders of non-violent, non-serious, non-sex felonies (referred to as *non, non, non*-offenses) would serve their sentences in county jails rather than state prisons. The implementation of AB 109 has caused major operational and budgetary problems for county jails throughout the state, including San Joaquin County Jail. An offender of a *non, non, non*-offense serves his/her sentence in a county jail regardless of whether he/she has been convicted before of any serious felonies; Prior to AB 109, the maximum sentence served in a county jail was one year; AB 109 offenders can be sentenced to as many as nine years at the county jail.

California county jails were not designed for multi-year incarceration of inmates convicted of serious crimes. In addition, rehabilitation programs for county jail inmates were not intended for multi-year sentences.

AB 109 has been very effective in easing the overcrowding in the State prisons, but all too often at the expense of the counties, in terms of financial and public safety costs. Hundreds of AB 109 inmates that would otherwise be in State prisons are now detained in county jails. According to *"Realigning the Revolving Door? An Analysis of California Counties' AB 109 Implementation Plans"* published by the Stanford Criminal Justice Center "AB 109 transferred an unprecedented amount of responsibility to counties."

Another provision of AB 109 has yet to be implemented but will further impact our County. Currently, the California Division of Adult Parole Operations system is responsible for all state prison parolees. Commencing July 1, 2013, most post-release supervision of offenders from the State prison system will be conducted by the County Probation Department. The State will then only supervise parolees who were convicted of a serious or violent offense; were convicted of a third strike offense; are classified as a Mentally Disordered Offender; or are high-risk sex offenders.

Major implications of AB 109 were cited in a study by The Chief Justice Earl Warren Institute on Law and Social Policy at the University of California, Berkeley's School of Law. Their article titled *"Thinking Critically About Realignment in California"* stated in part:

“Transferring individuals from overcrowded state prisons to overcrowded county jails will likely lead to more [inmate] lawsuits.” “County jails were not built for long term sentences, but with realignment a greater number of individuals will be staying in county jail for much longer than a year.” Studies such as this have validated local concerns about the impact of AB 109.

In February 2013, a woman was murdered in San Joaquin County and an AB 109 offender was charged with the crime. The AB 109 offender had reportedly been in and out of jail on parole violations five times or more in the last year. Over the last eight months, there were at least seven instances where he tried to tamper with his GPS monitor or tried to hide from authorities. On February 20, 2013, he pled guilty to charges of failing to register as a sex offender and was sentenced to serve 30 days in jail. The next day, he was released from jail because the population exceeded the court cap. Six days after his release, his grandmother was raped and murdered. He was apprehended, charged with the murder of his grandmother and sent back to jail.

California’s 2009 Senate Bill (SB) 678 created a Community Corrections Partnership (CCP) in each county. The passage of AB 109 expanded the role of the CCPs and established an executive committee for each CCP. This executive committee is comprised of:

The Chief Probation Officer (who chairs the executive committee)

A Chief of police

The Sheriff

The District Attorney

The Public Defender

A presiding judge of the superior court (or his/her designee)

A representative from either the County Department of Social Services, Mental Health or Alcohol and Substance Abuse Programs

Under AB 109, the CCP was tasked with drafting a realignment plan for the County. The 2011-2012 plan received the necessary support of at least four of the five County Supervisors for approval as did the 2012-2013 plan. These plans include the distribution of the State’s AB 109 funding that is received by the County.

### **Staffing**

The Sheriff’s Department is now dealing with a new type of jail inmate due to AB 109 realignment. At the same time, staff has been reduced at the jail and for patrol. Police departments throughout the County have also been reduced. The Probation Department is facing an expanded role in law enforcement yet this department has also suffered reductions to staff.

The District Attorney’s office has lost 25% of its annual budget since 2008. The number of attorneys in this department has been reduced by 30%. The Public Defender’s office has suffered similar reductions. Crimes are not being prosecuted/defended to the same extent as before these reductions were made.



The Superior Court's staff has been reduced by about 25%. Tracy's Superior Court was closed in 2011. The Lodi branch of the Superior Court had two courtrooms. The first courtroom closed in 2011 and the second was closed in March 2013. These court closures have caused backlogs in the remaining courtrooms. The Stockton Superior Court Building is outdated, in poor shape, and needs to be replaced. While the State has approved construction of a new courthouse in Stockton, funding has not yet been released.

The Stockton Police Department has suffered as much or more than any other law and justice agency in the County. The City filed for bankruptcy in June 2012. Its police force has been reduced by about 25%. Many officers are leaving Stockton to work in other communities where salaries and benefits are better and there is less risk of being laid off. The police force has been reduced to the extent that officers do not respond to service calls unless the crime is serious or is in progress.

### **Crime in Stockton**

Along with the staffing issues cited above, violent crime in Stockton has increased. The year 2012 saw a record number of murders: 71. The risk of gold chain thefts was a major issue in the summer and fall of 2012. Comparing 2012 to the prior year, auto theft increased 49.3% and burglary was up by 6.8%.

Crime has risen in Stockton to the point that the city can be viewed as the *broken window*. The Broken Windows Theory was first introduced in 1982 by social scientists James Q. Wilson and George L. Kelling. The theory is that once you have a broken window in a building, the next thing you find is more broken windows. Broken windows are followed by more and more decline until the whole building is dilapidated. The theory also says that this decline could have been prevented by addressing the cause of the very first broken window. This syndrome is happening now in San Joaquin County with respect to crime. The *broken window* in our County is the City of Stockton. The violent crime Stockton is facing is also impacting other areas of the County and must be confronted.

The Stockton Police Department and the City of Stockton are taking actions to reduce crime. The City has been developing their Marshall Plan to address how the City will battle crime. One component of this plan is the reinstatement of Operation Ceasefire, a program that targets those individuals who commit the worst violence. This program was used by Stockton for five years beginning in 1998 and is again becoming operational as this report is being published. The Police Department has developed a Homicide Reduction Plan. They utilize social media (*Facebook*) to inform citizens of crime in the community and as a means to provide crime tips that help the department in its crime fighting efforts. The department has also established a non-profit foundation to obtain additional funds to support its' crime fighting efforts.

The Stockton Police Department has also been creative with its Chaplain program. This department has the largest Chaplain program in the nation with over 30 volunteer chaplains. The program has been so successful that the Chaplains are being used in the schools to replace the discontinued School Resource Officer program.

## **Issues**

The Grand Jury has found that there are many challenging issues within the County law and justice system. Most of these issues are directly related to two factors: a multi-year reduction to budgets; and the implementation of AB 109. Given the combined impact of these two adverse realities, this report will focus on the following three issues:

- Law and Justice Staffing
- Overcrowding at the County Jail
- Law Enforcement Leadership

## **Method of Investigation**

The Grand Jury studied various aspects of the law enforcement and justice systems in the County. Interviews and site visits were conducted with representatives of police departments, the Sheriff's Department, Probation, the District Attorney's office and the San Joaquin County Superior Court. There were personal meetings with one or more representatives of every city's police department within the County as well as numerous meetings with officials from the Sheriff's Department. In addition, members of the Grand Jury participated in ride-alongs with each police department and the Sheriff's Department. The Grand Jury toured every detention facility in the County. Interviews were also conducted with management and staff of the Probation Department and the District Attorney's office. Proceedings of the Superior Court were observed and discussions were held with court staff.

The Grand Jury also attended over a dozen meetings during this investigation. A number of community meetings were attended where law enforcement and crime was the main topic. Members attended and/or watched recordings of city council meetings and meetings of the County Board of Supervisors. Numerous meetings of the Community Corrections Partnership were also attended by the Grand Jury.

The Grand Jury also researched crime in San Joaquin County and the law and justice system in general.

A complete listings of documents reviewed, web sites visited, site visits/interviews and meetings attended are included in the attached Appendices.

## **Discussion, Findings, and Recommendations**

### **1.0 Law and Justice Staffing**

Almost all categories of crime are high throughout the County; in some areas, crime is rising. The downturn of the economy decreased the funding for the law and justice system. The subsequent implementation of AB 109 made these problems even worse.

Law enforcement agencies have experienced significant staffing reductions over the last five years. The Manteca Police Department lost 12 officers in 2009, 15% of its total sworn staff. The Tracy Police Department reduced the number of its officers from a high of 95 to its current number of 85, a reduction of more than 10%. Between 2007 and 2011, the Stockton Police Department lost about 100 officers, or 25% of its total sworn staff.

The level of law enforcement staffing is often expressed as the number of officers per thousand residents. The Stockton Police Department currently has approximately 1.1 officers per thousand residents. A 2010 FBI study showed that, on average, there were 2.7 officers for every 1,000 people in U.S. cities of more than 250,000. The 2006 report *Preventing Violent Street Crime in Stockton, California*, by Anthony A. Braga, a Harvard professor of criminal justice, recommended that the Stockton Police Department should have 550 officers requiring the addition of more than 200 officers. It is understandable why almost everyone interviewed supported the need for *more boots on the ground*, the phrase commonly used for adding more officers.

Officer reductions have had a direct impact on services provided. Many locales eliminated programs such as community policing, school resource officers and/or some special/tactical enforcement units.

The Stockton Police Department has experienced its own unique problems. In addition to staffing reductions, the city filed for bankruptcy in June 2012. Salaries and benefits were reduced for all city employees. One of the consequences of these actions was a larger than normal number of officers resigning or retiring. Even though the department is recruiting aggressively, the number of police officers remains approximately 325. If the Stockton Police Department could reach 344 sworn officers, a federal grant would pay for 17 additional officers. Staffing was reduced so much and crime has increased so rapidly that the City requested help from the State. This resulted in the California Highway Patrol (CHP) dedicating 10 officers to assist Stockton policing efforts for at least four months in 2012 and into 2013.

In 2012, Stockton hired 75 officers. However, during the same year, 72 officers resigned or retired resulting in a net increase of only three officers. The overall effect was a major decrease in the average level of experience within the department.

The justice system has experienced its own staff reductions. In the last five years, the District Attorney's department has reduced its personnel by more than 30% resulting in a reduction of attorneys, investigators and clerical staff. The Public Defender's office has experienced similar reductions.

When staffing is reduced, it is common for an agency to consider increasing their efficiency so that fewer people can maintain the same level of service. In many cases, implementation of new technologies can help increase efficiency. These technologies often come with a high initial price but low on-going costs.

Examples of local law enforcement agencies using new and efficient technologies include:

- Escalon and Manteca have installed video cameras in patrol cars. Ripon has installed surveillance cameras at more than 75 locations and provides 24/7 monitoring by their dispatch staff.
- Ripon has installed a license plate reader camera so that the license plate number of every car that drives by the camera location is compared to a data base of license plates. When a stolen vehicle or other wanted vehicle is identified, police are notified and respond.
- Stockton uses texting and social media to communicate with their community and to receive crime tips.
- Stockton is field testing biometric devices that capture unique features (e.g., fingerprints, palm prints, facial images). This allows a technician in the field to gather information, electronically transmit it and within minutes receive data on the individual while still in the field.

Other technologies available for law enforcement that could benefit agencies in the County:

- Predictive analytics software takes information from all crimes committed, analyzes the data and then is able to predict where future crimes may be committed.
- The ShotSpotter™ system is able to identify the location of gunfire and then alert the nearest agency to that location in order to provide a quick response.
- Smart phones with special apps are now available for officers' use in the field and for better communication between the department and the public.

With reduced staffing, law enforcement agencies need help from the public. One of the requests frequently heard by the Grand Jury in meetings and during interviews was to have the public report all crimes. It is believed by law enforcement officials that many property crimes are not being reported. Having complete crime data is critical for current analytical software to effectively target crime.

## **Findings**

**F 1.1** The staffing of all law and justice agencies in the County has been reduced increasing the threat to the safety of the citizens and their property.

**F 1.2** The Stockton Police Department has maintained an aggressive recruitment program but has not been able to increase its staffing due to the number of officers leaving the department.

**F 1.3** Some lower-level crimes are not being prosecuted due to staffing reductions within the District Attorney and Public Defender offices allowing criminals to remain on the streets without consequences for their actions.

**F 1.4** Continued and increased use of current technologies would make law enforcement agencies more efficient and offset some of the decreased staffing.

**F 1.5** When the public does not report a crime, law enforcement does not have complete statistics that are necessary for predictive policing.

## **Recommendations**

**R 1.1.1** The Board of Supervisors, before September 1, 2013, adopt a policy that states it is a priority of the County to increase staffing for law enforcement, including patrol and probation.

**R 1.1.2** Each City Council, before September 1, 2013, adopt a policy that states it is a priority of the City to increase law enforcement staffing.

**R 1.2** The Stockton City Council, before December 31, 2013, identify provisions that promote the retention of law enforcement staff and approve a plan for the implementation of the retention provisions identified.

**R 1.3** The County Board of Supervisors, before December 31, 2013, approve a 2013-14 budget or budget amendment that increases staffing for the Office of the District Attorney and the Public Defender Office to adequately prosecute/defend all individuals arrested for violent crime.

**R 1.4** The Sheriff's Department and each city's police department review their current use of crime prevention technologies and develop a plan to implement new technologies that could help increase the efficiency of their agencies.

**R 1.5** The Public Information Officer for San Joaquin County, by September 1, 2013, coordinate efforts with local law enforcement agencies to have local print, radio, TV and cable media outlets use Public Service Announcements (PSAs) to inform the public to report all crimes.

## **2.0 County Jail Capacity**

Law enforcement staff often state the ongoing requirement for keeping *one empty bed* available at the jail (so that the next person arrested can be detained). The Grand Jury found the inmate population at the San Joaquin County Jail often exceeds its capacity. Without this *one empty bed*, those arrested are not always being detained; in fact, some detainees are released early. The habitual lack of bed space prevents officers from incarcerating individuals who have warrants for failure to appear in court. This limited bed space problem has created an arrest-incarceration system that borders on *catch-and-release*.

It has also changed the rules for the criminal element; they realize that they usually will not serve full sentences. And they could realistically be released early.

Prisons and jails in California have struggled with overcrowding. As a result of a law suit regarding jail overcrowding, the federal court ruled that jail and prison populations must be reduced. Locally, a Superior Court Consent Decree established what is known as the court cap at the County Jail.

The San Joaquin County Jail (jail) has 1,411 beds between the housing units of the jail and the honor farm. Due to budget reductions in 2010, staffing was reduced by 33 correctional officers. At this time, the jail is staffed to supervise 1,252 inmates. When the inmate population exceeds 1,252 inmates, additional correctional officers must be brought in and paid overtime to staff the jail and supervise inmates assigned to these additional beds.

The jail has been overcrowded for many years. In response to this issue, the Sheriff's Department submitted a proposal in March 2008 requesting funds for the construction of a 1,280 bed expansion of the current jail. In 2008, the State of California awarded San Joaquin County \$80 million in construction funds for the expansion. The County also authorized \$25 million of its own money and \$10.5 million of in-kind matching contributions for a total project budget of \$115.5 million. A design team was created in January 2009 to plan and coordinate the construction of the expansion. To date, approximately \$9 million has been spent for architectural and engineering design work but construction plans have not been produced and construction approvals have not been received.

Even though the County has funds for the construction of the jail expansion, there is no provision for the additional funds necessary to staff the expansion. In April 2012, the County's Chief Administrative Officer (CAO) estimated the annual staffing cost for the completed 1,280 bed expansion to be about \$55 million for the Sheriff's Department plus an additional \$14 million for health care, plant engineering and probation. These amounts do not include a factor for inflation and there is no new revenue to cover these expenses. Quoting from the CAO's report "Should any phase of the expansion occur without new revenue, several departments would have to be totally eliminated and, in effect, render County services unmanageable."

The Grand Jury reviewed an internal study provided by the Sheriff's Department that focused on options for staffing the jail expansion. However, all options studied only shifted inmates and staff from current jail buildings into the proposed expansion with no net increase of beds being used. The Sheriff's Department has not made a presentation on jail expansion to the Board of Supervisors since February 14, 2012. Also, the Board of Supervisors has not publicly addressed the jail expansion since the CAO's cost analysis study was presented on April 24, 2012.

At this time, ground has not been broken for the jail expansion even though funding was reserved five years ago. The Grand Jury was told the jail expansion project will not move forward until the County Board of Supervisors approves a staffing plan for the expansion. Even after receiving Board approval, it will be at least two to three years before construction would be finished and the jail beds could be used.

The Grand Jury reviewed the presentation "Jail Expansion & Infrastructure Construction Project" given by the County Sheriff on February 14, 2012, to the County Board of Supervisors. The Sheriff's Department reported on AB 109's impact on the jail in the early stages of its implementation. There were 549 AB 109 inmates detained at the County Jail from October 2011 through January 2012. As of January 31, 2012, 286 AB 109 inmates were in custody and 263 had been released. Of those released, 128 (48.7%) returned to custody for committing a new crime or parole/probation violation. In other words, almost half of those released had been detained, released, and then returned to jail, all within four months. The reasons for the return to custody, as of January 31, 2012, are shown in Table 1.

REASON	NUMBER	% OF TOTAL REARRESTED	% OF TOTAL RELEASED
Parole Violation	65	50.8	24.7
Probation Violation	36	28.1	13.9
Property Crimes	7	5.5	2.7
Narcotics	4	3.1	1.5
Weapons	3	2.3	1.1
Violence	2	1.6	.08
Other	11	8.6	4.2
TOTAL	128	100.0	48.7

Table 1

When the inmate population exceeds the court cap, inmates must be released early. A Superior Court judge is assigned to monitor jail inmate capacity data and to determine which inmates should be released. The release of defendants is based on the charges they currently face. When considering which offenders should be released, the decision is based on the length of their sentence and what portion has been served. In 2012, over 2,000 offenders were released before the end of their sentences and many defendants (those individuals not yet sentenced but awaiting a court date) were released from the jail while still awaiting a trial.

The Grand Jury heard from officials that an expansion of 1,280 beds is not the only option. Table 2 lists the options known to the Grand Jury for additional bed space and for alternatives to incarceration. It is recognized that many of the alternatives to incarceration do not directly decrease the need for jail space. The final solution to reach the goal of always having *one empty bed* could be a combination of some or all of these options.

OPTIONS		DESCRIPTION	ISSUES
INCARCERATION	Jail expansion	1,280 bed expansion adjacent to current jail; could be downsized by not building all 10 housing units	Funding for staff has not been approved; 1,280 beds may be more than necessary if alternatives to incarceration are used
	Community Corrections Center	Inmates are held in a non-secure facility; provides skills and resources to help reentry into society	Study of this option has just begun; would require funding to build/modify a facility as well as for staffing
	Honor Farm Conversion	Portions of the Honor Farm are not being used; requires extensive modifications to increase security	Honor Farm facility was designed for minimum security housing; conversion would require significant funding
	Send inmates to other jails that have capacity	Other counties/states have jails with excess capacity; inmates can be sent to these jails and the county would pay for the custody	Cost of other facilities may be greater than the County's cost; may be difficult to meet restrictive conditions and follow extensive procedures
ALTERNATIVES to INCARCERATION	Pretrial assessment	Use validated tool based on criminal history, prior failures to appear, alcohol use, and other criteria to determine whether to release or incarcerate	County is just starting to explore this option; funding is needed for staffing and operations
	Home Detention	Monitor is worn on leg; allows defendant/offender to live at home	GPS device can be removed or rendered ineffective by defendant/offender
	Day Reporting Center	Offender lives at home and periodically checks in with probation staff; may include substance abuse testing	Must have staff to seek out those who fail to report

Table 2



## **Findings**

**F2.1** The savings from eliminating 33 correctional officer positions have been partially negated by overtime paid to officers when there are more than 1,252 inmates and therefore does not provide the intended savings.

**F2.2** County jail inmates who are being released due to jail overcrowding are then able to commit crimes when they otherwise would have been incarcerated, which is increasing the crime problem in the County.

## **Recommendations**

**R2.1** The County Board of Supervisors, before November 1, 2013, approve an increase to the staffing level of correctional officers to fully staff the County Jail including the Honor Farm.

**R2.2** The San Joaquin County Board of Supervisors, by December 31, 2013, approve an increase of jail beds (whether at the county jail, a new Community Corrections Center or other options) as well as the necessary associated staffing.

## **3.0 Law Enforcement Leadership**

After extensive study and interviews, the Grand Jury discovered law enforcement agencies within the County typically work independently. Examples of interagency task forces for specific issues and some cooperative efforts were found but these were the exceptions. It is the norm that law enforcement agencies focus their efforts within their jurisdiction.

The law enforcement leaders of the County attend periodic meetings where common issues are discussed. The CCP meetings provide a chance for those interested in law and justice to share and discuss a wide range of topics. There is also a monthly meeting hosted by the Sheriff where city police chiefs from throughout the county are invited to attend. This meeting allows the law enforcement leaders to interact within a group that is much smaller and more focused than the CCP.

The Grand Jury observed examples of law enforcement agencies working together. Multiagency events which focus on a particular crime issue are conducted periodically. Representatives of the Grand Jury observed Operation Safe Holidays that focused on parole/probation searches and saturation/surveillance operations. This two-day event in December 2012, was coordinated by the Sheriff's Department and included representatives from city police departments, probation, CDCR, ICE, CHP and other agencies.

There are also a number of multiagency task forces in San Joaquin County. These groups are on-going and target a specific law enforcement issue. The County and each City decide whether they assign one or more officers to each task force.

The Grand Jury contacted each agency to determine which multiagency task forces they supported with staff. Table 3 shows the results of this survey. The CCP Task Force is a new effort to deal with AB 109 offenders.

AGENCY	MULTIAGENCY TASK FORCE			
	Gangs	Narcotics	Auto Theft	CCP Task Force
Escalon	None*			
Lathrop	Services provided by Sheriff's Department			
Lodi	√		√	√
Manteca	√		√	√
Ripon	None*			
Sheriff	√	√	√	
Stockton	√	√	√	√
Tracy				√

Table 3 \* Escalon and Ripon police forces are so small that it is difficult to commit staff.

The Grand Jury also surveyed law enforcement agencies to identify the special unit categories within each agency. Table 4 shows the results of this survey.

AGENCY	SPECIAL UNITS							
	Crisis Negotiations	Explosive Ordnance Disposal	Gangs	Mobile Command Post	Narcotics	Riot	Special Enforcement Group *	SWAT
Escalon	None							
Lathrop	Services provided by Sheriff's Department							
Lodi	√	√	√	√	√	√	√	√
Manteca	√	√	√		√		√	√
Ripon			√	√	√			√
Sheriff	√	√		√		√	√	√
Stockton	√	√	√	√		√	√	√
Tracy	√			√	√		√	√

Table 4

\* Patrol groups who focus on high crime areas.

After studying Table 3 and Table 4, the Grand Jury found areas of duplication of services. The most noticeable examples are:

Four cities have their own gang unit and there is a multiagency task force with representatives from the same four cities.

Four cities have their own narcotics unit and there is a multiagency task force with representatives from only Stockton and the Sheriff's Department.

Six agencies have their own SWAT teams, units that are used infrequently; each agency must provide extensive training for its SWAT team which takes the officers away from their other duties and often require overtime pay.

Four cities and the Sheriff's Department each have special enforcement groups; while there may be some communication between the groups, they largely function independently even though they are addressing common problems.

Similar issues can be found with the explosives units, mobile command posts and riot units. The duplication of services and the specialized training of officers for these services create higher costs to serve the residents and businesses of the County.

In addition to the special units, there are similar concerns for other common functions of each law enforcement agency. Each law enforcement agency has its own property room. Each agency (except for Escalon) has its own dispatch center. Each agency has its own investigation technicians (or staff trained to conduct crime scene investigations). Most agencies have their own detective group. It could be more efficient if some or all of these functions were coordinated throughout the County.

The number, differences and variety of equipment used can also cause inefficiencies. This is most noticeable in computer systems. Different agencies use different software programs. These computer programs do not easily share information. Each agency operates its own computer network creating additional inefficiencies. Therefore, when a police officer enters data into his/her agency's program, the same data may need to be re-entered into the County's system when the defendant is booked into the jail.

The artificial boundaries separating the cities from the County also create inefficiencies. The Sheriff's Department serves the unincorporated areas of the County. Within their service area, the seven cities in the County have their own police departments. As the Sheriff Deputies patrol their area, they sometimes travel through a city jurisdiction to reach unincorporated areas. The Sheriff's Department serves pockets of unincorporated areas within the Stockton city limits. Therefore, Stockton officers often drive through unincorporated areas during their regular patrols and the Sheriff Deputies drive through Stockton to reach the unincorporated pockets. Service would be more efficient if these pockets were eliminated.

These jurisdictional boundaries mean nothing to those who commit crimes. A prime example of this is the fact that three of the four murders in Tracy in 2012 were committed by gang members from Stockton. Since crime is a county-wide issue, county-wide efforts are needed. At this time, there is no mechanism to coordinate county-wide law enforcement to best meet the specific needs of a community.

Examples of multiagency cooperation and integration exist in the region and throughout the nation. A small scale example of cooperation is Ripon hosting dispatch services for Escalon. On a larger scale, the Sheriff's Department has contracts to provide law enforcement for the City of Lathrop and the Mountain House Community Services District. *The Manteca Bulletin* reported on February 4, 2013, that Manteca and Lathrop are in discussions to form a single, joint law enforcement agency.

Large scale examples of cooperative efforts can be found in northern California. The Stanislaus County Sheriff's Department has contracts to provide policing in five of its nine cities, reducing by half the number of law enforcement agencies in the county. In San Mateo County, the Sheriff's Department provides law enforcement for the Cities of San Carlos and Millbrae. It has been reported that this joint effort is saving the cities millions of dollars each year.

A sheriff's office can merge with all the city police departments within the county to form what is known as a *metro police agency*. The city of Las Vegas and Clark County, Nevada, union is a well-known example. In 1973, the Las Vegas Metropolitan Police Department was formed by merging the Las Vegas Police Department with the Clark County Sheriff's Department. A 1999 audit by an outside firm commended the department for having fewer managers and supervisors than are typically found in large police agencies.

## Findings

**F3.1** The duplication of special units, specialized training and police functions (e.g., property room, dispatch, investigation technicians) cause inefficient use of limited resources.

**F3.2** There are examples of cooperation between different agencies in the County but each agency still operates autonomously most of the time.

## Recommendations

**R3** The Board of Supervisors and the City Councils of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton and Tracy, before September 1, 2013, each appoint two representatives, one to represent law enforcement and one to represent the governing body or management, to form an *ad hoc* committee. The committee's purpose is to conduct a study on how to increase countywide efficiency of law enforcement agencies by taking a regional approach to some or all of their services. A preliminary report is to be released before December 31, 2013, of actions already taken to increase efficiency and additional actions that will be taken between January 2014 and June 2015.

## **Conclusion**

Crime in San Joaquin County has put our collective backs against the wall. It is the ever present cancer in our public body and threatens our community's health. Crime works against recovery from the challenges of the economic downturn, adversely impacts Stockton's bankruptcy, creates negative perceptions and diminishes scarce public resources. The Grand Jury tackled this high priority, complex, multi-faceted and difficult issue as an investigation in an effort to showcase the challenges and contribute in a meaningful way to the community dialogue.

Investment in law enforcement staffing, expanded jail capacity and inter-agency cooperation are those areas which make up but three of many key and interrelated pieces of the puzzle for a comprehensive solution. The recommendations are put forward with the intention of supporting an immediate change as well as creating a foundation for long-term improvements. In addition, there are many good ideas and programs already under consideration including Stockton's Marshall Plan and the Community Corrections Partnership's study of community corrections centers. No recommendation the Grand Jury puts forth should be construed as replacing, contradicting or opposing either of these or any other initiative under development. Instead, they are conceived to be complementary and offered as potential ideas to integrate with other approaches to address the crime issue. Finally, the economic health of our communities requires a balance of insuring a safe environment for our residents, while at the same time being fiscally responsible. The responsibility of our public officials, elected and appointed alike, is to manage that balance for both our personal and economic wellbeing.

Those working in the law and justice system must continue to work for solutions. Most important of all, the citizens of our County must stay concerned and work with our leaders to make the streets safe for everyone. The Grand Jury's recommendations, if properly interpreted and effectively implemented, will help to support the restoration of our hope for San Joaquin County to become a safe and secure place to live, now and into the future.

## **Disclaimer**

Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Section 911, 924.1 (a) and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Sections 924.2 and 929).

## Acknowledgement

The Grand Jury wishes to express its appreciation for the professional efforts made by the many individuals working in the law and justice system. As the Grand Jury rode along with officers during their patrols, toured the County Jail, and talked with our law and justice leaders, the Grand Jury was impressed by the work they were accomplishing.

## Response Requirements

California Penal Code Sections 933 and 933.05 require that specific responses to all findings and recommendations contained in this report be submitted to the Presiding Judge of the San Joaquin County Superior Court. The San Joaquin County Board of Supervisors and the various City Councils, where applicable, shall report to the Presiding Judge of the San Joaquin County Superior Court within 90 days. The San Joaquin County Sheriff, where applicable, shall report to the Presiding Judge of the San Joaquin County Superior Court within 60 days.

Agency/Elected Official:	Required to Respond to the Following:	
	Findings	Recommendations
Escalon City Council	F1.1, F1.4 F3.1, F3.2	R1.1.2, R1.4 R3
Lathrop City Council	F1.1, F1.4 F3.1, F3.2	R1.1.2, R1.4 R3
Lodi City Council	F1.1, F1.4 F3.1, F3.2	R1.1.2, R1.4 R3
Manteca City Council	F1.1, F1.4 F3.1, F3.2	R1.1.2, R1.4 R3
Ripon City Council	F1.1, F1.4 F3.1, F3.2	R1.1.2, R1.4 R3
San Joaquin County Board of Supervisors	F1.1, F1.3, F1.5 F2.1, F2.2 F3.1, F3.2	R1.1.1, R1.3, R1.5 R2.1, R2.2 R3
San Joaquin County Sheriff-Coroner-Public Administrator	F1.4 F2.1, F2.2	R1.4
Stockton City Council	F1.1, F1.2, F1.4 F3.1, F3.2	R1.1.2, R1.2, R1.4 R3
Tracy City Council	F1.1, F1.4 F3.1, F3.2	R1.1.2, R1.4 R3

**Mail or hand-deliver a hard copy of the response to:**

Honorable David P. Warner, Presiding Judge  
San Joaquin County Superior Court  
222 East Weber Ave., Room 605  
Stockton, CA 95202

Also please email the response to Trisa Martinez, Staff Secretary to the Grand Jury at [grandjury@sjcourts.org](mailto:grandjury@sjcourts.org)

### **Appendices**

- A. Web Sites Visited
- B. Site Visits/Interviews
- C. Community Meetings Attended

## Appendix A

### Web Sites Visited

Bureau of Alcohol, Tobacco, Firearms, and Explosives (Federal). <http://www.atf.gov>.

Department of Corrections and Rehabilitation (California). <http://www.cdcr.ca.gov>.

Department of Homeland Security (Federal). <http://www.dhs.gov>.

Escalon Police Department. <http://cityofescalon.org/departments/police>.

Federal Bureau of Investigation. <http://www.fbi.gov>.

Highway Patrol (California). <http://www.chp.ca.gov>.

Lathrop Police Department. <http://www.ci.lathrop.ca.us/lpd>.

Lodi Police Department. <http://www.lohi.gov/police>.

Manteca Police Department. <http://www.ci.manteca.ca.us/police>.

National Institute of Justice. <http://www.nij.gov/welcome>.

Ripon Police Department. <http://www.riponpd.org>.

Stockton Police Department. <http://www.stocktongov.com/government/departments/police>.

Tracy Police Department. <http://www.ci.tracy.ca.us>.

San Joaquin County Sheriff Department. <http://www.co.san-joaquin.ca.us/sheriff>.

San Joaquin County District Attorney. <http://www.sjgov.org/da>.

San Joaquin County Probation Department. <http://www.sjgov.org/probation>.

San Joaquin County Superior Court. <http://www.stocktoncourt.org>.

San Joaquin County Board of Supervisors. <http://www.sjgov.org/board>.

San Joaquin County Public Defender's Office. <http://www.sjgov.org/pubdefender>.

U.S. Marshals Service. <http://www.justice.gov/marshals>.



## Appendix B

### Site Visits/Interviews

Deuel Vocational Institution, CDCR. Tracy, CA

Escalon Police Department

Lodi Police Department

Manteca Police Department

Northern California Youth Center, California Department of Juvenile Justice. Stockton, CA

Ripon Police Department

San Joaquin County Jail. French Camp, CA

San Joaquin County Juvenile Probation. French Camp, CA

San Joaquin County District Attorney's Offices. Stockton, CA

San Joaquin County Sheriff Office. French Camp, CA

San Joaquin Superior Court. Manteca, CA

San Joaquin Superior Court. Stockton, CA

Stockton Police Department

Tracy Police Department

## Appendix C

### Community Meetings Attended

Anti-crime Event. Held at Victory Park, Stockton, CA. (September 27, 2012)

City of Stockton Marshal Plan Symposium. Held at Stockton Progressive Church, Stockton, CA. (February 8, 2013)

City of Stockton Operation Ceasefire Presentation, held at Stockton Progressive Church, Stockton, CA. (November 14, 2012)

Community Corrections Partnership. Held in Stockton, CA. (Various Dates)

San Joaquin County Board of Supervisors. Held in Stockton, CA. (Various Dates)

Stockton City Council. Held in Stockton, CA. (Various Dates)

Stockton in Crisis: Searching for Solutions. Held at University of the Pacific, Stockton, CA. (September 27, 2012)

Town Hall Forum Addressing Violence in Our Community, held at University of the Pacific, Stockton, CA. (November 15, 2012)

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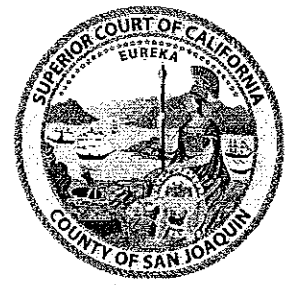
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## San Joaquin County Grand Jury



### District Board Ignores the Peoples' Right to be Informed 2012-2013 Case No. 1112

#### Summary

In 1953 the California State Legislature recognized the public's right to know what actions legislative bodies were voting on before the actual vote took place. The Legislature enacted the Ralph M. Brown Act (Government Code Section 54950 *et seq.*) which, among other provisions, required legislative bodies to post agendas not less than 72 hours before a meeting with descriptions of all proposed actions in sufficient detail so that the public could understand what was being voted on. This requirement applies to all local governments in the State, including all special districts.

When a legislative body circumvents the requirements of the Brown Act, when actions are taken that are not clearly explained to the public, and when legislative members themselves do not understand what they are voting on, the public's trust of honest governance begins to collapse. By observation, review of documents and sworn testimony the actions of the San Joaquin County Mosquito and Vector Control District (District) and its Board of Trustees (District Board) bring into question its commitment to transparency and compliance with this State law. The 2012-2013 San Joaquin County Grand Jury (Grand Jury) suggests that the San Joaquin County Board of Supervisors (Board of Supervisors) exercise all pertinent authority to impose requirements upon the District to permit the public greater access to the District's meeting agendas and reports. In addition, the appropriate authorizing bodies should consider adopting term limits to ensure that fresh ideas are brought before the District Board. The Grand Jury also has concerns about whether having a separate district with a separate board as the legislative body is the most effective structure for the present and future needs of the County.

## Glossary

<b>Brown Act</b>	The Ralph M. Brown Act (Government Code Sections 54950 et seq.) regulating the conduct of public meetings and related public information.
<i>et seq.</i>	To include sections that immediately follow the identified section and pertaining to the same topic.
<b>LAFCO</b>	Local Agency Formation Commission; a county-wide government agency created pursuant to State law for the purpose of reviewing and approving timely changes in local government boundaries and establishing special districts.
<b>Serial Meeting</b>	A series of communications, each of which involves less than a quorum of the legislative body, but which taken as a whole, involve a majority of the body's members, for the purpose of developing a concurrence as to action to be taken. Prohibited under the Brown Act.

## Background

All California public entities are required to conduct their business in a transparent manner at meetings open to the general public. These requirements under the Ralph M. Brown Act (Brown Act) have been in existence since 1953. The San Joaquin County Mosquito and Vector Control District (the District) is a public entity subject to the Brown Act. Among the mandates under the Brown Act, governing bodies are required to publish their agenda at least 72 hours before a meeting along with their proposed agenda actions containing sufficient information for the public to understand the topic being considered and the proposed action. It also requires the public to be permitted to speak on any agenda item before action is taken. Such advance notice and clarity were not provided to the District's constituents regarding health insurance benefits for the District Trustees.

The District offers health insurance benefits to its employees, which include medical, dental and vision coverage for the employee, the employee plus one or the employee and family. The District pays for the costs of the monthly insurance premium up to a maximum fixed amount. For 2013, the maximum benefit District payments are:

Medical - \$1,599.36  
Dental - \$108.32  
Vision - \$21.92

Any cost for health insurance benefits above that dollar amount is paid for by the employee.

On March 19, 2009, the District adopted a policy to permit members of the District's Board of Trustees (Trustees) to participate in the District's health care benefit plans in the same manner as other employees of the District. Currently, six of the 11 Trustees participate in the health insurance plans. Two Trustees participate in only dental and vision coverage at a Trustee plus one rate. The monthly District cost for each is \$82.13 with the Trustee paying \$32.56 out-of-pocket. One Trustee is enrolled in medical, dental and vision coverage for only the Trustee option. The District's monthly cost is \$731.00, with no Trustee out-of-pocket cost. One Trustee participates in medical, dental and vision coverage for the Trustee plus one, with a monthly District cost of \$1,312.41 and \$136.34 paid out-of-pocket. One Trustee has full family coverage for medical, dental and vision with a monthly District cost of \$1,729.60, and out-of-pocket expenses of \$499.52. The sixth Trustee participates in a family medical program with a District cost of \$1,599.36 and no out-of-pocket cost. The total District contribution for all Trustee health insurance benefits is \$5,536.63 a month, or \$66,439.56 per year.

After the public disclosure (in July 2012) regarding the details of the March 2009 action, the Trustees placed an agenda item before them on November 20, 2012, to reaffirm the previous action to permit Trustees to participate in the health benefit plan. The matter was continued at that time to permit a three-member committee composed of a Trustee, the District's general manager and the District's legal counsel to review the proposal and provide options for a future Trustee action. No action was taken at the regular December 18, 2012 meeting due to discussion about the District's budget. On January 15, 2013, the matter appeared on the District's agenda as Item No. 6, "*Review of Current Trustee Health Insurance Plan*" and was adopted by a unanimous vote of the Trustees.

After a review of State laws, the Grand Jury found no evidence that the District Board's action to make health insurance benefits available to Trustees violated any law. However, while investigating the two complaints received, it found other significant issues related to the District Board's legislative actions which warranted further investigation.

### **Issues**

The 2012-2013 Grand Jury received two complaints from a citizen related to the San Joaquin County Mosquito and Vector Control District Board of Trustees. One related to a discrepancy in the Trustee's compensation listed on the District's Fact Sheet provided to the San Joaquin County Board of Supervisors (and made available to the public). The Fact Sheet did not list the health insurance benefits available to the Trustees.

The second complaint alleged there was a possibility that illegal serial meetings took place between Trustees and District management prior to the January 15, 2013 District Board meeting, which would be a violation of the Brown Act. This complaint was based on an allegation, as stated by the complainant, that the Trustee Board Chairman began the discussion on the health insurance agenda item by stating "*he was certain of the Board's consensus on this issue.*"

The Grand Jury investigated the first complaint and found that no violation of the California Government Code occurred. The District amended its Fact Sheet to include the Trustees' participation in the employee health insurance plan.

The Grand Jury investigated the second complaint; after reviewing numerous sworn testimony, District documents and e-mails, it found no evidence to substantiate the claim of Trustees or District employees engaging in serial meetings. This complaint was determined by the Grand Jury to be unsubstantiated.

However, the Grand Jury found three general areas of concern. First, there were examples of violations of the Brown Act regarding the manner in which the District Board conducted its public business. Second, while not a violation of any State law or regulation, the Grand Jury found that Trustees lacked a basic understanding of the District's finances or the specifics of what they were voting on. The third area of concern raised during the investigation was the appointment of Trustees and the sense of entitlement to the position by some of the Trustees.

This Grand Jury investigation was structured to focus on five specific issues:

1. Lack of transparency and compliance with the Brown Act at District Board meetings
2. Lack of understanding about action related to health insurance benefits
3. Trustees' knowledge of District finances
4. Appointment of Trustees to the District Board
5. The best governance structure of the District Board to serve the public

### **Method of Investigation**

The Grand Jury investigated the complaints and the subsequent expansion of scope through the following:

#### **Materials Reviewed**

Citizen complaints and accompanying documentation

Applicable California Government Code

San Joaquin County Mosquito and Vector Control District website

San Joaquin County Mosquito and Vector Control District Fact Sheet

San Joaquin County Mosquito and Vector Control District Board of Trustee meeting agendas and informational packets.

Financial information provided by the San Joaquin County Mosquito and Vector Control District Board

Various e-mails and letters by and between District Trustees, management and legal counsel State Controller's website related to mosquito and vector control districts' financial reporting

### **Interviews Conducted**

Complainant

Nine of 11 Trustees of the San Joaquin County Mosquito and Vector Control District  
Senior management of the San Joaquin County Mosquito and Vector Control District

### **Sites Visited**

Meetings of the San Joaquin County Mosquito and Vector Control District Board of Trustees

## **Discussion, Findings and Recommendations**

### **1.0 Lack of Transparency and Compliance with the Brown Act at District Board Meetings**

District Trustees are charged with oversight of the San Joaquin County Mosquito and Vector Control District's operations in the interest of the public good. They hold monthly District Board meetings to conduct business related to the District's operations in protecting the public from harm caused by mosquitos and other vermin, in a manner that is comprehensive in nature and without consideration of city boundaries. The Grand Jury recognizes the good work performed by District employees in fulfillment of this obligation, its role in educating the public about insects and vector dangers and its programs to protect the public's health. However, based on sworn testimony, review of documentations, and attendance at Board meetings, the Grand Jury is concerned about the Trustees' procedures that limit the public's ability to know about District-related issues being considered and acted upon.

The Brown Act contains very specific requirements for all public legislative bodies, such as this Board of Trustees, relating to how their meetings are to be publicly noticed, how agendas are to be prepared and how the public is to be accommodated during the meeting. Government Code Section 54954.2(a) (1) states in part "*...the local agency or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed....*" The purpose of this requirement is to allow the public to have advance notice of what business is before the Board with enough information for the public to understand what the Board will be discussing and what the proposed action will be.



The March 19, 2009 District Board agenda contained the following item "*District-sponsored Health and Welfare Plan; Resolution 08/09-XX, authorizing eligible trustees to participate in District sponsored health and welfare plans.*" For the January 15, 2013 Board meeting, the agenda item was listed as "*Review of Current Trustee Health Insurance Plan.*" While the 2009 meeting agenda description could loosely be interpreted as meeting the Brown Act requirement for a description, the January 2013 meeting description failed to meet the legal requirements. The action of the Trustees during the meeting was to discuss not the Plan itself, but rather the Trustees' participation in the plan. If the agenda item was described as only for the purpose to review the health insurance plan, the District Board would be prohibited from taking any action on the plan since the description gave no indication that an approval action would occur.

The Brown Act very clearly promotes opportunities for the public to engage in public meetings with the ability to comment on any item on the agenda, and on any other issue within the jurisdiction of the governing body. That opportunity must be free from the perception of fear or intimidation and without restriction. Any requirement for a member of the public to identify themselves must be voluntary. Government Code Section 54953.3 states in part "*...If an attendance list, register, questionnaire, or other similar document is posted at or near the entrance to the room where the meeting is to be held...it shall state clearly that the signing, registering, or completion of the document is voluntary.*" At meetings attended by members of the Grand Jury, members were required to sign in on a form presented by a District employee. There was no indication on the sign-in sheet or on any other printed material or website that providing one's name and affiliation was voluntary.

In order for the public to be informed about the activity of the District and its Board, it must have access to accurate and relevant information. Related agenda material must be available in a timely manner such that the public can form an informed opinion to support meaningful discussion on matters listed on the agenda. Government Code Section 54957.5 states in part "*... agenda of public meetings and any other writings, when distributed to all, or a majority of all, of the members of a legislative body of a local agency by any person in connection with a matter subject to discussion of consideration at a public meeting of the body, are public records under the California Public Records Act.*" No copies of the materials provided to Trustees for their meetings are available for the public's review prior to or at the time of the meeting. At the February 19, 2013 meeting of the District Board, a member of the Grand Jury requested a copy of the agenda materials provided to the Trustees. The member was advised by a District employee that approval had to be obtained from the President of the Board prior to it being available to the member of the public. Access was denied to the public member until after the Board meeting had concluded.

## **Findings**

**F1.1** The Board of Trustees failed to comply with the Government Code Section 54954.2(a) (1) by providing an inadequate description of agenda items proposed for discussion and action at a public meeting. Specifically, it violated the Brown Act at its January 15, 2013 District Board meeting by having an inadequate description of Item No. 6 *Review of Current Trustee Health Insurance Plan*, under consideration and the proposed action to be taken by the Board.

**F1.2** The District Board violated the requirements of California Government Code Section 54953.3 by failing to have clearly indicated on its sign-in sheet that such a requirement was a voluntary action for the public and that no adverse impact would result from failing to sign.

**F1.3** The District Board violated Government Code Section 54957.5 by failing to have the agenda materials provided to Trustees available to the public at the same time as delivered to the Trustees. It also placed restrictions on the public's access to the materials before and during Trustee meetings.

**F1.4** At the time this investigation started, the only information on the District's website was the current meeting agenda. Information about prior meeting agendas, agenda background materials and meeting minutes was not accessible on the website. This information has subsequently been added to the District's website.

## **Recommendations**

**R1.1.1** As a result of its violation of the Government Code 54954.2(a) (1), the Board of Trustee immediately rescind its action on Item No. 6, *Review of Current Trustee Health Insurance Plan* of the January 15, 2013 Board meeting.

**R1.1.2** The District immediately expand the description of all items placed on the District Board's meeting agenda to fully comply with the requirements and intent of the Brown Act.

**R1.2** The District revise its District Board meeting sign-in sheet to clearly indicate that adding one's name is a strictly voluntary action.

**R1.3.1** The District immediately make available to the public a copy of all agenda materials as soon as it is provided to the Trustees, and that a copy be readily available for the public at the Board's meeting location.

**R1.4** No later than November 1, 2013, the District place on its website all agenda materials provided to the Trustees prior to the Board meeting.

## **2.0 Lack of Understanding About Action Related to Health Insurance Benefits**

On March 19, 2009, the District Board adopted a resolution to permit Trustees to participate in the same health insurance program that was offered to the District's employees beginning August 1, 2009. Under the District plan, an employee may choose from different medical plans and select coverage for: (1) the employee, (2) for the employee plus one dependent, or (3) a family plan. Vision and dental insurance coverage is also available with the same three options.

In July 2012, after the San Joaquin Taxpayers Association raised the issue, local newspapers began to report on the District Board's action of March 2009 authorizing Trustees access to health insurance benefits.

In November 2012 the District Board proposed to revisit the March 2009 action which concluded in a vote in January 2013 to continue the program. The Grand Jury wanted to clarify whether the Trustees understood the program/s being proposed for approval.

Following sworn testimony from 9 of the 11 Trustees and review of documents provided by the District, the Grand Jury came to the conclusion that almost all of the Trustees did not understand the structure of the health insurance benefit available to them, or who was covered pursuant to their action. Many of the Trustees testified it was their understanding that they were approving coverage only for the Trustee themselves and not for any family coverage. Some said they were not sure what or who the benefit covered but because the District's legal counsel and others said they had a letter saying it was legal, they voted in favor of the continuation.

Other Trustees indicated they voted yes because the District had enough money. While some Trustees said they voted for the benefit because other similar districts offered them, none of the Trustees interviewed could tell how many other mosquito districts in the State of California offered health benefits for its trustees. Based on information from the State Controller's files, the Grand Jury discovered that only three of the 68 other mosquito districts in the State offered health insurance benefits for its trustees. Sacramento-Yolo County Mosquito and Vector Control District provides medical, dental and vision insurance for its trustees, while the East Side Mosquito abatement District in Modesto provided dental and vision insurance benefits to its trustees.

## **Findings**

**F2.1.1** A majority of the District's Trustees, under sworn testimony, did not know the details of the health insurance program they were voting to grant themselves.

**F2.1.2** A number of Trustees, under sworn testimony, indicated that they thought they were voting for health insurance coverage for the Trustee only, and not for family members.

## **Recommendations**

**R2.1.1** The District Board immediately rescind its action of January 15, 2013, pertaining to providing health insurance benefits to Trustees. If the topic is reconsidered, a resolution is to be prepared clearly indicating details of the health insurance coverage being provided, for whom coverage is available and the total cost to the District.

## **3.0 Trustees' Knowledge of District Finance**

As the legislative body for the District, the Trustees must have a working knowledge of the District's finances to fulfill their fiduciary responsibilities to the public they serve. The District currently has an operating budget of \$7.7 million and reserve funds in excess of \$9 million. None of the Trustees interviewed could provide the Grand Jury (with any certainty), an explanation regarding the intended use/s of the reserve funds. Only one Trustee interviewed could provide even an approximate estimate of the amount of the District's budget.

Some testified that knowledge of the District budget and finance was left to the Board's budget committee and they only looked at fiscal issues when the budget was being adopted.

The public cannot easily become informed about the District's finances because its website does not provide information on the District budget or its annual independent audit.

## **Findings**

**F3.1** A majority of the Trustees lack a working knowledge of District finances.

**F3.2** The District website does not include basic financial documents for public review.

## **Recommendations**

**R3.1.1** Beginning September 30, 2013, and quarterly thereafter, the District General Manager include an item on the District Board's agenda to provide information on the District's budget, expenditures and reserves.

**R3.1.2** Beginning with the Fiscal Year 2014-2015 Budget, an explanation of the District's reserve funds and their intended purpose/s be included as part of the budget document.

**R3.2** Prior to October 1, 2013, the District include the adopted annual operating budget and the most current audited financial statements on its website, with access from the website's home page.

## **4.0 Appointment of Trustees to the District Board**

The District Board is comprised of 11 members, each serving a four-year term. There are no statutory qualifications to serve on the District Board. Four District Trustees are appointed by the San Joaquin County Board of Supervisors and each of the seven incorporated cities in the County appoints one Trustee. Currently there are no limits to the number of times an individual can be appointed to the Board. In fact, some Trustees and/or a member of their family, have served on the Board for decades. One Trustee interviewed indicated there was an expectation that the position on the Board was a family right and obligation. Another Trustee indicated that appointment to the Board was a good way to stay in a public forum to support future political aspirations.

Through its investigations and interviews, the Grand Jury found no reason to question the Trustees' commitment to fulfilling the District's Mission Statement to protect the public from mosquito- and vector-carried diseases. The Grand Jury is concerned that the amount of time some members serve on the District Board limits fresh perspectives on how best to serve the public and how to be better guardians of the District's resources. Also, long terms may lead to complacency in accepting proposals from District management without fruitful discussion and independent evaluation.

## **Findings**

**F4.1** Membership on the District Board is seen as a family right and obligation passed through generations, or as a pathway for political advancement.

**F4.2** Long terms on the District Board may lead to complacency in reviewing District financial conditions and a clear understanding of issues brought before the Board for consideration.

## **Recommendations**

**R4.1** No later than November 1, 2013, the County Board of Supervisors and the City Council of each city in the County petition the appropriate agencies and/or the State legislature to establish term limits of two consecutive four-year terms for District Board Trustees.

## **5.0 The Best Governance Structure of the District Board to Serve the Public**

Mosquito abatement districts have been in existence in California since the late 1880s when it became known that mosquitos carried disease. The early districts were created when the State was more rural and had fewer incorporated cities. In San Joaquin County, the first mosquito abatement district was formed in 1945 and was comprised of the City of Lodi and the northern portion of the County. In 1955, the County and the City of Stockton created a mosquito abatement district encompassing the southern part of the County. In 1980, the two districts consolidated to form the current District. In every case, the district was an independent special district.

In light of its investigation and those of prior Grand Juries, the 2012-2013 Grand Jury questioned whether the currently constituted District is the most effective means of providing vector control services to the citizens of the County. The Grand Jury reiterates that it has the respect for the employees of the District in keeping the County safe from mosquito and vector-carried diseases. It does have concerns about whether having a separate district with a separate board as the legislative body is the most effective structure for the present and future needs of the County.

## **Findings**

**F5.1** Issues regarding non-transparent functioning and actions of the District Trustees bring into question the need for the District Board as presently appointed by the Cities and the County Board of Supervisors.

## Conclusion

When enacting the Ralph M. Brown Act, the State Legislature clearly articulated its intent by stating *"In enacting this chapter, the Legislature finds and declares that the public commissions, boards, and councils and the other public agencies in this State exist to aid in the conduct of the people's business."* It further stated *"The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created."*

It is through this Grand Jury's review of the San Joaquin County Mosquito and Vector Control District Board of Trustees actions, that it determined the current Board of Trustees and their senior management lack the proper awareness of this legislative intent and the associated legal requirements. The lack of awareness by the District Board indicates they have not properly implemented the intent of the legislature by ensuring all of their business activities are open to public review and debate. The Grand Jury believes that through adoption and implementation of the recommendations contained within this report that the public's right to be informed of the activities of their public servants will be better fulfilled. Further, a new look at the Board's composition or even a new organizational structure may better serve the San Joaquin County community.

## Disclaimer

Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Sections 911, 924.1(a) and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Sections 924.2 and 929).

## Response Requirements

California Penal Code sections 933 and 933.05 require that specific responses to all findings and recommendations contained in this report be submitted to the Presiding Judge of San Joaquin County Superior Court within 90 days.

The San Joaquin County Mosquito and Vector Control Board of Trustees is to respond to the following findings and recommendations:

**Findings:** F1.1, F1.2, F1.3, F1.4, F2.1.1, F2.1.2, F3.1, F3.2 and F5.1.

**Recommendations:** R1.1.1, R1.1.2, R1.2, R1.3.1, R1.4, R2.1.1, R3.1.1, R3.1.2, and R3.2.

The San Joaquin County Board of Supervisors is to respond to the following findings and recommendations:

**Findings:** F4.1, F4.2, and F5.1

**Recommendations:** R4.1

The Cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracey are to respond to the following findings and recommendations:

**Findings:** F4.1, F4.2, and F5.1

**Recommendations:** R4.1

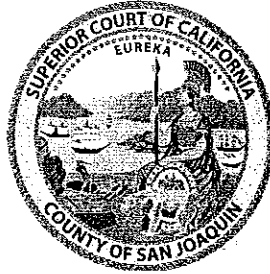
**Mail or hand-deliver a hard copy of the response to:**

Honorable David P. Warner, Presiding Judge  
San Joaquin County Superior Court  
P. O. Box 201022  
Stockton, CA 95201

**Also, please email the response to Trisa Martinez, Staff Secretary to the Grand Jury at**

[grandjury@sjcourts.org](mailto:grandjury@sjcourts.org).

## San Joaquin County Grand Jury



### Getting Rid of Stuff - Improving Disposal of City and County Surplus Public Assets 2012-2013 Case No. 0312

#### Summary

Cities and counties are authorized to purchase capital assets such as land, vehicles and equipment in order to function efficiently. When public land, buildings, vehicles or equipment are no longer needed by the local government, the governing bodies are responsible for being good stewards of the public's capital assets and getting the best possible return of public funds. Within the cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton and Tracy and San Joaquin County there are different degrees of control over the disposition of their assets, as well as the extent to which the process is made known to the public. Some public entities are very conscientious, others less so. In an effort to promote public transparency and consistency while disposing of the capital assets, the 2012-2013 San Joaquin County Grand Jury (Grand Jury) recommends procedures be adopted by the local governments that are clear, consistent and provide to the public relevant information on the disposal process and results.

#### Glossary

- |                       |   |
|-----------------------|---|
| <b>Brown Act</b>      | The Ralph M. Brown Act (Government Code Sections 54950 <i>et seq.</i> ) regulating the conduct of public meetings and related public information. |
| <b>Capital Asset</b>  | Land, buildings, vehicles and major equipment (e.g., generators, pumps) having a multi-year useful life.  |
| <b><i>et seq.</i></b> | To include sections that immediately follow the identified section and pertaining to the same topic.  |



<b>Fiscal Year (FY)</b>	Local government budget year beginning on July 1 and ending on the following June 30.
<b>California Government Code Section 37350</b>	Authorizes a city to dispose of real and personal property for the common benefit.
<b>California Government Code Section 54222</b>	Requires local governments to contact parks departments, affordable housing developers, school districts and other agencies about available surplus land that could be used for housing or recreation purposes prior to sale of the land.
<b>California Government Code Section 65402</b>	Requires proof of compliance with a local government's General Plan and approval by the local planning agency before disposal of land, unless previously exempted by the legislative body.
<b>General Plan</b>	A land-use document describing the proposed overall development for a city or county.
<b>Indemnification</b>	A legal protection by one party against a loss or liability that might be suffered by another party.
<b>Negotiated Sale</b>	Direct discussions between a government and a private entity about the terms and conditions of sale of a capital asset, including price.
<b>Personal Property</b>	Assets that are not real property, including office equipment, furnishings, etc.
<b>Real Property</b>	Land and buildings.
<b>Surplus Property</b>	<i>Capital assets</i> that are no longer needed or useable.

### **Background**

Local governments (cities and counties) are authorized under State law to acquire real property, vehicles, equipment and other assets through various means including direct purchase, negotiations with the seller, dedication from an individual or entity, and receipt as a gift. Once in possession by the government agency, they become public property held for the common good of the community. These items are referred to by different names by the different local governments. They can be referred to as personal property, fixed assets, capital assets, personal property or commodities. For the purpose of the Grand Jury's investigation, the term used to include all these items is *capital assets*.

After a period of time the vehicles and equipment become obsolete, are no longer able to operate, or are just no longer needed by the local government. State law, under Government Code Section 37350, authorizes the local government to dispose of real and personal property when it is in the common good. The law does not state how the disposal of surplus property is to take place, leaving it to the local jurisdiction to make a determination. Among the methods most commonly used by local governments in California include sales at auctions by public or sealed bids, conducted either by the local government or under contract with a private auction firm, trade-ins or sale as scrap metal. Increasingly, the use of private on-line sale agencies or sales on eBay is becoming an acceptable practice. The underlying principle has been to ensure local governments receive the highest value for the surplus assets.

The sale of land is covered under separate sections of State law, including Government Code Section 54220 *et seq.* and Section 65402. Section 54222 establishes the State policy whereby any public land no longer needed by a city or county first be offered for use as: Recreational facilities, school facilities, affordable housing development or for enterprise zone projects. An offer to sell or lease the land must be made in writing to park or recreation agencies, school districts, affordable housing developers, and nonprofit neighborhood enterprise associations. The entities have 40 days in which to provide a written response to the city or county accepting or rejecting the offer. Government Code Section 65402 requires local governments to determine that the potential use of surplus land conforms to the jurisdiction's General Plan before disposal occurs. While not separately designated in State law, the sale of buildings is generally handled in the same manner as land since sales of buildings almost always include the land under the building.

Beyond the general requirements in the Government Code, each local government is allowed to establish specific disposition procedures. Requiring an independent appraisal of the land and buildings before sale, negotiating a sale or conducting a sealed bid sale, trading land or donating land are all decisions to be made by the local legislative body. Some procedures bring more public disclosure and transparency than others. Sealed bids bring assurance that all potential buyers are treated equally, and the best possible value is received for the property. Negotiated sales, depending on the information released, may lead to questions of whether the full public benefit has been received for the land. The Brown Act does permit negotiations for the sale of surplus land to be conducted by the legislative body in closed session with only the final action occurring in public. The amount of information disclosed to the public depends on the legislative body.

## Issues

This investigation into the disposition of local government's surplus public assets was initiated by the Grand Jury. The State Legislature's recent disbanding of redevelopment agencies in the State and the accompanying requirement that all capital assets of the redevelopment agencies be disposed of raised the question regarding how local governments were handling such disposals and whether clear, formal, and identifiable procedures were being used. To provide a broader review of surplus property disposal procedures, the scope of the investigation was expanded to include the County government and all cities within the County.

## **Method of Investigation**

The Grand Jury requested information through a survey from San Joaquin County and the cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton and Tracy regarding their procedures for disposing of land, buildings, vehicles and major equipment. Specific information on the number of sales of land, buildings, vehicles and equipment completed from 2007 to 2012 was also requested. After the initial responses were received from all of the local governments, additional information was requested with a questionnaire regarding the most recent sales. This was to obtain more details on the actions taken to determine if sales were in the public interest, transparent, and void of any appearance of conflict or favoritism. The Grand Jury also reviewed State laws, local ordinances and policy/procedure manuals related to disposal of assets. One interview with a city official was also conducted.

## **Discussion, Findings and Recommendations**

### **City of Escalon**

The City of Escalon indicates that it relies on Government Code Sections 35370 and 54220 *et seq.* as its authority for disposal of major capital assets. There are no specific sections in its Municipal Code or any policy or procedures manuals outlining who has authority to dispose of the assets or the methods to be used. Response to the Grand Jury's survey indicated that from 2007 to 2012 the city disposed of one parcel of surplus land through a negotiated sale, three disposals of vehicles and one disposal of equipment through a contract with a public auction firm. The City Council did take a public action to declare the vehicles as surplus and authorized their disposal.

### **Findings**

**F1.1** The City of Escalon has no adopted Municipal Code provision, policy or procedure related to the disposal of major capital assets stating who has authority, the methods to follow or the reporting requirements.

**F1.2** The contractual agreement with the private auction firm hired by the City was a form provided by the company containing very limited information such as protection for the City and fees to be paid.

**F1.3** The disposal of land was by negotiated sale, with all discussions held in closed session. Only the minimum information required by the Brown Act was disclosed on the Agenda.

**F1.4** No information on the details of the land sale was provided to the public prior to the City Council's public action.

## Recommendations

**R1.1** Prior to December 2013 the City Council adopt either an ordinance or a policy detailing procedures to be used for the disposal of surplus capital assets, including who is responsible for the disposal, when City Council approval is required, notification requirements, what information is made available to the public and how such information it is to be presented.

**R1.2** No later than September 30, 2013, the City adopt a contract document to be used for all sales of surplus vehicles and equipment that provides a clear indication of the fee to be paid the selling firm, protections for the City against claims resulting from the auction, liabilities and responsibilities of all parties and other legal protections of the City's interests.

**R1.3** After each sale of vehicles or equipment the City manager is to provide a summary of the sale through a public document.

**R1.4** No later than September 30, 2013, the City adopt a policy for disposition of surplus land and buildings to include when appraisals are to be conducted, the procedures for compliance with Government Code Section 54220 *et seq.*, and a prior public disclosure of the proposed sale.

**R1.5** Before any future disposal of land or buildings is finalized, a report is provided to the City Council in open session that includes the purpose of the sale; evidence of compliance with applicable State laws; the full identity of the purchaser; the total sale price; and, if the sale price is less than the appraised value, the reason for the difference.

## City of Lathrop

The City of Lathrop's Municipal Code Section 2.36.040 designates a Purchasing Officer, who is the city manager or designee, to dispose of city property designated as surplus. Council Resolution 02-1231 establishes a policy for the disposition of surplus property including value levels at which the purchasing officer is authorized to sell the property and when council action is required. A request for council action must be included in a staff report to council listing the property to be designated as surplus and sold at an approved auction. A council resolution is required for the approval.

Response to the Grand Jury's survey indicated that from 2007 to 2012 the City had no disposal of surplus land or buildings and that there was one sale of surplus vehicles. The City has a detailed *Agreement to provide Surplus Inventory Auction Services to the City of Lathrop* detailing obligations for the auction of surplus inventory, including fees, declarations, services to be provided, and other legal requirements. The Grand Jury also noted that the City has a financial trail which records revenues from the sale of surplus property to appropriate City accounts.

## Findings

**F2.1** The surplus property policy has no reference to compliance with Government Code Sections 54220 *et seq.*

## Recommendations

**R2.1** No later than September 30, 2013 the City adopt a policy for disposition of surplus land and buildings to include when appraisals are to be conducted, required compliance with Government Code Section 54220 *et seq.*, and a prior public disclosure of the proposed sale.

**R2.2** Before any future disposal of land or buildings is finalized a report is provided to the City Council in open session that includes the purpose of the sale; evidence of compliance with applicable State laws; the full identity of the purchaser; the total sale price; and, if the sale price is less than the appraised value, the reason for the difference.

## City of Lodi

The City of Lodi addresses the disposal of surplus capital assets in its Municipal Code. Section 2.12.120 authorizes the City manager, after a recommendation from the City's purchasing officer, to sell personal property with a value of less than \$2,000 by advertised bid or by auction. A report to the City Council is required within 30 days of these sales. Section 3.20.030 grants the purchasing officer the authority to transfer surplus supplies and equipment between departments or to recommend their sale. Section 3.20.110 authorizes the sale of personal property with an estimated value of less than \$20,000 to be made in the open market without observing formal contract procedures. Section 3.20.130 exempts the disposition of fleet vehicles and other specific equipment from the formal contracting procedures. In response to the Grand Jury's survey the City also identified a series of Government Code sections that are related to disposal of capital assets and are followed in the City's procedures. The City also noted that capital assets purchased with grant funds may be subject to restrictions or special requirements of the grant when it is sold.

Response to the survey indicated that between 2007 and 2012 the City of Lodi had two sales of land, both by negotiated sale; 21 sales of surplus vehicles by private auction firms, traded for new vehicles, or sold as junk; and, 20 sales of major equipment by negotiated sale or private auction sale. The *Auction Agreement* between the City and the auction firm, which is approved by the City manager as specified by the City Council, contains indemnifications, security interests and other provisions giving the City liability protection. The Auction Agreement also requires the contracted auction firm to advertise the sale details and the property to be sold. A quarterly report is provided to the City Council explaining the disposition of any surplus vehicle and equipment sales that have occurred.

The reported sales of surplus land and buildings had been by negotiated sale. Selection of firms to conduct appraisals is exempt from the City's formal bidding requirements. The most recent

reported land sale was a part of an overall Purchase and Development Agreement with an affordable housing developer. The appraisal and other terms of the sale were a part of the agreement document and not included in the staff report to the City Council.

## **Findings**

**F3.1** The staff report for land sale to the housing developer provided very little information. The public must read through an attached long and comprehensive agreement containing many legal requirements in order to obtain basic information on land sale, such as sale price versus appraisal value.

## **Recommendations**

**R3.1** Before any future disposal of land or buildings is finalized a report is provided to the City Council in open session that includes the purpose of the sale; evidence of compliance with applicable State laws; the full identity of the purchaser; the total sale price; and, if the sale price is less than the appraised value, the reason for the difference.

## **City of Manteca**

The Grand Jury received information and documentation from the City of Manteca in response to its survey and questionnaire. The Grand Jury determined there was not sufficient information provided so a thorough review could not be completed within the Grand Jury's time constraints. Therefore, the Grand Jury makes no findings regarding the City of Manteca's disposition of major capital assets and suggests that a future County Grand Jury conduct a thorough review of the information provided.

## **City of Ripon**

The City of Ripon identifies sections of its Municipal Code for its authority and procedures for disposition of capital assets. Section 3.20.020 identifies a Purchasing Officer appointed by the City administrator responsible for administering the sale of all supplies and capital assets that cannot be used by other City departments. Section 3.20.070 of the Code requires a formal bidding process for sales of personal property, and Section 3.20.100 describes the formal bidding procedures for articles to be sold.

Section 3.20.110 allows the purchasing officer to sell surplus personal property with an estimated value of less than \$25,000 without first seeking sealed bids and following the formal bidding procedures.

Response to the Grand Jury's survey indicated that between 2007 and 2012 the City of Ripon had no sales of surplus land; 15 dispositions of buildings through negotiated sales; six vehicles sold through a public auction; and, one sale of major equipment through a public auction. No specific agreement with the private auction firm which conducted a vehicle sale of the City was provided.

However, City Council approval of the sale with a list of vehicles to be sold was provided. Information related to the most recent property sale during the survey period included an independent appraisal and various buyer agreements. Minutes of redevelopment agency approval of the sale were also provided.

## **Findings**

**F5.1** Ordinance No. 110 establishing provisions for purchasing and disposal of personal property and capital assets by the City of Ripon was adopted in 1958. Procedures related to the disposal are vague and do not clearly address either an adopted policy or procedure. Requirements for the sale of land and buildings are not addressed in a manner that can be easily understood by the public, nor are there clearly defined procedures.

**F5.2** Staff reports at the time real property is sold do not contain sufficient information to inform the public about the proposed transaction.

## **Recommendations**

**R5.1** No later than December 1, 2013, the Municipal Code be reviewed and amended to clarify the distinction between purchase and sale of City property, and to update disposition procedures, clarifying the process for disposal of surplus vehicles and equipment.

**R5.2** No later than September 30, 2013, the City adopt a contract document to be used for all sale of surplus vehicles and equipment that provides a clear indication of the fee to be paid the selling firm, protections for the City against claims resulting from the auction, liabilities and responsibilities of all parties, and other legal protections of the City's interests.

**R5.3** No later than September 30, 2013, the City adopt a policy for disposition of surplus land and buildings to include when appraisals are to be conducted, required compliance with Government Code Section 54220 *et seq.*, and a prior public disclosure of the proposed sale.

**R5.4** Before any future disposal of land or buildings is finalized a report is provided to the City Council in open session that includes the purpose of the sale; evidence of compliance with applicable State laws; the full identity of the purchaser; the total sale price; and, if the sale price is less than the appraised value, the reason for the difference.

## **City of Stockton**

The City of Stockton has well established procedures that are, compared to some of the other cities investigated, very comprehensive. Section 510 of the Stockton Municipal Code details the procedures to be followed for the sale or lease of real property. Section 3.60.010 of the Municipal Code describes the procedures for the sale of personal property. If the estimated sale value is over \$20,000, City Council action is required, if the values is less than \$20,000, the City manager is

authorized to undertake the sale with a report to be provided to the City Council. The City's Administrative Directive HRD-02, last reviewed in 2006, addresses the details for selling surplus real property. It includes the requirement for an independent appraisal to be conducted; the posting of a for sale sign on the property; minimum bid amounts if the property is to be sold to adjoining property owners; applicable Comprehensive Environmental Quality Act (CEQA) reviews be conducted; requirements in Government Code Section 54220 *et seq.* be adhered to; that sealed bids are required; and City Council approval is required.

Response to the Grand Jury's survey indicated that between 2007 and 2012, the City had five disposals of land, one a dedication to the State for the courthouse and four by negotiated sale; one disposal of a building by negotiated sale; 31 occasions of vehicles being sold by a private auction firm; and five sales of major equipment by a private auction firm. Documents provided by the City indicate that a comprehensive contract for the sale of vehicles through private firms was used. The contract was developed by the California Department of Justice for use by state agencies, and made available for cities to use in conducting their own sales. After the auction the private firm provided the City detailed information on the sale price of each vehicle and piece of equipment, the costs incurred by the auction firm and other relevant information about the condition of the vehicle or the sale.

The disposition of real property is handled under Administrative Directive HRD-02. The Grand Jury was informed that proposed sales of abandoned rights-of-way are noticed in a local newspaper before presented for City Council action by a resolution. A separate *Agreement for Purchase and Sale of Real Property* is written by staff and presented for council approval. The Agreement includes the sale price, obligations of both the City and the buyer, and legal protections for the City. A staff report gives the public an easily understandable summary of the requirements included in the Administrative Directive.

## Findings

**F6.1** Correspondence between the City and the State Department of Justice in October 2011 indicated that the State's contract agreement with private auction firms might be terminated because of state budget cuts. There was no indication if the matter has been resolved. Since the state agreement is comprehensive and benefits the City, an alternative agreement should be available for the City's use.

**F6.2** Stockton Code Section 3.60.010 requires the City manager to present the City Council a report on personal property sales valued under \$20,000. There is no indication whether the report is to be a public document. A written response from the City indicated that in the past the information was included in a weekly newsletter provided to the City Council. No surplus property sales took place between 2008 and 2010; however, a sale that occurred in 2011 was not reported as required by Municipal Code. The City indicated they were in the process of updating their surplus property sale procedures.



## Recommendations

**R6.1** The City Council direct the City Attorney to prepare no later than November 1, 2013, a comprehensive auction agreement for use by the City.

**R6.2** Effective immediately the City Manager's report on surplus personal property sales pursuant to Municipal Code Sec. 3.60.010 be prepared as a public document presented at a regular City Council meeting.

## City of Tracy

The City of Tracy identified Municipal Code Section 2.20.300 (*Disposition of Real Property*) and Section 2.20.310 (*Surplus Commodities and Equipment*) as its authorization for and the process to dispose of surplus property. For disposition of real property the City Council has exempted land that remains from a larger parcel when a part of the parcel was used for street purposes, abandonments for street widening, or alignment projects when only minor amounts of land are being disposed as permitted under Government Code Section 65402(a). This section of the Municipal Code also requires disposition of real property be conducted by competitive methods unless the City Council, by resolution, determines other procedures are in the City's best interest. The City manager may approve disposal of commodities and equipment if the values is less than \$2,000; City Council approval is required if the value is more than \$2,000.

Response to the Grand Jury's survey indicated that between 2007 and 2012 the City had one sale of surplus land by direct sale to San Joaquin County; 15 sales of surplus vehicles by contract with a private auction firm; and, six sales of equipment by a private auction firm or on e-Bay. The vehicle and equipment were designated as surplus by city council action prior to sale. The sale agreement was a form prepared by a private auction firm. The land sale to the County was documented with evidence of compliance with Government Code Section 54220 *et seq.*, results of an independent appraisal; the fiscal impact of the sale; and, the purchase and sale agreement for the property. The final council action was during an open public meeting.

## Findings

**F7.1** The City of Tracy has no procedures manual or clearly defined procedures for the disposition of surplus vehicles and equipment. While no indications of any questionable actions were identified, the lack of clear and transparent procedures could raise concerns about the public's interest being protected.

**F7.2** The agreement with the private auction firm contained limited protection for the City against claims or other possible legal actions resulting from the auction.

## Recommendations

**R7.1** That prior to December 1, 2013, the City adopt procedures related to the disposition of vehicles and equipment, including who is responsible for the disposal, when council approval is required, notification requirements and information made available to the public.

**R7.2** That the City Council direct the City Attorney to review the current agreement used for sale of surplus vehicles and equipment to ascertain its protection of City interests, or prepare a new sale agreement to be used by the City. The City Attorney's report to and action by the City Council is to occur prior to November 1, 2013.

## San Joaquin County

San Joaquin County has established its general authority for disposition of capital assets in the County's Administrative Manual Section 2700 *et seq.* Section 2711.1 of the Manual gives the County Purchasing Agent the authority in disposing of surplus personal property to use "...such methods and procedures as in his/her judgment will return the greatest value to the County." The Manual stipulates that only the Board of Supervisors and/or the Purchasing Agent may authorize the disposal of surplus personal property, and that surplus computer equipment must be disposed in a manner consistent with specific procedures last adopted in June 1997. The Purchasing Agent deposits with the County Treasurer the sale proceeds and submits a complete accounting of all transactions to the County Auditor-Controller.

Response to the Grand Jury's survey indicated that from 2007 to 2012 the County had four disposals of land, two by sealed bid and two given to the Lockeford Community Services District; three buildings were disposed of, two by sealed bid and one given to the Lockeford Community Services District; 665 vehicles were disposed of by sealed bid, negotiated sale, contract with a private auction firm, trade-in or sold as junk; and, 134 pieces of major equipment were disposed of by sealed bid, negotiated sale, contract with a private auction firm, trade-in or sold as junk.

The contracts with two private firms hired to auction the vehicles contained comprehensive details about the parties' responsibilities, liabilities and limitations, fee schedules and other protections for the County. Evidence was provided that the County reviewed the proceeds from the auction sale when the County required a private auction firm to refund monies to the County because the firm applied higher fees than permitted under contract.

In response to the Grand Jury's request for additional information the County reported on the sale of property located on N. San Joaquin Street in 2010. The Board of Supervisors first adopted Resolution R-10-440 indicating the County's intent to sell the real property giving the time and location for opening sealed bids for the property. Documents verified that Government Code 54220 *et seq.* was complied with. Notices of the intended sale were posted at the property location and in newspapers. Bids were received and opened during public session of the Board of Supervisors with interested parties being able to submit bids during the Board meeting. A separate

Board resolution was required to approve the sale. Throughout the process staff reports adequately describe what actions have occurred and what are proposed.

## **Findings**

**F8.1** There was no indication from the County materials received that a public disclosure of the results of sales of surplus vehicles and equipment was made. Unless the Board of Supervisors was the authorizing agent for the sale pursuant to the County Administrative Manual, the process is handled completely at an administrative level.

**F8.2** The County indicated that it does not have a policy requiring independent appraisals of real property it sells because there is no requirement for an appraisal under the Government Code. This lack of information makes it difficult for the public to determine if the sale was in the public interest.

## **Recommendations**

**R8.1** Beginning September 30, 2013 the County Administrative Officer provide a quarterly public report to the Board of Supervisors summarizing the disposals of vehicles and equipment during the preceding quarter. The report should include the amount of revenues derived from the sales.

**R8.2** No later than December 1, 2013 the County Board of Supervisors amend the County's Administrative Manual regarding procedures for disposal of surplus land and buildings to include a policy for when an appraisal of the property/building shall be required.

## **Conclusion**

The cities and the county investigated by the Grand Jury in general provide an open and transparent process for the disposal of the public's surplus major capital assets. Most have clear policies or procedures for the public to determine if an objective process is used or favoritism is occurring. The degree of detail in these procedures varies. To help assure that the public interest is foremost in the government's actions, that transparency and disclosure will be maintained throughout the disposal of assets process, and that applicable laws are complied with, the Grand Jury has recommended actions for each jurisdiction to consider. The Grand Jury expects local governments will keep their stewardship of the public's assets at the forefront of their decisions and actions.

## **Disclaimer**

Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Sections 911, 924.1(a) and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Sections 924.2 and 929).

## **Response Requirements**

California Penal Code sections 933 and 933.05 require that specific responses to all findings and recommendations contained in this report be submitted to the Presiding Judge of San Joaquin County Superior Court within 90 days.

### **Specific Response Requirements:**

The Escalon City Council is to respond to Findings F1.1, F1.2, F1.3 and F1.4; and Recommendations R1.1, R1.2, R1.3, R1.4 and R1.5

The Lathrop City Council is to respond to Finding F2.1 and Recommendations R2.1 and R2.2.

The Lodi City Council is to respond to Finding F3.1 and Recommendation R3.1.

The Ripon City Council is to respond to Findings F5.1 and F5.2; and Recommendations R5.1, R5.2, R5.3 and R5.4.

The Stockton City Council is to respond to Findings F6.1 and F6.2; and Recommendations R6.1 and R6.2.

Tracy City Council is to respond to Findings F7.1 and F7.2; and Recommendations R7.1 and R7.2.  
The San Joaquin County Board of Supervisors is to respond to Findings F8.1 and F8.2; and Recommendations R8.1 and R8.2.

**Mail or hand-deliver a hard copy of the response to:**

Honorable David P. Warner, Presiding Judge  
San Joaquin County Superior Court  
P. O. Box 201022  
Stockton, CA 95201

**Also, please email the response to Trisa Martinez, Staff Secretary to the Grand Jury at**

[grandjury@sjcourts.org](mailto:grandjury@sjcourts.org)

RESOLUTION \_\_\_\_\_

APPROVING RESPONSES TO THE SAN JOAQUIN COUNTY GRAND JURY REPORT ON THEIR REVIEW OF (1) PUBLIC SAFETY IN SAN JOAQUIN COUNTY (CASE NO. 0912); (2) SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL BOARD (CASE NO. 1112); (3) IMPROVING DISPOSAL OF CITY AND COUNTY SURPLUS PUBLIC ASSETS (CASE NO. 0312), AND AUTHORIZING THE MAYOR TO SIGN THE RESPONSE LETTERS

WHEREAS, The 2012-2013 San Joaquin Grand Jury (Grand Jury) reviewed three areas that required a response from the City of Tracy; and

WHEREAS, The three areas included:

- (1) The County's law and justice system in an effort to develop ideas to help reduce crime throughout the County; and
- (2) The Mosquito and Vector Control District's Brown Act compliance and other issues; and
- (3) Improving disposal of City and County surplus public assets.

WHEREAS, The City is required to respond to the Grand Jury's findings and recommendations within 90 days of the request;

NOW, THEREFORE, BE IT RESOLVED, That City Council approves the responses to the findings and recommendations of the San Joaquin County Grand Jury in Case Nos. 0912, 1112, and 0312, and authorizes the Mayor to sign the response letters.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the \_\_\_\_ day of \_\_\_\_\_, 2013, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 5

REQUEST

**APPROVE A PROFESSIONAL SERVICES AGREEMENT (PSA) WITH CH2MHILL FOR DESIGN AND PREPARATION OF IMPROVEMENT PLANS AND CONSTRUCTION DOCUMENTS FOR CORRAL HOLLOW ROAD SEWER AND WATER SYSTEM IMPROVEMENTS REQUIRED TO SERVICE SOUTH SIDE DEVELOPMENTS IN ACCORDANCE WITH THE CITY'S APPROVED MASTER PLANS AND DETERMINE THE FORMAL REQUEST FOR PROPOSAL PROCEDURE IS NOT IN THE BEST INTEREST OF THE CITY IN THIS INSTANCE**

EXECUTIVE SUMMARY

The Citywide approved Water and Wastewater Master Plans provide the basic backbone infrastructure within the General Plan area. Developments on the south side of the City will be served from the water and sewer line on Corral Hollow Road. These service lines will cross the existing Delta Mendota Canal and California Aqueduct. Due to State and Federal jurisdiction on these facilities, the design and construction of City's infrastructure will need to meet stringent environmental, design, and construction requirements from these agencies. In order to facilitate timely design and construction of such infrastructure, services of an experienced consultant are required to complete the design and construction documents. CH2MHILL is a very experienced consultant and has submitted a proposal to provide services to complete this task. Tracy Hills Developers have agreed to fund a portion of the upfront cost of design of City's infrastructure. The remaining cost will be paid from development impact fees already collected by the City from other developments.

DISCUSSION

Citywide Water and Wastewater Master Plans were adopted by City Council on January 15, 2013. In order to serve new south side developments within the City, new sewer and water lines need to be designed and constructed on Corral Hollow Road. Since these lines will be crossing the Delta Mendota Canal (DMC-owned and operated by the Bureau of Reclamation and the San Luis – Delta Mendota Water Authority) and California Aqueduct (owned and operated by the California Department of Water Resources) along with Union Pacific Railroad Tracks (UPRR) and WSID Canal, the design and construction will need to meet requirements of these agencies. The proposed water and wastewater utility system will require multiple permits from various Federal, State, and local agencies. In addition, pump station, force mains, and improvements to the existing sewer lines need to be constructed to serve the new developments.

Since the majority of the above infrastructure is essential to service Tracy Hills, the developers have agreed to fund their portion of the cost of design of the above infrastructure upfront. The City will pay the remaining cost of this from Development Impact Fees already collected from Standard Pacific for the Muirfield subdivision. Due to the complexity of the work and involvement of various agencies, services of an experienced consultant are needed to complete this work.

Staff has received and negotiated a proposal from CH2MHill to complete the task for design, completion of improvement plans, and construction bid documents for a cost not to exceed \$2,360,000. Tracy Hill Developers have also reviewed the proposal and have requested the City to acquire the services of CH2MHill for this task.

CH2MHill is a world renowned consultant, specializing in this type of utility work. They are familiar with the City's infrastructure and have worked with Federal and State agencies. Therefore, staff is recommending that City Council determine the formal request for proposal procedure is not in the best interest of the City and award the contract to complete the design of Corral Hollow Road Sewer and Water System Improvements to CH2MHill in accordance with section 2.20.140 of the City of Tracy Municipal Code.

Tracy Hills developers will absorb the upfront cost of the services related to their project in the amount of \$689,277. The remaining amount of \$649,869 will be paid by the City from the wastewater development impact fees already collected for this work from Standard Pacific for their Muirfield subdivision. Tracy Hills developers are also working with the City to enter into a cost recovery agreement to address staff timing and cost of other services. This PSA will not be executed until the cost recovery agreement is executed by the developer.

#### STRATEGIC PLAN

This agenda item is consistent with the City's Economic Development Strategy and meets goals to ensure physical infrastructure and systems necessary for development.

#### FISCAL IMPACT

A portion of the cost of services under the recommended PSA (Attached as Exhibit 1) with CH2MHill will be borne by Tracy Hills and the remainder of the cost will be paid by the City from Wastewater Development Impact Fees already received from Standard Pacific Developers for the Muirfield subdivision as follows:

Total Cost of the Professional Services Agreement	\$2,360,000
Tracy Hills Cost	\$1,710,131
City of Tracy Cost (Paid by Standard Pacific)	\$ 649,869

Authorization to proceed will be limited to the existing funds that have already been received by Standard Pacific and to the amount which will be received from Tracy Hills development.

#### RECOMMENDATION

It is therefore recommended the City Council, by resolution:

- 1) Determine the formal request for proposals procedure is not in the best interest of the City in this instance; and



- 2) Approve a Professional Services Agreement (PSA) with CH2MHill for the design and preparation of improvement plans and construction documents for Corral Hollow Road Sewer and Water Improvements for a not-to-exceed cost of \$2,360,000.

Prepared by: Kuldeep Sharma, City Engineer

Reviewed by: Andrew Malik, Development Services Director

Approved by: R. Leon Churchill, Jr., City Manager

#### ATTACHMENTS

Exhibit 1 - Task Order No. CH01-15 to MPSA CH01 - CH2MHill

**CITY OF TRACY  
TASK ORDER NO. CH01-15  
MASTER PROFESSIONAL SERVICES AGREEMENT CH01**

**CITY OF TRACY – Corral Hollow Road Sewer and Water System Upgrade Final Design**

This Task Order is made and entered into by and between the CITY OF TRACY, a municipal corporation (hereinafter "CITY"), and CH2M HILL, INC, a Florida Corporation, (hereinafter "CONSULTANT").

**RECITALS**

- A. CONSULTANT services are needed for preparation of final design, construction drawings, specifications, bid documents and permit applications for installation of water mainline and wastewater conveyance lines along the Corral Hollow Road to provide utility services to new development ("PROJECT"), as described in detail in Exhibit A.
- B. As approved by the City Council on March 18, 2008, pursuant to Resolution No. 2008-041 CITY entered into a Master Agreement with the CONSULTANT for Professional Consulting Services.
- C. At the request of CITY, in June 2013, CONSULTANT submitted a proposal to perform the services described in Exhibit A. After negotiations between CITY and CONSULTANT, the parties have reached an agreement for the performance of services in accordance with the terms set forth in this Task Order.
- D. On July 16, 2013, the City Council authorized the execution of this agreement, pursuant to Resolution No. 2013- \_\_\_\_\_.

**NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

- 1. **INCORPORATION OF MASTER AGREEMENT.** This Task Order hereby incorporates by reference all terms and conditions set forth in the Master Agreement for this project, unless specifically modified by this Task Order.
- 2. **SCOPE OF SERVICES.** CONSULTANT shall perform the services described in Exhibit "A" attached hereto and incorporated herein by reference.
- 3. **TIME OF PERFORMANCE.** CONSULTANT shall commence performance, and shall complete all required services no later than the dates set forth in Exhibit "A."
- 4. **COMPENSATION.** For services performed by CONSULTANT in accordance with this Task Order, CITY shall pay CONSULTANT on a time and expense basis, at the billing rates set forth in Exhibit "B," attached hereto and incorporated herein by reference. CONSULTANT's fee for this Task Order is Not To Exceed two million three hundred sixty thousand dollars as shown in Exhibit "C". The preliminary list of drawings are shown in Exhibit "D".

5. **SIGNATURES.** The individuals executing this Task Order represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Task Order on behalf of the respective legal entities of CONSULTANT and CITY. This Task Order shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

CITY OF TRACY

CONSULTANT  
CH2M HILL, Inc.

\_\_\_\_\_  
By: Brent H. Ives

  
\_\_\_\_\_  
By: Vijay Kumar, P.E.

Title: Mayor

Title: Vice President

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

Date: 7/9/2013

Fed. Employer ID No. 59-0918189

Attest:

\_\_\_\_\_  
By: Sandra Edwards  
Title: CITY CLERK

\_\_\_\_\_  
By: Allan Highstreet

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

\_\_\_\_\_  
Title: Vice President

Approved As To Form:

\_\_\_\_\_  
Date

\_\_\_\_\_  
By: Daniel G. Sodergren  
Title: CITY ATTORNEY

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

## EXHIBIT “A”

### Introduction

The City of Tracy (City) is projecting residential and non-residential growth within its sphere of influence (SOI) that will require expansion of existing water and wastewater conveyance and treatment infrastructure. Several of these planned residential development communities located on the southern end of the City’s SOI will require water and wastewater conveyance services soon. To accommodate the proposed residential development plans in the Southwest portion of the City, the City will need to provide new water and wastewater conveyance system including a new wastewater pump station including upgrades to a section of the City’s existing sewer collection system along Corral Hollow Road to accommodate the increased flows. In addition, the new water pipeline and sewer collection system upgrades will be sized to accommodate other future residential developments planned along Corral Hollow Road.

The preliminary design plans for the new water and wastewater conveyance system, including a new wastewater pump station and the Corral Hollow Road sewer collection system upgrades to serve the south side development along Corral Hollow Road were conducted by the City as part of the City’s Infrastructure Master Plans and this project is consistent with both the Water Master Plan and the Wastewater Master Plan. These preliminary plans will serve as the basis for the new proposed services which will be referred to as the PROJECT in this scope of services and include:

- Approximately 1.95 miles of 24-inch diameter water pipeline from the City’s Water Treatment Plant to meet the fire flows and water demand
- Approximately 1 mile of dual sewer force mains (8-inch and 14-inch) to accommodate both initial and build out wastewater flows
- Approximately 2 miles 21-inch gravity sewer pipeline that will be connected to the City’s existing sewer system near W Linne Road
- Approximately 2 miles of sewer collection system upgrades to accommodate the increase in future wastewater flows from Tracy Hills and other planned developments along Corral Hollow Road.
- An approximately 6 MGD wastewater pump station located on Tracy Hills property

The planned PROJECT is located adjacent to existing City and County roads and within Tracy Hills property. The PROJECT pipelines will cross two major conveyance structures: the Delta Mendota Canal (DMC - owned and operated by the Bureau of Reclamation and the San Luis-Delta Mendota Water Authority) and the California Aqueduct (CA Aqueduct - owned and operated by the California Department of Water Resources) along with Union Pacific Railroad Tracks (UPRR, and an irrigation canal located perpendicular to the Corral Hollow Road north of the UPRR.

This scope of work provides final design, bid phase, and permitting support services necessary to construct the proposed PROJECT. Bid-ready plans, specifications, details, and permit applications will be provided. Construction Phase services including construction management and construction inspection support are not included in this scope of work, and will be provided in a subsequent task order to be issued by the City.

**I. SCOPE OF SERVICES:** CONSULTANT shall provide bid-ready contract documents in digital format (PDF format) including drawings, specifications, details, and permit applications for the PROJECT. It is assumed that the City would use PDF files to print bid documents. The pipeline alignment is shown on Figure 1. Services are described in the following eight tasks:

## **Task 1 – Surveying, Mapping and Easements**

Aerial photography, mapping, and determination of property lines, ROW, and existing easements of the corridor for new water and wastewater pipelines were completed by RJA (Tracy Hills engineering consultant) as part of their land development planning efforts and will be used as a basis for final design of this project. However, aerial photography and mapping were not completed for the Corral Hollow Sewer Upgrade corridor. CONSULTANT shall provide aerial photography, mapping and determination of City right of ways for the existing gravity sewer line portion of the proposed project along Corral Hollow Road.

### **1.1 Utility Pothole Surveys**

The pipeline alignment from the water treatment plant site to the Corral Hollow Road involves many conflicts with existing utilities. Although a tentative alignment for the project has been selected, additional utility research, potholing, and surveying are required to refine and confirm the existing utilities along the proposed alignment. In conjunction with the Utility Potholing work in Task 3, CONSULTANT shall expose and survey approximately 25 buried utilities. Horizontal and vertical survey data will be compiled and summarized on the design drawings and used to refine the pipeline alignment. Survey data on the drawings will be available to contractors for estimating costs and methods of construction under and adjacent to existing utilities.

**INTENTIONALLY LEFT BLANK**

CITY OF TRACY – TASK ORDER No. CH01-15  
CH2M HILL INC.

Project: **CITY OF TRACY – Corral Hollow Road Sewer and Water System Upgrade Final Design**

**Insert Project Figure 1**



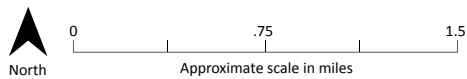
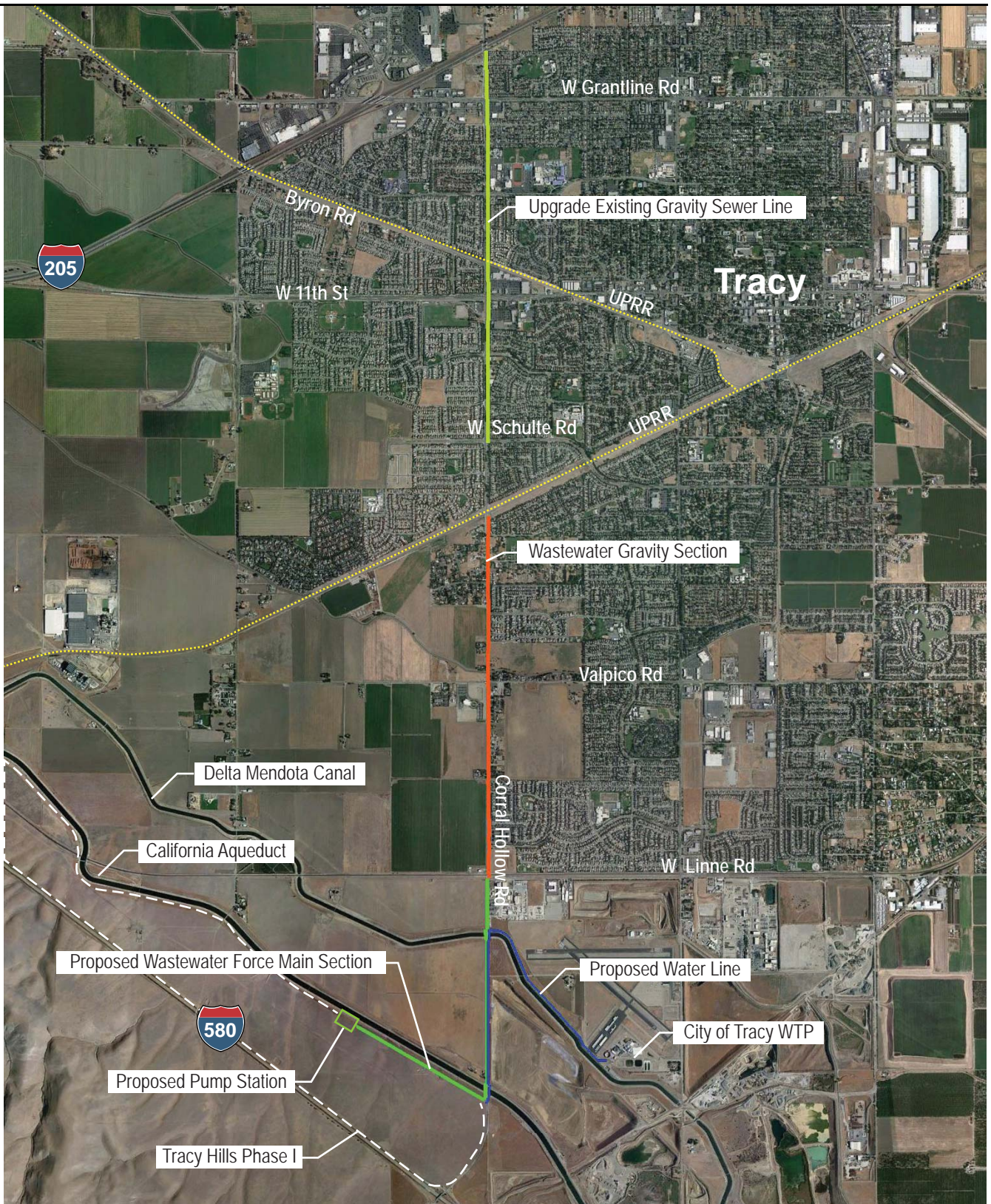


FIGURE 1  
**Proposed Project Location**  
*Tracy Hill Phase I*



## **1.2 Supplemental Field Surveys**

This task supplements and expands existing field surveys conducted by RJA during their Phase 1 land development design efforts. CONSULTANT shall conduct a field survey to locate features not previously acquired by RJA. Such features may include objects that are not visible on aerial photography such as culverts obstructed by vegetation or water, inverts of irrigation ditches or channels, and tree locations and sizes. This survey will be done using GPS RTK methods. The scope of work provides one day of supplemental field surveys and one day of associated office support.

## **1.3 Easement Identification and Acquisition Support**

Although the majority of the project alignment falls within public road easements, there several locations (crossing of DMC and CA Aqueduct) where temporary construction easements may be required during construction.

The purpose of this task is to identify and support easement acquisition required for final design. CONSULTANT will conduct research and field surveys to locate existing property boundary monuments and other boundary evidence. This evidence will be analyzed to determine the location of the existing right-of-way of the public roads along the pipeline route. A dimensioned map showing the found monument descriptions and locations along with parcel identifications and locations will be prepared.

CONSULTANT will use the boundary monument information to prepare plat maps showing the parcels where new right-of-way is needed. After identification of the new right-of-way alignment, CONSULTANT will prepare descriptions of the new right-of-way area over each parcel of land. Each description will be augmented with an exhibit map showing the description graphically. The anticipated level of effort for this subtask is for the preparation of 4 descriptions and exhibit maps. It is assumed that the CITY will initiate and pay for all necessary legal and regulatory activities for right-of-way acquisition.

### **Assumptions**

Project Coordinate System and Datum: The horizontal datum and coordinate system will be based on monuments and coordinates currently used for control at the existing water treatment plant site. The vertical datum will be an existing benchmark at the water treatment plant site.

Right of Entry: Prior to commencement of field work, CITY will provide CONSULTANT permission from the appropriate authorities to enter and survey the subject properties.

Survey Accuracy: Vertical Control work will be Third Order, as outlined in the FGDC Geospatial Positioning Accuracy Standards, Part 4: Standards for Architecture, Engineering, Construction (A/E/C) and Facility Management.

Horizontal Control work can be performed using either standard surveying techniques or Global Positioning Satellite (GPS) system techniques meeting the specification requirements outlined in this scope. If standard surveying techniques are used, all horizontal control work will comply with Third Order Class I, as outlined in the FGDC Geospatial Positioning Accuracy Standards, Part 4: Standards for Architecture, Engineering, Construction (A/E/C) and Facility Management. If GPS is used, the relative horizontal accuracy shall conform to the FGDC Geospatial Positioning Accuracy Standards, Part 2: National Standard for Spatial Data Accuracy.

## **Task 2 – Geotechnical and Trenchless Design**

The site is assumed to be underlain by recent deltaic flood deposits consisting of relatively loose/soft sand, silt, gravel, and clay. Seasonal groundwater is expected to be on the order of 5



to 8 feet near the northern end of the Corral Hollow sewer system. Seismicity of the site is considered moderate, although soft and loose site soils are expected to perform poorly during ground shaking.

Geotechnical issues affecting the pipeline and pump station projects are anticipated to include the presence of soft and loose soils which may present construction challenges (trench and excavation stability and tunnel face stability) and seismic design challenges (geohazards including liquefaction potential and seismic settlement). In addition two major canal crossings, one minor irrigation canal crossing and one railroad crossing are assumed to require trenchless methods of pipeline installation. It is assumed that no previous geotechnical studies have been performed at the site.

The issues to be addressed in design are as follows:

- Distribution and nature of native soils across the site (soil classification)
- In-situ strength and density of the soil
- In-situ permeability of the native soil
- Compaction characteristics of the reworked native soils
- Corrosivity of the site soils
- Recommendations for design and construction of new pipelines
- Recommendations for design of pipeline rehabilitation
- Recommendations for design and construction of the trenchless crossings
- Recommendations for design and construction of the pump station

The geotechnical data provided under this scope of work is assumed to serve both preliminary and final design and construction needs. If the crossing locations change by more than 100 feet or so during final design, it may be necessary to collect supplemental data during a final design phase of the project.

The geotechnical recommendations provided under this scope of work are assumed to cover preliminary and final design of the pipelines, pipeline rehabilitation, and the pump station. Preparation of a geotechnical baseline report (GBR) during final design to address the proposed trenchless pipeline crossings is also included in this scope of work.

To address the identified design issues, the following scope of work is proposed (note that the tasks are not organized chronologically).

## **2.1 – Geotechnical Design and Report**

CONSULTANT will analyze subsurface conditions and prepare a geotechnical design memorandum that will discuss the field and laboratory testing programs and present the findings to the designers. The report will address the following issues:

- Distribution and nature of native soils across the site (soil classification)
- In-situ strength and density of the soil
- In-situ permeability of the native soil
- Compaction characteristics of the reworked native soils
- Presence of geohazards in accordance with CGS Special Publication 117A (liquefaction, lateral spreading, etc)

The report will also provide design recommendations for the following:

- Seismic design and potential mitigation of geohazards
- Recommendations for design of pipeline, pipeline rehabilitation, and pump station
- Recommendations for design of trenchless crossings and associated shafts

While corrosion laboratory testing will be covered under the geotechnical scope, corrosivity of the native soils will be addressed under a separate task.

In addition, provide geological and geotechnical support for preparation of specifications and special details for trench backfill, excavation, subgrade preparation, dewatering, shoring, fill and backfill, tunneling and sheet pile construction.

## **2.2 - Field Boring and Laboratory Testing**

Approximately 30 soil borings will be completed to depths of 20 to 40 feet along the pipelines and at the site of the pump station (Figure 1) using mud-rotary techniques to obtain samples for laboratory testing and to investigate subsurface conditions that will affect design and construction of the pipelines and pump station. In addition, 4 soil borings will be advanced to 75 feet (plus 1 boring to 75 feet at the pump station) using mud-rotary techniques at the potential locations of the trenchless crossings of the canals to investigate the deeper subsurface conditions that will affect selection of appropriate tunneling technology and access shaft construction techniques. Soil samples would be obtained at 5-foot intervals (2.5', 7.5', 12.5', etc) except for deeper borings for trenchless crossings where 2.5-foot sampling will be used. Sampling will be standard geotechnical procedure, driving unlined split spoon samplers 18 inches with an automatic-trip hammer (ASTM D1586) and recording the blow counts for each 6-inch interval. Where appropriate, shelly tube samples will be obtained. If the fine-grained materials are too hard to permit Shelby tube samples, a 3.0-inch split-barrel sampler will be driven (in accordance with ASTM D1587), immediately followed by an SPT-sampler below. CONSULTANT's geotechnical or geologic professionals will log the conditions observed in the borings in accordance with ASTM D2488 and will obtain samples suitable for laboratory testing.

The following specific borings are proposed as part of the geotechnical investigation.

New Gravity pipeline (1.88 miles):

9 borings @ 20 feet

4 borings @ 40 feet

New Sewer/water crossings (CA Aqueduct and DMC)

4 borings @ 75 feet

New Water main and sewer force main (3.76 miles) & pump station:

12 borings @ 20 feet

1 boring @ 75 feet

Existing Corral Hollow sewer Pipe Rehabilitation (2.0 miles):

5 borings @ 20 feet

Given the prevalence of construction claims related to dewatering, five (5) of the proposed borings will be completed as 2-inch diameter PVC monitoring wells in order to allow direct measurement of the depth to water. Water levels will be measured by a CH2M HILL representative initially after installation, once near the end of predesign, and once near the end

of final design. Borings not completed as wells will be backfilled with grout per San Joaquin County/City of Tracy requirements.

The proposed geotechnical testing plan is contained in Table 1.

**TABLE 1**  
 Proposed Geotechnical Testing Plan

Test	Standard	Frequency
Moisture Content and Atterberg Limits	ASTM D2216 and D4318	45
Gradation	ASTM D422	10
Maximum Density/Optimum Water Content	ASTM D1557	5
Percentage of Fine Material (<#200 sieve)	ASTM D1140	45
Corrosivity	EPA 300, ASTM G51, and G187	10
Swell/Collapse Potential	ASTM D4546	3
Pavement Design R-Value	ASTM D2844	5
Unconfined Compressive Strength	ASTM D2166	10

ASTM – American Society for Testing and Materials

### 2.3 - Prepare Geotechnical Data Report (GDR)

CONSULTANT will present all geotechnical data collected during the subsurface investigation programs in a GDR. The GDR will contain the data obtained during the field investigation including boring logs, laboratory test results and water level measurements. The GDR will be bound separately in accordance with state of the practice for all projects involving trenchless construction in accordance with current guidelines (ASCE, 2008), limited to discussion of factual data, and will make no recommendations or provide no analyses except for statistical analysis of soil and rock laboratory results. The GDR is intended to serve as a contract document, as per ASCE guidelines. CONSULTANT will incorporate the GDR in the final contract documents for use during bidding and during contract administration. CONSULTANT will submit the draft GDR with the 90 percent design submittal.

#### Deliverables

- Draft and Final Geotechnical Design Memorandum (GDM)
- Draft and Final Geotechnical Baseline Report (GBR)
- Draft and Final Geotechnical Data Report (GDR)

#### Assumptions:

- Depth to invert of the water pipeline and sewer force main pipeline will not exceed 15 feet
- Depth to invert of the gravity pipeline will not exceed 20 feet
- Depth to invert of the pump station wetwell will not exceed 30 feet
- Site access routes can be determined for each of the proposed exploration locations shown in Figure 1 without the need for portable bridges or earthwork to facilitate access
- Site access agreements (if required) will be provided in a timely manner by the CITY

- A San Joaquin County boring/well fee permit will be required. Three hours of County Inspection time are included
- Continuous biological or other monitoring of the operations will not be required
- Borings will be backfilled with lean cement backfill
- Off-road drilling rigs (with balloon tires or tracks) are not required
- The site is uncontaminated
- Inclement weather does not prevent completion of the work once the site mobilization is complete
- A single set of review comments on each draft report will be provided to CONSULTANT
- Borings along Corral Hollow Road north of the DMC can be located within City or County right of way.
- Report (draft and final) will be provided electronically in Adobe PDF format

#### **2.4 – Prepare Geotechnical Baseline Report (GBR)**

CONSULTANT will present all geotechnical interpretation for use during construction of the trenchless crossings in a GBR. The use of a GBR is standard of practice throughout North America for trenchless construction and its use in other forms of below-grade construction continues to grow. Its use in trenchless construction is a direct result of the inherently risky nature of trenchless work. To address preparation of these documents, the American Society of Civil Engineers (ASCE) has recently published a second edition of their guidelines for preparation of GBRs. The guidelines represent a consensus opinion within the industry on a range of issues affecting the Owner's subsurface financial risk.

The GBR is a contract document that establishes a contractual understanding of the geotechnical conditions anticipated to be encountered during construction of the tunneled crossings for the project. The principal purpose of the GBR is to set baselines for geotechnical conditions and material behavior anticipated to be encountered during tunnel and shaft construction to provide a basis for bidding and assist in resolution of disputes that may arise over subsurface conditions. Also the GBR:

- Identifies important considerations, key project constraints, and select requirements related to the tunneled crossings that must be addressed by the contractor during bid preparation and construction
- Provides information to assist the contractor in evaluating requirements for excavating and supporting the ground at the tunneled crossings
- Provides guidance to the Construction Manager (CM) in administering the contract and monitoring contractor performance

Without a GBR the contractor will be forced to make their own interpretations of the subsurface conditions as they affect construction of the conveyance tunnel. Another bidder may make completely different assumptions, which in turn affects their price and may result in the award of the contract to the contractor with the least conservative assumptions. If these assumptions prove to be false, a construction claim is almost a certainty.

Items to be baselined in the GBR include the following: subsurface soil and groundwater conditions; ground behavior in response to tunneling; soil strength and permeability; and other factors and conditions that affected final design.

### **Task 3 – Utility Investigations and Design Coordination**

RJA has conducted preliminary utility investigations along the proposed water and wastewater pipeline corridor and provided all information received from the utility companies contacted. However, in order to perform appropriate due diligence, CONSULTANT shall conduct its own utility investigation and data collection during preliminary design.

#### **3.1 – Design Coordination Activities**

**Review Alignment:** CONSULTANT will field review the selected alignments and locations of the proposed facilities, identifying any issues requiring special attention. The field review will include a constructability review of the alignment by contractor(s) experienced with excavation of the type expected at the crossing of both the DMC and the CA Aqueduct and the sewer upgrades. CONSULTANT will flag the preliminary alignment in the field for additional review by City staff and our project team, environmental, geotechnical, tunneling, and permitting experts. CONSULTANT will then plot the preliminary horizontal alignment on topographical maps, develop a preliminary pipeline profile, and identify any issues requiring special considerations in the pipeline alignments or profiles. Preliminary permitting assistance (see Task 4) will run concurrently with the development of the preliminary pipeline design activities.

CONSULTANT will prepare a plan and profile for the DMC, CA Aqueduct, UPRR and irrigation canal crossings, including the locations of the shafts on each end and required work areas. We assume that the crossings will be installed using trenchless construction methods and these will be evaluated along with shaft locations, shaft construction method options, and settlement instrumentation and monitoring plan to meet DMC, CA Aqueduct, and UPRR permitting requirements. We will evaluate anticipated and maximum allowable settlements of the railroads, and other sensitive facilities (DMC and CA Aqueduct), as well as describe best management measures that will minimize potential damage.

**Locate Utilities:** CONSULTANT will collect data on existing utilities located within the PROJECT corridor. Source of utility data will be utility companies and through USA North. We will also conduct a field investigation of the project area to assist in verifying the location of utilities. CONSULTANT will request as-built drawings indicating the approximate location of existing utilities near the proposed pipeline alignment. In addition, CONSULTANT will locate the existing utility lines and structures on the plans and profile sheets based on information received by the utility owners and available as-built drawings, as well as from potholing, where necessary.

CONSULTANT will design the PROJECT to minimize disruption to existing utilities; however, some conflicts might be inevitable. CONSULTANT will submit one set of 60 percent and 90 percent review drawings to each utility known to own facilities along the pipeline alignment. CONSULTANT assumes that each utility will provide review comments within the PROJECT review periods. CONSULTANT will develop and maintain a utility log documenting the delivery and receipt of information from the utility companies. If there is a utility conflict that cannot be resolved, then CONSULTANT will work with the utility owners to relocate their facilities as an out-of-scope item.

- CONSULTANT shall provide existing Preliminary Design Drawings to the affected utility companies with a letter that explains the approximate locations and extents of utility conflicts
- CONSULTANT shall contact or meet with representatives of the affected utilities to discuss construction sequences and obtain utility relocation specifications and details. It is assumed that Utility companies will relocate their utilities in advance of construction.
- CONSULTANT shall incorporate Utility company contact information, specifications, and details into the contract documents.

The utility companies that will be contacted include the following:

- PG&E (Gas and Electric)
- Shell (Petroleum Company)
- AT&T (Telephone and Communications)
- Chevron (Petroleum Company)
- City of Tracy Public Works (Water, Sewer, and Storm drain)
- Byron Bethany Irrigation District (Irrigation)
- Additional utilities (if any) will be identified by USA North or by field survey

### **3.2 – Utility Potholing**

CONSULTANT will contract with a competent subcontractor to pothole existing utilities. Up to 25 buried utilities will be exposed using non-destructive methods. Potholing subcontractor shall measure and photograph the exposed utility prior to backfill and set a survey hub or reference point at the location of the hole. In Task 1 surveyors will subsequently provide field surveys of the hub to determine exact locations of the utilities. Field generated pothole site maps will be developed as part of the field work, which will document depth and dimensions to the desired utility. Utility data will be summarized and incorporated into the design drawings and specifications.

### **Assumptions**

- A maximum of 25 potholes will be required
- CONSULTANT will be responsible for obtaining permits from City of Tracy and San Joaquin County for potholing in public right-of ways.

### **Task 4 – Permitting Support**

This task includes preparation of environmental permit applications and agency coordination, preparation of encroachment permit and land use applications and coordination as discussed below, as well as preparation of necessary CEQA documentation and assistance to the U.S. Bureau of Reclamation to support the NEPA process. In addition to the proposed Corral Hollow Sewer and Water System Upgrade activities, the proposed project to be evaluated includes a water storage tank located west of the proposed Tracy Hills development. The tank site will require a total of one acre of disturbance to construct; the precise location of the tank will be provided by the City.

#### **4.1 – Provide Environmental Permit Applications and Coordination**

CONSULTANT shall provide agency coordination to ensure permit applications are being submitted in a timely manner. Coordination is required to ensure that design and construction are unimpeded by the permitting process; however, CONSULTANT has no control over the schedule or processing of permits by the Regulatory agencies. It is assumed that only the following environmental permits/authorizations will be required:

- Section 404 Permit (U.S. Army Corps of Engineers)
- Section 401 Water Quality Certification (Central Valley Regional Water Quality Control Board)
- Federal Endangered Species Act Section 7 Consultation (U.S. Fish and Wildlife Service)
- California Endangered Species Act Section 2018 Consultation (California Department of Fish and Wildlife Service)
- Regional Water Quality Control Board Storm water Pollution Prevention Plan (SWPPP) Notice of Intent (NOI)

##### **Section 404 Permit (U.S. Army Corps of Engineers)**

This subtask includes completion of the preparation of an application for a Clean Water Act (CWA) Section 404 Department of the Army Nationwide Permit and Pre-Construction Notification (PCN) based on the final project plan maps related to the crossing of an irrigation canal. The PCN will include, an assessment of impacts to waters of the U.S., including wetlands and, if applicable, an assessment of impacts to federally-listed species. Two meetings in Sacramento (3 consultant team attendees) are assumed as part of this scope.

##### **Section 401 Water Quality Certification (Central Valley Regional Water Quality Control Board)**

Given the project requires a Section 404 from the Corps, water quality certification per Section 401 of the Clean Water Act must be obtained. A request for water quality certification for the project per Section 401 of the Clean Water Act will be prepared. One meeting in Sacramento (3 consultant team attendees) is assumed as part of this scope. The City will pay the application fees.

##### **California Department of Fish and Wildlife (CDFW) Incidental Take Permit Consultation**

Incidental take of any California listed species requires an incidental take permit (ITP) from the California Department of Fish and Game. This subtask will provide for coordination with the CDFW related to the potential need for Section 2081 permit application. This task assumes that if an ITP application is required it will be limited to no more than two species...

##### **USFWS Section 7 Consultation Support**

Once the 404 application is made to U.S. Army Corps of Engineers, a Section 7 consultation will be initiated with the USFWS. This task provides support from CONSULTANT staff (terrestrial biologist, environmental scientist, and planners) to coordinate with the Service related to terrestrial species under the purview of the USFWS and to assist with the Section 7 consultation process. This task assumes that if consultation is required it will be limited to no more than two species.

One meeting in Sacramento (3 consultant team attendees) is assumed as part of this scope.

### **San Joaquin County Council of Governments (SJCOG) Coordination**

San Joaquin County operates under a Multi-species Habitat Conservation Plan which SJCOG oversees. It may be necessary to consult with the SJCOG for the species listed under the HCP. One meeting in Tracy (2 consultant team attendees) is assumed as part of this scope.

### **Regional Water Quality Control Board Storm Water Pollution Prevention Plan (SWPPP) Notice of Intent (NOI)**

The City is required to obtain coverage under Statewide Storm Water General Permit, which regulates discharges to receiving waters from construction projects larger than one acre in size. All projects are categorized according to one of three risk levels, and the relatively new permit requires extensive data collection and monitoring prior to and during construction. Consultant shall prepare and submit a Notice of Intent (NOI) for the project. Construction phase activities associated with this permit are not included in this scope of work.

#### **Deliverables:**

Deliverable requirements by the permitting agencies are subject to change without prior notification from permitting agencies. The quantity and amount of deliverables listed below are typically required by each agency and listed in their permit packages, but are not all inclusive.

- 2 copies of California RWQCB Section 401 Water Quality Certification Application
- 2 copies of U.S. Army Corps of Engineers Section 404 Application
- 2 copies of the CDFG 2081 permit application

Copies of permit applications identified above will be completed for signature and submittal by the City. All permitting fees will be paid for by the City. Meetings anticipated to be required for each task are indicated above.

## **4.2 – Provide Encroachment Permit Applications and Coordination**

### **City of Tracy Encroachment Permit**

Portions of the new water and wastewater pipelines including all of the proposed sewer upgrades along Corral Hollow are located within City road rights-of-way. CONSULTANT shall meet with the City Engineering Department to discuss encroachment permit requirements including but not limited to public notification, road closure and detour restrictions, signing, striping, and barricading, and excavation and backfill requirements. CONSULTANT shall incorporate City requirements into the drawings and specifications for the project and obtain City reviews and approvals of the contract documents.

### **San Joaquin County Encroachment Permit**

Portions of the new water and wastewater pipelines are located within San Joaquin County road rights-of-way along Corral Hollow Road. CONSULTANT shall meet with the County Public Works Department to discuss permit requirements including public notification, road closure and detour restrictions, signing, striping, and barricading, excavation and backfill requirements, and tree ordinances. CONSULTANT shall incorporate County requirements into the drawings and specifications for the project and obtain County reviews and approvals of the contract documents.



### **Union Pacific Railroad Encroachment Permit**

The new wastewater pipeline including the existing sewer pipeline proposed for upgrades along Corral Hollow Road cross a Union Pacific Railroad track (each respectively). CONSULTANT shall coordinate with UPRR and submit an encroachment application to the Railroad. Design methods and details required by UPRR shall be incorporated into the contract documents and CONSULTANT shall obtain approvals from the railroad.

### **4.3 – Engineering Support for Permit Applications**

Obtaining environmental permits for this project will require extensive coordination between CONSULTANT and Agency design engineers and require detailed calculations, descriptions, and specifications that are not normally required for public works projects. This task provides scope and budget for the coordination beyond normal plans and specifications development as required by the agencies. This scope of work assumes up to 600 hours of engineering support. CONSULTANT shall inform the City of efforts and progress associated with this task. If additional coordination time is required, it shall be considered a scope change.

#### **Deliverables:**

Deliverable requirements by the permitting agencies are subject to change without prior notification from permitting agencies. The quantity and amount of deliverables listed below are typically required by each agency and listed in their permit packages, but are not all inclusive, particularly when agencies bring additional staff from other offices to review the permit applications.

- 2 copies of California RWQCB Section 401 Water Quality Certification Application
- 2 copies of the CDFG 2081 permit application

Copies of permit applications identified above will be completed for signature and submittal by CITY. All permitting fees will be paid for by CITY. Meetings anticipated to be required for each task are indicated above.

#### **Assumptions**

These additional services are assumed to be part of the Final Design activities.

Preparation of an environmental document to comply with the California Environmental Quality Act (CEQA). CONSULTANT can prepare additional CEQA compliance documentation if it becomes necessary. This project is part of the City of Tracy Wastewater Master Plan and an EIR for the Master Plan projects has already been completed which may cover this project; however, any supplement or revision of the FEIR would require additional scope and fee.

### **4.4 – CEQA and NEPA Compliance Support**

This task provides for the preparation of a draft and final Initial Study/Negative Declaration under the California Environmental Quality Act (CEQA) in close coordination with the City of Tracy which will be the lead agency under CEQA. This task also includes support to the U.S. Bureau of Reclamation in their anticipated need to prepare an Environmental

Assessment/Finding of No Significant Impact under the National Environmental Policy Act (NEPA) associated with the crossing of the Delta-Mendota Canal.

### **Prepare Draft Initial Study/Environmental Assessment (IS/EA)**

CH2M HILL will prepare a single, focused draft environmental document that meets the requirements of both CEQA and NEPA. The joint CEQA/NEPA document will address the anticipated impacts associated with the proposed project only (no alternatives other than No Action related to the NEPA review have been identified nor need to be evaluated). The document will tier from previous documents prepared by the City related to the proposed Tracy Hills development including the Tracy Hills Specific Plan Draft/Final EIR. Key issue areas addressed in the Tracy Hills Specific Plan Draft/Final EIR relevant to the proposed project are anticipated to primarily be limited to:

- Public services and utilities
- Traffic and circulation
- Noise
- Biological and natural resources
- Historic and cultural resources
- Surface hydrology, groundwater, and water quality
- Air quality

A project description will be prepared in close coordination with the City to ensure all potential activities (including timing and duration of activities) are properly identified prior to beginning impact analysis. It is assumed that biological reviews of the proposed water tank have been sufficient to allow for only one additional reconnaissance evaluation to be conducted to support gaining ESA and CESA approvals respectively from USFWS and CDFW. It is assumed that the City will coordinate with the Reclamation with assistance from CH2M HILL as to specific analysis needs and format. It is also assumed that all comments received from the City and Reclamation will be provided to allow for direct inclusion to produce the public draft document. A draft mitigation monitoring plan (MMP) will be assembled as part of the IS/EA to identify and delineate responsible parties for implementing mitigation measures presented in the environmental document. Such measures will be identified as environmental commitments with respect to NEPA compliance. Reclamation will post the public draft EA/IS and FONSI for public comment as required to comply with NEPA. It is assumed the City will coordinate required noticing and distribution of the document as necessary. It is assumed the City will coordinate required noticing and distribution of the document as necessary, as well as all required filing fees (e.g. CDFW). One public meeting in Tracy (2 consultant team attendees) and four conference calls are assumed as part of this task.

### **Deliverables**

- 5 hard copies of the administrative draft
- 5 hard copies of the public draft

### **Organize and Document Comments to Public Draft Environmental Document**

All written and oral comments received during the public review period will be scanned and compiled, and responses developed for each for review by the City and Reclamation. It is

assumed that no more than 15 comments will be received on the public draft and 100 hours have been budgeted for this task.

### **Prepare Final Environmental Document**

The Final EA/IS will be in the form of a response to comments received; the final EA/IS will incorporate the public draft document by reference. The MMP will be finalized and included as a final table in the document. It is assumed that the City and Reclamation will coordinate required noticing and the distribution of the final document as required, and that Reclamation will use the final EA/IS to support their completing a FONSI.

### **Deliverables**

- 5 hard copies and 10 CD copies of the final environmental document (final document will include both the final and draft documents)

### **Task 5 – Final Design**

CONSULTANT shall follow a multiphase design delivery process for preparing bid-ready contract documents. This process is divided into three subtasks corresponding to three submittal milestones. These subtasks and submittal milestones include Design Development (60 Percent), Contract Document Preparation (90 Percent), and Bid Document Preparation (100 Percent). The information collected and the concepts defined in each subtask will form the basis for subsequent work, and will provide for resolution of key issues before proceeding to the next milestone.

Each subtask will include specific deliverables as listed therein. Submittal review workshops and internal QA/QC reviews will be conducted to ensure the quality of the Project at each milestone. CONSULTANT assumes that City review comments will be submitted to CONSULTANT during the design submittal review workshops identified herein.

Contract Documents will be prepared for two contracts, where two General Contractors will furnish equipment, materials, and labor necessary to construct the Project. One document will be choke points improvement further divided into three phases. Phase 1 will be base bid and other two phases will be additive bid items. The other document will include the remainder of the project; however, the schedule of bids will be completed in such a way that the bid amounts for portion of construction south of Linne Road can be separated from the downstream improvements to the connection with the existing collection system. The Contract Documents will consist of City furnished Bidding Requirements, Contract Forms, General Provisions, Special Provisions, and Conditions of the Contract (CSI Division 0), and CONSULTANT-furnished Bid Item List, Bid Item Descriptions, General Requirements and Technical Specifications (CSI Divisions 1 through 49), Standard Details, and Drawings. It is assumed that the City will prepare, coordinate, and package all Division 0 specifications with assistance from CONSULTANT. Technical Specifications, Standard Details, and Drawings will be stamped in accordance with California law and signed by licensed engineers of the appropriate disciplines.

#### **5.1 – Design Development (60 Percent)**

In this subtask, site plans, structures, plan/profile drawings and instrumentation and control concepts will be developed during this phase to allow final detailing during the next phase of design.

#### **60 Percent Submittal**

The 60 percent review submittal is intended to show the major design concepts and features of the Project. Drawings that will be included in the 60 percent submittal are identified in Exhibit D

for the PROJECT. The submittal will include a preliminary specifications table of contents. Documents to be submitted will be reviewed by CONSULTANT's QC team and revised accordingly prior to submitting to the City for review.

### **Deliverables**

- 60 Percent Submittal – 20 copies (5 to City, 5 to other stakeholders, 10 for the design team and internal QC) of the 60 percent submittal, including half-size construction drawings (11-inch by 17-inch) and unbound specifications table of contents
- 60 Percent Construction Cost Estimate – CONSULTANT will furnish City with a Class 3 estimate of construction costs at the 60 percent design completion level

### **5.2 – Contract Document Preparation (90 Percent)**

CONSULTANT shall prepare 90 percent complete Contract Documents, which will be the basis for the final review submittal. This submittal will include the General Requirements and Technical Specifications (CSI Divisions 1 through 49), Standard Details, and Drawings necessary for bidding the construction contract. The submittal will not include City furnished Division 0 specifications. The Contract Documents will include the applicable general, demolition, civil site, architectural, structural, structural/mechanical, mechanical, instrumentation and control, and electrical technical specifications, standard details, and design drawings necessary for permitting, bidding, and construction.

### **90 Percent Submittal**

The 90 percent submittal is intended to be a near final version of all construction drawings, standard details, and technical specifications that will be included in the Bid/Contract Documents. It will be reviewed by CONSULTANT's QC team and revised accordingly prior to submitting to the City for review.

### **Deliverables**

- 90 Percent Submittal – 25 copies (5 to City, 10 to other stakeholders, 10 for the design team and internal QC) of the 90 percent submittal, including half-size construction drawings (11-inch by 17-inch), standard details (8-1/2-inch by 11-inch), and technical specifications (8-1/2-inch by 11-inch)
- 90 Percent Construction Cost Estimate – CONSULTANT will furnish City with a Class 2 estimate of construction costs at the 90 percent design completion level

### **5.3 – Bid Document Preparation (100 Percent)**

Following receipt of the City's review comments, CONSULTANT will address and incorporate changes, and prepare the final, 100 percent complete Bid/Contract Documents. CONSULTANT will assist City to make sure that required references are included in the appropriate location in the Division 0 front-end legal sections.

### **Deliverables**

- CONSULTANT will furnish City with a Class 1 "Constructor's Estimate" of construction costs which will be reviewed by a CCI cost estimator at the end of this phase of design.
- One set of 11-inch X 17-inch original, PE wet-stamped and signed Drawings, for final processing of the building permit by the City of Tracy Building Department.

#### **5.4 – Cost Estimating**

CONSULTANT will furnish construction cost estimating services as indicated above. Estimates shall be prepared to a level of accuracy based on the information available, within normal industry standards. Estimates shall be formatted in accordance with the Project design Construction Specifications Institute (CSI) specification format and segregated by facility. Where sufficiently detailed information is lacking to obtain reasonably accurate quantities of materials, allowances will be used to provide an opinion of the estimated construction costs at the midpoint of construction. A construction cost estimator from CH2M HILL Constructors, Inc. (CCI) will assist in the preparation of and review the final cost estimate. Cost estimates and levels of accuracy (Class level) will conform to American Association of Cost Engineering International, AACE Recommended Practice No. 18R-97.

In order to assist the City to identify proportionate share of the project cost, CONSULTANT will provide the following breakdown of construction costs. Design costs will be proportional to the construction cost estimate for each of the following sections.

- a. New water pipe line from John Jones water treatment plant to Tracy Hills
- b. New wastewater force mains along Corral Hollow road from Tracy Hills to Linne Road including wastewater pump station
- c. New wastewater gravity pipe lines along Corral Hollow Road from Linne Road up to existing main wastewater trunk line near Old Schulte Road
- d. Existing Corral Hollow trunk upgrades (choke points)

#### **Task 6 – Easement Acquisition**

Temporary construction easements will be required from several property owners along the pipeline alignment, and pipeline construction will temporarily disturb access to several properties. The purpose of this task is to coordinate with property owners, discuss the pipeline project, construction sequences and duration, and temporary contractor property needs. Special needs of the landowners, such as access during agricultural harvesting, will be coordinated and incorporated into the contract documents. Other impacts and special needs such as landscaping, landscape irrigation, fences, and mailboxes will be discussed mitigated.

#### **Task 7 – Bid Phase Services**

CONSULTANT shall furnish the following services under this task:

##### **7.1 – Pre-Bid Conference**

CONSULTANT will attend and conduct, in conjunction with the City, one pre-bid conference at the Project site. CONSULTANT will record all questions and requests for additional technical information, and coordinate with City and issue responses to all plan holders.

##### **7.2 – Preparation of Addenda**

CONSULTANT shall receive, log, and respond to Bidders' technical questions and requests for additional information, as forwarded to CONSULTANT by City. CONSULTANT shall furnish technical interpretation of the contract documents and will prepare responses to questions in the form of addenda distributed by City to all plan holders.

##### **7.3 – Bid Opening and Evaluation**

CONSULTANT will attend the bid opening and assist the City in reviewing Bids received to verify that the Bid submitted by the apparent low bidder is complete and responsive.

CONSULTANT will verify status of Bidder's contractor license and check performance on several recent projects. After reviewing the Bids and checking references, CONSULTANT will prepare a recommendation of award and transmit same to the City.

## **Task 8 - Quality Assurance and Quality Control**

CONSULTANT shall implement a quality assurance/quality control (QA/QC) program and coordinate the participation of senior reviewers at appropriate points in the Project.

CONSULTANT will perform multidisciplinary review of CITY deliverables. Reviewer comments will be addressed and incorporated into the deliverables prior to submittal to the CITY. Since this project involves project locations with heavy traffic, water ways, agricultural properties, a comprehensive health and safety plan is needed.

### **8.1 – Provide 60% Review**

CONSULTANT shall conduct a review workshop with City staff to present and discuss the major concepts and findings of the 60 percent submittal and outstanding issues. The City will provide all written review comments within 2 weeks of the Review Workshop. Major action items and decisions will be documented in minutes that will be distributed to City and CONSULTANT's design teams. It is anticipated that one 4-hour workshop, held in Tracy, will be required for this subtask.

### **8.2 – Provide 90% Review**

CONSULTANT shall conduct a review workshop with City staff to present and discuss the major concepts and findings of the 90 percent submittal and outstanding issues. The City will provide all written review comments within 2 weeks of the workshop. Major action items and decisions will be documented in minutes that will be distributed to City and CONSULTANT's design teams. It is anticipated that a maximum of one 4-hour workshop in Tracy will be required for this subtask.

### **Deliverables**

- Response to City Review Comments – CONSULTANT will provide a spreadsheet showing 60 and 90 Percent review comments from the City and the CONSULTANT's response to these comments.
- Health and safety plan

## **Task 9 - Project Management**

### **9.1 – Scope Development and Strategy Meetings**

Several meetings between the CONSULTANT, City staff and project developers are needed to discuss the project issues for environmental permits and develop various permitting strategies that will assist in the development of water and wastewater infrastructure for ultimate development as well as Phase 1 of Tracy Hills development.

### **9.2 - Project Execution Plan**

CONSULTANT will develop a comprehensive Project Execution Plan (PXP) that addresses work products, staffing, schedules, budgets, and controls during project execution. The PXP will include the following:

- Project description
- Scope of services

- Information and services provided by the CITY and others
- List and schedule of deliverables, including duration of review periods
- Project schedule
- Task budgets
- Project staffing and team responsibilities
- Communication plan
- Tracking tools for milestones, schedule, budget, and project progress
- Change management plan and procedures
- Quality Assurance/Quality Control plan for deliverables
- Field Safety Instructions

### **9.3 – Project Kickoff Meeting**

CONSULTANT will conduct a 1/2-day project kickoff meeting at CITY offices. This meeting shall be attended by the CONSULTANT's Project Manager, Task Manager and Project Engineer and City representatives. During the kickoff meeting, the Project Execution Plan (PXP) will be distributed and discussed. The kickoff meeting will also be used to review project goals and objectives, CONSULTANT and CITY roles and responsibilities, communication plans, and the contracted scope and schedule. CONSULTANT will prepare and distribute meeting notes after the meeting.

### **9.4 - Progress Meetings**

CONSULTANT will update the CITY's project manager monthly throughout the duration of the project, to review progress, schedules, budgets, deliverables, and upcoming work activities. Monthly progress reports will be used to provide the CITY with an update to the current status of the project and to provide the CITY and the CONSULTANT team an opportunity to disseminate information and develop project direction and consensus. The progress meetings or conference calls will also be used to resolve minor design issues that require CITY input and direction. An action item list and a decision log will also be maintained to help document design related action items as well as design decisions reached during each of these conference calls.

### **9.5 – Manage Project Team and Activities**

CONSULTANT will provide the following throughout the duration of the project:

- Records Management—Maintain Project records, manage and process Project communications, coordinate Project administrative matters, and subcontractor information.
- Coordination—Conduct weekly internal coordination meetings to complete authorized work on schedule and within budget.
- Staff Management—Supervise and control activities of staff assigned to the Project. Coordinate and schedule appropriate staffing to meet Project requirements.
- Meeting Preparation—Make arrangements for and coordinate the scheduled Project site conferences, periodic site visits, testing, startup, and punch list development trips.

### **9.6 – Prepare and Submit Monthly Status Reports**

CONSULTANT will prepare monthly project reports, typically attached with the monthly invoice, for submission to the CITY. The reports will summarize project progress, describe current activities, describe activities planned for the next month, and identify any issues or problems

encountered that may impact the project schedule or budget. Monthly reports will include a progress evaluation and comparison of planned budget to actual expenditures and a comparison of planned product completion to actual product completion.

### **Deliverables**

- Kickoff meeting notes
- Monthly progress reports that include a summary of completed and ongoing work, budget and schedule updates, and major coordination and action items

### **Assumptions**

The project duration is as shown in the Schedule. Extensions to the project schedule, caused by circumstances beyond the CONSULTANT's control, may require a scope and fee amendment.

**II. COMPLETION OF THE SCOPE OF SERVICES.** CONSULTANT shall complete the project elements identified in this Exhibit "A" as outlined below. This schedule assumes Notice to Proceed is provided to CONSULTANT by July 1, 2013.

**A.** 30 days after Notice to proceed, CONSULTANT will deliver:

- Kickoff Meeting Notes

**B.** 200 days after Notice to proceed, CONSULTANT will deliver:

- Bid ready (100%) contract documents for critical portions of the project such as water main from Tracy WTP to Tracy Hills Project site. Actual construction schedule will depend on the permitting agency approval for which CONSULTANT has no control.

**III. PERSONNEL.** CONSULTANT shall assign the following person/persons to perform the tasks set forth in this Agreement.

Vijay Kumar, Principal In Charge  
Ben Romero, Design Manager  
Steve DeCou, Senior Reviewer and QA/QC Lead  
Mark Oliver, Environmental and Permitting Lead



## EXHIBIT “B”

### 2013 BILLING RATE SCHEDULE

Classification	Hourly Rate
Office/Clerical/Accounting	\$85
Engineering/Environmental Tech 1	\$74
Engineering/Environmental Tech 2	\$85
Engineering/Environmental Tech 3	\$114
Engineering/Environmental Tech 4	\$133
Engineering/Environmental Tech 5	\$155
Staff Engineer 1*	\$114
Staff Engineer 2*	\$133
Associate Engineer*	\$149
Project Engineer*/Associate Project Manager	\$183
Engineer Specialist*/Project Manager	\$207
Sr. Technologist*/Sr. Project Manager	\$224
Principal Technologist/Principal Project Manager	\$252
Principal -In-Charge/Principal Program Manager	\$276

1. These rates for all types of labor including permanent, part-time, flex and contract employees and effective through the last day of December and new billing rates will be in effect starting January 1 of the following year.
2. A markup of 10% shall be applied to all Other Direct Costs and Expenses
3. An additional premium of 25% shall be added to the above rates for Expert Witness and Testimony services

## Exhibit “C” Fee Estimate

<b>CITY OF TRACY – Corral Hollow Road Sewer and Water System Upgrade Final Design</b>				
	<b>Task Description</b>	<b>New Water and Sewer Pipelines along Corral Hollow Road</b>	<b>Tracy Hills Wastewater Pump Station</b>	<b>Exist. Corral Hollow Sewer Trunk Upgrade</b>
<b>Task 1 Survey, Mapping and Easements</b>				
1.1	Utility Pothole Surveys	\$6,388	0	\$6,342
1.2	Supplemental Field Surveys	\$5,780	\$4,576	\$33,842
1.3	Easement Identification and Acquisition Support	\$20,138	0	
	<b>Subtotal Task 1</b>	<b>\$32,306</b>	<b>\$4,576</b>	<b>\$40,184</b>
<b>Task 2 Geotechnical and Trenchless Design</b>				0
2.1	Geotechnical Design and Report	\$27,932	\$7,219	\$7,662
2.2	Field Boring and Laboratory Testing	\$59,199	\$27,361	\$36,454
2.3	Prepare Geotechnical Data Report (GDR)	\$26,336	\$6,394	\$9,032
2.4	Prepare Geotechnical Baseline Report (GBR)	\$14,688	0	0
	<b>Subtotal Task 2</b>	<b>\$128,155</b>	<b>\$40,974</b>	<b>\$53,148</b>
<b>Task 3 Utility investigations and Design Coordination</b>				0
3.1	Utility Coordination Activities (Field Review/Data Collection/Utility Research)	\$14,371	\$7,683	\$27,726
3.2	Utility Potholing	\$43,254	0	\$46,734
	<b>Subtotal Task 3</b>	<b>\$57,625</b>	<b>\$7,683</b>	<b>\$74,460</b>
<b>Task 4 Permit Support</b>				
4.1	Provide Environmental Permit Applications and Coordination	\$79,958	0	0
4.2	Provide Encroachment Permit Applications and Coordination	\$71,198	0	\$32,180
4.3	Engineering Support for Permit Applications	\$64,220	\$24,264	\$32,015
4.4	CEQA and NEPA Compliance Support	\$102,200	0	0
	<b>Subtotal Task 4</b>	<b>\$317,576</b>	<b>\$24,264</b>	<b>\$64,195</b>
<b>Task 5 Final Design</b>				
5.1	Design Development (60% Completion)	\$221,033	\$90,570	\$124,328

5.2	Contract Documents (90% Completion)	\$152,654	\$75,064	\$83,100
5.3	Bid Documents (100% Completion)	\$115,968	\$40,971	\$52,208
5.4	Construction Cost Estimate	\$27,252	\$9,682	\$18,064
	Subtotal Task 5	\$516,907	\$216,287	\$277,700
<b>Task 6 Easement Acquisition</b>				
6.1	Easement Acquisition	\$34,660	0	0
	Subtotal Task 6	\$34,660		
<b>Task 7 Bid Phase Services</b>				
7.1	Pre-Bid Conference	\$5,957	\$4,165	\$5,171
7.2	Prepare Addenda	\$15,610	\$9,308	\$9,792
7.3	Bid Opening and Evaluation	\$8,805	\$3,269	\$6,827
	Subtotal Task 7	\$30,372	\$16,742	\$21,790
<b>Task 8 Quality Assurance and Quality Control</b>				
8.1	Provide 60% Review	\$60,846	\$15,122	\$30,244
8.2	Provide 90% Review	\$43,760	\$12,120	\$21,832
	Subtotal Task 8	\$104,606	\$27,242	\$52,076
<b>Task 9 Project Management</b>				
9.1	Scope Development and Strategy Meetings	\$9,224	\$3,242	\$7,584
9.2	Project Execution Plan	\$3,920	\$2,896	\$3,240
9.3	Project Kickoff Meeting	\$7,093	\$4,035	\$4,851
9.4	Conduct Progress and Review Meetings	\$38,724	\$6,785	\$19,650
9.5	Manage Project Team and Activities	\$39,762	\$8,547	\$18,386
9.6	Prepare and Submit Monthly Invoice/Status Reports	\$18,216	\$7,712	\$12,605
	Subtotal Task 8	\$116,939	\$33,217	\$66,316
	<b>Total Fee</b>	<b>\$1,339,146</b>	<b>\$370,985</b>	<b>\$649,869</b>

**Exhibit “D”  
 Preliminary List of Drawings**

<b>New Water and Sewer Pipelines along Corral Hollow Road</b>					
<b>Sheet No.</b>	<b>Drawing</b>	<b>Title</b>	<b>Time of Delivery</b>		
			<b>30 %</b>	<b>90 %</b>	<b>Final</b>
<b>General Sheets</b>					
1	G-1	Title Sheet, Vicinity and Location Maps	X	X	X
2	G-2	Sheet Index and General Notes	X	X	X
3	G-3	General Abbreviation and Symbols	X	X	X
4	G-4	Civil, Miscellaneous Legend and Notes	X	X	X
5	G-5	General Structural Notes and Abbreviations 1 of 2	X	X	X
6	G-6	General Structural Notes and Abbreviations 2 of 2	X	X	X
7	G-8	Overall Project Plan	X	X	X
8	G-9	Key Plan/Survey Control - Force Main and Gravity Sewer Line	X	X	X
9	G-10	Key Plan/Survey Control - Water Line	X	X	X
10	G-11	Hydraulic Profile - Sewer Lines	X	X	X
11	G-12	Hydraulic Profile - Water Line	X	X	X
12	G-13	Utility List	X	X	X
13	G-14	Pothole Data	X	X	X
<b>Civil</b>					
14	C-1	Delta Mendota Canal Crossing - Site Plan	X	X	X
15	C-2	DMC Crossing - Details		X	X
16	C-3	California Aqueduct Crossing - Site Plan	X	X	X
17	C-4	CA Aqueduct Crossing - Details		X	X
18	C-5	Rail Road Crossing(s) - Site Plan	X	X	X
19	C-6	RR Crossing - Details		X	X
20	C-7	Irrigation Canal Crossing -Site Plan	X	X	X
21	C-8	Irrigation Crossing - Details		X	X
22	C-9	Tracy Water Treatment Plant - Site Plan	X	X	X
23	C-10	Site details		X	X
24	C-11	Trench Details		X	X
25	C-12	Air Valve Assembly/Blowoff Details		X	X
26	C-13	Sewer Manholes		X	X
27	C-14	Sewer Manhole Details		X	X
<b>Plan and Profile</b>					

		<b><u>Force main</u></b>			
28	PP-1	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
29	PP-2	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
30	PP-3	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
31	PP-4	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
32	PP-5	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
33	PP-6	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
34	PP-7	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
35	PP-8	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
36	PP-9	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
37	PP-10	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
38	PP-11	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
		<b><u>Gravity Line</u></b>			
39	PP-12	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
40	PP-13	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
41	PP-14	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
42	PP-15	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
43	PP-16	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
44	PP-17	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
45	PP-18	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
46	PP-19	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
47	PP-20	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
48	PP-21	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
		<b><u>Water Line</u></b>			
49	PP-21	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
50	PP-22	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
51	PP-23	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
52	PP-24	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
53	PP-25	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
54	PP-26	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
55	PP-27	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
56	PP-28	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
57	PP-29	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
58	PP-30	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
<b>Structural/M echnical</b>					
59	SM-1	Plan and Sections		X	X
60	SM-2	Details		X	X
61	SM-3	Misc Details		X	X
		<b>Traffic Control Plans</b>			
62	T-1	Traffic Control Plan - 1	X	X	X

63	T-2	Traffic Control Plan - 2		X	X
64	T-3	Traffic Control Plan - 3		X	X
65	T-4	Traffic Control Plan - 4		X	X
66	T-5	Traffic Control Plan - 5		X	X
67	T-6	Traffic Control Plan - 6		X	X
68	T-7	Traffic Control Plan - 7		X	X
69	T-8	Traffic Control Plan - 8		X	X
70	T-9	Traffic Control Plan - 9		X	X
71	T-10	Traffic Control Plan - 10		X	X
<b>Standard Details</b>					
72	SD-1	Standard Details - 1		X	X
73	SD-2	Standard Details - 2		X	X
74	SD-3	Standard Details - 3		X	X
75	SD-4	Standard Details - 4		X	X
76	SD-5	Standard Details - 5		X	X
77	SD-6	Standard Details - 6		X	X
78	SD-7	Standard Details - 7		X	X
79	SD-8	Standard Details - 8		X	X
80	SD-9	Standard Details - 9		X	X
81	SD-10	Standard Details - 10		X	X

<b>Tracy Hills Wastewater Pump Station</b>					
<b>Sheet No.</b>	<b>Drawing</b>	<b>Title</b>	<b>Time of Delivery</b>		
			<b>30%</b>	<b>90%</b>	<b>Final</b>
<b>General Sheets</b>					
1	G-1	Title Sheet, Vicinity and Location Maps	X	X	X
2	G-2	Sheet Index and General Notes	X	X	X
3	G-3	General Abbreviation and Symbols	X	X	X
4	G-4	Civil, Miscellaneous Legend and Notes	X	X	X
5	G-5	General Structural Notes and Abbreviations 1 of 2	X	X	X
6	G-6	General Structural Notes and Abbreviations 2 of 2	X	X	X
7	G-7	Mechanical Legend and Notes	X	X	X
8	G-8	Instrumentation and Controls Legend 1	X	X	X
9	G-9	Instrumentation and Controls Legend 2	X	X	X
10	G-10	Electrical Legend 1	X	X	X
11	G-11	Electrical Legend 2	X	X	X

12	G-12	Overall Project Plan	X	X	X
<b>Civil</b>					
13	C-1	Site Grading	X	X	X
14	C-2	Erosion Control		X	X
15	C-3	Yard Utilities	X	X	X
<b>Structural</b>					
16	S-1	Pump Station Foundation	X	X	X
17	S-2	Pump Station Floor	X	X	X
18	S-3	Pump Station Sections & Details	X	X	X
<b>Mechanical</b>					
		-			
19	M-1	Pump Station Plan	X	X	X
20	M-2	Pump Station Sections & Details	X	X	X
21	SM-3	Flow Meter Vault Plan and Sections	X	X	X
<b>I&amp;C</b>					
		-			
22	I-1	Network Diagram	X	X	X
23	I-2	Pump Station P&ID	X	X	X
<b>Electrical</b>					
24	E-1	Electrical Plan		X	X
25	E-2	One-Line Diagrams	X	X	X
26	E-3	MCC/Panels		X	X
<b>Standard Details</b>					
27	SD-1	Standard Details - 1		X	X
28	SD-2	Standard Details - 2		X	X
29	SD-3	Standard Details - 3		X	X
30	SD-4	Standard Details - 4		X	X
31	SD-5	Standard Details - 5		X	X

<b>City of Tracy - Exist. Corral Hollow Sewer Trunk Upgrade</b>					
Sheet No.	Drawing	Title	Time of Delivery		
			30 %	90 %	Final
<b>General Sheets</b>					
1	G-1	Title Sheet, Vicinity and Location Maps	X	X	X
2	G-2	Sheet Index and General Notes	X	X	X
3	G-3	General Abbreviation and Symbols	X	X	X
4	G-4	Civil, Miscellaneous Legend and Notes	X	X	X
5	G-5	General Structural Notes and Abbreviations 1 of 2	X	X	X
6	G-6	General Structural Notes and Abbreviations 2 of 2	X	X	X
7	G-8	Key Plan/Survey Control - Sewer Line Replacement	X	X	X
8	G-9	Hydraulic Profile - Sewer Lines	X	X	X
9	G-13	Utility List	X	X	X
10	G-14	Pothole Data	X	X	X
<b>Demolition</b>					
11	D-1	Demolition and Site Plan - 1 of 2	X	X	X
12	D-2	Demolition and Site Plan - 2 of 2	X	X	X
<b>Civil</b>					
13	C-1	Rail Road Crossing(s) - Site Plan	X	X	X
14	C-2	RR Crossing - Details		X	X
15	C-3	Trench Details		X	X
16	C-4	Sewer Manholes		X	X
17	C-5	Sewer Manhole Details		X	X
<b>Plan and Profile</b>					
<b><u>Sewer Line Replacement</u></b>					
18	PP-1	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
19	PP-2	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
20	PP-3	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
21	PP-4	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
22	PP-5	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
23	PP-6	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
24	PP-7	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
25	PP-8	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
26	PP-9	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
27	PP-10	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
28	PP-11	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
29	PP-12	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X



30	PP-13	Plan and Profile Sta XX+XX to Sta XX+XX	X	X	X
<b>Traffic Control Plans</b>					
31	T-1	Traffic Control Plan - 1	X	X	X
32	T-2	Traffic Control Plan - 2		X	X
33	T-3	Traffic Control Plan - 3		X	X
34	T-4	Traffic Control Plan - 4		X	X
35	T-5	Traffic Control Plan - 5		X	X
36	T-6	Traffic Control Plan - 6		X	X
37	T-7	Traffic Control Plan - 7		X	X
38	T-8	Traffic Control Plan - 8		X	X
39	T-9	Traffic Control Plan - 9		X	X
40	T-10	Traffic Control Plan - 10		X	X
41	T-11	Traffic Control Details		X	X
<b>Standard Details</b>					
42	SD-1	Standard Details - 1		X	X
43	SD-2	Standard Details - 2		X	X
44	SD-3	Standard Details - 3		X	X
45	SD-4	Standard Details - 4		X	X
46	SD-5	Standard Details - 5		X	X
47	SD-6	Standard Details - 6		X	X
48	SD-7	Standard Details - 7		X	X
49	SD-8	Standard Details - 8		X	X

RESOLUTION 2013-\_\_\_\_\_

APPROVING A PROFESSIONAL SERVICES AGREEMENT (PSA) WITH CH2MHILL FOR DESIGN AND PREPARATION OF IMPROVEMENT PLANS AND CONSTRUCTION DOCUMENTS FOR CORRAL HOLLOW ROAD SEWER AND WATER SYSTEM IMPROVEMENTS REQUIRED TO SERVICE SOUTH SIDE DEVELOPMENTS IN ACCORDANCE WITH THE CITY'S APPROVED MASTER PLANS AND DETERMINING THE FORMAL REQUEST FOR PROPOSAL PROCEDURE IS NOT IN THE BEST INTEREST OF THE CITY IN THIS INSTANCE

WHEREAS, Citywide Water and Wastewater Master Plans were adopted by City Council on January 15, 2013; and

WHEREAS, In order to serve new south side developments within the City, new sewer and water lines need to be designed and constructed on Corral Hollow Road; and

WHEREAS, Due to the complexity of the work and involvement of various agencies, services of an experienced consultant are needed to complete this work; and

WHEREAS, CH2MHill, a world renowned consultant specializing in this type of utility work, is familiar with the City's infrastructure and has worked with Federal and State agencies; and

WHEREAS, Staff has received and negotiated a proposal from CH2MHill to complete the task for design, completion of improvement plans, and construction bid documents for a cost not to exceed \$2,360,000; and

WHEREAS, staff recommends that City Council determine the formal request for proposal procedure is not in the best interest of the City and award the contract to complete the design of Corral Hollow Road Sewer and Water System Improvements to CH2MHill in accordance with section 2.20.140 of the City of Tracy Municipal Code, and

WHEREAS, Tracy Hills developers will absorb the upfront cost of the services related to their project in the amount of \$1,710,000; and

WHEREAS, A portion of the cost of services under the recommended PSA with CH2MHill will be borne by Tracy Hills and the remainder of the cost will be paid by the City from Wastewater Development Impact Fees already received from Standard Pacific Developers for the Muirfield subdivision as follows:

Total Cost of the Professional Services Agreement	\$2,360,000
Tracy Hills Cost	\$1,710,131
City of Tracy Cost (Paid by Standard Pacific)	\$ 649,869

NOW, THEREFORE, BE IT RESOLVED, that City Council:

- 1) Determines the formal request for proposals procedure is not in the best interest of the City in this instance; and
- 2) Approves a Professional Services Agreement with CH2MHill for the design and preparation of improvement plans and construction documents for Corral Hollow Road Sewer and Water Improvements for a not-to-exceed cost of \$2,360,000.

\*\*\*\*\*

The foregoing Resolution \_\_\_\_\_ was adopted by the Tracy City Council on the 16<sup>th</sup> day of July, 2013 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 7.A

REQUEST

**RECEIVE AND ACCEPT THE CITY MANAGER INFORMATIONAL UPDATE**

EXECUTIVE SUMMARY

This agenda item will update the Council on newsworthy events.

DISCUSSION

The City Manager will provide Council with an informational report on various items, including upcoming special events, status on key projects, or other items of interest in an effort to keep Council, staff, and residents abreast of newsworthy events.

STRATEGIC PLAN

This agenda item does not relate to the Council's strategic plans.

FISCAL IMPACT

There is no fiscal impact with this informational item.

RECOMMENDATION

That Council receive and accept the City Manager's informational update.

Prepared by: R. Leon Churchill, Jr., City Manager  
Reviewed by: R. Leon Churchill, Jr., City Manager  
Approved by: R. Leon Churchill, Jr., City Manager

July 16, 2013

AGENDA ITEM 8.A

REQUEST

**COUNCIL DESIGNATION OF VOTING DELEGATE AND UP TO TWO VOTING ALTERNATES FOR THE LEAGUE OF CALIFORNIA CITIES 2013 ANNUAL CONFERENCE BUSINESS MEETING**

EXECUTIVE SUMMARY

Staff requests that Council designate a voting delegate and up to two voting alternates for the upcoming League of California Cities Annual Conference Business Meeting.

DISCUSSION

The League of California Cities Annual Conference is scheduled for Wednesday, September 18, 2013, through Friday, September 20, 2013, in Sacramento, California.

An important part of the Annual Conference is the League of California Cities' Annual Business Meeting, held on September 20, 2013, at noon. At this meeting, the League membership considers and takes action on resolutions that establish League policy. In order to expedite the conduct of business at this policy-making meeting, each City Council should designate a voting delegate and up to two alternates who will be registered at the conference and present at the Annual Business Meeting. A voting card will be given to the City official designated on the Voting Delegate Form.

The League of California Cities has requested the names of the designated delegates be forwarded to them no later than Friday, August 2, 2013.

STRATEGIC PLAN

This item is a routine operational item and does not relate to any of the Council's strategic plans.

FISCAL IMPACT

None.

RECOMMENDATION

That Council designate a voting delegate and up to two voting alternates for the League of California Cities 2013 Annual Conference Business Meeting.

Prepared by: Sandra Edwards, City Clerk  
Reviewed by: Maria Hurtado, Assistant City Manager  
Approved by: R. Leon Churchill, Jr., City Manager

RESOLUTION 2013-

DESIGNATING A VOTING DELEGATE AND UP TO TWO VOTING ALTERNATES FOR THE LEAGUE OF CALIFORNIA CITIES 2013 ANNUAL CONFERENCE BUSINESS MEETING

WHEREAS, The League of California Cities Annual Conference is scheduled for September 18, 2013, through September 20, 2013, in Sacramento, and

WHEREAS, An important part of the Annual Conference is the Annual Business Meeting held on September 20, 2013, at which, the League membership takes action on resolutions that establish League policy, and

WHEREAS, In order to expedite the conduct of business at this policy-making meeting, each City Council designates a voting delegate and up to two alternates who will be registered at the conference and present at the Annual Business Meeting;

NOW, THEREFORE, BE IT RESOLVED, That City Council hereby designates \_\_\_\_\_ as the voting delegate for the League of California Cities 2013 Annual Conference Business Meeting.

\* \* \* \* \*

The foregoing Resolution 2013-\_\_\_\_ was passed and adopted by the Tracy City Council on the 16<sup>th</sup> day of July, 2013, by the following vote:

- AYES: COUNCIL MEMBERS:
- NOES: COUNCIL MEMBERS:
- ABSENT: COUNCIL MEMBERS:
- ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK