

April 10, 2023 – City Council Regular Meeting – 7:00 p.m.



City Council Chamber
390 Towne Centre Drive
Lathrop, California
(209) 941-7200
www.ci.lathrop.ca.us

City Council

Sonny Dhaliwal, Mayor
Paul Akinjo, Vice Mayor
Minnie Diallo
Diane Lazard
Jennifer Torres-O'Callaghan

City Staff

Stephen Salvatore, City Manager
Salvador Navarrete, City Attorney
Michael King, Assistant City Manager
Teresa Vargas, Government Services
Director / City Clerk
Brad Taylor, City Engineer
Tony Fernandes, Information Systems Director
Cari James, Finance Director
Juliana Burns, Human Resources Director
Mark Meissner, Community Development
Director
Todd Sebastian, Parks, Recreation and
Maintenance Services Director
Raymond Bechler, Chief of Police

General Order of Business

1. Preliminary
 - Call to Order
 - Closed Session
 - Roll Call
 - Invocation
 - Pledge of Allegiance
 - Announcements by Mayor/City Mgr.
 - Informational Items
 - Declaration of Conflict of Interest
2. Presentations
3. Citizen's Forum
4. Consent Calendar
5. Scheduled Items
 - Public Hearings
 - Appeals
 - Referrals and Reports from Commissions and Committees
 - All Other Staff Reports and/or Action Items
 - Study Sessions
6. Council Communications
7. Adjournment

Order of Discussion

Generally, the order of discussion after introduction of an item by the Mayor will include comments and information by staff followed by City Council questions and inquiries. The applicant, or their authorized representative, or interested residents, may then speak on the item; each speaker may only speak once to each item. At the close of public discussion, the item will be considered by the City Council and action taken.

Consent Calendar

Items on the Consent Calendar are considered routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless a Councilmember or interested resident so requests, in which case the item will be removed from the Consent Calendar and considered separately.



April 10, 2023 – Regular Meeting Agenda – 7:00 p.m.



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IMPORTANT NOTICE REGARDING THIS MEETING & COVID-19

This public meeting will be conducted in person; all members of the City Council will attend in person. Members of the public are welcomed in person. Please adhere to COVID-19 and social distancing guidelines. This meeting will also be available for public participation by teleconference via ZoomGov at the following link:

<https://www.zoomgov.com/j/1612312064?pwd=YTIKUWWhyaU5QOUVWMFZGZINqMXJBUT09>

- ✚ During the meeting, those joining by ZoomGov, will be allowed to speak prior to the close of public comment on an item. If you are using this method, please “raise the hand” feature to inform the City Clerk (meeting host) you wish to speak on the matter. Please ensure your computer speaker and microphone are fully functional.
- ✚ For audio / calling in only, dial: +1 (669) 254-5252 or +1 (669) 216-1590
 - To request to speak (same as the “raise hand” feature) press *9 / When the City Clerk calls your name, press *6 to unmute.
- ✚ Meeting Webinar ID: 161 231 2064/ Passcode: 978984
- ✚ If you are not able to attend the meeting in person or virtually - Public comment/questions will be accepted by email to City Clerk Teresa Vargas at website_cco@ci.lathrop.ca.us or by calling (209) 941-7230
- ✚ Questions or comments must be submitted by 4:00 p.m., on the day of the meeting.
- ✚ To address City Council in person, please submit a purple card to the City Clerk indicating name, address, and number of the item upon which a person wishes to speak.

Council Meetings are live-streamed (with Closed Captioning) on Comcast Cable Channel 97, and on the City Council Webpage: <https://www.ci.lathrop.ca.us/citycouncil/page/live-stream>

Addressing the Council

Any person may speak once on any item under discussion by the City Council after receiving recognition by the Mayor. Purple speaker cards will be available prior to and during the meeting. To address City Council, a card must be submitted to the City Clerk indicating name, address and number of the item upon which a person wishes to speak. When addressing the City Council, please walk to the lectern located in front of the City Council. State your name and address. In order to ensure all persons have the opportunity to speak, a time limit will be set by the Mayor for each speaker (see instructions on speaker form). In the interest of time, each speaker may only speak once on each individual agenda item; please limit your comments to new material; do not repeat what a prior speaker has said. If you challenge the nature of a proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Citizen's Forum

Any person desiring to speak on a matter, which is not scheduled on this agenda, may do so under the Citizen's Forum section. Please submit your purple speaker card to the City Clerk prior to the commencement of Citizen's Forum, or submit your request to speak via the "raise hand" feature in ZoomGov. Only those who have submitted speaker cards, or have expressed an interest to speak, prior to the conclusion of Citizen's Forum will be called upon to speak. Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item, which does not appear on the agenda, unless the item meets stringent statutory requirements. The Mayor will limit the length of your presentation (see instructions on speaker form) and each speaker may only speak once on this agenda item. Please note, the Council Chamber has limited occupancy due to social distancing.

To leave a voice message for all Councilmembers simultaneously, dial (209) 941-7230. To send an e-mail for Councilmembers simultaneously email: citycouncil@ci.lathrop.ca.us. This City Council Agenda and meeting materials can be accessed by computer or any smart device at: <https://www.ci.lathrop.ca.us/meetings>

General Information

For reports citing supplemental documents relating to specific agenda items, these are available for review in the City Clerk's Office. This agenda was posted at the following locations: City Hall, Community Center, Generations Center, Senior Center, and the Lathrop-Manteca Fire District "J" Street and Somerston Parkway Offices. The meetings of the Lathrop City Council are broadcast on Lathrop Comcast Cable Television Channel 97 and live streamed on the City's website.

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility and/or accommodations to this meeting. [28 CFR 35.102-35.104 ADA Title II] Interested persons must request the accommodation at least 2 working days in advance of the meeting by contacting the City Clerk at (209) 941-7230. Information about the City or items scheduled on the Agenda may be referred to:

Teresa Vargas, MMC
Government Services Director / City Clerk
390 Towne Centre Drive
Lathrop, CA 95330
Telephone: (209) 941-7230

**CITY OF LATHROP
CITY COUNCIL REGULAR MEETING
MONDAY, APRIL 10, 2023
7:00 P.M.
COUNCIL CHAMBER, CITY HALL
390 Towne Centre Drive
Lathrop, CA 95330**

AGENDA

PLEASE NOTE: There will be no Closed Session. The Regular Meeting will begin at 7:00 p.m.

1. PRELIMINARY

- 1.1 CALL TO ORDER
- 1.2 ROLL CALL
- 1.3 INVOCATION
- 1.4 PLEDGE OF ALLEGIANCE
- 1.5 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER
- 1.6 INFORMATIONAL ITEM(S) – NONE
- 1.7 DECLARATION OF CONFLICT(S) OF INTEREST

2. PRESENTATIONS

- 2.1 CERTIFICATE OF RECOGNITION TO THE LATHROP HIGH SCHOOL GIRLS BASKETBALL TEAM
- 2.2 RECOGNITION OF MARK MEISSNER, DIRECTOR OF COMMUNITY DEVELOPMENT, FOR OVER 33 YEARS OF PUBLIC SERVICE
- 2.3 INTRODUCTION OF NEW EMPLOYEES:

Parks, Recreation and Maintenance Services Department

- Frank Rivera, Maintenance Services Supervisor
- Austin Fox, Maintenance Worker
- Andrea Brown, Sr. Recreation Leader
- Harpreet Banwait, Sr. Recreation Leader

Public Works Department

- Gilbert Gaeta, Maintenance Worker

Lathrop Police Department

- Aaron Vanlue, Police Officer
- Taylor Dominguez, Police Officer

2.4 QUARTERLY ECONOMIC DEVELOPMENT PRESENTATION

3. CITIZEN'S FORUM

Any person desiring to speak on a matter, which is not scheduled on this agenda, may do so under Citizen's Forum. Please submit a purple speaker card to the City Clerk prior to the commencement of Citizen's Forum. Only those who have submitted speaker cards, or have expressed an interest to speak, prior to the conclusion of Citizen's Forum will be called upon to speak. Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item, which does not appear on the agenda, unless the item meets stringent statutory requirements. The City Council can, however, allow its members or staff to briefly (no more than five (5) minutes) respond to statements made, to ask questions for clarification, make a brief announcement or report on his or her own activities. (See California Government Code Section 54954.2(a)). Unless directed otherwise by a majority of the City Council, all questions asked and not answered at the meeting will be responded to in writing within 10 business days. ALL PUBLIC COMMENTS MUST BE MADE IN COMPLIANCE WITH THE LATHROP CITY COUNCIL HANDBOOK OF RULES AND PROCEDURES!

4. CONSENT CALENDAR

Items on the Consent Calendar are considered routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless the Mayor, Councilmember, or citizen so requests, in which event the item will be removed from the Consent Calendar and considered separately.

4.1 WAIVING OF READING OF ORDINANCES AND RESOLUTIONS

Waive the Reading in Full of Ordinances and Resolutions on Agenda and Adopt by Reading of Title Only, Unless Otherwise Requested by the Mayor or a Councilmember

4.2 APPROVAL OF MINUTES

Approve Minutes for the Special Council Meeting of January 23, 2023, and Regular Meeting of February 13, 2023

- 4.3 SECOND READING AND ADOPTION OF ORDINANCE 23-444 OF THE CITY COUNCIL OF THE CITY OF LATHROP AMENDING THE LATHROP MUNICIPAL CODE TITLE 10 VEHICLES AND TRAFFIC, CHAPTER 10.08 SPEED LIMITS SECTION 10.08.030 "SPEED LIMITS"
Waive Full Reading and Adopt Ordinance 23-444 Amending Lathrop Municipal Code Title 10 Vehicles and Traffic, Chapter 10.08 Speed Limits Section 10.08.030 "Speed Limits"
- 4.4 ACCEPTANCE OF THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2022
Adopt Resolution Accepting the City of Lathrop Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2022
- 4.5 APPROVE MEMORANDUM OF UNDERSTANDING WITH LATHROP POLICE OFFICERS ASSOCIATION, ADOPT A BENEFIT PLAN FOR THE UNREPRESENTED CLASSIFICATIONS OF COMMANDER AND LIEUTENANT, AND ADOPT A RECRUITMENT INCENTIVE PLAN FOR SWORN CLASSIFICATIONS
Adopt Resolution Approving a Memorandum of Understanding (MOU) with the Lathrop Police Officers Association (LPOA), Adopt a Benefit Plan for the Unrepresented Commander and Lieutenant Classifications, and Adopt a Recruitment Incentive Plan
- 4.6 APPROVE OF OUT-OF-STATE TRAVEL FOR ONE (1) LATHROP POLICE DEPARTMENT SERGEANT TO ATTEND CANINE PROGRAM MANAGEMENT COURSE IN MAY 2023
Adopt Resolution Approving Out-of-State Travel for One (1) Lathrop Police Department Sergeant to Attend the Canine Program Management Course in South Lake Tahoe, Nevada from May 2, 2023 to May 4, 2023
- 4.7 APPROVE AMENDMENT NO. 2 WITH ROBERT HALF INTERNATIONAL, INC. TO PROVIDE PROFESSIONAL SERVICES IN THE BUILDING DEPARTMENT FOR THE ENERGOV IMPLEMENTATION
Adopt Resolution Approving Amendment No. 2 with Robert Half International, Inc. to provide Professional Services in the Building Department for the Energov Implementation
- 4.8 APPROVE PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR ANNUAL CARNIVAL EVENT ON APRIL 20, 2023 THROUGH APRIL 23, 2023
Adopt Resolution Approving Professional Services Agreement with Butler Amusement, Inc. to Provide Law Enforcement Services for their Annual Carnival Event on April 20, 2023 through April 23, 2023

- 4.9 APPROVE COMMUNITY PARTNERSHIP AGREEMENT BETWEEN THE CITY OF LATHROP AND THE JUNETEENTH COMMITTEE TO COMMEMORATE THE JUNETEENTH NATIONAL INDEPENDENCE DAY FEDERAL HOLIDAY
Adopt Resolution Approving a Community Partnership Agreement between the City of Lathrop and the Juneteenth Committee to Commemorate the Juneteenth National Independence Day Federal Holiday
- 4.10 APPROVE FISCAL YEAR 2023-24 PROJECT LIST ASSOCIATED WITH SENATE BILL 1
Adopt Resolution Approving a List of Projects for Fiscal Year 2023-24 Funded By Senate Bill 1, the Road Repair and Accountability Act of 2017
- 4.11 APPROVE PROFESSIONAL SERVICES AGREEMENT WITH ROBERTSON-BRYAN, INC., FOR THE CITY'S INDUSTRIAL PRETREATMENT PROGRAM
Adopt Resolution Approving a Professional Services Agreement with Robertson-Bryan, Inc., for the City's Industrial Pretreatment Program
- 4.12 APPROVE PROFESSIONAL SERVICES AGREEMENT WITH FGL ENVIRONMENTAL FOR WATER QUALITY LABORATORY SERVICES FOR THE CITY'S DRINKING WATER PROGRAM AND CTF WASTEWATER PERMIT COMPLIANCE
Adopt Resolution Approving a Professional Services Agreement with FGL Environmental for Water Quality Laboratory Services for the City of Lathrop's Drinking Water Program and Consolidated Treatment Facility Wastewater Permit Compliance
- 4.13 APPROVE CONTRACT CHANGE ORDER NO. 3 AND NO. 4 WITH CUSHMAN CONTRACTING CORPORATION FOR THE CTF DECHLORINATION FACILITY OF SURFACE WATER DISCHARGE, CIP WW 20-17 AND APPROVE BUDGET AMENDMENT
Adopt Resolution Approving Contract Change Order No. 3 and No. 4 with Cushman Contracting Corporation for the CTF Dechlorination Facility of Surface Water Discharge, CIP WW 20-17 and Approving Budget Amendment
- 4.14 APPROVE PURCHASE FROM ZIMA CORPORATION FOR HEADWORKS EQUIPMENT FOR THE CONSOLIDATED TREATMENT FACILITY PHASE 3 EXPANSION, CIP WW 22-38 AND APPROVE BUDGET AMENDMENT
Adopt Resolution Approving a Purchase from Zima Corporation for Headworks Equipment for the Consolidated Treatment Facility Phase 3 Expansion, CIP WW 22-38 and Approve Budget Amendment
- 4.15 RATIFY SAN JOAQUIN COUNCIL OF GOVERNMENTS' ANNUAL FINANCIAL PLAN
Adopt Resolution Ratifying the San Joaquin Council of Governments (SJCOG) Annual Financial Plan for FY 2023-24

- 4.16 RATIFY CITY MANAGER'S EXECUTION OF A CONSTRUCTION CONTRACT WITH NOR-CAL CONCRETE COMPANY FOR TEMPORARY ANIMAL SHELTER CONCRETE, CIP GG 23-06 AND APPROVE BUDGET AMENDMENT
Adopt Resolution Ratifying City Manager's Execution of a Construction Contract with Nor-Cal Concrete Company for the Temporary Animal Shelter Concrete, CIP GG 23-06 and Approving Budget Amendment
- 4.17 RATIFY CITY MANAGER'S SIGNATURE AND APPROVE OPTION AND TOWER LEASE AGREEMENT WITH VERIZON WIRELESS FOR USE OF CITY OWNED TOWER
Adopt Resolution Ratifying City Manager's Signature and Approving Option and Tower Lease Agreement with Verizon Wireless for Use of City Tower
- 4.18 RATIFY THE PURCHASE OF CAMERA SURVEILLANCE SYSTEMS FOR MAJOR CITY PARKS, CIP GG 22-35
Adopt a Resolution Ratifying a Service Contract with ICU Technologies, Inc. and Approve Purchase of Hardware and Services for Network Infrastructure from Various Vendors for Major City Parks CIP 22-35
- 4.19 CREATE CIP PS 23-18 FOR MCKINLEY AVENUE PAVEMENT REHABILITATION, AND APPROVE BUDGET AMENDMENT
Adopt Resolution Creating CIP PS 23-18 for McKinley Avenue Pavement Rehabilitation and Approving Budget Amendment
- 4.20 GRAND JURY REPORT RESPONSE UPDATE
Direct the City Attorney to Submit a Letter to the Presiding Judge of the San Joaquin County Superior Court Responding with an Update to the Findings and Recommendations of the Grand Jury Report on Cybersecurity

RIVER ISLANDS DEVELOPMENT CONSENT ITEM(S)

- 4.21 AUTHORIZE THE FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)
Adopt Resolution of Intention to Establish City of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2) and a Future Annexation Area to Finance Public Services and Facilities

- 4.22 ACCEPT PUBLIC IMPROVEMENTS FROM RIVER ISLANDS DEVELOPMENT, LLC FOR TRACTS 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, 4111, AND ACCEPT RIVER ISLANDS PARKWAY WITH ASSOCIATED CONDITION

Adopt Resolution to Approve Public Improvements from River Islands Development, LLC for Tracts 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, 4111, and Approve River Islands Parkway with Associated Condition

5. SCHEDULED ITEMS

- 5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER MUNICIPAL CODE AMENDMENT TO (1) ADOPT AN ORDINANCE TO ADD CHAPTER 17.78 HOTEL LIMITATIONS AND MODIFY SECTION 17.62.072 OF THE CENTRAL LATHROP COMMERCIAL OFFICE ZONING DISTRICT OF THE LATHROP MUNICIPAL CODE; (2) ADOPT A RESOLUTION AMENDING THE PERMITTED AND CONDITIONAL LAND USE LIST FOR MOSSDALE LANDING, MOSSDALE LANDING EAST, AND MOSSDALE LANDING SOUTH URBAN DESIGN CONCEPTS TO REGULATE AND LIMIT HOTEL DEVELOPMENT IN THE CENTRAL LATHROP SPECIFIC PLAN AND MOSSDALE VILLAGE (TA-23-32)

Council to Consider the Following:

1. Hold a Public Hearing; and
2. First Reading and Introduce an Ordinance to Add Chapter 17.78 Hotel Limitations and modify Section 17.62.072 of the Central Lathrop Commercial Office Zoning District of the Lathrop Municipal Code; and
3. Adopt a Resolution Amending the Permitted and Conditional Land Use List for Mosssdale Landing, Mosssdale Landing East, and Mosssdale Landing South Urban Design Concepts to Regulate and Limit Hotel Development in the Central Lathrop Specific Plan and Mosssdale Village

- 5.2 RECEIVE UPDATE FOR AQUIFER STORAGE AND RECOVERY, APPROVE AMENDMENT NO. 1 WITH CAROLLO ENGINEERS, INC. CIP PW 22-36 AND APPROVE BUDGET AMENDMENT

Adopt Resolution Approving Amendment No. 1 with Carollo Engineers, Inc. for the Aquifer Storage and Recovery, CIP PW 22-36 and Approving Budget Amendment

CEQA STATUS: Staff has determined the CEQA status for the project to date as exempt according to California Environmental Quality Act Article 18 §15262, "Feasibility and Planning Studies"

6. COUNCIL COMMUNICATIONS

- 6.1 MAYOR DHALI WAL REFERRAL: Set Application Deadline for Appointment of One (1) Representative to the San Joaquin County Commission on Aging with Existing Term Ending June 30, 2023, in addition to a Full Three (3) Year Term Ending June 30, 2026, due to Unexpired Term Vacancy
- 6.2 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)
- *Central Valley Executive Committee/LOCC (Akinjo/Diallo)*
 - *Council of Governments (Lazard/Diallo)*
 - *Integrated Waste Management Solid Waste Division (Akinjo/Torres-O'Callaghan)*
 - *Reclamation District 17 Joint Powers Authority (Salvatore)*
 - *San Joaquin Partnership Board of Directors (Salvatore)*
 - *San Joaquin County Commission on Aging (Unexpired Vacancy)*
 - *San Joaquin Valley Air Pollution Control District (Akinjo/Dhaliwal)*
 - *Water Advisory Board (Torres-O'Callaghan/Lazard)*
 - *Tri Valley-San Joaquin Valley Regional Rail Authority (Akinjo)*
 - *San Joaquin Area Flood Control Agency (Akinjo & Lazard)*
 - *LAFCo (Diallo)*
- 6.3 MAYOR & COUNCILMEMBER COMMENT(S)

7. ADJOURNMENT

/Teresa Vargas/

Teresa Vargas, MMC
Government Services Director/
City Clerk



CITY OF LATHROP
CITY COUNCIL SPECIAL MEETING
MONDAY, JANUARY 23, 2023, 6:00 P.M.
COUNCIL CHAMBER, CITY HALL
390 Towne Centre Drive, Lathrop, CA 95330

MINUTES

PLEASE NOTE: There was a Closed Session, which commenced at 5:32 p.m. The Special Meeting reconvened at 6:15 p.m.

1. PRELIMINARY

1.1 CALL TO ORDER – Mayor Dhaliwal called the meeting to order at 5:32 p.m.

1.2 CLOSED SESSION

1.2.1 CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation - Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b) and 54956.9(e)(1)
• 2 Potential Case(s)

RECONVENE – Mayor Dhaliwal reconvened the meeting at 6:15 p.m.

1.2.2 REPORT FROM CLOSED SESSION

City Attorney Salvador Navarrete reported that direction was provided pursuant to Item 1.2; no other reportable action taken.

1.3 ROLL CALL Present: Mayor Dhaliwal; Vice Mayor Akinjo; and Councilmembers: Diallo, Lazard and Torres-O’Callaghan

Absent: None

1.4 PLEDGE OF ALLEGIANCE – Councilmember Lazard led the pledge of allegiance.

1.5 DECLARATION OF CONFLICT(S) OF INTEREST

No conflicts of interest declared.

2. SCHEDULED ITEM(S)

2.1 PRESENTATION REGARDING THE CITY'S CODE COMPLIANCE AND ENFORCEMENT PROCESS

Assistant City Manager Michael King provided a brief summary and introduced Consultant Pete Roque, Director of Code Enforcement with 4Leaf, Inc. Mr. Roque provided the presentation, which included an overview of the current code compliance process, information on code compliance functions, and tools available for enforcement procedures. A question and answer period ensued throughout the presentation. City Manager Stephen Salvatore and Assistant City Manager Michael King provided additional information.

The City Council received information and options related to code compliance options and enforcement procedures. The City Council discussed the options presented and provide direction to staff on moving forward with an educational and proactive approach, which included an eight step process aimed to educate the noncompliant party into compliance. The eight step process was summarized as follows:

1. Complaint received (reactive approach);
2. Staff conducts inspection and assesses the complaint;
3. If required, staff issues courtesy notice and/or provides in-person education and solutions (non-punitive);
4. Staff creates a follow-up inspection for compliance (the timeframe varies);
5. Staff will conduct a follow-up. If needed, staff will send a "Notice of Violation" with citation language and a timeline for compliance
6. Staff will conduct a follow-up inspection and issue citations for non-compliance (\$100 per violation on the first notice; \$200 per violation on the second notice; and \$500 per violation on the third notice);
7. Staff will have an office meeting prior to initiating further enforcement actions; and
8. Staff pursues appropriate legal tools, such as abatement, recordation, criminal, and or civil procedures.

2.2 PRESENTATION REGARDING THE AMERICAN RESCUE PLAN ACT FUNDING ALLOCATION

City Manager Stephen Salvatore provided a brief summary. Deputy Finance Director Thomas Hedegard provided the presentation, which included an overview of the American Rescue Plant Act (ARPA), current regulations that allow local governments to utilize funds, and summary of how surrounding cities have utilized their portion of the funds. Staff also proposed the following ARPA programs for the City of Lathrop, summarized as follows:

1. Repayment of \$234,000 in Small Business Assistance Grant Program to the Measure D Economic Development Fund, which provided crucial funding to Lathrop small businesses during Covid-19 shutdowns;
2. Allocate \$1.5 million for land acquisition costs for a future Community Center;
3. Allocate \$20,000 to a Backpack Food Program, to offer families free groceries over weekends and school breaks;
4. Allocate \$80,000 to setup and administer an income based grant/stipend program for Lathrop residents to help them transition their yard landscaping to be drought resistant/ tolerant; and
5. Allocate \$4.0 Million to fund future utility capital needs, which benefits all Lathrop residents by stabilizing utility rates and postponing rate increases needed to fund capital improvements (avg. \$444/ per household in assistance).

Finance Director Cari James and Parks, Recreation and Maintenance Services Director Todd Sebastian provided additional information. A question and answer period followed.

Vice Mayor Akinjo expressed interest in stabilizing utility rates to take some burden off the ratepayers. Councilmember Lazard expressed contentment with the proposed options. Councilmember Diallo expressed interest with using funds for sidewalk reflectors and school zone signage near the River Islands schools, utility rate reduction, and additional sidewalks in the eastside of Lathrop, and reflective lights or paint on roundabouts. Councilmember Torres-O'Callaghan expressed interest with the proposed options.

The City Council received information and options related to the American Rescue Plan Act Funding Allocation(s) Options. The City Council provided direction to staff to move forward with the proposed options, and options for safe school routes within the River Islands development areas. Staff will further analyze the proposed options with the direction given and return to Council with additional information.

- 3. ADJOURNMENT** – There being no further business, Mayor Dhaliwal adjourned the meeting at 7:45 p.m.



 Teresa Vargas, MMC,
 Government Services Director / City Clerk

This meeting was called by a majority of the City Council per Government Code Section 54956.5. Members of the public interested in addressing the City Council during this Special Meeting may address the item(s), which have been described in the notice of this Special Meeting in accordance with Government Code Section 54954.3(a).

**CITY OF LATHROP
CITY COUNCIL REGULAR MEETING
MONDAY, FEBRUARY 13, 2023
7:00 P.M.
COUNCIL CHAMBER, CITY HALL
390 Towne Centre Drive
Lathrop, CA 95330**

MINUTES

PLEASE NOTE: There was a Closed Session, which commenced at 6:33 p.m. The Regular Meeting reconvened at 7:05 p.m.

1. PRELIMINARY

- 1.1 CALL TO ORDER – Mayor Dhaliwal called the meeting to order at 6:33 p.m.

City of Manteca Mayor Gary Singh and Vice Mayor Mike Morowit spoke prior to the City Council entering into closed session; they expressed similar sentiments related to the productive and amicable working relationship between the cities of Lathrop and Manteca.

1.2 CLOSED SESSION

- 1.2.1 CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation - Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b) and 54956.9(e)(1)

- 1 Potential Case(s)

- 1.2.2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Pursuant to Government Code Section 54956.8

Property APN: 192-020-47 & 192-020-4

(Addresses not available at this time)

Agency Negotiator: Stephen J. Salvatore, City Manager

Negotiating Parties: Carroll A. Stanley and Maria E. Stanley

Under Negotiation: Price and Terms of Negotiations

RECONVENE – Mayor Dhaliwal reconvened the meeting at 7:05 p.m.

1.2.3 REPORT FROM CLOSED SESSION

City Attorney Salvador Navarrete reported that the City Council approved purchase of property listed under Item 1.2.2, for \$1.4 Million for 17 acres, full terms and conditions will be made public once the sale agreement is fully executed; no other reportable action taken.

- 1.3 ROLL CALL Present: Mayor Dhaliwal; Vice Mayor Akinjo; and Councilmembers: Diallo, Lazard, and Torres-O'Callaghan
Absent: None
- 1.4 INVOCATION - Pastor Nathaniel Camarena, Abundant Life Center Church, provided the invocation.
- 1.5 PLEDGE OF ALLEGIANCE – Pastor Nathaniel Camarena led the pledge of allegiance.
- 1.6 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER - NONE
- 1.7 INFORMATIONAL ITEM(S) – NONE
- 1.8 DECLARATION OF CONFLICT(S) OF INTEREST – NONE

2. PRESENTATIONS

2.1 PROCLAMATION DECLARING FEBRUARY AS BLACK HISTORY MONTH

Mayor Dhaliwal, accompanied by the City Council, presented the proclamation declaring February as Black History Month. Lathrop resident Jose Garcia Martin received the proclamation; Mr. Garcia Martin provided remarks on the commemoration of Black History Month.

2.2 INTRODUCTION OF NEW EMPLOYEES:

Police Chief Raymond Bechler introduced the following new Lathrop Police Department employees: Animal Shelter Supervisor Elisah Harvey, Police Records Assistant Marina Millard, Police Records Assistant Melissa Rossi, Police Officer Janet Garza, K-9 Officer Jacky (Police Handler - Officer Vannack Sabou), K-9 Officer Kane (Police Handler - Officer Coleman Elliott), and K-9 Officer Rico (Police Handler - Officer Nicole Valker). Assistant Community Development Director Rick Caguiat introduced Senior Planner James Michaels.

3. CITIZEN'S FORUM

Lawrence Abbott (zoom speaker) commented on the beautification and conservation of wildlife in the city's retention ponds.

**Following a brief discussion amongst the City Council, Council consensus provided direction to move Item 6.1 and Item 6.2 before the Consent Calendar Item 4.*

4. CONSENT CALENDAR

On a motion by Councilmember Torres-O'Callaghan, seconded by Councilmember Diallo, the City Council approved the Consent Calendar, by the following roll call vote, unless otherwise indicated:

Ayes: Akinjo, Diallo, Lazard, Torres-O'Callaghan and Dhaliwal
Noes: None
Absent: None
Abstain: None

4.1 WAIVING OF READING OF ORDINANCES AND RESOLUTIONS

Waived the reading in full of ordinances and resolutions on agenda and adopt by reading of title only, unless otherwise requested by the Mayor or a Councilmember.

4.2 APPROVAL OF MINUTES

Approved Minutes for the ~~Special~~ Regular Council Meeting of ~~December 12, 2022~~ January 9, 2023. (*December meeting minutes were approved during the Regular Meeting of January 9, 2023. The agenda included Meeting Minutes for January 9, 2023.*)

4.3 TREASURER'S REPORT FOR DECEMBER 2022

Pulled by Councilmember Diallo. Deputy Finance Director Thomas Hedegard and Finance Director Cari James provided additional information.

Approved Quarterly Treasurer's Report for December 2022.

CEQA STATUS: Not a Project as defined in Article 20, § 15378 of the California Environmental Quality Act (CEQA) Guidelines.

4.4 REVIEW OF THE CAPITAL FACILITY FEE FUNDS REPORT FOR FY 2021 2022

Reviewed the Capital Facility Fee Funds Report for Fiscal Year 2021-22.

CEQA STATUS: Not a Project as defined in Section 15378 of the StateCEQA Guidelines

4.5 APPROVE OUT-OF-STATE TRAVEL FOR CITY STAFF TO PARTICIPATE IN THE ICSC CONFERENCE IN MAY 2023

Adopted Resolution 23-5208 authorizing out-of-state travel for two city staff members to attend and represent the City of Lathrop at the International Council of Shopping Centers (ICSC) 2023 Conference in Las Vegas, Nevada from May 21, 2023 to May 23, 2023.

CEQA STATUS: Staff has determined that this is not a Project as defined in Section 15378 of the CEQA Guidelines.

4.6 APPROVE GIS SOFTWARE AND ENTERPRISE LICENSE AGREEMENT

Adopted Resolution 23-5209 authorizing a 3-year term Enterprise License Agreement with Environmental Systems Research Institute, Inc. for the Geographic Information System (GIS).

CEQA STATUS: Not a Project as defined in Section 15378 of the California Environmental Quality Act (CEQA) Guidelines.

4.7 APPROVE TASK ORDER NO. 12 FOR DE NOVO PLANNING GROUP TO UPDATE THE CITY'S GENERAL PLAN HOUSING ELEMENT FOR THE 6th CYCLE (2023-2031)

City Clerk Teresa Vargas introduced into the record missing page no. 3 of the staff report, which included the fiscal impact. A copy of the missing page was made available on the city's website, uploaded to the City Council tablets and copies were available for the public during the meeting.

Adopted Resolution 23-5210 approving Task Order No. 12 with De Novo Planning Group to update the City's General Plan Housing Element for the 6th Cycle (2023-2031).

CEQA STATUS: Not a Project as Defined in Article 20, § 15378 of the California Environmental Quality Act (CEQA) Guidelines.

4.8 APPROVE PROFESSIONAL SERVICES AGREEMENT WITH FRUIT GROWERS LABORATORY, INC., FOR THE LATHROP CONSOLIDATED TREATMENT FACILITY PERMIT COMPLIANCE, CIP WW 20-17

Adopted Resolution 23-5211 approving a Professional Services Agreement with Fruit Growers Laboratory, Inc., for water quality testing laboratory services, related to Lathrop consolidated water treatment facility surface water discharge, CIP WW 20-17.

CEQA STATUS: Environmental review for the Surface Water Discharge Project, CIP WW 20-17 as a whole was completed in the Certified Final Environmental Impact Report (EIR) (State Clearinghouse No. 2019110339).

- 4.9 APPROVE AMENDMENT NO. 2 WITH EKI TO UPDATE THE INTEGRATED WATER RESOURCES MASTER PLAN, CIP PW 22-19 AND CIP WW 22-24 AND APPROVE BUDGET AMENDMENT

Adopted Resolution 23-5212 approving Amendment No. 2 with EKI Environment & Water, Inc. to update the Integrated Water Resources Master Plan, CIP PW 22-19 and CIP WW 22-24, and approving budget amendment.

CEQA STATUS: The project is exempt according to California Environmental Quality Act Article 18 §15262, "Feasibility and Planning Studies".

- 4.10 AUTHORIZE FUNDING OF ONE (1) POLICE LIEUTENANT AND ONE (1) ADDITIONAL SCHOOL RESOURCE OFFICER FOR THE LATHROP POLICE DEPARTMENT, AMEND COMMUNITY SERVICES SUPERVISOR JOB DESCRIPTION, AND APPROVE RELATED BUDGET AMENDMENT

Pulled by Councilmember Diallo. Chief of Police Raymond Bechler provided additional information.

Adopted Resolution 23-5213 approving the funding of one (1) Police Lieutenant position, one (1) additional School Resource Officer position, amending the job description of the Community Service Supervisor, amending the position control roster, and approving the related budget amendment.

CEQA STATUS: Not a Project as Defined in Section 15378 of the State CEQA Guidelines.

- 4.11 AUTHORIZE TASK ORDER NO. 6 WITH KNN PUBLIC FINANCE FOR MUNICIPAL ADVISORY SERVICES

Pulled by Councilmember Diallo. Finance Director Cari James provided additional information.

Adopted Resolution 23-5214 authorizing Task Order No. 6 with KNN Public Finance for municipal advisory services related to the potential refinancing of Mossdale Village Refunding 2013 Series A Bonds.

CEQA STATUS: Not a Project as defined in Article 20, § 15378 of the California Environmental Quality Act (CEQA) Guidelines.

- 4.12 VALIDATION OF THE 2022 FINDING OF ADEQUATE PROGRESS IN THE MOSSDALE TRACT AREA

Adopted Resolution 23-5215 validating the 2022 urban level of flood protection (ULOP), finding of adequate progress in the Mossdale Tract Area (formally referred as Reclamation District 17 Basin), and acting as the land use agency.

CEQA STATUS: The project is exempt according to the California Environmental Quality Act (CEQA) Article 18, § 15262 "Feasibility and Planning Studies".

4.13 ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY BOCKMON & WOODY CO., INC. FOR THE JOHNSON FERRY ROAD STREETLIGHT INSTALLATION, CIP PS 23-04

Pulled by Councilmember Torres-O'Callaghan. Assistant City Manager Michael King provided additional information.

Adopted Resolution 23-5216 accepting public improvements constructed by Bockmon & Woody Co., Inc., for the Johnson Ferry Road streetlight installation, CIP PS 23-04, authorizing the filing of a Notice of Completion, releasing of contract retention, and releasing performance and payment bonds.

CEQA STATUS: The project is exempt according to the California Environmental Quality Act (CEQA) Article 19, § 15301 Class 1 "Existing Facilities".

4.14 RATIFY CITY MANAGER ACTION FOR PURCHASE OF FOUR (4) NEW POLICE VEHICLES, APPROVAL OF VARIOUS AGREEMENTS FOR THE LATHROP POLICE DEPARTMENT, AND APPROVAL OF RELATED BUDGET AMENDMENT

Pulled by Councilmember Diallo. Chief of Police Raymond Bechler provided additional information.

Adopted Resolution 23-5217 ratifying City Manager action for purchase of three (3) 2022 Police Ford Utility Interceptors from Downtown Sacramento Ford, ratifying purchase of one (1) 2023 Chevy Police Tahoe from Future Chevrolet, approving Change Order No. 3 with NextGen Alpha Upfitting for the purchase and installation of police vehicle equipment, approving Change Order No. 1 with Continental Collision for auto-body paint service, and approving related budget amendment.

CEQA STATUS: Not a Project as Defined in Section 15378 of the State CEQA Guidelines.

5. SCHEDULED ITEMS

5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP ACT (HOME) PROGRAM ALLOCATIONS FOR FISCAL YEAR 2023/2024

Economic Development Administrator Shelley Burcham provided the presentation. A question and answer period ensued throughout the presentation. Carmen Matty-Cervantes (zoom speaker), San Joaquin County Human Services Agency Representative provided information related to the Meals on Wheels Program for Lathrop residents and the outreach efforts for the program. Councilmember Torres-O’Callaghan expressed interest in finding ways to increase outreach and participation in the Meals on Wheels and Food Bank programs, and reallocate the proposed \$25,000 to other public assistance programs, intended for the Police Building ADA door upgrades due to the recently constructed building not being out of compliance. Councilmember Diallo expressed interest with HUD public assistance programs and outreach efforts for those programs. Parks, Recreation and Maintenance Services Director Todd Sebastian and Assistant City Manager Michael King provided additional information on public programs and capital improvement projects eligible for CDBG funds. The question and answer period continued. Mayor Dhaliwal opened the public hearing. There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Councilmember Akinjo, seconded by Councilmember Lazard, the City Council considered the following:

1. Held a Public Hearing; and
2. **Adopted Resolution 23-5218** recommending the proposed allocations of the CDBG and HOME Funds for FY 2023/2024 for consideration by San Joaquin County and the US Department of Housing and Urban Development (HUD) pursuant to budget amendments.

Ayes: Akinjo, Diallo, Lazard, and Dhaliwal
Noes: Torres-O’Callaghan
Absent: None
Abstain: None

CEQA STATUS: This item is statutorily exempt under Article 18, Section 15273, because CEQA does not apply to the establishment or modification of HUD funding programs to public agencies, which are to meet community needs.

5.2 CITY COUNCIL DISCUSSION REGARDING REGULATION AND LIMITATION OF HOTEL ESTABLISHMENTS

Community Development Director Mark Meissner and Assistant Community Development Director Rick provided the presentation, which included a summary of the November 14, 2022, referral on options regarding regulation and limitation of hotel establishments within the City. A question and answer period ensued. The City Council discussed the commercial areas within Central Lathrop Specific Plan, River Islands, and Mossdale Landing Development areas, approved hotel permit applications, and permit applications in the plan check process. Christina Laughlin (zoom speaker) commented on the matter, inquired about transient tax, limiting gas stations and fast food establishments. The question and answer period continued.

The City Council discussed the matter and considered direction to staff to prepare an Ordinance for review by the Planning Commission, and subsequent consideration of the City Council, for regulation and limitation of hotel establishments.

On a motion by Dhaliwal, seconded by Vice Mayor Akinjo, the City Council directed staff to bring back an ordinance amendment limiting up to six (6) hotel projects in the Central Lathrop Specific Plan and Mossdale Landing development areas.

Ayes: Akinjo, Lazard, and Dhaliwal
Noes: Diallo and Torres-O'Callaghan
Absent: None
Abstain: None

CEQA STATUS: The project is exempt according to the California Environmental Quality Act (CEQA) Article 5, § 15061(b)(3), by the "Common Sense Exemption".

5.3 CONSIDER APPEAL OF THE PLANNING COMMISSION'S DECISION TO APPROVE THE LATHROP CROSSROADS INDUSTRIAL PROJECT

Community Development Director Mark Meissner and Assistant Community Development Director Rick provided the presentation, which included a project summary, vicinity map, site plan options, Sierra Club appeal, and the City's response to the appeal. A question and answer period ensued throughout the presentation. Matthew D. Francois, Rutan & Tucker, LLP, provided a public comment letter, dated February 13, 2023, requesting denial of the appeal and approval of the project. Raul Hernandez, United Association Local 442, provided a public comment letter, dated February 10, 2023, requesting denial of the appeal and approval of the project.

Brian Cooley, Richland Developer, Inc., provided a public comment letter, dated February 13, 2023, requesting denial of the appeal and approval of the project. Adriana Flores-Lopez (in person speaker) requested additional information regarding the health risk assessment prioritization score required by the San Joaquin Valley Air Pollution Control District. Matthew Francois (in person speaker), Rutan & Tucker, LLP, Land Use Attorney for the Applicant, provided additional project information. Brian Cooley (in person speaker), Senior Director of Land Entitlement, Applicant representing Richland Developers, Inc., provided additional project information. Karen Moore (zoom speaker), commented on economically viable projects supportive of environmentally responsive solutions. Eric Parfrey (zoom speaker), representing the Sierra Club, commented on conversations and negotiations with the Richland Developers, expressed concern with environmental impacts, and review of possible mitigation measures to reduce impacts to the community. Margo Praus (zoom speaker), Chair of the local Delta Sierra Group, expressed concern with air quality mitigations and other related environmental impacts.

Mayor Dhaliwal temporarily stepped down from the dais at 10:34 p.m., and returned at 10:36 p.m.

Raul Hernandez (zoom speaker) United Association Local 442, expressed support for the project, and commented on the use of local labor unions for the project. The City Council question and answer period continued. City Manager Stephen Salvatore provided additional information regarding the City's endeavors in environmentally friendly projects.

On a motion by Vice Mayor Akinjo, seconded by Mayor Dhaliwal, the City Council considered the following:

1. Considered all written and oral information presented in this report and at the meeting of February 13, 2023; and
2. **Adopted Resolution 23-5213** affirming the Planning Commission's decision to approve Resolution No. 22-15 for the Initial Study Mitigate Negative Declaration and Resolution No. 22-16 for the Site Plan Review for the construction to construct one of the two following development options:
 - o Option 1: One (1) 448,904 square foot warehouse building consisting of 251 total parking stalls (243 standard, 8 ADA), 144 trailer parking stalls, 13 bicycle spaces, 50 truck dock stations, and 12,000 square feet of office space; or

- Option 2: Three (3) warehouse buildings totaling 386,179 square feet consisting of 423 parking stalls (411 standard, 12 ADA), 62 trailer parking stalls, 13 bicycle spaces, 74 truck dock stations, and 20,000 square feet of office space.

Ayes: Akinjo, Diallo, Lazard, Torres-O’Callaghan and Dhaliwal
 Noes: None
 Absent: None
 Abstain: None

CEQA STATUS: An Initial Study and Mitigated Negative Declaration (IS/MND) was prepared for the Lathrop Crossroads Industrial Project (State Clearinghouse No. 2022090562) to disclose potential significant environmental effects of the proposed project and identifies feasible mitigation measures that would reduce the potential significant environmental effects to a less than significant level. The IS/MND was prepared in compliance with the California Environmental Quality Act (CEQA).

5.4 OUT-OF-STATE TRAVEL APPROVAL FOR THE 2023 SAN JOAQUIN COUNTY ONE-VOICE TRIP

City Clerk Teresa Vargas provided the presentation. A question and answer period followed. The City Council discussed and approved Option 1, approving out of state travel for two Council Members and the City Council.

On a motion by Mayor Dhaliwal, seconded by Vice Mayor Akinjo, the City Council adopted **Resolution 23-5214** authorizing out-of-state travel, for Vice Mayor Akinjo, Councilmember Diallo, and City Manager Stephen Salvatore, to the 2023 San Joaquin One Voice Trip to Washington, D.C. from May 6-11, 2023, and approved the related budget amendment.

Ayes: Akinjo, Diallo, Lazard, Torres-O’Callaghan and Dhaliwal
 Noes: None
 Absent: None
 Abstain: None

CEQA Status: The Activity is not a Project as Defined in Section 15378 of the State CEQA Guidelines.

6. COUNCIL COMMUNICATIONS

** Following a brief discussion amongst the City Council, Council consensus provided direction to move Item 6.1 and Item 6.2 before the Consent Calendar Item 4.*

- 6.1 MAYOR DHALIWAL REFERRAL: Appointment of One (1) Member to the Senior Advisory Commission with Term Ending June 30, 2024, Due to Unscheduled Term Vacancy.
- One (1) Application Received

Mayor Dhaliwal made the following appointment:

<u>Senior Advisory Commission</u>	<u>Term Expires</u>
Erica Crowder	June 30, 2024

On a motion by Councilmember Lazard, seconded by Vice Mayor Akinjo, the City Council approved the appointment made by Mayor Dhaliwal as noted above.

Ayes: Akinjo, Diallo, Lazard, Torres-O'Callaghan and Dhaliwal
Noes: None
Absent: None
Abstain: None

- 6.2 COUNCILMEMBER DIALLO REFERRAL: Discuss Consideration of Renting the Generations Center and Park for a Juneteenth Event, to be Hosted by an Outside Organization.

Mayor Dhaliwal requested clarification on the title, stated the referral came from residents of the City of Lathrop. Councilmember Diallo expressed various concerns on the matter, including the title of the referral and requested clarification with park rentals to local organizations. A question and answer period ensued throughout the discussion of the referral. Parks, Recreation and Maintenance Services Director Todd Sebastian, City Attorney Salvador Navarrete, and City Manager Stephen Salvatore provided additional information on the matter. In person speakers Jose Garcia Martin, Shelita Jefferson, Michael Wells, Michael Darby, Janae Garcia Martin, Erayna Garcia Martin, Rachelle William, Krystal Taylor, and Robbie Swan spoke in favor of the referral and holding a Juneteenth celebration event. Christina Laughlin (zoom speaker) spoke in support of the event. The City Council question and answer period continued. Rosita Jennings provided two public comment letters through email, dated February 13, 2023, for Item 6.2; printed copies were made available for the public in attendance, uploaded to the city's website and distributed to the City Council. Following discussions, Mayor Dhaliwal made a motion directing staff to work with the organizers of the event in preparation of the Juneteenth celebratory event, and to bring back a policy for future Council discussion. Councilmember Diallo expressed opposition to the motion. A question and answer period ensued. Mayor Dhaliwal withdrew his motion and asked staff to work with the Juneteenth event organizers

on the event, and bring back any matters requiring Council action. There was no further discussion on the matter.

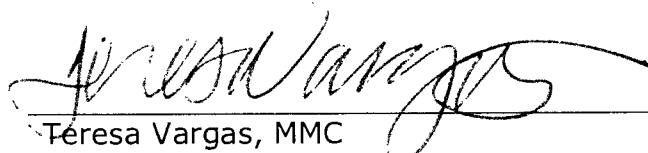
The meeting continued with reading of Item 4, Consent Calendar.

6.3 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S) - None

6.4 MAYOR & COUNCILMEMBER COMMENT(S)

Councilmember Torres-O'Callaghan and Vice Mayor Akinjo thanked those in attendance and wished a Happy Valentine's Day. Councilmember Diallo expressed appreciation to Assistant City Manager Michael King for the walkthrough of the River Islands Schools with Councilmember Diallo and members of the community, and requested a referral for the next meeting to request a student internship program. Mayor Akinjo thanked those in attendance and their participation in the meeting.

7. ADJOURNMENT – There being no further business, Mayor Dhaliwal adjourned the meeting at 11:02 p.m.



Teresa Vargas, MMC
Government Services Director/
City Clerk

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ITEM 4.3

**CITY MANAGER’S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING**

ITEM: **SECOND READING AND ADOPTION OF ORDINANCE 23-444 OF THE CITY COUNCIL OF THE CITY OF LATHROP AMENDING THE LATHROP MUNICIPAL CODE TITLE 10 VEHICLES AND TRAFFIC, CHAPTER 10.08 SPEED LIMITS SECTION 10.08.030 “SPEED LIMITS”**

RECOMMENDATION: **Waive Full Reading and Adopt Ordinance 23-444 Amending Lathrop Municipal Code Title 10 Vehicles And Traffic, Chapter 10.08 Speed Limits Section 10.08.030 “Speed Limits”**

RECOMMENDED ACTION:

The City Council to conduct second reading and adopt Ordinance 23-444 entitled:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP AMENDING THE LATHROP MUNICIPAL CODE TITLE 10 VEHICLES AND TRAFFIC, CHAPTER 10.08 SPEED LIMITS SECTION 10.08.030 “SPEED LIMITS”

SUMMARY:

On March 13, 2023, the City Council approved the introduction and first reading of the subject Ordinance by the following vote:

- AYES: Diallo, Lazard, Torres-O’Callaghan, and Akinjo
- NOES: None
- ABSTAIN: None
- ABSENT: Dhaliwal

The Ordinance will take effect 30 days after adoption.

SUBMITTED BY:



Teresa Vargas, City Clerk

3/27/23

Date

ORDINANCE NO. 23-444

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP AMENDING THE LATHROP MUNICIPAL CODE TITLE 10 VEHICLES AND TRAFFIC, CHAPTER 10.08 SPEED LIMITS SECTION 10.08.030 "SPEED LIMITS"

WHEREAS, the California Vehicle Code (CVC) requires that an Engineering and Traffic Survey (Survey) be conducted to establish a legally enforceable prima facie speed limit for a public roadway; and

WHEREAS, the City of Lathrop has enacted an ordinance to establish the prima facie speed limits on portions of certain streets within the City; and

WHEREAS, Crane Transportation Group (CTG) has conducted Surveys to establish legal speed limits for specific, recently constructed streets; and

WHEREAS, to update or establish speed limits for the indicated streets, it is necessary to amend Title 10 Vehicles and Traffic, Chapter 10.08 Speed Limits, Section 10.08.030 Speed Limits of the Lathrop Municipal Code; and

WHEREAS, proper notice of this public hearing was given to all aspects as required by law; and

WHEREAS, City Council approved the following speed limits for respective segments as presented at the first reading of the Ordinance on March 13, 2023; and

<u>SEGMENT NAME</u>	<u>SEGMENT BEGIN</u>	<u>SEGMENT END</u>	<u>DESIGN SPEED</u>	<u>PROPOSED SPEED LIMIT</u>
Marina Dr.	River Bend Dr.	Somerston Pkwy.	25	25
Marina Dr.	Somerston Pkwy.	Taft Dr.	25	25
Academy Dr.	River Bend Dr.	Somerston Pkwy.	25	25
Lakeside Dr.	Stewart Rd.	Vega Roundabout	25	35
Lakeside Dr.	Vega Roundabout	Somerston Pkwy.	25	35
Lakeside Dr.	Somerston Pkwy.	Dell'Osso Dr.	25	35
Dell'Osso Dr.	Mulholland Dr.	River Islands Pkwy.	25	35
Dell'Osso Dr.	River Islands Pkwy.	Lakeside Dr.	35	45
Somerston Pkwy.	Riverfront Dr.	River Islands Pkwy.	NONE	35

WHEREAS, City Council approved the following speed limits for respective segments with indicated modifications at the first reading of the Ordinance on March 13, 2023.

<u>SEGMENT NAME</u>	<u>SEGMENT BEGIN</u>	<u>SEGMENT END</u>	<u>DESIGN SPEED</u>	<u>PROPOSED SPEED LIMIT</u>	<u>APPROVED SPEED LIMIT</u>
River Islands Pkwy.	SJ River Bridge	Somerston Pkwy.	35	45	35
River Islands Pkwy.	Somerston Pkwy.	Norbeck St.	40	45	40
Academy Dr.	Somerston Pkwy.	Broadmoor Wy.	25	30	25
Somerston Pkwy.	River Islands Pkwy.	800' South of Lakeside Dr.	40	45	35
Commercial St.	Marina Dr.	Academy Dr.	25	30	25

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

Section 1.

Section 10.08.030, of the Lathrop Municipal Code, is amended to read in full as follows:

It shall be prima facie unlawful to operate any vehicle at speed in excess of that established as follows:

- A. The speed limit shall be fifty (50) miles per hour on the following street segments:

Street

Golden Valley Parkway
McKinley Avenue

Limits

Lathrop Road to River Islands Parkway
Louise Avenue to Yosemite Avenue

- B. The speed limit shall be forty-five (45) miles per hour on the following street segments:

Street

Dell' Osso Drive
Golden Valley Parkway
Golden Valley Parkway
Harlan Road
Harlan Road
Harlan Road
Harlan Road
Harlan Road
Howland Road
Lathrop Road
Louise Avenue

Limits

River Islands Parkway to Lakeside Drive
River Island Parkway to Towne Centre Drive
Towne Centre Drive to Brookhurst Boulevard
Roth Road to Slate Street
Slate Street to Lathrop Road
Louise Avenue to D'Arcy Parkway
D'Arcy Parkway to Tesla Drive
Tesla Drive to End of Road
Louise Avenue to D'Arcy Parkway
McKinley Avenue to city limits
Interstate 5 to Harlan Road

Louise Avenue
Louise Avenue
Louise Avenue
Manthey Road
Manthey Road
Manthey Road
Manthey Road
McKinley Avenue
McKinley Avenue
River Islands Parkway
Tesla Drive
Yosemite Avenue
Yosemite Avenue

Harlan Road to Fifth Street
Fifth Street to McKinley Avenue
McKinley Avenue to City Limits
Dos Reis Road to City Limits
Towne Centre Drive to Brookhurst Boulevard
Brookhurst Boulevard to Mossdale County Park
Stewart Road to Interstate 5 Ramps
Yosemite Avenue to City Limits
Lathrop Road to Louise Avenue
Golden Valley Parkway to McKee Boulevard
Harlan Road to Christopher Way
SR 120 to D'Arcy Parkway
D'Arcy Parkway to City Limit

- C. The speed limit shall be forty (40) miles per hour on the following street segments:

Street

D'Arcy Parkway
D'Arcy Parkway
Dos Reis Road
Harlan Road
Lathrop Road
Manthey Road
Manthey Road
River Islands Parkway

Limits

Yosemite Avenue to Christopher Way
Christopher Way to Harlan Road
Manthey Road to East School Zone
Lathrop Road to Louise Avenue
5th Street to McKinley Avenue
Lathrop Road to Dos Reis Road
Mossdale County Park to Stewart Road
Somerston Parkway to Norbeck Street

- D. The speed limit shall be thirty-five (35) miles per hour on the following street segments:

Street

Barbara Terry Boulevard
Barbara Terry Boulevard
Brookhurst Boulevard
Brookhurst Boulevard
Brookhurst Boulevard
Dell'Osso Drive
Christopher Way
Dos Reis Road
Dos Reis Road
Golden Spike Trail
Lakeside Drive
Lakeside Drive
Lakeside Drive
Lathrop Road
Lathrop Road
McKee Boulevard
McKee Boulevard

Limits

Spartan Way to McKee Boulevard
McKee Boulevard to Adobe Way
Manthey Road to Golden Valley Parkway
Golden Valley Parkway to McKee Boulevard
McKee Boulevard to Golden Spike Trail
Mulholland Drive to River Islands Parkway
D'Arcy Parkway to End of Road
East School Zone to West School Zone
West School Zone to Dos Reis Park
Towne Centre Drive to Brookhurst Boulevard
Stewart Road to Vega Park Roundabout
Vega Park Roundabout to Somerston Parkway
Somerston Parkway to Dell'Osso Drive
Interstate 5 to Rev Maurice Cotton Drive
Rev Maurice Cotton Drive to Fifth Street
Brookhurst Boulevard to Towne Centre Drive
Towne Centre Drive to Johnson Ferry

McKee Boulevard
McKee Boulevard
Murphy Parkway
Murphy Parkway
River Islands Parkway
River Islands Parkway
River Islands Parkway
Roth Road
Seventh Street
Somerston Parkway
Somerston Parkway

Johnson Ferry to River Islands Parkway
River Islands Parkway to Barbara Terry Boulevard
Tesla Drive to D'Arcy Parkway
D'Arcy Parkway to End of Road
Interstate 5 to Golden Valley Parkway
McKee Boulevard to San Joaquin River bridge
San Joaquin River Bridge to Somerston Parkway
Interstate 5 to East City Limits
J Street to Thomsen Road
Riverfront Drive to River Islands Parkway
River Islands Parkway to South of Lakeside Drive

- E. The speed limit shall be thirty (30) miles per hour on the following street segments:

Street

Inland Passage Way
Slate Street
Slate Street
Opal Street
Opal Street
Sadler Oak Drive
Johnson Ferry Road
Stonebridge Lane

Limits

Sadler Oak Drive to Open Range Avenue
Harlan Road to Deerwood Way
Deerwood Way to Stonebridge Lane
Stonebridge Lane to Deerwood Way
Deerwood Way to Slate Street
Manthey Road to Inland Passage Way
Colonial Trail to Golden Spike Trail
Harlan Road to Slate Street

- F. The speed limit shall be twenty-five (25) miles per hour on the following street segments:

Street

Academy Drive
Academy Drive
Cambridge Drive
Commerical Street
Fifth Street
J Street
Lathrop Road
Marina Drive
Marina Drive
O Street
Spartan Way
Spartan Way
Spartan Way
Spartan Way
Stewart Road
Thomsen Road
Thomsen Road
Thomsen Road
Towne Centre Drive
Towne Centre Drive

Limits

River Bend Drive to Somerson Parkway
Somerston Parkway to Broadmoor Way
Lathrop Road to Louise Avenue
Marina Drive to Academy Drive
K Street to O Street
Harlan Road to Fifth Street
Interstate 5 to Golden Valley Parkway
River Bend Drive to Somerston Parkway
Somerston Parkway to Taft Drive
Harlan Road to Seventh Street
Golden Valley Parkway to Generations Center
Generations Center to Lathrop High School
Lathrop High School to Stanford Crossing
Stanford Crossing to Barbara Terry Boulevard
Manthey Road to South River Bend
Harlan Road to Grayson Road
Grayson Road to Halmar Lane
Halmar Lane to Seventh Street
Golden Valley Parkway to McKee Boulevard
McKee Boulevard to Village Avenue

G. The following list of two hundred thirty-seven (237) roadway segments that meet the requirements defined in section 40802(b) of the CVC for a local street are not subject to the requirement for an Engineering and Traffic Survey. These local / residential streets shall have a recommended prima facie speed limit of 25 mph that can be enforced with radar, exempt from speed trap laws related to Engineering and Traffic Survey requirements:

- | | | |
|-----------------------|-----------------------|---------------------|
| Admiral Way | Cannella Drive | Ferry Launch Avenue |
| Adobe Way | Carleta Place | Finchwood Drive |
| Almond Orchard Way | Carnaby Road | Flagstone Street |
| American Farms Avenue | Carnelian Avenue | Fleurette Lane |
| Americana Way | Cedar Valley Drive | Flint Avenue |
| Andover Way | Cedarbrook Way | Forestwood Way |
| Apple Grove Avenue | Chandra Way | Forty Niner Trail |
| Applewood Way | Channel Drive | Four Corners Court |
| Argillite Avenue | Charmaine Court | G Street |
| Aries Place | Christie Falls Way | Gaar Avenue |
| Arkose Street | Claim Stake Avenue | Gail Drive |
| Aspenwood Avenue | Cloudy Bay | Galena Street |
| August Drive | Cobble Creek Way | Garden Glade Street |
| Autumn Rain Drive | Cold Springs Street | Gardner Place |
| Autumnwood Avenue | Colonial Trail | Garmetta Way |
| Avon Avenue | Covered Bridge Way | Gold Nugget Trail |
| Aztec Land | Craftsman Drive | Golden Spike Trail |
| Back Bay Drive | Crescent Moon Drive | Goldstone Street |
| Baywood Way | Crescent Park Circle | Granite Avenue |
| Bella Place | Daffodil Hill Street | Grapevine Place |
| Bellchase Road | Dalton Court | Grayson Road |
| Berkshire Court | Danbury Place | Green Plaza |
| Bizzibe Street | Derby Lane | Greengate Place |
| Blackwood Avenue | Dolomite Street | Gypsum Way |
| Bloom Way | Dry Creek Place | H Street |
| Blue Sky Drive | Eagle Lane | Halmar Lane |
| Boulder Avenue | Easy Street | Havenwood Avenue |
| Bramblewood Avenue | Emerald Bay Court | Historic Avenue |
| Brewer Street | Emory Oak Place | Homestead Avenue |
| Brookfield Avenue | Englewood Way | Honey Place |
| Brookhurst Boulevard | English Country Trail | Hornfels Avenue |
| Brookwood Way | Eton Way | I Street |
| Calcite Avenue | Evergreen Avenue | Independence Avenue |
| Cambridge Drive | Exeter Court | Iron Horse Trail |
| Camelback Street | Fairview Way | J Street |
| Camish Place | Ferndale Street | Janice Place |

Jasper Street
Johnson Ferry Road
Jonquil Drive
Julie Lane
K Street
Kirkwood Way
L Street
Landmark Point
Late Harvest Place
Lazy Ridge Avenue
Leather Oak Road
Libby Lane
Liberty Point
Limestone Avenue
Lisa Lane
Loganberry Way
Long Barn Drive
Lottie Way
Magnetite Avenue
Maharaja Drive
Mariners Drive
Matador Way
Maxwell Lane
Meteorite Street
Milestone Drive
Mill Stone Way
Millpond Avenue
Mingo Way
Mossy Point Way
N Street
Navigator Drive
New England Avenue
New Well Avenue
Noel Lane
Obsidian Street
Old Glory Way
Old Wharf Place
Olivine Avenue
Onyx Avenue
Open Range Avenue

Ore Claim Trail
Orlando Lane
Osage Place
Parkhaven Street
Parkside Drive
Pasture Avenue
Patricia Place
Patriot Way
Pecan Hollow Way
Pennant Avenue
Pheasant Downs Road
Pine Valley Drive
Pinewood Drive
Pioneer Avenue
Pipestone Street
Platinum Avenue
Pony Express Way
Poppy Drive
Prairie Dunes Drive
Princeville Street
Quartz Way
Queirolo Road
Rail Way
Red Barn Place
Redstone Street
Reiger Drive
Renaissance Avenue
Reverend Maurice Cotton Drive
River Bend Drive
Riverboat Drive
Riverdale Street
Rocky Harbor Road
Rosebriar Place
Rosewood Street
Ryhiner Lane
Saguaro Lane
Samoa Lane
Sand Bar Way
Schumard Oak Road
Scrub Oak Drive

Sedona Lane
Settler Trail
Shadowberry Place
Shady Mill Way
Shady Shores Drive
Shadywood Avenue
Sheltered Cove
Shilling Avenue
Showlow Lane
Sierra Gold Trail
Siltstone Avenue
Silver Creek Drive
Sixth Street
South Lagoon Way
Southport Street
Spar Street
St. Andrew Street
Stage Coach Drive
Stone Cellar Way
Strawberry Glen Street
Sugar Pine Drive
Sunflower Drive
Sunrise Place
Suzie Q Lane
Talc Street
Thomsen Road
Tidewater Point
Toro Lane
Town Square
Tracywood Avenue
Travertine Avenue
Trestle Point
Tulip Tree Way
Tumbleweed Lane
Upstream Drive
Victorian Trail
Village Avenue
W Nut Tree Court
Warfield Road
Warren Avenue

Water Mills Street
Water Way
Waterman Avenue

Wheat Field Street
Wild Oak Drive
Williamstowne

Woodfield Drive
Wynona Way
Zalman Lane

Section 2. Intent

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the city or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3. Severability

If any provisions of this Ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not effect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the validity of any particular portions thereof.

Section 4. Effective Date

This Ordinance shall take legal effect and be in force thirty (30) days from and after the date of its passage.

Section 5. Publication

Within fifteen (15) days after its final passage, the City Clerk shall cause a copy of this Ordinance to be published in full accordance with Section 36933 of the Government Code.

THIS ORDINANCE was introduced at a regular meeting of the City Council of the City of Lathrop on the 13th day of March 2023, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on the ____th day of _____, 2023 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk

Salvador Navarrete, City Attorney

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ITEM: ACCEPTANCE OF THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2022

RECOMMENDATION: Adopt a Resolution Accepting the City of Lathrop Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2022

SUMMARY:

The City's auditor, Lance, Soll & Lunghard, LLP, has completed the review of the annual financial statements for the fiscal year ending June 30, 2022. The audited financial statements are incorporated into an Annual Comprehensive Financial Report (ACFR). The auditors have issued an unmodified ("clean") audit opinion. An unmodified opinion indicates that the financial data of the City is fairly presented in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States. These standards require that they plan and perform the audits to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

In addition to the opinion letter included in the ACFR document, Lance, Soll & Lunghard, LLP has prepared two separate reports on the required communications and the Memorandum on Internal Control (MOIC) to the City Council. Staff received the finalized required communication report and the finalized MOIC from Lance, Soll & Lunghard, LLP on March 31, 2023. The purpose of these reports to the City Council is to communicate the scope of audit procedures performed, significant findings, and other information, such as any disagreements with management, audit adjustments, and significant estimates that have not been communicated in the audited financial statements.

BACKGROUND:

Best financial practices as well as various financing covenants and regulations associated with restricted funding sources require the City to publish a complete set of financial statements each year presented in conformance with Generally Accepted Accounting Principles (GAAP). The Government Code of the State of California requires general law cities, such as the City of Lathrop, to have its financial statements audited by an independent certified public accountant. Accordingly, this year's audit was completed by the accounting firm of Lance, Soll & Lunghard, LLP. The firm was contracted to render an opinion of the City's financial statements in accordance with auditing standards generally accepted in the United States of America. To ensure complete independence, Lance, Soll & Lunghard, LLP presents the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting directly to the City Council.

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING**ACCEPT THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

The Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022 has been prepared by the City and audited by the certified public accounting firm of Lance, Soll & Lunghard, LLP. The ACFR and audit of the City's financial statements were completed on March 31, 2023, and posted on the City's website at that time. Lance, Soll & Lunghard, LLP has issued an unmodified ("clean") opinion of the ACFR which states that the financial statements are presented fairly, in all material respects.

In addition to the opinion letter included in the ACFR document, Lance, Soll & Lunghard, LLP has prepared two separate reports on the required communications and the Memorandum on Internal Control (MOIC) to the City Council. Staff received the finalized required communication report and the finalized MOIC from Lance, Soll & Lunghard, LLP on March 31, 2023. The purpose of these reports to the City Council is to communicate the scope of audit procedures performed, significant findings, and other information, such as any disagreements with management, audit adjustments, and significant estimates that have not been communicated in the audited financial statements.

Following completion of the ACFR, it was submitted to the Governmental Finance Officers Association (GFOA) for the Certificate for Excellence in Financial Reporting program. The GFOA is a nationally recognized nonprofit professional association serving more than 20,000 finance professionals in the United States and Canada, and the Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The City of Lathrop has been awarded the prestigious Certificate for Excellence in Financial Reporting for 24 consecutive years. A Certificate of Achievement is valid for a period of one year only.

The City's financial statements provide information about the finances of the City in its entirety, as well as information about individual funds. The ACFR is organized into the three sections summarized below.

- The Introductory section includes this transmittal letter and general information on the City's government structure and services provided. It includes a list of principal officials, an organizational chart, and the Government Finance Officers Associations (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
- The Financial section contains the independent auditor's report on the financial statement audit, the MD&A, basic financial statements, required supplementary information, and combined and individual fund presentations and supplementary information.
- The Statistical section includes selected financial and demographic information generally presented on a multi-year basis. This information includes financial

CITY MANAGER'S REPORT **PAGE 3**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
ACCEPT THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL
REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2022

trends, revenue capacity, debt capacity, demographics and economic and operating information.

REASON FOR RECOMMENDATION:

The auditors have issued an unmodified ("clean") audit opinion. An unmodified opinion indicates that the financial data of the City is fairly presented in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

FISCAL IMPACT:

There is no fiscal impact associated with this action. Unmodified audit reports are an indication that City funds are being spent appropriately and as intended by the City Council, grantor agencies, and federal and State laws. They also help maintain the City's favorable ratings for current and future debt issuances.

ATTACHMENTS:

- A. Resolution Accepting the City of Lathrop Annual Comprehensive Financial Report (ACFR) for Fiscal Year Ending June 30, 2022.
- B. City of Lathrop Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2022.
- C. City of Lathrop Memorandum on Internal Control for the Fiscal Year Ending June 30, 2022
- D. City of Lathrop June 30, 2022 Required Communications

**CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
ACCEPT THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL
REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

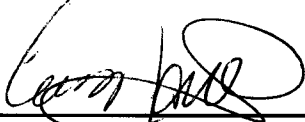
APPROVALS:



Thomas Hedegard
Deputy Finance Director

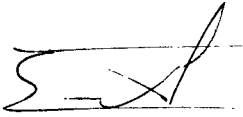
4/3/2023

Date


Cari James
Director of Finance

4/3/2023

Date



Salvador Navarrete
City Attorney

4.3.2023

Date



Stephen J Salvatore
City Manager

4.4.23

Date

RESOLUTION NO. 23 - _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

WHEREAS, the financial statements of the City of Lathrop for the fiscal year ended June 30, 2022, have been prepared by the City's Finance Department; and

WHEREAS, the annual financial statements were examined by the independent public accounting firm of Lance, Soll & Lunghard, LLP; and

WHEREAS, the City prepared the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022 and the auditor's opinion is included therein; and

WHEREAS, it is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2022, and that the statements were prepared in accordance with accounting principles generally accepted in the United States of America; and

WHEREAS, the auditors have issued an unmodified ("clean") audit opinion; and

WHEREAS, in addition to the opinion letter included in the ACFR document, Lance, Soll & Lunghard, LLP has prepared two separate reports on the required communications and the Memorandum on Internal Control (MOIC) to the City Council. Staff received the finalized required communication report and the finalized MOIC from Lance, Soll & Lunghard, LLP on March 31, 2023.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby accept the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:


ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

City of Lathrop

390 Towne Centre Drive
Lathrop, CA 95330
<https://www.ci.lathrop.ca.us/>



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CITY OF LATHROP, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

Prepared By
The Finance Department

Cari James Director of Finance

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CITY OF LATHROP, CALIFORNIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2022

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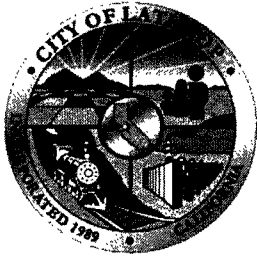
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City of Lathrop

Department of Finance
390 Towne Centre Drive
Lathrop, California 95330
209-941-7320
www.ci.lathrop.ca.us

March 31, 2023

***To the Honorable Mayor, Members of the City Council and Citizens of Lathrop
Lathrop, California 95330***

The Annual Comprehensive Financial Report of the City of Lathrop for the fiscal year (FY) ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Lathrop. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City of Lathrop. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This Annual Comprehensive Financial Report includes a summary of funds for the City of Lathrop and reports all activities considered to be a part of, controlled by, and dependent on the City. The accounts of the City are organized on the basis of fund accounting with each fund considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/ inflows of resources, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Annual Comprehensive Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in pronouncements by the National Council of Governmental Accounting (NCGA) and the Governmental Accounting Standards Board (GASB) and includes the report of the City's independent certified public accountants, Lance, Soll and Lunghard, LLP. Based on the audit, the independent auditors concluded that there was reasonable basis for rendering an unmodified opinion which states that the City's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) is required supplementary information and provides information and analysis that users need to interpret the basic financial statements. This transmittal letter is designed to complement the MD&A, and, therefore, should be read with it. The City's MD&A can be found immediately following the independent auditor's report.

INTERNAL CONTROLS

To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP in the United States of America.

The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived from the control, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above stated framework. We believe our internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

INDEPENDENT AUDIT REPORT

The City Council is responsible for: 1) assuring the City administration fulfills its responsibilities in the preparation of the financial statements and 2) engaging certified public accountants to ensure sound audit and the accounting principles are applied in financial reporting.

The Government Code of the State of California requires general law cities, such as the City of Lathrop, to have its financial statements audited by an independent certified public accountant. Accordingly, this year's audit was completed by the accounting firm of Lance, Soll and Lunghard, LLP. The firm was engaged by the City Administration to render an opinion of the City's financial statements in accordance with auditing standards generally accepted in the United States of America. To ensure complete independence, Lance, Soll and Lunghard, LLP presents the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting directly to the City Council. The auditor's report on the basic financial statements is the first item in the accompanying Financial Section.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements.

REPORT ORGANIZATION:

The report is organized in three sections: introductory, financial, and statistical.

1. The Introductory section includes this transmittal letter and general information on the City's government structure and services provided. It includes a list of principal officials, an organizational chart, and the Government Finance Officers Associations (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial section contains the independent auditor's report on the financial statement audit, the MD&A, basic financial statements, required supplementary information, and combined and individual fund presentations and supplementary information.
3. The Statistical section includes selected financial and demographic information generally presented on a multi-year basis. This information includes financial trends, revenue capacity, debt capacity, demographics and economic and operating information.

PROFILE OF LATHROP

The City of Lathrop encompasses approximately 22 square miles. The City of Lathrop is located in San Joaquin County at the center of the Northern California metro market, close to the San Francisco Bay Area and Greater Sacramento regions, at the interchange of three major freeways: Interstate 5 (I-5), Interstate 205 (I-205), and the Highway 120 Freeway. As of January 1, 2022, the City had an estimated population of 31,331.

The City of Lathrop is a general-law city incorporated under California law July 1, 1989. The City operates under the City Council / Manager form of government. Beginning with the municipal election in November 1996, the position of the Mayor is elected for a two-year term. Four Council Members are elected at-large and serve alternating four-year terms. Every two years in December, the Mayor and Council Members select a Council Member to serve as Vice-Mayor. The City Manager also serves as City Treasurer and the City Clerk is appointed by the City Manager. All municipal elections are non-partisan.

The City of Lathrop provides a wide range of municipal services, including police public safety, water and sewer utilities, street maintenance, community services, parks and recreation, planning, building, code enforcement, and other general government services.

Fire services such as fire suppression and prevention are provided for the City by Lathrop-Manteca Fire Protection District and are funded separately by the Fire District. The Fire District provides specialized equipment and trained personnel 24 hours a day for emergency assistance to all residents. The Fire District and the City work together for the mutual benefit of both agencies and the citizens they serve.

ECONOMIC CONDITION AND FINANCIAL OUTLOOK

Historically, Lathrop has been an agricultural-based community, however, the continuing dynamic outward growth of the San Francisco Bay Area has pushed industrial, warehousing, and logistics growth into the Northern San Joaquin Valley. This has benefited Lathrop due to its strategic location at the intersection of three major freeways. The City continues to experience a period of growth with consistently strong demand in residential construction to accommodate continuing job growth in the Northern San Joaquin Valley and in the neighboring Tri Valley Area of the East Bay. Permit issuance remained strong in FY 2021/22 with building permits continuing to be issued at a rate consistent with an agency that is one of the fastest growing in the State. Revenues, such as property tax, development related fees, community facility district revenues and sales tax are all positively impacted from increased development activity either directly from fees received or indirectly due to increased population.

The City has recently begun to enjoy a strong economic base from years of smart growth and planning initiatives resulting in stable property tax revenue, modest transient occupancy taxes and diverse sales tax revenues. The City's sales tax revenues remain stable and, over the past several years, have continued to experience annual increases. The City's sales tax revenues are expected to show modest annual increases as population and consumer activity continue to rise and businesses continue to view Lathrop as an attractive location.

Like all government agencies throughout California, the City is faced with increased ongoing annual operating costs and rising retirement related liabilities. For Lathrop, some of these challenges include increased funding needs for pavement maintenance, facility and park maintenance, new programs and departments, additional personnel, retiree health care costs, and rising pension costs due to new funding policies adopted by the California Public Employees Retirement System (CalPERS). While the City has been successful over the years in balancing these issues with its strategic use of contract staffing and services, the City will continue to experience rising costs. Additionally, with the anticipation of significant impacts to revenues in the coming year, coupled with ongoing growth in expenditures over the next five years, the City will be challenged.

Sales tax growth in Lathrop was moored to commercial development throughout 2022 and is expected to stabilize throughout 2023. Sales tax is the General Fund's largest source of revenue and has largely recovered to pre-pandemic levels however the state of the economy from high inflation, supply chain challenges and ongoing world events remains concerning as we head into FY 2023. The City is currently navigating an unprecedented inflation situation that has not been encountered in recent history. The ability to budget conservatively has paid dividends with the uncertainty that has come with recent economic events. This creates challenges but we remain vigilantly optimistic about Lathrop's long-term outlook. The City's future looks bright; with the creation of the City's own Police Department opening in July of 2022.

City Council and Staff are dedicated to the Community and our commitment to prudently manage the City's finances. This commitment has contributed to our ability to endure these challenging times. The financial impacts of the pandemic have largely subsided compared to the prior fiscal year.

BALANCED BUDGET

The City's Budget and Fiscal Policy requires the City to maintain a balanced General Fund budget over the annual period of the financial plan. This means that each fiscal year, current revenues must meet or exceed operating expenditures, including debt service. Use of fund balance commitments to offset non-operating expenditures may allow for current expenditures to exceed current revenues in the fiscal year. City staff presents General Fund budgets for City Council consideration that maintain an unassigned fund balance between 10-50% of the annual operating appropriations and transfers. Lathrop maintains adequate fund balances for emergencies in a majority of its governmental operations funds and proprietary funds.

The adopted budget serves as the foundation for the City of Lathrop's financial planning and control system. All departments of the City submit requests for appropriations to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget. The Council holds public hearings on the proposed budget and then ultimately adopts a formal budget. The budget is adopted by fund, department, program, and line-item.

The Council periodically reviews the City's actual financial activity in relation to the original budget, and as necessary, adjustments are made to ensure that expenditures are not outpacing anticipated revenues. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund and department level with more stringent control over capital assets and fund balance categories, which are

maintained at the line item level. The City Council must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. The City Council has delegated authority to the City Manager to approve transfers of appropriations between programs and divisions within a City department and between appropriation units (e.g., salaries and benefits, services and supplies, and capital outlay) within programs, excluding special designation or project appropriations.

LONG-TERM FINANCIAL PLANNING

The City incorporates long-term financial planning into its budget process in several ways. During the biennial budget process the City Council receives an updated General Fund Ten-Year Forecast and CIP Five-Year Forecast that includes all special revenue funds associated with each project. The long-term financial model used for the General Fund and CIP looks forward ten years, because of the volatile nature of tax revenues in a commercial growth-based economy, and various one-time special revenue funds associated with development activity making it difficult to predict revenues with any certainty beyond the immediate term. The forecast is used as a tool and maintained by Finance staff.

These projections allow management to see what the future could look like given a set of assumptions and is evaluated in the context of whether decisions are sustainable over the long term. The ten-year financial forecast is a tool for strategic decision making and presents further context for balancing short-term and long-term goals and provides an "order of magnitude" feel for the General Fund's ability to continue services and preserve fiscal sustainability. Management encourages its departments to project their resource needs for a period longer than the traditional biennial budget period. In addition, the City faces increasing expenses in several areas of operations, including the creation of the Police Department. The City has elected to proactively address its unfunded OPEB obligation by establishing an irrevocable trust and significantly increasing its contributions. At the same time, rising pension contribution requirements, while helping to reduce the unfunded pension liability, result in a decrease of financial resources available for other uses. The City will need to continue to explore options to increase its revenue base, while keeping expenses manageable.

As the economy readjusts post-pandemic, inflation continues to be a key issue in 2023. Despite higher prices and concerns over a potential recession, consumer demand has remained consistent. Property tax revenue has not been affected yet as the assessed values do not show the impact of economic volatility in a short period. Moreover, affordability and a short supply of homes available for sale has kept the local real estate market steady. Vulnerable to an economic downturn are sales tax, TOT and development-related revenues. Economic development continues to thrive as new businesses are motivated to locate in Lathrop due to its location, amenities, economic vibrancy, and high quality of life for residents.

Lastly, on November 6, 2012, the Citizens of Lathrop approved Measure C by 77%. Measure C is a general purpose 1% additional sales tax Measure to be used for the purpose of maintaining and enhancing essential City services, such as police and fire protection and youth and senior services within the City. During FY 2020/21, Measure C supported personnel and operating expenditures to manage the Lathrop Generations Center, a multipurpose facility aimed to promote healthy recreational opportunities for our youth. Furthermore, Measure C partially funded the startup of Lathrop's own Police Department, as well as additional Lathrop Police personnel to strengthen prevention and intervention services around the community.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to City of Lathrop for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. The ACFR has been judged by an impartial panel to meet the uppermost standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the ACFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This was the 24th consecutive year that the City of Lathrop has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

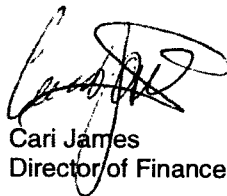
ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report was made possible by the special efforts of the entire staff of the Finance Department, working in conjunction with the City's independent auditors and departmental staff. We would like to express our appreciation to the Mayor and City Councilmembers for their continued efforts in stewarding the financial operations of the City in a responsible and enterprising manner.

Respectfully submitted,



Stephen J. Salvatore
City Manager



Cari James
Director of Finance

City of Lathrop Organizational Chart FY 2021-22

CITIZENS OF LATHROP



Paul Akinjo
Councilmember

Jennifer Torres-
O'Callaghan
Councilmember

Sonny Dhaliwal
Mayor

Minnie Diallo
Councilmember

Diane Lazard
Vice Mayor



Commissions

City Manager

City Attorney

Government Services &
City Clerk

Human Resources

Finance

Information Technology

Public Works

Community Development

Parks, Recreation &
Maintenance Services

Police Department

DIRECTORY OF OFFICIALS AND ADVISORY BODIES

CITY COUNCIL

Sonny Dhaliwal, Mayor
Jennifer Torres-O'Callaghan, Council Member
Paul Akinjo, Council Member
Minnie Diallo, Council Member
Diane Lazard, Vice Mayor

ADVISORY BODIES

Lathrop/Manteca Fire District
Measure C Oversight Committee
Parks and Recreation Commission
Planning Commission
Senior Advisory Commission
Youth Advisory Commission

APPOINTED OFFICIALS AND DEPARTMENT HEADS

City Manager/ Treasurer
City Attorney
Assistant City Manager
City Engineer
Director of Government Services/ City Clerk
Director of Finance
Director of Human Resources
Director of Parks, Recreation & Maintenance Services
Chief of Police
Director of Community Development
Chief Building Official

Stephen J. Salvatore
Salvador Navarrete
Michael King
Brad Taylor
Teresa Vargas
Cari James
Vacant
Todd Sebastian
Raymond Bechler
Mark Meissner
Ed Short

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Lathrop, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lathrop, California, (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 8 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



To the Honorable Mayor and Members of the City Council
City of Lathrop, California

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and required pension and other post-employment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



To the Honorable Mayor and Members of the City Council
City of Lathrop, California

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

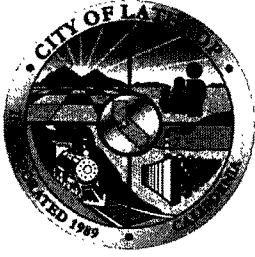
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Brea, California
March 31, 2023

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City of Lathrop

Department of Finance
390 Towne Centre Drive
Lathrop, California 95330
209-941-7320
www.ci.lathrop.ca.us

March 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Lathrop, we offer readers of the City of Lathrop's (City) financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. Please read the information presented in conjunction with additional information that we have furnished in our letter of transmittal, beginning on page i, and the financial statements and disclosure notes beginning on page 41.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2022 by \$667.7 million (net position). Of this amount, \$118.5 million (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors.
- During the fiscal year, the City's governmental activities revenues exceeded expenses by \$70.7 million due in large part to \$22.6 million in sales and use taxes collected in the Fiscal Year.
- The total revenue from all sources increased \$124.7 million from the prior year due to the recovering impacts associated with the coronavirus restrictions at the State and Federal level.
- The General Fund reported excess revenues over expenditures (including transfers) of \$.4 million, thereby increasing the fund balance.
- Sales and use tax collections increased by \$4.4 million, a 24.3 percent increase from the prior year.
- At June 30, 2022, the City's governmental funds reported combined ending fund balances of \$142.8 million, an increase of \$37.0 million in comparison with June 30, 2021. Of this \$142.8 million total amount, \$5.9 million or 4.1 percent is unassigned fund balance.
- At June 30, 2022, the unassigned fund balance for the General Fund was \$5.7 million, compared to last year's unassigned actual fund balance of \$6.7 million. The decrease is due to capital projects committed to during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the financial statements of the City. This comprehensive annual financial report is comprised of five parts: (1) this management's discussion and analysis (Pages 5 – 18), (2) the basic financial statements and notes to the financial statements (Pages 21 - 72), (3) statements of revenue, expenditures and changes in fund balance-budget to actual of major governmental funds (Pages 80 - 87), and postemployment benefits other than pensions trend information (Note 9, Pages 74 – 79), (4) other combining statements for non-major governmental funds and agency funds (Pages 100 - 156) and (5) the statistical section (Pages 160 - 191).

The basic financial statements include two different views of the City's financial position. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.

The City's government-wide basic financial statements are described below with information in the accompanying text:

- **Statement of Net Position** – a statement that combines the financial position as of June 30, 2022 for all activities on a government-wide basis.
- **Statement of Activities** – a statement that combines the changes in financial position for the fiscal year ended June 30, 2022 on a government-wide basis.

Fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- **Statements for Governmental Funds** – these present the major governmental funds such as the general fund, developers projects special revenue fund, capital facilities fee special revenue fund, building and safety special revenue fund, development engineering special revenue fund, and all other governmental funds.
- **Statements for Business-type Funds** – these present proprietary funds, such as the City's water and sewer utility enterprise funds.

The fund financial statements are described below with information in the accompanying text:

- **Governmental funds** statements tell how general government services, such as police and public works, were financed in the short-term, as well as what remains for future spending.
- **Proprietary funds** statements offer short and long-term financial information about the activities the City operates like businesses, such as the water and sewer utilities.
- **Fiduciary funds** statements are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The financial statements also include notes that explain the information in the financial statements and provide more detailed data. In addition to the required elements, combining statements are presented that provide details about the City's non-major governmental funds and agency funds, each of which are presented in consolidated columns in the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances using accounting methods similar to a private-sector business.

The **statement of net position** presents information on all the City's assets, liabilities, and deferred outflows/ inflows on resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community development, public safety, public works, culture and leisure, and debt service. The business-type activities of the City include the City's water and sewer utility enterprise functions.

The government-wide financial statements include the operations of the City itself and the blended component unit of the Lathrop Public Facilities Financing Corporation. There are no discrete or component units. The government-wide financial statements can be found on Pages 21 – 25 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives, or as required by legal enabling legislation. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The City maintained 42 individual governmental funds in 2022. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in funds balances for the general fund, developers projects special revenue fund, capital facilities fee special revenue fund, building and safety special revenue fund, development engineering special revenue fund, all of which are designated as major funds. Data from the remaining 37 non-major governmental funds are shown as other supplementary information.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison compliance schedule is provided for each of the major funds and a like schedule is provided for the non-major governmental funds shown as other supplementary information.

The governmental fund financial statements are found on Pages 26 - 33 of this report.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide business-type activity financial statements, only in more detail, and are used to account for services for which customer fees are intended to finance the costs of operations. There are two types of proprietary funds – internal service funds and enterprise funds. Internal service funds account for services rendered between City departments. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has one internal service fund in its fund structure, which is used to quantify compensated absences activities between departments. The City uses enterprise funds to account for its water and sewer utility functions. These two major funds' financial statements are shown individually in the front of this report.

The basic proprietary fund financial statements can be found on Pages 34 – 37 of this report.

Fiduciary funds. Fiduciary or agency funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has 12 fiduciary funds. The fiduciary fund financial statements can be found on Page 38 of this report.

Notes to the financial statements

The notes provide additional information that are essential to a full understanding of the data provided in the government-wide, governmental, proprietary, and fiduciary fund financial statements. The notes to the financial statements are found on Pages 41 - 73 of this report.

Required and other information

Additional information is included that provides both more detail, and complements the financial data provided in the previous financial statements. The combining statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements on the City's 37 non-major governmental funds and 12 fiduciary funds are not a required part of the basic financial statements and are presented as other supplementary information. Original and final adopted budgets compared to actual financial information for each fund is included in this section. Combining and individual fund statements and schedules can be found on Pages 91 - 151 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position since it represents the difference between the City's resources and its obligations. In the case of the City, assets exceeded liabilities by \$668 million at the close of Fiscal Year 2021/22.

Compared to the previous year, the City's total net position increased by 15.6 percent. This increase is primarily due to developer contributions of capital assets that took place in Fiscal Year 2021/22.

By far the largest portion of this year's net position reflects the City's investment in capital assets of \$424 million (e.g., utility system construction, utility plant improvements, water rights acquisition, land acquisition, building improvements, equipment, vehicles, roads and streets) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additional capital asset information can be found in the Capital Asset and Debt Administration section of this report.

A portion of the City's total net position represent resources that are subject to external and internal restrictions (Municipal Code and/or State mandates and reserves required by debt obligation covenants) on how they may be used. Restricted net position amount to \$125 million or 18.0 percent of total net position. The remaining balance of \$118.5 million (23.5 percent of total net position) is unrestricted and may be used to meet the City's ongoing obligations to residents and creditors.

The table below shows the government-wide assets, liabilities, deferred outflows/ inflows of resources and net position for both fiscal years ended June 30, 2021 and 2022.

City of Lathrop Summary of Net Position
For the Fiscal Years Ended June 30
(in Thousands)

	Governmental		Business-Type		Total Primary		Total Percent Change
	Activities		Activities		Government		
	2021	2022	2021	2022	2021	2022	
Assets:							
Capital assets	\$ 221,944	\$ 253,479	\$ 184,986	\$ 190,802	\$ 406,930	\$ 444,281	9.18%
Other assets	163,284	198,957	58,165	76,957	221,449	275,914	24.59%
Total Assets	385,228	452,436	243,151	267,759	628,379	720,195	14.61%
Deferred Outflows							
Deferred Outflows Related to Pension	2,310	2,329	288	316	2,598	2,645	1.81%
Liabilities:							
Current liabilities	18,929	22,361	3,097	3,987	22,026	26,348	19.62%
Long-term liabilities	11,657	7,837	19,139	17,171	30,796	25,008	-18.79%
Total Liabilities	30,586	30,198	22,236	21,158	52,822	51,356	-2.78%
Deferred Inflows							
Deferred Inflows Related to Pension	630	3,317	86	418	716	3,735	421.65%
Net Position:							
Net Investment in Capital Assets	218,894	250,605	156,963	174,059	375,857	424,664	12.99%
Restricted	103,965	122,950	1,651	1,653	105,616	124,603	17.98%
Unrestricted	33,463	47,696	62,503	70,785	95,966	118,481	23.46%
Total Net Position	\$ 356,322	\$ 421,251	\$ 221,117	\$ 246,497	\$ 577,439	\$ 667,748	15.64%

At the end of the fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. Combined net position of the primary government increased by 15.6 percent this year, from \$577.4 million at June 30, 2021 to \$667.7 million at June 30, 2022.

Although the net position of the City's business-type activities are \$246.5 million, the City generally can only use unrestricted net position to finance the continuing operations of the business-type activities.

Changes in net position

The City's total program expenses of \$61.9 million are less than the total revenues of \$152.2 million for an increase in net position as of June 30, 2022 of \$90.3 million. The table on the next page shows the summarized revenues and expenses for both fiscal years 2020/21 and 2021/22.

The City's fiscal year 2021/22 change in net position was 39.5 percent higher than fiscal year 2020/21, due to an increase of 19.4 percent in total revenues and a decrease of 1.5 percent in total expenditures in fiscal year 2021/22. The expenditure decrease is largely found in the governmental activities, which is a result of operating savings in the area.

Governmental program activities and general revenues of \$117.7 million and transfers out of \$5.8 million, supported expenses of \$46.9 million, for a total net increase in net position in tax-supported activities of \$64 million. The reason for the increase in the governmental net position is due to an increase in one-time capital contributions from development activity.

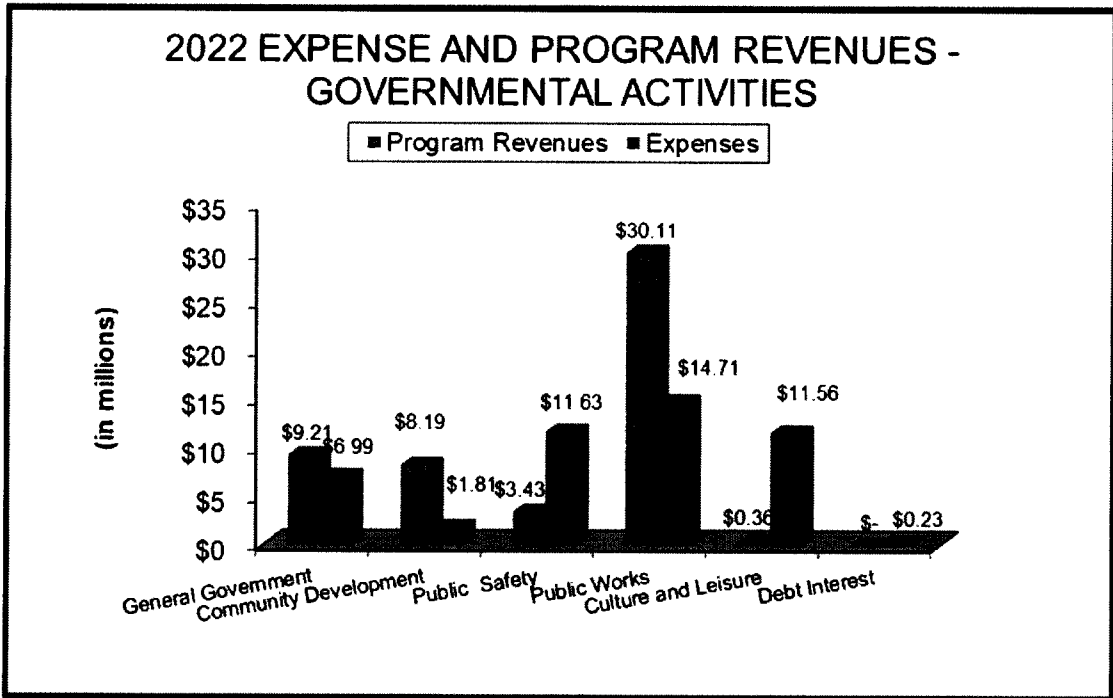
Business-type activities revenues of \$34.5 million supported expenses of \$14.9 million and transfers in of \$5.8 million, for a total change in net position in utility enterprise activities of \$25.4 million. The reason for the increase in the business-type net position is due to the continued growth of the City's customer base paired with developer contributions of capital assets. The increase of net position of \$25.4 million is available for future water and sewer improvement needs as required by projected City population increases and development needs.

**City of Lathrop Changes in Net Position
For the Fiscal Years Ended June 30
(in Thousands)**

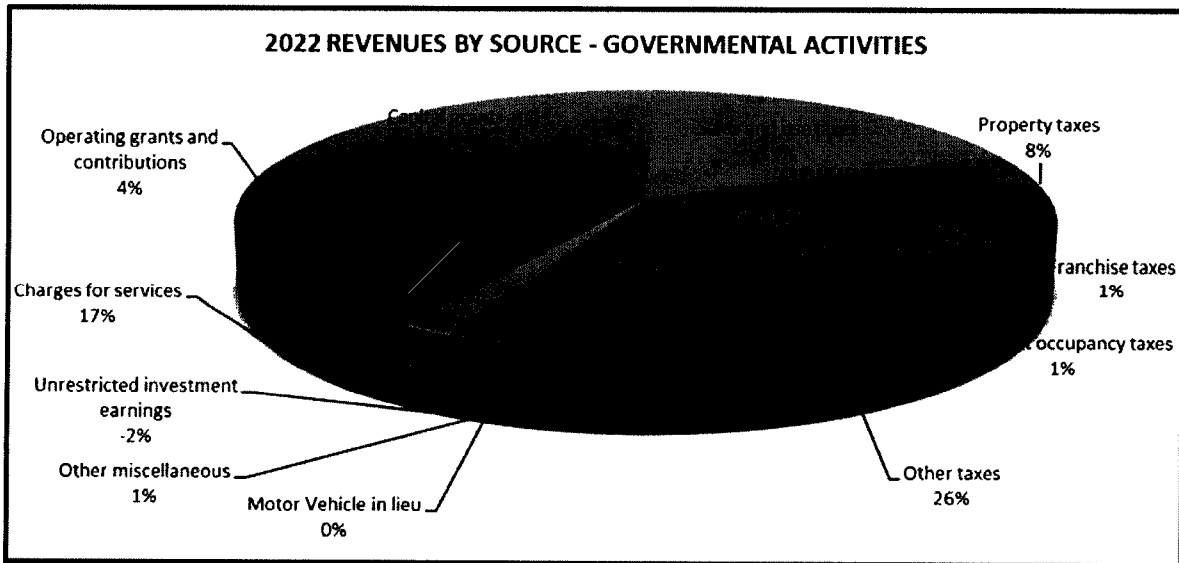
	Governmental Activities		Business-Type Activities		Total Primary Government		Total Percent Change
	2021	2022	2021	2022	2021	2022	
Revenues:							
<i>Program revenues:</i>							
Charges for services	\$ 14,791	\$ 20,692	\$ 19,016	\$ 19,900	\$ 33,807	\$ 40,592	20.07%
Operating grants and contributions	2,710	5,237	-	-	2,710	5,237	93.25%
Capital grants and contributions	16,740	25,390	6,863	4,993	23,603	30,383	28.73%
<i>General revenues:</i>							
Sales and use taxes	18,190	22,602	-	-	18,190	22,602	24.26%
Property taxes	8,613	9,738	-	-	8,613	9,738	13.06%
Franchise taxes	1,531	1,640	5,692	9,461	7,223	11,101	53.69%
Transient occupancy taxes	739	1,041	-	-	739	1,041	40.87%
Other taxes	30,621	32,094	-	-	30,621	32,094	
Other miscellaneous	945	1,344	-	5	945	1,349	42.75%
Unrestricted investment earnings	701	(2,101)	364	216	1,065	(1,885)	-277.00%
Total Revenues	95,581	117,677	31,935	34,575	127,516	152,252	19.40%
Expenses:							
<i>Governmental activities:</i>							
General government	6,544	6,994	-	-	6,544	6,994	6.88%
Community development	8,228	1,805	-	-	8,228	1,805	-78.06%
Public safety	11,729	11,628	-	-	11,729	11,628	-0.86%
Public works	19,893	14,711	-	-	19,893	14,711	-26.05%
Culture and leisure	1,466	11,559	-	-	1,466	11,559	688.47%
Interest on long-term debt	241	234	-	-	241	234	-2.90%
<i>Business-type activities:</i>							
Water enterprise	-	-	6,767	7,099	6,767	7,099	4.91%
Sewer enterprise	-	-	7,926	7,854	7,926	7,854	-0.91%
Total expenses	48,101	46,931	14,693	14,953	62,794	61,884	-1.45%
Excess before transfers	47,480	70,746	17,242	19,622	64,722	90,368	39.62%
Transfers	1,778	(5,818)	(1,778)	5,818	-	-	
Change in Net Position	49,258	64,928	15,464	25,440	64,722	90,368	39.62%
Net Position - Beginning	309,230	356,322	205,506	221,117	514,736	577,439	12.18%
Prior Period Adjustment	(2,166)	-	147	-	(2,019)	-	-
Net Position, Beginning, Restated	307,064	356,322	205,653	221,117	512,717	577,439	12.62%
Net Position - Ending	\$ 356,322	\$ 421,251	\$ 221,117	\$ 246,557	\$ 577,439	\$ 667,808	15.65%

Governmental Activities

Following are illustrative summaries of governmental activities separating program revenues and expenses. The difference between the program revenue and expense bars by activity illustrates the amount the respective activity is supported by general revenues (e.g. taxes or investment earnings).



Normally, governmental funds' expenditures match or exceed program revenues. Under full accrual accounting, developer contributions are program revenues, yet their contributed assets are not shown as a corresponding expense on the City's financial statements. Program revenues for public works excluding infrastructure contributions resulted in expenditures in excess of revenues. General government services delivery costs exceeded program revenues by \$4.4 million.



Revenues and expenditures in the governmental funds continue to increase as the population of Lathrop has grown. Property tax revenue is a major revenue source for the General Fund. During fiscal year 2021/22, property tax revenues increased by \$1.1 million.

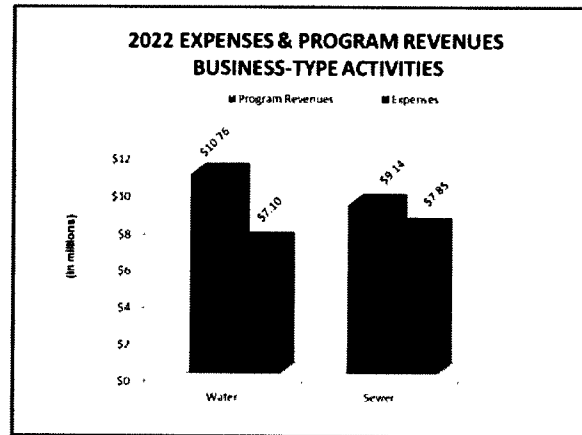
The following table shows the cost of the City's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs. The cost of all governmental activities this year was \$46.9 million. The net cost of all services indicates that the overall cost of government is less than revenue generated to support it. However, the higher revenue reflected in FY2021/22 is due to the contributions from developer built capital improvement projects.

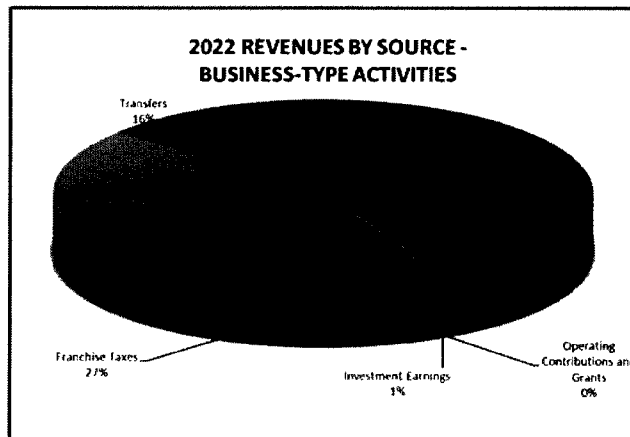
**City of Lathrop Net Cost of Governmental Activities
For the Fiscal Years Ended June 30
(in Thousands)**

	Total Cost of Services			Net (Expense) Revenue of Services		
	2021	2022	Percent Change	2021	2022	Percent Change
General government	\$ 6,545	\$ 6,994	6.86%	\$ 1,320	\$ 2,218	68.03%
Community development	8,228	1,805	-78.06%	(4,167)	6,389	-253.32%
Public safety	11,730	11,628	-0.87%	(11,282)	(8,194)	-27.37%
Public works	19,893	14,711	-26.05%	1,850	15,404	732.65%
Culture and leisure	1,466	11,559	688.47%	(1,342)	(11,196)	734.28%
Other	241	234	-2.90%	(241)	(234)	-2.90%
Total	\$ 48,103	\$ 46,931	-2.44%	\$ (13,862)	\$ 4,387	-131.65%

Business-type Activities

Business-type activities increased the City's net position by \$25.4 million. The bar chart below illustrates how total program revenues and expenses compare and includes both current operating and capital categories combined. The pie chart shows the distribution of business-type revenues by category.





Water Fund

The Water Utility Enterprise treats and distributes clean drinking water to Lathrop’s residential and commercial customers and performs repair and maintenance functions of existing water lines, as well as builds additional water distribution systems through its capital improvement master plan.

The bar chart above illustrates program revenues exceeding program expenses by \$3.7 million. In the Water Utility Enterprise Fund, a monthly service availability fee and usage rate is charged to residential and commercial customers to meet the Water Fund’s operating expenses. Under full accrual accounting, developer contributions are program revenues, yet contributed assets are not shown as a corresponding expense. Program revenues excluding developer contributions and bond proceeds were \$10.7 million. This shows operating revenues exceeding operating expenses by \$3.7 million. In February 2016, the City adopted a 5-Year water rate program based on the Water Rate Study findings.

Sewer Fund

The Sewer Utility Enterprise collects and treats sewer for Lathrop’s residential and commercial customers and performs repair and maintenance functions of existing sewer mains, as well as builds additional system capital improvements. In the Sewer Utility Enterprise Fund, a monthly service fee is charged to residential and commercial customers. The bar chart on the previous page illustrates program expenditures exceeding program revenues by \$1.3 million. This signifies that sewer operating income is meeting standard operating and infrastructure renewal and replacement costs. In February 2016, the City adopted a 5-Year sewer rate program based on the Sewer Rate Study findings.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the City’s governmental funds (general, special revenue, and capital project funds) reported combined ending fund balances of \$174.7 million, an increase of \$31.9 million in comparison with the prior fiscal year. Approximately 9.5 percent of this total amount (\$16.7 million) constitutes unassigned

fund balance, which is available for spending, at the City's governing body's discretion. Of the remainder fund balance, \$2.4 million is nonspendable, \$122.9 million is restricted and \$32.7 million is committed and is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the 2022 fiscal year, fund balance of the general fund was \$56.7 million, of which \$17.7 million is unassigned fund balance. The increase in unassigned fund balance of the General Fund for Fiscal Year 2021/22 was due to increase sales and property taxes collected due to the economic recovery from Fiscal Year 2020/21. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Total general fund balance represents 305 percent of total General Fund expenditures of \$18.5 million in 2022. This means the City's general governmental operations could continue for about 37-months without any additional revenue generation.

The Developer Projects fund had an ending fund balance of \$.4 million at June 30, 2022. The monies in this fund are collected from developers for specific projects. The committed fund balance can only be used to fund specific developer projects in future fiscal years.

The Capital Facilities Fees fund had an ending fund balance of \$55.0 million as of June 30, 2022. The monies in this fund are collected from developers for specific projects. The committed fund balance can only be used to fund specific developer projects in future fiscal years.

The Building Safety and Inspection and Development Engineering funds had a combined ending fund balance of \$8.9 million as of June 30, 2022. The monies in these fund are collected from cost recovery fee sources for specific projects and operations associated with the fee nexus. The committed fund balance can only be used to fund specific projects in future fiscal years.

Proprietary funds

The City proprietary funds provide similar information to that which is found in the government-wide financial statements, but in more detail. Each fund's financial transactions, both near-term and historic, are provided in the statement of net position and the statement of revenues, expenses, and changes in net position. In addition, these proprietary funds also present a statement of cash flows.

In Fiscal Year 2021/22, the water utility enterprise fund increased its net position from \$79.9 million to \$88.4 million. Unrestricted net assets at the end of the fiscal year amounted to \$37.3 million, and are available for future capital water system improvements. \$49.4 million of the Water Fund's net position are net investment in capital assets and are not available for liquidation to support operations. The remaining \$1.7 million is restricted to satisfy debt service obligations and covenants.

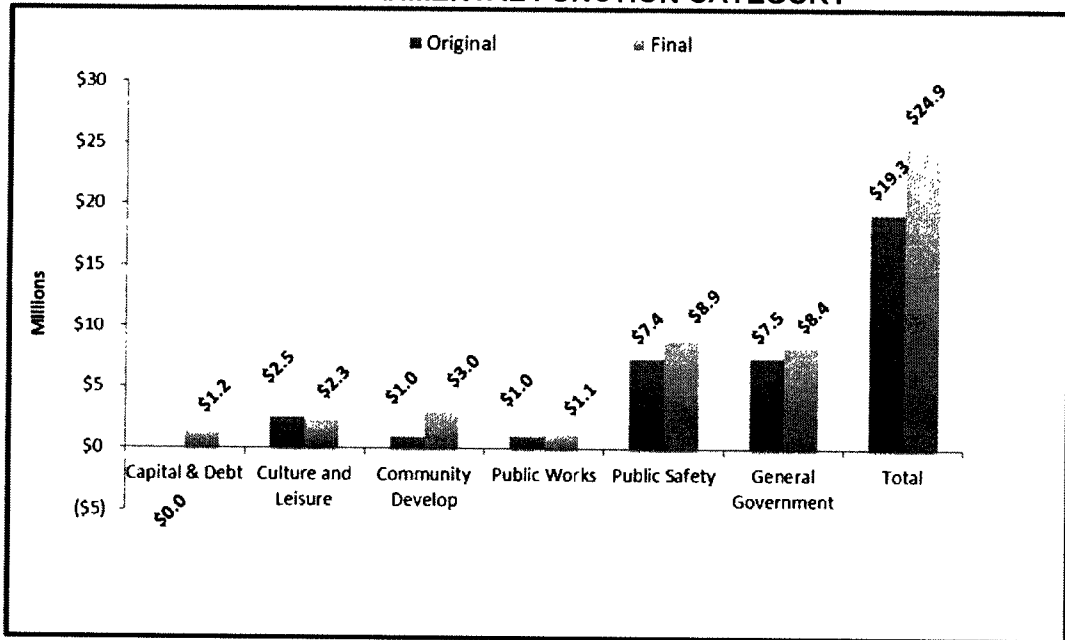
In Fiscal Year 2021/22, the sewer utility fund increased its net position from \$141.2 million to \$158.1 million. Unrestricted net position at the end of the fiscal year amounted to \$33.5 million and, are available for future capital sewer system improvements. \$124.6 million of the Sewer Fund's net position are net investment in capital asset and are not available for liquidation to support operations.

Other factors concerning the finances of these funds have already been reviewed in the discussion of the City's business-type activities. The capital assets section on the following pages will provide additional discussion and analysis of the business-type financial activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During Fiscal Year 2021/22, the General Fund's original budgeted expenditures of \$19.3 million increased to \$24.9 million at Final Amended Budget. Original adopted revenue estimates were \$20.9 million. The table below illustrates the General Fund's original and final budget levels by function of government categories (e.g. Public Works, Community Development, Culture and Leisure) and the total budget levels for Fiscal Year 2021/22.

**GENERAL FUND FISCAL YEAR 2021/22 ORIGINAL AND FINAL BUDGETS
BY GOVERNMENTAL FUNCTION CATEGORY**



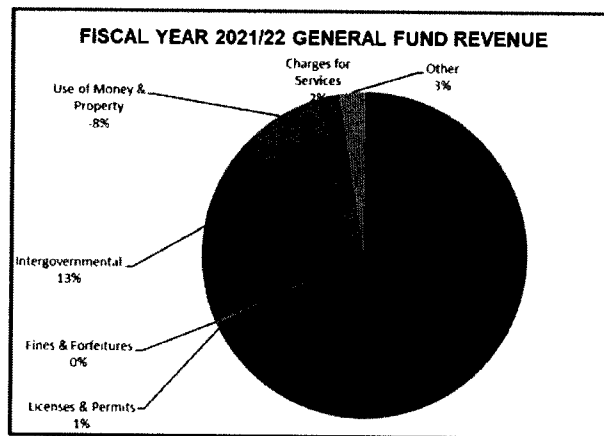
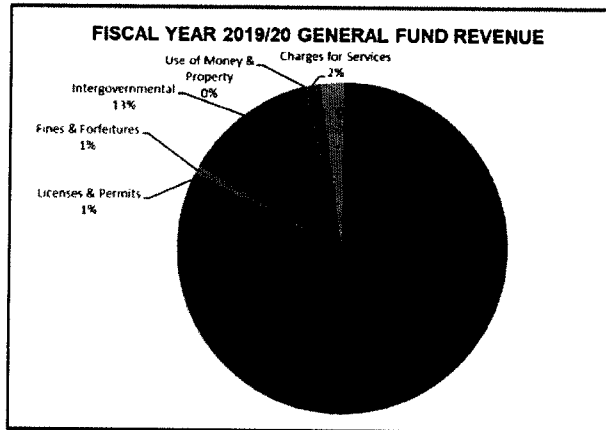
Over the course of the year, the City Council revised the City budget with adjustments that are comprised within the following two categories:

- Changes made in the mid-year report to adjust revenues, augment current year expenditure appropriations, and establish or increase designation of fund balance.
- Other revenue adjustments and expenditure appropriations approved after the original budget is adopted, and before or after the mid-year report is approved.

Amendments to the General Fund increased budgeted expenditures by \$5.5 million and are primarily a result of increased costs to carry out operations for public purposes and the purchase of replacement fleet vehicles. Budgeted General Fund revenues were increased by \$5.8 million to reflect revenues collected through increases in Measure C, Property and Sales Taxes.

After taking these adjustments into account, actual expenditures came in 25 percent below the final budget, at \$18.6 million. Capital Outlay expenditure savings contributed to this reduced spending level. Actual revenues in the General Fund were \$10.5 million higher than the final budget revenue estimate. The result of the higher revenues and significantly lower spending increased the ending fund balance of the General Fund.

The City's General Fund revenue structure slightly changed compared to Fiscal Year 2020/21. The two pie charts below present total actual revenues for Fiscal Years 2020/21 and 2021/22 by revenue category. Total actual taxes comprised 81 percent of total General Fund revenues in Fiscal Year 2020/21 and 67 percent in Fiscal Year 2021/22.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2021/22, the City had \$444.2 million (net of accumulated depreciation) invested in a broad range of capital assets, including equipment, vehicles, buildings, parks, streets, water and sewer transmission and distribution systems. This amount represents a net increase (including additions and deductions) of \$37.3 million, or a 9.2 percent increase, over Fiscal Year 2020/21.

The table below outlines net capital assets by asset-type classification and by governmental or business-type activity.

**City of Lathrop Capital Assets
For Fiscal Years Ended June 30
(net of depreciation)
(in Thousands)**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2022	2021	2022	2021	2022
Capital Assets Not Being Depreciated						
Land	\$ 9,630	\$ 10,560	\$ 3,565	\$ 3,565	\$ 13,195	\$ 14,125
Construction in progress	19,874	21,012	6,190	10,635	26,064	31,647
Depreciable Capital Assets						
Buildings	7,956	20,708	-	-	7,956	20,708
Improvements	50,383	55,425	174,658	176,060	225,041	231,485
Equipment and vehicles	1,486	2,619	575	541	2,061	3,160
Infrastructure	132,616	143,155	-	-	132,616	143,155
Total	\$ 221,945	\$ 253,479	\$ 184,988	\$ 190,801	\$ 406,933	\$ 444,280

This year's major capital additions included:

- Infrastructure \$ 14,768,797
- Water and Sewer Systems Improvements \$ 4,706,352
- Equipment & Vehicles \$ 561,145

More detailed information about the City's capital assets is presented in Note 4 to the financial statements on Pages 56 - 57.

Debt Administration

At the end of the current fiscal year, the City had a total of \$19.5 million in outstanding debt. The total outstanding in the business type activities at June 30, 2022 was \$16.7 million. Overall in Fiscal Year 2021/22, the City's outstanding debt was reduced by \$1.8 million.

**City of Lathrop Outstanding Debt
For Fiscal Years Ended June 30
(in Thousands)**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2022	2021	2022	2021	2022
2017 Bank Loan	\$ -	\$ -	\$ 8,874	\$ 8,178	\$ 8,874	\$ 8,178
State Revolving Fund Loan	-	-	6,010	5,554	6,010	5,554
Compass Bank Loan	-	-	3,384	3,010	3,384	3,010
Capital Loan - City Hall	3,050	2,745	-	-	3,050	2,745
Total	\$ 3,050	\$ 2,745	\$ 18,268	\$ 16,742	\$ 21,318	\$ 19,487

The City continues to maintain its credit ratings on all of its rated debt. Note 6 to the financial statements presents more detail about the debt position of the City on Pages 58 - 60.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council considered many factors when setting the Fiscal Year 2021/22 budget. The City primarily relies on property tax and sales tax revenues to provide services and amenities to the community. Lathrop's population has experienced significant growth. Just last year, the City experienced a 6.3 percent increase in its population making it one of the fastest growing cities in California. While higher population is an exciting sign of growth, the City also recognizes some of the challenges such growth brings in the planning and management of serving our new residents. With City Council's guidance, the City has built strong financial reserves to draw from in unknown times, we have been able to maintain our sound financial position.

In March of 2021, the City Council approved moving forward to establish a new City of Lathrop Police Department. This important decision has not been made quickly; in fact, years of financial analysis have indicated the City can save money and provide more staff in police services tailored to meet the needs of the community. The City Council's decision reflects a commitment to take action when it is in the long-term interest of our citizens.

Over the past decade, the City Council and City staff have focused on ensuring a sustainable economic future for the City of Lathrop supporting steady growth projections for the future. The City has a goal to provide an environment for strong industrial, commercial and residential growth that has resulted in a solid financial foundation. The California State Auditor Office, in its most recent report, has ranked Lathrop in the top 3% of fiscally sound cities, out of 471 cities throughout California. This has been possible because of stability in City Hall staffing, with a skilled and committed City staff team. These factors have positioned the City to be able to stand up a new Police Department to provide services that continue to meet the needs of residents, businesses, schools, community groups and visitors in Lathrop in a cost-effective manner.

Building permit issuance by the City for new residential and commercial development is the key driver used to estimate various revenue streams. These revenues are deposited into various funds. Examples of these revenues include: sales and use taxes on construction materials and equipment; capital facility fees charged to mitigate the impact of new development-driving a need for more parks and street capital investments; system development charges (investment/tap fees) assessed to finance future capital investment for water, sewer, and storm drainage systems.

As mentioned above, the level of single-family dwelling unit building permits issued, measured at 924 in Fiscal Year 2021/22, this level exceeds the 334 issued years earlier in Fiscal Year 2006/07 during the height of the previous housing boom.

These major economic indicators were all considered when adopting the General Fund budget for Fiscal Year 2021/22.

CONTACTING THE CITY FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability and transparency for the money it receives. If you have questions about this report or need additional financial information, contact the City of Lathrop - Finance Department, 390 Towne Centre Drive, Lathrop, California 95330, (209) 941-7320.

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The purpose of the Statement of Net Position and the Statement of Activities is to summarize the entire City's financial activities and financial position.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows and the City's total liabilities and deferred inflows, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows from total assets and deferred outflows and summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue and Capital Projects Funds. Since the City's Internal Service Fund services these Funds, their activities are consolidated with Governmental Activities, after eliminating interfund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities. The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the modified accrual basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the Lathrop Public Facilities Financing Corporation (Corporation). The Corporation is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of these entities.

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CITY OF LATHROP

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$ 188,466,155	\$ 73,744,039	\$ 262,210,194
Receivables:			
Accounts (net of allowance for uncollectibles)	7,965,993	3,928,423	11,894,416
Notes and loans	20,350	-	20,350
Accrued interest	98,274	37,922	136,196
Internal balances	2,405,864	(2,405,864)	-
Restricted assets:			
Cash with fiscal agent	-	1,652,915	1,652,915
Capital assets not being depreciated	31,612,137	14,200,417	45,812,554
Capital assets, net of depreciation	221,867,009	176,601,105	398,468,114
Total Assets	452,435,782	267,758,957	720,194,739
Deferred Outflows of Resources:			
Deferred pension related items	1,760,282	225,752	1,986,034
Deferred OPEB related items	569,133	90,040	659,173
Total Deferred Outflows of Resources	2,329,415	315,792	2,645,207
Liabilities:			
Accounts payable	8,581,249	2,528,410	11,109,659
Accrued liabilities	795,214	-	795,214
Accrued interest	-	101,245	101,245
Unearned revenue	7,160,835	-	7,160,835
Deposits payable	5,823,626	1,058,254	6,881,880
Due to other governments	-	298,787	298,787
Noncurrent liabilities:			
Due within one year			
Compensated absences	314,246	12,230	326,476
Long-term Debt & loans payable	315,000	1,570,205	1,885,205
Leases Payable	37,177	-	37,177
Due in more than one year			
Compensated absences	1,780,728	69,307	1,850,035
Long-term Debt & loans payable	2,430,000	15,171,896	17,601,896
Leases Payable	91,958	-	91,958
Net pension liability	2,653,445	314,215	2,967,660
Net OPEB liability	214,064	33,867	247,931
Total Liabilities	30,197,542	21,158,416	51,355,958
Deferred Inflows of Resources:			
Deferred pension related items	2,488,552	287,454	2,776,006
Deferred OPEB related items	828,089	131,007	959,096
Total Deferred Inflows of Resources	3,316,641	418,461	3,735,102
Net Position:			
Net investment in capital assets	250,605,011	174,059,421	424,664,432
Restricted for:			
Community development	2,088,980	-	2,088,980
Public safety	1,064,058	-	1,064,058
Culture and leisure	1,483,378	-	1,483,378
Public works	117,148,650	-	117,148,650
Capital projects	1,164,924	-	1,164,924
Debt service	-	1,652,915	1,652,915
Unrestricted	47,696,013	70,785,536	118,481,549
Total Net Position	\$ 421,251,014	\$ 246,497,872	\$ 667,748,886

CITY OF LATHROP

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 6,994,053	\$ 9,212,336	\$ -	\$ -
Public safety	11,628,050	139,111	3,295,283	-
Community development	1,805,271	8,161,272	33,200	-
Culture and leisure	11,559,470	363,671	-	-
Public works	14,711,011	2,816,090	1,908,139	25,390,248
Interest on long-term debt	233,740	-	-	-
Total Governmental Activities	46,931,595	20,692,480	5,236,622	25,390,248
Business-Type Activities:				
Water	7,099,213	10,758,681	-	2,947,675
Sewer	7,853,576	9,141,235	-	1,985,352
Total Business-Type Activities	14,952,789	19,899,916	-	4,933,027
Total Primary Government	\$ 61,884,384	\$ 40,592,396	\$ 5,236,622	\$ 30,323,275
General Revenues:				
Taxes:				
Property taxes, levied for general purpose				
Transient occupancy taxes				
Sales taxes				
Franchise taxes				
Other taxes & assessments				
Use of money and property				
Other				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 2,218,283	\$ -	\$ 2,218,283
(8,193,656)	-	(8,193,656)
6,389,201	-	6,389,201
(11,195,799)	-	(11,195,799)
15,403,466	-	15,403,466
(233,740)	-	(233,740)
4,387,755	-	4,387,755
-	6,607,143	6,607,143
-	3,273,011	3,273,011
-	9,880,154	9,880,154
4,387,755	9,880,154	14,267,909
9,737,910	-	9,737,910
1,041,501	-	1,041,501
22,602,105	-	22,602,105
1,640,212	-	1,640,212
32,094,375	9,460,928	41,555,303
(2,101,280)	216,580	(1,884,700)
1,344,184	5,176	1,349,360
(5,818,160)	5,818,160	-
60,540,847	15,500,844	76,041,691
64,928,602	25,380,998	90,309,600
356,322,412	221,116,874	577,439,286
\$ 421,251,014	\$ 246,497,872	\$ 667,748,886

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FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2021. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

DEVELOPER PROJECTS SPECIAL REVENUE FUND

This fund accounts for revenues received and expenditures spent associated with various developer projects.

CAPITAL FACILITY FEE SPECIAL REVENUE FUND

To account for the financial resources associated with the capital facility fees for Traffic Mitigation (includes Regional Traffic), Storm Drain, Culture and Leisure, City Service, and Administration.

BUILDING SAFETY & INSPECTION SPECIAL REVENUE FUND

This fund accounts for building safety and inspection permit fee revenue and activity.

DEVELOPMENT ENGINEERING SPECIAL REVENUE FUND

This fund accounts for the development engineering fee revenue and activity.

DEVELOPER DEPOSITS SPECIAL REVENUE FUND

This fund accounts for the activity relating to developer deposits for development projects ongoing within the City.

STREETS AND ROADS CAPITAL PROJECTS FUND

To account for capital project expenditures related to streets and roads occurring over more than one fiscal year.

CITY OF LATHROP

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	General	Developer Projects	Capital Facility Fees	Building Safety & Inspection
Assets:				
Pooled cash and investments	\$ 49,225,306	\$ 2,905,411	\$ 55,010,991	\$ 13,232,206
Receivables:				
Accounts (net of allowance for uncollectibles)	5,027,580	30,207	4,027	-
Notes and loans	-	-	-	-
Accrued interest	26,082	2,302	27,637	6,693
Due from other funds	28,058	-	-	-
Advances to other funds	2,405,864	-	-	-
Total Assets	\$ 56,712,890	\$ 2,937,920	\$ 55,042,655	\$ 13,238,899
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,701,703	\$ -	\$ 27,776	\$ 281,155
Accrued liabilities	795,214	-	-	-
Unearned revenues	709,697	-	-	3,719,512
Deposits payable	631,964	2,497,309	-	246,753
Due to other funds	-	-	-	-
Total Liabilities	3,838,578	2,497,309	27,776	4,247,420
Fund Balances (Deficits):				
Nonspendable:				
Nonspendable	2,405,864	-	-	-
Restricted	-	440,611	55,014,879	8,991,479
Committed	44,763,906	-	-	-
Unassigned	5,704,542	-	-	-
Total Fund Balances (Deficits)	52,874,312	440,611	55,014,879	8,991,479
Total Liabilities and Fund Balances (Deficits)	\$ 56,712,890	\$ 2,937,920	\$ 55,042,655	\$ 13,238,899

CITY OF LATHROP

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Special Revenue Funds</u>			
	<u>Development Engineering</u>	<u>Developer Deposits</u>	<u>General CIP Projects</u>	<u>Other Governmental Funds</u>
Assets:				
Pooled cash and investments	\$ 10,909,180	\$ 1,420,953	\$ 10,740,734	\$ 43,196,435
Receivables:				
Accounts (net of allowance for uncollectibles)	-	1,022,732	-	1,881,447
Notes and loans	-	-	-	20,350
Accrued interest	5,704	994	6,529	22,333
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	<u>\$ 10,914,884</u>	<u>\$ 2,444,679</u>	<u>\$ 10,747,263</u>	<u>\$ 45,120,565</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 104,332	\$ 720,007	\$ 1,741,187	\$ 4,005,089
Accrued liabilities	-	-	-	-
Unearned revenues	2,731,626	-	-	-
Deposits payable	1,800	2,256,945	-	188,855
Due to other funds	-	-	-	28,058
Total Liabilities	<u>2,837,758</u>	<u>2,976,952</u>	<u>1,741,187</u>	<u>4,222,002</u>
Fund Balances (Deficits):				
Nonspendable:				
Nonspendable	-	-	-	-
Restricted	8,077,126	-	9,006,076	41,419,819
Committed	-	-	-	-
Unassigned	-	(532,273)	-	(521,256)
Total Fund Balances (Deficits)	<u>8,077,126</u>	<u>(532,273)</u>	<u>9,006,076</u>	<u>40,898,563</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 10,914,884</u>	<u>\$ 2,444,679</u>	<u>\$ 10,747,263</u>	<u>\$ 45,120,565</u>

CITY OF LATHROP

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Total Governmental Funds</u>
Assets:	
Pooled cash and investments	\$ 186,641,216
Receivables:	
Accounts (net of allowance for uncollectibles)	7,965,993
Notes and loans	20,350
Accrued interest	98,274
Due from other funds	28,058
Advances to other funds	<u>2,405,864</u>
Total Assets	<u>\$ 197,159,755</u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 8,581,249
Accrued liabilities	795,214
Unearned revenues	7,160,835
Deposits payable	5,823,626
Due to other funds	<u>28,058</u>
Total Liabilities	<u>22,388,982</u>
Fund Balances (Deficits):	
Nonspendable:	
Nonspendable	2,405,864
Restricted	122,949,990
Committed	44,763,906
Unassigned	<u>4,651,013</u>
Total Fund Balances (Deficits)	<u>174,770,773</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 197,159,755</u>

CITY OF LATHROP

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund balances of governmental funds		\$ 174,770,773
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		253,479,146
Long-term debt and compensated absences that are not due and payable in the current period, and therefore, are not reported in the funds:		
Long-term debt payable	\$ (2,745,000)	
Lease Liabilities	(129,135)	
Compensated absences	<u>(270,035)</u>	(3,144,170)
Deferred outflows related to the net pension liability:		
Differences between expected & actual experience	297,362	
Adjustment due to differences in proportions	399,099	
Net difference between projected and actual earnings on pension plan investments	171,417	
Contributions made subsequent to measurement date	<u>892,404</u>	1,760,282
Deferred inflows related to the net pension liability:		
Difference in actual to proportionate share contribution	(260,100)	
Changes of assumptions	<u>(2,228,452)</u>	(2,488,552)
Net pension liability		(2,653,445)
Deferred outflows related to the net OPEB liability:		
Changes of assumptions	19,242	
Net difference between projected and actual earnings on OPEB plan investments	97,572	
Contributions made subsequent to measurement date	<u>452,319</u>	569,133
Deferred inflows related to the net OPEB liability:		
Differences between expected & actual experience	(287,216)	
Changes of assumptions	<u>(540,873)</u>	(828,089)
Net OPEB liability		(214,064)
Net Position of Governmental Activities		<u>\$ 421,251,014</u>

CITY OF LATHROP

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	General	Developer Projects	Capital Facility Fees	Building Safety & Inspection
Revenues:				
Taxes and assessments	\$ 31,794,406	\$ -	\$ 21,211,818	\$ -
Licenses and permits	330,991	-	-	-
Intergovernmental	5,813,592	-	-	-
Charges for services	711,444	-	-	7,466,065
Use of money and property	(2,534,483)	23,538	162,902	37,419
Fines and forfeitures	99,871	-	-	-
Developer participation	-	9,535,249	-	-
Miscellaneous	804,209	-	-	14,221
Total Revenues	37,020,030	9,558,787	21,374,720	7,517,705
Expenditures:				
Current:				
General government	7,124,908	-	-	-
Public safety	7,122,399	-	-	-
Community development	1,687,299	-	-	-
Culture and leisure	1,655,832	-	-	-
Public works	949,071	-	243,763	2,369,205
Capital outlay	1,636,478	-	-	-
Debt service:				
Principal retirement	305,000	-	-	-
Lease principal retirement	47,316	-	-	-
Interest and fiscal charges	73,886	-	-	-
Total Expenditures	20,602,189	-	243,763	2,369,205
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,417,841	9,558,787	21,130,957	5,148,500
Other Financing Sources (Uses):				
Transfers in	6,102,401	-	-	-
Transfers out	(9,410,896)	(10,150,279)	(7,608,980)	(404,270)
Lease proceeds	137,918	-	-	-
Total Other Financing Sources (Uses)	(3,170,577)	(10,150,279)	(7,608,980)	(404,270)
Net Change in Fund Balances	13,247,264	(591,492)	13,521,977	4,744,230
Fund Balances, Beginning of Year	39,627,048	1,032,103	41,492,902	4,247,249
Fund Balances (Deficit), End of Year	\$ 52,874,312	\$ 440,611	\$ 55,014,879	\$ 8,991,479

CITY OF LATHROP

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds		Capital Project Funds	
	Development Engineering	Developer Deposits	General CIP Projects	Other Governmental Funds
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 14,109,879
Licenses and permits	-	-	-	55,475
Intergovernmental	-	-	-	4,281,195
Charges for services	5,681,724	-	-	-
Use of money and property	32,257	6,204	39,099	131,784
Fines and forfeitures	-	-	-	1,488,745
Developer participation	-	1,086,202	-	-
Miscellaneous	102,475	-	-	423,279
Total Revenues	5,816,456	1,092,406	39,099	20,490,357
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	4,430,454
Community development	1,082	-	-	34,504
Culture and leisure	-	-	-	1,749,641
Public works	2,329,580	861,155	1,712,768	8,151,874
Capital outlay	-	-	18,930,484	3,700,676
Debt service:				
Principal retirement	-	-	-	-
Lease principal retirement	-	-	-	-
Interest and fiscal charges	-	159,854	-	-
Total Expenditures	2,330,662	1,021,009	20,643,252	18,067,149
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,485,794	71,397	(20,604,153)	2,423,208
Other Financing Sources (Uses):				
Transfers in	-	-	10,084,494	10,228,750
Transfers out	-	-	-	(4,659,380)
Lease proceeds	-	-	-	-
Total Other Financing Sources (Uses)	-	-	10,084,494	5,569,370
Net Change in Fund Balances	3,485,794	71,397	(10,519,659)	7,992,578
Fund Balances, Beginning of Year	4,591,332	(603,670)	19,525,735	32,905,985
Fund Balances (Deficit), End of Year	\$ 8,077,126	\$ (532,273)	\$ 9,006,076	\$ 40,898,563

CITY OF LATHROP

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Total Governmental Funds</u>
Revenues:	
Taxes and assessments	\$ 67,116,103
Licenses and permits	386,466
Intergovernmental	10,094,787
Charges for services	13,859,233
Use of money and property	(2,101,280)
Fines and forfeitures	1,588,616
Developer participation	10,621,451
Miscellaneous	1,344,184
	<u>102,909,560</u>
Total Revenues	
Expenditures:	
Current:	
General government	7,124,908
Public safety	11,552,853
Community development	1,722,885
Culture and leisure	3,405,473
Public works	16,617,416
Capital outlay	24,267,638
Debt service:	
Principal retirement	305,000
Lease principal retirement	47,316
Interest and fiscal charges	233,740
	<u>65,277,229</u>
Total Expenditures	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>37,632,331</u>
Other Financing Sources (Uses):	
Transfers in	26,415,645
Transfers out	(32,233,805)
Lease proceeds	137,918
	<u>(5,680,242)</u>
Total Other Financing Sources (Uses)	
Net Change in Fund Balances	31,952,089
Fund Balances, Beginning of Year	<u>142,818,684</u>
Fund Balances (Deficit), End of Year	<u>\$ 174,770,773</u>

CITY OF LATHROP

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds \$ 31,952,089

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	\$ 25,622,100	
Developer contributions	14,768,797	
Depreciation	<u>(8,985,289)</u>	31,405,608

Repayment of long-term debt and leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments on long-term debt	305,000
Proceeds from the issuance of leases	-

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

46,609

Pension obligation expenses are expenditures in governmental funds, but reduce the net pension liability in the statement of net position.

872,246

OPEB obligation expenses are expenditures in governmental funds, but reduce the net OPEB liability in the statement of net position.

347,050

Change in Net Position of Governmental Activities

\$ 64,928,602

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MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

ENTERPRISE FUNDS:

Water Fund

This fund accounts for the revenues and expenses of the City's water operations.

Sewer Fund

This fund accounts for the revenues and expenses of the City's sewer operations.

NONMAJOR INTERNAL SERVICE FUND

INTERNAL SERVICE FUND:

Compensated Absences Fund

This fund accounts for compensated absences activities, which are provided to other departments on a cost-reimbursement basis.

CITY OF LATHROP

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Compensated Absences Internal Service Fund
Assets:				
Current:				
Cash and investments	\$ 37,869,247	\$ 35,874,792	\$ 73,744,039	\$ 1,824,939
Receivables:				
Accounts	2,460,375	1,468,048	3,928,423	-
Accrued interest	19,356	18,566	37,922	-
Restricted:				
Cash with fiscal agent	1,652,915	-	1,652,915	-
Total Current Assets	42,001,893	37,361,406	79,363,299	1,824,939
Noncurrent:				
Capital assets, not being depreciated	3,877,263	10,323,154	14,200,417	-
Capital assets, net of depreciation	62,320,658	114,280,447	176,601,105	-
Total Noncurrent Assets	66,197,921	124,603,601	190,801,522	-
Total Assets	108,199,814	161,965,007	270,164,821	1,824,939
Deferred Outflows of Resources:				
Deferred pension related items	139,492	86,260	225,752	-
Deferred OPEB related items	55,016	35,024	90,040	-
Total Deferred Outflows of Resources	194,508	121,284	315,792	-
Liabilities:				
Current:				
Accounts payable	1,287,661	1,240,749	2,528,410	-
Accrued interest	101,245	-	101,245	-
Deposits payable	1,026,966	31,288	1,058,254	-
Due to other governments	298,787	-	298,787	-
Accrued compensated absences	8,200	4,030	12,230	273,741
Loans payable	1,570,205	-	1,570,205	-
Total Current Liabilities	4,293,064	1,276,067	5,569,131	273,741
Noncurrent:				
Advances from other funds	-	2,405,864	2,405,864	-
Accrued compensated absences	46,466	22,841	69,307	1,551,198
Net pension liability	188,408	125,807	314,215	-
Net OPEB liability	20,693	13,174	33,867	-
Loans payable	15,171,896	-	15,171,896	-
Total Noncurrent Liabilities	15,427,463	2,567,686	17,995,149	1,551,198
Total Liabilities	19,720,527	3,843,753	23,564,280	1,824,939
Deferred Inflows of Resources:				
Deferred pension related items	176,700	110,754	287,454	-
Deferred OPEB related items	80,048	50,959	131,007	-
Total Deferred Inflows of Resources	256,748	161,713	418,461	-
Net Position:				
Net investment in capital assets	49,455,820	124,603,601	174,059,421	-
Restricted for debt service	1,652,915	-	1,652,915	-
Unrestricted	37,308,312	33,477,224	70,785,536	-
Total Net Position	\$ 88,417,047	\$ 158,080,825	\$ 246,497,872	\$ -

See Notes to Financial Statement.

CITY OF LATHROP

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Compensated Absences Internal Service Fund
Operating Revenues:				
Sales and service charges	\$ 10,758,681	\$ 9,141,235	\$ 19,899,916	\$ -
Other income	5,176	-	5,176	-
Total Operating Revenues	10,763,857	9,141,235	19,905,092	-
Operating Expenses:				
General and administrative	933,092	565,289	1,498,381	-
Maintenance and operations	3,828,030	4,204,012	8,032,042	-
Depreciation expense	1,830,469	3,084,275	4,914,744	-
Total Operating Expenses	6,591,591	7,853,576	14,445,167	-
Operating Income (Loss)	4,172,266	1,287,659	5,459,925	-
Nonoperating Revenues (Expenses):				
Taxes and assessments	3,192,522	6,268,406	9,460,928	-
Investment earnings	117,334	99,246	216,580	-
Interest expense	(507,622)	-	(507,622)	-
Contributions	2,947,675	1,985,352	4,933,027	-
Total Nonoperating Revenues (Expenses)	5,749,909	8,353,004	14,102,913	-
Income (Loss) Before Transfers	9,922,175	9,640,663	19,562,838	-
Transfers in	6,627,678	14,372,540	21,000,218	-
Transfers out	(8,054,378)	(7,127,680)	(15,182,058)	-
Changes in Net Position	8,495,475	16,885,523	25,380,998	-
Net Position:				
Beginning of Year	79,921,572	141,195,302	221,116,874	-
End of Fiscal Year	\$ 88,417,047	\$ 158,080,825	\$ 246,497,872	\$ -

CITY OF LATHROP

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Compensated Absences Internal Service Fund
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 10,732,125	\$ 8,938,922	\$ 19,671,047	\$ -
Cash paid to suppliers for goods and services	(3,255,065)	(4,032,166)	(7,287,231)	-
Cash paid to employees for services	(1,012,509)	(622,307)	(1,634,816)	-
Cash received from (payments to) others	5,176	-	5,176	288,924
Net Cash Provided (Used) by Operating Activities	6,469,727	4,284,449	10,754,176	288,924
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	6,627,678	14,372,540	21,000,218	-
Cash transfers out	(8,054,378)	(7,127,680)	(15,182,058)	-
Repayment made to other funds	-	(532,559)	(532,559)	-
Taxes and assessments	3,192,522	6,268,406	9,460,928	-
Advance to other funds	-	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	1,765,822	12,980,707	14,746,529	-
Cash Flows from Capital and Related Financing Activities:				
Capital contributions	2,947,675	1,985,352	4,933,027	-
Acquisition and construction of capital assets	(4,135,129)	(6,595,052)	(10,730,181)	-
Principal paid on capital debt	(1,526,152)	-	(1,526,152)	-
Interest paid on capital debt	(507,622)	-	(507,622)	-
Net Cash Provided (Used) by Capital and Related Financing Activities:	(3,221,228)	(4,609,700)	(7,830,928)	-
Cash Flows from Investing Activities:				
Interest received	107,179	87,342	194,521	-
Net Cash Provided (Used) by Investing Activities	107,179	87,342	194,521	-
Net Increase (Decrease) in Cash and Cash Equivalents	5,121,500	12,742,798	17,864,298	288,924
Cash and Cash Equivalents at Beginning of Year	34,400,662	23,131,994	57,532,656	1,536,015
Cash and Cash Equivalents at End of Year	\$ 39,522,162	\$ 35,874,792	\$ 75,396,954	\$ 1,824,939
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 4,172,266	\$ 1,287,659	\$ 5,459,925	\$ -
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,830,469	3,084,275	4,914,744	-
(Increase) decrease in accounts receivable	(171,306)	(202,313)	(373,619)	-
Increase (decrease) in accounts payable	572,965	171,846	744,811	-
Increase (decrease) in deposits payable	144,750	-	144,750	-
Increase (decrease) in compensated absences	9,672	3,166	12,838	288,924
Total Adjustments	2,297,461	2,996,790	5,294,251	288,924
Net Cash Provided (Used) by Operating Activities	\$ 6,469,727	\$ 4,284,449	\$ 10,754,176	\$ 288,924
Non-Cash Investing, Capital, and Financing Activities:				
Accrued interest adjustment	\$ -	\$ -	\$ -	\$ -

See Notes to Financial Statement.

FIDUCIARY FUNDS

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments, that are not held in a trust or equivalent arrangement. The financial activities of these funds are excluded from the Entity-wide financial statements but are presented in separate Fiduciary Fund financial statements.

CITY OF LATHROP

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022

	<u>Custodial Funds</u>
Assets:	
Pooled cash and investments	\$ 5,847,920
Receivables:	
Accrued interest	2,145
Restricted assets:	
Cash and investments with fiscal agents	<u>3,298,580</u>
Total Assets	<u>10,833,688</u>
Liabilities:	
Accounts payable	162,108
Deposits payable	30,747
Due to other governments	<u>6,343,635</u>
Total Liabilities	<u>6,536,490</u>
Net Position (Deficit):	
Restricted for:	
Individuals, organizations and other governments	<u>4,297,198</u>
Total Net Position (Deficit)	<u>\$ 4,297,198</u>

CITY OF LATHROP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2022

	<u>Custodial Funds</u>
Additions:	
Collections for assessment districts	\$ 6,342,475
Investment earnings	10,609
	<hr/>
Total Additions	6,353,084
	<hr/>
Deductions:	
Administrative expenses	62,214
Contractual services	87,528
Interest expense	5,568,196
	<hr/>
Total Deductions	5,717,938
	<hr/>
Changes in Net Position	635,146
Net Position - Beginning of the Year	(66,113,260)
Restatements	69,775,312
	<hr/>
Net Position (Deficit) - Beginning of the Year, as restated	3,662,052
	<hr/>
Net Position (Deficit) - End of the Year	\$ 4,297,198
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CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The City of Lathrop, California, (the City) was incorporated July 1, 1989, under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: general government, public safety, public ways and facilities/transportation, culture and leisure, and public utilities.

The financial statements of the primary government of the City of Lathrop include the activities of the City as well as the Lathrop Public Facilities Financing Corporation, which is controlled by and dependent on the City. While it is a separate legal entity, its financial activities are integral to those of the City. Its financial activities have been aggregated and merged (termed "blending") with those of the primary government of the City in the accompanying financial statements.

On April 11, 2000, the City Council formed the Lathrop Public Facilities Financing Corporation (Corporation), a non-profit public benefit corporation. The Corporation was formed to assist the City in financing the acquisition, construction, and improvement of municipal facilities. The Corporation is also empowered to acquire property. The Corporation is governed by a Board of Directors consisting of the City Council members.

b. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its component unit). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

c. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

Developers Projects Special Revenue Fund

This fund accounts for developer paid fees restricted to/committed expenditures associated with various developer projects.

Capital Facility Fees Special Revenue Fund

To account for the financial resources associated with the capital facility fees for Traffic Mitigation (includes Regional Traffic), Storm Drain, Culture and Leisure, City Service, and Administration.

Buildings Safety & Inspection Special Revenue Fund

This fund accounts for building safety and inspection permit fee revenue and activity.

Development Engineering Special Revenue Fund

This fund accounts for the development engineering fee revenue and activity.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Developer Deposits Special Revenue Fund

This fund accounts for the activity relating to developer deposits for development projects ongoing within the City.

General CIP Projects Fund

To account for capital project expenditures related to streets and roads occurring over more than one fiscal year.

The City reported both of its enterprise funds as major funds in the accompanying financial statements:

Water Fund

This fund accounts for the revenues and expenses of the City's water operations.

Sewer Fund

This fund accounts for the revenues and expenses of the City's sewer operations.

The City also reports the following fund types:

Internal Service Fund

The fund accounts for compensated absences activities, which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds

Custodial funds are used to account for assets held by the City as a custodian for certain special assessment districts. The financial activities of these funds are excluded from the entity-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

d. Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund, sewer fund, and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted Net Position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

Those revenues susceptible to accrual are use of money and property revenue, charges for services and fines and penalties. Sales taxes collected and held by the State at year-end on behalf of the City also are recognized as revenue.

e. Property Tax

The City's property taxes are levied each July 1, on the assessed values as of the prior January 1 for all real and personal property located in the City. Property sold after the assessment date (January 1) is reassessed and the amount of property tax levied is prorated.

The City has elected to receive property taxes from the County of San Joaquin (County) under the Teeter Plan. Under this program, the City receives 100% of the levied property taxes in periodic payments with the County assuming responsibility for delinquencies. Secured property taxes are due in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31. The City accrues only taxes which are received from the County within 60 days after fiscal year end.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

f. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

g. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

h. Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available.

i. Prepaid Expenses

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

j. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at the estimated acquisition value on the date contributed. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The City's policy is to capitalize all capital assets with costs exceeding certain minimum thresholds.

The City has recorded all its public domain (infrastructure) capital assets placed in service, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Generally accepted accounting principles require that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the cost of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Buildings	10 - 30 years
Improvements	5 - 50 years
Equipment and Vehicles	5 - 30 years
Infrastructure	5 - 40 years

The City capitalizes all capital assets with a useful life of more than one year. Prior to July 1, 2019, the City capitalized all capital assets with a cost greater than \$3,000. Subsequent to that date, the City capitalizes all land purchases and all other capital assets as follows:

Land Improvements	\$ 50,000
Buildings	50,000
Building Improvements	50,000
Infrastructure	50,000
Equipment, Furniture and Vehicles	10,000
Intangible Assets	10,000
Leasehold Improvements	50,000
Construction in Progress for Year End Reporting	50,000 will exceed at completion

k. Compensated Absences

City employees accumulate earned but unused vacation which can be converted to cash at termination of employment. For governmental funds, a liability for these amounts is recorded only if they have matured, for example, as a result of employee resignations and retirements. The remaining amounts are reported as a liability in the Statement of Net Position. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

i. Long Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements the face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

m. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

n. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

o. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

p. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

q. Net Position and Fund Balance

Net Position

Net position is the excess of all the City's assets all deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined only at the Government-wide level, and business type activities and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets and related deferred inflow of resources.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

Fund Balance

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Council's highest level of decision-making authority. The City Council can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. The Authority for assigning fund balance is expressed by the City Council or its designee (i.e., City Manager), as established in the City's Reserve Policy. This category includes nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Further detail about the City's fund balance classification is described in Note 8.

r. New, Closed and Renamed Funds

The following funds were established during the fiscal year:

The State Grants Special Revenue Fund is used to account for state grant expenditures and related activities.

s. New Accounting Pronouncement

In FY 2020/21, the City of Lathrop implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with Custodial Funds. Under this guidance, all fiduciary funds will now report a net position and a statement of changes in net position. Implementation of this guidance resulted in reclassification of several programs in governmental activities to fiduciary activities and the creation of additional funds to account for these programs. The change in accounting principle resulted in a prior period adjustment in the amount of \$(67,638,062) being reported for the custodial funds in the Statement of Changes in Fiduciary Net Position, and of \$(1,369,020) in the Statement of Revenues, Expenditures and Changes in Fund Balances.

In FY 2020/21, the City of Lathrop adopted the provisions of GASB Statement No. 98, *the Annual Comprehensive Financial Report*. This statement establishes the annual comprehensive financial report and ACFR in generally accepted accounting principles (GAAP) for state and local governments and eliminates the prior name and acronym.

The following pronouncements have been postponed as a temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic and the new effective date are reflected in the following fiscal years:

GASB 87 – Leases – The requirements of this statement are effective for reporting periods beginning on or after June 15, 2021.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments

a. Policies

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

California Law requires banks and savings and loan institutions to pledge government securities with a fair value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the City's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the City's name and places the City ahead of general creditors of the institution pledging the collateral.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Investment income is allocated among funds on the basis of average monthly cash and investment balances in these funds. Interest income on certain investments is allocated based on the source of the investment and legal requirements which apply.

Cash and investments with an original maturity of three months or less are used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

b. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments. Cash and investments as of June 30, 2022, are as follows:

City cash and investments in primary government:	
Cash and investments	\$ 262,210,194
Cash and investments, restricted, with fiscal agents	<u>1,652,915</u>
Total Cash	<u>263,863,109</u>
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments	5,847,920
Cash and investments, restricted, with fiscal agents	<u>3,298,580</u>
Total Fiduciary Funds cash and investments	<u>9,146,500</u>
Total cash and investments	<u>\$ 273,009,609</u>

Cash and Investments as of June 30, 2022, consist of the following:

Cash on hand	\$ 6,260
Cash with financial institutions	113,541,176
Investments	<u>159,462,173</u>
Total Cash and Investments	<u>\$ 273,009,609</u>

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments (Continued)

c. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

The City's investment policy states that all investments and deposits shall be made in accordance to the California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except for the reserve funds from proceeds of debt issues may be invested in permitted investments specified in the indenture of the debt issue. The City has further restricted authorized investments to the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage/ Amount of Portfolio	Maximum Investment in One Issuer	Minimum Credit Ratings
Local Government Bonds	5 years	30%	None	A
State Bonds	5 years	30%	None	A
US Treasury Obligations	5 years	None	None	N/A
US Government Agency Issues	5 years	None	None	N/A
Banker's Acceptance	180 days	40%	30%	A
Commercial Paper, Prime Quality	270 days	25%	10%	A
Negotiable Certificates of Deposit	5 years	30%	None	N/A
Repurchase and Reverse Repurchase Agreements	30 days	None	None	A
Medium - Term Notes	5 years	30%	10%	A
Money Market Funds	N/A	20%	None	AAAm
Mutual Funds	5 years	20%	10%	AAAm
Local Agency Investment Fund ("LAIF")	N/A	None	None	N/A
Joint Power Authority Pool	N/A	None	None	N/A
Supranational Obligations	5 years	30%	None	AA

d. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage/ Amount of Portfolio	Maximum Investment in One Issuer
US Treasury Obligations	None	None	None
US Agency Securities	None	None	None
Mortgage-backed Securities	3 years	None	None
Banker's Acceptance (must be dollar denominated)	360 days	None	None
Certificates of Deposit	None	None	None
Commercial Paper	180 days	None	None
Money Market Funds	N/A	None	None
Local Government Bonds	None	None	None
County Pool	N/A	None	None
Local Agency Investment Fund ("LAIF")	N/A	None	None

e. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	Measurement Input			
	12 Months or Less	13 to 24 Months	25 to 60 Months	Total
U.S. Treasury Obligations	\$ 4,861,830	\$ 25,165,930	\$ 29,078,510	\$ 59,106,270
U.S. Government Agencies Issues	3,255,779	6,833,767	-	10,089,546
Supranational Obligations	1,063,284	589,686	439,434	2,092,404
Local Agency Investment Fund	74,090,622	-	-	74,090,622
Asset Management Program	10,282,387	-	-	10,282,387
Money Market Mutual Funds	2,910,837	-	-	2,910,837
Investments in County Pool	400,986	-	-	400,986
Certificate of Deposit	489,121	-	-	489,121
Total Investments	<u>\$ 97,354,846</u>	<u>\$ 32,589,383</u>	<u>\$ 29,517,944</u>	<u>159,462,173</u>
Cash in Banks and On Hand				113,547,436
Total City Cash and Investments				<u>\$ 273,009,609</u>

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments (Continued)

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2022, these investments have an average maturity of 191 days.

Money market mutual funds are available for withdrawal on demand and at June 30, 2022, have an average maturity of 105 days.

f. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2022:

<i>Investments by Fair Value Level:</i>	Level 1	Level 2	Total
U.S. Treasury Obligations	\$ 59,106,270	\$ -	\$ 59,106,270
U.S. Government Agencies Issues	-	10,089,546	10,089,546
Supranational Obligations	-	2,092,404	2,092,404
Total Investments by Fair Value Level	\$ 59,106,270	\$ 12,181,950	71,288,220
<i>Investments Measured at Amortized Cost:</i>			
Local Agency Investment Fund			74,090,622
Asset Management Program			10,282,387
Money Market Mutual Funds			2,910,837
Investments in County Pool			400,986
Certificates of Deposit			489,121
<i>Cash in Banks and On Hand</i>			113,547,436
Total City Cash and Investments			\$ 273,009,609

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments (Continued)

US Treasury Obligations classified in Level 1 of the fair value hierarchy are valued using a quoted price in an active market for an identical asset. For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker dealer quotes, issuer spreads and benchmark securities, among others. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

g. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2022, as provided by Standard and Poor's, are as follows:

Investment Type	AAAm	AA+	AAA	Total
Supranational Obligations	\$ -	\$ -	\$ 2,092,404	\$ 2,092,404
Money Market Mutual Funds	2,910,837	-	-	2,910,837
Totals	<u>\$ 2,910,837</u>	<u>\$ -</u>	<u>\$ 2,092,404</u>	<u>5,003,241</u>
Not Rated:				
Local Agency Investment Fund				74,090,622
Asset Management Program				10,282,387
Investments in County Pool				400,986
Certificates of Deposit				489,121
Exempt from Credit Rating Disclosure:				
U.S. Government Agencies Issues				10,089,545
US Treasury Obligations				59,106,270
Total Investments				<u>\$ 159,462,172</u>

h. Concentration of Credit Risk

There were no Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, and California Local Agency Investment Funds that represent 5% or more of total City-wide investments at June 30, 2022.

Note 3: Interfund Transactions

a. Long-Term Advances

As of June 30, 2022, the General Fund had advanced \$2,405,864 to the Sewer Enterprise Fund, which was used to cover capital construction and other related costs. The advances will be repaid with future operating revenues, but not within the next fiscal year.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 3: Interfund Transactions (Continued)

b. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2022, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General	\$ 6,102,401	\$ 9,410,896
Developer Projects Special Revenue Fund	-	10,150,279
Capital Facilities Fee Special Revenue Fund	-	7,608,980
Building Safety & Inspection Special Revenue Fund	-	404,270
General CIP Projects Fund	10,084,494	-
Major Enterprise Funds:		
Water	6,627,678	8,054,378
Sewer	14,372,540	7,127,680
Non Major Governmental Funds	10,228,750	4,659,380
Total Interfund Transfers	<u>\$ 47,415,863</u>	<u>\$ 47,415,863</u>

The purposes of the above transfers were to fund operations, capital projects and debt service.

c. Internal Balances

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

d. Due To (From) Other Funds

The City provides short-term interfund loans to cover cash flows which are expected to be repaid within the next year. As of June 30, 2022, Due To (From) Other Funds were as follows:

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	<u>\$ 28,058</u>
		<u>\$ 28,058</u>

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 4: Capital Assets

a. Capital Asset Additions and Retirements

Capital assets activity for the year ended June 30, 2022, is as follows:

Governmental Activities	Balance July 1, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 9,629,503	\$ 970,226	\$ -	\$ -	\$ 10,599,729
Construction in Progress	19,874,190	9,575,854	-	(8,437,636)	21,012,408
Total capital assets not being depreciated	<u>29,503,693</u>	<u>10,546,080</u>	<u>-</u>	<u>(8,437,636)</u>	<u>31,612,137</u>
Capital assets being depreciated/amortized:					
Buildings	11,716,095	12,124,759	-	1,268,699	25,109,553
Improvements	75,019,874	1,378,485	-	7,168,937	83,567,296
Equipment and Vehicles	3,936,970	1,525,460	(18,771)	-	5,443,659
Infrastructure	200,810,823	14,768,797	-	-	215,579,620
Right-to-use Leased Assets	73,010	137,918	-	-	210,928
Total capital assets being depreciated/amortized	<u>291,556,772</u>	<u>29,935,419</u>	<u>(18,771)</u>	<u>8,437,636</u>	<u>329,911,056</u>
Less accumulated depreciation/amortization:					
Buildings	3,759,863	642,090	-	-	4,401,953
Improvements	24,637,182	3,504,885	-	-	28,142,067
Equipment and Vehicles	2,450,664	561,145	(18,771)	-	2,993,038
Infrastructure	68,195,343	4,229,853	-	-	72,425,196
Right-to-use Leased Assets	34,477	47,316	-	-	81,793
Total accumulated depreciation/amortization	<u>99,077,529</u>	<u>8,985,289</u>	<u>(18,771)</u>	<u>-</u>	<u>108,044,047</u>
Net capital assets being depreciated/amortization	<u>192,479,243</u>	<u>20,950,130</u>	<u>-</u>	<u>8,437,636</u>	<u>221,867,009</u>
Governmental Activities Capital Assets, Net	<u>\$ 221,982,936</u>	<u>\$ 31,496,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,479,146</u>
Business-type Activities	Balance July 1, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 3,565,179	\$ -	\$ -	\$ -	3,565,179
Construction in Progress	6,189,191	5,955,289	-	(1,509,242)	10,635,238
Total capital assets not being depreciated	<u>9,754,370</u>	<u>5,955,289</u>	<u>-</u>	<u>(1,509,242)</u>	<u>14,200,417</u>
Capital assets being depreciated:					
Buildings	3,072	-	-	-	3,072
Improvements	229,599,657	4,706,352	-	1,509,242	235,815,251
Equipment and Vehicles	1,574,339	68,540	(12,514)	-	1,630,365
Net capital assets being depreciated	<u>231,177,068</u>	<u>4,774,892</u>	<u>(12,514)</u>	<u>1,509,242</u>	<u>237,448,688</u>
Less accumulated depreciation:					
Buildings	3,028	14	-	-	3,042
Improvements	54,942,438	4,812,310	-	-	59,754,748
Equipment and Vehicles	999,887	102,420	12,514	-	1,089,793
Total accumulated depreciation	<u>55,945,353</u>	<u>4,914,744</u>	<u>12,514</u>	<u>-</u>	<u>60,847,583</u>
Net capital assets being depreciated	<u>175,231,715</u>	<u>(139,852)</u>	<u>-</u>	<u>1,509,242</u>	<u>176,601,105</u>
Business-type Activities Capital Assets, Net	<u>\$ 184,986,085</u>	<u>\$ 5,815,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,801,522</u>

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 4: Capital Assets (Continued)

b. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are required to be accounted for as revenues at the time the capital assets are contributed.

c. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities		
General government	\$	181,386
Community development		201,998
Public safety		155,521
Public works		8,384,712
Culture and leisure		61,672
Total Governmental Activities	\$	8,985,289
Business-Type Activities		
Water	\$	1,830,469
Sewer		3,084,277
Total Business-Type Activities	\$	4,914,746

Note 5: Compensated Absences

The following is a summary of changes in the City's compensated absences for the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Net Change	Balance June 30, 2022	Due within one year
Governmental activities	\$ 1,852,659	\$ 242,315	\$ 2,094,974	\$ 314,246
Business-type activities	68,699	12,838	81,537	12,230
Total	\$ 1,921,358	\$ 255,153	\$ 2,176,511	\$ 326,476

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 6: Loans Payable & Other Long-Term Debt

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

a. The City's Loans Payable & Other Long-Term Debt

The City's long-term debt activities for the year ended June 30, 2022, is as follows:

Governmental Activities Long-Term Debt	Balance June 30, 2020	Retirements	Balance June 30, 2021	Current Portion
Financing Agreement Obligation				
2016 Financing Agreement				
2.55%, due 07/15/2029	\$ 3,050,000	\$ 305,000	\$ 2,745,000	\$ 315,000
Total Governmental Activities	<u>\$ 3,050,000</u>	<u>\$ 305,000</u>	<u>\$ 2,745,000</u>	<u>\$ 315,000</u>
Business-type Activities Long-Term Debt	Balance June 30, 2020	Retirements	Balance June 30, 2021	Current Portion
Capital Loan Obligation				
2017 Bank Loan				
2.89%, due 06/01/2032	\$ 8,873,968	\$ 696,032	\$ 8,177,936	\$ 716,293
State Revolving Fund Loan				
2.3086%, due 07/01/2032	6,010,445	456,317	5,554,128	466,911
Compass Bank Loan				
3.50%, due 06/01/2029	3,383,840	373,803	3,010,037	387,001
Total Business-type Activities	<u>\$ 18,268,253</u>	<u>\$ 1,526,152</u>	<u>\$ 16,742,101</u>	<u>\$ 1,570,205</u>

Debt Service Requirements

Future principal and interest payments on all Governmental and Business-type long-term debt were as follows at June 30, 2022:

	Governmental Activities				Business-Type Activities			
	Direct Borrowings				Direct Borrowings			
	City Hall Loan		2017 Bank Loan		State Revolving Fund Loan		Compass Bank Loan	
For the Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 315,000	\$ 65,981	\$ 716,293	\$ 231,167	\$ 466,911	\$ 125,272	\$ 387,001	\$ 101,999
2024	320,000	57,885	737,145	210,316	483,267	114,306	400,664	88,336
2025	330,000	49,598	758,604	188,857	494,489	103,084	414,810	74,190
2026	340,000	41,055	780,687	166,774	500,217	97,376	429,456	59,544
2027	350,000	32,512	803,412	144,048	511,811	85,763	444,102	44,898
2028 - 2032	1,090,000	42,076	4,381,795	355,510	2,779,626	198,111	934,004	40,600
2033	-	-	-	-	317,807	6,896	-	-
Total	<u>\$ 2,745,000</u>	<u>\$ 289,107</u>	<u>\$ 8,177,936</u>	<u>\$ 1,296,672</u>	<u>\$ 5,554,128</u>	<u>\$ 730,808</u>	<u>\$ 3,010,037</u>	<u>\$ 409,567</u>

Description of the City's Loans Payable & Other Long-Term Debt Issues

2016 Lease Agreement – On June 1, 2016, the City entered into a capital lease with the Lathrop Financing Authority (Authority) for the existing City Hall building, in the amount of \$4,190,000 with a 2.55% annual interest rate. On the same date, the Authority assigned its rights under the lease agreement to Capital One Public Funding, LLC. The proceeds of the capital lease, together with available funds from the City, were used to advance refund the outstanding 2004 Capital Lease Obligation amounted to \$6,640,000. A total of \$6,787,680 was deposited into an irrevocable trust with an

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 6: Loans Payable & Other Long-Term Debt (Continued)

escrow agent to provide funds for the future debt service payment on the refunded 2004 Capital Lease. As a result, the 2004 Capital Lease was considered defeased and the liability for the 2004 Capital Lease has been removed from the Statement of Net Position as of June 30, 2016. On July 15, 2016, the 2004 Capital Lease Obligation was prepaid fully. This advance refunding reduced the City's total debt service payments over 15 years by \$2,901,765 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$950,783. Due to the timing of debt service payments on July 15th of each year, the City prepays the principal and interest.

The 2016 City Hall Lease is secured by the City Hall building at 390 Towne Centre Drive, Lathrop, California. The outstanding lease amount contains a provision that in an event of default, Lathrop Financing Authority may terminate the lease, re-lease all or any portion of the leased property or hold the City liable for the payment of all base rental obligations and be reimbursed for any deficiency arising out of re-leasing the property.

2017 Bank Loan – On May 18, 2017, the City entered into a loan agreement with Opus Bank, in the amount of \$11,455,000 with a 2.89% annual interest rate. The purpose of the loan proceeds is to refinance the 2003 Revenue Bonds. A total of \$11,328,241 was deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded 2003 Bonds. As a result, the 2003 Bonds were considered defeased and the liability for the 2003 Bonds has been removed from the Statement of Net Position as of June 30, 2017. On June 1, 2017, the 2003 Bonds were repaid fully. This refunding reduced the City's total debt service payments over 15 years by \$6,829,468 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,857,309. The interest and principal payments are due June 1 and December 1, commenced December 1, 2017.

State Revolving Fund Loan – The City entered into an agreement with the California Department of Public Health in the amount of \$10,929,000. Funds are for the Water Supply Arsenic Reduction Project. Repayment of this loan started on January 1, 2013. Terms of the note include a twenty-year repayment period and a 2.3% interest rate. Principal and interest payments are to be paid semiannually. The City's net water system revenues have been pledged for the repayment of debt service on loan.

Compass Bank Loan – During fiscal 2011-12, the City entered into a loan agreement with Compass Bank in the amount of \$6,203,000. The proceeds from the loan were used to refund the 2000A Certificates of Participation (2000A COPs). Interest on the Compass Loan is payable semi-annually on December 1 and June 1 of each year through the year 2029. Repayment of this loan started on December 1, 2012.

The 2017 Bank Loan and Compass Bank Loan are secured by a pledge of and lien on the net revenues of the Water System. The outstanding loan amount contains a provision that in an event of default, the loan will bear interest at the default rate, a rate of interest equal to the interest rate plus 3 percent and 5 percent respectively or the outstanding loan amount may become immediately due and payable.

The State Revolving Fund Loan is secured by a promissory note. The outstanding loan amount contains a provision that in an event of default, the State can declare the City's obligation immediately due and payable.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 6: Loans Payable & Other Long-Term Debt (Continued)

For the fiscal year 2022, net revenues of the Water Enterprise Fund amounted to \$4,172,266 which represented coverage of 3.90 over the \$1,069,835 debt service on the 2017 Bank Loan and Compass Bank Loan.

Note 7: Special Assessment Debt Without City Commitment

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2022 is as follows:

Mosssdale Assessment District Refunding 2015	\$ 4,890,000 *
Lathrop Financing Authority Special Tax Revenue Bonds (Mosssdale Village Reassessment District No. 2013-1) 2013 Series	8,105,000
Lathrop Financing Authority Special Tax Revenue Bonds (Community Facilities No. 2003-1) 2013 Series A	5,000,000
Crossroad Assessment District Series 2015	8,960,000
Joint Wastewater Project CFD 2003-2	4,960,000
Lathrop Sanitary Sewer Assessment District No. 1	520,000
City Hall Refinancing	2,745,000
Community Facilities District No. 2018-1	45,640,000 **

*The Mosssdale Assessment District Refunding 2015 bond issue refunded the Mosssdale Village Assessment District No. 03-1 Series 2005 bond issue.

**The Community Facilities District No. 2018-1 and 2018-2 bond issues were issued to restructure and extinguish the Communities Facilities District No. 2006-1.

Note 8: Leases

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2022
SAN Store	11/27/2019	3 years	\$ 2,028	0.00%	\$ 73,010	\$ 10,372
VMWare	1/21/2022	3 years	1,469	0.00%	52,896	45,551
Bl. Server	1/21/2022	3 years	2,362	0.00%	85,022	73,212
Total Lease Agreements						<u>\$ 129,135</u>

The SAN Storage was leased through Hewlett-Packard Financial Services by the Information Systems Department for use by all Departments, beginning in November 27, 2019 for a term of three years at a fixed interest rate of 0.00%. This lease is not renewable and the City maintains the option to acquire the equipment for \$1 at the end of the three year term.

The VMWare was leased through Hewlett-Packard Financial Services by the Information Systems Department for use by all Departments, beginning in January 21, 2022 for a term of three years at a fixed interest rate of 0.00%. This lease is not renewable and the City maintains the option to acquire the equipment for \$1 at the end of the three year term.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 8: Leases (Continued)

The Blade Server was leased through Hewlett-Packard Financial Services by the Information Systems Department for use by all Departments, beginning in January 21, 2022 for a term of three years at a fixed interest rate of 0.00%. This lease is not renewable and the City maintains the option to acquire the equipment for \$1 at the end of the three year term.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending	Principal	Interest
	June 30	
2022	\$ 37,177	\$ -
2023	45,972	-
2024	45,986	-
	<u>\$ 129,135</u>	<u>\$ -</u>

Note 9: Fund Balances

Detailed classifications of the City's fund balances, as of June 30, 2022, are below:

	General Fund	Developer Projects	Capital Facilities Fee	Building Safety & Inspection	Development Engineering	Developer Deposits	General CIP Projects	Other Governmental Funds	Total
Nonspendables:									
Items not in spendable form:									
Advances to other funds	\$ 2,405,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,405,864
Total Nonspendable	<u>2,405,864</u>	-	-	-	-	-	-	-	<u>2,405,864</u>
Restricted for:									
Recycling projects	-	-	-	-	-	-	-	1,131,435	1,131,435
Capital projects	-	440,611	55,014,879	-	-	-	9,006,076	35,670,193	100,131,759
Public safety	-	-	-	8,991,479	-	-	-	1,064,058	10,055,537
Traffic and transportation	-	-	-	-	-	-	-	112,479	112,479
Parks and recreation	-	-	-	-	-	-	-	1,483,378	1,483,378
Streets and roads contracts	-	-	-	-	8,077,126	-	-	1,326,643	9,403,769
Measure K	-	-	-	-	-	-	-	631,633	631,633
Total Restricted	<u>-</u>	<u>440,611</u>	<u>55,014,879</u>	<u>8,991,479</u>	<u>8,077,126</u>	<u>-</u>	<u>9,006,076</u>	<u>41,419,819</u>	<u>122,949,990</u>
Committed to:									
Contingency/emergency	7,045,537	-	-	-	-	-	-	-	7,045,537
Economic stability	1,850,000	-	-	-	-	-	-	-	1,850,000
Capital projects	10,010,189	-	-	-	-	-	-	-	10,010,189
Animal shelter	8,000,000	-	-	-	-	-	-	-	8,000,000
Landscape reserves	1,130,000	-	-	-	-	-	-	-	1,130,000
Retirement stability	3,500,000	-	-	-	-	-	-	-	3,500,000
Water bonds	747,725	-	-	-	-	-	-	-	747,725
Capital equipment	3,324,674	-	-	-	-	-	-	-	3,324,674
Measure C essential city services	5,457,147	-	-	-	-	-	-	-	5,457,147
Economic development	438,896	-	-	-	-	-	-	-	438,896
American Rescue Plan Act	3,259,738	-	-	-	-	-	-	-	3,259,738
Total Committed	<u>44,763,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,763,906</u>
Unassigned:									
Fund deficits	-	-	-	-	-	(532,273)	-	(521,256)	(1,053,529)
Residual fund balance	5,704,542	-	-	-	-	-	-	-	5,704,542
Total Unassigned	<u>5,704,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(532,273)</u>	<u>-</u>	<u>(521,256)</u>	<u>4,651,013</u>
Total Fund Balances	<u>\$ 52,874,312</u>	<u>\$ 440,611</u>	<u>\$ 55,014,879</u>	<u>\$ 8,991,479</u>	<u>\$ 8,077,126</u>	<u>\$ (532,273)</u>	<u>\$ 9,006,076</u>	<u>\$ 40,898,563</u>	<u>\$ 174,770,773</u>

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 9: Fund Balances (Continued)

a. Minimum Fund Balance Policies

The City Council has established a fund balance reserve policy with the adoption of resolution 10-3102 that deemed it desirable for the City to retain a contingency reserve level of 50% of the adjusted appropriation for any given year. The reserve balance shall not be reduced below 10% of the General Fund adjust appropriations. The contingency reserve is allocated to two categories, Economic Uncertainty Reserve and Exposure and Emergency Reserves.

The Economic Uncertainty Reserve consists of 75% of the Contingency Reserve Balance. It will be maintained to minimize the effects of major economic uncertainties, including local disasters, State budget deficits and other severe financial hardships or unforeseen changes in revenues and/or expenditures and will be available for budget stabilization. At June 30, 2022, the Economic Uncertainty Reserve amounted to \$5,284,153.

The Exposure and Emergency Reserves consist of 25% of the Contingency Reserve Balance. Exposure Reserves will be maintained to minimize the immediate financial impact of potential costs not covered by the City's insurance program, such as claim costs within the City's deductibles, major costs associate with disasters and other events which will not be reimbursable by insurance or Federal or State Government. Emergency Reserve will be maintained to minimize all unforeseen events not covered in the Economic Uncertainty Reserve and Exposure Reserves. At June 30, 2022, the Exposure and Emergency Reserves amounted to \$1,761,384.

b. Encumbrances

The City utilized an encumbrance system during fiscal year 2021 to assist in controlling expenditures. Under this system, governmental funds are encumbered when purchase orders, contracts, or other commitments are signed or approved. The following are encumbrances at June 30, 2022, that will be carried over to fiscal year 2022:

General Fund	\$ 6,237,688
Building Safety & Inspection Special Revenue Fund	644,055
Development Engineering Special Revenue Fund	965,125
Developer Deposits Special Revenue Fund	58,644
General CIP Projects	7,557,205
Non-Major Funds	10,880,608

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 10: Pension Plan

a. General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Tier I, Tier II and PEPRAs Employee Pension Rate Plan. The City’s Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	Tier 3
Hire date	Prior to July 1, 2010	July 1, 2010 to December 31, 2012	After December 31, 2012
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of annual salary	1.426%-2.418%	1.092%-2.418%	1.0%-2.5%
Required employee contribution rates	7.00%	7.00%	6.75%
Required employer contribution rates	10.34%	8.65%	7.59%
Required Unfunded Actuarial Liability Contribution	\$ 463,648	\$ 20,791	\$ 10,659

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis, or the City can elect a lump sum payment option. The City’s required contributions for the unfunded liability in the Plan totaled \$408,049, as noted in the table above, which were made under the annual payment option.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 10: Pension Plan (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, the City’s total contributions to the Plan were \$1,200,271.

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9: Pension Plan (Continued)

As of June 30, 2022, the city reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 2,967,660</u>
Total Net Position Liability	<u>\$ 2,967,660</u>

The governmental activities net pension liability is liquidated primarily by the General Fund.

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Plan as of June 30, 2019, and 2020 was as follows:

	Miscellaneous
Proportion - June 30, 2019	<u>0.0590%</u>
Proportion - June 30, 2020	<u>0.0549%</u>
Change - Increase (Decrease)	<u>-0.0041%</u>

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 10: Pension Plan (Continued)

For the year ended June 30, 2022, the City recognized pension expense of \$959,001. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,200,271	\$ -
Differences between actual and expected experience	332,791	-
Adjustments due to differences in proportions	452,972	-
Difference in proportionate share of contributions	-	(192,631)
Net difference projected and actual investment earnings	-	(2,583,375)
Total	<u>\$ 1,986,034</u>	<u>\$ (2,776,006)</u>

\$1,200,271 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2023	\$ (346,889)
2024	(409,795)
2025	(524,884)
2026	(708,675)

Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liability were based on the following actuarial methods and assumptions for all benefit tiers:

	All Plans
Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% ⁽¹⁾
Mortality	Derived usin CalPERS Membership Data for all Funds ⁽²⁾
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter.

(1) Net of pension plan investment and administrative expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 10: Pension Plan (Continued)

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rate of return by asset class.

Asset Class ^(a)	Current Target Allocation	Real Return Years 1 - 10 ^(b)	Real Return Years 11+ ^(c)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%
Total	100%		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2022

Note 10: Pension Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 7,242,897
Current Discount Rate	7.15%
Net Pension Liability	\$ 2,967,660
1% Increase	8.15%
Net Pension Liability	\$ (566,617)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 11: Other Post - Employment Benefits

a. General Information about the City's Other Post - Employment Benefit (OPEB) Plan

Plan Description – The City's Post – Employment Benefit Plan is an agent multiple-employer defined benefit OPEB plan.

By resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees. The City in the CalPERS health care plan, which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). The City also participates in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is an agent multiple-employer defined benefit other postemployment benefits plan administrated by CalPERS, and is managed by an appointed board not under the control of the City Council. CERBT consists of participating employers of the State of California and public agencies. Individual employers may establish more than one plan.

The CERBT was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBT to pre-fund health, dental, and other non-pension postemployment benefits for their retirees and survivors. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. There are three CalPERS Board approved investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by participating employers.

The CERBT Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, California 94229-2709.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Other Post - Employment Benefits (Continued)

Benefits Provided – The following is a summary of Plan benefits by employee group as of June 30, 2022:

Tier	Hire Date	Retirement Date	Eligibility	Benefit Prior to Retiree's (or Surviving Spouse's) Eligibility for Medicare	Benefit After Retiree's (or Surviving Spouse's) Eligibility for Medicare
1	Before 7/1/2014	On or before 12/31/2014	Age 50 within 5 years of PERS service	Benefit according to previous Unequal PEMHCA Resolution (i.e., no change for this group). 100% of premium for the retiree and any eligible covered dependents, up to \$1,536 per month in 2018, increasing by \$100 each calendar year until such time as it is equal to active employee per month in each City contribution.	
2	Before 7/1/2014	After 12/31/2014	Age 50 within 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 within 5 years of PERS service	100% of the premium for retiree plus one up to the monthly cap for active employees*	
2	After 7-1-2014	Any	Age 50 within 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 within 5 years of PERS service	100% of the premium for retiree and dependants, up to the following percentages of the monthly cap for active employees* 5 years of service: 25% 10 years of service: 50% 15 years of service: 100%	

*In 2020, the City contributes a maximum of \$1,755 per month toward medical coverage for active employees and their dependents. This amount will increase annually by 50% of premium increase for the median cost medical plan, not to exceed 5.5% per year.

For the year ended June 30, 2022, the City's contributions to the Plan were \$517,163, which were comprised of contributions to the trust of \$368,885 and implicit subsidy payments of \$148,278.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2022:

Active Employees	83
Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	109
Total	<u>218</u>

b. Net OPEB Liability

Actuarial Methods and Assumptions – The City's net OPEB liability was measured as of June 30, 2020 the total OPEB liability was determined by an actuarial valuation dated June 30, 2021. These are the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	6.10%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.10%
Mortality Rate	MacLeod Watts Scale 2022 applied generationally from 2015
Healthcare Trend Rate	4.00%

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Other Post - Employment Benefits (Continued)

Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements. Mortality rates used were the published CalPERS rates, adjusted to back out 20 years of Scale BB to central year 2008.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target

allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation
Global Equity	49%
Fixed Income	23%
Treasury Inflation Protection Securities	20%
Real Estate Investment Trusts	5%
Commodities	3%
Total	100%

Change of Assumptions – For the measurement date of June 30, 2021, there were no changes in assumptions.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.10%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Other Post - Employment Benefits (Continued)

c. Changes in Net OPEB Liability

The changes in the total OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at Measurement Date 6/30/2020	\$ 5,648,255	\$ 4,508,902	\$ 1,139,353
Changes Recognized for the Measurement Period:			
Service Cost	254,871	-	254,871
Interest on the total OPEB liability	388,811	-	388,811
Expected investment income	(45,156)	1,195,508	(1,240,664)
Contributions from the employer	-	435,828	(435,828)
Changes in benefit terms	-	-	-
Administrative expenses	-	(1,642)	1,642
Other Expenses (one time)	-	-	-
Benefit payments	(370,644)	(370,644)	-
Changes of assumptions	139,746	-	139,746
Plan experience	-	-	-
Investment experience	-	-	-
Net changes	367,628	1,259,050	(891,422)
Balance at Measurement Date 6/30/2021	\$ 6,015,883	\$ 5,767,952	\$ 247,931

d. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.80%) or 1- percentage-point higher (7.80%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate	Discount Rate	Discount Rate
-1% (5.10%)	(6.10%)	+1% (7.10%)
\$ 862,751	\$ 247,931	\$ (278,328)

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1- percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
Healthcare Cost Trend Rates		
1% Decrease	Current Rate	1% Increase
\$ (365,788)	\$ 247,931	\$ 979,750

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Other Post - Employment Benefits (Continued)

e. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2022, the City recognized OPEB expense of \$554,388. At June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions made subsequent to the measurement date	\$ 517,163	\$ -
Differences between actual and expected experience	-	(307,330)
Changes in assumptions	142,010	(41,417)
Net differences projected and actual earnings on plan investments	-	(610,349)
Total	<u>\$ 659,173</u>	<u>\$ (959,096)</u>

\$435,328 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30,	Annual Amortization
2023	\$ (202,310)
2024	(196,761)
2025	(206,329)
2026	(212,947)
2027	(11,906)
Thereafter	13,167
Total	<u>\$ (817,086)</u>

Note 12: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 55 cities. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 12: Risk Management (Continued)

The City's deductibles and maximum coverage follows:

Coverage	Deductible	CSJVRMA	Excess Liability	ERMA
Workers Compensation	\$ 25,000	\$ 500,000	Statutory Limits	\$ -
General and automobile liability	25,000	1,000,000	\$ 54,000,000	-
Property damage	5,000 or 10,000	25,000	1,000,000,000	-
High value auto program	2,000	10,000 or 50,000	1,000,000,000	-
Boiler and machinery	Various	1,000,000,000	-	-
Employment Practices Liability	25,000	-	2,000,000	1,000,000

The City contributes its pro rata share of anticipated losses to a pool administered by CSJVRMA. Should actual losses among participants be greater than the anticipated losses, the City will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro rata share of the excess. The City paid CSJVRMA premiums and ERMA premiums totaling \$1,078,841 during the fiscal year ended June 30, 2022. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

The City is also a member of Employment Risk Management Authority (ERMA), which covers wrongful employment practices.

The City did not record a liability for outstanding claims at fiscal year-end, as the claims were minimal.

Note 13: Commitments and Contingencies

The City participates in several Federal and State grant programs. These programs are subject to audits by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances have been proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no other pending litigation, which is likely to have a material adverse effect on the financial position of the City.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LATHROP

**COST SHARING MULTIPLE EMPLOYER PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Miscellaneous Rate Plan				
Rate Plan's Proportion of the Net Pension Liability	0.05770%	0.04556%	0.04980%	0.05243%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 3,590,219	\$ 3,127,249	\$ 4,309,662	\$ 5,199,968
Rate Plan's Covered Payroll	\$ 4,501,607	\$ 4,364,310	\$ 5,148,017	\$ 5,568,372
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	79.75%	71.66%	83.71%	93.38%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2019, 2020 and 2021 there were no changes. 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.

2019	2020	2021	2022
0.05269%	0.05586%	0.05897%	0.05487%
\$ 5,077,307	\$ 5,723,799	\$ 6,416,539	\$ 2,967,660
\$ 6,004,176	\$ 6,384,728	\$ 6,808,162	\$ 7,021,189
84.56%	89.65%	94.25%	42.27%
75.26%	75.26%	75.10%	88.29%

CITY OF LATHROP

**COST SHARING MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018
Miscellaneous Rate Plan				
Actuarially Determined Contribution	\$ 523,329	\$ 369,225	\$ 434,033	\$ 465,746
Contribution in Relation to the Actuarially Determined Contribution	(523,329)	(369,225)	(434,033)	(465,746)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 4,364,310	\$ 5,148,017	\$ 5,568,372	\$ 6,004,176
Contributions as a Percentage of Covered Payroll	11.99%	7.17%	7.79%	7.76%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Note to Schedule:

Valuation Date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal cost method

Amortization method/period: Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Assets valuation method

Market Value

Inflation

2.50%

Salary Increases

Varies by Entry age and Service

Payroll Growth

2.75%

Investment rate of return

7.15%, net of pension plan investment expenses, including inflation.

Retirement age

The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015

Mortality

The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of scale MP-2016 published by the Society of Actuaries

2019	2020	2021	2022
\$ 766,989	\$ 917,576	\$ 1,062,215	\$ 1,200,271
(766,989)	(917,576)	(1,062,215)	(1,200,271)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,384,728	\$ 6,808,162	\$ 7,021,189	\$ 8,113,507
12.01%	13.48%	15.13%	14.79%

CITY OF LATHROP

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 228,075	\$ 231,377	\$ 238,897	\$ 247,448	\$ 254,871
Interest on the total OPEB liability	366,257	359,416	378,925	372,499	388,811
Differences between expected and actual experiences	(430,189)	-	(134,660)	-	94,590
Changes in assumptions	42,010	-	(62,441)	-	-
Benefit payments	(299,940)	(314,423)	(324,785)	(404,342)	(370,644)
Net change in total OPEB liability	(93,787)	276,370	95,936	215,605	367,628
Total OPEB liability - beginning	5,154,131	5,060,344	5,336,714	5,432,650	5,648,255
Total OPEB liability - ending (a)	5,060,344	5,336,714	5,432,650	5,648,255	6,015,883
Plan Fiduciary Net Position					
Contributions - employer	471,077	495,719	459,510	486,383	435,828
Net investment income	307,578	276,193	230,777	151,173	308,766
Benefit payments	(299,940)	(314,423)	(324,785)	(404,342)	(370,644)
Other expense	-	(4,582)	-	-	886,742
Administrative expense	(1,576)	(1,813)	(825)	(2,094)	(1,642)
Net change in plan fiduciary net position	477,139	451,094	364,677	231,120	1,259,050
Plan fiduciary net position - beginning	2,984,872	3,462,011	3,913,105	4,277,782	4,508,902
Plan fiduciary net position - ending (b)	3,462,011	3,913,105	4,277,782	4,508,902	5,767,952
Net OPEB Liability - ending (a) - (b)	\$ 1,598,333	\$ 1,423,609	\$ 1,154,868	\$ 1,139,353	\$ 247,931
Plan fiduciary net position as a percentage of the total OPEB liability	68.41%	73.32%	78.74%	79.83%	95.88%
Covered-employee payroll	\$ 5,982,337	\$ 6,377,387	\$ 6,358,722	\$ 6,549,484	\$ 7,838,544
Net OPEB liability as a percentage of covered-employee payroll	26.72%	22.32%	18.16%	17.40%	3.16%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available

CITY OF LATHROP

**SCHEDULE OF OPEB CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 389,509	\$ 359,460	\$ 369,969	\$ 361,138	\$ 368,885
Contribution in Relation to the Actuarially Determined Contributions	(495,719)	(459,510)	(396,085)	(435,828)	(517,163)
Contribution Deficiency (Excess)	<u>\$ (106,210)</u>	<u>\$ (100,050)</u>	<u>\$ (26,116)</u>	<u>\$ (74,690)</u>	<u>\$ (148,278)</u>
Covered-employee payroll	\$ 6,377,387	\$ 6,358,722	\$ 6,549,484	\$ 7,838,544	\$ 9,931,244
Contributions as a percentage of covered-employee payroll	7.77%	7.23%	6.05%	5.56%	5.21%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for fiscal year 2022 were from the June 30, 2021 actuarial

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value
Discount rate	6.70%
Inflation	2.50%
Salary increases	3.00% annually
Mortality Rate*	Derived using CalPERS' membership
Pre-Retirement Turnover**	Derived using CalPERS' membership
Healthcare Trend Rate	Medical plan premiums are assumed to increase at somewhat higher rates than assumed in the prior valuation, with the ultimate trend of 5.0% per year.

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 17,230,000	\$ 22,305,922	\$ 31,794,406	\$ 9,488,484
Licenses and permits	243,820	243,820	330,991	87,171
Intergovernmental	2,020,000	2,079,890	5,813,592	3,733,702
Charges for services	673,308	673,308	711,444	38,136
Use of money and property	232,457	232,457	(2,534,483)	(2,766,940)
Fines and forfeitures	120,000	120,000	99,871	(20,129)
Miscellaneous	345,875	929,464	804,209	(125,255)
Total Revenues	20,865,460	26,584,861	37,020,030	10,435,169
Expenditures				
Current:				
General Government				
City council	64,340	97,340	66,405	30,935
City manager	929,708	1,039,165	850,778	188,387
City clerk	356,202	366,609	343,495	23,114
City attorney	766,453	766,453	712,281	54,172
Personnel	476,477	476,477	350,441	126,036
Central services	1,025,550	1,025,550	768,606	256,944
Finance	1,780,847	2,231,047	1,766,512	464,535
Information technology	2,085,873	2,349,212	2,266,390	82,822
Total General Government	7,485,450	8,351,853	7,124,908	1,226,945
Public Safety				
Administration	9,174,666	11,575,545	7,056,082	4,519,463
Community Services	737,138	73,400	66,317	7,083
Total Public Safety	9,911,804	11,648,945	7,122,399	4,526,546
Community Development				
Planning	961,290	2,990,148	1,687,299	1,302,849
Total Community Development	961,290	2,990,148	1,687,299	1,302,849
Culture and Leisure				
Administration	233,154	775,841	489,566	286,275
Senior center	165,373	437,833	339,979	97,854
Recreation programs	80,833	104,333	95,826	8,507
Special events	131,582	138,582	133,031	5,551
Day camp kid's club	542,258	529,258	418,671	110,587
Youth and adult sports	218,987	211,987	130,996	80,991
Facilities and library	1,152,219	107,925	47,763	60,162
Total Culture and Leisure	2,524,406	2,305,759	1,655,832	649,927

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Administration	757,474	862,869	698,742	164,127
Utility engineering	263,745	276,655	250,329	26,326
Total Public Works	1,021,219	1,139,524	949,071	190,453
Capital outlay	(408,420)	1,059,223	1,636,478	(577,255)
Debt service:				
Principal	305,000	305,000	305,000	-
Lease principal	-	-	47,316	(47,316)
Interest	74,000	74,000	73,886	114
Total Debt Service	379,000	379,000	426,202	(47,202)
Total Expenditures	21,874,749	27,874,452	20,602,189	7,272,263
Other Financing Sources (Uses):				
Transfers in	6,310,070	6,310,070	6,102,401	(207,669)
Transfers out	(6,217,245)	(9,410,897)	(9,410,896)	1
Lease proceeds	-	-	137,918	(137,918)
Total Other Financing Sources (Uses)	92,825	(3,100,827)	(3,170,577)	(345,586)
Net Change in Fund Balances	(916,464)	(4,390,418)	13,247,264	2,817,320
Fund Balances, Beginning of Year, as restated	39,627,048	39,627,048	39,627,048	-
Fund Balances, End of Year	\$ 38,710,584	\$ 35,236,630	\$ 52,874,312	\$ 2,817,320

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEVELOPER PROJECTS
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 23,538	\$ 23,538
Developer participation	2,276,343	12,416,084	9,535,249	(2,880,835)
Total Revenues	2,276,343	12,416,084	9,558,787	(2,857,297)
Other Financing Sources (Uses):				
Transfers out	(2,277,983)	(12,417,724)	(10,150,279)	2,267,445
Total Other Financing Sources (Uses)	(2,277,983)	(12,417,724)	(10,150,279)	2,267,445
Net Change in Fund Balances	(1,640)	(1,640)	(591,492)	(589,852)
Fund Balances, Beginning of Year	1,032,103	1,032,103	1,032,103	-
Fund Balances, End of Year	\$ 1,030,463	\$ 1,030,463	\$ 440,611	\$ (589,852)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL FACILITY FEES
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 28,389,170	\$ 28,389,170	\$ 21,211,818	\$ (7,177,352)
Use of money and property	-	-	162,902	162,902
Total Revenues	28,389,170	28,389,170	21,374,720	(7,014,450)
Expenditures				
Current:				
Public works	243,763	243,763	243,763	-
Total Expenditures	243,763	243,763	243,763	-
Other Financing Sources (Uses)				
Transfers out	(5,434,580)	(7,608,980)	(7,608,980)	-
Total Other Financing Sources (Uses)	(5,434,580)	(7,608,980)	(7,608,980)	-
Net Change in Fund Balances	22,710,827	20,536,427	13,521,977	(7,014,450)
Fund Balances, Beginning of Year	41,492,902	41,492,902	41,492,902	-
Fund Balances, End of Year	\$ 64,203,729	\$ 62,029,329	\$ 55,014,879	\$ (7,014,450)

CITY OF LATHROP

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUILDING SAFETY & INSPECTION
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits	\$ 2,314,342	\$ 2,314,342	\$ -	\$ (2,314,342)
Charges for services	863,059	863,059	7,466,065	6,603,006
Use of money and property	-	-	37,419	37,419
Miscellaneous	-	-	14,221	14,221
Total Revenues	3,177,401	3,177,401	7,517,705	4,340,304
Expenditures				
Current:				
Public works	2,287,030	3,069,258	2,369,205	700,053
Total Expenditures	2,287,030	3,069,258	2,369,205	700,053
Other Financing (Uses)				
Transfers out	(404,270)	(404,270)	(404,270)	-
Total Other Financing (Uses)	(404,270)	(404,270)	(404,270)	-
Net Change in Fund Balances	486,101	(296,127)	4,744,230	5,040,357
Fund Balances, Beginning of Year	4,247,249	4,247,249	4,247,249	-
Fund Balances, End of Year	\$ 4,733,350	\$ 3,951,122	\$ 8,991,479	\$ 5,040,357

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEVELOPMENT ENGINEERING
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,325,104	\$ 1,485,174	\$ 5,681,724	\$ 4,196,550
Use of money and property	-	-	32,257	32,257
Miscellaneous	-	-	102,475	102,475
Total Revenues	1,325,104	1,485,174	5,816,456	4,331,282
Expenditures				
Current:				
Public works	2,422,842	4,512,432	2,329,580	2,182,852
Total Expenditures	2,422,842	4,512,432	2,329,580	2,182,852
Net Change in Fund Balances	(1,100,738)	(3,030,258)	3,485,794	6,516,052
Fund Balances, Beginning of Year	4,591,332	4,591,332	4,591,332	-
Fund Balances, End of Year	\$ 3,490,594	\$ 1,561,074	\$ 8,077,126	\$ 6,516,052

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEVELOPER DEPOSITS
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ 33,500	\$ 33,500	\$ 6,204	\$ (27,296)
Developer participation	1,044,916	1,284,902	1,086,202	(198,700)
Total Revenues	1,078,416	1,318,402	1,092,406	(225,996)
Expenditures				
Current:				
Public works	918,416	1,204,542	861,155	343,387
Debt service:				
Interest and fiscal charges	160,000	160,000	159,854	146
Total Expenditures	1,078,416	1,364,542	1,021,009	343,533
Net Change in Fund Balances	-	(46,140)	71,397	117,537
Fund Balances (Deficits), Beginning of Year	(603,670)	(603,670)	(603,670)	-
Fund Balances (Deficits), End of Year	\$ (603,670)	\$ (649,810)	\$ (532,273)	\$ 117,537

CITY OF LATHROP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2022

Budgets and Budgetary Accounting

The City establishes annual budgets for the General and certain Special Revenue Funds, which are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budgets for the General and certain Special Revenue Funds are the only legally adopted budgets. Budgets for the Capital Project Funds are used for management and control purposes only. All appropriations remaining at fiscal year-end lapse. Budgeted amounts are reflected after all applicable amendments and revisions.

The legal level of control (level at which expenditures may not legally exceed budget appropriations) is at the department level. If the expenditures exceed the appropriations, the City Manager is authorized to transfer budgeted amounts between the line items within any department or between divisions within a department.

During the fiscal year, the City made a number of supplemental budget amendments totaling \$31,192,901 in revenues and \$52,333,139 in expenditures.

Adopted Budgets

For the fiscal year ending June 30, 2022, the Historic Lathrop Loan Program (HLLP), the Central Lathrop Specific Plan (CLSP) Services CFD, the North Lathrop Transportation, the Lathrop Land Acquisitions, the DWR Grant – ULOP Project, The Stewart Economic Dev Fee 80% and the TOT Trust Special Revenue Funds did not adopt an annual budget.

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SUPPLEMENTAL INFORMATION

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GENERAL FUND

The general Fund is the City's primary Operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is comprised of the following:

GENERAL PURPOSE FUND

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

ECONOMIC DEVELOPMENT FUND

To account for small business assistance grants approved by Council. The fund was reactivated in fiscal year 2020 due to the impacts of COVID-19.

MEASURE C ESSENTIAL CITY SERVICES FUND

To account for revenue and expenditures for the city's Measure C Essential City Services portion.

CITY OF LATHROP

GENERAL FUND
 COMBINING BALANCE SHEET
 JUNE 30, 2022

	<u>General Purpose Fund</u>	<u>Economic Development</u>	<u>Measure C</u>	<u>Totals</u>
Assets:				
Cash and investments	\$ 45,319,873	\$ 438,663	\$ 3,466,770	\$ 49,225,306
Receivables:				
Accounts	2,853,657	233	2,173,690	5,027,580
Accrued interest	23,712	-	2,370	26,082
Due from other funds	28,058	-	-	28,058
Advances to other funds	2,405,864	-	-	2,405,864
Total Assets	<u>\$ 50,631,164</u>	<u>\$ 438,896</u>	<u>\$ 5,642,830</u>	<u>\$ 56,712,890</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,516,020	\$ -	\$ 185,683	\$ 1,701,703
Accrued liabilities	795,214	-	-	795,214
Unearned revenues	709,697	-	-	709,697
Deposits payable	631,964	-	-	631,964
Total Liabilities	<u>3,652,895</u>	<u>-</u>	<u>185,683</u>	<u>3,838,578</u>
Fund Balances:				
Nonspendable	2,405,864	-	-	2,405,864
Committed	38,867,863	438,896	5,457,147	44,763,906
Unassigned	5,704,542	-	-	5,704,542
Total Fund Balances	<u>46,978,269</u>	<u>438,896</u>	<u>5,457,147</u>	<u>52,874,312</u>
Total Liabilities and Fund Balances	<u>\$ 50,631,164</u>	<u>\$ 438,896</u>	<u>\$ 5,642,830</u>	<u>\$ 56,712,890</u>

CITY OF LATHROP

**GENERAL FUND
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	General Purpose Fund	Economic Development	Measure C	Totals
Revenues:				
Taxes and assessments	\$ 20,918,484	\$ -	\$ 10,875,922	\$ 31,794,406
Licenses and permits	330,991	-	-	330,991
Intergovernmental	5,813,592	-	-	5,813,592
Charges for services	711,444	-	-	711,444
Use of money and property	(2,549,445)	1,446	13,516	(2,534,483)
Fines and forfeitures	99,871	-	-	99,871
Miscellaneous	804,209	-	-	804,209
Total Revenues	26,129,146	1,446	10,889,438	37,020,030
Expenditures:				
Current:				
General government	7,124,908	-	-	7,124,908
Public safety	5,191,407	-	1,930,992	7,122,399
Community development	1,687,299	-	-	1,687,299
Culture and leisure	1,655,832	-	-	1,655,832
Public works	949,071	-	-	949,071
Capital outlay	1,563,462	-	73,016	1,636,478
Debt service:				
Principal retirement	305,000	-	-	305,000
Lease principal retirement	47,316	-	-	47,316
Interest and fiscal charges	73,886	-	-	73,886
Total Expenditures	18,598,181	-	2,004,008	20,602,189
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,530,965	1,446	8,885,430	16,417,841
Other Financing Sources (Uses):				
Transfers in	6,102,401	-	-	6,102,401
Transfers out	(3,232,765)	-	(6,178,131)	(9,410,896)
Lease proceeds	137,918	-	-	137,918
Total Other Financing Sources (Uses)	3,007,554	-	(6,178,131)	(3,170,577)
Net Change in Fund Balances	10,538,519	1,446	2,707,299	13,247,264
Fund Balances, Beginning of Year	36,439,750	437,450	2,749,848	39,627,048
Fund Balances, End of Year	\$ 46,978,269	\$ 438,896	\$ 5,457,147	\$ 52,874,312

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL PURPOSE FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 11,230,000	\$ 11,430,000	\$ 20,918,484	\$ 9,488,484
Licenses and permits	243,820	243,820	330,991	87,171
Intergovernmental	2,020,000	2,079,890	5,813,592	3,733,702
Charges for services	673,308	673,308	711,444	38,136
Use of money and property	232,457	232,457	(2,549,445)	(2,781,902)
Fines and forfeitures	120,000	120,000	99,871	(20,129)
Miscellaneous	345,875	929,464	804,209	(125,255)
Total Revenues	14,865,460	15,708,939	26,129,146	10,420,207
Expenditures				
Current:				
General Government				
City council	64,340	97,340	66,405	30,935
City manager	929,708	1,039,165	850,778	188,387
City clerk	356,202	366,609	343,495	23,114
City attorney	766,453	766,453	712,281	54,172
Personnel	476,477	476,477	350,441	126,036
Central services	1,025,550	1,025,550	768,606	256,944
Finance	1,780,847	2,231,047	1,766,512	464,535
Information technology	2,085,873	2,349,212	2,266,390	82,822
Total General Government	7,485,450	8,351,853	7,124,908	1,226,945
Public Safety				
Administration	6,635,206	8,782,184	5,125,090	3,657,094
Community services	737,138	73,400	66,317	7,083
Total Public Safety	7,372,344	8,855,584	5,191,407	3,664,177
Community Development				
Planning	961,290	2,990,148	1,687,299	1,302,849
Total Community Development	961,290	2,990,148	1,687,299	1,302,849
Culture and Leisure				
Administration	233,154	775,841	489,566	286,275
Senior center	165,373	437,833	339,979	97,854
Recreation programs	80,833	104,333	95,826	8,507
Special events	131,582	138,582	133,031	5,551
Day camp kid's club	542,258	529,258	418,671	110,587
Youth and adult sports	218,987	211,987	130,996	80,991
Facilities and library	1,152,219	107,925	47,763	60,162
Total Culture and Leisure	2,524,406	2,305,759	1,655,832	649,927

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL PURPOSE FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Administration	757,474	862,869	698,742	164,127
Utility engineering	263,745	276,655	250,329	26,326
Total Public Works	<u>1,021,219</u>	<u>1,139,524</u>	<u>949,071</u>	<u>190,453</u>
Capital outlay	(408,420)	859,223	1,563,462	(704,239)
Debt service:				
Principal	305,000	305,000	305,000	-
Interest	74,000	74,000	73,886	114
Lease principal	-	-	47,316	(47,316)
Total Debt Service	<u>379,000</u>	<u>379,000</u>	<u>426,202</u>	<u>(47,202)</u>
Total Expenditures	<u>19,335,289</u>	<u>24,881,091</u>	<u>18,598,181</u>	<u>6,282,910</u>
Other Financing Sources (Uses):				
Transfers in	6,310,070	6,310,070	6,102,401	(207,669)
Transfers out	(934,765)	(3,232,765)	(3,232,765)	-
Lease proceeds	-	-	137,918	137,918
Total Other Financing Sources (Uses)	<u>5,375,305</u>	<u>3,077,305</u>	<u>3,007,554</u>	<u>(69,751)</u>
Net Change in Fund Balances	905,476	(6,094,847)	10,538,519	4,067,546
Fund Balances, Beginning of Year, as restated	<u>36,439,750</u>	<u>36,439,750</u>	<u>36,439,750</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 37,345,226</u>	<u>\$ 30,344,903</u>	<u>\$ 46,978,269</u>	<u>\$ 4,067,546</u>

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE C
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 6,000,000	\$ 10,875,922	\$ 10,875,922	\$ -
Use of money and property	-	-	13,516	13,516
Total Revenues	6,000,000	10,875,922	10,889,438	13,516
Expenditures				
Current:				
General Government				
Public Safety				
Administration	2,539,460	2,793,361	1,930,992	862,369
Total Public Safety	2,539,460	2,793,361	1,930,992	862,369
Capital outlay	-	200,000	73,016	126,984
Total Expenditures	2,539,460	2,993,361	2,004,008	989,353
Other Financing Sources (Uses):				
Transfers out	(5,282,480)	(6,178,132)	(6,178,131)	1
Total Other Financing Sources (Uses)	(5,282,480)	(6,178,132)	(6,178,131)	1
Net Change in Fund Balances	(1,821,940)	1,704,429	2,707,299	(975,836)
Fund Balances, Beginning of Year	2,749,848	2,749,848	2,749,848	-
Fund Balances, End of Year	\$ 927,908	\$ 4,454,277	\$ 5,457,147	\$ (975,836)

NON - MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

These funds account for the proceeds derived from specific revenue sources that are legally restricted to expenditures for specified purposes.

LANDSCAPE MAINTENANCE FUND

To account for revenues received and expenditures spent associated with specific park maintenance and operations of the Woodfield Landscape, Stonebridge Landscape and Mossdale Landscape Districts.

GAS TAX FUND

To account for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2105, 2106, 2107, and 2107.5 of the State of California. Expenditures for administration, maintenance, and construction must be street related.

TRAFFIC SAFETY FUND

To account for the fines and forfeitures received under Section 1463 of the Penal Code. These funds are restricted for the use of official traffic control devices and for some street construction purposes.

LOCAL STREET FUND

To account for revenues and expenditures for the City's street division.

PUBLIC NUISANCE FUND

To account for revenues and expenditures for code enforcement activities.

MEASURE K FUND

To account for revenues generated from a 2-cent sales tax for local street repairs. These funds are restricted for maintenance and construction on street-related projects.

TRANSIT LTF FUND

To account for local transportation funds received for transit purposes from the San Joaquin County Council of Governments.

STREETS AND ROADS FUND

To account for local transportation funds received for street and road purposes from the San Joaquin County Council of Governments.

FEDERAL GRANT FUND

To account for federal grant expenditures and activity.

HISTORIC LATHROP LOAN PROGRAM (HLLP) FUND

To account for building permit loans granted to Historic Lathrop residences.

NON - MAJOR GOVERNMENTAL FUNDS (Continued)

STORM DRAIN FUND

To account for revenues and expenditures related to the maintenance and operations of storm drains and improvements within the created district.

STREET LIGHT FUND

To account for revenues and expenditures associated with the maintenance and operations of the street lighting within the area known as City Zone 2, which is in the City Wide Landscaping and Lighting Assessment District.

AB939 RECYCLING FUND

To account for the financial resources associated with the preparation, implementation, and administration of the City's Integrated Solid Waste Management Plan in accordance with AB939.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

To account for the annual federal grant that provides for development of viable urban communities.

SCHOLARSHIP FUND

To account for the revenues provided by businesses/organizations to provide assistance with tuition of qualified parks and recreation participants.

COPS FUND

To account for local law enforcement grants funded by the office of Community Oriented Policing Services (COPS).

OFFICE OF TRAFFIC SAFETY FUND

To account for grants received from the Office of Traffic Safety to be used to conduct a seat belt compliance campaign.

RTIF SAN JOAQUIN COUNTY FUND

To account for San Joaquin County's 10% share of Regional Traffic Impact Fees collected from builders.

RTIF LATHROP LOCAL WEST FUND

To account for the City's 75% share of Regional Traffic Impact Fees collected from builders on the West side.

RTIF SJCOG FUND

To account for San Joaquin Council of Government's 15% share of Regional Traffic Impact Fees collected from builders.

RTIF LATHROP LOCAL EAST FUND

To account for the City's 75% share of Regional Traffic Impact Fees collected from builders on the East side.

NON - MAJOR GOVERNMENTAL FUNDS (Continued)

CENTRAL LATHROP SPECIFIC PLAN (CLSP) SERVICES CFD FUND

To account for revenues and expenditures associated with the CLSP Community Facility District 2006-2.

LATHROP MANTECA FIRE DISTRICT MEASURE C FUND

To account for revenues and expenditures associated with the sales tax collections specific from Measure C.

STATE GRANTS FUND

To account for revenues and expenditures associated with state grants.

NORTH LATHROP TRANSPORTATION CFF FUND

To account for capital facility fees collected for North Lathrop area.

STEWART ECONOMIC DEVELOPMENT 80% CFF FUND

To account for capital facility fees, collected to support development both on and off the Stewart Tract, that will provide to the City and its citizens.

CITYWIDE ECONOMIC DEVELOPMENT 20% CFF FUND

To account for capital facility fees, collected to support development both on and off the Stewart Tract, that will provide to the City and its citizens.

RIVER ISLANDS CFD 2013-1 FUND

To account for revenue and expenditures related to the maintenance of the River Island community.

LATHROP LAND ACQUISITIONS FUND

To account for revenues and expenditures associated with the CLSP Community Facilities District 2006-1.

URBAN LEVEL OF FLOOD PROTECTION RECLAMATION DISTRICT (ULOP RD-17) LEVEE IMPACT FUND

To account for capital facility fees collected for the Urban Level of Flood Protection plan in the Reclamation District (RD) 17.

DEPARTMENT OF WATER RESOURCES (DWR) GRANT – URBAN LEVEL OF FLOOD PROTECTION (ULOP) PROJECT FUND

To account for revenues and expenditures associated with the Urban Level of Flood Protection plan.

CLSP OFF-SITE ROADWAY IMPROVEMENTS FUND

To account for improvements in the Central Lathrop Development.

NON - MAJOR GOVERNMENTAL FUNDS

SOUTH LATHROP CFD 2019-1 FUND

To account for revenue and expenditures related to the maintenance of South Lathrop.

CENTRAL LATHROP CFD 2019-2 FUND

To account for revenue and expenditures related to the maintenance of Central Lathrop.

TOT TRUST FUND

To account for 1% of the 9% TOT from the City as a whole, to help finance regional infrastructure.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are utilized to account for resources used for the acquisition and construction of capital facilities by the City, with the exception of those assets financed by proprietary funds.

GENERAL CIP PROJECTS FUND

To account for the expenditure of funds for projects funded from the General Fund.

STORM DRAIN FUND

To account for expenditures for storm drain capital projects.

PARK IN-LIEU FUND

To account for revenues and expenditures which can legally be made under the Quimby Act. The revenue is collected from residential developers to offset the impact on parks and can only be used for new park development.

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CITY OF LATHROP

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	<u>Special Revenue Funds</u>			
	<u>Landscape Maintenance</u>	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Local Street</u>
Assets:				
Pooled cash and investments	\$ 1,367,664	\$ 441,501	\$ 108,885	\$ 836,090
Receivables:				
Accounts	-	108,100	3,537	334
Notes and loans	-	-	-	-
Accrued interest	669	473	57	477
Total Assets	<u>\$ 1,368,333</u>	<u>\$ 550,074</u>	<u>\$ 112,479</u>	<u>\$ 836,901</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 275,287	\$ -	\$ -	\$ 54,769
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>275,287</u>	<u>-</u>	<u>-</u>	<u>54,769</u>
Fund Balances:				
Restricted	1,093,046	550,074	112,479	782,132
Unassigned	-	-	-	-
Total Fund Balances	<u>1,093,046</u>	<u>550,074</u>	<u>112,479</u>	<u>782,132</u>
Total Liabilities and Fund Balances	<u>\$ 1,368,333</u>	<u>\$ 550,074</u>	<u>\$ 112,479</u>	<u>\$ 836,901</u>

CITY OF LATHROP

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

(CONTINUED)

	<u>Special Revenue Funds</u>			
	<u>Public Nuisance</u>	<u>Measure K</u>	<u>Transit LTF</u>	<u>Streets and Roads</u>
Assets:				
Pooled cash and investments	\$ 10,301	\$ 463,338	\$ -	\$ 146,382
Receivables:				
Accounts	2,019	168,081	201,577	1,180,161
Notes and loans	-	-	-	-
Accrued interest	5	214	-	100
Total Assets	<u>\$ 12,325</u>	<u>\$ 631,633</u>	<u>\$ 201,577</u>	<u>\$ 1,326,643</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	12,325	631,633	201,577	1,326,643
Unassigned	-	-	-	-
Total Fund Balances	<u>12,325</u>	<u>631,633</u>	<u>201,577</u>	<u>1,326,643</u>
Total Liabilities and Fund Balances	<u>\$ 12,325</u>	<u>\$ 631,633</u>	<u>\$ 201,577</u>	<u>\$ 1,326,643</u>

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Federal Grant	Historic Lathrop Loan Program (HLLP)	Storm Drain	Street Light
Assets:				
Pooled cash and investments	\$ 893,990	\$ 232,063	\$ 353,749	\$ 1,630,225
Receivables:				
Accounts	60,931	-	-	16,243
Notes and loans	-	20,350	-	-
Accrued interest	-	124	188	893
Total Assets	\$ 954,921	\$ 252,537	\$ 353,937	\$ 1,647,361
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 893,990	\$ -	\$ 21,924	\$ 84,569
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	893,990	-	21,924	84,569
Fund Balances:				
Restricted	60,931	252,537	332,013	1,562,792
Unassigned	-	-	-	-
Total Fund Balances	60,931	252,537	332,013	1,562,792
Total Liabilities and Fund Balances	\$ 954,921	\$ 252,537	\$ 353,937	\$ 1,647,361

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	AB939 Recycling	Community Development Block Grant	Scholarship Fund	COPS
Assets:				
Pooled cash and investments	\$ 1,110,949	\$ 2,178	\$ 19,190	\$ 301,587
Receivables:				
Accounts	22,191	-	2,543	-
Notes and loans	-	-	-	-
Accrued interest	567	1	10	-
Total Assets	\$ 1,133,707	\$ 2,179	\$ 21,743	\$ 301,587
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,272	\$ 5,000	\$ -	\$ 4,192
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	2,272	5,000	-	4,192
Fund Balances:				
Restricted	1,131,435	-	21,743	297,395
Unassigned	-	(2,821)	-	-
Total Fund Balances	1,131,435	(2,821)	21,743	297,395
Total Liabilities and Fund Balances	\$ 1,133,707	\$ 2,179	\$ 21,743	\$ 301,587

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Office of Traffic and Safety	RTIF San Joaquin County	RTIF Lathrop Local West	RTIF SJCOG
Assets:				
Pooled cash and investments	\$ -	\$ 276,979	\$ 11,427,050	\$ 415,540
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	107	5,776	160
Total Assets	\$ -	\$ 277,086	\$ 11,432,826	\$ 415,700
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 277,086	\$ 2,716	\$ 415,700
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	277,086	2,716	415,700
Fund Balances:				
Restricted	-	-	11,430,110	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	11,430,110	-
Total Liabilities and Fund Balances	\$ -	\$ 277,086	\$ 11,432,826	\$ 415,700

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	RTIF Lathrop Local East	Central Lathrop Specific Plan (CLSP) Services CFD	LMFD Measure C	State Grants
Assets:				
Pooled cash and investments	\$ 2,616,618	\$ -	\$ 1,175,042	\$ -
Receivables:				
Accounts	-	-	-	28,058
Notes and loans	-	-	-	-
Accrued interest	1,390	-	108	-
Total Assets	\$ 2,618,008	\$ -	\$ 1,175,150	\$ 28,058
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	28,058
Total Liabilities	-	-	-	28,058
Fund Balances:				
Restricted	2,618,008	-	1,175,150	-
Unassigned	-	-	-	-
Total Fund Balances	2,618,008	-	1,175,150	-
Total Liabilities and Fund Balances	\$ 2,618,008	\$ -	\$ 1,175,150	\$ 28,058

CITY OF LATHROP

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	Special Revenue Funds			
	North Lathrop Transportation	Citywide Economic Dev Fee 20%	River Islands CFD 2013-1	Lathrop Land Acquisitions
Assets:				
Pooled cash and investments	\$ 11,431	\$ 2,081,640	\$ 119,770	\$ 13,937
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	6	1,067	519	-
Total Assets	\$ 11,437	\$ 2,082,707	\$ 120,289	\$ 13,937
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 8
Deposits payable	-	-	-	12,855
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	12,863
Fund Balances:				
Restricted	11,437	2,082,707	120,289	1,074
Unassigned	-	-	-	-
Total Fund Balances	11,437	2,082,707	120,289	1,074
Total Liabilities and Fund Balances	\$ 11,437	\$ 2,082,707	\$ 120,289	\$ 13,937

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	ULOP RD-17 Levee Impact	DWR Grant - ULOP Project	CLSP Off-Site Roadway Improvement	South Lathrop CFD 2019-1
Assets:				
Pooled cash and investments	\$ 317,509	\$ 3	\$ 124,555	\$ 1,164,067
Receivables:				
Accounts	-	62,995	-	-
Notes and loans	-	-	-	-
Accrued interest	156	-	62	588
Total Assets	\$ 317,665	\$ 62,998	\$ 124,617	\$ 1,164,655
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 317,665	\$ 581,433	\$ 164	\$ 15,367
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	317,665	581,433	164	15,367
Fund Balances:				
Restricted	-	-	124,453	1,149,288
Unassigned	-	(518,435)	-	-
Total Fund Balances	-	(518,435)	124,453	1,149,288
Total Liabilities and Fund Balances	\$ 317,665	\$ 62,998	\$ 124,617	\$ 1,164,655

CITY OF LATHROP

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	Special Revenue Funds			
	Central Lathrop CFD 2019-2	Stewart Economic Dev Fee 80%	TOT Trust	Gateway Business Park
Assets:				
Pooled cash and investments	\$ 246,277	\$ 182,188	\$ 1,213,533	\$ 51,843
Receivables:				
Accounts	11,585	-	13,041	-
Notes and loans	-	-	-	-
Accrued interest	114	85	637	21
Total Assets	\$ 257,976	\$ 182,273	\$ 1,227,211	\$ 51,864
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 27,366	\$ -	\$ -	\$ 25
Deposits payable	-	176,000	-	-
Due to other funds	-	-	-	-
Total Liabilities	27,366	176,000	-	25
Fund Balances:				
Restricted	230,610	6,273	1,227,211	51,839
Unassigned	-	-	-	-
Total Fund Balances	230,610	6,273	1,227,211	51,839
Total Liabilities and Fund Balances	\$ 257,976	\$ 182,273	\$ 1,227,211	\$ 51,864

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Capital Projects Funds	Capital Project Funds		Total Governmental Funds
	Streets and Roads	Storm Drain	Park in Lieu	
Assets:				
Pooled cash and investments	\$ 12,051,906	\$ 640,828	\$ 1,147,627	\$ 43,196,435
Receivables:				
Accounts	51	-	-	1,881,447
Notes and loans	-	-	-	20,350
Accrued interest	6,879	340	540	22,333
Total Assets	\$ 12,058,836	\$ 641,168	\$ 1,148,167	\$ 45,120,565
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,025,556	\$ -	\$ -	\$ 4,005,089
Deposits payable	-	-	-	188,855
Due to other funds	-	-	-	28,058
Total Liabilities	1,025,556	-	-	4,222,002
Fund Balances:				
Restricted	11,033,280	641,168	1,148,167	41,419,819
Unassigned	-	-	-	(521,256)
Total Fund Balances	11,033,280	641,168	1,148,167	40,898,563
Total Liabilities and Fund Balances	\$ 12,058,836	\$ 641,168	\$ 1,148,167	\$ 45,120,565

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Landscape Maintenance	Gas Tax	Traffic Safety	Local Street
Revenues:				
Taxes and assessments	\$ 2,888,936	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	1,249,587	-	-
Use of money and property	9,335	2,939	333	2,143
Fines and forfeitures	-	-	39,240	-
Miscellaneous	-	-	-	54,681
Total Revenues	2,898,271	1,252,526	39,573	56,824
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	9,596	-
Community development	-	-	-	-
Culture and leisure	-	-	-	1,077,118
Public works	2,175,466	-	-	-
Capital outlay	75,758	-	-	-
Total Expenditures	2,251,224	-	9,596	1,077,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	647,047	1,252,526	29,977	(1,020,294)
Other Financing Sources (Uses):				
Transfers in	48,014	-	-	1,521,851
Transfers out	(335,440)	(1,333,970)	(2,440)	(169,220)
Total Other Financing Sources (Uses)	(287,426)	(1,333,970)	(2,440)	1,352,631
Net Change in Fund Balances	359,621	(81,444)	27,537	332,337
Fund Balances, Beginning of Year	733,425	631,518	84,942	449,795
Fund Balances, End of Year	\$ 1,093,046	\$ 550,074	\$ 112,479	\$ 782,132

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Public Nuisance	Measure K	Transit LTF	Streets and Roads
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	720,588	201,577	1,180,161
Use of money and property	32	1,647	-	600
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	32	722,235	201,577	1,180,761
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	32	722,235	201,577	1,180,761
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(717,616)	-	(41,289)
Total Other Financing Sources (Uses)	-	(717,616)	-	(41,289)
Net Change in Fund Balances	32	4,619	201,577	1,139,472
Fund Balances, Beginning of Year	12,293	627,014	-	187,171
Fund Balances, End of Year	\$ 12,325	\$ 631,633	\$ 201,577	\$ 1,326,643

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Federal Grant	Historic Lathrop Loan Program (HLLP)	Storm Drain	Street Light
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	695,355	-	-	-
Use of money and property	-	766	1,058	5,134
Fines and forfeitures	-	-	352,535	1,096,970
Miscellaneous	-	-	3,365	34,059
Total Revenues	695,355	766	356,958	1,136,163
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	150,935
Community development	-	-	-	-
Culture and leisure	595,415	-	-	-
Public works	-	-	346,388	876,985
Capital outlay	-	-	-	-
Total Expenditures	595,415	-	346,388	1,027,920
Excess (Deficiency) of Revenues Over (Under) Expenditures	99,940	766	10,570	108,243
Other Financing Sources (Uses):				
Transfers in	-	-	50,000	31,900
Transfers out	(371,426)	-	(67,090)	(139,590)
Total Other Financing Sources (Uses)	(371,426)	-	(17,090)	(107,690)
Net Change in Fund Balances	(271,486)	766	(6,520)	553
Fund Balances, Beginning of Year	332,417	251,771	338,533	1,562,239
Fund Balances, End of Year	\$ 60,931	\$ 252,537	\$ 332,013	\$ 1,562,792

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	AB939 Recycling	Community Development Block Grant	Scholarship Fund	COPS
Revenues:				
Taxes and assessments	\$ 219,744	\$ -	\$ -	\$ -
Licenses and permits	55,475	-	-	-
Intergovernmental	7,390	27,434	5,766	161,285
Use of money and property	3,369	17	60	849
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	3,699	-
Total Revenues	285,978	27,451	9,525	162,134
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	98,722
Community development	-	34,504	-	-
Culture and leisure	77,108	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	77,108	34,504	-	98,722
Excess (Deficiency) of Revenues Over (Under) Expenditures	208,870	(7,053)	9,525	63,412
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(14,560)	-	(2,306)	-
Total Other Financing Sources (Uses)	(14,560)	-	(2,306)	-
Net Change in Fund Balances	194,310	(7,053)	7,219	63,412
Fund Balances, Beginning of Year	937,125	4,232	14,524	233,983
Fund Balances, End of Year	\$ 1,131,435	\$ (2,821)	\$ 21,743	\$ 297,395

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Office of Traffic and Safety	RTIF San Joaquin County	RTIF Lathrop Local West	RTIF SJCOG
Revenues:				
Taxes and assessments	\$ -	\$ 498,404	\$ 3,345,663	\$ 747,701
Licenses and permits	-	-	-	-
Intergovernmental	3,994	-	-	-
Use of money and property	-	627	32,971	947
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	3,994	499,031	3,378,634	748,648
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	12,002	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	-	499,032	14,127	748,648
Capital outlay	-	-	-	-
Total Expenditures	12,002	499,032	14,127	748,648
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,008)	(1)	3,364,507	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(8,008)	(1)	3,364,507	-
Fund Balances, Beginning of Year	8,008	1	8,065,603	-
Fund Balances, End of Year	\$ -	\$ -	\$ 11,430,110	\$ -

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	RTIF Lathrop Local East	Central Lathrop Specific Plan (CLSP) Services CFD	LMFD Measure C	State Grants
Revenues:				
Taxes and assessments	\$ 317,493	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	28,058
Use of money and property	8,295	-	642	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	325,788	-	642	28,058
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	4,159,199	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	3,985	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	3,985	-	4,159,199	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	321,803	-	(4,158,557)	28,058
Other Financing Sources (Uses):				
Transfers in	-	-	4,350,369	-
Transfers out	-	-	-	(56,398)
Total Other Financing Sources (Uses)	-	-	4,350,369	(56,398)
Net Change in Fund Balances	321,803	-	191,812	(28,340)
Fund Balances, Beginning of Year	2,296,205	-	983,338	28,340
Fund Balances, End of Year	\$ 2,618,008	\$ -	\$ 1,175,150	\$ -

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	North Lathrop Transportation	Citywide Economic Dev Fee 20%	River Islands CFD 2013-1	Lathrop Land Acquisitions
Revenues:				
Taxes and assessments	\$ -	\$ 604,000	\$ 673,572	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	37	6,119	2,217	46
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	299,684	-
Total Revenues	37	610,119	975,473	46
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	-	-	21,381	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	21,381	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	37	610,119	954,092	46
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(1,358,625)	-
Total Other Financing Sources (Uses)	-	-	(1,358,625)	-
Net Change in Fund Balances	37	610,119	(404,533)	46
Fund Balances, Beginning of Year	11,400	1,472,588	524,822	1,028
Fund Balances, End of Year	\$ 11,437	\$ 2,082,707	\$ 120,289	\$ 1,074

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	ULOP RD-17 Levee Impact	DWR Grant - ULOP Project	CLSP Off-Site Roadway Improvement	South Lathrop CFD 2019-1
Revenues:				
Taxes and assessments	\$ 2,249,868	\$ -	\$ 67,186	\$ 542,423
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	-	3	331	3,106
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	2,249,868	3	67,517	545,529
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	2,249,868	518,438	-	128,056
Capital outlay	-	-	-	-
Total Expenditures	2,249,868	518,438	-	128,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(518,435)	67,517	417,473
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(9,180)
Total Other Financing Sources (Uses)	-	-	-	(9,180)
Net Change in Fund Balances	-	(518,435)	67,517	408,293
Fund Balances, Beginning of Year	-	-	56,936	740,995
Fund Balances, End of Year	\$ -	\$ (518,435)	\$ 124,453	\$ 1,149,288

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Central Lathrop CFD 2019-2	Stewart Economic Dev Fee 80%	TOT Trust	Gateway Business Park
Revenues:				
Taxes and assessments	\$ 947,092	\$ -	\$ 119,701	\$ 83,545
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	363	535	3,851	82
Fines and forfeitures	-	-	-	-
Miscellaneous	27,791	-	-	-
Total Revenues	975,246	535	123,552	83,627
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	534,859	-	-	31,788
Capital outlay	-	-	-	-
Total Expenditures	534,859	-	-	31,788
Excess (Deficiency) of Revenues Over (Under) Expenditures	440,387	535	123,552	51,839
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(40,160)	-	-	-
Total Other Financing Sources (Uses)	(40,160)	-	-	-
Net Change in Fund Balances	400,227	535	123,552	51,839
Fund Balances, Beginning of Year	(169,617)	5,738	1,103,659	-
Fund Balances, End of Year	\$ 230,610	\$ 6,273	\$ 1,227,211	\$ 51,839

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Capital Projects Funds			Total Governmental Funds
	Streets and Roads	Storm Drain	Park in Lieu	
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ 804,551	\$ 14,109,879
Licenses and permits	-	-	-	55,475
Intergovernmental	-	-	-	4,281,195
Use of money and property	38,928	1,785	2,617	131,784
Fines and forfeitures	-	-	-	1,488,745
Miscellaneous	-	-	-	423,279
Total Revenues	38,928	1,785	807,168	20,490,357
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	4,430,454
Community development	-	-	-	34,504
Culture and leisure	-	-	-	1,749,641
Public works	2,853	-	-	8,151,874
Capital outlay	3,624,918	-	-	3,700,676
Total Expenditures	3,627,771	-	-	18,067,149
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,588,843)	1,785	807,168	2,423,208
Other Financing Sources (Uses):				
Transfers in	3,976,616	250,000	-	10,228,750
Transfers out	-	(70)	-	(4,659,380)
Total Other Financing Sources (Uses)	3,976,616	249,930	-	5,569,370
Net Change in Fund Balances	387,773	251,715	807,168	7,992,578
Fund Balances, Beginning of Year	10,645,507	389,453	340,999	32,905,985
Fund Balances, End of Year	\$ 11,033,280	\$ 641,168	\$ 1,148,167	\$ 40,898,563

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LANDSCAPE MAINTENANCE
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 2,749,025	\$ 2,749,025	\$ 2,888,936	\$ 139,911
Use of money and property	3,000	3,000	9,335	6,335
Total Revenues	2,752,025	2,752,025	2,898,271	146,246
Expenditures				
Current:				
Public works	2,518,556	2,798,808	2,175,466	623,342
Capital outlay	to -	101,894	75,758	26,136
Total Expenditures	2,518,556	2,900,702	2,251,224	649,478
Other Financing Sources (Uses)				
Transfers in	48,014	48,014	48,014	-
Transfers out	(335,440)	(335,440)	(335,440)	-
Total Other Financing Sources (Uses)	(287,426)	(287,426)	(287,426)	-
Net Change in Fund Balances	(53,957)	(436,103)	359,621	795,724
Fund Balances, Beginning of Year	733,425	733,425	733,425	-
Fund Balances, End of Year	\$ 679,468	\$ 297,322	\$ 1,093,046	\$ 795,724

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GAS TAX
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,126,708	\$ 1,204,088	\$ 1,249,587	\$ 45,499
Use of money and property	-	-	2,939	2,939
Total Revenues	1,126,708	1,204,088	1,252,526	48,438
Other Financing Sources (Uses)				
Transfers out	(674,970)	(1,333,970)	(1,333,970)	-
Total Other Financing Sources (Uses)	(674,970)	(1,333,970)	(1,333,970)	-
Net Change in Fund Balances	451,738	(129,882)	(81,444)	48,438
Fund Balances, Beginning of Year	631,518	631,518	631,518	-
Fund Balances, End of Year	\$ 1,083,256	\$ 501,636	\$ 550,074	\$ 48,438

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 333	\$ 333
Fines and forfeitures	30,000	30,000	39,240	9,240
Total Revenues	30,000	30,000	39,573	9,573
Expenditures				
Current:				
Public safety	46,500	46,500	9,596	36,904
Total Expenditures	46,500	46,500	9,596	36,904
Other Financing Sources (Uses)				
Transfers out	(2,440)	(2,440)	(2,440)	-
Total Other Financing Sources (Uses)	(2,440)	(2,440)	(2,440)	-
Net Change in Fund Balances	(18,940)	(18,940)	27,537	46,477
Fund Balances, Beginning of Year	84,942	84,942	84,942	-
Fund Balances, End of Year	\$ 66,002	\$ 66,002	\$ 112,479	\$ 46,477

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LOCAL STREET
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 2,143	\$ 2,143
Miscellaneous	-	82,764	54,681	(28,083)
Total Revenues	-	82,764	56,824	(25,940)
Expenditures				
Current:				
Public works	1,207,631	-	-	-
Capital outlay	10,000	-	-	-
Total Expenditures	1,217,631	1,875,687	1,077,118	798,569
Other Financing Sources (Uses)				
Transfers in	1,386,851	1,521,851	1,521,851	-
Transfers out	(169,220)	(169,220)	(169,220)	-
Total Other Financing Sources (Uses)	1,217,631	1,352,631	1,352,631	-
Net Change in Fund Balances	-	(440,292)	332,337	772,629
Fund Balances, Beginning of Year	449,795	449,795	449,795	-
Fund Balances, End of Year	\$ 449,795	\$ 9,503	\$ 782,132	\$ 772,629

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PUBLIC NUISANCE
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 32	\$ 32
Total Revenues	-	-	32	32
Expenditures				
Current:				
Public safety	4,000	4,000	-	4,000
Total Expenditures	4,000	4,000	-	4,000
Net Change in Fund Balances	(4,000)	(4,000)	32	4,032
Fund Balances, Beginning of Year	12,293	12,293	12,293	-
Fund Balances, End of Year	\$ 8,293	\$ 8,293	\$ 12,325	\$ 4,032

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE K
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 560,000	\$ 560,000	\$ 720,588	\$ 160,588
Use of money and property	-	-	1,647	1,647
Total Revenues	560,000	560,000	722,235	162,235
Other Financing Sources (Uses):				
Transfers out	(728,682)	(728,682)	(717,616)	11,066
Total Other Financing Sources (Uses)	(728,682)	(728,682)	(717,616)	11,066
Net Change in Fund Balances	(168,682)	(168,682)	4,619	173,301
Fund Balances, Beginning of Year	627,014	627,014	627,014	-
Fund Balances, End of Year	\$ 458,332	\$ 458,332	\$ 631,633	\$ 173,301

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STREETS AND ROADS
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 884,851	\$ 884,851	\$ 1,180,161	\$ 295,310
Use of money and property	-	-	600	600
Total Revenues	884,851	884,851	1,180,761	295,910
Other Financing Sources (Uses):				
Transfers out	(191,174)	(1,299,157)	(41,289)	1,257,868
Total Other Financing Sources (Uses)	(191,174)	(1,299,157)	(41,289)	1,257,868
Net Change in Fund Balances	693,677	(414,306)	1,139,472	1,553,778
Fund Balances, Beginning of Year	187,171	187,171	187,171	-
Fund Balances, End of Year	\$ 880,848	\$ (227,135)	\$ 1,326,643	\$ 1,553,778

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FEDERAL GRANT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,430,496	\$ 5,425,911	\$ 695,355	\$ (4,730,556)
Total Revenues	4,430,496	5,425,911	695,355	(4,730,556)
Expenditures				
Current:				
Culture and leisure	-	595,415	595,415	-
Total Expenditures	-	595,415	595,415	-
Other Financing Sources (Uses)				
Transfers out	(4,430,496)	(4,830,496)	(371,426)	4,459,070
Total Other Financing Sources (Uses)	(4,430,496)	(4,830,496)	(371,426)	4,459,070
Net Change in Fund Balances	-	-	(271,486)	(271,486)
Fund Balances, Beginning of Year	332,417	332,417	332,417	-
Fund Balances, End of Year	\$ 332,417	\$ 332,417	\$ 60,931	\$ (271,486)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STORM DRAIN
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 1,058	\$ 1,058
Fines and forfeitures	352,506	352,506	352,535	29
Total Revenues	352,506	355,871	356,958	1,087
Expenditures				
Current:				
Public works	421,810	608,628	346,388	262,240
Capital outlay	-	-	-	-
Total Expenditures	421,810	608,628	346,388	262,240
Other Financing (Uses)				
Transfers in	50,000	50,000	50,000	-
Transfers out	(67,090)	(67,090)	(67,090)	-
Total Other Financing (Uses)	(17,090)	(17,090)	(17,090)	-
Net Change in Fund Balances	(86,394)	(269,847)	(6,520)	263,327
Fund Balances, Beginning of Year	338,533	338,533	338,533	-
Fund Balances, End of Year	\$ 252,139	\$ 68,686	\$ 332,013	\$ 263,327

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STREET LIGHT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 5,134	\$ 5,134
Fines and forfeitures	1,097,909	1,097,909	1,096,970	(939)
Miscellaneous	-	10,750	34,059	23,309
Total Revenues	1,097,909	1,108,659	1,136,163	27,504
Expenditures				
Current:				
Public safety	173,360	279,170	150,935	128,235
Public works	1,013,150	1,225,036	876,985	348,051
Total Expenditures	1,186,510	1,504,206	1,027,920	476,286
Other Financing (Uses)				
Transfers in	31,900	31,900	31,900	-
Transfers out	(139,590)	(139,590)	(139,590)	-
Total Other Financing (Uses)	(107,690)	(107,690)	(107,690)	-
Net Change in Fund Balances	(196,291)	(503,237)	553	503,790
Fund Balances, Beginning of Year	1,562,239	1,562,239	1,562,239	-
Fund Balances, End of Year	\$ 1,365,948	\$ 1,059,002	\$ 1,562,792	\$ 503,790

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 AB939 RECYCLING
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 170,000	\$ 170,000	\$ 219,744	\$ 49,744
Licenses and permits	-	-	55,475	55,475
Intergovernmental	5,000	5,000	7,390	2,390
Use of money and property	-	-	3,369	3,369
Total Revenues	175,000	175,000	285,978	110,978
Expenditures				
Current:				
Culture and leisure	-	188,571	77,108	111,463
Public works	132,971	-	-	-
Total Expenditures	132,971	188,571	77,108	111,463
Other Financing (Uses)				
Transfers out	(14,560)	(14,560)	(14,560)	-
Total Other Financing (Uses)	(14,560)	(14,560)	(14,560)	-
Net Change in Fund Balances	27,469	(28,131)	194,310	222,441
Fund Balances, Beginning of Year	937,125	937,125	937,125	-
Fund Balances (Deficits), End of Year	\$ 964,594	\$ 908,994	\$ 1,131,435	\$ 222,441

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 114,736	\$ 27,434	\$ (87,302)
Use of money and property	-	-	17	17
Total Revenues	-	114,736	27,451	(87,285)
Expenditures				
Current:				
Community development	-	32,435	34,504	(2,069)
Total Expenditures	-	32,435	34,504	(2,069)
Other Financing Sources (Uses):				
Transfers out	-	(82,301)	-	82,301
Total Other Financing Sources (Uses)	-	(82,301)	-	82,301
Net Change in Fund Balances	-	-	(7,053)	(7,053)
Fund Balances, Beginning of Year	4,232	4,232	4,232	-
Fund Balances, End of Year	\$ 4,232	\$ 4,232	\$ (2,821)	\$ (7,053)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SCHOLARSHIP FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,766	\$ 766
Use of money and property	-	-	60	60
Miscellaneous	200	200	3,699	3,499
Total Revenues	5,200	5,200	9,525	4,325
Other Financing Sources (Uses):				
Transfers out	(5,000)	(5,000)	(2,306)	2,694
Total Other Financing Sources (Uses)	(5,000)	(5,000)	(2,306)	2,694
Net Change in Fund Balances	200	200	7,219	7,019
Fund Balances, Beginning of Year	14,524	14,524	14,524	-
Fund Balances, End of Year	\$ 14,724	\$ 14,724	\$ 21,743	\$ 7,019

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COPS
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 161,285	\$ (338,715)
Use of money and property	-	-	849	849
Total Revenues	500,000	500,000	162,134	(337,866)
Expenditures				
Current:				
Public safety	500,000	500,000	98,722	401,278
Total Expenditures	500,000	585,000	98,722	486,278
Net Change in Fund Balances	-	(85,000)	63,412	(824,144)
Fund Balances, Beginning of Year	233,983	233,983	233,983	-
Fund Balances, End of Year	\$ 233,983	\$ 148,983	\$ 297,395	\$ (824,144)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OFFICE OF TRAFFIC AND SAFETY
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 3,994	\$ (36,006)
Total Revenues	40,000	40,000	3,994	(36,006)
Expenditures				
Current:				
Public safety	40,000	40,000	12,002	27,998
Total Expenditures	40,000	40,000	12,002	27,998
Net Change in Fund Balances	-	-	(8,008)	(8,008)
Fund Balances, Beginning of Year	8,008	8,008	8,008	-
Fund Balances, End of Year	\$ 8,008	\$ 8,008	\$ -	\$ (8,008)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RTIF SAN JOAQUIN COUNTY
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 642,239	\$ 642,239	\$ 498,404	\$ (143,835)
Use of money and property	-	-	627	627
Total Revenues	642,239	642,239	499,031	(143,208)
Expenditures				
Current:				
Public works	642,239	642,239	499,032	143,207
Total Expenditures	642,239	642,239	499,032	143,207
Net Change in Fund Balances	-	-	(1)	(1)
Fund Balances, Beginning of Year	1	1	1	-
Fund Balances, End of Year	\$ 1	\$ 1	\$ -	\$ (1)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RTIF LATHROP LOCAL WEST
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 4,198,377	\$ 4,198,377	\$ 3,345,663	\$ (852,714)
Use of money and property	-	-	32,971	32,971
Total Revenues	4,198,377	4,198,377	3,378,634	(819,743)
Expenditures				
Current:				
Public works	5,000	14,130	14,127	3
Total Expenditures	5,000	14,130	14,127	3
Net Change in Fund Balances	4,193,377	4,184,247	3,364,507	(819,740)
Fund Balances, Beginning of Year	8,065,603	8,065,603	8,065,603	-
Fund Balances, End of Year	\$ 12,258,980	\$ 12,249,850	\$ 11,430,110	\$ (819,740)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RTIF SJCOG
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 963,359	\$ 963,359	\$ 747,701	\$ (215,658)
Use of money and property	-	-	947	947
Total Revenues	963,359	963,359	748,648	(214,711)
Expenditures				
Current:				
Public works	963,359	963,359	748,648	214,711
Total Expenditures	963,359	963,359	748,648	214,711
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RTIF LATHROP LOCAL EAST
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 522,079	\$ 522,079	\$ 317,493	\$ (204,586)
Use of money and property	-	-	8,295	8,295
Total Revenues	522,079	522,079	325,788	(196,291)
Expenditures				
Current:				
Public works	5,000	5,000	3,985	1,015
Total Expenditures	5,000	5,000	3,985	1,015
Net Change in Fund Balances	517,079	517,079	321,803	(195,276)
Fund Balances, Beginning of Year	2,296,205	2,296,205	2,296,205	-
Fund Balances, End of Year	\$ 2,813,284	\$ 2,813,284	\$ 2,618,008	\$ (195,276)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LMFD MEASURE C
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 642	\$ 642
Total Revenues	-	-	642	642
Expenditures				
Current:				
Public safety	2,400,000	4,350,370	4,159,199	191,171
Total Expenditures	2,400,000	4,350,370	4,159,199	191,171
Other Financing Sources (Uses):				
Transfers in	2,400,000	4,350,370	4,350,369	(1)
Total Other Financing Sources (Uses)	2,400,000	4,350,370	4,350,369	(1)
Net Change in Fund Balances	-	-	191,812	191,812
Fund Balances, Beginning of Year	983,338	983,338	983,338	-
Fund Balances, End of Year	\$ 983,338	\$ 983,338	\$ 1,175,150	\$ 191,812

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STATE GRANTS
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 428,346	\$ 401,276	\$ 28,058	\$ (373,218)
Total Revenues	428,346	401,276	28,058	(373,218)
Other Financing Sources (Uses):				
Transfers out	(428,346)	(401,276)	(56,398)	344,878
Total Other Financing Sources (Uses)	(428,346)	(401,276)	(56,398)	344,878
Net Change in Fund Balances	-	-	(28,340)	(28,340)
Fund Balances, Beginning of Year	28,340	28,340	28,340	-
Fund Balances, End of Year	\$ 28,340	\$ 28,340	\$ -	\$ (28,340)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CITYWIDE ECONOMIC DEV FEE 20%
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 765,000	\$ 765,000	\$ 604,000	\$ (161,000)
Use of money and property	-	-	6,119	6,119
Total Revenues	765,000	765,000	610,119	(154,881)
Other Financing Sources (Uses):				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	765,000	765,000	610,119	(154,881)
Fund Balances, Beginning of Year	1,472,588	1,472,588	1,472,588	-
Fund Balances, End of Year	\$ 2,237,588	\$ 2,237,588	\$ 2,082,707	\$ (154,881)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RIVER ISLANDS CFD 2013-1
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 606,551	\$ 606,551	\$ 673,572	\$ 67,021
Use of money and property	-	-	2,217	2,217
Miscellaneous	400,449	400,449	299,684	(100,765)
Total Revenues	1,007,000	1,007,000	975,473	(31,527)
Expenditures				
Current:				
Public works	18,500	18,500	21,381	(2,881)
Total Expenditures	18,500	18,500	21,381	(2,881)
Other Financing Sources (Uses):				
Transfers out	(988,500)	(988,500)	(1,358,625)	(370,125)
Total Other Financing Sources (Uses)	(988,500)	(988,500)	(1,358,625)	(370,125)
Net Change in Fund Balances	-	-	(404,533)	(404,533)
Fund Balances, Beginning of Year	524,822	524,822	524,822	-
Fund Balances, End of Year	\$ 524,822	\$ 524,822	\$ 120,289	\$ (404,533)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ULOP RD-17 LEVEE IMPACT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 4,036,020	\$ 4,036,020	\$ 2,249,868	\$ (1,786,152)
Use of money and property	-	-	-	-
Total Revenues	4,036,020	4,036,020	2,249,868	(1,786,152)
Expenditures				
Current:				
Public works	4,036,020	4,036,020	2,249,868	1,786,152
Total Expenditures	4,036,020	4,036,020	2,249,868	1,786,152
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CLSP OFF-SITE ROADWAY IMPROVEMENT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 125,259	\$ 125,259	\$ 67,186	\$ (58,073)
Use of money and property	-	-	331	331
Total Revenues	125,259	125,259	67,517	(57,742)
Net Change in Fund Balances	125,259	125,259	67,517	(57,742)
Fund Balances, Beginning of Year	56,936	56,936	56,936	-
Fund Balances, End of Year	\$ 182,195	\$ 182,195	\$ 124,453	\$ (57,742)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SOUTH LATHROP CFD 2019-1
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 542,423	\$ 542,423	\$ 542,423	\$ -
Use of money and property	-	-	3,106	3,106
Total Revenues	542,423	542,423	545,529	3,106
Expenditures				
Current:				
Public works	289,320	314,604	128,056	186,548
Capital outlay	230,000	230,000	-	230,000
Total Expenditures	519,320	544,604	128,056	416,548
Net Change in Fund Balances	13,923	(11,361)	408,293	419,654
Fund Balances, Beginning of Year	740,995	740,995	740,995	-
Fund Balances, End of Year	\$ 754,918	\$ 729,634	\$ 1,149,288	\$ 419,654

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CENTRAL LATHROP CFD 2019-2
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 860,000	\$ 860,000	\$ 947,092	\$ 87,092
Use of money and property	-	-	363	363
Total Revenues	860,000	876,200	975,246	99,046
Expenditures				
Current:				
Public works	605,840	666,423	534,859	131,564
Total Expenditures	605,840	666,423	534,859	131,564
Other Financing Sources (Uses)				
Transfers out	(40,160)	(40,160)	(40,160)	-
Total Other Financing Sources (Uses)	(40,160)	(40,160)	(40,160)	-
Net Change in Fund Balances	214,000	169,617	400,227	230,610
Fund Balances (Deficits), Beginning of Year	(169,617)	(169,617)	(169,617)	-
Fund Balances (Deficits), End of Year	\$ 44,383	\$ -	\$ 230,610	\$ 230,610

CUSTODIAL FUNDS

Custodial Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

MOSSDALE VILLAGE ASSESSMENT DISTRICT FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Mossdale Village Assessment District.

CROSSROADS ASSESSMENTS FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Crossroads Assessment District.

JOINT WASTEWATER COMMUNITY FACILITIES DISTRICT FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Joint Wastewater Community Facilities District.

NORTH HARLAN WATER IMPROVEMENT FUND

To account for special assessments associated with the payment of limited obligation improvement bonds for the North Harlan Water Improvement District.

COMMUNITY FACILITIES DISTRICT CLSP INFRASTRUCTURE FUND

To account for special assessments associated with the infrastructure in the Central Lathrop Specific Plan area.

SEWER ASSESSMENT DISTRICT NO.1 FUND

To account for the special assessments associated with the payments of the limited-obligation improvement bonds for the Lathrop Sanitary Sewer Assessment District No.1.

MOSSDALE VILLAGE REASSESSMENT 2015 – 1 FUND

To account for the special assessments associated with the payment of bonds for the Mossdale Village District.

CITY OF LATHROP

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2022

	Mossdale Village Assessment District	Crossroads Assessments	Joint Wastewater Community Facilities District	North Harlan Water Improvement
Assets:				
Pooled cash and investments	\$ 1,701,358	\$ 572,069	\$ 799,796	\$ 60,148
Receivables:				
Accounts	-	1,685,043	-	-
Accrued interest	329	249	383	32
Restricted assets:				
Cash and investments with fiscal agents	32	742,231	700,728	3
Total Assets	1,701,719	2,999,592	1,500,907	60,183
Liabilities:				
Accounts payable	-	-	121,180	40,928
Deposits payable	-	-	-	-
Due to other governments	1,608,303	-	1,113,490	(5,175)
Total Liabilities	1,608,303	-	1,234,670	35,753
Net Position (Deficit):				
Restricted for:				
Individuals, organizations and other governments	93,416	2,999,592	266,237	24,430
Total Net Position (Deficit)	\$ 93,416	\$ 2,999,592	\$ 266,237	\$ 24,430

CITY OF LATHROP

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2022

	Community Facilities District CLSP Infrastructure	Sewer Assessment District #1	Mossdale Village Reassessment 2015-1	Totals
Assets:				
Pooled cash and investments	\$ 1,668,173	\$ 1,944	\$ 1,044,432	\$ 5,847,920
Receivables:				
Accounts	-	-	-	1,685,043
Accrued interest	626	5	521	2,145
Restricted assets:				
Cash and investments with fiscal agents	1,214,230	400,986	240,370	3,298,580
Total Assets	2,883,029	402,935	1,285,323	10,833,688
Liabilities:				
Accounts payable	-	-	-	162,108
Deposits payable	30,747	-	-	30,747
Due to other governments	2,367,728	386,150	873,139	6,343,635
Total Liabilities	2,398,475	386,150	873,139	6,536,490
Net Position (Deficit):				
Restricted for:				
Individuals, organizations and other governments	484,554	16,785	412,184	4,297,198
Total Net Position (Deficit)	\$ 484,554	\$ 16,785	\$ 412,184	\$ 4,297,198

CITY OF LATHROP

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2022

	Mossdale Village Assessment District	Crossroads Assessments	Joint Wastewater Community Facilities District	North Harlan Water Improvement
Additions:				
Collections for assessment districts	\$ 969,476	\$ 757,344	\$ 1,432,936	\$ -
Investment earnings	1,498	1,118	2,039	199
Total Additions	970,974	758,462	1,434,975	199
Deductions:				
Administrative expenses	12,594	9,298	11,122	-
Contractual services	21,990	9,036	13,565	-
Interest expense	1,303,512	729,093	1,239,730	-
Total Deductions	1,338,096	747,427	1,264,417	-
Changes in Net Position	(367,122)	11,035	170,558	199
Net Position - Beginning of the Year	(6,539,172)	(7,946,486)	(3,822,662)	19,056
Restatements	6,999,710	10,935,043	3,918,341	5,175
Net Position (Deficit) - Beginning of the Year, as Restated	460,538	2,988,557	95,679	24,231
Net Position (Deficit) - End of the Year	\$ 93,416	\$ 2,999,592	\$ 266,237	\$ 24,430

CITY OF LATHROP

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2022**

	Community Facilities District CLSP Infrastructure	Sewer Assesment District #1	Mossdale Village Reassessment 2015-1	Totals
Additions:				
Collections for assessment districts	\$ 2,657,754	\$ 20,236	\$ 504,729	\$ 6,342,475
Investment earnings	2,922	28	2,805	10,609
Total Additions	2,660,676	20,264	507,534	6,353,084
Deductions:				
Administrative expenses	9,120	7,486	12,594	62,214
Contractual services	24,833	-	18,104	87,528
Interest expense	2,199,980	-	95,881	5,568,196
Total Deductions	2,233,933	7,486	126,579	5,717,938
Changes in Net Position	426,743	12,778	380,955	635,146
Net Position - Beginning of the Year	(43,311,251)	(196,748)	(4,315,997)	(66,113,260)
Restatements	43,369,062	200,755	4,347,226	69,775,312
Net Position (Deficit) - Beginning of the Year, as Restated	57,811	4,007	31,229	3,662,052
Net Position (Deficit) - End of the Year	\$ 484,554	\$ 16,785	\$ 412,184	\$ 4,297,198

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STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Property Tax Levies and Collections
2. Assessed Value and Estimated Actual Value of Taxable Property
3. Principal Property Taxpayers

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Direct and Overlapping Property Tax Rates
2. Direct and Overlapping Governments Sales Tax Rates
3. Legal Debt Margin Information
4. Outstanding Debt
5. Computation of Direct and Overlapping Debt
6. Pledged-Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-time and Part-time City Employees by Function
2. Operating Indicators by Function
3. Capital Asset Statistics by Function
4. Water Sold by Type of Customer
5. Water Rates
6. Ten Largest Water Customers
7. Top 25 Sales Tax Producers

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF LATHROP
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities:				
Net investments in capital assets	\$ 127,600,645	\$ 140,357,523	\$ 145,671,748	\$ 148,474,931
Restricted	6,989,280	4,865,583	7,733,824	10,223,760
Unrestricted	<u>31,954,985</u>	<u>31,716,374</u>	<u>35,612,693</u>	<u>38,941,548</u>
Total governmental activities net position	<u>\$ 166,544,910</u>	<u>\$ 176,939,480</u>	<u>\$ 189,018,265</u>	<u>\$ 197,640,239</u>
Business-type activities:				
Net investments in capital assets	\$ 76,371,218	\$ 88,125,585	\$ 92,350,319	\$ 93,906,914
Restricted	2,865,251	2,696,850	2,995,846	2,698,250
Unrestricted	<u>19,333,520</u>	<u>25,692,676</u>	<u>23,944,509</u>	<u>26,437,255</u>
Total business-type activities net position	<u>\$ 98,569,989</u>	<u>\$ 116,515,111</u>	<u>\$ 119,290,674</u>	<u>\$ 123,042,419</u>
Primary government:				
Net investments in capital assets	\$ 203,971,863	\$ 228,483,108	\$ 238,022,067	\$ 242,381,845
Restricted	9,854,531	7,562,433	10,729,670	12,922,010
Unrestricted	<u>51,288,505</u>	<u>57,409,050</u>	<u>59,557,202</u>	<u>65,378,803</u>
Total Primary government net position	<u>\$ 265,114,899</u>	<u>\$ 293,454,591</u>	<u>\$ 308,308,939</u>	<u>\$ 320,682,658</u>

Source: City of Lathrop, California Comprehensive Annual Financial Reports.

CITY OF LATHROP
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 155,971,046	\$ 159,727,304	\$ 179,501,255	\$ 206,211,349	\$ 218,894,403	\$ 250,605,011
11,858,920	10,376,172	13,552,647	16,013,046	103,964,923	122,949,990
<u>47,769,952</u>	<u>52,396,920</u>	<u>72,645,973</u>	<u>87,005,385</u>	<u>33,463,086</u>	<u>47,696,013</u>
<u>\$ 215,599,918</u>	<u>\$ 222,500,396</u>	<u>\$ 265,699,875</u>	<u>\$ 309,229,780</u>	<u>\$ 356,322,412</u>	<u>\$ 421,251,014</u>
\$ 103,695,833	\$ 120,279,431	\$ 150,452,677	\$ 160,481,074	\$ 156,963,462	\$ 174,059,421
1,706,637	1,650,031	1,652,234	1,651,396	1,650,648	1,652,915
<u>37,146,214</u>	<u>30,919,752</u>	<u>34,710,083</u>	<u>43,373,359</u>	<u>62,502,764</u>	<u>70,785,536</u>
<u>\$ 142,548,684</u>	<u>\$ 152,849,214</u>	<u>\$ 186,814,994</u>	<u>\$ 205,505,829</u>	<u>\$ 221,116,874</u>	<u>\$ 246,497,872</u>
\$ 259,666,879	\$ 280,006,735	\$ 329,953,932	\$ 366,692,423	\$ 375,857,865	\$ 424,664,432
13,565,557	12,026,203	15,204,881	17,664,442	105,615,571	124,602,905
<u>84,916,166</u>	<u>83,316,672</u>	<u>107,356,056</u>	<u>130,378,744</u>	<u>95,965,850</u>	<u>118,481,549</u>
<u>\$ 358,148,602</u>	<u>\$ 375,349,610</u>	<u>\$ 452,514,869</u>	<u>\$ 514,735,609</u>	<u>\$ 577,439,286</u>	<u>\$ 667,748,886</u>

CITY OF LATHROP
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017
Expenses:					
Governmental activities:					
General government	\$ 3,733,840	\$ 4,680,110	\$ 7,449,500	\$ 5,614,173	\$ 4,580,381
Public safety	4,624,518	5,940,125	6,962,351	8,048,625	9,683,636
Public works	10,246,951	13,888,678	10,864,104	7,864,470	13,125,373
Culture and leisure	1,161,712	1,111,917	779,976	1,395,287	1,300,832
Community development	1,472,084	1,573,972	602,719	1,712,156	993,885
Interest on long-term debt	369,832	924,941	340,120	880,036	319,164
Total governmental activities expense	<u>21,608,937</u>	<u>28,119,743</u>	<u>26,998,770</u>	<u>25,514,747</u>	<u>30,003,271</u>
Business-type activities:					
Water	7,090,866	7,376,261	5,108,071	4,941,845	5,828,411
Wastewater	3,987,951	6,289,560	4,433,501	3,587,602	5,393,728
Total business-type activities expenses	<u>11,078,817</u>	<u>13,665,821</u>	<u>9,541,572</u>	<u>8,529,447</u>	<u>11,222,139</u>
Total primary government expenses	<u>\$ 32,687,754</u>	<u>\$ 41,785,564</u>	<u>\$ 36,540,342</u>	<u>\$ 34,044,194</u>	<u>\$ 41,225,410</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General Government	\$ 335,511	\$ 397,607	\$ 491,076	\$ 551,613	\$ 462,696
Public Safety	174,862	716,360	356,989	365,009	231,164
Public Works	178,087	202,488	248,089	258,005	1,697,831
Culture and leisure	152,379	242,500	220,963	205,376	283,662
Community development	1,515,837	2,189,603	2,551,889	3,947,881	3,131,768
Operating grants and contributions	5,076,581	4,947,223	4,969,720	5,016,283	4,841,037
Capital grants and contributions	8,304,237	23,115,518	22,155,191	9,759,080	30,838,179
Total governmental activities program revenues	<u>15,737,494</u>	<u>31,811,299</u>	<u>30,993,917</u>	<u>20,103,247</u>	<u>41,486,337</u>
Business-type activities:					
Charges for services:					
Water	6,293,790	6,551,486	6,042,517	5,849,963	6,856,028
Wastewater	5,186,053	5,827,902	5,730,148	5,233,840	5,791,155
Operating grants and contributions	3,710,000	12,002,670	-	-	-
Capital grants and contributions	159,854	159,854	159,854	159,854	159,854
Total business-type activities program revenues	<u>15,349,697</u>	<u>24,541,912</u>	<u>11,932,519</u>	<u>11,243,657</u>	<u>12,807,037</u>
Total primary government program revenues	<u>\$ 31,087,191</u>	<u>\$ 56,353,211</u>	<u>\$ 42,926,436</u>	<u>\$ 31,346,904</u>	<u>\$ 54,293,374</u>
Net revenues (expenses):					
Governmental activities	\$ (5,871,443)	\$ 3,691,556	\$ 3,995,147	\$ (5,411,500)	\$ 11,483,066
Business-type activities	4,270,880	10,876,091	2,390,947	2,714,210	1,584,898
Total net revenues (expenses)	<u>\$ (1,600,563)</u>	<u>\$ 14,567,647</u>	<u>\$ 6,386,094</u>	<u>\$ (2,697,290)</u>	<u>\$ 13,067,964</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property tax	\$ 2,810,704	\$ 2,946,083	\$ 3,273,006	\$ 3,566,656	\$ 3,980,606
Sales and use taxes	3,128,882	6,676,994	5,947,812	6,209,105	6,337,138
Franchise taxes	667,509	705,405	685,140	518,183	771,288
Other taxes	466,328	419,267	449,950	743,896	565,715
Motor vehicle in lieu, unrestricted	1,076,010	1,118,489	1,237,606	1,324,094	1,555,026
Investment income (loss)	38,959	67,431	80,844	346,915	19,282
Other general revenues	262,023	395,810	301,192	1,745,978	10,090,096
Transfers	763,094	(5,626,465)	(84,391)	(421,353)	(16,842,538)
Total governmental activities	<u>9,213,509</u>	<u>6,703,014</u>	<u>11,891,159</u>	<u>14,033,474</u>	<u>6,476,613</u>
Business-type activities:					
Investment income (loss)	59,419	49,915	63,492	200,063	214,510
Miscellaneous	1,545,739	1,392,651	675,204	416,119	864,319
Transfers	(763,094)	5,626,465	84,391	421,353	16,842,538
Total business-type activities	<u>842,064</u>	<u>7,069,031</u>	<u>823,087</u>	<u>1,037,535</u>	<u>17,921,367</u>
Total primary government	<u>\$ 10,055,573</u>	<u>\$ 13,772,045</u>	<u>\$ 12,714,246</u>	<u>\$ 15,071,009</u>	<u>\$ 24,397,980</u>
Changes in net position					
Governmental activities	\$ 3,342,066	\$ 10,394,570	\$ 15,886,306	\$ 8,621,974	\$ 17,959,679
Business-type activities	5,112,944	17,945,122	3,214,034	3,751,745	19,506,265
Total primary government	<u>\$ 8,455,010</u>	<u>\$ 28,339,692</u>	<u>\$ 19,100,340</u>	<u>\$ 12,373,719</u>	<u>\$ 37,465,944</u>

CITY OF LATHROP
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

2018	2019	2020	2021	2022
\$ 4,917,617	\$ 5,307,052	\$ 5,944,111	\$ 6,544,720	\$ 6,994,053
10,965,814	11,284,963	12,121,072	11,729,668	11,628,050
13,066,756	16,835,406	19,195,792	19,892,748	14,711,011
1,331,811	1,442,202	1,468,471	1,466,177	11,559,470
1,256,506	977,552	1,317,693	8,227,717	1,805,271
100,088	46,410	89,123	241,454	233,740
<u>31,638,592</u>	<u>35,893,585</u>	<u>40,136,262</u>	<u>48,102,484</u>	<u>46,931,595</u>
4,969,618	6,303,489	6,906,021	6,767,503	7,099,213
1,204,762	9,206,503	7,476,439	7,926,063	7,853,576
<u>6,174,380</u>	<u>15,509,992</u>	<u>14,382,460</u>	<u>14,693,566</u>	<u>14,952,789</u>
<u>\$ 37,812,972</u>	<u>\$ 51,403,577</u>	<u>\$ 54,518,722</u>	<u>\$ 62,796,050</u>	<u>\$ 61,884,384</u>
\$ 438,974	\$ 528,673	\$ 465,303	\$ 6,961,502	\$ 9,212,336
424,909	775,581	504,277	243,035	139,111
1,184,297	1,874,445	473,036	3,581,829	2,816,090
279,505	341,016	285,143	124,652	363,671
2,916,089	3,880,593	6,507,913	3,880,053	8,161,272
5,459,511	5,674,834	6,105,531	2,709,984	5,236,622
10,069,773	40,920,445	43,291,735	16,740,299	25,390,248
<u>20,773,058</u>	<u>53,995,587</u>	<u>57,632,938</u>	<u>34,241,354</u>	<u>51,319,350</u>
8,331,835	9,052,906	10,352,614	10,239,976	10,758,681
6,533,098	7,923,942	8,633,545	8,776,287	9,141,235
-	-	-	-	-
159,854	32,556,339	11,691,580	6,862,837	4,933,027
<u>15,024,787</u>	<u>49,533,187</u>	<u>30,677,739</u>	<u>25,879,100</u>	<u>24,832,943</u>
<u>\$ 35,797,845</u>	<u>\$ 103,528,774</u>	<u>\$ 88,310,677</u>	<u>\$ 60,120,454</u>	<u>\$ 76,152,293</u>
\$ (10,865,534)	\$ 18,102,002	\$ 17,496,676	\$ (13,861,130)	\$ 4,387,755
8,850,407	34,023,195	16,295,279	11,185,534	9,880,154
<u>\$ (2,015,127)</u>	<u>\$ 52,125,197</u>	<u>\$ 33,791,955</u>	<u>\$ (2,675,596)</u>	<u>\$ 14,267,909</u>
\$ 4,285,832	\$ 4,710,374	\$ 5,333,918	\$ 8,613,482	\$ 9,737,910
9,211,228	12,001,476	10,501,615	18,190,475	23,643,606
877,633	1,204,106	1,241,635	1,530,878	1,640,212
634,335	666,791	582,552	30,620,998	31,355,667
1,794,526	1,898,011	2,193,976	738,708	738,708
979,493	1,996,503	2,786,291	701,941	(2,101,280)
379,591	149,364	184,705	945,547	1,344,184
(137,582)	2,439,302	3,255,411	1,777,930	(5,818,160)
<u>18,025,056</u>	<u>25,065,927</u>	<u>26,080,103</u>	<u>63,119,959</u>	<u>60,540,847</u>
405,014	782,839	741,372	364,403	216,580
907,527	1,599,048	4,909,595	5,692,221	9,466,104
137,582	(2,439,302)	(3,255,411)	(1,777,930)	5,818,160
<u>1,450,123</u>	<u>(57,415)</u>	<u>2,395,556</u>	<u>4,278,694</u>	<u>15,500,844</u>
<u>\$ 19,475,179</u>	<u>\$ 25,008,512</u>	<u>\$ 28,475,659</u>	<u>\$ 67,398,653</u>	<u>\$ 76,041,691</u>
\$ 7,159,522	\$ 43,167,929	\$ 43,576,779	\$ 49,258,829	\$ 64,928,602
10,300,530	33,965,780	18,690,835	15,464,228	25,380,998
<u>\$ 17,460,052</u>	<u>\$ 77,133,709</u>	<u>\$ 62,267,614</u>	<u>\$ 64,723,057</u>	<u>\$ 90,309,600</u>

CITY OF LATHROP
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General fund:				
Nonspendable	\$ 7,175,257	\$ 6,380,018	\$ 6,852,691	\$ 6,665,677
Committed	-	-	-	2,233,234
Assigned	1,229,504	-	-	-
Unassigned	<u>9,784,715</u>	<u>16,234,527</u>	<u>11,091,860</u>	<u>12,861,107</u>
Total general fund	<u>\$ 18,189,476</u>	<u>\$ 22,614,545</u>	<u>\$ 17,944,551</u>	<u>\$ 21,760,018</u>
All other governmental funds:				
Restricted	\$ 4,142,620	\$ 3,890,049	\$ 6,823,678	\$ 4,513,322
Committed	19,333,997	12,977,322	22,534,880	25,829,474
Assigned	264,923	930,347	880,383	975,042
Unassigned	<u>-</u>	<u>-</u>	<u>(364)</u>	<u>(233)</u>
Total all other governmental funds	<u>\$ 23,741,540</u>	<u>\$ 17,797,718</u>	<u>\$ 30,238,577</u>	<u>\$ 31,317,605</u>

* FY2021 reflects the implementation of GASB 84.

Source: City of Lathrop, California

CITY OF LATHROP
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021*</u>	<u>2022</u>
\$ 6,180,434	\$ 5,650,104	\$ 5,225,742	\$ 3,470,982	\$ 3,282,311	\$ 2,405,864
-	-	-	29,678,802	29,664,824	44,763,906
-	-	-	2,616,835	-	-
<u>16,496,212</u>	<u>21,538,365</u>	<u>31,169,562</u>	<u>4,289,278</u>	<u>6,679,913</u>	<u>5,704,542</u>
<u>\$ 22,676,646</u>	<u>\$ 27,188,469</u>	<u>\$ 36,395,304</u>	<u>\$ 40,055,897</u>	<u>\$ 39,627,048</u>	<u>\$ 52,874,312</u>
\$ 4,701,300	\$ 3,797,087	\$ 4,701,645	\$ 9,116,860	\$ 103,964,923	\$ 122,949,990
35,779,675	36,015,106	49,619,728	58,214,668	-	-
784,139	663,674	549,720	572,817	-	-
<u>(120)</u>	<u>-</u>	<u>(163,756)</u>	<u>(2,500)</u>	<u>(773,287)</u>	<u>(1,053,529)</u>
<u>\$ 41,264,994</u>	<u>\$ 40,475,867</u>	<u>\$ 54,707,337</u>	<u>\$ 67,901,845</u>	<u>\$ 103,191,636</u>	<u>\$ 121,896,461</u>

CITY OF LATHROP
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016
Revenues:				
Taxes and assessments	\$ 12,092,527	\$ 15,462,332	\$ 21,268,849	\$ 18,494,460
Licenses and permits	634,934	749,845	1,373,909	1,283,193
Fines, forfeitures, and penalties	1,564,795	1,476,258	1,486,888	1,658,639
Intergovernmental	7,107,760	13,291,995	11,177,149	5,489,546
Use of Money & Property	62,939	116,968	159,262	382,724
Charges for current services	1,449,684	2,727,193	2,207,080	3,725,964
Contributions (Developer)		9,779,408	1,094,140	-
Other	1,275,270	536,779	4,202,190	3,523,548
Total revenues	<u>24,187,909</u>	<u>44,140,778</u>	<u>42,969,467</u>	<u>34,558,074</u>
Expenditures				
Current:				
General government	3,318,835	4,240,661	8,063,724	4,675,898
Community development	1,222,152	1,323,932	1,254,836	1,657,178
Public safety	4,510,204	5,829,809	7,030,624	7,297,872
Public works	9,197,006	17,040,900	15,482,137	6,687,275
Culture and leisure	1,069,332	1,063,957	1,048,531	1,296,370
Capital Outlay	3,795,717	9,334,496	1,604,530	4,361,924
Debt service:				
Principal retirement	262,103	274,370	289,709	1,683,347
Interest and fiscal charges	369,832	924,941	340,120	390,710
Total expenditures	<u>23,745,181</u>	<u>40,033,066</u>	<u>35,114,211</u>	<u>28,050,574</u>
Excess (deficiency) of revenues over (under) expenditures	442,728	4,107,712	7,855,256	6,507,500
Other financing sources (uses):				
Proceeds from issuance of long-term debt	-	-	-	(1,191,652)
Transfers in	9,379,077	18,471,301	17,566,636	12,971,420
Transfers out	(8,615,983)	(24,097,766)	(17,651,027)	(13,392,773)
Total other financing sources (uses)	<u>763,094</u>	<u>(5,626,465)</u>	<u>(84,391)</u>	<u>(1,613,005)</u>
Net change in fund balances	<u>\$ 1,205,822</u>	<u>\$ (1,518,753)</u>	<u>\$ 7,770,865</u>	<u>\$ 4,894,495</u>
Debt service as a percentage of noncapital expenditures	3.3%	4.1%	1.9%	9.6%

* FY2021 reflects the implementation of GASB 84.

Source: City of Lathrop, California Comprehensive Annual

CITY OF LATHROP
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021*</u>	<u>2022</u>
\$ 22,885,183	\$ 22,571,206	\$ 35,307,490	\$ 32,969,640	\$ 59,694,541	\$ 67,116,103
1,808,623	1,266,197	1,823,951	2,930,344	3,191,727	386,466
1,949,910	2,237,680	2,542,551	1,973,138	1,628,103	1,588,616
3,134,272	4,420,261	4,373,978	5,281,487	7,045,036	10,094,787
392,493	1,366,160	2,433,126	3,299,084	701,941	(2,101,280)
3,605,846	3,508,608	4,656,065	4,523,327	6,208,805	13,859,233
19,675,946	2,751,850	536,277	357,105	7,595,547	10,621,451
1,353,215	813,734	550,982	657,995	945,547	1,344,184
<u>54,805,488</u>	<u>38,935,696</u>	<u>52,224,420</u>	<u>51,992,120</u>	<u>87,011,247</u>	<u>102,909,560</u>
4,406,106	4,770,853	5,137,588	5,748,979	6,241,381	7,124,908
784,763	1,109,714	838,993	1,153,119	1,220,515	1,722,885
9,560,119	10,724,423	11,222,012	12,001,225	11,507,852	11,552,853
7,616,246	7,048,016	9,984,165	10,701,329	19,627,773	16,617,416
1,226,638	1,275,334	1,384,798	1,411,336	1,323,042	3,405,473
2,920,897	9,761,990	2,643,451	6,950,445	11,300,021	24,267,638
265,000	285,000	-	290,000	300,000	352,316
319,164	100,088	46,410	89,123	241,454	233,740
<u>27,098,933</u>	<u>35,075,418</u>	<u>31,257,417</u>	<u>38,345,556</u>	<u>51,762,038</u>	<u>65,277,229</u>
27,706,555	3,860,278	20,967,003	13,646,564	35,249,209	37,632,331
-	-	-	-	-	137,918
10,394,523	12,389,403	14,380,867	24,940,959	35,131,963	26,415,645
<u>(27,237,061)</u>	<u>(12,526,985)</u>	<u>(11,941,565)</u>	<u>(21,685,548)</u>	<u>(33,354,033)</u>	<u>(32,233,805)</u>
<u>(16,842,538)</u>	<u>(137,582)</u>	<u>2,439,302</u>	<u>3,255,411</u>	<u>1,777,930</u>	<u>(5,680,242)</u>
<u>\$ 10,864,017</u>	<u>\$ 3,722,696</u>	<u>\$ 23,406,305</u>	<u>\$ 16,901,975</u>	<u>\$ 37,027,139</u>	<u>\$ 31,952,089</u>
2.5%	1.5%	0.2%	1.2%	1.4%	1.4%

CITY OF LATHROP
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of Levy</u>		<u>Collection in Subsequent Years</u>	<u>Total Collection to Date</u>	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2013	\$ 2,681,516	\$ 2,681,516	100.00%	\$ -	\$ 2,681,516	100.00%
2014	2,821,126	2,821,126	100.00%	-	2,821,126	100.00%
2015	3,098,364	3,098,364	100.00%	-	3,098,364	100.00%
2016	3,353,607	3,353,607	100.00%	-	3,353,607	100.00%
2017	3,727,479	3,727,479	100.00%	-	3,727,479	100.00%
2018	4,125,753	4,125,753	100.00%	-	4,125,753	100.00%
2019	4,309,587	4,309,587	100.00%	-	4,309,587	100.00%
2020	4,812,631	4,812,631	100.00%	-	4,812,631	100.00%
2021	5,326,609	5,326,609	100.00%	-	5,326,609	100.00%
2022	5,853,282	5,853,282	100.00%	-	5,853,282	100.00%

Source: County of San Joaquin, California, Office of the Controller.

CITY OF LATHROP
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year	City					
	Gross Taxable Assessed Value			Less: Exemptions	Net Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	SBE Nonunitary			
2013	\$ 1,732,727,557	\$ 166,654,824	\$ 2,596,710	\$ (17,214,244)	\$ 1,884,764,847	0.142%
2014	1,839,562,001	136,568,139	5,070,340	(18,622,849)	1,962,577,631	0.144%
2015	2,028,168,720	148,658,207	5,070,340	(19,297,974)	2,162,599,293	0.143%
2016	2,188,540,780	198,130,929	5,070,340	(18,624,442)	2,373,117,607	0.141%
2017	2,559,643,198	163,451,777	6,170,020	(18,624,442)	2,710,640,553	0.138%
2018	2,941,872,358	174,127,391	6,170,020	(18,831,913)	3,103,337,856	0.133%
2019	3,117,977,243	190,538,705	6,170,020	-	3,314,685,968	0.130%
2020	3,554,886,516	282,202,562	6,170,020	-	3,843,259,098	0.125%
2021	4,139,024,746	280,821,500	15,952,158	-	4,435,798,404	0.120%
2022	4,787,945,754	304,082,430	15,952,158	-	5,107,980,342	0.115%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is re-assessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of San Joaquin, California, Office of the County Assessor.

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CITY OF LATHROP
Principal Property Taxpayers
Current Year and Ten Years Ago

<u>Taxpayer</u>	<u>2022</u>		<u>2013</u>	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
TESLA MOTORS INC	\$ 228,225,850	4.47%	\$ -	0.00%
LIT INDUSTRIAL LP	187,602,039	3.67%	-	0.00%
TRIPPOINT LOGISTICS CENTER ILP	130,336,440	2.55%	-	0.00%
CALIFIA LLC	90,697,079	1.78%	49,965,185	2.65%
UNITED PARCEL SERVICE INC	79,841,690	1.56%	-	0.00%
PW FUND B DEVELOPMENT LLC	73,506,837	1.44%	-	0.00%
COLONY 2019 2 BULK INDUSTRIAL LLC	65,956,300	1.29%	-	0.00%
SUPER STORE INDUSTRIES	64,375,930	1.26%	41,233,898	2.19%
CENTERPOINT PROPERTIES TRUST	63,889,754	1.25%	36,188,233	1.92%
J R SIMPLOT COMPANY CORP	62,292,003	1.22%	43,410,125	2.30%

Source: County of San Joaquin, California, Office of the County Assessor.

CITY OF LATHROP
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	Basic County-wide Levy ⁽¹⁾	School ⁽²⁾	All Other	Total Rate
2013	1.00000%	0.09610%	0.00000%	1.09610%
2014	1.00000%	0.09250%	0.00000%	1.09250%
2015	1.00000%	0.09230%	0.00000%	1.09230%
2016	1.00000%	0.14200%	0.00000%	1.14200%
2017	1.00000%	0.12820%	0.00000%	1.12820%
2018	1.00000%	0.13030%	0.00000%	1.13030%
2019	1.00000%	0.12280%	0.00000%	1.12280%
2020	1.00000%	0.11400%	0.00000%	1.11400%
2021	1.00000%	0.10490%	0.00000%	1.10490%
2022	1.00000%	0.13820%	0.00000%	1.13820%

NOTE:

(1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies, including the City of Lathrop, for which the subject property resides within. The City of Lathrop's portion varies by several Tax Rate Areas (TRAs) within the City.

Source: San Joaquin County Assessor 2011/12 - 2020/21 Tax Rate Table

CITY OF LATHROP
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Measure K Rate	Measure C General Purpose		Transportation Development Act Rate	San Joaquin County Rate	State of California Rate	Total
2013	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
2014	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
2015	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
2016	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
2017	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2018	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2019	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2020	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2021	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2022	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%

NOTE:

* A 1.00% increase in Sales and Use Tax became effective as of April 1, 2009 to augment the State of California's budget. On May 19, 2009, the voters did not approve the proposed "Budget Stabilization" constitutional amendment and the expiration date of this 1.00% increase was on July 1, 2011.

** On November 6, 2012 the voters of Lathrop approved Measure C. Measure C is an additional 1: sales tax to be used for Public Safety and essential City services

*Source: City of Lathrop, California Finance Department
County of San Joaquin, California, Office of the Auditor-Controller*

**CITY OF LATHROP
Legal Debt Margin Information
Last Ten Fiscal Years**

	2013	2014	2015	2016
Gross Assessed Valuation	\$ 1,884,764,847	\$ 1,962,577,631	\$ 2,162,599,293	\$ 2,373,117,607
Debt Margin Ratio (1)	3.75%	3.75%	3.75%	3.75%
Debt Margin (Limit)	70,678,682	73,596,661	81,097,473	88,991,910
Net Legal Debt Margin	\$ 70,678,682	\$ 73,596,661	\$ 81,097,473	\$ 88,991,910
Total debt applicable to the the limit as a percentage of debt limit	0%	0%	0%	0%

Notes

(1) The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel.) The computation shown above reflects a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state. The limit shown is 3.75% (one-fourth of the previous limit of 15%)

Source: City of Lathrop, California Finance Department and the County of San Joaquin, California, Office of the Controller

CITY OF LATHROP
Legal Debt Margin Information
Last Ten Fiscal Years

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 2,710,640,553	\$ 3,103,337,856	\$ 3,314,685,968	\$ 3,843,259,098	\$ 4,435,798,404	\$ 5,107,980,342
3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
<u>101,649,021</u>	<u>116,375,170</u>	<u>124,300,724</u>	<u>144,122,216</u>	<u>166,342,440</u>	<u>191,549,263</u>
<u>\$ 101,649,021</u>	<u>\$ 116,375,170</u>	<u>\$ 124,300,724</u>	<u>\$ 144,122,216</u>	<u>\$ 166,342,440</u>	<u>\$ 191,549,263</u>
0%	0%	0%	0%	0%	0%

**CITY OF LATHROP
Outstanding Debt
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-type Activities			
	Capital Leases (1)	Total Governmental Activities	Water Revenue Bonds	Notes	Certificates of Participation	PNC Bank Loan (2)
2013	\$ 7,139,752	\$ 7,139,752	\$ 24,945,000		-	\$ 5,950,203
2014	6,865,382	6,865,382	12,970,000		-	5,667,004
2015	6,599,319	6,599,319	12,635,000		-	5,373,806
2016	4,190,000	4,190,000	12,635,000		-	5,070,256
2017	3,925,000	3,925,000	11,455,000	(4)	-	4,755,863
2018	3,640,000	3,640,000	10,846,145		-	4,430,488
2019	3,640,000	3,640,000	10,207,524		-	4,093,638
2020	3,350,000	3,350,000	9,550,312		-	3,744,895
2021	3,050,000	3,050,000	8,873,969		-	3,383,839
2022	2,745,000	2,745,000	8,197,626		-	3,022,784

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) On July 1, 2005, the City entered into a capital lease agreement for the new City Hall Building.

(2) On May 4, 2012, the City refunded the 2000 Certificates of Participation with the Compass Bank Loan.

(3) These ratios are calculated using personal income and population for the prior calendar year.

(4) On May 2017, the City refunded the Water Revenue Bonds.

Source: City of Lathrop, California Finance Department

**CITY OF LATHROP
Outstanding Debt
Last Ten Fiscal Years**

Business-type Activities					
State Revolving Fund Loan	Capital Leases	Total Business- type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita (3)
\$ 9,340,188	\$ 23,717	\$ 40,259,108	\$ 47,398,860	143.22%	2,390
8,956,038	-	27,593,042	34,458,424	105.13%	1,742
8,562,968	-	26,571,774	33,171,094	93.63%	1,500
8,160,773	-	25,866,029	30,056,029	82.47%	1,301
7,749,237	-	23,960,100	27,885,100	69.04%	1,149
7,328,146	-	22,604,779	26,244,779	57.43%	1,081
6,897,278	-	21,198,440	24,838,440	47.89%	996
6,456,406	-	19,751,613	23,101,613	44.54%	861
6,005,297	-	18,263,105	21,313,105	37.65%	748
5,538,385	-	16,758,795	19,503,795	30.90%	623

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CITY OF LATHROP
Computation of Direct and Overlapping Debt
June 30, 2022

FY 2020/21 City Assessed Valuation	\$ 5,107,980,342
Adjusted Assessed Valuation	<u>\$ 5,107,980,342</u>

Overlapping Tax and Assessment Debt	Total Debt 6/30/22	Percentage Applicable to City of Lathrop (1)	City's Share of Debt 6/30/2022
San Joaquin Delta Community College District	\$ 188,480,000	5.189%	\$ 9,780,227
Manteca Unified School District	225,734,885	20.848%	47,061,209
Tracy Unified School District	31,345,000	5.426%	1,700,780
Banta School District	370,000	68.919%	255,000
Manteca Unified School District Community Facility District No. 1989-2	19,520,000	20.749%	4,050,205
Manteca Unified School District Community Facility District No. 2005-4	4,945,000	100.000%	4,945,000
Banta School District Community Facilities District No. 2011-1	4,240,000	100.000%	4,240,000
River Islands Public Financing Authority Community Facilities District No. 2003-1	251,248,493	100.000%	251,248,493
River Islands Public Financing Authority Community Facilities District No. 2015-1	185,110,000	100.000%	185,110,000
River Islands Public Financing Authority Community Facilities District No. 2019-1	63,625,000	100.000%	63,625,000
River Islands Public Financing Authority Community Facilities District No. 2021-1	35,640,000	100.000%	35,640,000
City of Lathrop Community Facilities District No 2003-1	5,000,000	100.000%	5,000,000
City of Lathrop Community Facilities District No 2003-2	4,960,000	100.000%	4,960,000
City of Lathrop Community Facilities District No 2018-1, I.A.s 1-5	45,640,000	100.000%	45,640,000
City of Lathrop 1915 Act Bonds	22,475,000	100.000%	22,475,000
Reclamation District No. 17 Assessment District	21,086,256	55.209%	11,641,511
California Statewide Community Development Authority 1915 Act Bonds	1,902,000	100.000%	1,902,000
Total Overlapping Tax and Assessment Debt	<u>\$ 1,111,321,634</u>		<u>\$ 699,274,425</u>
Ratios to FY 2020/21 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt	13.69%		
Direct and Overlapping General Fund Obligation Debt			
San Joaquin County Certificates of Participation	60,400,000	5.623%	3,396,292
Manteca Unified School District General Fund Obligations	15,976,000	20.848%	3,330,676
City of Lathrop General Fund Obligations	2,745,000	100.000%	2,745,000
Lathrop-Manteca Rural Fire Protection District Certificates of Participation	3,490,000	77.225%	2,695,153
Total Direct and Overlapping General Fund Debt			<u>\$ 12,167,121</u>
Total Direct Debt			<u>\$ 2,745,000</u>
Total Overlapping Debt			<u>\$ 708,696,546</u>
Combined Total Debt			<u>\$ 711,441,546</u>

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to Adjusted Assessed Valuation	
Total Direct Debt	0.05%
Combined Total Debt	13.93%

Source: California Municipal Statistics, Inc.

**CITY OF LATHROP
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Water Revenue (3)	Less Operating Expenses (4)	Net Available Revenue	2000 Certificates of Participation/ PNC Bank Loan (1) Debt Service		Coverage
				Principal	Interest	
2013	7,803,287	3,989,183	3,814,104	252,797	236,203	7.80
2014	7,884,887	3,815,990	4,068,897	283,199	205,801	8.32
2015	6,642,758	3,484,902	3,157,856	293,198	195,802	6.46
2016	6,385,191	3,479,010	2,906,181	303,550	185,450	5.94
2017	7,834,887	4,366,161	3,468,726	314,393	174,733	7.09
2018	8,491,689	4,969,618	3,522,071	325,363	163,637	7.20
2019	9,212,760	6,303,489	2,909,271	336,850	152,150	5.95
2020	10,949,739	5,539,228	5,410,511	348,743	140,257	11.06
2021	10,241,182	6,216,829	4,024,353	361,056	127,944	8.23
2022	10,763,857	6,591,591	4,172,266	373,803	115,197	8.53

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest or depreciation expenses.

- (1) The 2000 COP's were refunded by the PNC Bank Loan on May 4, 2012.
The Required Debt coverage ratio for the PNC Bank Loan is 1.10%.
- (2) The Required Debt coverage ratio for 2003 COP's/ Pacific Premier Bank Loan & SRF Loan is 1.00%.
- (3) Gross revenues include interest earnings and connection fees.
- (4) Operating expenses from Statement of Revenues, Expenses and Changes.
- (5) Source: Debt Service Schedule. The Water Revenue Certificates of Deposit Series 1993A were funded on May 24, 2000. On May 24, 2000 the City issued the Installment Purchase Certificates of Participation, 2000 Series A. On July 16, 2003 the City issued Revenue Bonds (Water Supply Project), Series 2003. On May 4, 2012 the Compass Bank Loan refunded the 2000 COPs (Compass Bank Loan Cash Flow and Yield Verification Report)
- (6) Expenses include 2000 Certificates of Participation Debt Service Requirements.
- (7) Debt Service Requirements of 2003 Certificates of Participation & SRF Loan is net of capitalized interest.

Source: City of Lathrop, California Finance Department

**CITY OF LATHROP
Pledged-Revenue Coverage
Last Ten Fiscal Years**

2003 COP's/ Pacific Premier Bank Loan & SRF Loan (2)			
Net Available Revenue (5)	Debt Service		Coverage
	Principal	Interest	
3,325,104	650,000	1,713,603	1.41
3,579,897	680,000	1,681,102	1.52
2,668,856	728,070	954,719	1.59
2,417,181	402,196	945,592	1.79
2,979,600	411,536	936,254	2.21
3,033,071	421,091	926,699	2.25
2,420,271	1,069,489	475,545	1.57
4,921,511	1,093,053	451,981	3.19
3,535,353	1,122,305	422,729	2.29
3,683,266	1,152,348	392,686	2.38

CITY OF LATHROP
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
2012	19,209	358,594	18,668	10.4%
2013	19,831	330,960	16,689	9.4%
2014	19,786	327,775	16,566	10.3%
2015	22,112	354,280	16,022	8.5%
2016	23,110	364,434	15,769	7.8%
2017	24,268	403,896	16,643	6.3%
2018	24,936	457,006	18,327	5.2%
2019	26,833	518,675	19,329	4.3%
2020	28,503	566,062	19,859	9.6%
2021	31,331	631,164	20,145	5.4%

Sources: (1) California State Department of Finance
(2) 2010 and later - Income, Age and Education Data - US Census Bureau,
most recent American Community Survey

**CITY OF LATHROP
Principal Employers
Current Year and Nine Years Ago**

Employer	2022		2013	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Tesla	3000	29.13%	0	0.00%
United Parcel Service (UPS)	1500	14.56%	0	0.00%
Pflug Packaging	450	4.37%	200	3.03%
Army Air Force Exchange Services	400	3.88%	0	0.00%
Wayfair	400	3.88%	0	0.00%
Super Store Industries (SSI)	375	3.64%	401	6.08%
California Natural Products (CNP)	375	3.64%	250	3.79%
Simwon America	336	3.26%	0	0.00%
MUSD (Lathrop Schools)	333	3.23%	0	0.00%
CBC Steel Buildings	203	1.97%	100	1.52%
In-N-Out Burger	200	1.94%	0	0.00%
Ashley Furniture	190	1.84%	0	0.00%
Target	177	1.72%	150	2.27%
Diamond Pet Foods	163	1.58%	100	1.52%
City of Lathrop	158	1.53%	92	1.39%

"Total Employment" as used above represents the Estimated total employment of all employers located within City limits.

*Source: California Labor Market Information, California EDD Website (www.ca.gov)
City of Lathrop Community Development Department*

CITY OF LATHROP
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years

<u>Function</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government	25.50	23.40	23.60	24.60
Neighborhood & Community Services (1)	5.00	-	-	-
Public Safety (2)	30.33	32.00	36.98	36.98
Public Works	41.00	21.83	22.83	29.50
Community Development	23.75	8.34	6.67	4.00
Culture & Leisure	20.64	18.41	20.76	21.00
Total Positions	<u>146.22</u>	<u>103.98</u>	<u>110.84</u>	<u>116.08</u>
less Unfunded Positions (3)	<u>53.61</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Employees	<u>92.61</u>	<u>103.98</u>	<u>110.84</u>	<u>116.08</u>

(1) The Neighborhood & Community Services Department was created in March 2010 and later collapsed into Public Works/ Community Development.

(2) Police services are a contract service provided by San Joaquin County Sherriff Department. Fire Service is provided by Lathrop Manteca Fire District.

(3) Fiscal Year 2013 was the last year of allocating and tracking unfunded positions.

Source: City of Lathrop, California Annual Adopted Budgets.

CITY OF LATHROP
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
23.60	23.60	24.60	26.60	28.63	30.63
-	-	-	-	-	-
37.98	35.98	36.98	36.98	36.98	53.68
30.80	33.80	40.47	40.47	42.47	45.47
3.10	4.10	4.43	4.43	4.40	5.40
20.56	21.01	21.01	21.01	28.60	30.60
<u>116.04</u>	<u>118.49</u>	<u>127.49</u>	<u>129.49</u>	<u>141.08</u>	<u>165.78</u>
-	-	-	-	-	-
<u>116.04</u>	<u>118.49</u>	<u>127.49</u>	<u>129.49</u>	<u>141.08</u>	<u>165.78</u>

CITY OF LATHROP
Operating Indicators by Function
Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police:										
Arrests	670	489	708	572	705	550	558	554	624	*
Parking Citations Issued	291	380	444	696	1,385	1,084	1,389	1,237	1,489	*
Code Enforcement										
Housing Cases	40	20	35	29	28	54	74	64	55	62
Public Nuisance Cases	213	61	206	287	345	204	126	165	210	176
Vehicle Cases	28	12	11	67	193	140	118	129	145	133
Weed Abatement Cases	-	5	-	2	108	122	126	124	120	123
Building Permits										
Single Family Dwellings	146	130	350	220	291	392	381	649	879	924
Parks and recreation:										
Number of recreation classes	49	202	34	56	67	116	126	95	72	176
Number of facility rentals	675	1,870	542	450	390	1,598	1,388	1,041	617	206
Water:										
New connections	140	190	266	179	163	392	381	649	879	924
Average daily consumption (thousands of gallons)	4,014	3,550	3,508	3,052	3,274	4,200	4,128	4,128	4,742	4,812
Sewer:										
New connections	140	190	266	179	163	392	381	649	879	924

* Transition to City of Lathrop, Police Department

Source: City of Lathrop, California departmental sources.

CITY OF LATHROP
Capital Assets Statistics by Function
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets (miles)	82.80	82.80	84.20	84.20	84.20	92.90	92.90	97.90	109.70	113.70
Streetlights	1,433	1,433	1,448	1,472	1,472	1,835	1,835	1,835	2,135	2,135
Parks and recreation:										
Parks (2)	14	16	16	16	16	18	20	22	25	25
Community centers	1	2	2	2	2	2	2	2	2	2
Senior centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	101.40	99.60	101.80	101.80	101.80	101.80	142.00	147.00	159.00	163.00
Maximum daily capacity (thousands of gallons)	21,700	15,250	15,250	15,250	15,250	15,250	16,500	16,500	16,500	16,500
Wastewater:										
Sanitary sewer (miles)	60.40	62.03	71.00	71.00	71.00	71.00	91.80	96.80	108.80	111.80
Miles of Reclaimed Water Lines	18.33	21.40	21.80	21.80	21.80	21.80	21.80	25.80	27.80	29.80
Maximum daily treatment capacity (thousands of gallons)	2,416	2,416	2,200	2,200	1,450	1,450	3,140	3,140	3,140	3,140

NOTE:

- (1) The City of Lathrop's fire protection is provided by the Lathrop-Manteca Fire District.
- (2) Source: City of Lathrop, Parks and Recreation Guide

Source: City of Lathrop, California departmental sources.

CITY OF LATHROP
Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)

Type of Customer:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Residential	740,938	690,963	671,095	628,208	625,187	745,359	738,530	794,181	907,150	939,163
Industrial	329,816	291,935	343,231	283,410	278,985	395,110	415,471	406,181	435,637	433,258
Commercial	107,530	116,496	91,599	71,396	101,549	139,290	135,130	145,195	152,476	157,053
Governmental	265,931	157,119	172,972	177,791	139,511	149,952	126,761	144,421	199,298	187,615
Construction	20,995	39,058	1,615	-	49,923	103,309	91,038	85,601	36,154	39,357
Total	1,465,210	1,295,571	1,280,512	1,160,805	1,195,155	1,533,020	1,506,930	1,575,579	1,730,715	1,756,446
Total direct rate per 1,000 gallons	\$ 2.45	\$ 2.63	\$ 2.63	\$ 3.04	\$ 3.49	\$ 3.99	\$ 3.99	\$ 3.99	\$ 3.99	\$ 3.99

Source: City of Lathrop, California Public Works Department

**CITY OF LATHROP
Water Rates
Last Ten Fiscal Years**

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons	CSCDA Loan (1)	SCSWSP Facility Charge (2)
2013	11.50	2.63	-	9.10
2014	11.50	2.63	-	9.10
2015	11.50	2.63	-	9.10
2016	12.80	3.04	-	9.10
2017	14.40	3.49	-	9.10
2018	16.30	3.99	-	9.10
2019	16.30	3.99	-	9.10
2020	16.30	3.99	-	9.10
2021	16.30	3.99	-	9.10
2022	16.30	3.99	-	9.10

NOTE:

Rates are based on 5/8" meter, which is the standard household meter size.

- (1) State of California Loan under the Safe Drinking Water Bond Law of 1976 was paid off on March 1, 2001.
- (2) On July 16, 2003, The City of Lathrop issued \$32,530,000 in Revenue Bonds to finance the acquisition and construction of water system improvements and related facilities, including water treatment facilities and distribution pipelines and to pay cost of issuance. The bonds have an ascending interest rate ranging from 3% to 6% and a final maturity date of June 1, 2035.

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Ten Largest Water Customers
Current Year and Nine Years Ago

<u>Water Customer</u>	<u>2022</u>		<u>2013</u>	
	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u>	<u>Water Charges</u>	<u>Percent of Total Water Revenue</u>
California Natural Products	\$ 1,015,960	10.22%	\$ 562,213	10.75%
City of Lathrop	651,757	6.56%	325,850	6.23%
Manteca Unified School District	281,589	2.83%	172,953	3.31%
Super Store Industries	128,882	1.30%	104,619	2.00%
River Islands Public Finance Authority	75,445	0.76%	30,269	0.58%
Teichert Construction	73,844	0.74%	-	0.00%
Tesla Motors Inc	71,187	0.72%	-	0.00%
DeSilva Gates Construction	64,402	0.65%	-	0.00%
IN-N-OUT Burger #804	55,097	0.55%	-	0.00%
Swiss American Sausage	45,144	0.45%	41,742	0.80%

Source: *City of Lathrop, California Finance Department*

CITY OF LATHROP
Top 25 Sales Tax Producers
Current Year and Nine Years Ago

2022		2013	
Business Name	Business Category	Business Name	Business Category
Percent of Fiscal Year Total Paid By Top 25 Accounts = 84.40%		Percent of Fiscal Year Total Paid By Top 25 Accounts = 85.77%	
Arco AM PM	Service Stations	Carpenter	Textiles/Furnishings
Ashley Furniture Dist Center	Fulfillment Centers	CBC Steel Buildings	Heavy Industrial
Boral Roofing	Contractors	Chevron	Service Stations
CBC Steel Buildings	Contractors	Creative Touch Interiors	Home Furnishings
Chevron	Service Stations	Dragon Esp	Light Industrial/Printers
Chevron Power Market	Service Stations	Eagles Nest Harley Davidson	Boats/Motorcycles
City Food & Liquor	Convenience Stores/Liquor	Fast Lane Food/Gas Mart	Service Stations
Eagles Nest Harley Davidson	Boats/Motorcycles	Fleetpride West	Trailers/Auto Parts
Fast Lane	Service Stations	Joes Travel Plaza	Service Stations
Flying J Travel Plaza	Service Stations	JR Simplot Company	Food Mfg.
Icon Health & Fitness	Light Industrial/Printers	Kabaritis AM PM	Service Stations
In N Out Burger	Quick-Service Restaurants	Kaman Industrial Tech Corporatio	Heavy Industrial
Joes Travel Plaza	Service Stations	Lathrop Shell	Service Stations
Pape Kenworth	New Motor Vehicle Dealers	McDonalds	Restaurants No Alcohol
Raymond Handling Concepts	Warehse/Farm/Const. Equip.	Medcal Sales	Medical/Biotech
Shell	Service Stations	Mikasa Japanese Bistro	Restaurants Beer And Wine
Target	Discount Dept Stores	Save Mart	Grocery Stores Liquor
Tec Equipment	Trailers/Auto Parts	Target	Discount Dept Stores
Tesla Motors	Trailers/Auto Parts	Tec Stockton	Trailers/Auto Parts
Top Gun Drywall Supply	Building Materials	Top Gun Drywall Supply	Lumber/Building Materials
Totten Tubes	Heavy Industrial	Tower Mart	Service Stations
Tri West	Building Materials	USAMotors. Com	Used Automotive Dealers
Tuff Boy Sales	Trailers/RVs	Utility Trailer Sales	Trailers/RVs
Two Guys Food & Fuel Inc	Service Stations	Valero	Service Stations
Wayfair	Fulfillment Centers	Walgreens	Drug Stores

* Firms Listed Alphabetically

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office.

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ATTACHMENT " C "

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Lathrop, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lathrop, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2022-001.



To the Honorable Mayor and Members of the City Council
City of Lathrop, California

City of Lathrop, California's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Solt & Loughard, LLP

Brea, California
March 31, 2023



To the Honorable Mayor and Members of the City Council
City of Lathrop, California

SCHEDULE OF FINDINGS AND RESPONSES

Reference No.: 2022-001 – Final Reconciliation and Review Process

Condition:

During the audit, we found the following conditions that resulted in significant audit adjustments to the financial statements:

Accuracy in External Financial Reporting

The year-end closing process did not ensure that account balances were reconciled and accurate in advance of the audit requiring adjusting journal entries to correct the final financial statements. It appears these errors were primarily caused by the trial balance being prepared from data that was not always complete. The more significant entries identified include:

- Adjustments to correct payable balances for unrecognized liabilities
- Inappropriately classified determinations of lease categories and future payment obligations

Criteria:

Management is responsible for the preparation and fair presentation, as well as the accuracy of its financial statements, including disclosures in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. Timely preparation of the financial statements and disclosures is integral to the detection and prevention of error or fraud.

Cause of Condition:

Accounts were found to be inappropriately reconciled or reviewed during the audit.

Effect or Potential Effect of Condition:

Accounts payable, expenditures, and lease obligations would have been understated as of June 30, 2022.

Recommendation:

The City should include in their year-end close and audit preparation process a final review of accounts payable and subsequent disbursements to ensure they have not missed a transaction which may have occurred outside of their normal tracking. The City should seek additional continuing education for personnel related to government auditing standards.

Client Response:

The City will restructure the year end close out process for Fiscal Year 2023 to include a final reconciliation prior to files being provided to auditing firm. The accounts payable transactions that were identified during the audit were attributed to capital project invoices received well after the City's established year end close out date. Staff was working off of prior recommendations that multiyear capital project invoices received after the year end close out process could be charged to the ongoing project budget in the current fiscal period. The City will commit to perform a final accounts payable reconciliation prior to final audit fieldwork. The inappropriately classified determinations of lease categories and future payment obligations pertain to information technology equipment that was first thought to be a financing agreement at zero percent interest but later was determined that the \$1 buyout at the end of the contract period switched the agreement from purchasing terms to lease obligation under the new GASB 87 rules implemented in Fiscal Year 2022. The City of Lathrop Finance Staff is committed to maintaining full compliance with the requirements of Generally Accepted Accounting Principles and the Government Finance Officers Association best practices and



To the Honorable Mayor and Members of the City Council
City of Lathrop, California

auditing standards. Staff will seek out continuing education opportunities to stay abreast of interpretations of Governmental Accounting Standards Board new pronouncements.

Evaluation of Finding:

Significant Deficiency	<u> X </u>
Material Weakness	<u> </u>
Material Noncompliance	<u> </u>
Other Matters	<u> </u>



ATTACHMENT " D "

March 31, 2023

To the Honorable Mayor and Members of the City Council
City of Lathrop, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lathrop, California (the City) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 22, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Significant Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City changed accounting policies related to leases, interest costs incurred before the end of a construction period, and component unit reporting by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, in fiscal year 2021-2022. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimates of its net pension liability and net other post-employment benefits (OPEB) liability or asset are based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability, net OPEB liability or asset in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Significant or Unusual Transactions

Management is responsible for the policies and practices used to account for significant or unusual transactions. No significant unusual transactions have occurred during fiscal year 2021-2022.



To the Honorable Mayor and Members of the City Council
City of Lathrop, California

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, we detected misstatements as a result of audit procedures which were significant and were subsequently corrected by management. The details of these misstatements are described in a separate letter dated March 31, 2023.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 31, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the significant events or transactions that occurred during the year, business conditions affecting the City and business plans and strategies that may affect the risks of material misstatements, the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the budgetary comparison schedules for the general fund and major special revenue funds, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB plan contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



To the Honorable Mayor and Members of the City Council
City of Lathrop, California

We were engaged to report on the combining and individual fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2021-2022 audit:

GASB Statement No. 87, *Leases*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal year 2023

GASB Statement No. 91, *Conduit Debt Obligations*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Fiscal year 2024

GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Fiscal year 2025

GASB Statement No. 101, *Compensated Absences*.



To the Honorable Mayor and Members of the City Council
City of Lathrop, California

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Lathrop and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Solt & Luyhard, LLP

Brea, California

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ITEM: APPROVE MEMORANDUM OF UNDERSTANDING WITH LATHROP POLICE OFFICERS ASSOCIATION, ADOPT A BENEFIT PLAN FOR THE UNREPRESENTED CLASSIFICATIONS OF COMMANDER AND LIEUTENANT, AND ADOPT A RECRUITMENT INCENTIVE PLAN FOR SWORN CLASSIFICATIONS

RECOMMENDATION: Adopt a Resolution Approving a Memorandum of Understanding (MOU) with the Lathrop Police Officers Association (LPOA), Adopt a Benefit Plan for the Unrepresented Commander and Lieutenant Classifications, and Adopt a Recruitment Incentive Plan

SUMMARY:

In March 2021, the City Council adopted Resolution 21-4852 which approved the creation and funding of the Lathrop Police Department. City staff immediately began recruitment efforts and the transition process. Staff began onboarding Police Officers and Police Sergeants as early as in March 2022. The law enforcement transition from the Sheriff's Office to the Lathrop Police Department concluded at the end of June 2022, as the new Police Department went live on June 29, 2022. The proposed MOU provided for approval with this staff report represents the first MOU negotiated with the LPOA.

The City Council of the City of Lathrop adopted Resolution 22-5163, formally rescinding and replacing Resolution 91-152, by amending the existing Employee-Employer Organization Relations Resolution (EERR) to include Peace Officers and the right to be represented in separate units composed solely of such peace officers. The Lathrop Police Officer Association provided a Petition for Recognition and Certification as the exclusive employee organization representing the sworn positions of Police Sergeant and Police Officers. Pursuant to the EERR, the City Manager recognized the LPOA on October 24, 2022. Staff began negotiations with LPOA on November 2, 2022 and concluded on April 6, 2023. The Memorandum of Understanding (MOU) presented to Council for consideration and approval has been ratified by the members of the LPOA.

**CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE RESOLUTION ADOPTING AN MOU WITH LPOA, BENEFIT PLAN FOR
COMMANDER AND LIEUTENANT CLASSIFICATIONS, AND RECRUITMENT
INCENTIVE PLAN**

PAGE 2

Resolution 23-5242 approved a Sworn Compensation Plan to be used for the recruitment of sworn classifications and included incentive pay for POST certifications, education, uniform allowance and sick leave conversion at retirement. This plan expires upon adoption of the LPOA MOU. Since certain benefits were extended to the Commander and Lieutenant, which are unrepresented classifications, a benefit plan should be adopted to continue to offer these benefits to those classifications.

The Sworn Compensation Plan also included recruitment incentives offered to sworn candidates to attract them to employment with the Lathrop Police Department. In order to continue to offer recruitment incentives to qualified candidates a recruitment incentive plan should be adopted.

BACKGROUND

The City Council approved the creation of the Lathrop Police Department in March 2021 and this initiated the transition away from contracted police services with the San Joaquin County Sheriff's Department to our own police department. After extensive recruitment efforts, all lateral staff were hired, and the Lathrop Police Department began servicing the community on June 29, 2022.

Included in this report is a proposed MOU that is the result of good faith meet and confer negotiations with the LPOA pursuant to the California Government Code and the Employee-Employer Relations Resolution (EERR) 22-5163 adopted by the City Council. Pursuant to the City of Lathrop EERR, the City Manager recognized LPOA as the exclusive recognized employee organization and bargaining representative for Police Officers and Sergeants on October 24, 2022 and negotiations began on November 2, 2022.

The MOU establishes wages, hours, benefits and other terms and conditions of employment for employees represented by the LPOA. The MOU includes, but is not limited to, the following:

- Term of Agreement (expiring 7/1/26 to coincide with the term of the MOU's with other bargaining units)
- Compensation
 - 4% COLA's which are the same as the other city employee MOU's
 - Overtime
 - Special assignment pay
 - POST Certification pay
 - Education Incentive Pay
 - Holiday Pay
 - Call back and Stand-by pay
 - Education Reimbursement

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING**APPROVE RESOLUTION ADOPTING AN MOU WITH LPOA, BENEFIT PLAN FOR COMMANDER AND LIEUTENANT CLASSIFICATIONS, AND RECRUITMENT INCENTIVE PLAN**

In order to aid in the recruitment process, the City Council adopted a Sworn Compensation Plan that has been updated and extended through the process of hiring sworn staff. This document outlines certain pay and benefits that are typically included as part of a negotiated MOU. Since an association for the Police Officers and Sergeants was not formed until after the majority of the current Police Officers and Sergeants were hired, and it is a new department, there was not an MOU in place at that time. While the MOU will replace the items contained in the Sworn Compensation Plan for those positions represented by LPOA, certain benefits were also extended to the unrepresented classifications of Commander and Lieutenant. Staff proposes that Council adopt a benefit plan to include certain benefits to be provided to these classifications.

The Sworn Compensation Plan also included recruitment incentives for hiring sworn staff. In a competitive market for sworn classifications, staff is recommending that a recruitment incentive plan be adopted to continue to offer these valuable recruitment incentives. This plan can be implemented, as necessary, at the discretion of the City Manager based on the need to offer such incentives.

REASON FOR RECOMMENDATION:

City Staff and LPOA have negotiated in good faith since November 2, 2022. We have agreed upon terms and conditions that are in the best interest of both parties to provide competitive compensation and benefits to the employees represented by this proposed MOU. With the expiration of the current Sworn Compensation Plan, staff is recommending that a benefit plan be adopted to continue to offer certain benefits to the unrepresented classifications of Commander and Lieutenant. Additionally, the adoption of a recruitment incentive plan will allow the City to offer certain benefits for sworn staff positions. This will allow the City to remain competitive in the current market for sworn classifications.

CITY MANAGER’S REPORT **PAGE 4**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE RESOLUTION ADOPTING AN MOU WITH LPOA, BENEFIT PLAN FOR
COMMANDER AND LIEUTENANT CLASSIFICATIONS, AND RECRUITMENT
INCENTIVE PLAN

FISCAL IMPACT:

The financial impact to the City contained in the compensation section above and during the term of the proposed MOU is shown in the table below:

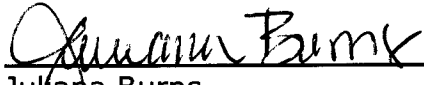
Fiscal Year	2022/23	2023/24	2024/25	2025/26
Total	\$151,501	\$630,243	\$655,452	\$681,670

ATTACHMENTS:

- A. Adopt a Resolution approving the MOU with LPOA, a Sworn Compensation Plan for Unrepresented Classifications of Commander and Lieutenant Classifications, and a Recruitment Incentive Plan
- B. Lathrop Police Officers Association MOU
- C. Benefit Plan for Commander and Lieutenant Classifications
- D. Recruitment Incentive Plan

CITY MANAGER'S REPORT **PAGE 5**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE RESOLUTION ADOPTING AN MOU WITH LPOA, BENEFIT PLAN FOR
COMMANDER AND LIEUTENANT CLASSIFICATIONS, AND RECRUITMENT
INCENTIVE PLAN

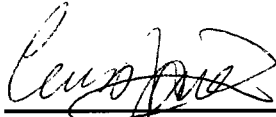
APPROVALS:



Juliana Burns
Director of Human Resources

4/6/23

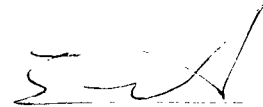
Date



Cari James
Director of Finance

4/6/2023

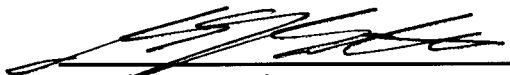
Date



Salvador Navarrete
City Attorney

4-6-2023

Date



Stephen J. Salvatore
City Manager

4.6.23

Date

ATTACHMENT A

RESOLUTION NO. 23-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO APPROVE MEMORANDUM OF UNDERSTANDING (MOU) WITH THE LATHROP POLICE OFFICERS ASSOCIATION (LPOA), ADOPT A BENEFIT PLAN FOR THE UNREPRESENTED COMMANDER AND LIEUTENANT CLASSIFICATIONS, AND APPROVE RECRUITMENT INCENTIVES

WHEREAS, in March 2021, the City Council adopted Resolution 21-4852 which approved the creation and funding of the Lathrop Police Department; and

WHEREAS, staff began onboarding Police Officers and Police Sergeants as early as March 2022 and the Association for the Police Officers and Sergeants was not formed until after the majority of the current Police Officers and Sergeants were hired. Since it was a new department, there was not an MOU in place at that time; and

WHEREAS, pursuant to the City of Lathrop Employee Employer Relations Resolution, the City Manager recognized LPOA as the exclusive recognized employee organization and bargaining representative for Police Officers and Sergeants on October 24, 2022; and

WHEREAS, City staff and representatives of LPOA met and conferred in good faith to establish an MOU which establishes wages, hours, benefits and other terms and conditions of employment for employees represented by the LPOA; and

WHEREAS, the term of the proposed LPOA MOU would be April 15, 2023 to July 1, 2026 to coincide with the expiration date of the MOU's with LMCEA and SEIU; and

WHEREAS, adopting a Benefit Plan for the unrepresented classifications of Commander and Lieutenant will allow those classifications to continue to receive certain benefits including incentive pay for POST certifications, education incentive pay, uniform allowance and sick leave conversion at retirement; and

WHEREAS, adopting a Recruitment Incentive Plan will allow the City to continue to offer recruitment incentives at the discretion of the City Manager to be implemented as necessary based on the need to offer such incentives;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve the proposed MOU with LPOA, adopts a Benefit Plan for the classifications of Commander and Lieutenant, and adopts a Recruitment Incentive Plan.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

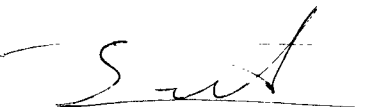
- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

ATTACHMENT B

**CITY OF LATHROP &
THE LATHROP POLICE OFFICERS ASSOCIATION**

MEMORANDUM OF UNDERSTANDING



TERM

APRIL 15, 2023 TO JULY 1, 2026

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ARTICLE I. PARTIES TO MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into by and between the CITY OF LATHROP, a municipal corporation, hereinafter referred to as “CITY”, and the LATHROP POLICE OFFICERS ASSOCIATION, hereinafter referred to as “ASSOCIATION OR POA”, pursuant to Government Code 3500, et seq. This Memorandum of Understanding applies to those classes of employment set forth in Appendix “A” attached hereto and made part hereof.

ARTICLE II. RECOGNITION

The Association is the formally recognized employee organization for the Police Employees Unit. The City Manager or designated representative is the representative of the City of Lathrop in employer-employee relations matters.

ARTICLE III. STATE AND FEDERAL LAW COMPLIANCE

This Memorandum of Understanding complies with the provision of Section 3500, et seq., of the Government Code of the State of California, in that parties have met and conferred in good faith regarding wages, hours, and other terms and conditions of employment for the employees.

Further, the parties understand that the terms of this agreement must comply with the legal requirements of State and Federal law. In the event that a term of this agreement does not comply with legal requirements, the parties shall promptly meet to update the invalid language.

ARTICLE IV. CITY RIGHTS

The rights of the City include, but are not limited to, the exclusive right to determine the mission of the its constituent departments, commissions, and boards; set standards of service; determine the procedures and standards of selection for employment and promotional; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations determine the methods, means, and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and to exercise complete control and discretion over its organization and the technology of performing its work. The City’s use of its rights shall be consistent with the City’s adopted Personnel Rules.

ARTICLE V. DISCRIMINATION

The City and LPOA agree not to discriminate against any employee for Association activity or on the basis of race, color, national origin, ancestry, sex (including gender identity), religion, creed, physical or mental disability, medical condition, marital status (including registered domestic partner status), sexual orientation, age, or any other basis protected by federal, state or local law

ARTICLE VI. TERM

Memorandum of Understanding incorporates all modifications regarding wages, hours, and other terms and conditions of employment. This Memorandum of Understanding shall be effective April 15, 2023 (the first full pay period following City Council approval) and shall expire July 1, 2026.

ARTICLE VII. WORK PERIOD

City of Lathrop law enforcement employees have a 28-day work period.

ARTICLE VIII. WORK SCHEDULE

A. Regular Workweek Police Professional Staff

The normal workweek for Police Professional Staff is defined as either the traditional workweek consisting of 8 hours per day, 5 days per week; the alternate 9/80 work schedule consisting of 9 hour work days Monday through Thursday, 8 hour workday on Friday with every other Friday off; or the 4/10 schedule consisting of 10 hour work days, Monday- Friday. Where operational requirements of a department require deviations from the present schedule, the City Manager may institute alternate work schedules, consistent with provisions of the State Law.

B. Regular Workweek for Patrol

The available work schedules for patrol are 4/10's or 3/12's. Where needs of the department require deviations from the present schedule, the Chief of Police may institute alternate work schedules, consistent with operational needs, and/or by provisions of department policy, or state law. The Chief of Police may change the beginning and ending times of a shift after providing written notification to LPOA.

LPOA reserves the right to Meet and Confer in regard to the scheduled for a 4-10 schedules on expiration of this contract.

ARTICLE IX. WAGES

A. Salaries

There shall be a four percent (4%) cost-of-living increase for Fiscal Year 2023, 2024 and 2025; beginning the first full pay period in July 2023, July 2024 and July 2025.

B. Step Increases

Step increase will be issued upon completion of probationary period. Non-probationary step increases will be issued upon completion of 12 months of full-time satisfactory service in the employee's current step of the salary range and upon recommendation of the department head, the employee shall advance to their next step in the salary range.

Step increases are recommended by the Police Chief and approved by the City Manager.

C. Promotions

An employee who is promoted from one class to a class in a higher range shall be entitled to the step in the higher range which will result in a base salary increase not less than one full step; the salary increase shall be equivalent to at least five percent (5) but not more than the maximum rate for that class.

D. Overtime Compensation

When the number of hours worked by law enforcement employees exceeds eighty (80) hours in a 14-day pay period, and the supervisor has approved those hours, the excess hours are considered MOU overtime rather than FLSA overtime.

For purposes of MOU overtime, the City shall consider vacation, holiday, and compensatory time off as hours worked. Over time is based on the employee's regular rate of pay at 1 ½. Base pay is the employee annual salary schedule calculated on an hourly rate. Regular rate of pay is base rate plus all additional compensated items required under FLSA calculations.

E. Special Assignment Pay

Employees assigned to a specialized assignment shall receive an additional 5% of their regular pay rate during the period of assignment to recognize the more difficult scope of work and higher level of responsibility that is required of specialized assignments. Specialized assignment pay shall be received by employees assigned by the Police Chief in the following special assignments:

- Canine Pay *
- Community Resource Officer
- Detective and Detective Sergeant
- Motorcycle Patrol
- Safety Officer Training Premium (Field Training Officer)**
- School Resource Officer
- SWAT Officer

* Canine Pay: The parties agree to meet during the term of this agreement to address canine assignment pay.

** Officers assigned to Field Training will only receive the special assignment pay when performing the assigned duties of a Field Training Officer.

F. Cumulative benefits:

A maximum of 5% Special Assignment pay will be provided for this benefit. The Specialty Assignments are not stackable.

G. Bilingual Premium Bilingual Pay 2.5%

City agrees to pay 2.5% special compensation for using their skills in a language other than English under the following conditions:

- i. The employee must be certified to speak, write and read in the language for which pay is be provided; and
- ii. Following a request by the employee, the Department Head, as approved by the City Manager, must determine that the language is a certified language and that there is a benefit to the City for the employee to provide translation services in the language for which compensation is requested; and
- iii. The City has approved the certification process to be used by the employee in advance of the certification being obtained.

H. Educational Incentive

The City will pay a 2.5% incentive on the existing salary step for sworn employees who possess an Associates of Arts degree. The City will pay a 5% incentive on existing salary step and range for sworn employees with a Bachelor's Degree or higher. A maximum of 5% education incentive will be provided for Education Incentive.

I. Peace Officer Standard Training Certificate Pay

Officers (Maximum 5%):

2.5% Intermediate Certificate

2.5% Advanced Certificate

Sergeants (Maximum 5%):

2.5% Advanced Certificate

2.5% Supervisory Certificate

J. Court Appearance Pay

- i. Court appearances before or after shifts: Represented employees who make a court appearance either thirty (30) minutes before the start of their scheduled shift or 30 minutes after the end of their scheduled shift, shall receive four (4) hours at one and one half times the employee's regular hourly rate of pay or the actual time spent for the court appearance, whichever is greater.
- ii. Court appearances on scheduled days off: Represented employees who make a court appearance on their regularly scheduled day off shall receive four (4) hours at one and one half times the employee's regular hourly rate of pay, or the actual time spent for the court appearance, whichever is greater.
- iii. Telephonic court appearances: Employees served with a telephonic subpoena which requires the completion of a telephone call on the employee's off-duty time and does not require the employee's physical appearance in court or in any other administrative venue, shall be compensated for a minimum of two (2) hours of pay at one and one half times (1-1/2) the employee's regular hourly rate of pay.
- iv. Court Stand-By Pay: Employees who are required to be on stand-by for court appearances shall be compensated for a maximum of two (2) hours of pay at one and one half times (1-1/2) the employee's regular hourly rate of pay.
- v. Cancellations: Court cancellations are not subject to schedule or callback overtime compensation. The City does not have control over Court cancellations. If such Court appearance is cancelled and notification is given after 5:00 PM the workday immediately preceding the appearance, the employee shall be paid a minimum of two (2) hours of overtime. For Court appearance cancellations with notice before 5:00 PM the workday immediately preceding the appearance, the employee shall receive no additional compensation. It is the responsibility of the employee to confirm court appearances.

- i. Multiple Subpoenas: Multiple subpoenas covering the same case in the day or multiple subpoenas for either the morning or the afternoon do not count as the separate incidents for purposes of minimum compensation. However, a subpoena to attend court for a second case in the afternoon will count as a separate incident and 4 hours of minimum court appearance compensation will apply.

K. Holidays

The City recognizes that various special occasions occur during the course of a year which warrant special celebrations and/or observances. These occasions are generally designated by Federal and/or State Statute, or by tradition. In order to acknowledge these occasions, the City has determined that it will recognize certain holidays throughout the year and allow City employees to observe these occasions by granting employees time off work, with pay or giving an additional day's or shift's pay.

Any day designated as a paid holiday by the City Council shall be considered a legal holiday for City employees.

The City shall observe the following holidays:

HOLIDAY	DATE OBSERVED
New Year's Day	January 1
Martin Luther King Jr. Day	3rd Monday in January
Washington's Birthday	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11th
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	4th Friday in November
December 24	December 24
December 25th	December 25
December 31	New Year's Eve

If a holiday falls on a Sunday, the following Monday will be observed as the holiday, except that if December 24th or December 31st falls on Sunday, the preceding Friday will be observed as the holiday. If a holiday falls on Saturday, the preceding Friday will be observed as the holiday. If December 24th or December 31st falls on Friday, the preceding Thursday will be observed as the holiday.

L. Employees Working Holidays

Regular full-time patrol officers required to work on a holiday may be permitted to take a different day as the holiday, accrue the time as compensatory time or be compensated for the holiday as approved by the Department Head. Compensation shall include ten (10) or twelve (12) hours of Holiday Pay (based on employee work schedule), for full-time employees, plus time and a half (1-1/2) their regular rate of pay for the number of hours actually worked.

M. Floating Holiday

Employees shall be entitled to one (1) floating holiday to include ten (10) or twelve (12) hours (based on employee work schedule) each Fiscal Year. Floating Holiday time shall be accrued during the pay period that includes July 1st. New employees hired after July 1st shall not accrue a floating holiday until the following July 1st.

Floating holidays accrued shall be available for use the first day following the pay period in which they are accrued, and shall be scheduled at a time mutually agreed upon between the employee and Supervisor/Department Head.

Floating holiday hours must be used in the fiscal year they are received. Any Floating holiday hours remaining at June 30th shall be rolled over into the employee's vacation bank.

N. Uniform

The City will provide a uniform allowance of \$1,200 per year. Uniform allowance will be a onetime payment, paid the first pay period in January, beginning in January 2024.

O. Call back Pay

All represented employees required to report for an unscheduled shift shall be compensated in the amount of one and one half (1-1/2) times their regular hourly rate of pay for three (3) hours for call back or the number of hours actually worked, whichever is greater. For calculation purposes, the compensation period for a call back while off duty under this section commences at the time the employee is notified four (4) hours prior to shift and ends when the officer is no longer needed.

This Section will not apply if the employee is being called back to complete work that should have been finished prior to the end of his/her shift.

Employees required to conduct departmental business by telephone while off duty shall be compensated to the nearest twelve (12) minute increment pursuant to the Fair Labor Standards Act.

P. Standby/On-call Pay

Officers, Sergeants and Detectives assigned to standby / on-call shall be compensated at \$3 per hour for each hour assigned to standby / on-call duty. Standby / on-call pay is subject to City Manager approval.

Q. Deferred Compensation

Laterals exiting a 3% @ 50 pension plan or 3% @ 55 pension plan, or were members of a Public Agency Retirement system prior to January 1, 2013 (Pre-PEPRA) the City will offer \$3,000 (\$115.39 bi-weekly) deferred compensation contribution on an annual basis. Contribution will be prorated and paid bi-weekly:

R. Shift differential

Graveyard shift differential for purposes of this section is defined as a shift of ten (10) or twelve (12) hours when assigned to a graveyard shift.

Any employee who works an assigned regular time shift as described above, shall be paid an additional five percent (5%) of their base hourly rate for each hour actually worked. No shift differential will be paid on sick leave, vacation, CTO, Holiday or any other time off.

ARTICLE X. HEALTH BENEFITS

A. Health Insurance Options: The City shall provide an option for health insurance coverage for eligible employees and dependents. All health and health-related plan or benefit years shall coincide with the calendar year.

B. Premium: The City will increase the maximum amount that it will pay for all benefits (medical, dental, and vision) currently \$1,915. The City will increase the maximum amount that it will pay for all benefits (medical, dental, vision) to one half (1/2) of any CalPERS, Region 1, San Joaquin County plan (excluding PORAC) premium increases during the term of this MOU, but not to exceed an annual increase of six and one half (6½%) percent.

C. Cafeteria Benefits Plan: The City shall provide represented employees a cafeteria benefits plan that will be funded with the City's employer's health benefit contribution.

1. The City shall maintain a Cafeteria Benefits Plan for each represented employees in regular employment status. Monies in and employee's Cafeteria Benefit Plan shall first be used for the following purposes:

2.C.1.1 Medical insurance.

2.C.1.2 Dental insurance.

2.C.1.3 Vision insurance.

2. Upon first providing proof of medical, dental and vision insurance coverage to the City's Human Resource Department, whether it be from the employee's Cafeteria Benefits Plan or a spouse/partner/parent's employer provided health benefit program, a representative employee may elect to use up to 35% of the City's health plan contribution to the Cafeteria Benefits Plan for one or more of the following purposes:

2.C.2.1 Payments on the employee's behalf to the City of Lathrop's deferred compensation providers;

2.C.2.2 Payment to the City's 125 plan administrator for reimbursement of the Internal Revenue Code 125 eligible dependent care; or

2.C.2.3 As a taxable cash payment of the unused balance.

3. Each represented employee shall provide the Human Resource Department in writing, on a form provided and at times designated by the City each year, all information necessary to administer the Cafeteria Benefits Plan during the 12 month period beginning the first day of each plan benefit year.
4. Each represented employee shall be responsible for providing immediate written notification to the Human Resources Department of any change to the number of his/her dependents which affects the amount of the City payment on the behalf of the employee. Changes in the cafeteria benefit payments required because of a change in an employee's number of dependent shall take effect at the start of the first pay period in the month next following the month in which notice from the employee was received by the Human Resources Department. No retroactive payments shall be allowed.

D. Effective Date of Coverage: The effective date of coverage for new employee health, dental, and vision insurance plans shall be in the month next following the date of appointment to employment as a regular employee.

E. Dental and Vision Insurance: The City provides dental and vision insurance that is on a calendar plan year. When an employee enrolls in either program, he/she is expected to remain enrolled during the term of this MOU, unless a permissible event, as described in the plan, allows the employee to withdraw or modify coverage.

F. Life Insurance:

Employees with more than 30 days of employment with the City shall receive an amount of group term life insurance equal to the amount of their annual salary.

G. State Disability Insurance:

The City shall purchase, and pay the full premium for, State Disability Insurance (SDI). SDI provides weekly benefits in the event an employee is unable to work due to an illness or injury that is not job-related. Employees receiving benefits from SDI and who are supplementing those benefits with accrued leave time to receive a full paycheck shall receive the City's contribution to their Cafeteria Benefits Plan.

H. Flexible Benefits:

Employees may participate in a flexible benefit program (as allowed and prescribed by Section 125 of the Internal Revenue Code and applicable IRC sections and regulations) that permits the payment of unreimbursed eligible dependent care costs and/ or insurance premiums with pre- tax dollars. This flexible benefit program may be expanded, provided that there is no cost to the City, to include other unreimbursed expenses permitted by the Internal Revenue Code and its related regulations. Any Internal Revenue Code amendments that affect these deductible medical expenses and/or City liability shall void that portion of the flexible benefit program.

I. Continuation of Insurance Benefits While on Leave of Absence:

When an employee is on an authorized leave of absence without pay, the employee shall be allowed at the employee's own expense to remain under the health, dental, vision and life insurance coverage for up to twenty six (26) bi- weekly pay periods provided that such employee shall pay the applicable premiums at least two (2) weeks prior to the premium due date. Specific arrangements for such coverage shall be made with the Finance Department.

Employees who must pay either all or a portion of their health, vision, dental and life benefits shall either arrange for the payment to be deducted from their paychecks or, if the amount of the paycheck is not sufficient, pay those benefits to the Human Resources Department twice per month at least two (2) weeks prior to the premium due date. Failure to pay for these benefits two (2) weeks prior to each premium due date shall result in cancellations of the insurance

J. Other Post-Employment Benefits – “OPEB”

In an effort to maintain fiscal solvency, the City will maintain post-employment benefit obligations in the following manner:

1. Maintain Irrevocable Trust Fund established by the City. – Medical Benefits
 - a. CalPERS to administer
2. Continue funding OPEB contributions and annual required contribution for term of agreement:
3. Other Post-Employment Benefits
 - a. Medical post-retirement age eligible at 55
 - i. All employees retiring after Dec. 31, 2014
 - ii. All new hires
 - b. Post-retirement medical for all represented employees:
 - i. Retiree +1
 - ii. City-paid retiree medical 55-65 = same health benefits premium contribution as active employees; continue existing City and employee contributions; City will pay one half (50%) of the difference in premium increase up to 6.5%; tied to the average plan cost. City-paid medical at Medicare eligibility (65) = The City will pay the CalPERS Minimum Employer Contribution (i.e., \$151/month in 2023)
 - iii. Retiree is responsible for paying the cost of medical premiums as established by CalPERS.
 - iv. The City will process a reimbursement through the designated third-Party Administrator (TPA). The TPA will process the reimbursement to the retiree on or about the 1st of each month.
4. Maintain Post-Retirement Benefit Schedule
 - a. Vesting based on years of service; 25% @ 5 yrs., 50% @ 10 yrs., 100% @ 15 yrs.
 - b. The benefit stipend is a dollar amount equal to 100% of active average plan cost, by category; i.e. retiree +1

ARTICLE XI. SICK LEAVE

Employee shall accrue 96 hours of sick leave annually (accrued bi-weekly). Upon accumulation of 96 hours of sick leave, up to 40 hours may be converted to vacation as outlined in the City's Personnel Rules and Regulations.

ARTICLE XIII. SICK LEAVE CONVERSION AT RETIREMENT

An employee who retires with at least ten (10) years of City Service may elect one of the following options:

- A. Convert all accrued sick leave to a medical insurance bank. The value of the medical insurance bank shall be determined by multiplying the number of accrued sick leave hours by the employee's hourly rate of pay. The retired employee and their dependents shall be entitled to continued insurance coverage, dental and / or vision coverage currently in effect, with premiums for such coverage being deducted from the medical insurance bank until said bank is exhausted. Thereafter, the retiree and their dependents may continue in the City's group health plan, at group rates, provide the City receives the retiree's payment for the premium by the 10th of each month for the following month's coverage.
- B. Convert to CALPERS service credit per the City's current contract. Terms of the Policy Agreement with the City's insurance carrier regarding coverage and eligibility shall apply to the retiree and their dependents.

ARTICLE XIV. WORKERS COMPENSATION

Employees' worker compensation benefits for bargaining unit members are provided and governed by California Labor Code, including Labor Code section 4850.

ARTICLE XV. MILITARY LEAVE

Military leave shall be granted in accordance with provisions of State and Federal laws. For purposes of this section, "military duty" applies to both "active" and "inactive" military duty. Employees who are ordered to active military duty shall provide the City with a copy of the Orders. Employees who are required to engage in weeknight or weekend military drills as part of their inactive military duty, shall provide the City with documentation of the requirement. All employees entitled to military leave shall give the Chief an opportunity, within the limits of military regulations, to determine when such leave shall be granted. An employee on military leave of absence will be entitled to receive City salary for the first 30 calendar days of such absence. Pay for such purposes shall not exceed 30 days in any one fiscal year.

ARTICLE XVI. PROBATION

All appointments, promotional appointments and reappointments shall be tentative and subject to a probationary period dated from the time of appointment to a regular full-time or regular part-time position. The probationary period for new appointments shall be for 15 months of actual service. The City Manager, upon written request of the Police Chief may grant an extension of the probationary period up to a maximum of six (6) months beyond the end of such probationary period, for a maximum total probation of 21 months.

The probationary period for promotional appointments and reappointments shall be for a twelve (12) month period of actual service. The City Manager, upon written request of the Police Chief, may grant an extension of the probationary period up to a maximum of six (6) months beyond the end of such probationary period, for a maximum total probation of (18) months.

ARTICLE XVII. ASSOCIATION DUES

It is mutually agreed that the City will, deduct dues from the pay of those employees who individually provide written authorization for such dues in an amount certified to be current and correct by the President of the POA or their designee. There shall be no more than one deduction per pay period and the total of such deductions shall be remitted by the City to the POA. The Association shall indemnify, defend, and hold the City harmless against any and all claims, demands, suits, orders, damages or judgments, or other forms of liability that arise out of or by reason of this Dues Deductions section, or action taken or not taken by the City under this Section. This includes, but is not limited to, the City attorney's fees and costs.

ARTICLE XVIII. CATASTROPHIC LEAVE BANK

Conditions of Participation:

- Application for receipt of catastrophic leave donations will be processed by the Human Resources Department.
- An employee becomes eligible to receive catastrophic leave donations when the employee has exhausted or will soon exhaust all his/ her accrued leave, as a result of verifiable long-term illness or injury suffered by the employee
- An employee may request catastrophic leave donations, when the employee has exhausted or will soon exhaust all his/her accrued leave, as a result of verifiable long-term illness or injury suffered by the employee's spouse, children (biological, adopted, legal guardian), or register domestic partner. Catastrophic leave bank is voluntary and it shall be the responsibility of the sworn member to provide proof of eligibility to Human Resources. Utilizing catastrophic leave on behalf of a spouse, domestic partner, or children shall not exceed 3 months. Any extensions beyond 3 months, must be approved by the City Manager.

Donation of Time:

- Employees may donate accrued vacation, or compensatory time: sick leave may not be donated.
- Donations may be made in whole hour increments from a minimum of four (4) to maximum of sixteen (16) hours per donor.
- Donors must have an overall leave balance of 80 hours remaining after donated time has been deducted.
- Once donated to an individual, donated leave cannot be reclaimed by the donor.
- Cumulative total of donated time received by the employee cannot exceed the minimum amount of time needed by verification of the doctor.

Processing of Donations:

- Upon receipt of an application for use of this section, Human Resources shall verify that the employee has a long- term illness or injury that requires leave under this program.
- Upon verification, the Human Resources Department shall notify Payroll of the eligibility of the employee to receive catastrophic leave donations.
- Upon receipt of donation authorizations, Payroll shall take the following actions:

Verify that the donating employee has the minimum required leave balance required for the donation and convert donated time dollars at the hourly rate of the donor and subtract from the designated leave category. Pay supplements which are a percentage of base salary (except above class pay and special assignment pay) shall be added to the base salary prior to converting the value of the donated time to the recipient.

1. Convert donated dollars as computed above to work hours at the hourly rate of the recipient and add the recipient's sick leave balance.
2. Notify departments of changes in leave balances by noting payroll adjustments for the next payday.
3. Retain a confidential file of donation authorization.

Treatment of Donated Time:

- Donated time is treated as sick leave accrued by the recipient of the donation.
- Donated time does not alter the employment rights of the county of the recipient, nor extend or alter limitations otherwise applicable to Leaves of Absence of Sick Leave, except as noted in this agreement.
- Employees who are utilizing donated sick leave hours will continue to accrue vacation and sick leave in accordance with the provisions of this Memorandum of Understanding; however, they will not be eligible to receive sick leave conversion.

ARTICLE XIX. EDUCATION REIMBURSEMENT

Educational Reimbursement In accordance with the City's Tuition Reimbursement Program, employees are eligible to receive tuition reimbursement for educational purposes which are intended to improve his/her ability to accomplish his/her City job for courses taken on the employee's own time. Courses taken at any college or university, business or technical school, or courses given by a recognized correspondence school shall be recognized when they are:

- a. Related to the employee's current position within the City
- b. Related to the employee's potential development within the City
- c. Part of a program leading to a degree relating to the employee's position or possible development within the City

Reimbursement must be recommended by the Department Head and approved by the City Manager prior to enrollment. Requests are to be submitted on the approved form. Requests will be returned to the employee within fourteen (14) calendar days of submittal. Payment of education funds is discretionary with a Department Head within appropriate budget limits:

- a. Costs not to exceed a maximum of \$3,000 per calendar year, per employee; including book and materials and lab fees.
- b. Employee's time and travel are at employee's own expense.
- c. Class time must be on employee's own time, unless the Department Head approves an exception.
- d. A passing grade of C or better, or a certificate of completion, is required in each course for reimbursement.

The City shall reimburse the employee within (30) calendar days of submitting the necessary documentation. If an employee voluntarily separates within one year of receiving the educational reimbursement, he/she must reimburse the City of Lathrop within one year from the separation date.

ARTICLE XX. SHIFT BIDDING

Management recognizes the right of employees to periodically change shifts. In January and July of each year request for shifts based on seniority shall be accepted from the employee. Subject to the rights of the Chief of Police or their Designee to deny such request if, in their opinion, the obligation of the department to provide the public service of the highest quality will not be filled.

ARTICLE XXI. VACATION REQUESTS

The officer will direct any pre scheduled vacation requests to their direct supervisor. The officer can submit their request as soon as shift bids have been completed. The request must be submitted no later than 30 days in advance. If the request is submitted within 30 days, it is the officer's responsibility to find backfill before any vacation is approved. Prior to the 30 days will be the agency's responsibility to backfill for the officer. If a request is submitted on the same day, then seniority shall determine who gets priority. Only one officer per shift can have a pre scheduled vacation.

ARTICLE XXII. VACATION, SICK LEAVE AND COMPENSATORY TIME OFF

Annual accrual rates and maximum accrual amounts for vacation, sick leave and compensatory time off are identified in the Personnel Rules and Regulations.

APPENDIX A:

This Memorandum of Understanding applies to the following employment classes:

1. Police Officers
2. Police Sergeants

FINAL AGREEMENT

Entered into this ____ day of April, 2023, the parties agree that the above includes all items discussed and agreed to by way of the meet and confer process. This Agreement cannot be amended to, subtracted from or added to except by mutual written agreement of both parties. The persons executing this agreement each represent and warrant that they have been duly authorized to do so and the agreement is a valid and binding obligation of both parties.

CITY OF LATHROP

**LATHROP POLICE
OFFICERS ASSOCIATION**

Sonny Dhaliwal, Mayor

Landon Lawson, POA President

Stephen J. Salvatore, Chief
Negotiator

Blake Escobar, POA Vice
President

APPROVED AS TO FORM:

David Garcia, POA
Representative - Goyette

Che Johnson, City Counsel -
Liebert Cassidy Whitmore

Tony Arguelles, POA
Representative - Goyette



390 Towne Centre Drive, Lathrop, CA 95330
Phone (209) 941-7220 – Fax (209) 941-7229
www.ci.lathrop.ca.us

**City of Lathrop Police Department
Benefit Plan for Unrepresented
Classifications of Commander and Lieutenant
Approved by Resolution No. 23-_____**

In order to recruit and retain employees for the new Lathrop Police Department, the City has identified the following compensation and benefits components to be considered during the hiring and employment process for sworn positions not covered by an MOU.

Incentive pay referenced in this plan is based upon current salary step and range for the employee. The incentive pays are cumulative unless specifically stated. The items listed under the Benefit Plan only apply to the Commander and Lieutenant positions to establish benefits not already provided for by resolution or the Personnel Rules.

Police Officer Standards and Training (POST) Certification

The Commission on Peace Officer Standards and Training (POST), through the POST Professional Certificates Unit, awards professional certificates at the following levels: Basic, Intermediate, Advanced, Supervisory, Management, Executive,

These POST Professional Certificate Programs provide education, training, and support professionalism in law enforcement. Participation in POST training raises the level of competence of law enforcement officers and fosters cooperation between the Commission, Public Safety Departments, and individuals.

Incentive pay for POST certification will be provided as follows:

Lieutenant and Commanders:

- 2.5% Supervisory Certificate
- 2.5% Management Certificate

Education Incentive

The City will pay a 2.5% incentive on the existing salary step and range for sworn employees who possess an Associates of Arts degree. The City will pay a 5% incentive on existing salary step and range for sworn employees with a Bachelor's Degree or higher. A maximum of 5% education incentive will be provided for this benefit.

Sick Leave Conversion at Retirement

An employee who retires with at least ten (10) years of City service may elect one of the following options:

1. Convert all accrued sick leave to a medical insurance bank. The value of the medical insurance bank shall be determined by multiplying the number of accrued sick leave hours by the employee's hourly rate of pay. The retired employee and his/her dependents shall be entitled to continue medical insurance coverage, dental and/or vision coverage currently in effect, with premiums for such coverage being deducted from the medical insurance bank until said bank is exhausted. Thereafter, the retiree and his/her dependents may continue to participate in the City's group health plan, at group rates, provided the City receives the retiree's payment for the premium by the 10th of each month for the following month's coverage.
2. Convert to CALPERS service credit per the City's current contract.

Terms of the Policy Agreement with the City's insurance carrier regarding coverage and eligibility shall apply to the retiree and his/her dependents.

Uniform

The City will provide a uniform allowance of \$1,200 per year. Uniform allowance will be a onetime payment, paid the first pay period in January, beginning in January 2024.



390 Towne Centre Drive, Lathrop, CA 95330
Phone (209) 941-7220 – Fax (209) 941-7229
www.ci.lathrop.ca.us

**City of Lathrop Police Department
Recruitment Incentive Plan
Approved by Resolution No. 23-_____**

Recruitment Incentives: Applies to recruitment efforts for all sworn positions. This Recruitment Incentive Plan will allow the City to offer recruitment incentives at the discretion of the City Manager to be implemented as necessary based on the need to offer such incentives

Vacation

Vacation accrual hours shall include years of service at the agency the employee was employed with as a sworn officer prior to being hired by the City. The accrual hours will be in accordance with the years of service referenced in the Personnel Rules and Regulations. Additionally, newly hired sworn personnel will be provided an initial vacation bank of 40 hours upon hire.

Sick Leave

Sworn employees hired will be provided an initial sick leave bank of 40 hours upon hire.

Deferred Compensation

Laterals exiting a 3% @ 50 pension plan or 3% @ 55 pension plan, or were members of a Public Agency Retirement system prior to January 1, 2013 (Pre-PEPRA) the City will offer the following deferred compensation contribution on an annual basis. Contribution will be prorated and paid bi-weekly:

- Chief: \$5,000 (\$192.31 per pay period)
- Commander: \$4,000 (\$153.85 per pay period)
- Lieutenant: \$3,500 (\$134.62 per pay period)
- Sergeant and Lateral Officer: \$3,000 (\$115.39 per pay period)

Signing Bonus

Sworn personnel hired will receive a cash bonus of \$5,000 upon hire.

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ITEM 4.6

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: APPROVAL OF OUT-OF-STATE TRAVEL FOR ONE (1) LATHROP POLICE DEPARTMENT SERGEANT TO ATTEND CANINE PROGRAM MANAGEMENT COURSE IN MAY 2023

RECOMMENDATION: Adopt Resolution Approving Out-of-State Travel for One (1) Lathrop Police Department Sergeant to Attend the Canine Program Management Course in South Lake Tahoe, Nevada from May 2, 2023 to May 4, 2023

SUMMARY:

The Lathrop Police Department (LPD) has established a K-9 Unit that consists of three (3) K-9 Teams (handler and canine). The LPD K-9 Unit is led by a Police Sergeant who oversees the K-9 Unit operations which includes the day-to-day operations and deployments and field activities of each team. To efficiently and clearly understand their role as a K-9 supervisor, attending a canine program management course is essential. Staff is proposing Council approval to have one (1) Sergeant attend an upcoming canine management course.

The management course will take place in South Lake Tahoe, Nevada. The cost for one (1) LPD Sergeant to attend the canine program management course is \$1,182. There are sufficient funds in the Lathrop Police Department's training budget to cover the cost of the training.

Staff recommends City Council approve the out-of-state travel for one (1) LPD Sergeant to attend the Canine Program Management Course in South Lake Tahoe, Nevada from May 2, 2023 to May 4, 2023.

BACKGROUND:

The Lathrop Police Department has established a K-9 Unit that consists of three (3) K-9 Teams. Two (2) of the three (3) K-9 Teams has completed the basic handler's course and is currently deployed and on patrol, with the third K-9 Team in process. These teams are supervised by a designated Sergeant who oversees the day-to-day operations, which include training, schedules, handler evaluations, equipment, record keeping, and deployments and field activities of each K-9 Team.

The K-9 Unit is regarded as one of the highest liability units within any law enforcement agency. To effectively manage K-9 Teams, the K-9 Unit supervisor should be knowledgeable and be up to date on all policies and regulations regarding K-9 deployment within law enforcement. The canine program management course will help the supervisor utilize K-9 Teams properly, obtain consistent productivity

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

APPROVAL OF OUT-OF-STATE TRAVEL FOR ONE (1) LATHROP POLICE DEPARTMENT SERGEANT TO ATTEND CANINE PROGRAM MANAGEMENT COURSE IN MAY 2023

from the K-9 Teams, and understand legal concerns to help mitigate liability to the City. Attending the canine program management course is essential for the growth and development of the K-9 Supervisor and Team.

As required by City policy, any out-of-state travel requires Council approval. Staff was able to secure a spot in an upcoming P.O.S.T certified canine program management course taking place in South Lake Tahoe, Nevada. This three-day course will cover K-9 legal updates, K-9 Use of Force, Critical Incident Reviews and Scenarios, and many more essential topics that would equip our K-9 Sergeant in the day-to-day operations of the K-9 Unit for the Lathrop Police Department.

The cost for one (1) LPD Sergeant to attend the canine program management course is \$1,182. This includes the registration, hotel, and per diem cost for one (1) Sergeant. There are sufficient funds in the Lathrop Police Department's training budget to cover the cost of the training.

REASON FOR RECOMMENDATION:

To effectively manage K-9 Teams, the K-9 supervisor should be knowledgeable and be up to date on all policies and regulations regarding K-9s within law enforcement. Attending a canine program management course is essential to the growth and success of our K-9 Unit Supervisor and will provide our K-9 supervisor the tools to mitigate liabilities to the City. Staff recommends City Council approve the out-of-state travel for one (1) LPD Sergeant to attend the Canine Program Management Course in South Lake Tahoe, Nevada from May 2, 2023 to May 4, 2023.

FISCAL IMPACT:

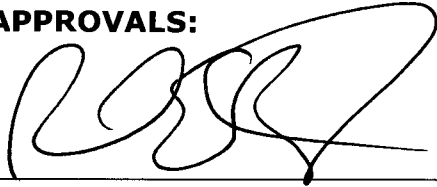
The cost for one (1) LPD Sergeant to attend the canine program management course is \$1,182. There are sufficient funds in the Lathrop Police Department budget to cover the cost of the training.

ATTACHMENTS:

- A. Resolution Approving Out-of-State Travel for One (1) Lathrop Police Department Sergeant to Attend the Canine Program Management Course in South Lake Tahoe, Nevada from May 2, 2023 to May 4, 2023

CITY MANAGER'S REPORT **PAGE 3**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVAL OF OUT-OF-STATE TRAVEL FOR ONE (1) LATHROP POLICE
DEPARTMENT SERGEANT TO ATTEND CANINE PROGRAM MANAGEMENT
COURSE IN MAY 2023

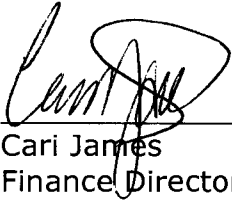
APPROVALS:



Raymond Bechler
Chief of Police

3/20/23

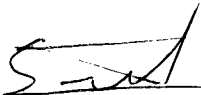
Date



Cari James
Finance Director

4/4/2023

Date



Salvador Navarrete
City Attorney

3-30-2023

Date



Stephen J. Salvatore
City Manager

4-5-23

Date

RESOLUTION NO. 23 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING OUT-OF-STATE TRAVEL FOR ONE (1) LATHROP POLICE SERGEANT TO ATTEND THE CANINE PROGRAM MANAGEMENT COURSE IN SOUTH LAKE TAHOE, NEVADA FROM MAY 2, 2023 TO MAY 4, 2023

WHEREAS, the Lathrop Police Department (LPD) has established a K-9 Unit that consists of three (3) K-9 Teams (handler and canine); and

WHEREAS, LPD K-9 Unit is led by a Police Sergeant who oversees the K-9 Unit operations which includes the day-to-day operations and deployments and field activities of each team; and

WHEREAS, to effectively manage K-9 Teams, the K-9 supervisor should be knowledgeable and be up to date on all policies and regulations regarding K-9s within law enforcement; and

WHEREAS, the canine program management course will help the supervisor utilize K-9 Teams properly, obtain consistent productivity from the K-9 Teams, and understand legal concerns to help mitigate liability to the City; and

WHEREAS, as required by City policy, any out-of-state travel requires Council approval; and

WHEREAS, staff was able to secure a spot in an upcoming P.O.S.T certified canine program management course taking place in South Lake Tahoe, Nevada; and

WHEREAS, the three-day course will cover K-9 legal updates, K-9 Use of Force, Critical Incident Reviews and Scenarios, and many more essential topics that would equip our K-9 Sergeant in the day-to-day operations of the K-9 Unit for the Lathrop Police Department; and

WHEREAS, the cost for one (1) LPD Sergeant to attend the canine program management course is \$1,182. This includes the registration, hotel, and per diem for one (1) Sergeant; and

WHEREAS, there are sufficient funds in the Lathrop Police Department's training budget to cover the cost of the training.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve the out-of-state travel for one (1) Lathrop Police Department Sergeant to attend the canine program management course in South Lake Tahoe, Nevada from May 2, 2023 to May 4, 2023.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:


ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

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ITEM 4.7

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: **APPROVE AMENDMENT NO. 2 WITH ROBERT HALF INTERNATIONAL, INC. TO PROVIDE PROFESSIONAL SERVICES IN THE BUILDING DEPARTMENT FOR THE ENERGOV IMPLEMENTATION**

RECOMMENDATION: **Adopt Resolution Approving Amendment No. 2 with Robert Half International, Inc. to provide Professional Services in the Building Department for the EnerGov Implementation**

SUMMARY:

City staff utilizes development services software to perform a variety of day-to-day functions across many departments. The City has been focusing on the EnerGov implementation to optimize permit processing, plan review, workflow monitoring, field inspections, and payment processing.

Additional services are necessary for the ongoing implementation. In April 2023, the City entered into a Professional Services Agreement (PSA) with Robert Half International, Inc. (Robert Half) to assist in the configuration of EnerGov software. The City staff has been satisfied with the services received from Robert Half and has requested a proposal for additional support services necessary for successfully finalizing the implementation of EnerGov.

Staff is requesting Council approve Amendment No. 2 with Robert Half in the amount not to exceed \$187,200. Sufficient funds have been allocated in the adopted Fiscal Year (FY) 22/23. Future cost increases beyond July 2023 will be covered in the CIP GG 20-15 presented to Council for FY budget 23/24 and 24/25.

BACKGROUND:

With the amount of development activity over the past few years, the City needed a system that will provide developers and citizens with a reasonable turnaround time for inspection and a plan review processes with electronic submissions and responses. The ability to submit plans and schedule inspections electronically will eliminate daily manual entry, which includes the creation, scheduling, tracking, and resulting of inspections. Furthermore, integrating the City's current processes and GIS system in a single software solution will create higher productivity and more efficient handling of data.

City Council approved the purchase of a new software system called EnerGov to streamline permit processing, plan review, workflow tracking, field inspections and payment processing. City staff began implementing the new software system and in April 2022 entered into a PSA with Robert Half to assist with EnerGov software.

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING**APPROVE AMENDMENT NO. 2 WITH ROBERT HALF TO PROVIDE PROFESSIONAL SERVICES IN THE BUILDING DEPARTMENT FOR ENERGOV IMPLEMENTATION**

City staff has been pleased with the services provided by Robert Half and requested a proposal for support services needed to complete the implementation of EnerGov.

REASON FOR RECOMMENDATION:

The City has been focusing on the EnerGov implementation to optimize permit processing, plan review, workflow monitoring, field inspections, and payment processing. Additional services are necessary for the ongoing implementation.

FISCAL IMPACT:


The contract cost associated with Amendment No. 2 is not to exceed \$187,200: which will be paid on a time and material basis. There is currently \$51,100 available in the current council approved operating budget for this Fiscal Year, within the Building Fund, Account Number 2015-50-30-420-01-00. Staff does not anticipate contract costs to exceed the budgeted amount prior to the Fiscal Year end. The future year costs associated with Amendment No. 2, of approximately \$136,100 for the period beginning Fiscal Year 23/24 will be incorporated into Capital Improvement Project GG 20-15: EnerGov Development Services Module. The funds connected to this project will be presented to Council for approval during the budget process for Fiscal Year 23/24 and 24/25.

ATTACHMENTS:

- A. Resolution Approving Amendment No. 2 with Robert Half International, Inc. Provide Professional Services In the Building Department For EnerGov Implementation and Approve Budget Amendment
- B. Amendment No. 2 with Robert Half International, Inc. to Professional Services In the Building Department for EnerGov Implementation.

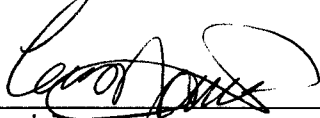
CITY MANAGER'S REPORT **PAGE 3**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE AMENDMENT NO. 2 WITH ROBERT HALF TO PROVIDE
PROFESSIONAL SERVICES IN THE BUILDING DEPARTMENT FOR ENERGOV
IMPLEMENTATION

APPROVALS:



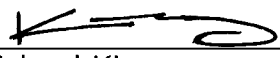
Ed Short
Chief Building Official

4-4-2023
Date



Cari James
Finance Director

4/4/2023
Date



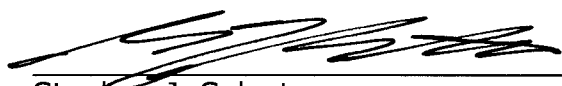
Michael King
Assistant City Manager

4/4/2023
Date



Salvador Navarrete
City Attorney

4.4.2023
Date



Stephen J. Salvatore
City Manager

4.4.23
Date

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING AMENDMENT NO. 2 WITH ROBERT HALF INTERNATIONAL, INC. TO PROVIDE PROFESSIONAL SERVICES IN THE BUILDING DEPARTMENT FOR THE ENERGOV IMPLEMENTATION

WHEREAS, City staff utilizes development services software to perform a variety of day-to-day functions across many departments. The City has been focusing on the EnerGov implementation to optimize permit processing, plan review, workflow monitoring, field inspections, and payment processing; and

WHEREAS, in April 2022, the City entered into a Professional Services Agreement (PSA) with Robert Half International, Inc. (Robert Half) to assist with EnerGov software configuration in the amount of \$47,000; and

WHEREAS, in August 2022, Amendment No. 1 was approved by Council not to exceed \$93,600; and

WHEREAS, Amendment No. 2 will allow for an amount not to exceed \$187,200. Sufficient funds have been allocated in the adopted Fiscal Year (FY) 22/23. Future cost increases beyond July 2023 will be covered in the CIP GG 20-15 presented to Council for FY budget 23/24 and 24/25.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby approves Amendment No. 2 with Robert Half International, Inc. to provide Professional Services in the Building Department for the EnerGov Implementation.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:


ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

AMENDMENT NO. 2**TO THE AGREEMENT BETWEEN THE CITY OF LATHROP AND
ROBERT HALF INTERNATIONAL, INC. DATED APRIL 10, 2023****TO PROVIDE ADDITIONAL PROFESSIONAL SERVICES IN THE BUILDING
DEPARTMENT FOR ENERGOV IMPLEMENTATION**

THIS AMENDMENT (hereinafter "AMENDMENT NO. 2") to the agreement between Robert Half International, Inc. and the City of Lathrop dated April 21, 2022, (hereinafter "AGREEMENT") dated for convenience this **10th day of April 2023**, is by and between **Robert Half International, Inc.** ("CONSULTANT") and the **City of Lathrop**, a California municipal corporation ("CITY");

RECITALS:

WHEREAS, CONSULTANT is specially trained, experienced, and competent to perform Professional Services in the Building Department for EnerGov Implementation, which are required by this agreement; and

WHEREAS, CITY selected the CONSULTANT pursuant to said qualifications; and

WHEREAS, on April 21, 2022, CONSULTANT and CITY entered into an AGREEMENT to provide Professional Services in the Building Department for EnerGov Implementation, in the amount not to exceed \$47,000; and

WHEREAS, CONSULTANT has provided CITY with a scope of work attached hereto as Exhibit "A" for Amendment No. 1 to provide Additional Professional Services in the Building Department for EnerGov Implementation; and

WHEREAS, CONSULTANT is willing to render such Professional Services in the Building Department for EnerGov Implementation, as hereinafter defined, on the following terms and conditions.

NOW, THEREFORE, CONSULTANT and the CITY agree as follows:

AMENDMENT NO. 2 TO AGREEMENT

- (1) **Scope of Service.** Section (1) of the AGREEMENT is hereby amended to add the following:

CONSULTANT agrees to perform Professional Services in the Building Department for EnerGov Implementation in accordance with the scope of work and fee proposal provided by CONSULTANT, attached hereto as Exhibit "A" in addition to the scope of work in the original AGREEMENT dated April 21, 2022. CONSULTANT agrees to diligently perform temporary staffing services in accordance with the upmost standards of its profession.

**CITY OF LATHROP – ROBERT HALF INTERNATIONAL, INC.
PROFESSIONAL SERVICES IN THE BUILDING DEPARTMENT FOR ENERGOV
IMPLEMENTATION**

(2) Compensation. Section (2) of the AGREEMENT for Professional Services is hereby amended as follows:

City hereby agrees to pay CONSULTANT an additional cost of **\$187,200** for the services set forth in Exhibit "A" of this AMENDMENT NO. 2. CONSULTANT shall be paid within thirty (30) days of receipt of billings containing all information contained in Paragraph 5 of the original AGREEMENT. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in the original scope of work and this AMENDMENT unless a written change order or authorization describing the extra work and payment terms has been executed by CITY'S Authorized Representative prior to the commencement of the work. Notwithstanding anything to the contrary in this Agreement, CONSULTANT may at any time, in its sole discretion, discontinue performance of the services once the Not-to-Exceed Amount has been attained (even if CONSULTANT continued to provide services after the Not-to-Exceed Amount was reached).

(3) Effective Date and Term

The effective date of AMENDMENT NO. 2 is **April 10, 2023**, and it shall terminate no later than **June 30, 2024**. AMENDMENT NO. 2 hereby extends the term of the original AGREEMENT to June 30, 2024. All other terms of the original AGREEMENT shall remain in full force and effect. The Estimated End Date set forth in section 2 of Exhibit A shall be deleted and changed to June 30, 2024.

(4) Applicability to Original PROFESSIONAL SERVICES AGREEMENT

All terms and conditions set forth in the AGREEMENT dated April 21, 2022 are still in effect and are incorporated by reference herein and said AGREEMENT is incorporated by reference herein.

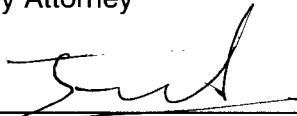
(5) Signatures

The individuals executing this AMENDMENT NO. 2 represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this AMENDMENT NO. 2 on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

**CITY OF LATHROP – ROBERT HALF INTERNATIONAL, INC.
PROFESSIONAL SERVICES IN THE BUILDING DEPARTMENT FOR ENERGOV
IMPLEMENTATION**

Approved as to Form:

City of Lathrop
City Attorney



Salvador Navarrete

4.4.2023
Date

Recommended for Approval:

City of Lathrop
Assistant City Manager

Michael King Date

Approved by:

City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore Date
City Manager

Consultant:

Robert Half International, Inc.
10100 Trinity Parkway, Suite 330
Stockton, CA 95219
Phone: (925) 225-0690

Federal ID # 94-1648752
Lathrop Business License # 20402

Signature Date

Print Name and Title

EXHIBIT A

ROBERT HALF STATEMENT OF WORK

This Robert Half Statement of Work RH (“SOW”), effective as of March 2nd, 2023, is entered into by and between **City of Lathrop** (“Client”) and Robert Half International Inc., through its technology practice group (“RH”).

- 1. **Scope of Engagement.** RH will assign one or more individual(s) to Client to assist Client with its completion of the following:

Consultant to be responsible for independently performing the full scope of routine and complex assigned duties to bring the EnerGov platform to a Go Live Status. They are to receive task guidance from the Chief Building Official and the ISD Management Analyst. The scope of tasks assigned will be specific to EnerGov Applications for the Permitting & Inspections modules, including but not limited to: 1. Core Configuration: CSS, EnerGov Permitting, EnerGov Inspections, associated System/Global settings. (a.) Custom Field/Online Custom Fields – creation and updates (b.) Fee/Fee Template/Fee Automation – creation and updates c. Reviews/Submittals/Items/Files/Conditions – creation and updates (d.) Workflow/Actions/Steps/Tasks, etc. – creation and updates (e.) Holds – creation and updates. 2. Report Configuration: (a.) EnerGov SSRS Reporting, Crystal Reports maintenance and creation, SQL Queries. 3. Automation: (a.) Intelligent Objects, Intelligent Actions, GeoRules, stored procedures, and views creation, modification and optimization specific to EnerGov Applications. 4. Testing: (a.) Testing as configurations are made / changed (b.) Daily Documentation of Testing (i.) Summary of Tasks Completed in Smartsheet to align with Timecard Reporting • Task • Status • Time Spent on Task • Log into the EnerGov – remaining items Log. 5. Training: (a.) Work with Department Administrator to create Training Materials (b.) Assist with preparing for and performing Department Training (c.) Daily Zoom Sharing Meetings (i.) Screensharing and training on items identified in daily work • 1 to 2 hours per day minimum. 6. Availability: (a.) Necessity to being available on call and through email with a time response of no more than an hour during expected business hours, unless notified of Out-Of-Office days / hours.

- 2. **Professionals.** RH will assign the following individual(s) (each a “Professional”) to Client for this engagement:

Name of Professional	Hourly Bill Rate	Estimated Start Date	Estimated End Date
Ricardo Mendoza	\$ 90.00/hr.	4/25/2022	6/30/24

- 3. **Contact Information.**

Client Representative	RH Representative
Name: Hailey Emery	Name: Caleb Banks
E-mail: hemery@ci.lathrop.ca.us	E-Mail: caleb.banks@roberthalf.com
Phone: 209-941-7343	Phone: 415-564-3417
Address: 390 towne centere drive Lathrop, CA 95330	Address: 2180 harvard st. suite 250 Sacramento, CA 95815

- 4. **Termination.** Either party may terminate this SOW at any time upon [thirty] ([30]) days’ prior written notice to the other party.
- 5. **General Conditions of Engagement.** RH assigns the Professional(s) to Client pursuant to the General Conditions of Engagement attached hereto as Exhibit A and incorporated herein by reference.

Agreed to:
City of Lathrop
 By _____
 Authorized signature

Agreed to:
Robert Half International Inc.
DocuSigned by:
 By Jason King
667F04820774...
 Authorized signature

Name (type or print):

Name (type or print): Jason King

Date:

Date: 3/2/2023

Exhibit A General Conditions of Engagement

Required Screenings.

If Client requires RH to perform background checks or other placement screenings of the Professionals, Client agrees to notify RH prior to the start of Services under this SOW. RH will conduct such checks or screenings only if they are described in a signed, written amendment to this SOW. If Client requests a copy of the results of any checks conducted on RH's Professionals, Client agrees to keep such results strictly confidential and to use such results in accordance with applicable laws and solely for employment purposes.

Scope of Assignment.

Client shall supervise the Professionals. Client will not permit or require a Professional (i) to perform services outside of the scope of his or her assignment; (ii) to sign contracts or statements; (iii) to make any final decisions regarding system design, software development or the acquisition of hardware or software; (iv) to make any management decisions; or (v) to use computers or other electronic devices, software, services, tools, e-mail accounts or network equipment owned or licensed by the Professional.

Cash Handling and Other Financial Transactions and Activities.

If Client permits or allows a Professional to sign, endorse, wire, transport or otherwise convey cash, securities, checks, or any negotiable instruments or valuables, or conduct financial transactions or other related activities, Client accepts sole responsibility for all claims, demands and liability that may arise from permitting these activities. Client represents and warrants that to the extent Client permits or allows a Professional to engage in the activities described in this paragraph, Client will not permit or allow a Professional to handle more than (i) \$1,000 per day if Client is a non-profit entity, or (ii) \$25,000 per day if Client is a for-profit entity.

Workplace Safety.

Client agrees that Client has full responsibility for: (i) providing safe working conditions as required by law, including compliance with all public health and occupational safety regulations and guidelines applicable to Client's business, and (ii) ensuring that safety plans exist for, and safety related training is provided to, Professionals working on Client's premises. To ensure the safety of potentially vulnerable individuals on Client's premises, Client agrees not to permit Professionals to have unsupervised or unmonitored contact with (1) minors or (2) adults who are under Client's care, custody or supervision because of mental health impairments. If any assignment under this SOW is for work to be performed under a government contract or subcontract, Client will notify RH immediately of any obligations in the government contract or subcontract relating to wages.

Operation of Vehicles and Equipment.

RH does not authorize a Professional to operate machinery (other than office machines) or vehicles. If Client wishes to permit a Professional to drive for business purposes, Client accepts sole responsibility for all liability, damages, injuries or other claims that may arise or be incurred as a result of such driving. If Client requires a Professional to drive a vehicle owned by Client or by a Client employee, Client agrees to maintain such vehicle in good working condition and maintain all necessary and appropriate insurance for the operation of such vehicle. Under no circumstances will Client permit a Professional to: make bank deposits; carry cash in excess of \$100, negotiable instruments or other valuables while driving; or have passengers in the vehicle. It is agreed that Client accepts full responsibility for, and that RH does not maintain insurance to cover any injury, damage, or loss that may result from Client's failure to comply with the foregoing.

Remote Work.

Client may request that a Professional provide services remotely (i.e., from a location other than Client's or Client's customer's premises) using a laptop and/or other computer or telecommunications equipment provided by Client or RH (collectively, the "Equipment"). In such case, Client acknowledges and agrees that RH shall have no control over, and Client shall be solely responsible for, (i) the logical and physical performance, reliability and security of the Equipment and related devices, network accessibility and availability, software, services, tools and e-mail accounts (collectively, "Computer Systems") used by the Professional, and (ii) the security or integrity of the data and other information stored therein or transmitted thereby. Moreover, Client must not permit a Professional to save or store any Client files or other data on the Computer Systems provided by RH (including, but not limited to, any virtual desktop infrastructure solution). Client agrees that RH shall not be liable for any loss, damage, expense, harm, business interruption or inconvenience resulting from the use of such Computer Systems.

Claims.

Client hereby agrees to waive all claims against Robert Half International Inc. and its subsidiaries, divisions and affiliates, including their respective employees, officers and directors (individually and together, "Robert Half") and to defend and indemnify Robert Half against any claim, demand or liability arising from Client's failure to comply with the terms of this Agreement, including, but not limited to, claims arising from any damage to goods, materials or other items. Client agrees that it is responsible for reporting any claim to RH in writing during or within ninety (90) days after the termination of the applicable assignment. RH will not be responsible for any claim related to the engagement, including, but not limited to, any Services performed during such engagement, unless Client has reported such claim in writing to RH within ninety (90) days after termination of the applicable assignment.

Confidentiality.

Professionals will execute any confidentiality agreement that Client may require. Client is responsible for obtaining the Professional's signature. Client agrees to hold in confidence the identity of any Professional and the Professional's resume, social security number and other legally protected personal information, and Client agrees to implement and maintain reasonable security procedures and practices to protect such information from unauthorized access, use, modification or disclosure.

Limitation on Liability.

Circumstances may arise where, because of a default on RH's part or other liability, Client is entitled to recover damages from RH. Regardless of the basis on which Client is entitled to claim damages from RH (including fundamental breach, negligence, misrepresentation or other contract or tort claim), RH's liability, if any, will, in the aggregate for all claims, causes of action or damages, be limited to any actual direct damages up to an amount equal to the fees actually paid to RH for the services that are the subject of the claim. Under no circumstances is RH liable for any special, incidental, exemplary, indirect, lost profits, or consequential damages (including, but not limited to, lost business, revenue, goodwill, or anticipated savings), even if informed of the possibility. It is understood that Client is responsible for implementing and maintaining usual, customary and appropriate internal accounting procedures and controls, internal controls and other appropriate procedures and controls (including information technology, proprietary information, creative designs and trade secret safeguards) for Client, and RH shall not be responsible for any losses, liabilities or claims arising from the lack of such controls or procedures.

Employment Taxes, Withholdings and Insurance.

Each party will maintain workers' compensation insurance and commercial liability insurance. RH will be responsible, to the extent applicable, for any workers' compensation insurance, federal, state and local withholding and unemployment taxes, social security, state disability insurance or other payroll charges for the Professionals. RH reserves the right to re-assign any Professional.

Guarantee.

RH guarantees Client's satisfaction with the services of each Professional by extending to Client a five (5) day (40 hours) guarantee period. If, for any reason, Client is dissatisfied with a Professional, RH will not charge for the first forty (40) hours worked during the applicable guarantee period, provided that Client allows RH to replace the Professional and Client contacts RH regarding its dissatisfaction before the end of the applicable guarantee period. Unless Client contacts RH before the end of the applicable guarantee period, Client agrees that the Professional is satisfactory. RH MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES REGARDING THE SERVICES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF QUALITY, PERFORMANCE, MERCHANTABILITY OR FITNESS FOR ANY PURPOSE.

Services Provided on a Time and Materials Basis.

Notwithstanding any language to the contrary in this SOW with regard to fixed-price, deliverables or acceptance of deliverables, RH shall be compensated on an hourly basis only. RH is not providing deliverables under this SOW.

If, for any reason, any Professional is unable to complete his or her assignment, RH will endeavor to provide a suitable replacement, subject to Client's approval. If RH is unable to identify a replacement acceptable to Client, this SOW will be deemed to have automatically ended with respect to such Professional, except that Client shall remain liable to RH for services provided by such Professional prior to his/her termination.

Payment Terms.

Each Professional will present a time sheet or an electronic time record to Client's or Client's representative for verification and approval at the end of each week. RH will bill Client weekly for the total hours worked. RH's invoices are due upon receipt, including applicable sales and service taxes all of which are payable by Client. In the event that Client fails to pay the invoices when due, Client agrees to pay all of RH's costs of collection, including reasonable attorneys' fees, whether or not legal action is initiated. Additionally, RH may, at its option, charge interest on any overdue amounts at a rate of the lesser of 1½% per month or the highest rate allowed by applicable law from the date the amount first became due. RH may charge you a technology fee for the provision of equipment or technology, if you request that our professional use equipment or technology provided by us. RH may also increase its rates for the services provided under this SOW to reflect increases in RH's own costs of doing business, including costs associated with higher wages for workers and/or related tax, benefit and other costs. RH will provide written or verbal notice of the technology fees and/or increase in rates for the services, and such increase will be prospective, starting as of the effective date RH specifies.

Overtime.

If applicable, overtime will be billed at 1.50 times the normal billing rate. Federal law defines overtime as hours in excess of 40 hours per week, state laws vary. If state law requires double time pay, the double time hours will be billed at 2.00 times the normal billing rate.

Expenses.

Travel and/or out-of-pocket expenses incurred by a Professional shall be reimbursed by Client immediately upon Client's receipt of invoice.

Hiring the Professional.

After Client evaluates the performance and potential of a Professional on the job, Client may wish to employ this person directly. In such event, Client agrees to pay a conversion fee. The conversion fee is payable if Client hires the Professional, regardless of the employment classification, on either a full-time, temporary (including temporary assignments through another agency) or consulting basis within twelve months after the last day of the Professional's assignment. Client also agrees to pay a conversion fee if a Professional is hired by (i) a subsidiary or other related company or business as a result of Client's referral of the Professional to that company or (ii) one of Client's customers as a result of the Professional providing services to that customer. The conversion fee will be owed and invoiced upon Client's hiring of the Professional, and payment is due upon receipt of the invoice. The same calculation will be used if Client converts the Professional on a part-time basis using the full-time equivalent salary.

The conversion fee will equal Fifteen percent ([15]%) of the Professional's aggregate annual compensation, including bonuses.

Miscellaneous.

For a change to be valid, both parties must sign it. Additional or different terms in any written communication from Client (such as a purchase order) are void. Any terms of this SOW which by their nature extend beyond the termination of this SOW will remain in effect until fulfilled, including any payment obligations, and apply to each party's respective successors and assignees. This SOW is the complete agreement regarding the engagement(s) identified on the first page of this SOW, and replaces any prior oral or written communications between RH and Client regarding such engagement(s).

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ITEM 4.8

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR ANNUAL CARNIVAL EVENT ON APRIL 20, 2023 THROUGH APRIL 23, 2023

RECOMMENDATION: Adopt Resolution Approving Professional Services Agreement with Butler Amusement, Inc. to Provide Law Enforcement Services for their Annual Carnival Event on April 20, 2023 through April 23, 2023

SUMMARY:

Butler Amusements, Inc. (Butler) is holding its annual carnival for 2023 at 1401 River Islands Parkway (APN 213-310-40). The event is scheduled to be held from April 20, 2023 through April 23, 2023. Set up for the event will begin on April 17, 2023 and teardown will be on April 24, 2023. Butler is contracting with a private security firm to provide security for the duration of the event. In addition, Butler has requested law enforcement services from the City of Lathrop Police Department (LPD) for their event for additional security. The Lathrop Police Department is requiring two (2) officers for the peak hours of the event as detailed in the table below:

Date	No. of Officers	Hours	Total Hours
Friday, April 21	2	5PM – 9PM (4 hours)	8 Hours
Saturday, April 22	2	5PM – 9PM (4 hours)	8 Hours
Sunday, April 23	2	5PM – 9PM (4 hours)	8 Hours

The total hours required for the duration of the event is twenty-four (24) overtime hours. LPD is able to provide the required overtime hours for the carnival. Butler has further agreed to pay the cost of additional law enforcement services should circumstances require additional hours or mutual aid from other agencies to restore or secure public safety at the event.

Staff recommends City Council approve the agreement to authorize LPD to provide law enforcement services for Butler Amusement's annual carnival event.

BACKGROUND:

Butler holds an annual carnival event during the month of April that attracts thousands of local attendees from the City of Lathrop and the surrounding areas. In previous years, Butler has contracted with the San Joaquin County Sheriff's Office to provide law enforcement services. On June 29, 2022, the Lathrop Police Department took over law enforcement services from the Sheriff's Office for the City of Lathrop.

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR ANNUAL CARNIVAL EVENT ON APRIL 20, 2023 THROUGH APRIL 23, 2023

Butler has requested LPD to provide law enforcement services for their annual carnival this year, and LPD is able to provide the requested hours for the carnival.

The carnival event is scheduled from April 20, 2023 through April 23, 2023 and will be held at 1401 River Islands Parkway, near the Welcome Center in River Islands. The carnival will consist of nineteen (19) amusement rides, approximately eleven (11) game concessions and two (2) food concessions. Lathrop Police Department is requiring a total of twenty-four (24) hours for the duration of the event. Lathrop Police Officers will work the hours below:

Date	No. of Officers	Hours	Total Hours	Est. OT Hourly Rate	Estimated Total Cost
Friday, April 21	2	5PM – 9PM (4 hours)	8 Hours	\$104.46	\$835.68
Saturday, April 22	2	5PM – 9PM (4 hours)	8 Hours	\$104.46	\$835.68
Sunday, April 23	2	5PM – 9PM (4 hours)	8 Hours	\$104.46	\$835.68

LPD officers will work on a voluntary and rotational basis, and officers working the event will do so outside of their regularly assigned work schedule.

The total estimated cost for the 24 overtime hours requested is \$2,508. Butler further agrees to pay the cost of additional law enforcement services should circumstances require a mutual aid request from other City, County, or State agencies in order to restore or secure public safety at the event.

REASON FOR RECOMMENDATION:

In previous years, the Sheriff’s Department has provided law enforcement services to Butler for their annual carnival event. LPD is able to provide the services requested and Butler has agreed to pay the overtime rate to cover the costs of sworn personnel. Staff recommends Council approve the agreement to allow LPD to provide law enforcement services for Butler’s annual carnival.

FISCAL IMPACT:

Overtime for the event is estimated at \$2,508. At the conclusion of the event, the City will invoice Butler for the actual cost of providing law enforcement services. Should circumstances arise requiring more hours than what was scheduled or mutual aid from other agencies was needed, Butler will be responsible for reimbursement of the actual hours worked and costs for mutual aid.

There is no fiscal impact to the City for this agreement, however, the budget adjustment below is required to reflect the increase in revenue for staff time:

Increase Revenue: 1010-40-30-341-01-01 (Current Service Charges) \$2,508
Increase Expense: 1010-40-30-410-13-00 (Overtime) \$2,508

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

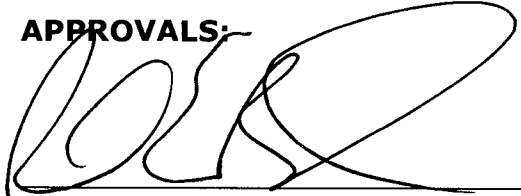
APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR ANNUAL CARNIVAL EVENT ON APRIL 20, 2023 THROUGH APRIL 23, 2023

ATTACHMENTS:

- A. Resolution Approving Professional Services Agreement with Butler Amusements, Inc. to Provide Law Enforcement Services for Annual Carnival Event on April 20, 2023 through April 23, 2023
- B. Professional Services Agreement with Butler Amusements, Inc. to Provide Law Enforcement Services for Annual Carnival Event on April 20, 2023 through April 23, 2023


CITY MANAGER'S REPORT **PAGE 4**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH BUTLER
AMUSEMENT TO PROVIDE LAW ENFORCEMENT SERVICES FOR ANNUAL
CARNIVAL EVENT ON APRIL 20, 2023 THROUGH APRIL 23, 2023

APPROVALS:



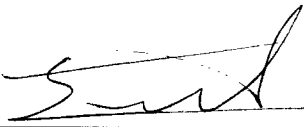
Raymond Bechler
Chief of Police

3/23/23
Date



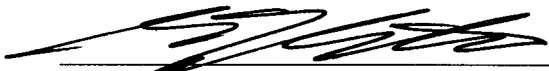
Cari James
Finance Director

3/30/2023
Date



Salvador Navarrete
City Attorney

3-27-2023
Date



Stephen J. Salvatore
City Manager

3-30-23
Date

RESOLUTION NO. 23 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR ANNUAL CARNIVAL EVENT ON APRIL 20, 2023 THROUGH APRIL 23, 2023

WHEREAS, Butler Amusements, Inc. (Butler) is holding its annual carnival at 1401 River Islands Parkway (APN 213-310-40); and

WHEREAS, the event is scheduled to be held from April 20, 2023 through April 23, 2023, with set up for the event to begin on April 17, 2023 and teardown will be on April 24, 2023; and

WHEREAS, the carnival will consist of nineteen (19) amusement rides, approximately eleven (11) game concessions and two (2) food concessions; and

WHEREAS, Butler is contracting with a private security firm to provide security for the duration of the event; and

WHEREAS, in previous years, Butler has contracted with the San Joaquin County Sheriff’s Office to provide additional law enforcement services; and

WHEREAS, on June 29, 2022, the Lathrop Police Department took over law enforcement services from the Sheriff’s Office for the City of Lathrop; and

WHEREAS, Butler has requested LPD provide law enforcement services for their annual event this year, and LPD is able to provide the requested hours; and

WHEREAS, Government Code 53069.8 allows the legislative body of any city to contract with private entities to preserve the peace at special events or occurrences and provide supplemental law enforcement services; and

WHEREAS, the Lathrop Police Department is requiring two (2) officers for the peak hours of the event as detailed in the table below; and

Date	No. of Officers	Hours	Total Hours
Friday, April 21	2	5PM – 9PM (4 hours)	8 Hours
Saturday, April 22	2	5PM – 9PM (4 hours)	8 Hours
Sunday, April 23	2	5PM – 9PM (4 hours)	8 Hours

WHEREAS, the total hours required for the duration of the event is twenty-four (24) overtime hours.

WHEREAS, officers will work on a voluntary and rotational basis, and officers working the event will do so outside of their regularly assigned work schedule; and

WHEREAS, Butler further agrees to pay the cost of additional law enforcement services should circumstances require a mutual aid request from other City, County, or State agencies in order to restore or secure public safety at the event; and

WHEREAS, overtime for the event is estimated at \$2,508.

WHEREAS, there is no fiscal impact to the City for this agreement, however, the budget adjustment below is required to reflect the increase in revenue for staff time:

Increase Revenue: 1010-4030-341-0101 (Current Service Charges) \$2,508

Increase Expense: 1010-4030-410-13-00 (Overtime) \$2,508

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve the agreement with Butler Amusements, Inc. to provide law enforcement services for the annual carnival event on April 20, 2023 through April 23, 2023.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:


ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

CITY OF LATHROP

PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR ANNUAL CARNIVAL EVENT ON APRIL 20, 2023 THROUGH APRIL 23, 2023

THIS AGREEMENT for law enforcement services to BUTLER AMUSEMENTS, INC. for the ANNUAL CARNIVAL event (hereinafter “EVENT”), dated for convenience this ____ day of April 2023 is by and between **BUTLER AMUSEMENTS, INC.**, a separate and distinct entity (hereinafter “BUTLER”) and the **City of Lathrop**, a California municipal corporation (hereinafter “CITY”). The CITY and BUTLER may be referred to herein as “Party” or collectively as “Parties”.

RECITALS:

WHEREAS, BUTLER requests the CITY to provide law enforcement security services for its EVENT; and

WHEREAS, the CITY desires to accommodate BUTLER’S request and has no objections to providing law enforcement security services for the EVENT as allowed by Government Code 53069.8 and reserves the right to terminate EVENT for the purposes of public safety; and

WHEREAS, any costs associated with work hours pursuant to this AGREEMENT wherein Officers worked at the EVENT shall be paid for by BUTLER at the rate indicated in the estimated cost schedule below.

NOW, THEREFORE, in consideration of the recitals, covenants, terms, and conditions in this Agreement, BUTLER and the CITY agree as follows:

AGREEMENT

(1) Scope of Service

CITY's assigned police officers shall provide law enforcement security services to BUTLER’S ANNUAL CARNIVAL EVENT located at 1401 River Islands Parkway, Lathrop, CA 95330 in accordance with the terms and conditions contained in this Agreement.

- A. Each police officer shall be the CITY's employee and shall be subject to the CITY's administration, supervision, and control.
- B. BUTLER agrees to the estimated costs for law enforcement security provided by the Lathrop Police Department.
- C. The estimated costs is based on the understanding that CITY shall assign Police Officers to cover the EVENT on each requested day on a rotational basis. Police Officer(s) will work from a schedule with a total of 24 hours for the duration of the EVENT as detailed in Section 2 Compensation below.
- D. The CITY shall be entitled to a reimbursement should circumstances arise requiring more hours/and or personnel and the estimated cost would be adjusted accordingly.

CITY OF LATHROP – PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR THE ANNUAL CARNIVAL EVENT APRIL 20, 2023 THROUGH APRIL 23, 2023.

- E. BUTLER shall be entitled to a reduction for less hours worked should circumstances (such as rain and wind) cause the EVENT to be closed or impacted. Additionally, event hours are estimates. If the EVENT closes early, officers may work less hours.
- F. BUTLER agrees to pay the CITY for all costs associated with providing law enforcement services for the EVENT. In addition, if further resources are needed to provide adequate security at the EVENT, including mutual aid from other agencies, those cost will be the responsibility of BUTLER. Hourly rates for the additional resources that are not included in the estimated cost schedule may vary.

(2) Compensation

BUTLER hereby agrees to the estimated cost for law enforcement services as detailed in the schedule below:

Date	No. of Officers	Hours	Total Hours	Est. OT Hourly Rate	Estimated Total Cost
4/21/23	2	5PM – 9PM (4 hours)	8 Hours	\$104.46	\$835.68
4/22/23	2	5PM – 9PM (4 hours)	8 Hours	\$104.46	\$835.68
4/23/23	2	5PM – 9PM (4 hours)	8 Hours	\$104.46	\$835.68
Total Estimated Cost					\$2,507.04

CITY will invoice BUTLER for law enforcement services for actual hours of CITY personnel and any additional resource costs incurred for the EVENT. Hourly rates for additional resources that may be needed to provide adequate security at the EVENT that are not included in the estimated cost schedule above may vary.

(3) Effective Date and Term

The effective date of this Agreement shall be from the date of its full execution through **April 23, 2023**, unless terminated earlier by either party providing seven (7) days’ written notice.

(4) Employment of Officer(s) and Assignments

CITY shall retain control over supervision, wages, and other terms and conditions of employment of the officers providing the services under this Agreement. The parties acknowledge that such officers are held to the requirements of the law and CITY policies and procedures. BUTLER shall immediately notify the CITY of any concerns regarding the performance of the assigned officers, including, but not limited to, adherence to quality of services as detailed in this agreement.

CITY shall assign Police Officers to cover the EVENT on each requested day on a rotational basis. Police Officer(s) will work from a schedule as detailed in Section 2 Compensation of the Agreement, unless otherwise adjusted due to circumstantial events as referenced in the Agreement.

(5) Billings

CITY shall submit one invoice at the conclusion of the EVENT for actual law enforcement services incurred and any additional resource costs incurred for the EVENT. BUTLER shall remit payment to the CITY within thirty (30) days of receipt of invoice.

CITY OF LATHROP – PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR THE ANNUAL CARNIVAL EVENT APRIL 20, 2023 THROUGH APRIL 23, 2023.

(6) Supplies & Equipment

CITY shall provide each officer with the following equipment:

- A. Police Vehicles: City shall,
 - 1. Provide a standard patrol vehicle for each officer.
 - 2. Maintain the motor vehicles assigned to each officer.
 - 3. Purchase gasoline, oil, replacement tires, and other expenses associated with the operation of each motor vehicle.
 - 4. Maintain comprehensive general auto liability insurance on each motor vehicle in an amount as is currently provided through the Central San Joaquin Valley Risk Management Authority.
- B. Weapons and Ammunition
 - 1. CITY shall provide the standard issued weapons (handgun, shotgun, and rifle) and rounds of ammunition for each officer.
- C. Office Supplies
 - 1. CITY shall provide each officer with the usual and customary office supplies and forms required in the performance of their duties.

(7) Compliance With the Laws

The Parties shall keep themselves informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner performance of the Services or those engaged to perform Services under this Agreement.

(8) Insurance

- A. BUTLER shall maintain commercial general liability insurance coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. BUTLER general liability policies shall be primary and shall not seek contribution from the CITY's coverage, and be endorsed using ISO form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent) is also required.
- B. Any failure to comply with reporting provisions of the policies by BUTLER shall not affect coverage provided the CITY.
- C. Coverage shall state that BUTLER insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- D. Coverage shall contain a waiver of subrogation in favor of the CITY.

CITY OF LATHROP – PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR THE ANNUAL CARNIVAL EVENT APRIL 20, 2023 THROUGH APRIL 23, 2023.

(9) Indemnification

- A. BUTLER shall indemnify, defend, and hold harmless the City, its officers, officials, employees, and volunteers (hereafter collectively City Personnel) from and against any and all liability, claims, damage, cost, expenses, awards, fines, judgments, and expenses of litigation (including, without limitation, costs, attorney fees, expert witness fees and prevailing party fees and cost) of every nature arising out of or in connection with the any services provided by the City or any City Personnel or their performance of work or any failure to comply with any of the City’s duties contained in the Agreement, except such loss or damage which was caused by the gross or willful misconduct of City Personnel.
- B. In the event of concurrent negligence on the part of BUTLER or any of its officers, directors, trustees, employees, agents or volunteers, and CITY or any of its officers, officials, employees, agents or volunteers, the liability for any and all such claims, demands and actions in law equity for such losses, fines, penalties, forfeiture, costs and damages shall be apportioned under the State of California's theory of comparative negligence as presently established or as may be modified hereafter.
- C. If BUTLER rejects a tender of defense by the City or City Personnel under this Agreement, and it is later determined that the City and City Personnel breached no duty of care and/or were immune from liability, BUTLER shall reimburse the City and/or City Personnel for any and all litigation expenses (including, without limitation, costs, attorney fees, expert witness fees and prevailing party fees and cost). A duty of care or immunity determination may be made by a jury or a court, including a declaratory relief determination by a court after the City and/or City Personnel settles a liability claim, with or without participation by BUTLER.
- D. The Parties acknowledge that it is not the intent of the Agreement to create a duty of care by the City or City Personnel that they would not owe in the absence of the Agreement. The Agreement does not create an affirmative duty of care (including, without limitation, a duty to protect, a duty to deter and/or a duty to intervene) by the City or City Personnel and the absence of City Personnel is not a material breach of this Agreement. The Parties further acknowledge that by entering into this Agreement neither the City nor City Personnel intend to waive any immunities to which they would be entitled in the absence of the Agreement.

(10) Integration of Prior Terms and Conditions

This Agreement, including all recitals, constitutes the entire agreement of the Parties. This Agreement may be amended or modified only by the mutual written agreement of the Parties. This Agreement is invalid unless approved by the legislative body of each Party, although it may be executed by an authorized agent of each Party. An authorized agent of the City shall be a person specifically authorized by the legislative body of the City to execute this Agreement, at the level of City Manager or City Attorney or equivalent. The indemnity sections shall survive termination or expiration of this agreement.

(11) Termination

Either Party to this Agreement may for any reason terminate this Agreement at any time by giving

CITY OF LATHROP – PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR THE ANNUAL CARNIVAL EVENT APRIL 20, 2023 THROUGH APRIL 23, 2023.

seven (7) days' written notice to the other party. Upon termination of this Agreement as herein provided, BUTLER shall have no obligation to compensate of pay the CITY except for services provided prior to termination.

(12) Notices

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party (1) personally served, (2) sent by the United States mail, postage prepaid, by certified mail (3) sent by private express delivery service and addressed as follows:

To City: City of Lathrop
City Clerk
390 Towne Centre
Lathrop, CA 95330

Copy to: City of Lathrop
Lathrop Police Department
940 River Islands Parkway
Lathrop, CA 95330

To BUTLER: Butler Amusements, Inc.
Attn: Andrea Stillwell
P.O. Box 2210
Fairfield, CA 94533

(13) Miscellaneous

- A. Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- B. Contract Terms Prevail. All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and attached exhibits, the terms of this Agreement shall prevail.
- C. Non-Discrimination. No party shall employ any discriminatory practices in its performance hereunder, including its employment practices, on the basis of sex, race, color, religion, national origin, ancestry, age, sexual orientation, or physical and mental disability.
- D. Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.
- E. Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
- F. Headings. The paragraph headings are not a part of this Agreement and shall have no effect

CITY OF LATHROP – PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR THE ANNUAL CARNIVAL EVENT APRIL 20, 2023 THROUGH APRIL 23, 2023.

upon the construction or interpretation of any part of this Agreement.

- G. **Incorporation of Documents.** All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- H. **Integration.** This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- I. **Modification of Agreement.** This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- J. **Provision.** Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- K. **Severability.** The invalidity in whole or part of any provision of this Agreement shall not void or affect the validity of any other provision of this agreement. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
- L. **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- M. **Venue.** In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
- N. **Recovery of Costs.** The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party

(14) Signatures

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of BUTLER and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

CITY OF LATHROP – PROFESSIONAL SERVICES AGREEMENT WITH BUTLER AMUSEMENTS, INC. TO PROVIDE LAW ENFORCEMENT SERVICES FOR THE ANNUAL CARNIVAL EVENT APRIL 20, 2023 THROUGH APRIL 23, 2023.

In Witness Whereof, each Party to this Agreement has signed this Agreement upon the date indicated, and agrees, for itself, its employees, officers, partners, and successors, to be fully bound by all terms and conditions of this Agreement.

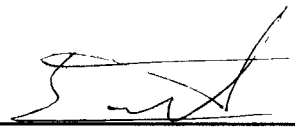
City of Lathrop:

Butler Amusements, Inc.:

Stephen J. Salvatore Date
City Manager

Andrea Stillwell Date
Butler Amusements, Inc.

Approved as to Form:

 3.27.2023

Salvador Navarrete Date
City Attorney

Attest:

Teresa Vargas Date
City Clerk

ITEM 4.9

**CITY MANAGER’S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING**

ITEM: **APPROVE COMMUNITY PARTNERSHIP AGREEMENT BETWEEN THE CITY OF LATHROP AND THE JUNETEENTH COMMITTEE TO COMMEMORATE THE JUNETEENTH NATIONAL INDEPENDENCE DAY FEDERAL HOLIDAY**

RECOMMENDATION: **Adopt Resolution Approving a Community Partnership Agreement between the City of Lathrop and the Juneteenth Committee to Commemorate the Juneteenth National Independence Day Federal Holiday**

SUMMARY:

The Lathrop Juneteenth Committee, a local residents group, is currently permitted to host a Juneteenth National Independence Day Special Event at the Generations Center on Saturday, June 24, 2023. Staff met with the Lathrop Juneteenth Committee at the Generations Center to discuss logistics for the Juneteenth National Independence Day Special Event. Additionally, the Juneteenth Committee was asked to submit an email outlining the areas in which the Juneteenth Committee would like to have directorial control and which areas the Juneteenth Committee would like to have the City facilitate. Staff suggested the use of the Community Partnership Agreement to clearly identify the roles and responsibilities. Staff received the Juneteenth Committee request and worked with the Juneteenth Committee to develop the attached Community Partnership Agreement, which would establish a co-sponsored Juneteenth National Independence Day Federal Holiday Special Event.

The Inaugural Juneteenth National Independence Day Special Event will take place on Saturday, June 24, 2023 at the Lathrop Generations Center from 10:00 a.m. to 5:00 p.m. The Juneteenth National Independence Day Special Event will feature food trucks, entertainment, children’s activities, informational and community booths, and craft and art vendor booths. The Juneteenth National Independence Day Special Event is open to the public and is expected to have an estimated 400 people in attendance.

BACKGROUND:

On June 17, 2021, President Joe Biden signed the Juneteenth National Independence Day Act into law, officially making June 19th a Federal Holiday and giving national recognition commemorating the day of emancipation. The attached Community Partnership Agreement will better serve the community by commemorating a co-sponsored Juneteenth National Independence Day Federal Holiday Special Event. The

**CITY MANAGER’S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE COMMUNITY PARTNERSHIP AGREEMENT BETWEEN THE CITY OF
LATHROP AND THE JUNETEENTH COMMITTEE TO COMMEMORATE THE
JUNETEENTH NATIONAL INDEPENDENCE DAY FEDERAL HOLIDAY**

Inaugural Juneteenth National Independence Day Special Event would take place on Saturday, June 24, 2023 at the Lathrop Generations Center from 10:00 a.m. to 5:00 p.m.

The attached proposed Community Partnership Agreement identifies that the Lathrop Juneteenth Committee shall procure community partnerships, craft and art vendors, food trucks, cultural elements, entertainment, bounce houses, amplified sound equipment, event décor, event program and flyer. The City of Lathrop shall procure the event layout, Lathrop Police Department plan review, Lathrop Manteca Fire District plan review, parking, access, traffic control, garbage/refuse disposal, restrooms, security, twenty (20) tented vendor booths, invite Lathrop Manteca Fire District to participate, host City of Lathrop Community Booths (i.e. Parks, Recreation and Maintenance Services, Lathrop Police Department, Animal Services / Pet Adoptions and Public Works) and assist with the marketing of provided materials on City social media platforms.

RECOMMENDATION:

Staff recommends Council find the requested Community Partnership Agreement between the City of Lathrop and the Lathrop Juneteenth Committee as a public benefit to the community and approve the Community Partnership Agreement with the Lathrop Juneteenth Committee.

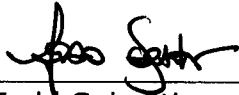
FISCAL IMPACT:

The fiscal impact of co-sponsoring the Juneteenth National Independence Day Special Event including staffing and all Special Event logistics is estimated to be \$14,345. Funds are available within the FY 22/23 budget to cover the Event staffing and logistics.

ATTACHMENTS:

- A. Resolution to approve a Community Partnership Agreement between the City of Lathrop and the Juneteenth Committee in order to better serve the community and celebrate the Juneteenth National Independence Day Federal Holiday
- B. Community Partnership Agreement between the City of Lathrop and Lathrop Juneteenth Committee

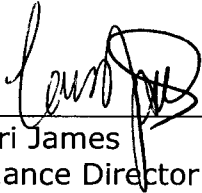
**CITY MANAGER'S REPORT
APPROVE COMMUNITY PARTNERSHIP AGREEMENT BETWEEN THE
CITY OF LATHROP AND THE JUNETEENTH COMMITTEE TO
COMMEMORATE THE JUNETEENTH NATIONAL INDEPENDENCE DAY
FEDERAL HOLIDAY
APPROVALS:**



Todd Sebastian
Director of Parks, Recreation and Maintenance Services

3.30.23

Date



Cari James
Finance Director

3/30/2023

Date



Salvador Navarrete
City Attorney

3.30.2023

Date



Stephen J. Salvatore
City Manager

4.4.23

Date

RESOLUTION NO. 23 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A COMMUNITY PARTNERSHIP AGREEMENT BETWEEN THE CITY OF LATHROP AND THE JUNETEENTH COMMITTEE TO COMMEMORATE THE JUNETEENTH NATIONAL INDEPENDENCE DAY FEDERAL HOLIDAY

WHEREAS, the Lathrop Juneteenth Committee, a local citizens group, is currently permitted to host a Juneteenth National Independence Day Special Event at the Generations Center on Saturday, June 24, 2023; and

WHEREAS, the Juneteenth Committee submitted an email outlining the areas in which the Juneteenth Committee would like to have directorial control and which areas the Juneteenth Committee would like to have the City facilitate and staff suggested the use of the Community Partnership Agreement to clearly identify the roles and responsibilities; and

WHEREAS, staff received the Juneteenth Committee request and worked with the Juneteenth Committee to develop a Community Partnership Agreement; and

WHEREAS, the Community Partner Agreement will better serve the community by commemorating a co-sponsored Inaugural Juneteenth National Independence Day Special Event to take place on Saturday, June 24, 2023 at the Lathrop Generations Center from 10:00 a.m. to 5:00 p.m.; and

WHEREAS, the City Council finds that this request provides a public benefit to the community and the amount of the request is approximately \$14,345; and

WHEREAS, sufficient funds are available within the FY 22/23 budget.

NOW, THEREFORE, BE IT that the Council of the City of Lathrop approves the Community Partnership Agreement between the City of Lathrop and the Juneteenth Committee to commemorate the Juneteenth National Independence Day Federal Holiday at a co-sponsored event to take place at the Generations Center on Saturday, June 24, 2023 at a cost of \$14,345.

The foregoing resolution was passed and adopted this 10th day of April 2023,
by the following vote:

AYES:

NOES:

ABSENT:

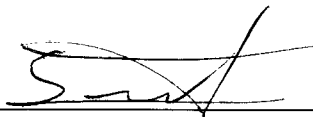
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

A Community Partnership Agreement with the City of Lathrop and the Lathrop Juneteenth Committee

This Community Partnership Agreement is made and entered into on April__, 2023, by and between the City of Lathrop, (hereinafter called the CITY) and the Lathrop Juneteenth Committee (hereinafter called the PARTNER), who agree as follows:

A. Purpose

The purpose of this agreement is to grant the PARTNER recognition as a Community Partner in order to better serve the community of Lathrop through the use of CITY facilities to celebrate the Juneteenth National Independence Day Federal Holiday; subject to compliance with the terms of this Agreement and applicable laws and CITY policies, procedures and safety guidelines.

2023 Juneteenth National Independence Day Federal Holiday Special Event

Date: Saturday, June 24, 2023
Set-up: 8:00 a.m. to 10:00 a.m.
Event Time: 10:00 a.m. to 5:00 p.m.
Clean-up: 5:00 p.m. to 7:00 p.m.

B. General Terms of Agreement

1. Both parties will designate a person to act as the primary contact to facilitate effective communications regarding the Community Partnership Agreement. The primary contacts will maintain regular communication meetings to successfully coordinate and uphold the terms of this agreement. Both parties will schedule in-person meetings two times per month in April and May to finalize all event logistics and ensure a smooth and successful event plan.

The CITY hereby designates:

Primary Contact: Director of Parks, Recreation and Maintenance Services – Todd Sebastian

The PARTNER hereby designates:

Primary Contact: Co-Chair, Lathrop Juneteenth Committee – Brandy Perkins

2. Each party shall, to the fullest extent permitted by law, indemnify, defend, protect, and hold harmless the other party, and its officers, employees, volunteers and agents from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including, but not limited to: attorney fees and costs, expert witness and consultant fees and costs, and litigation costs) of every nature arising out of the indemnifying party's performance or failure to perform under this Agreement and caused by any negligent act or omission, willful misconduct or violation of law of or by indemnifying party or its employees, volunteers, agents and subcontractors, except where caused by the sole negligence or willful misconduct of the other party or as otherwise limited by law. This indemnity obligation shall survive the termination of the Agreement.

C. General Provisions

The PARTNER shall:

1. Comply with and implement all requirements outlined in this Community Partnership Agreement.
2. Not damage, deface, destruct or harm facilities, equipment or furniture. If PARTNER or an employee, agent, contractor, guest, participant, attendee or invitee damages, defaces, destructs or harms facilities, equipment or furniture, then PARTNER shall be liable for the costs of the necessary repairs or replacements. PARTNER shall give prompt written notice to CITY of any damage or destruction.
3. PARTNER at its sole cost and expense shall procure the following event amenities:
 - a. Community Partnerships
 - b. Up to Twenty (20) Craft and Art Vendors (CITY will provide recent vendor list)
 - i. Craft and Art Vendors must adhere to CITY vendor rules and submit the Release of Liability Waiver.
 - c. Food Trucks (CITY will provide recent vendor list)
 - i. Food Trucks must have a current business licenses with the CITY.
 - d. Critical Cultural Elements
 - e. All Stage Entertainment
 - i. Stage Entertainment must submit the Release of Liability Waiver.
 - f. Play Area "Bounce House" w/ Power Need and
 - i. Bounce House must submit commercial general liability insurance with limits of at least \$1,000,000 per occurrence endorsing the CITY, and its officers, employees, volunteers and agents as additional insured.
 - g. Event Program / Marketing / Flyer (with CITY logo and review)
 - h. Dignitary List (Including City Council)
 - i. Event Décor
 - j. Amplified Sound Equipment / Power Needs

The CITY shall:

1. Agree to establish an annual CITY co-sponsored Juneteenth National Independence Day Federal Holiday Special Event.
2. Agree to allow the use of CITY facilities at no cost in accordance with the terms of this Agreement.
3. Agree to waive the PARTNER requirement of providing commercial general liability insurance with limits of at least \$1,000,000 per occurrence endorsing the CITY, and its officers, employees, volunteers and agents as additional insured.
4. Reserve the right for the Lathrop Police Department and the Lathrop Manteca Fire District Fire to suspend any and all uses should it be necessary to correct any safety related condition or activity until such time that condition of activities are deemed safe and appropriate for public usage.
5. CITY at its sole cost and expense shall procure and provide technical oversight on the following event amenities:
 - a. Provide Event Layout / Mapping
 - i. Secure Lathrop Police Department Plan Review
 - ii. Secure Lathrop Manteca Fire District Plan Review
 - b. Manage Parking and Access
 - c. Manage Traffic Control
 - d. Manage Garbage / Refuse

- e. Manage Restroom Facilities
- f. Manage Non-Police Department Event Security based on estimated 400 anticipated attendees
- g. Stage powered with four (4) outlets and basic overhead lighting
- h. Provide Twenty (20) Tented Craft and Art Vendor Booth Locations
- i. Invite Lathrop Manteca Fire District to host a community booth.
- j. Host City of Lathrop Community Booths:
 - i. Parks and Recreation
 - ii. Lathrop Police Department
 - iii. Animal Control / Pet Adoptions
 - iv. Public Works Water Reduction

6. Marketing

- a. Post on social media (Facebook and Instagram). Initial Post 30-days prior, second post 14-days prior, and last post day before event.
- b. Email blast 14-days prior to the event to Parks and Recreation Department database.
- c. Post on CITY website under the special events page.

D. Agreement

1. Entire Agreement; Amendment: This writing represents the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract between the parties concerning PARTNER's use of the facilities, and supersedes all prior oral and/or written negotiations, representations or contracts. This Agreement may be amended only by a subsequent written contract approved and executed by both parties.
2. Successors and Assignment: This Agreement shall bind and ensure to the benefit of the heirs, successors and assigns of the parties; however, the PARTNER shall not subcontract, assign or transfer this Agreement or any part of it without the prior written consent of CITY.

APPROVALS:

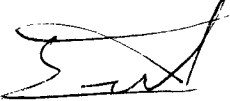
 Sonny Dhaliwal, Mayor

Date: _____

 Brandy Perkins, Lathrop Juneteenth Committee

Date: _____

APPROVED AS TO FORM:



 Salvador Navarrete, City Attorney

Date: 3-30-2023

ITEM 4.10

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: APPROVE FISCAL YEAR 2023-24 PROJECT LIST
ASSOCIATED WITH SENATE BILL 1

RECOMMENDATION: Adopt Resolution Approving a List of Projects
for Fiscal Year 2023-24 Funded By Senate Bill
1, the Road Repair and Accountability Act of
2017

SUMMARY:

Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, was passed by the California Legislature and signed into law by the Governor in April 2017 in order to address the significant transportation funding shortfalls statewide. The State Controller provides funds into the Road Maintenance and Rehabilitation Account (RMRA), which a percentage of these funds are to be apportioned to eligible cities for road maintenance, rehabilitation, and critical safety projects on local streets and road systems.

Local Streets and Roads – Projected Revenues estimate the City of Lathrop's apportionments at \$774,510 for Fiscal Year (FY) 2023-24. In order to be eligible for the funding, cities must approve an annual project list by resolution. Using the City's existing Pavement Management System and through field inspections, staff generated the proposed project list for Fiscal Year (FY) 2023-24. The SB 1 project list includes repairing, rehabilitating and maintaining existing pavement at several locations, including but not limited to:

- Bizzibe Street
- O Street
- Cambridge Drive
- Easy Street
- Honey Place
- Aries Place
- Mingo Way
- Aztec Lane
- Warfield Road
- Juliet Lane
- Somoa Lane
- Noel Lane
- Libby Lane

Staff is requesting that City Council approve the proposed project list for local streets and roads funding associated with SB 1, the Road Repair and Accountability Act of 2017.

BACKGROUND:

Over the next 10 years, California faces a \$59 billion shortfall to adequately maintain the existing state highway system. Within a similar time frame, cities and counties face a \$78 billion shortfall to properly maintain the existing network of local streets and roads.

**CITY MANAGER’S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE FISCAL YEAR 2023-24 PROJECT LIST ASSOCIATED WITH SB1**

In response to these roadway infrastructure needs, on April 28, 2017, the Governor signed SB 1, which is known as the Road Repair and Accountability Act of 2017. Beginning November 1, 2017, new funding from SB 1 will be deposited into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new RMRA funding is apportioned by formula to eligible cities and counties for basic road maintenance, rehabilitation and critical safety projects on the local streets and road systems.

SB 1 was approved with an emphasis on accountability and transparency. As a result, the program guidelines require that local agencies formally adopt a proposed project list for the RMRA funds. While a project list must be submitted in order to receive funds, the project list can be changed to adapt to local needs.

The proposed SB 1 project list for FY 2023-24 was generated using the City’s existing Pavement Management System. The project list includes repairing, rehabilitating and maintaining the existing pavement at citywide locations. Specific project details are listed below and included in Attachment B.

Project Description

The project may use slurry seal treatment, which is the application of a mixture of water, asphalt emulsion, aggregate (very small crushed rock) and additives to an existing asphalt pavement surface. Benefits of slurry seal include sealing of cracks, restoring lost flexibility to the pavement surface, reduction in construction time and potential cost savings.

Project Locations

- Bizzibe Street
- O Street
- Cambridge Drive
- Easy Street
- Honey Place
- Aries Place
- Mingo Way
- Aztec Lane
- Warfield Road
- Juliet Lane
- Somoa Lane
- Noel Lane
- Libby Lane

Proposed Schedule

Spring 2024: Street Assessment / Prioritization
Summer 2024: Bid / Award Project. Begin Construction
Fall 2024: Complete and accept the improvements

Estimated Useful Life

Slurry Seal can extend the life of pavement surface 8 to 10 years.

REASON FOR RECOMMENDATION:

The California Transportation Commission issued annual reporting guidelines for the RMRA funding.

CITY MANAGER'S REPORT **PAGE 3**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE FISCAL YEAR 2023-24 PROJECT LIST ASSOCIATED WITH SB1

Prior to receiving this funding, local agencies must formally adopt an annual proposed project list. Approval of this project list will allow the City to receive its allocated funding.

FISCAL IMPACT:

No fiscal impact is anticipated.

ATTACHMENTS:

- A. Resolution Approving a List of Projects for Fiscal Year 2023-24 Funded By Senate Bill 1, the Road Repair and Accountability Act of 2017
- B. Project Locations Map

CITY MANAGER'S REPORT **PAGE 4**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE FISCAL YEAR 2023-24 PROJECT LIST ASSOCIATED WITH SB1

APPROVALS:



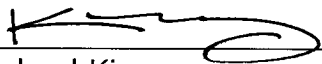
Angel Abarca
Assistant Engineer 03-28-2023
Date

 FOR

Brad Taylor
City Engineer 3-30-2023
Date



Cari James
Director of Finance 3/30/2023
Date



Michael King
Assistant City Manager 3-28-2023
Date



Salvador Navarrete
City Attorney 3-29-2023
Date



Stephen J. Salvatore
City Manager 4-4-23
Date

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A LIST OF PROJECTS FOR FISCAL YEAR 2023-24 FUNDED BY SENATE BILL 1, THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, was passed by the California Legislature and signed into law by the Governor in April 2017 in order to address the significant transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that ensure the residents of the City of Lathrop are aware of the projects proposed for funding and projects that have been completed each fiscal year; and

WHEREAS, the City of Lathrop must adopt a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA) created by SB 1 by resolution, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, this is the seventh year in which the City of Lathrop is receiving SB 1 funding which can be utilized for essential road maintenance and rehabilitation projects, safety improvements, and increasing access and mobility options for the traveling public; and

WHEREAS, Local Streets and Roads – Projected Revenues estimate the City of Lathrop's apportionments at \$774,510 for Fiscal Year (FY) 2023-24; and

WHEREAS, using the City's existing Pavement Management System and through field inspections, staff has generated the proposed project list for Fiscal Year (FY) 2023-24; and

WHEREAS, the proposed SB 1 project list includes repairing, rehabilitating and maintaining existing pavement at several locations, including but not limited to:

- Bizzibe Street
- O Street
- Cambridge Drive
- Easy Street
- Honey Place
- Aries Place
- Mingo Way
- Aztec Lane
- Warfield Road
- Juliet Lane
- Somoa Lane
- Noel Lane
- Libby Lane

WHEREAS, the project may use slurry seal pavement treatment; which has a useful lifespan of approximately 8-10 years; and

WHEREAS, the City of Lathrop anticipates commencement of construction of the pavement maintenance project in the summer of 2024 and acceptance of the improvements by City Council by fall 2024.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve the proposed project list for local streets and roads funding associated with Senate Bill 1, the Road Repair and Accountability Act of 2017.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney



ITEM 4.11

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: APPROVE PROFESSIONAL SERVICES AGREEMENT WITH ROBERTSON-BRYAN, INC., FOR CITY'S INDUSTRIAL PRETREATMENT PROGRAM

RECOMMENDATION: Adopt Resolution Approving a Professional Services Agreement with Robertson-Bryan, Inc., for the City's Industrial Pretreatment Program

SUMMARY:

Currently, Robertson-Bryan, Inc., (RBI) is providing services to update the City's Industrial Pretreatment Program (IPP), which is essential for adhering to the National Pollutant Discharge Elimination System (NPDES) permit that governs the Lathrop Consolidated Treatment Facility (LCTF) effluent discharge into the San Joaquin River. Staff has requested a proposal from RBI for additional services needed to support staff in implementing the IPP for fiscal years (FY) 2023/2024 and 2024/2025. These services will cost \$119,256 and will be included in the budget Fund 6080 (WW Recycling Plant-#1 MBR).

BACKGROUND:

The NPDES permit program addresses water pollution by regulating point sources that discharge pollutants to waters of the United States. Since 2005, Veolia had been supporting the City on developing and implementing an IPP under an agreement that expired in October 2022. It is recommended that RBI support staff in executing the updated IPP to align with new permit requirements. RBI has submitted a proposal in the amount of \$119,256 for FYs 2023/2024 and 2024/2025.

Staff requests City Council approve a professional services agreement with RBI to assist the staff with the IPP implementation for FY 2023/2024 and 2024/2025.

REASON FOR RECOMMENDATION:

The proposed service by RBI will assist the City meet new NPDES permit requirements that regulate discharge of LCTF effluent to the San Joaquin River.

FISCAL IMPACT:

The cost of the services are to be completed on a time and materials basis, not to exceed \$119,256 and will be included in the budget Fund 6080 (WW Recycling Plant-#1 MBR) for FYs 2023/2024 and 2024/2025. Additionally, staff plans to invoice individual industrial users to recoup any direct costs that are associated with their businesses for this program.

CITY MANAGER'S REPORT **PAGE 2**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE PSA WITH ROBERTSON-BRYAN, INC., FOR THE CITY LATHROP
INDUSTRIAL PRETREATMENT PROGRAM

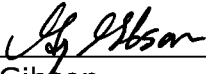
ATTACHMENTS:

- A. Adopt Resolution Approving a Professional Services Agreement with Robertson-Bryan, Inc., for the City of Lathrop Industrial Pretreatment Program

- B. Professional Services Agreement with Robertson-Bryan, Inc., for the City of Lathrop Industrial Pretreatment Program

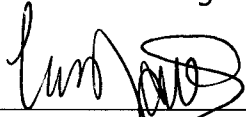
CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE PSA WITH ROBERTSON-BRYAN, INC., FOR THE CITY LATHROP
INDUSTRIAL PRETREATMENT PROGRAM

APPROVALS:




Greg Gibson
Senior Civil Engineer

03/29/2023
Date



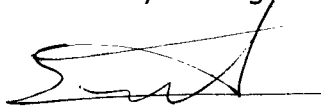
Cari James
Finance Director

3/30/2023
Date



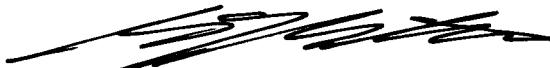
Michael King
Assistant City Manager

3.29.2023
Date



Salvador Navarrete
City Attorney

3.29.2023
Date



Stephen J. Salvatore
City Manager

4-4-23
Date

RESOLUTION NO. 23 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH ROBERTSON-BRYAN, INC., FOR THE CITY OF LATHROP INDUSTRIAL PRETREATMENT PROGRAM

WHEREAS, the Lathrop Consolidated Treatment Facility (LCTF) provides sewer treatment capacity for the Crossroads, Mossdale, River Islands, South Lathrop Specific Plan, Gateway Specific Plan and Central Lathrop Specific Plan development areas; and

WHEREAS, Robertson-Bryan, Inc., (RBI) is currently providing services to update the City's Industrial Pretreatment Program needed for compliance with the National Pollutant Discharge Elimination System (NPDES) permit regulating discharge of Lathrop Consolidated Treatment Facility (LCTF) effluent to the San Joaquin River; and

WHEREAS, additional services from RBI are requested to assist City staff with implementation of the IPP; and

WHEREAS, at the request of staff, RBI has provided a proposal to provide professional services for to assist the City with the IPP implementation; and

WHEREAS, the cost for the RBI's services for FYs 2023/2024 and 2024/2025 are to be completed on a time and materials for a not-to-exceed cost of \$119,256; and

WHEREAS, the cost of these services will be included in the budget Fund 6080 (WW Recycling Plant-#1 MBR) for FYs 2023/2024 and 2024/2025; and

WHEREAS, staff intends to invoice individual industrial users to recoup any direct costs that are associated with their businesses under this program.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve a professional services agreement with RBI to assist the City with IPP implementation for FY 2023/2024 and 2024/2025 for a time and materials cost not to exceed \$119,256, to be paid from Fund 6080 (WW Recycling Plant#1 MBR).

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

CITY OF LATHROP

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES WITH ROBERTSON-BRYAN, INC.

TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

THIS AGREEMENT, dated for convenience this **April 10, 2023** is by and between **Robertson-Bryan, Inc.** ("CONSULTANT") and the **City of Lathrop**, a California municipal corporation ("CITY");

RECITALS:

WHEREAS, CONSULTANT is specially trained, experienced, and competent to perform Professional Consulting Services, which are required by this agreement; and

WHEREAS, CITY selected the CONSULTANT pursuant to said qualifications; and

WHEREAS, CONSULTANT is willing to render such Professional Consulting Services, as hereinafter defined, on the following terms and conditions;

NOW, THEREFORE, CONSULTANT and the CITY agree as follows:

AGREEMENT

(1) Scope of Service

CONSULTANT agrees to perform Professional Consulting Services in accordance with the scope of work and fee proposal provided by CONSULTANT, attached hereto as Exhibit "A" and incorporated herein by reference. CONSULTANT represents it is prepared to and can diligently perform these services in accordance with the upmost standards of its profession and to CITY'S satisfaction. The fee proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved of in advance and in writing, by the CITY.

(2) Compensation

CITY hereby agrees to pay CONSULTANT a sum not to exceed **\$119,256**, for the Professional Consulting Services set forth in Exhibit "A". CONSULTANT shall be paid any uncontested sum due and payable within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit "A", unless a written change order or authorization describing the extra work and payment terms has been executed by CITY's authorized representative prior to the commencement of the work. Payment is made based on a time and materials basis.

CITY OF LATHROP – TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

(3) Effective Date and Term

The effective date of this Agreement is **April 10, 2023**, and it shall terminate no later than **June 30, 2024**.

(4) Independent Contractor Status

It is expressly understood and agreed by both parties that CONSULTANT, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the CITY. As an independent contractor, CONSULTANT is responsible for controlling the means and methods to complete the scope of work described in Exhibit "A" to City's satisfaction. CONSULTANT expressly warrants not to represent, at any time or in any manner, that CONSULTANT is an employee of the CITY.

(5) Billings

CONSULTANT shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONSULTANT'S bills shall include a list of all tasks, a total amount due, the amounts previously billed, and the net amount due on the invoice. Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. In no event shall CONSULTANT submit any billing for an amount in excess of the rates or the maximum amount of compensation provided in section (2) for either task or for the entire Agreement, unless modified by a properly executed change order.

(6) Advice and Status Reporting

CONSULTANT shall provide the CITY with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder, and shall furnish to CITY such information as is necessary to enable CITY to monitor the performance of this Agreement.

CONSULTANT shall submit to CITY such reports, diagrams, drawings and other work products developed pursuant to the Scope of Services.

(7) Auditing

CITY reserves the right to periodically audit all charges made by CONSULTANT to CITY for services under this Agreement. Upon request, CONSULTANT agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONSULTANT agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONSULTANT agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with the requirement. CONSULTANT further agrees

CITY OF LATHROP – TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

to maintain such records for a period of three (3) years after final payment under this agreement.

(8) Assignment of Personnel

CONSULTANT acknowledges that the CITY has relied on CONSULTANT's capabilities and on the qualifications of CONSULTANT's principals and staff as identified in its proposal to CITY. The services shall be performed by, or under the direct supervision, of CONSULTANT's Authorized Representative: **Michael Bryan, Managing Partner**. CITY shall be notified by CONSULTANT of any change of its Authorized Representative, and CITY is granted the right of approval of all original, additional, and replacement personnel at CITY's sole discretion, and shall be notified by CONSULTANT of any changes of CONSULTANT's project staff prior to any change.

CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. If CITY asks CONSULTANT to remove a person assigned to the work called for under this Agreement, CONSULTANT agrees to do so immediately, without requiring the City to process a reason or explanation for its request.

(9) Assignment and Subcontracting

It is recognized by the parties hereto that a substantial inducement to CITY for entering into this Agreement was, and is, the professional reputation and competence of CONSULTANT. Neither this Agreement nor any interest therein may be assigned by CONSULTANT without the prior written approval of CITY'S authorized representative. CONSULTANT shall not subcontract any portion of the performance contemplated and provided for herein, other than the subcontractors noted in the proposal, without prior written approval of the CITY'S authorized representative.

(10) Insurance

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars (\$1,000,000). In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from

CITY OF LATHROP – TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

work performed under this Agreement.

- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars (\$1,000,000) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, agents, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including the insider's general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
- (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
- (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
- (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
- (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
- (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.

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(c) Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than Two Million Dollars (\$2,000,000) per claim made and per policy aggregate covering the licensed professionals' errors and omissions, as follows:

- (i) Any deductible or self-insured retention shall not exceed \$150,000 per claim.
- (ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
- (iii) The policy must contain a cross liability or severability of interest clause.
- (iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:
 1. The retroactive date of the policy must be shown and must be before the date of the Agreement.
 2. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
 3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.
 4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.

(d) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of the CITY's authorized representative, CONSULTANT may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY's authorized representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

CITY OF LATHROP – TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
- (f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
- (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
 - (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
 - (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.

(11) Indemnification - CONSULTANT'S Responsibility

As to the CONSULTANT'S work hereunder, it is understood and agreed that (a) CONSULTANT has the professional skills necessary to perform the work, (b) CITY relies upon the professional skills of CONSULTANT to perform the work in a skillful and professional manner, and (c) CONSULTANT thus agrees to so perform.

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed.

It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession.

CONSULTANT shall indemnify, defend, and hold CITY, its officers, employees, agents, and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct or negligent acts or omissions of CONSULTANT, its employees, subcontractors, or agents, or on account of the performance or character of this work, except for any such claim arising out of the negligence or willful misconduct of the CITY, its officers, employees, agents, or volunteers. It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance of insurance certificates and

CITY OF LATHROP – TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

(12) Licenses

If a license of any kind, which term is intended to include evidence of registration, is required of CONSULTANT, its employees, agents, or subcontractors by federal or state law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, and CONSULTANT shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

(13) Business Licenses

CONSULTANT shall obtain and maintain a CITY of Lathrop Business License until all Agreement services are rendered and accepted by the CITY.

(14) Termination

Either CITY or CONSULTANT may cancel this Agreement upon 30 days written notification to the other party. Upon termination, or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONSULTANT to CITY within ten (10) calendar days.

(15) Funding

CONSULTANT agrees and understands that renewal of this agreement in subsequent years is contingent upon action by the City Council consistent with the appropriations limits of Article XIII (B) of the California Constitution and that the Council may determine not to fund this agreement in subsequent years.

(16) Notices

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

To City: City of Lathrop
 City Clerk
 390 Towne Centre
 Lathrop, CA 95330

CITY OF LATHROP – TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

Copy to: City of Lathrop
Department of Public Works
390 Towne Centre
Lathrop, CA 95330
MAIN: (209) 941-7430
FAX: (209) 941-7449

To Consultant: Robertson-Bryan, Inc.
3100 Zinfandel Dr., Suite 300
Rancho Cordova, CA 95670
Phone: (916) 714-1802

(17) Miscellaneous

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (b) Contract Terms Prevail. All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and attached exhibits, the terms of this Agreement shall prevail.
- (c) Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.
- (d) Definitions. The definitions and terms are as defined in these specifications.
- (e) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
- (f) Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.
- (g) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- (h) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- (i) Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- (j) Ownership of Documents. All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether

CITY OF LATHROP – TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of the CITY. Upon CITY's request, CONSULTANT shall allow CITY to inspect all such documents during the CONSULTANT's regular business hours.

- (k) **Provision.** Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (l) **Severability.** The invalidity in whole or part of any provision of this Agreement shall not void or affect the validity of any other provision of this agreement. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
- (m) **Status of CONSULTANT.** In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.
- (n) **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (o) **Time of the Essence.** Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.
- (p) **Venue.** In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
- (q) **Recovery of Costs.** The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.

(18) Notice to Proceed

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.

(19) Signatures

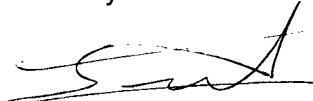
CITY OF LATHROP – TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

CITY OF LATHROP – TO ASSIST CITY WITH INDUSTRIAL PRETREATMENT PROGRAM FOR THE CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE PROJECT

Approved as to Form:

City of Lathrop
City Attorney



Salvador Navarrete

3.29.2023

Date

Recommended for Approval:

City of Lathrop
Assist City Manager

Michael King

Date

Approved by:

Rose H.

City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore

Date

City Manager

Consultant:

Robertson-Bryan, Inc.
3100 Zinfandel Dr., Suite 300
Rancho Cordova, CA 95670

Fed ID # 68-0460693
Business License # **20647**

Signature

Date

Print Name and Title

March 13, 2023

DELIVERED BY EMAIL

Mr. Michael King
Assistant City Manager
City of Lathrop
390 Towne Centre Dr.
Lathrop, CA 95330

Subject: Proposal to Provide Professional Services for the City of Lathrop Industrial Pretreatment Program for Fiscal Years 2023/2024 and 2024/2025

Dear Mr. King:

Robertson-Bryan, Inc. (RBI) is currently under contract to prepare an update to the City of Lathrop's (City) Industrial Pretreatment Program (IPP) for submittal to the Central Valley Regional Water Quality Control Board (Central Valley Water Board) for approval. This work is being completed as part of RBI's contract with the City to provide services to comply with the National Pollutant Discharge Elimination System (NPDES) permit regulating the discharge of Consolidated Treatment Facility (CTF) effluent to the San Joaquin River. Per the City's request, RBI is providing this proposal to assist the City with implementing its IPP for fiscal years (FY) 2023/2024 and 2024/2025. A detailed scope of work and budget is provided below. Consistent with the City's request, this proposal assumes that IPP inspections and the City's Fats Oil and Grease Control Program will be implemented by a separate vendor directly contracted to the City.

I. SCOPE OF WORK

TASK 1: ANNUAL SURVEY

The federal pretreatment regulations require all possible industrial users that might be subject to an adopted pretreatment program to be identified and located. The City conducted an industrial user survey when its IPP was developed in 2005. The survey needs to be updated. Providing an industrial user survey, along with a description of the methods used, is a required component of the IPP submittal to the Central Valley Water Board. Furthermore, the City must provide a list of significant industrial users (SIUs) in its annual pretreatment program report submitted to the Central Valley Water Board.

RBI will conduct a survey of users in the City to classify the businesses in accordance with the City's sewer use ordinance and IPP implementation procedures. Information regarding how to classify the users will primarily be from water and sewer billing records and business license records. The user survey will be documented in MS Excel for update in subsequent

Michael King
City of Lathrop
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years. The initial survey will be completed in summer/fall 2023 for the IPP submittal. RBI will conduct a second survey in summer/fall 2024 to maintain a current inventory of users.

The City currently has three permitted SIUs and is in the process of permitting a fourth SIU (with RBI's assistance through our existing contract). Additional businesses that should be permitted as an SIU would be addressed under Task 2.

TASKS 2: PERMITTING AND COMPLIANCE ASSISTANCE

Work to be completed under this task includes preparing new or renewed SIU permits, identifying and coordinating SIU inspections, maintaining an industrial database, reviewing monitoring reports, preparing enforcement notices, and other related activities. Budget for this task is for permitting six (6) SIUs. As requested, RBI will setup billing under this task to identify expenses attributable to each SIU.

Subtask 2.1: Permit Development

RBI will assist the City with renewing permits for SIU currently permitted and preparing new SIU permits for new dischargers. Our scope of services for either an SIU permit renewal or issuance of a new SIU permit includes:

- (1) Reviewing the SIU application for completeness;
- (2) Interacting with the SIU to obtain supplemental information, if necessary;
- (3) Preparing a draft permit for City review;
- (4) Preparing a draft permit for SIU review;
- (5) Preparing a draft permit that addresses SIU comments, for City review;
- (6) Preparing a final permit;
- (7) One meeting with the City and SIU; and
- (8) Other coordination with the City.

Subtask 2.2: Monitoring and Enforcement

SIUs conduct routine monitoring in compliance with their permits and submit monthly monitoring reports. RBI will track when monitoring reports are due, advise the City on past-due reports, and review each SIU monitoring report for completeness and compliance with the permit, including discharge limits, reporting requirements, and discharge prohibitions. RBI also will prepare a database in MS Excel format to track the following: (1) monitoring report receipt date; (2) violations; (3) enforcement actions taken (e.g., notices of violation) and status; and (4) inspection dates. Budget assumes no more than one enforcement action per SIU, for a total of six (6) enforcement actions through the end of fiscal year 2024/2025.

Subtask 2.3: Inspection Coordination

The federal pretreatment regulations require at least annual monitoring and inspection of SIUs by the City. RBI will coordinate with the City and its inspection contractor to conduct annual inspections of SIUs. The purpose of inspections is to determine that the SIU is complying with its wastewater discharge permit. RBI will review completed field inspection forms for each SIU and debrief with the City regarding any issues encountered. RBI will hold a meeting with the City and its inspection firm to discuss the inspection findings and follow-up actions needed.

TASK 3: MEETINGS

RBI will meet with the City (video or phone conference) quarterly, for a total of eight (8) meetings, to discuss the IPP and review the status of various program implementation tasks, such as inspections completed or to be scheduled, SIUs requiring permit renewal, and status of SIU compliance actions.

TASK 4: PROJECT MANAGEMENT

This task provides hours for RBI's Project Manager and Principal-in-Charge to oversee and direct RBI staff efforts on each task and hold key conversations with City staff when needed. In addition, this task provides time for project coordination by phone, email, and video conference with other project team members, budget and schedule tracking, invoicing, and other duties to coordinate/administer the project.

Additional Assumptions of this Scope of Work

The level of effort for this scope is limited to the hours budgeted. Should additional services be requested due to additional requests of City staff that are not identified herein, or should analyses of greater scope or depth than identified and budgeted herein be required, RBI will notify the City to discuss the extent of any out-of-scope services needed/requested. Should out-of-scope services be requested by the City, RBI will submit a supplemental scope and fee proposal for those services.

II. SCHEDULE

RBI can begin providing professional services associated with the tasks defined herein upon receipt of a signed contract or written authorization to proceed.

III. CONTRACT AND BILLING ARRANGEMENT

The services to be provided in this proposal are for the period July 1, 2023, through June 30, 2025. RBI will complete the scope of work defined herein on a time-and-materials basis, with an authorized budget of \$119,256, as shown in **Attachment 1**. RBI will not exceed the authorized budget amount without written approval. Attachment 1 provides an estimated breakdown of the total budget by task (**Attachment 2**). RBI will bill according to its 2023 rate schedule for all services provided between July 1, 2023, and December 15, 2023. RBI will bill

Michael King
City of Lathrop
March 13, 2023
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according to its 2024 rate schedule for all services provided between December 16, 2023, and December 15, 2024, and according to its 2025 rate schedule for all services provided between December 16, 2024, and June 30, 2025.

If you have any questions regarding this proposal, please do not hesitate to contact me at (916) 405-8918. We look forward to continuing to provide technical services to the City.

Sincerely,

A handwritten signature in black ink that reads 'Paul Bedore'.

Paul Bedore
Director of Wastewater and Stormwater Regulatory Services

Attachment 1: RBI Budget

Attachment 2: 2023 Fee Schedule

ATTACHMENT 1

RBI BUDGET

July 1, 2023, through June 30, 2025 Budget							
	Resource			2023 Task Subtotal (25% Task Hours)	2024 Task Subtotal (50% Task Hours)	2025 Task Subtotal (25% Task Hours)	2023-2025 Task Subtotal
	Director	Associate	Staff Engineer II				
	Paul Bedore	Michelle Brown	Leonardo Urrego-Vallowe				
PROFESSIONAL SERVICES							
Task 1: Annual Survey	2	24	40	\$ 3,788	\$ 7,879	\$ 4,058	\$ 15,725
Task 2: Permitting and Compliance Assistance							\$ 74,937
Subtask 2.1: Permit Development	12	48	96	\$ 8,940	\$ 18,595	\$ 9,577	\$ 37,112
Subtask 2.2: Monitoring and Enforcement	24	48	48	\$ 7,476	\$ 15,550	\$ 8,008	\$ 31,034
Subtask 2.3: Inspection Coordination	4	8	16	\$ 1,636	\$ 3,403	\$ 1,752	\$ 6,791
Task 3: Meetings (8)	24	24		\$ 3,444	\$ 7,164	\$ 3,689	\$ 14,297
Task 4: Project Management	24	24		\$ 3,444	\$ 7,164	\$ 3,689	\$ 14,297
Hour Subtotal	90	176	200				
2023 Rates	\$ 292	\$ 282	\$ 195				
2024 Rates (4% Escalator Assumed on 2023 Rates)	\$ 304	\$ 293	\$ 203				
2025 Rates (3% Escalator Assumed on 2024 Rates)	\$ 313	\$ 302	\$ 209				
Total							\$ 119,256

ATTACHMENT 2

2023 FEE SCHEDULE

Charges for project work performed by Robertson-Bryan, Inc. (RBI) will be calculated and billed at the hourly rates shown below.

PROFESSIONAL SERVICES	RATE/HOUR
◆ Managing Partner	\$339.00
◆ Partner	\$332.00
◆ Principal Engineer/Scientist	\$323.00
◆ Senior Consultant/Department Head	\$306.00
◆ Resource Director	\$292.00
◆ Associate	\$282.00
◆ Senior Engineer/Scientist II	\$275.00
◆ Senior Engineer/Scientist I	\$261.00
◆ Project Engineer/Scientist III	\$239.00
◆ Project Engineer/Scientist II	\$229.00
◆ Project Engineer/Scientist I	\$209.00
◆ Staff Engineer/Scientist II	\$195.00
◆ Staff Engineer/Scientist I	\$179.00
◆ Technical Analyst	\$167.00
◆ Graphics/GIS	\$148.00
◆ Laboratory Compliance Specialist	\$144.00
◆ Administrative Assistant	\$111.00
◆ Intern	\$69.00

Up to ten percent (10%) of subcontractor charges will be added to cover administrative costs. Hourly rates will be increased by a minimum of fifty percent (50%) for depositions, trials, and hearings. Rates will be adjusted annually. Rates are adjusted annually, effective December 16th.

INVOICING AND PAYMENTS

Invoices will be issued on a monthly basis for all work performed on a project. Payment is due upon receipt of the invoice.

ITEM 4.12

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: **APPROVE PROFESSIONAL SERVICES AGREEMENT WITH FGL ENVIRONMENTAL FOR WATER QUALITY LABORATORY SERVICES FOR THE CITY'S DRINKING WATER PROGRAM AND CTF WASTEWATER PERMIT COMPLIANCE**

RECOMMENDATION: **Adopt Resolution Approving a Professional Services Agreement with FGL Environmental for Water Quality Laboratory Services for the City of Lathrop's Drinking Water Program and Consolidated Treatment Facility Wastewater Permit Compliance**

SUMMARY:

Water Quality Laboratory Services are needed to maintain regulatory compliance for permits associated with the City's Drinking Water Program and Consolidated Treatment Facility (CTF). Staff issued a Request for Proposals to six (6) qualified firms on February 22, 2023. Three (3) proposals from two (2) firms were received on March 8, 2023. After reviewing and ranking the proposals staff has determined FGL Environmental to be the best qualified firm to provide these services for the City.

Staff requests Council approve a professional services agreement (PSA) with FGL Environmental for Water Quality Laboratory Services for an annual cost of \$21,379 per year for the Drinking Water Program and \$120,754 per year for the CTF Permit Compliance.

Funds for the water quality laboratory services will be allocated in the Fund 5620 (Water) and Fund 6080 (WW Recycling Plant-#1 MBR) budgets for the 2023-2024 Fiscal Year.

BACKGROUND:

The City's water supply permit is administered by the State Water Resources Control Board Division of Drinking Water Testing and monitoring of water quality is required for conformance with the following regulations:

- State of California Title 22 Drinking Water
- Total Coliform Rule
- Arsenic Rule
- Lead and Copper Rule
- Groundwater Rule (pending)
- Disinfectant Byproduct Rule Stage II
- PFAS Monitoring Order

APPROVE PSA WITH FGL FOR WATER QUALITY LABORATORY SERVICES FOR THE CITY'S DRINKING WATER PROGRAM AND CTF WASTEWATER PERMIT COMPLIANCE

The CTF currently disposes of disinfected tertiary recycled water to land under Waste Discharge Requirements (WDRs) Order R5-2018-0023. The City is in the process of transitioning the CTF effluent discharge to the San Joaquin River which is regulated under the City's National Pollutant Discharge Elimination System (NPDES) permit Order R5-2022-0044. Both of these permits are administered by the Central Valley Regional Water Quality Control Board.

REASON FOR RECOMMENDATION:

Water Quality Laboratory Services are needed to maintain regulatory compliance for permits associated with the City's Drinking Water Program and the CTF. Staff issued a RFPs to six (6) qualified firms on February 22, 2023. Three (3) proposals from two (2) firms were received on March 8, 2023. After reviewing the proposals staff has determined FGL Environmental as the best-qualified firm to provide these services.

FISCAL IMPACT:

The estimated annual costs for the agreement with FGL Environmental to provide the Water Quality Laboratory Services is \$21,379 for the Drinking Water Program and \$120,754 for the CTF Wastewater Permit Compliance. Funds for the water quality laboratory services will be allocated in the Fund 5620 (Water) and Fund 6080 (WW Recycling Plant-#1 MBR) budgets for the 2023-2024 Fiscal Year.

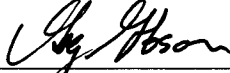
ATTACHMENTS:

- A. Resolution Approving a Professional Services Agreement with FGL Environmental for Water Quality Laboratory Services for the City of Lathrop's Drinking Water Program and Consolidated Treatment Facility Wastewater Permit Compliance
- B. Professional Services Agreement with FGL Environmental for Water Quality Laboratory Services for the City of Lathrop's Drinking Water Program and Consolidated Treatment Facility Wastewater Permit Compliance

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

APPROVE PSA WITH FGL FOR WATER QUALITY LABORATORY SERVICES FOR THE CITY'S DRINKING WATER PROGRAM AND CTF WASTEWATER PERMIT COMPLIANCE

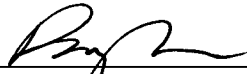
APPROVALS:



Greg Gibson
Senior Civil Engineer

03/25/2023

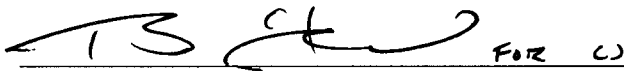
Date



Brad Taylor
City Engineer

4/3/2023

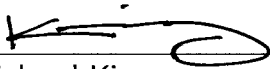
Date



Cari James
Finance Director

3/31/2023

Date



Michael King
Assistant City Manager

3.30.2023

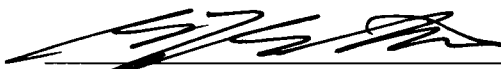
Date



Salvador Navarrete
City Attorney

3.30.2023

Date



Stephen J. Salvatore
City Manager

4.4.23

Date

RESOLUTION NO. 23 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH FGL ENVIRONMENTAL FOR WATER QUALITY LABORATORY SERVICES FOR THE CITY OF LATHROP'S DRINKING WATER PROGRAM AND CONSOLIDATED TREATMENT FACILITY WASTEWATER PERMIT COMPLIANCE

WHEREAS, Water Quality Laboratory Services are needed to maintain regulatory compliance for permits associated with the City's Drinking Water Program and Consolidated Treatment Facility (CTF); and

WHEREAS, staff issued a Request for Proposals to six (6) qualified firms on February 22, 2023, and three (3) proposals from two (2) firms were received on March 8, 2023; and

WHEREAS, after reviewing and ranking the proposals staff has determined FGL Environmental to be the best qualified firm to provide these services; and

WHEREAS, staff requests Council approve a professional services agreement with FGL Environmental for Water Quality Laboratory Services for an annual cost of \$21,379 per year for the Drinking Water Program and \$120,754 per year for the CTF Permit Compliance; and

WHEREAS, funds for the water quality laboratory services will be allocated in the Fund 5620 (Water) and Fund 6080 (WW Recycling Plant-#1 MBR) budgets for the 2023-2024 Fiscal Year.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve a professional services agreement with FGL Environmental for a total annual cost of \$21,379 per year for the Drinking Water Program and \$120,754 per year for the CTF Permit Compliance to be paid from the Fund 5620 (Water) and Fund 6080 (WW Recycling Plant-#1 MBR) respectively.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

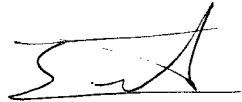
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

CITY OF LATHROP

AGREEMENT FOR PROFESSIONAL SERVICES WITH FRUIT GROWERS
LABORATORY, INC.

FOR CITY OF LATHROP WATER QUALITY TESTING LABORATORY SERVICES

THIS AGREEMENT, dated for convenience this 1st day of July, 2023 is by and between Fruit Growers Laboratory, Inc. ("CONSULTANT") and the **City of Lathrop**, a California municipal corporation ("CITY");

RECITALS:

WHEREAS, CONSULTANT is specially trained, experienced, and competent to perform Drinking Water Quality Testing Laboratory Services, which are required by this agreement; and

WHEREAS, CITY selected the CONSULTANT pursuant to said qualifications; and

WHEREAS, CONSULTANT is willing to render such Water Quality Testing Laboratory Services, as hereinafter defined, on the following terms and conditions;

NOW, THEREFORE, CONSULTANT and the CITY agree as follows:

AGREEMENT

(1) Scope of Service

CONSULTANT agrees to perform Water Quality Testing Laboratory Services in accordance with the scope of work and fee proposals provided by CONSULTANT, attached hereto as Exhibits "A" and "B" and incorporated herein by reference. CONSULTANT represents it is prepared to and can diligently perform these services in accordance with the upmost standards of its profession and to CITY'S satisfaction. The fee proposals shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved of in advance and in writing, by the CITY.

(2) Compensation

CITY hereby agrees to pay CONSULTANT a sum not to exceed \$21,379.00, for the Drinking Water Quality Testing Laboratory Services set forth in Exhibit "A", and \$120,754.00 for the Wastewater Permit Compliance Water Quality Testing Laboratory Services set forth in Exhibit "B". CONSULTANT shall be paid any uncontested sum due and payable within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit "A", unless a written change order or authorization describing the extra work and payment terms has been executed by CITY's authorized representative prior to the commencement of the work. Payment is made based on a time and materials basis.

(3) Effective Date and Term

The effective date of this Agreement is **July 1st, 2023** and it shall terminate no later than **June 30, 2024**.

(4) Independent Contractor Status

It is expressly understood and agreed by both parties that CONSULTANT, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the CITY. As an independent contractor, CONSULTANT is responsible for controlling the means and methods to complete the scope of work described in Exhibit “A” to City’s satisfaction. CONSULTANT expressly warrants not to represent, at any time or in any manner, that CONSULTANT is an employee of the CITY.

(5) Billings

CONSULTANT shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONSULTANT’S bills shall include a list of all tasks, a total amount due, the amounts previously billed, and the net amount due on the invoice. Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. In no event shall CONSULTANT submit any billing for an amount in excess of the rates or the maximum amount of compensation provided in section (2) for either task or for the entire Agreement, unless modified by a properly executed change order.

(6) Advice and Status Reporting

CONSULTANT shall provide the CITY with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder, and shall furnish to CITY such information as is necessary to enable CITY to monitor the performance of this Agreement.

CONSULTANT shall submit to CITY such reports, diagrams, drawings and other work products developed pursuant to the Scope of Services.

(7) Auditing

CITY reserves the right to periodically audit all charges made by CONSULTANT to CITY for services under this Agreement. Upon request, CONSULTANT agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONSULTANT agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONSULTANT agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with the requirement. CONSULTANT further agrees to maintain such records for a period of three (3) years after final payment under this agreement.

(8) Assignment of Personnel

CONSULTANT acknowledges that the CITY has relied on CONSULTANT's capabilities and on the qualifications of CONSULTANT's principals and staff as identified in its proposal to CITY. The services shall be performed by, or under the direct supervision, of CONSULTANT's Authorized Representative: **Jim Kavanaugh**, CITY shall be notified by CONSULTANT of any change of its Authorized Representative, and CITY is granted the right of approval of all original, additional, and replacement personnel at CITY's sole discretion, and shall be notified by CONSULTANT of any changes of CONSULTANT's project staff prior to any change.

CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. If CITY asks CONSULTANT to remove a person assigned to the work called for under this Agreement, CONSULTANT agrees to do so immediately, without requiring the City to process a reason or explanation for its request.

(9) Assignment and Subcontracting

It is recognized by the parties hereto that a substantial inducement to CITY for entering into this Agreement was, and is, the professional reputation and competence of CONSULTANT. Neither this Agreement nor any interest therein may be assigned by CONSULTANT without the prior written approval of CITY'S authorized representative. CONSULTANT shall not subcontract any portion of the performance contemplated and provided for herein, other than the subcontractors noted in the proposal, without prior written approval of the CITY'S authorized representative.

(10) Insurance

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars (\$1,000,000). In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT WITH FRUIT GROWERS LABORATORY, INC. FOR WATER QUALITY TESTING LABORATORY SERVICES

- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars (\$1,000,000) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, agents, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including the insider's general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
- (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
- (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
- (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
- (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
- (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT WITH FRUIT GROWERS LABORATORY, INC. FOR WATER QUALITY TESTING LABORATORY SERVICES

(c) Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than Two Million Dollars (\$2,000,000) per claim made and per policy aggregate covering the licensed professionals' errors and omissions, as follows:

- (i) Any deductible or self-insured retention shall not exceed \$150,000 per claim.
- (ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
- (iii) The policy must contain a cross liability or severability of interest clause.
- (iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:
 1. The retroactive date of the policy must be shown and must be before the date of the Agreement.
 2. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
 3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.
 4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.

(d) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of the CITY's authorized representative, CONSULTANT may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY's authorized representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT WITH FRUIT GROWERS LABORATORY, INC. FOR WATER QUALITY TESTING LABORATORY SERVICES

- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
- (f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
- (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
 - (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
 - (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.

(11) Indemnification - CONSULTANT'S Responsibility

As to the CONSULTANT'S work hereunder, it is understood and agreed that (a) CONSULTANT has the professional skills necessary to perform the work, (b) CITY relies upon the professional skills of CONSULTANT to perform the work in a skillful and professional manner, and (c) CONSULTANT thus agrees to so perform.

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed.

It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession.

CONSULTANT shall indemnify, defend, and hold CITY, its officers, employees, agents, and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct or negligent acts or omissions of CONSULTANT, its employees, subcontractors, or agents, or on account of the performance or character of this work, except for any such claim arising out of the negligence or willful misconduct of the CITY, its officers, employees, agents, or volunteers. It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT WITH FRUIT GROWERS LABORATORY, INC. FOR WATER QUALITY TESTING LABORATORY SERVICES

under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

(12) Licenses

If a license of any kind, which term is intended to include evidence of registration, is required of CONSULTANT, its employees, agents, or subcontractors by federal or state law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, and CONSULTANT shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

(13) Business Licenses

CONSULTANT shall obtain and maintain a CITY of Lathrop Business License until all Agreement services are rendered and accepted by the CITY.

(14) Termination

Either CITY or CONSULTANT may cancel this Agreement upon 30 days written notification to the other party. Upon termination, or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONSULTANT to CITY within ten (10) calendar days.

(15) Funding

CONSULTANT agrees and understands that renewal of this agreement in subsequent years is contingent upon action by the City Council consistent with the appropriations limits of Article XIII (B) of the California Constitution and that the Council may determine not to fund this agreement in subsequent years.

(16) Notices

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

To City: City of Lathrop
City Clerk
390 Towne Centre
Lathrop, CA 95330

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT WITH FRUIT GROWERS LABORATORY, INC. FOR WATER QUALITY TESTING LABORATORY SERVICES

Copy to: City of Lathrop
Department of Public Works
390 Towne Centre
Lathrop, CA 95330
MAIN: (209) 941-7430
FAX: (209) 941-7449

To Consultant: Fruit Growers Laboratory, Inc.
Corporate Office
853 Corporation Street
Santa Paula, CA 93012
Phone: 805-392-2000

(17) Miscellaneous

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (b) Contract Terms Prevail. All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and attached exhibits, the terms of this Agreement shall prevail.
- (c) Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.
- (d) Definitions. The definitions and terms are as defined in these specifications.
- (e) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
- (f) Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.
- (g) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- (h) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- (i) Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- (j) Ownership of Documents. All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT WITH FRUIT GROWERS LABORATORY, INC. FOR WATER QUALITY TESTING LABORATORY SERVICES

or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of the CITY. Upon CITY's request, CONSULTANT shall allow CITY to inspect all such documents during the CONSULTANT's regular business hours.

- (k) **Provision.** Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (l) **Severability.** The invalidity in whole or part of any provision of this Agreement shall not void or affect the validity of any other provision of this agreement. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
- (m) **Status of CONSULTANT.** In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.
- (n) **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (o) **Time of the Essence.** Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.
- (p) **Venue.** In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
- (q) **Recovery of Costs.** The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.

(18) Notice to Proceed

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.

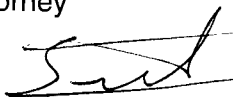
CITY OF LATHROP – CONSULTING SERVICES AGREEMENT WITH FRUIT GROWERS LABORATORY, INC. FOR WATER QUALITY TESTING LABORATORY SERVICES

(19) Signatures

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Approved as to Form:

City of Lathrop
City Attorney



3-30-2023

Salvador Navarrete

Date

Recommended for Approval:

City of Lathrop
Assistant City Manager

Michael King

Date

Approved by:

City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore
City Manager

Date

Consultant:

Fruit Growers Laboratory, Inc.
853 Corporation Street
Santa Paula, CA 93012

Fed ID # 95-07550000
Business License # **20225**

Signature

Date

Print Name and Title

City of Lathrop Water Quality Testing Fee Estimate 2023-2024
Drinking Water Program

EXHIBIT "B"

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Weekly System Monitoring: 8 Sites			
SM9223B /Total & E.Coli Coliform	13	416	5408
Field Test – Field Chlorine Free	13	416	5408
Monthly Bacti Wells 6, 7, 8, 9 & 10			
SM9223B / Total & E.Coli Coliform-QT-Colilert-100	13	60	780
Field Test – Field Chlorine Total	13	60	780
SM9215B HPC Standard Plate Count	34	60	2040
Quarterly LAWTF (CR) Monitoring			
EPA 200.8/Metals, Total-As	11	4	44
Monthly LAWTF (CT) Monitoring			
EPA 200.7/Metals, Total-Iron	11	12	132
Weekly LAWTF (CT) Monitoring			
EPA 200.8/Metals, Total-As	11	52	572
Quarterly Stage 2 DBP Monitoring			
EPA 551.1/ Trihalomethanes (4 Sites)	42	16	672
EPA 552.2/Haloacetic Acids (4 Sites)	89	16	1424
Annual Arsenic Monitoring Wells 6, 7, 8, 9 & 10			
EPA 200.8/Metals, Total-As	11	5	55
Annual Nitrate Monitoring Wells 6,7, 8, 9 & 10			
EPA 353.2 Nitrate/Nitrite Nitrogen	13	5	65
Regulated VOCs Wells 7 & 8			
EPA 524.2 VOCs	120	2	240
Regulated SOC Wells 6, 7, 8, 9 & 10			
SRL 524M-TCP/1,2,3 - Trichloropropane	68	5	340
Quarterly PFAS Wells 6, 7, 8, 9 & 10			
EPA 533/PFAS	295	5	1475

Total Price Quote =	\$	19,435
Add 10% Contingency for unscheduled testing	\$	1,944
TOTAL CONTRACT AMOUNT =	\$	21,379

City of Lathrop Water Quality Testing Fee Estimate Fiscal Year 2023-2024

Wastewater Permit Compliance

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Daily Total & Fecal Coliform (EFF-001)			
SM9221B,E/Total & Fecal Coliform	33	365	12045
Weekly BOD5 and Total Suspended Solids (INF-001)			
SM5210B/Biochemical Oxygen Demand (BOD5)	33	52	1716
SM2540D/Total Suspended Solids (TSS)	20	52	1040
Electrical Conductivity @ 25 degrees Celsius	15	52	780
Weekly BOD5 (EFF-001)			
SM5210B/Biochemical Oxygen Demand (BOD5)	33	52	1716
Monthly Total Dissolved Solids, Total Nitrogen (as N), Total Suspended Solids (EFF-001)			
SM2540C/Total Dissolved Solids (TDS)	20	12	240
Total Nitrogen	20	12	240
SM2540D/Total Suspended Solids (TSS)	20	12	240
Weekend and Holiday Effluent Monitoring (EFF-002) This monitoring will occur when the CTF is sending water through the cooling ponds, which will typically occur October–April, annually			
Temperature	11	70	770
pH	11	70	770
Monthly Effluent Monitoring (EFF-001)			
EPA 624.1/VOCs (DBCM, DCBM, Bromoform, Chloroform)	140	12	1680
EPA 200.7/EPA 200.8/Individual Metals – Barium (Ba)	11	12	132
EPA 300.0/SM4500/Nitrate (NO3-N)	20	12	240
EPA 300.0/SM4500/Nitrite (NO2-N)	20	12	240
Calculate from EPA 300.0/SM4500/Nitrate + Nitrite as N (NO3-N + NO2-N)	20	12	240
Quarterly Effluent Monitoring (EFF-001)			
SM 5310C/Dissolved Organic Carbon	51	4	204
SM2340B/Total Hardness (as CaCO3)	29	4	116
EPA 1630/Mercury – Methyl Mercury	165	4	660
EPA 1631/EPA 1669/Mercury - Total	95	4	380
EPA 200.7/EPA 200.8/Individual Metals – Lead (Pb)	11	4	44
Annual Effluent Monitoring (EFF-001)			
Chlorpyrifos and Diazinon – U.S. EPA Method 625M, Method 8141, or equivalent GC/MS method with a lower Reporting Limit than the Basin Plan Water Quality Objectives of 0.015 µg/L and 0.1µg/L for chlorpyrifos and diazinon	395	1	395
Whole Effluent Toxicity (WET) Testing (EFF-001)			
Bioassay – Acute Toxicity, Rainbow Trout	580	4	2320
Bioassay – Chronic Toxicity, 3-Species, 6-Dilutions + Control (lab water). [An amendment to the NPDES permit is anticipated in 2023 that will allow a standard 5-concentration dilution series.] Include concurrent reference toxicant test.	5960	4	23840

City of Lathrop Water Quality Testing Fee Estimate Fiscal Year 2023-2024

Wastewater Permit Compliance

Pyrethroid-related Toxicity Testing (one location [RSW-002 or RSW-003])			
Bioassay – Acute Toxicity, Hyalella Azteca	775	4	3100
Monthly Receiving Water Monitoring (RSW-002 and RSW-003)			
SM4500-NH3-N/Ammonia Nitrogen (as N	21	24	504
Quarterly Receiving Water Monitoring (RSW-002 and RSW-003)			
SM 5310C/Dissolved Organic Carbon	51	8	408
EPA 200.7/Hardness, Total (as CaCO3)	29	8	232
Pyrethroid Pesticides Monitoring (EFF-001 and one RSW location [RSW-002 or RSW-003])			
Total Pyrethroid Pesticides – EPA 8270 or equivalent. Method must be validated by the Central Valley Water Board per the NPDES permit, Monitoring and Reporting Program, section IX.D.	281	8	2248
Total Organic Carbon (TOC)	45	8	360
Effluent and Receiving Water Characterization Monitoring (EFF-001 and RSW-001) Constituents in the NPDES permit, MRP, Table E-10 Table E-10 constituents routinely monitored and listed above are not included in the quote list below			
EPA 624.1/VOCs Full List	140	8	1120
EPA 625.1/Semi-Volatile Organics	395	8	3160
EPA 200.2/Metals – Sample Prep	18	8	144
EPA 200.7/EPA 200.8/Priority Pollutant Metals	11	8	88
EPA 200.7/Boron	11	8	88
EPA 300.0/Chloride	20	8	160
EPA 4500-CN CE/Cyanide, Total (as CN)	50	8	400
EPA 200.7/EPA 200.8 Phosphorous, Total (as P)	31	8	248
EPA 300.0/Sulfate	21	8	168
SM 4500-S D/Sulfide (as S)	21	8	168
EPA 608.3/Chlorinated Pesticides & PCBs	113	8	904
SM5540C/Foaming Agents (MBAS)	42	8	336
SM2340B/Hardness (as CaCO3)	29	8	232
SM2540C/Total Dissolved Solids	20	8	160
SM4500-NH3 G or equivalent/Ammonia (as N)	21	8	168
EPA 300.0/SM4500/Nitrate (as N)	20	8	160
EPA 300.0/SM4500/Nitrite (as N)	20	8	160
SRL 524M-TCP/1,2,3 - Trichloropropane	68	8	544
EPA 504.1/EDB & DBCP	95	8	760
EPA 515.3/Herbicides	106	8	848
EPA 525.2/EPA 507/Pesticides, Full List	245	8	1960
EPA 531.1/Carbamates	124	8	992
EPA 548.1/Endothal	165	8	1320
EPA 549.2/Diquat	106	8	848
Krones / Tribulytin	255	8	2040
Annually (Water Supply)			
SM2540C/Total Dissolved Solids (TDS)	20	1	20

City of Lathrop Water Quality Testing Fee Estimate Fiscal Year 2023-2024

Wastewater Permit Compliance

EPA 200/Prep for Total Metals Analysis	18	1	18
EPA 200.7/EPA 200.8 Standard Minerals	98	1	98
pH	15	1	15
Annually (Sludge Monitoring)			
SM9221 B,E/Total & Fecal Coliform	45	1	45
Solids, Total (or % moisture) (Solid)	13	1	13
SM4500-NH3H/Ammonia Nitrogen (NH3-N) (Solid)	21	1	21
SM2510B/Electrical Conductivity (EC) (Solid)	15	1	15
EPA 300.0/Nitrate (NO3 or NO3-N) (Solid)	20	1	20
SM4500-Norg/Nitrogen, Organic (TKN-NH3-N) (Solid)	45	1	45
EPA 351.1/Total Kjeldal Nitrogen (TKN) (Solid)	38	1	38
EPA 9045/pH (Solid)	25	1	25
SM2540C/Total Dissolved Solids (TDS) (Solid)	20	1	20
EPA 200/Prep for Total Metals Analysis	18	1	18
EPA 200.7/EPA 200.8/Individual Metals	11	1	11
EPA 8081	130	1	130
EPA 8082	130	1	130
EPA 8270	281	1	281
EPA 7471/Mercury (Solid)	45	1	45
Industrial Pretreatment Program Monitoring in 2024 Per NPDES Permit, MRP, X.D.5.A (effluent testing for the IPP will be fulfilled with the effluent characterization samples in the table above)			
Influent – Federal Priority Pollutant List (except asbestos) https://www.epa.gov/eg/toxic-and-priority-pollutants-under-clean-water-act#priority	1145	1	1145
Biosolids – Federal Priority Pollutant List (except asbestos) https://www.epa.gov/eg/toxic-and-priority-pollutants-under-clean-water-act#priority	1145	1	1145
Field Services			
Sample Pick Up, Standard Weekday	30	260	7800
Sample Collection Fee – Saturday/Sunday	45	104	4680
Sample Collection Fee - Holiday	75	12	900

Total Price Quote =	\$	90,754
Contingency for unscheduled testing	\$	30,000
TOTAL CONTRACT AMOUNT =	\$	120,754

Appendix B

**Bid Pricing from
FGL Environmental**

Provide a fee proposal by completing the unit and extended prices tests presented below, including a total price quote (including sampling fee). The numbers of annual samples presented are estimates for bid comparison purposes only and actual quantities under the contract may vary from year to year:

1. Drinking Water Tests (SWRCB-DDW letter dated November 30, 2022 and Public Drinking Water Watch website (<https://sdwis.waterboards.ca.gov/PDWW/>))

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Weekly System Monitoring: 8 Sites			
SM9223B /Total & E.Coli Coliform	\$13	416	\$ 5408
Field Test – Field Chlorine Free	\$13	416	\$ 5408

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Monthly Bacti Wells (Wells 6, 7, 8, 9 & 10)			
SM9223B / Total & E.Coli Coliform	\$13	60	\$ 780
Field Test – Field Chlorine Total	\$13	60	\$ 780
SM9215B HPC Standard Plate Count	\$34	60	\$ 2040

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Annual Nitrogen (as N) Monitoring (Wells 6, 7, 8, 9 & 10)			
EPA 353.2 Nitrate/Nitrite Nitrogen	\$13	5	\$ 65

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
3 year Nitrite and Nitrate +Nitrite Monitoring (Wells 6, 7, 8, 9 & 10)			
EPA 353.2 Nitrate/Nitrite Nitrogen	\$13	5	\$ 65

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
3-year Regulated GM/GP Wells 6, 7, 8, 9 & 10)			
Various – General Mineral (Alkalinity, Boron, Calcium, Carbonate, Chloride, Copper, Aggressive Index, Bicarbonate, Fluoride, Foaming Agents, Hydroxide, Iron, Langlier Index, Magnesium, Manganese, Nitrate, Nitrite, pH, Potassium, Sodium, SAR, Electrical Conductivity, Sulfate, TDS, Total Hardness, Zinc)		5 @ \$99	\$ 495
Various – IOC Metals (Aluminum, Antimony, Arsenic, Barium, Beryllium, Cadmium, Chromium, Lead, Mercury, Nickel, Selenium, Silver, Thallium, Vandadium)		5 @\$112	\$ 560
Various – General Physical (Color, Odor, Turbidity)		5 @21	\$ 105

City of Lathrop RFP
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Bid Pricing from FGL
Environmental

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Volatile Organic Chemicals Wells (Wells 6, 7, 8, 9 & 10)			
EPA 524.2/VOCs	\$120	5	\$ 600

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Regulated Synthetic Organic Chemicals Wells (Wells 6, 7, 8, 9 & 10)			
DBCP/EDB	\$95	5	\$ 480
Atrazine & Simazine	\$145	5	\$ 725

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Semi-Annual Perchlorate (Wells 6, 7, 8, 9 & 10)			
EPA 314.0/Perchlorate	\$39	5	\$ 195

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
1,2,3 -Trichloropropane (Wells 6,7,8,9 & 10)			
CASRL - 524M-TCP	\$68	10	\$ 680

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
PFAS (Wells 6,7,8,9 & 10) Quarterly Monitoring			
EPA 533/PFAS	\$295	20	\$ 5900

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Gross Alpha (Wells 9 & 10)			
Gross Alpha	\$31	2	\$ 62

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Uranium (Wells 9 & 10)			
Uranium	\$21	2	\$ 42

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Radium-226 and Radium 228 (Wells 9 & 10)			
Uranium	\$64 + 139	2	\$ 406

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
3-year Lead and Copper 30 sites			
EPA 200.7/200.8 Copper (Cu) and Lead (Pb)	\$22	30	\$ 660

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Quarterly Drinking Water Monitoring (Stage 2 DBPR Compliance)			
EPA 551.1/ Trihalomethanes (4 Sites)	\$42	16	\$ 672
EPA 552.2/ Haloacetic Acids (4 Sites)	\$89	16	\$ 1424

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
9-year Asbestos Monitoring (Distribution System with AC Pipe)			
Asbestos	\$180	1	\$ 180

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
LAWTF Combined Treated Weekly Monitoring			
EPA200.7/EPA 200.8 Individual Metals - Arsenic	\$11	52	\$ 572

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
LAWTF Combined Treated Monthly Monitoring			
EPA200.7/EPA 200.8 Individual Metals Iron		12 @ \$11	\$ 132

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
LAWTF Combined Raw Quarterly Monitoring			
EPA200.7/EPA 200.8 Individual Metals Arsenic	\$11	4	\$ 44

2. Allowance for six (6) unscheduled Bac-T tests for water system maintenance and repairs, and for two semi-annual monitoring events for TDS at five water supply wells and two monitoring wells (neither of these results are reported to the State).

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Unscheduled Bac-T tests for Water System Maintenance			
SM9223B /Total & E.Coli Coliform	\$13	6	\$ 78
Field Test – Field Chlorine Free	\$13	6	\$ 78
Sampling – Routine Bacti Monitoring	\$30	6	\$ 180

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Semi-Annual Monitoring for TDS			
EPA 160.1 TDS	\$22	14	\$ 308

Total Price Quote (Drinking Water Program): \$ 29,124.00

Bid Pricing from FGL Environmental

Appendix B

Provide a fee proposal by completing the unit and extended prices tests presented below, including a total price quote (including all fees). The numbers of **annual** samples presented are estimates for bid comparison purposes only and actual quantities under the contract may vary from year to year:

1. WDR R5-2016-0028-03 REV3 Monitoring and Reporting Program

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Daily Total & Fecal Coliform (EFF)			
SM9221B.E/Total & Fecal Coliform	\$33 (LTB-15)	365	\$12045

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Weekly BOD5 and Total Suspended Solids (INF)			
SM5210B/Biochemical Oxygen Demand (BOD5)		52 @ \$33	\$ 1716
SM2540D/Total Suspended Solids (TSS)		52 @ 20	\$ 1040

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Weekly BOD5 (EFF)			
SM5210B/Biochemical Oxygen Demand (BOD5)	\$33	52	\$ 1716

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Monthly Total Dissolved Solids, Total Nitrogen (as N), Total Suspended Solids (EFF)			
SM2540C/Total Dissolved Solids (TDS)	\$20	12	\$ 240
Total Nitrogen	\$20	12	\$ 240
SM2540D/Total Suspended Solids (TSS)	\$20	12	\$ 240

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Annual Priority Pollutants Listed in Table 1 and Table 2 of the WDRs MRP R5-2016-0028-03 REV3 Will be Fulfilled with Effluent Characterization Testing under the NPDES permit, see table below.			
N/A			

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Annually (Water Supply)			
SM2540C/Total Dissolved Solids (TDS)	\$20	1	\$ 20
EPA 200/Prep for Total Metals Analysis	\$18	1	\$ 18
EPA 200.7/EPA 200.8 Standard Minerals	\$98	1	\$ 98
pH	\$15	1	\$ 15

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 FGL Environmental

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Annually (Sludge Monitoring)			
SM9221 B,E/Total & Fecal Coliform	\$45	1	\$ 45
Solids, Total (or % moisture) (Solid)	\$13	1	\$ 13
SM4500-NH3H/Ammonia Nitrogen (NH3-N) (Solid)	\$21	1	\$ 21
SM2510B/Electrical Conductivity (EC) (Solid)	\$15	1	\$ 15
EPA 300.0/Nitrate (NO3 or NO3-N) (Solid)	\$20	1	\$ 20
SM4500-Norg/Nitrogen, Organic (TKN-NH3-N) (Solid)	\$45	1	\$ 45
EPA 351.1/Total Kjeldal Nitrogen (TKN) (Solid)	\$38	1	\$ 38
EPA 9045/pH (Solid)	\$25	1	\$ 25
SM2540C/Total Dissolved Solids (TDS) (Solid)	\$20	1	\$ 20
EPA 200/Prep for Total Metals Analysis	\$18	1	\$ 18
EPA 200.7/EPA 200.8/Individual Metals	\$11	1	\$ 11 each
EPA 8081	\$130	1	\$ 130
EPA 8082	\$130	1	\$ 130
EPA 8270	\$281	1	\$ 281
EPA 7471/Mercury (Solid)	\$45	1	\$ 45

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Field Services			
Sample Pick Up, Standard Weekday	\$30	260	\$ 7800
Sample Collection Fee - Saturday/Sunday	\$45	104	\$ 4680
Sample Collection Fee - Holiday	\$75	12	\$ 900

Total Quote (CTF WDR MRP): \$31,625.00

Bid Pricing from
 FGL Environmental

City of Lathrop RFP
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FGL Environmental

2. Order R5-2022-0004 NPDES CA0085359 Monitoring and Reporting Program (MRP)

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Weekly Influent Monitoring (INF-001)			
SM5210B/Biochemical Oxygen Demand (BOD5)		52 @ \$33	\$ 1716
SM2540D Total Suspended Solids (TSS)		52 @ \$20	\$ 1040
Electrical Conductivity @ 25 °C		52 @ \$15	\$ 780

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Daily Effluent Monitoring (EFF-001)			
SM9221B,E/Total & Fecal Coliform	\$45	365	\$16425

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
3/Week Effluent Monitoring (EFF-001)			
SM5210B/Biochemical Oxygen Demand (BOD5)		156 @ \$33	\$ 5148
SM2540D Total Suspended Solids (TSS)		156 @ \$20	\$ 3120

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Weekly Effluent Monitoring (EFF-001)			
SM4500-NH3-N/Ammonia Nitrogen (as N)		52 @ \$21	\$ 1092
Electrical Conductivity @ 25 °C		52 @ \$ 15	\$ 780

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Weekend and Holiday Effluent Monitoring (EFF-002)			
This monitoring will occur when the CTF is sending water through the cooling ponds, which will typically occur October–April, annually			
Temperature	\$ 11	70	\$ 770
pH	\$ 11	70	\$ 770

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Monthly Effluent Monitoring (EFF-001)			
EPA 624.1/VOCs (DBCM, DCBM, Bromoform, Chloroform)	\$140	12	\$ 1680
EPA 200.7/EPA 200.8/Individual Metal Barium (Ba)	\$11	12	\$ 132
EPA 300.0/SM4500/Nitrate (NO3-N)	\$20	12	\$ 240
EPA 300.0/SM4500/Nitrite (NO2-N)	\$20	12	\$ 240
Calculate from EPA 300.0/SM4500/Nitrate + Nitrite as N (NO3-N + NO2-N)	\$20	12	\$ 240

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Quarterly Effluent Monitoring (EFF-001)			
SM 5310C/Dissolved Organic Carbon		4 @ \$51	\$ 204
SM2340B/Total Hardness (as CaCO3)		4 @ \$29	\$ 116
EPA 1630/Mercury – Methyl Mercury		4 @ \$165	\$ 660
EPA 1631/EPA 1669/Mercury - Total		4 @ 95	\$ 380
EPA 200.7/EPA 200.8/Individual Metals Lead (Pb)		4 @ 11 (each)	\$ 44

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Annual Effluent Monitoring (EFF-001)			
Chlorpyrifos and Diazinon – U.S. EPA Method 625M, Method 8141, or equivalent GC/MS method with a lower Reporting Limit than the Basin Plan Water Quality Objectives of 0.015 µg/L and 0.1 µg/L for chlorpyrifos and diazinon	\$395	1	\$ 395

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Whole Effluent Toxicity (WET) Testing (EFF-001)			
Bioassay – Acute Toxicity, Rainbow Trout		4 @ \$580	\$ 2320
Bioassay – Chronic Toxicity, 3-Species, 6-Dilutions + Control (lab water). [An amendment to the NPDES permit is anticipated in 2023 that will allow a standard 5-concentration dilution series.] Include concurrent reference toxicant test.		4 @ \$5960	\$23840

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Pyrethroid-related Toxicity Testing (one location [RSW-002 or RSW-003])			
Bioassay – Acute Toxicity, Hyalella Azteca		4 @ \$775	\$ 3100

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Monthly Receiving Water Monitoring (RSW-002 and RSW-003)			
SM4500-NH3-N/Ammonia Nitrogen (as N)	\$ 21	24	\$ 504

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Quarterly Receiving Water Monitoring (RSW-002 and RSW-003)			
SM 5310C/Dissolved Organic Carbon	\$ 51	4	\$ 204
EPA 200.7/Hardness, Total (as CaCO3)	\$ 29	4	\$ 116

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Pyrethroid Pesticides Monitoring (EFF-001 and one RSW location [RSW-002 or RSW-003])			
Total Pyrethroid Pesticides – EPA 8270 or equivalent. Method must be validated by the Central Valley Water Board per the NPDES permit, Monitoring and Reporting Program, section IX.D.	\$ 281	8	\$ 2248
Total Organic Carbon (TOC)	\$ 45	8	\$ 360

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Effluent and Receiving Water Characterization Monitoring (EFF-001 and RSW-001)			
Constituents in the NPDES permit, MRP, Table E-10			
Table E-10 constituents routinely monitored and listed above are not included in the quote list below			
EPA 624.1/VOCs Full List	\$ 140	8	\$ 1120
EPA 625.1/Semi-Volatile Organics	\$ 395	8	\$ 3160
EPA 200.2/Metals – Sample Prep	\$ 18	8	\$ 144
EPA 200.7/EPA 200.8/Priority Pollutant Metals	\$ 11 (per metal)	8	\$ 88
EPA 200.7/Boron	\$ 11	8	\$ 880
EPA 300.0/Chloride	\$ 20	8	\$ 160
EPA 4500-CN CE/Cyanide, Total (as CN)	\$ 50	8	\$ 400

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EPA 200.7/EPA 200.8 Phosphorous, Total (as P)	\$ 31	8	\$ 248
EPA 300.0/Sulfate	\$ 21	8	\$ 168
SM 4500-S D/Sulfide (as S)	\$ 21	8	\$ 168
EPA 608.3/Chlorinated Pesticides & PCBs	\$ 113	8	\$ 904
SM5540C/Foaming Agents (MBAS)	\$ 42	8	\$ 336
SM2340B/Hardness (as CaCO3)	\$ 29	8	\$ 232
SM2540C/Total Dissolved Solids	\$ 20	8	\$ 160
SM4500-NH3 G or equivalent/Ammonia (as N)	\$ 21	8	\$ 168
EPA 300.0/SM4500/Nitrate (as N)	\$ 20	8	\$ 160
EPA 300.0/SM4500/Nitrite (as N)	\$ 20	8	\$ 160
SRL 524M-TCP/1,2,3 - Trichloropropane	\$ 68	8	\$ 544
EPA 504.1/EDB & DBCP	\$ 95	8	\$ 760
EPA 515.3/Herbicides	\$ 106	8	\$ 848
EPA 525.2/EPA 507/Pesticides, Full List	\$ 245	8	\$ 1960
EPA 531.1/Carbamates	\$ 124	8	\$ 992
EPA 548.1/Endothal	\$ 165	8	\$ 1320
EPA 549.2/Diquat	\$ 106	8	\$ 848
Krones / Tribulytin	\$ 255	8	\$ 2040

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Field Services			
Sample Pick Up, Standard Weekday	\$ 30	260	\$ 7800
Sample Collection Fee – Saturday/Sunday	\$ 45	104	\$ 4680
Sample Collection Fee - Holiday	\$ 75	12	\$ 900

EPA Method/Constituent	Price per Sample	No. Samples	Extended Price
Industrial Pretreatment Program Monitoring in 2024 Per NPDES Permit, MRP, X.D.5.A (effluent testing for the IPP will be fulfilled with the effluent characterization samples in the table above)			
Influent – Federal Priority Pollutant List (except asbestos) https://www.epa.gov/eg/toxic-and-priority-pollutants-under-clean-water-act#priority	\$1145	1	\$ 1145
Biosolids – Federal Priority Pollutant List (except asbestos) https://www.epa.gov/eg/toxic-and-priority-pollutants-under-clean-water-act#priority	\$1245	1	\$ 1245

Total Price Quote (CTF NPDES MRP): \$120,647.00

Bid Pricing from FGL Environmental

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ITEM 4.13

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: **APPROVE CONTRACT CHANGE ORDER NO. 3 & NO. 4 WITH CUSHMAN CONTRACTING CORPORATION FOR THE CTF DECHLORINATION FACILITY OF SURFACE WATER DISCHARGE, CIP WW 20-17 AND APPROVE BUDGET AMENDMENT**

RECOMMENDATION: **Adopt Resolution Approving Contract Change Order Nos. 3 and 4 with Cushman Contracting Corporation for the CTF Dechlorination Facility of Surface Water Discharge, CIP WW 20-17 and Approving Budget Amendment**

SUMMARY:

On September 13, 2021, City Council awarded a construction contract to Cushman Contracting Corporation (Cushman) for the construction of the Consolidated Treatment Facility (CTF) Dechlorination Facility (Project) portion of Surface Water Discharge, CIP WW 20-17. At the time of contract execution, the National Pollutant Discharge Elimination System (NPDES) permit for CIP WW 20-17 had not been granted final approval.

Subsequent to contract's execution, the NPDES permit was approved. Consequently, requiring installing additional discharge analyzers than originally proposed in the original bid documents. To address these changes, Cushman submitted a cost for Contract Change Order (CCO) No. 3 for \$313,916.86 for the purchase and installation of the additional analyzers. Cushman also submitted a cost for CCO No. 4 in the amount of \$124,118 as a reconciling change order to settle credits and expenses due to the adjustments in the original bid quantities.

Staff requests Council approve CCO No. 3 for \$313,916.86 and CCO No. 4 for \$124,118 with Cushman. Sufficient funds were not allocated in FY 22/23 for CCO Nos. 3 and 4. Therefore, staff also requests Council approve a budget amendment transferring \$150,000 from the Wastewater Connection Fee Fund (6030) to the CIP Project Fund (6090) to fund the additional work represented by CCO Nos. 3 and 4.

BACKGROUND:

On September 13, 2021, City Council awarded a construction contract to Cushman for \$3,620,000, plus a 10% construction contingency of \$362,200 for a total Project construction budget of \$3,982,000. At the time of contract execution, the City's NPDES permit for Surface Water Discharge, CIP WW 20-17 had not been issued.

**APPROVE CCO NOS. 3 AND 4 WITH CUSHMAN FOR THE CTF
DECHLORINATION FACILITY OF SURFACE WATER DISCHARGE, CIP WW 20-
17 AND APPROVE BUDGET AMENDMENT**

The NPDES permit became effective on February 17, 2022, and required the installation of thirteen (13) additional discharge analyzers and associated appurtenances than initially anticipated in the original bid quantities; Cushman presented the City with a cost of \$313,916.86 (CCO No. 3), to cover the purchase and installation of these extra analyzers. Upon assessment, staff determined that the costs were reasonable and in line with unit costs submitted during the bidding process. Cushman has also submitted a cost for CCO No. 4 in the amount of \$124,118 as a reconciling change order to settle credits and expenses due to the adjustments in the original bid quantities.

CCO Nos. 1 and 2 previously approved for this contract total \$327,291.84. This cost funded necessary revisions to piping and structural work due to the broader requirements of the NPDES permit as issued.

Staff requests City Council approve CCO Nos. 3 and 4 with Cushman for the Project portion of Surface Water Discharge, CIP WW 20-17 and budget amendment.

REASON FOR RECOMMENDATION:

The additional work listed in proposed CCO No. 3 is necessary for the City to comply with the NPDES permit. Proposed CCO No. 4 is necessary to ensure the correct payment to Cushman for cost increases and decreases due to changed quantities of various bid items in the original contract.

FISCAL IMPACT:

The approved contract with Cushman is for \$3,620,000, with a 10% construction contingency in the amount of \$362,000, for a total Project budget of \$3,982,000.

The cost of CCO No. 3 is \$313,916.86, and the cost of CCO No. 4 is \$124,118. Sufficient funds for CCO Nos. 3 and 4 were not allocated to the Project in the FY 2022-2023 budget; therefore, Staff requests City Council approve a budget amendment transferring \$150,000 from the Wastewater Connection Fee Fund (6030) to the CIP Project fund (6090) as detailed below.

Increase Transfer Out		
6030-9900-990-9010		\$150,000
Increase Transfer In		
6090-9900-393-0000	WW 20-17	\$150,000
Increase Appropriation		
6090-8000-420-12-00	WW 20-17	\$150,000

**APPROVE CCO NOS. 3 AND 4 WITH CUSHMAN FOR THE CTF
DECHLORINATION FACILITY OF SURFACE WATER DISCHARGE, CIP WW 20-
17 AND APPROVE BUDGET AMENDMENT**

ATTACHMENTS:

- A. Resolution Approving Contract Change Order Nos. 3 and 4 with Cushman Contracting Corporation for CTF Dechlorination Facility (Project) portion of Surface Water Discharge, CIP WW 20-17 and Approving Budget Amendment
- B. Contract Change Order No. 3 with Cushman Contracting Corporation for CTF Dechlorination Facility (Project) portion of Surface Water Discharge, CIP WW 20-17
- C. Contract Change Order No. 4 (Balancing CCO) with Cushman Contracting Corporation for CTF Dechlorination Facility (Project) portion of Surface Water Discharge, CIP WW 20-17

CITY MANAGER'S REPORT **PAGE 4**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE CCO NOS. 3 AND 4 WITH CUSHMAN FOR THE CTF
DECHLORINATION FACILITY OF SURFACE WATER DISCHARGE, CIP WW 20-
17 AND APPROVE BUDGET AMENDMENT

APPROVALS



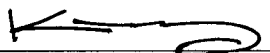
Steven Hollenbeak
Assistant Engineer

3.28.23
Date



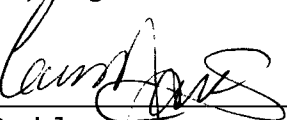
Ken Reed
Senior Construction Manager

3-28-23
Date

 FOR

Brad Taylor
City Engineer

3.30.2023
Date




Cari James
Finance Director

3/30/2023
Date



Michael King
Assistant City Manager

3.28.2023
Date



Salvador Navarrete
City Attorney

3.29.2023
Date



Stephen J. Salvatore
City Manager

4.4.23
Date

RESOLUTION NO. 23 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING CONTRACT CHANGE ORDER NOS. 3 AND 4 WITH CUSHMAN CONTRACTING CORPORATION FOR THE CTF DECHLORINATION FACILITY OF SURFACE WATER DISCHARGE, CIP WW 20-17 AND APPROVING BUDGET AMENDMENT

WHEREAS, on September 13, 2021, City Council awarded a construction contract to Cushman Contracting Corporation (Cushman) for the construction of the Consolidated Treatment Facility (CTF) Dechlorination Facility (Project) portion of Surface Water Discharge, CIP WW 20-17; and

WHEREAS, the awarded contract between the City of Lathrop and Cushman was for \$3,620,000 plus a 10% construction contingency of \$362,000 for a total project budget of \$3,982,000; and

WHEREAS, the installation of additional discharge analyzers is required for the City to comply with the Project’s National Pollutant Discharge Elimination System permit; and

WHEREAS, Cushman has submitted a cost of \$313,916.86 for CCO No. 3 to install the discharge analyzers; and

WHEREAS, Cushman has also submitted a cost of \$124,118 for CCO No. 4 as a Balancing Change Order for the Project; and

WHEREAS, staff requests City Council approve CCO No. 3 with Cushman for \$313,916.86; and

WHEREAS, staff requests City Council approve CCO No. 4 with Cushman for \$124,118; and

WHEREAS, sufficient funding for this project was included in the FY 22/23 budget; however, sufficient funds were not allocated to the Project; therefore, staff request City Council approve a budget amendment transferring \$150,000 from the Wastewater Connection Fee Fund (6030) to the CIP Project Fund (6090) as follows:

Increase Transfer Out		
6030-9900-990-9010		\$150,000
Increase Transfer In		
6090-9900-393-0000	WW 20-17	\$150,000
Increase Appropriation		
6090-8000-420-12-00	WW 20-17	\$150,000

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Lathrop does hereby approve Contract Change Order No. 3 with Cushman Contracting Corporation for \$313,916.86 for the CTF Dechlorination Facility Project of Surface Water Discharge, CIP WW 20-17; and

BE IT FURTHER RESOLVED, the City Council of the City of Lathrop does hereby approve Contract Change Order No. 4 with Cushman Contracting Corporation for \$124,118 for the CTF Dechlorination Facility Project of Surface Water Discharge, CIP WW 20-17; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop also approves a budget amendment transferring \$150,000 from the Wastewater Connection Fee Fund (6030) to the CIP Project Fund (6090) as detailed above.

The foregoing resolution was passed and adopted this 10th day of April, 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:


ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

CHANGE ORDER NO. 3

LCTF Dechlorination Facility
CIP WW 20-17

City of Lathrop

CONTRACT CHANGE ORDER NO. 3
LCTF DECLORINATION FACILITY, CIP WW 20-17

Contractor: Cushman Contracting Corporation
Address: P.O. Box 147
Goleta, CA 93116
Change Order Date: April 10, 2023
Notice to Proceed Date: November 4, 2021
Contract Execution Date: September 13, 2021

This contract change order augments or changes the following:

1) ADDITIONS TO CONTRACT

Pursuant to the provisions of the Contract Specifications and proposal attached as Exhibit A, you are hereby directed to make the herein described changes to the plans and specifications, and scope of work contracted for within the terms of the agreement between the **City of Lathrop** and **Cushman Contracting Corporation** dated **September 13, 2021**.

I. **CHANGES IN THE SPECIFICATIONS**

A. None

II. **ADDITION(S)/SUBTRACTION(S) TO CONTRACT**

NO.	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	Electrical Scope of Work Revisions	1	LS	\$313,916.86	\$313,916.86
TOTAL ADDITIONAL COST FROM THIS CHANGE ORDER					\$313,916.86
ADDITIONAL COST FROM CHANGE ORDER #1					\$129,444.75
ADDITIONAL COST FROM CHANGE ORDER #2					\$197,847.09
ORIGINAL CONTRACT AMOUNT					\$3,620,000.00
REVISED CONTRACT AMOUNT AFTER CHANGE ORDER #3					\$4,261,208.70

(END OF CHANGES)

DESCRIPTION OF WORK

The NPDES permit became effective on February 17, 2022, and required the installation of thirteen (13) additional discharge analyzers and associated appurtenances than initially anticipated in the original bid quantities. The contractor shall provide all labor, material, equipment and shall perform all incidental tasks as necessary to complete the change order.

TIME OF COMPLETION

No increase to the time frame of the original contract.

CHANGE ORDER NO. 3

**LCTF Dechlorination Facility
CIP WW 20-17**

City of Lathrop

RELEASE AND WAIVER

Acceptance of this Contract Change Order constitutes a full and final resolution of all pending disputes between City and Contractor regarding scope of work and payment for work. Contractor accepts this Contract Change Order as full payment for all work performed to date and hereafter to be performed, up to and including Contract Change Order No. 3. Contractor releases and discharges City from any and all claims, demands, damages, actions and causes of actions and causes of action for injuries, damages or losses, whether known or unknown, foreseen or unforeseen, arising directly from Contractor's work on this contract. Contractor expressly waives the provisions of California Civil Code, Section 1542, which reads as follows:

A general release does not extend to claims which the Creditor does not know or suspect to exist in his favor at time of executing the release, which if known by him must have materially affected his settlement with the debtor.

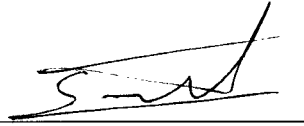
(END OF SECTION)

CHANGE ORDER NO. 3

LCTF Dechlorination Facility
CIP WW 20-17

City of Lathrop

Approved As
To Form:



Salvador Navarrete
City Attorney
City of Lathrop

3.29.2023

Date

Recommended
By:

Michael King
Assistant City Manager
City of Lathrop

Date

Approved By:
Reso #

Stephen J. Salvatore
City Manager
City of Lathrop

Date

Accepted By
Contractor:

Cushman Contracting Corporation

Date

Print Name and Title

PROPOSED CHANGE ORDER NO. 3

Item #	Item Description	Unit of Measure	Estimated Qty	Contract unit price	Item Bid total
PCO 10	Provide Blue-White Chemical Feed Pumps instead of Watson Marlow RFP 10	LS	1.00	\$2,192.00	\$2,192.00
PCO 11.1	Provide E&H instead of Siemens Flow meter RFP 11	LS	1.00	\$13,902.71	\$13,902.71
PCO 12	Hach Analyzer Material Escalation	LS	1.00	\$5,838.20	\$5,838.20
PCO 15	Delta 3, 3.5, 3.6 Analyzer Changes	LS	1.00	\$0.00	\$48,788.67
PCO 16	Electrical Feed Proposal Revisions (Transformer)	LS	1.00	\$0.00	\$18,355.06
PCO 19	Floating Curtain Revision to replace Bid Item # 14 & #16	LS	1.00		\$126,343.97
PCO 21	Add Auto Composite Samplers per Delta 3.7	LS	1.00		\$71,586.43
PCO 23.1	Re Test of De Chlorination Basin	LS	1.00		\$9,837.73
PCO 24.1	Replace existing ARV at Plant Influent line (Per Paul's Request)	LS	1.00		\$10,334.66
PCO 25	Repair Existing ARV	LS	1.00		\$869.28
PCO 29	Install Owner furnished Air Compressor	LS	1.00		\$3,461.98
PCO 30	Install new Sump at Pumps	LS	1.00		\$2,406.17
	CCO 3 Total Cost				\$313,916.86

CHANGE ORDER NO. 4

**LCTF Dechlorination Facility
CIP WW 20-17**

City of Lathrop

**CONTRACT CHANGE ORDER NO. 4 – BALANCING CHANGE ORDER
LCTF DECLORINATION FACILITY, CIP WW 20-17**

Contractor: Cushman Contracting Corporation

Address: P.O. Box 147
Goleta, CA 93116

Change Order Date: April 10, 2023

Notice to Proceed Date: November 4, 2021

Contract Execution Date: September 13, 2021

This contract change order augments or changes the following:

- 1) Bid Schedule of LCTF DECLORINATION FACILITY, CIP WW 20-17: Bid Item Balancing Change Order

Pursuant to the provisions of the Contract Specifications, you are hereby directed to make the herein described changes to the plans and specifications, and scope of work contracted for within the terms of the agreement between the **City of Lathrop** and **Cushman Contracting Corporation** dated **September 13, 2021**.

I. CHANGES IN THE SPECIFICATIONS

- A. None

II. ADDITION(S)/SUBTRACTION(S) TO CONTRACT

BID ITEM	DESCRIPTION	CONTRACT QTY	UNIT PRICE	FINAL QTY	ADJUSTMENT
7	16" - 24 " DIP w/ Fittings Installed	250.00	\$927.00	246.00	\$(3,708.00)
8	16" - 24 "C905 PVC w/ Fittings Installed	700.00	\$588.00	816.00	\$68,208.00
9	12" sch40 PVC Highline Installed	150.00	\$350.00	191.00	\$14,350.00
10	Relocate 6" C900 RW Pipe Installed	80.00	\$585.00	100.00	\$11,700.00
11	6" Schedule 80 Drain Pipe Installed	80.00	\$550.00	106.00	\$14,300.00
13	Buried Service Butterfly Valves w/stems	1.00	\$33,600.00	4.00	\$100,800.00
14	Cross Roads Basin A Liner Replacement	8000.00	\$7.50	0.00	\$(60,000.00)
15	PCC Paving	1600.00	\$19.50	4624.00	\$58,968.00
16	Storm Drain Grading	1.00	\$80,500.00	0.00	\$(80,500.00)
SUBTOTAL					\$124,118.00
TOTAL ADDITIONAL COST FROM THIS CHANGE ORDER					\$124,118.00
ADDITIONAL COST FROM CHANGE ORDER #1					\$129,444.75
ADDITIONAL COST FROM CHANGE ORDER #2					\$197,847.09
ADDITIONAL COST FROM CHANGE ORDER #3					\$313,916.86
ORIGINAL CONTRACT AMOUNT					\$3,620,000.00
REVISED CONTRACT AMOUNT AFTER CHANGE ORDER #4					\$4,385,326.70

(END OF CHANGES)

CHANGE ORDER NO. 4

**LCTF Dechlorination Facility
CIP WW 20-17**

City of Lathrop

DESCRIPTION OF WORK

See additions and subtractions to contract. Increases/decreases in bid quantities that occurred during construction and are not otherwise accounted for in previous change orders. The contractor shall provide all labor, material, equipment and shall perform all incidental tasks as necessary to complete the change order.

TIME OF COMPLETION

No increase to the time frame of the original contract.

RELEASE AND WAIVER

Acceptance of this Contract Change Order constitutes a full and final resolution of all pending disputes between City and Contractor regarding scope of work and payment for work. Contractor accepts this Contract Change Order as full payment for all work performed to date and hereafter to be performed, up to and including Contract Change Order No. 4. Contractor releases and discharges City from any and all claims, demands, damages, actions and causes of actions and causes of action for injuries, damages or losses, whether known or unknown, foreseen or unforeseen, arising directly from Contractor's work on this contract. Contractor expressly waives the provisions of California Civil Code, Section 1542, which reads as follows:

A general release does not extend to claims which the Creditor does not know or suspect to exist in his favor at time of executing the release, which if known by him must have materially affected his settlement with the debtor.

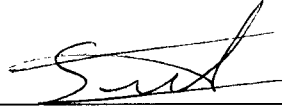
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CHANGE ORDER NO. 4

LCTF Dechlorination Facility
CIP WW 20-17

City of Lathrop

Approved As
To Form:



Salvador Navarrete
City Attorney
City of Lathrop

3-29-2023
Date

Recommended
By:

Michael King
Assistant City Manager
City of Lathrop

Date

Approved By:
Reso #

Stephen J. Salvatore
City Manager
City of Lathrop

Date

Accepted By
Contractor:

Cushman Contracting Corporation

Date

Print Name and Title

ITEM 4.14

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: APPROVE PURCHASE FROM ZIMA CORPORATION FOR HEADWORKS EQUIPMENT FOR THE CONSOLIDATED TREATMENT FACILITY PHASE 3 EXPANSION, CIP WW 22-38 AND APPROVE BUDGET AMENDMENT

RECOMMENDATION: Adopt Resolution Approving a Purchase from Zima Corporation for Headworks Equipment for the Consolidated Treatment Facility Phase 3 Expansion, CIP WW 22-38 and Approve Budget Amendment

SUMMARY:

The Lathrop Consolidated Treatment Facility Phase 3 Expansion (LCTF Phase 3 Expansion) Project is necessary to provide additional wastewater treatment capacity to support new development. On November 8, 2021, Council approved the creation of Capital Improvement Project (CIP) WW 22-38 LCTF Phase 3 Expansion and approved a Professional Services Agreement (PSA) with PACE to provide engineering consulting services for the design of the project.

PACE has completed the preliminary design and staff is requesting that City Council approve the pre-purchase of headworks equipment from the Zima Corporation for a cost of \$1,513,662. This equipment is from the same vendor for the existing headworks equipment and the proposed purchase is an extension of that facility. It is critical for the operation and maintenance of the LCTF that the equipment be from the same vendor. In accordance with Lathrop Municipal Code (LMC) section 2.36.110, this purchase is considered a "sole source" and is exempt from bidding procedures.

Sufficient funds were not included in the adopted Fiscal Year (FY) 22/23 Budget; therefore, staff also requests Council approve a budget amendment allocating \$1,513,662 of the Wastewater Connection Fee Fund 6030 to fund the purchase. Staff also requests City Council authorize a 10% contingency of \$151,366 for a total cost not to exceed \$1,665,028.

BACKGROUND:

On November 8, Council approved the creation of Capital Improvement Project (CIP) WW 22-38 LCTF Phase 3 Expansion and awarded a Professional Services Agreement (PSA) with PACE to provide engineering consulting services for the design of the project. At the time, staff recommended initiating design and concurrently working with the development community on the project funding agreement which will reimburse the City for fronting the design costs and pre-purchase of equipment.

**CITY MANAGER’S REPORT
 APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
 APPROVE PURCHASE FROM ZIMA CORPORATION FOR HEADWORKS
 EQUIPMENT FOR THE CTF PH 3 EXPANSION, CIP WW 22-38 AND APPROVE
 BUDGET AMENDMENT**

PACE has completed the design and staff is requesting that City Council approve the pre-purchase of headworks equipment from the Zima Corporation for a cost of \$1,513,662. This equipment is from the same vendor for the equipment installed at the headworks for the LCTF Phase 2 Expansion.

CEQA STATUS: The Proposed Project falls within the scope of the previously Certified Environmental Impact Report (EIR) (SCH# 2019029106) for the Lathrop Integrated Water Resources Master Plan (IWRMP). Therefore, no further environmental review is necessary.

REASON FOR RECOMMENDATION:

The LCTF Phase 3 Expansion Project is needed to provide additional wastewater treatment capacity needed to support new development. PACE has completed the project design, and staff is requesting that City Council approve the pre-purchase of headworks equipment from the Zima Corporation for a cost of \$1,513,662, plus a 10% contingency.

FISCAL IMPACT:

Sufficient funds were not included in the adopted Fiscal Year (FY) 22/23 Budget for this purchase, therefore, staff is also requesting that Council approve a budget amendment allocating \$1,513,662, plus a 10% contingency of \$151,366 for a total not to exceed \$1,665,028 of the Wastewater Connection Fee Fund 6030 for the proposed project pre-purchase the headworks equipment for the LCTF Phase 3 Expansion CIP WW 22-38 as follows:


Increase Transfers Out 6030-99-00-990-90-10		\$1,665,028
Increase Transfers In 6090-99-00-393-00-00	WW 22-38	\$1,665,028
Increase Expenditures 6090-80-00-420-12-00	WW 22-38	\$1,665,028

ATTACHMENTS:

- A. Resolution to Approve Purchase from Zima Corporation for Headworks Equipment for the Consolidated Treatment Facility Phase 3 Expansion, CIP WW 22-38 and Approve Budget Amendment
- B. Proposal from Zima Corporation for Headworks Equipment for the Consolidated Treatment Facility Phase 3 Expansion, CIP WW 22-38

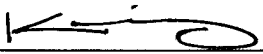
CITY MANAGER'S REPORT **PAGE 3**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE PURCHASE FROM ZIMA CORPORATION FOR HEADWORKS
EQUIPMENT FOR THE CTF PH 3 EXPANSION, CIP WW 22-38 AND APPROVE
BUDGET AMENDMENT

APPROVALS:



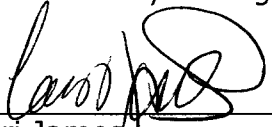
Ken Reed
Senior Construction Manager

4-3-2023
Date



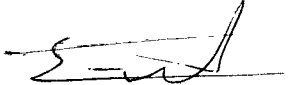
Michael King
Assistant City Manager

3.30.2023
Date




Cari James
Finance Director

4/3/2023
Date



Salvador Navarrete
City Attorney

3.30.2023
Date



Stephen J. Salvatore
City Manager

4.4.23
Date

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A PURCHASE FROM ZIMA CORPORATION FOR HEADWORKS EQUIPMENT FOR THE CONSOLIDATED TREATMENT FACILITY PHASE 3 EXPANSION, CIP WW 22-38 AND APPROVE BUDGET AMENDMENT

WHEREAS, the Lathrop Consolidated Treatment Facility Phase 3 Expansion (LCTF Phase 3 Expansion) Project is necessary to address and provide additional wastewater treatment capacity to support new development; and

WHEREAS, on November 8, 2021, Council approved the creation of Capital Improvement Project (CIP) WW 22-38 LCTF Phase 3 Expansion and approved a Professional Services Agreement with PACE to provide engineering consulting services for the design of the Project; and

WHEREAS, PACE has completed the preliminary design and staff is requesting that Council approve the pre-purchase of headworks equipment from Zima Corporation for a cost of \$1,513,662; and

WHEREAS, this equipment is from the same vendor for the existing headworks equipment and the proposed purchase is an extension of that facility. It is critical for the operation and maintenance of the LCTF that the equipment be from the same vendor. In accordance with Lathrop Municipal Code (LMC) section 2.36.110, this purchase is considered a "sole source" and is exempt from bidding procedures; and

WHEREAS, staff will work alongside the development community to compensate the City for initially covering the expense; and

WHEREAS, sufficient funds were not included in the adopted Fiscal Year (FY) 22/23 Budget; therefore, staff also requests Council approve a budget amendment allocating \$1,513,662 plus a 10% contingency of \$151,366 for a total not to exceed \$1,665,028 of the Wastewater Connection Fee Fund 6030 for the proposed pre-purchase of the headworks equipment; and

WHEREAS, the Proposed Project falls within the scope of the previously Certified Environmental Impact Report (EIR) (SCH# 2019029106) for the Lathrop Integrated Water Resources Master Plan (IWRMP). Therefore, no further environmental review is necessary.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Lathrop does hereby approve the pre-purchase of headworks equipment from Zima Corporation for a cost of \$1,513,662 for CIP WW 22-38, LCTF Phase 3 Expansion; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, the City Council of the City of Lathrop hereby approves the budget amendment allocating \$1,513,662, plus a 10% contingency of \$151,366 for a total not to exceed \$1,665,028 of the Wastewater Connection Fee Fund 6030 as follows:

Increase Transfers Out 6030-99-00-990-90-10		\$1,665,028
Increase Transfers In 6090-99-00-393-00-00	WW 22-38	\$1,665,028
Increase Expenditures 6090-80-00-420-12-00	WW 22-38	\$1,665,028

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:


ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney



Manufacture.Quality.Solutions.

Kusters Water Division

EQUIPMENT PROPOSAL

DATE: March 24th 2022

REF.: KW/222096/GK_Rev. 4

TO: City of Lathrop, CA ; Ken Reed

PROJECT: Lathrop, CA (Phase 1 Rerate)

ENGINEER: PACE

REPRESENTATIVE: Saddleback Environmental - Steven Seymour

We are pleased to provide our revised equipment proposal for equipment in accordance with the above referenced project.

Item A – Center Flow Screen with Integral Washing Compactor:

For the design and supply FOB Spartanburg, S.C., freight allowed to job site, of Two (2) Kusters Water *ProTector*® Filter Band Screens - Center Flow, Model FBS-CFWP 600x1000/2.

Screen Design Parameters:

Peak flow:	9.0 mgd
Upstream Channel width:	3.0 ft.
Pocket width:	5.0 ft.
Downstream Channel width:	3.0 ft.
Channel depth:	8.33 ft.
Screenings discharge height:	3.0 ft. approx. (above floor level)
Size of clear opening:	2 mm nominal
Angle of screen:	90° from horizontal
Max. Upstream Water level @ 30% blinding:	2.64 ft.
Headloss @ Peak Flow and 30% blinding:	21.77 in.

Zima Corporation
 physical address
 101 Zima Park Drive
 Spartanburg • SC 29301 • USA

mailing address
 P.O. Box 6128
 Spartanburg • SC 29304 • USA

+1 864 576-0660
www.zimacorp.com/water
www.kusterswater.com



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dependable, cost-effective solutions for water and wastewater treatment

Headworks • Biological • Clarification • Thickening • Biosolids

Each to include the following:

- Fully automatic self-cleaning filter band screen inclined at 90°, complete with all appurtenances - 316 stainless steel
- Main frame constructed of minimum 3/16" - 316 stainless steel
- Flanged base plate for mounting screen assembly to top of channel - 316 stainless steel
- Screen support rails provided front and back on each side of frame
- Replaceable UHMW screen band seals mounted to each side of frame
- 2 mm perforated filter screen elements, every fifth panel to have integral solids lifting fingers attached to the bottom of the panel - UHMW
- Screen panel spray washing system supplied with one (1) 1" Bronze Ball valve, one (1) 1.5" 316 Stainless Strainer with Stainless Steel Screen, and one (1) 1.5" XP Bronze Solenoid Valve
- Heavy duty roller type conveyor links - 316 stainless steel
- The continuous band screen elements driven by two (2) drive shaft mounted 316 stainless steel discs
- Drive tensioners - 316 stainless steel
- Drive system to include 3.0 hp, 1800 rpm, TEFC, gear motor suitable for use in a Class 1, Div. 1, Group D environment and a 230/460Vac/3/60 electrical supply, direct coupled to 316 stainless steel drive shaft
- Integral screenings transport and dewatering unit - 316 stainless steel
- 2 mm perforated curved drainage section - 316 stainless steel
- Rubber seals between each panel - Neoprene
- Drainage collection pan with 6 inch dia. outlet connection - 316 stainless steel
- 8" diameter screw auger with torque tube - Hardox 400
- Six (6) Replaceable wear bars – Alloy Steel 340 BHN
- Compactor Drive system to include 2.0 hp, 1800 rpm, TEFC, gear motor suitable for use in a Class 1, Div. 1, Group D environment and a 230/460Vac/3/60 electrical supply, direct coupled to hi-strength alloy steel drive shaft
- Wash zone with one (1) 1" Bronze Ball valve, one (1) 1" 316 Stainless Steel Strainer with Stainless Steel Screen, and one (1) 1" XP Bronze Solenoid Valve
- Discharge Piping 8" expanding to 12" Diameter - 316 Stainless Steel
- ¼" 316 Stainless Steel Tank 24" flanged influent / effluent connections with load bearing aluminum treadplate covers and aluminum handrail with toe plate
- Fasteners - 316 stainless steel
- Anchor bolts - 316 stainless steel
- Surface Preparation and Finish - Acid Passivation of stainless steel

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Controls:

- Components and labor required to retrofit two (2) existing Ultrafine Screen NEMA 4x MCPs for proper operation of Centerflow Band Screens and Washer/Compactors
- Two (2) NEMA 7 Local Control Stations
- Four (4) Siemens LU420 Ultrasonic Level Transducers and Mounting Hardware.
- Two (2) High level alarm float switches.

Existing Fine Screen Tank Modifications:

- Replace 18" flanged influent connection with 24" flanged influent connection - 316 Stainless Steel
- Replace 18" flanged effluent connection with 24" flanged effluent connection - 316 Stainless Steel
- Replace 18" flanged overflow connection with 24" flanged overflow connection - 316 Stainless Steel
- Replace existing covers with load bearing Aluminum Treadplate Covers
- Aluminum Handrail and Toe Plate

Existing Grit Trap Tank Modifications:

- Replace 18" influent / effluent box with 24" influent/effluent box
- Relocate grit trap approximately 6" and extend concrete pad

Piping Modifications:

- Replace 18" influent piping with 24" Sch. 10 piping - 316 Stainless Steel
- Replace 18" effluent piping with 24" Sch. 10 piping - 316 Stainless Steel
- Replace 18" overflow piping with 24" Sch. 10 piping - 316 Stainless Steel
- Provide three (3) 24" to 18" concentric reducers for new 24" piping to existing 18" piping - Ductile Iron
- Provide one (1) 24" Sch. 10 Tee for overflow - Ductile Iron
- Replace 4" piping from grit pump to grit classifier - Ductile Iron
- Replace 6" piping from grit classifier cyclone overflow - Ductile Iron
- Replace 6" organics overflow piping from grit classifier - Ductile Iron
- Replace 18" x 24" effluent elbow with 24" x 24" - Ductile Iron

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Elevated Platform Additions / Modifications:

- Elevated platform addition allowing maintenance access to the back side of the existing 6mm Centerflow Band Screens including stairs, aluminum i-bar grating, handrail and toe plates
- Elevated platform addition allowing maintenance access to the back side of the new 2mm Centerflow Band Screens including stairs, aluminum i-bar grating, handrail and toeplates
- Installation of new catwalks for fine and ultrafine centerflow band screens

On Site Installation:

- One (1) crane
- One (1) mechanical service truck with mounted crane
- One (1) mechanical crew
- Disconnect and remove ultra-fine drum screens and existing tanks
- Install new ultra-fine centerflow band screens and associated tanks
- Provide and install Sch 80 PVC water lines for new screens and compactors
- Removal of existing 18” inlets and outlets and replace with 24” inlets and outlets for fine centerflow band screens
- Installation of new 24” connection between grit systems and ultrafine centerflow tanks
- Raise existing access platform elevation 18”

Site Service (Kusters Water):

Site services of four (4) trips and twenty (20) days total for installation inspection, startup and operator training.

LUMP SUM PRICE FOR ITEM A: \$ 1,513,662
Items not listed above will be provided by others

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Comments and Clarifications to the Specifications

1.) Kusters Water is furnishing its standard equipment as outlined in this proposal.

Exclusions:

- Taxes
- Offloading
- Installation
- Erection or testing
- Supervision of erection
- Engineering re-design
- Civil Design
- Buildings
- Dumpsters
- Concrete, grout, or sealants
- Thru-wall fittings
- Hand railings except as noted
- Stairways and Ladders
- Interconnecting walkways
- Lights or light posts
- Field verification of dimensions
- New Influent Flow Meters
- Any piping not proposed above
- Valves except as noted
- Sandblasting or touch-up painting
- Field / Finish painting
- Disconnect switches and junction boxes
- Electrical wiring or conduit
- Electrical connections
- Electrical installation and wiring
- Controls except as noted
- Special shipping procedures
- Storage at our shop or jobsite
- Oil and grease
- Spare parts except as noted
- Tank surveying
- Field verification of elevations
- FRP Foul Odor Piping
- Buried Overflow Piping

Absence of an exclusion herein will not be construed as meaning that the item is included, and Kusters Water will not issue credits, or accept deducts, for the provision of the items noted above.

Terms:

- NET 30 Days
- 15% at submittal approval
- 80% upon delivery to site
- 5% upon start-up and training completion or 120 days from delivery, whichever occurs first.
- 1-1/2% interest charges per month for late amounts due

Submittals:

- 10 weeks from acceptance of order.

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Delivery:

- 20 weeks from receipt of approved submittal.

Warranty:

- 12 months from equipment start up or 18 months after delivery, whichever occurs first.
- 36 months from date of shipment, for all *ProTechtor*® products.

Validity:

- Pricing is firm for acceptance within 30 days of the quote date.

Purchase Orders:

- All purchase orders are to be issued, and mailed to:

Zima Corporation,
Kusters Water Division
P.O. 6128
Spartanburg, SC 29304

Please provide a copy of your tax exempt or direct pay certificate, project contact, and a copy of the project payment bond with your purchase order.

Notes:

All spares and site service for start-up and operator training is available from our Spartanburg National Service Center.

Liquidated Damages:

- Zima Corp. will not consider the addition of liquidated damages to our contract unless it has been specifically identified and negotiated prior to the bid. Zima Corporation's equipment supply contract will not be tied to the General Contractor's overall contract, and our delivery commitments shall be as stated in this proposal.

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Bonding:

- Bonding or bonding expenses are not included in this proposal and will not be considered unless specifically identified and authorized by Zima Corp. prior to the bid.

Insurance:

- Pricing includes general liability policy with 1 million occurrence, 2 million aggregate, and 4 million umbrella. If higher limit(s) is required, all costs will be paid by the Buyer in addition to the quoted equipment price.

Freight:

- All prices are quoted F.O.B. shipping point, with freight allowed to the Jobsite. Buyer will be responsible for equipment off-loading. All claims for damage or loss in shipment shall be initiated by the Buyer. Buyer requests for selective shipments, early shipments, or separate shipment may directly affect the freight allowance. Any additional costs incurred due to this request by the Buyer will be an additional cost to the purchase price and invoiced accordingly.

Sincerely,



George Kellum
Sales Manager, Municipal Products
Kusters Water Division
O. 864-594-5595
C. 864-316-3264
george.kellum@kusterswater.com
www.kusterswater.com

Zima Corporation
physical address
101 Zima Park Drive
Spartanburg • SC 29301 • USA

mailing address
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ITEM 4.15

**CITY MANAGER’S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING**

ITEM: **RATIFY SAN JOAQUIN COUNCIL OF GOVERNMENTS’ ANNUAL FINANCIAL PLAN**

RECOMMENDATION: **Adopt Resolution Ratifying the San Joaquin Council of Governments (SJCOG) Annual Financial Plan for FY 2023-24**

BACKGROUND:

Every year pursuant to Section 7(b) of the San Joaquin Council of Governments’ (SJCOG) Joint Powers Agreement, in anticipation of the new fiscal budget year, SJCOG requests that each member city ratify SJCOG’s Annual Financial Plan (AFP) for the upcoming fiscal year.

Attached and referenced herein as Attachment B, is the Approved SJCOG Fiscal Year (FY) Budget for 2023-2024. Similar requests from SJCOG have been submitted to participating cities and ratified annually since the Joint Powers Agreement went into effect December 7, 2000.

The SJCOG AFP for FY 2023-2024, was adopted by their Board on March 23, 2023, by Board Resolution No. R-23-104. The AFP provides a detail of expenditures by cost category and line item comparing the proposed FY 2023-2024 budgets with the current FY 2022-2023 adopted budget.

REASON FOR RECOMMENDATION:

The SJCOG Joint Powers Agreement requires that the Annual Financial Plan be delivered to its jurisdictional member agencies for ratification. Therefore, it is recommended that the City Council ratify the SJCOG’s Annual Financial Plan for FY 2023-2024.

FISCAL IMPACT:

No fiscal impact to Lathrop. However, the SJCOG letter dated March 27, 2023, highlights the following significant changes for FY 23-24 when compared to FY 22-23:

SJCOG Annual Financial Plan Summary

<i>Revenue Funds</i>	FY 2022-2023	FY 2023-2024
<i>Federal Grants</i>	\$9,646,688	\$11,175,862
<i>State Grants</i>	\$12,077,932	\$22,443,157
<i>Local Funding</i>	\$6,847,247	\$7,988,221
<i>Interest & Other</i>	\$80,000	\$80,000
<i>Total Revenues</i>	\$28,651,867	\$41,687,240

**CITY MANAGER’S REPORT
 APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
 RATIFY SJCOG ANNUAL FINANCIAL PLAN FOR FY 2023-24**

SJCOG Annual Financial Plan Summary

<i>Expenditure Funds</i>	FY 2022-2023	FY 2023-2024
<i>Salary & Benefits</i>	\$5,312,473	\$6,281,809
<i>Services & Supplies</i>	\$1,212,800	\$1,338,500
<i>Professional Services</i>	\$21,746,094	\$33,686,431
<i>Capital Outlay</i>	\$380,500	\$380,500
<i>Total Expenditures</i>	\$28,651,867	\$41,687,240

- Highlights:
 - General Fund Operating Revenues increased by \$13,035,373
 - Federal Funding increased by 15.85%
 - State Funding Sources increased by 85.82%
 - Local Revenues increased by 16.66%
 - Budgeted Expenditures are \$41,687,240
 - Salaries and Benefits increased 18.25%
 - Services and Supplies increased by 10.36%
 - Training & Travel increased by 25%
 - Professional Services increased by 54.91%
 - No increase or decrease to Fixed Assets

ATTACHMENTS:

- A. Resolution Ratifying the San Joaquin Council of Governments Annual Financial Plan for FY 2023-24
- B. Letter from SJCOG Dated March 27, 2023, including SJCOG Resolution R-23-104, and Board Report Adopting the FY 2023-24 Annual Financial Plan

**CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFY SJCOG ANNUAL FINANCIAL PLAN FOR FY 2023-24**

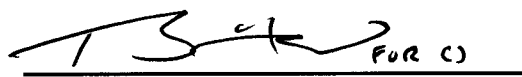
APPROVALS:



Teresa Vargas
Government Services Director
& City Clerk

3/30/2023

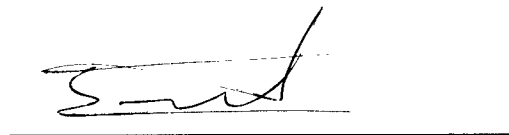
Date



Cari James
Finance Director

3/31/2023

Date



Salvador Navarrete
City Attorney

4-3-2023

Date



Stephen J. Salvatore
City Manager

4.4.23

Date

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP RATIFYING THE SAN JOAQUIN COUNCIL OF GOVERNMENTS' ANNUAL FINANCIAL PLAN FOR FISCAL YEAR 2023-2024

WHEREAS, every year pursuant to Section 7(b) of the San Joaquin Council of Governments' (SJCOG) Joint Powers Agreement, in anticipation of the new fiscal budget year, SJCOG provides a letter, resolution, and report requesting that each City ratify SJCOG's Annual Financial Plan for the upcoming fiscal year; and

WHEREAS, the Annual Financial Plan provides a detail of expenditures by cost category and line item comparing the proposed 2023-24 budgets with the current fiscal year's (FY 2022-23) adopted budget; and

WHEREAS, the SJCOG Board approved the Annual Financial Plan for FY 2023-2024 on March 23, 2023, by Board Resolution No. R-23-104; and

WHEREAS, the SJCOG Joint Powers Agreement requires that the Financial Plan be delivered to its member agencies for ratification;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop hereby ratify the FY 2023-2024 Annual Financial Plan for the San Joaquin Council of Governments.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney



SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202 • P 209.235.0600 • F 209.235.0438 • www.sjcog.org

March 27, 2023

ATTACHMENT # B

Stephen Salvatore
City of Lathrop
390 Towne Center Drive
Lathrop, CA 95330

Robert Rickman
CHAIR

David Bellinger
VICE CHAIR

Diane Nguyen
EXECUTIVE DIRECTOR

Member Agencies
CITIES OF
ESCALON,
LATHROP,
LODI,
MANTECA,
RIPON,
STOCKTON,
TRACY,
AND
THE COUNTY OF SAN
JOAQUIN

Dear Mr. Salvatore:

On March 23, 2023 the SJCOG Board adopted the Annual Financial Plan for FY 2023-24. Attached is the board staff report as well as a copy of the adopting resolution. Pursuant to SJCOG's Joint Powers Agreement, following adoption of the budget by the SJCOG Board, it is to be delivered to member agencies for ratification by each governing body. Approval by a majority of the governing bodies representing 55% or more of the county's population is considered ratification.

Therefore, SJCOG requests you place SJCOG's Annual Financial Plan for Fiscal Year 2023/24 on a forthcoming agenda prior to June 30, 2023, for ratification.

The Annual Financial Plan implements the FY 2023/24 Overall Work Program (OWP) that was also adopted by the SJCOG Board on March 23, 2023.

The attached Annual Financial Plan (AFP) provides detail of revenues and expenditures by cost category and line item comparing the proposed FY 2023-2024 budgets with the current year (FY 2022-2023) adopted budget, as most recently amended, along with FY 2021-2022 actual expenditures. The total revenues and expenditures total **\$41,687,239.71**. The proposed AFP represents the general fund budget for SJCOG. The revenues and expenditures in the AFP are the same as the Overall Work Program (OWP), however, presented in a traditional line-item format compared to the work element format of the OWP.

Readers should note several differences between SJCOG and its member agencies' budgets:

- SJCOG revenue sources are quite different from our member agencies.
- SJCOG employs staff on an at-will basis, vis-à-vis civil service and has its own employee handbook and policies.
- SJCOG has its own Financial and Accounting Policy guiding our financial matters including procurement procedures.
- SJCOG employees are exempted from Social Security except for Medicare.
- As noted below, SJCOG offers a defined contribution retirement plan to its employees. SJCOG has no CalPERS or post employments benefit obligations except limited sick leave conversion as noted.

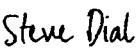
The following assumptions are incorporated in the budget:

1. Work will not begin, and expenses will not be incurred unless anticipated revenue sources are secured.
2. The AFP anticipates SJCOG to be fully staffed. The budget includes a 5.02% pool that can be drawn upon for merit-based increases and potential promotions. The full impact of that pool is incorporated into the salary-driven benefits (retirement, Medicare, disability).
3. SJCOG has no significant liability exposure for post-employment benefits.
 - a. The employee retirement program is a defined contribution program managed by the International City Managers Association Retirement Program (Mission Square Retirement).
 - b. SJCOG employee vacation accruals are capped at two times the individual's annual leave.
 - c. Upon separation with 50 years of age or 20 years of SJCOG employment, an employee can convert accrued sick leave hours to be deposited into a Retirement Health Savings Account to pay for health-related expenses. The conversion is based upon the employee's salary at retirement.

SJCOG staff would be pleased to appear before your policymakers to answer any questions they might have regarding this matter. **We request ratification prior to June 30, 2023.** Please let me know when this will be on your agenda. If you have any questions regarding this matter, don't hesitate to contact me at (209) 235-0584.

Thank you for your assistance.

Sincerely,

DocuSigned by:

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STEVE DIAL
Deputy Executive Director/Chief Financial Officer

Attachments:
R-23-104
FY 2023-24 Annual Financial Plan Staff Report
FY 2023-24 Annual Financial Plan Board Summary



**RESOLUTION
SAN JOAQUIN COUNCIL OF GOVERNMENTS**

R-23-104

**RESOLUTION APPROVING THE ADOPTION OF THE 2023-2024
ANNUAL FINANCIAL PLAN
FOR THE SAN JOAQUIN COUNCIL OF GOVERNMENTS**

WHEREAS, the San Joaquin Council of Governments is required by the Joint Powers Agreement to adopt a budget (Annual Financial Plan) annually, and

WHEREAS, the adopted budget is to be sent to the member agencies for ratification.

NOW THEREFORE BE IT RESOLVED, that the San Joaquin Council of Governments adopts the FY 2023-2024 Annual Financial Plan and directs the Executive Director to transmit it to the member agencies for ratification.

PASSED AND ADOPTED this 23rd day of March 2023 by the following vote of the San Joaquin Council of Governments, to wit:

AYES: Mayor Bellinger, Escalon; Supervisor Ding, SJC; Mayor Lincoln, Stockton; Supervisor Rickman, SJC; Mayor Singh, Manteca; Supervisor Villapudua, SJC; Councilmember Warmley, Stockton; Councilmember Wright, Stockton; Mayor Young, Tracy; Vice Mayor Zuber, Ripon

NOES:

ABSENT: Mayor Pro Temp, Craig, Lodi; Councilmember Lazard, Lathrop


ROBERT RICKMAN, Chair

March 2023
SJCOG Board

STAFF REPORT

SUBJECT: FY 2023-2024 Proposed Annual Financial Plan (AFP)

RECOMMENDED ACTION: That the Board Adopt Resolution 23-104 Approving the FY 2023-2024 Annual Financial Plan

The attached proposed Annual Financial Plan (AFP) provides detail of revenues and expenditures by cost category and line item comparing the proposed FY 2023-2024 budgets with the current year (FY 2022-2023) adopted budget, as most recently amended, along with FY 2021-2022 actual expenditures. The total revenues and expenditures total **\$41,687,240.00**. The proposed AFP represents the general fund budget for SJCOG. The revenues and expenditures in the AFP are the same as the Overall Work Program (OWP), however, presented in a traditional line-item format compared to the work element format of the OWP.

Below is a summary of revenues and expenditures in the AFP. For the detail for each of those categories please refer to the attached.

Readers should note several differences between SJCOG and its member agencies' budgets:

- SJCOG revenue sources are quite different from our member agencies.
- SJCOG employs staff on an at-will basis, vis-à-vis civil service and has its own employee handbook and policies.
- SJCOG has its own Financial and Accounting Policy guiding our financial matters including procurement procedures.
- SJCOG employees are exempted from Social Security except for Medicare.
- As noted below, SJCOG offers a defined contribution retirement plan to its employees. SJCOG has no CalPERS or post employments benefit obligations except limited sick leave conversion as noted.

Upon adoption by the board, pursuant to the SJCOG Joint Powers Agreement, the AFP will be sent to the member agencies for ratification. Ratification is achieved when a majority of the member agencies representing 55% of the county population approve the AFP.

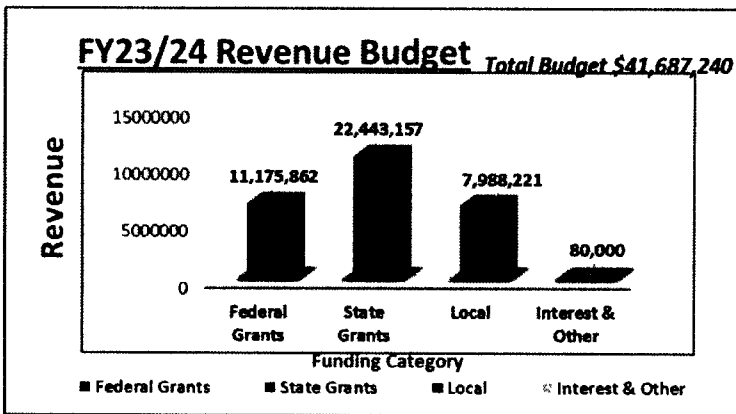
The following assumptions are incorporated in the budget:

1. Work will not begin, and expenses will not be incurred unless anticipated revenue sources are secured.
2. The AFP anticipates SJCOG creating two new positions and being fully staffed. The budget includes a 7% pool that can be drawn upon for merit-based increases and potential promotions. The full impact of that pool is incorporated into the salary-driven benefits (retirement, Medicare, disability).

3. SJCOG has no significant liability exposure for post-employment benefits.
 - a. The employee retirement program is a defined contribution program managed by the International City Managers Association Retirement Program (Mission Square Retirement).
 - b. SJCOG employee vacation accruals are capped at two times the individual’s annual leave.
 - c. Upon separation with 50 years of age or 20 years of SJCOG employment, an employee can convert accrued sick leave hours to be deposited into a Retirement Health Savings Account to pay for health-related expenses. The conversion is based upon the employee’s salary at retirement.

REVENUES

Compared to the current year amended AFP, SJCOG general fund operating revenues are proposed to increase from \$28,651,867.21 to \$41,687,240.00, an increase of \$13,035,372.79.



Overall, federal funding for general fund activities is \$1,529,173.80 or 15.85% higher than FY 2022-23 due primarily to Increased funds for I-205 Managed Lanes Widening and consumption of one year of Congestion Mitigation/Air Quality funds (CMAQ) for dibs, SJCOG’s Transportation Demand Management program.

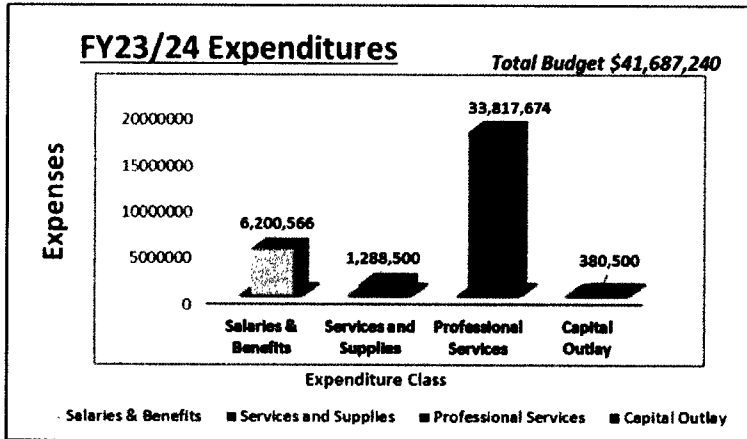
State funding sources are higher by \$10,365,224.58 or 85.82% due to:

- Regional Early Action Planning (REAP) 2.0 grant in the amount of \$10,400,000.
- \$801,535.98 drawdown on REAP 1.0
- Receipt of \$1,750,000 Regional Climate Collaborative grant.
- \$1,063,328.18 drawdown on prior year’s Freeway Service Patrol funding.
- \$1,097,293 is available for FY 23-24 future years of Freeway Service Patrol funding.
- \$330,214.72 drawdown has occurred on three years of Senate Bill 1 (SB1) Sustainable Transportation Planning Grants offset by a FY 23-24 allocation of \$341,671.
- \$295,837.54 drawdown on prior year’s State Transportation Improvement Program (STIP) for planning offset by FY 23-24 allocation of \$290,000.
- Expenditure of \$1,538,053 from the state grant for Sustainable Transportation Equity Project (STEP).
- Clean Mobility Options grant in the amount of \$500,970
- \$31,777 drawdown on Affordable Housing & Sustainable Community grant.
- State Transit Assistance increased by \$46,037.

Local revenues are higher by \$1,140,974.41 or 16.66% due to increased sales tax receipts on Local Transportation Fund by \$104,835 and Measure K by \$1,370,030.

Decrease in Regional Transportation Fund by \$170,500. Decrease in Roth Road funding by \$148,390.59 and decrease in other miscellaneous funding by \$15,000.

EXPENDITURES



Salaries and Benefits are proposed to increase by \$969,336.07 or 18.25% from \$5,312,472.93 to \$6,281,809.00 compared to the FY 22-23 amended budget. The budget includes creating two new planning positions and filling existing position vacancies. It also includes a \$300,294.00 or 7.0% of total salaries pool for merit-based raises. The salary-driven benefits adjust accordingly.

Services and Supplies are proposed to increase by \$100,700.

Computer software and licensing is increasing by \$25,000 to support both a return to the office, working remotely and heightened cybersecurity. Liability insurance is increasing by \$58,700. Building maintenance is increasing by \$17,000 due to increased utilities, security upgrades, and vandalism repairs.

Transportation, Travel, and Training increase by \$25,000.

With several new board members and new employees, more training expenses are expected. This budget is increased by \$25,000 up to \$125,000. This will help to support such activities as the annual One Voice® trip.

Professional Services – Increases \$11,940,336.77 from FY 22-23 \$21,746,094.28 to 33,686,431.05

There is consumption of various grants and funding sources. For example, the SB-1 Sustainable Communities Grants consumed \$179,039.29 While the Regional Early Action Plan (REAP 1.0) has consumed \$1,116,535.98, we are budgeting \$9,300,000 for REAP 2.0. The Sustainable Transportation Equity Project (STEP) has consumed \$1,738,053.00. We are budgeting \$223,965.04 for the CMO Voucher is program and \$1,650,000 for San Joaquin Regional Climate Collaborative. Lastly, \$3,800,000 is programmed for the I-205 Managed Lanes Widening project.

Position Classification and Salary Schedule

Per board policy, the salary ranges at both the minimum and maximum levels are adjusted by the CPI change.

FISCAL IMPACT

All revenues in the AFP are secured and available. The Annual Financial Plan is required to be adopted by the Board of Directors prior to April 1 each year and disseminated to the member

agencies for ratification. The Annual Financial Plan is the traditional line-item budget identifying estimated revenues and expenditures for the fiscal year. The Annual Financial Plan is complementary to the Overall Work Program.

RECOMMENDATION

That the Board adopt Resolution 23-104 approving the FY 2023-24 Annual Financial Plan.

Prepared by: Steve Dial, Deputy Executive Director/CFO, and Grace Orosco, Manager of Finance



**San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
Fiscal Year 2023/24**

Proposed Final March 23, 2023

CHAIR

Supervisor Robert Rickman, San Joaquin County

VICE-CHAIR

Mayor David Bellinger, City of Escalon

BOARD OF DIRECTORS

Mayor Pro Tem Lisa Craig	City of Lodi
Councilmember Diane Lazard	City of Lathrop
Mayor Gary Singh	City of Manteca
Mayor Kevin J. Lincoln II	City of Stockton
Councilmember Kimberly Warmsley	City of Stockton
Councilmember Dan Wright	City of Stockton
Supervisor Miguel Villapudua	County of San Joaquin
Supervisor Steven Ding	County of San Joaquin
Mayor Nancy Young	City of Tracy
Vice Mayor Leo Zuber	City of Ripon

EX OFFICIO DIRECTORS

Dennis Agar, Director	Caltrans District 10
Gary Giovanetti, Director	San Joaquin Regional Transit District
William R. Trezza, Commissioner	Port of Stockton

SUBMITTED BY:

Diane Nguyen
Executive Director

Steve Dial
Deputy Executive Director/
Chief Financial Officer

**San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
Fiscal Year 2023/2024
Proposed Final March 23, 2023**

REVENUES	FY 2021-22 Actual	FY 2022-23 Amendment #3	FY 2023-24 Proposed Final	+/- Change	+/- % Change
Federal Grants	5,095,875.06	9,646,688.20	11,175,862.00	1,529,173.80	15.85%
State Grants	3,592,632.34	12,077,932.42	22,443,157.00	10,365,224.58	85.82%
Local	5,778,141.34	6,847,246.59	7,988,221.00	1,140,974.41	16.66%
Interest	10,723.00	20,000.00	20,000.00	-	0.00%
Other	73,824.96	60,000.00	60,000.00	-	0.00%
	14,551,196.70	28,651,867.21	41,687,248.00	13,035,372.79	45.50%
EXPENDITURES					
Salaries & Benefits	4,486,781.28	5,312,472.93	6,281,809.00	969,336.07	18.25%
Services & Supplies	1,077,170.21	1,212,800.00	1,338,500.00	125,700.00	10.36%
Office Expense	336,434.13	313,000.00	338,000.00	25,000.00	7.99%
Communications	60,810.26	60,000.00	60,000.00	-	0.00%
Memberships	34,890.58	45,000.00	45,000.00	-	0.00%
Maintenance - Equipment	5,199.74	10,000.00	10,000.00	-	0.00%
Rents & Leases - Equipment	51,493.74	131,000.00	131,000.00	-	0.00%
Transportation, Travel & Training (In & Out of State)	83,703.41	100,000.00	125,000.00	25,000.00	25.00%
Publications & Legal Notices	3,919.22	7,500.00	7,500.00	-	0.00%
Insurance	174,019.45	146,300.00	205,000.00	58,700.00	40.12%
Building Operations & Maintenance	217,331.92	200,000.00	217,000.00	17,000.00	8.50%
SICOG Building Debt Service Principal and Interest	109,367.76	200,000.00	200,000.00	-	0.00%
Professional Services	8,059,048.90	21,746,094.28	33,686,431.05	11,940,336.77	54.91%
Capital Outlay	120,336.29	380,500.00	380,500.00	-	0.00%
Unallocated/Reserve					
SICOG OPERATING EXPENDITURES	13,743,336.68	28,651,867.21	41,687,248.05	13,035,372.84	45.50%

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APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

RATIFY CITY MANAGER’S EXECUTION OF A CONSTRUCTION CONTRACT WITH NOR-CAL CONCRETE COMPANY FOR TEMPORARY ANIMAL SHELTER CONCRETE, CIP GG 23-06 AND APPROVE BUDGET AMENDMENT

BACKGROUND:

October 10, 2022, City Council approved the creation of CIP GG 23-06 Temporary Animal Shelter to provide a facility for the subject services until the City’s permanent animal shelter is constructed. The Project consists of minor grading and excavation, and the construction of six (6) concrete slabs and a concrete mow strip. The slabs will be used as foundations for the placement of two (2) 6-kennel and one (1) 18-kennel modular animal shelter structures.

The concrete mow strip will provide the base for an outdoor steel-fenced animal run to be installed as a function of a separate project following placement of the modular buildings, and will discourage animals from digging under the fence. The Project also includes minor modifications to concrete curb & gutter at the Lathrop Police Station, which will accommodate placement of kennels for Lathrop Police Department’s K-9 dogs.

City staff prepared the plans and technical specifications. The informal bid solicitation package for the construction of the Project was advertised on January 30, 2023 in accordance with Informal Bidding Procedures in CA PCC 22034 and LMC 3.30.060 and 3.30.070.

Six (6) bids, all determined to be responsive and from responsible bidders were received and opened by Public Works on February 14, 2023. The bid results are summarized in Table 1 below:

Table 1: Summary of Bid Results

Contractor	Total Bid
Nor-Cal Concrete Company	\$ 76,590.00
MG and JC Concrete, Inc.	\$103,846.00
Bianchi Concrete	\$109,790.80
Westside Landscape & Concrete, Inc.	\$123,677.64
B&M Builders, Inc.	\$138,380.00
Diede Construction, Inc.	\$173,526.00

Staff reviewed and evaluated the bids, and determined that the lowest bid is from Nor-Cal. Due to anticipated inclement weather and the immediate need to construct the temporary animal shelter, the City Manager executed the contract with Nor-Cal to enable construction of the Project immediately following bidding when a window of clear weather was anticipated. Therefore, Staff requests City Council adopt a resolution ratifying the City Manager’s execution of a construction contract with Nor-Cal in the amount of \$76,590.

CITY MANAGER’S REPORT **PAGE 3**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFY CITY MANAGER’S EXECUTION OF A CONSTRUCTION CONTRACT
WITH NOR-CAL CONCRETE COMPANY FOR TEMPORARY ANIMAL SHELTER
CONCRETE, CIP GG 23-06 AND APPROVE BUDGET AMENDMENT

Staff also requests City Council authorize a 20% construction contingency of \$15,318, and authorize staff to spend the contingency as necessary to achieve the goals of the project for a total Project cost not to exceed \$91,908.

Staff also requests City Council authorize an additional \$100,000 to fund necessary site improvements for CIP GG 23-06 Temporary Animal Shelter, including parking, concrete flatwork and landscaping and approve a total budget amendment of \$191,908.

REASON FOR RECOMMENDATION:

The City of Lathrop animal shelter services were previously provided by the City of Manteca (Manteca). As the City’s permanent animal shelter is approximately 2 years from completion, approval of the subject contract will support the timely construction of the temporary facility to ensure uninterrupted provision of the City’s animal shelter services.

FISCAL IMPACT:

Table 2 below is a summary of the budget and expenses to date for CIP GG 23-06, Temporary Animal Shelter.

Table 2: Project Financial Summary - CIP GG 23-06

Budget		Expenses	
ITEM	VALUE	ITEM	VALUE
Reso 22-5168 - 10/12/22	\$502,000	Shelter Materials	\$ 26,778.14
Reso 23-XXX - 4/10/23	\$191,908	Modular Kennels	\$322,433.00
		Site Improvements	\$ 82,554.91
		Concrete slabs	\$ 76,590.00
		Security Cameras / Software	\$ 17,132.10
TOTAL BUDGET:	\$693,908	TOTAL EXPENSES TO DATE:	\$525,488.15

Staff requests City Council ratify the City Manager’s execution of a construction contract with Nor-Cal in the amount of \$76,590 and authorize a 20% construction contingency of \$15,318, for a total Project cost not to exceed \$91,908.

Staff also requests City Council authorize an additional \$100,000 for necessary site improvements for CIP GG 23-06 Temporary Animal Shelter, including parking, concrete flatwork and landscaping.

Sufficient funds were not included in the adopted FY 22/23 budget. Therefore, Staff requests City Council approve a budget amendment to fund the estimated total construction costs for CIP GG 23-06, Temporary Animal Shelter transferring

CITY MANAGER’S REPORT **PAGE 4**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFY CITY MANAGER’S EXECUTION OF A CONSTRUCTION CONTRACT
WITH NOR-CAL CONCRETE COMPANY FOR TEMPORARY ANIMAL SHELTER
CONCRETE, CIP GG 23-06 AND APPROVE BUDGET AMENDMENT

\$191,908 from the General Fund Reserve (1010) to the CIP Project Fund (3010) as detailed below.

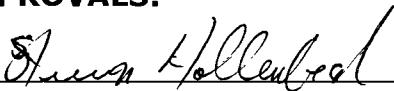
<u>Increase Transfer Out</u>		
1010-9900-990-9010		\$191,908
 <u>Increase Transfer In</u>		
3010-9900-393-0000	GG 23-06	\$191,908
 <u>Increase Expenditures</u>		
3010-8000-420-12-00	GG 23-06	\$191,908

ATTACHMENTS:

- A. Resolution Ratifying City Manager’s Execution of a Construction Contract with Nor-Cal Concrete Company for the Temporary Animal Shelter Concrete, CIP GG 23-06 and Approving Budget Amendment
- B. Executed Construction Contract with Nor-Cal Concrete Company for Temporary Animal Shelter Concrete, CIP GG 23-06

CITY MANAGER'S REPORT **PAGE 5**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFY CITY MANAGER'S EXECUTION OF A CONSTRUCTION CONTRACT
WITH NOR-CAL CONCRETE COMPANY FOR TEMPORARY ANIMAL SHELTER
CONCRETE, CIP GG 23-06 AND APPROVE BUDGET AMENDMENT

APPROVALS:



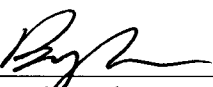
Steven Hollenbeak
Assistant Engineer

3.28.23
Date



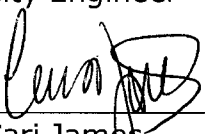
Ken Reed
Senior Construction Manager

3-28-23
Date




Brad Taylor
City Engineer

4/3/2023
Date



Cari James
Director of Finance

4/3/2023
Date



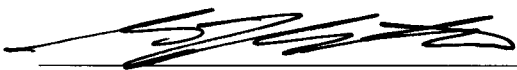
Michael King
Assistant City Manager

3.28.23
Date



Salvador Navarrete
City Attorney

3.30.2023
Date



Stephen J. Salvatore
City Manager

4.4.23
Date

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP RATIFYING CITY MANAGER'S EXECUTION OF A CONSTRUCTION CONTRACT WITH NOR-CAL CONCRETE COMPANY FOR TEMPORARY ANIMAL SHELTER CONCRETE, CIP GG 23-06 AND APPROVING BUDGET AMENDMENT

WHEREAS, on October 10, 2022, City Council approved the creation of Capital Improvement Project (CIP) GG 23-06 Temporary Animal Shelter to provide a facility for the subject services until the City's permanent animal shelter is constructed; and

WHEREAS, the work contemplated by this contract will provide concrete improvements at the Corporation Yard for the placement of modular animal shelter buildings and modifications to concrete curb & gutter at the Lathrop Police Station for Police K-9 kennels (Project); and

WHEREAS, City staff prepared and distributed the plans and technical specifications for informal bid solicitation on January 30, 2023 in accordance with Informal Bidding Procedures in CA Public Contract Code 22034 (California Uniform Public Construction Cost Accounting Act) and Lathrop Municipal Code 3.30.060 and 3.30.070; and

WHEREAS, a total of six (6) bids were received and opened by Public Works on February 14, 2023; and

WHEREAS, upon review and evaluation of the bids, the lowest responsive and responsible bidder for the Project was determined to be Nor-Cal Concrete Company (Nor-Cal) with a bid of \$76,590; and

WHEREAS, the City Manager has executed a construction contract with Nor-Cal for \$76,590; and

WHEREAS, staff requests Council ratify the construction contract with Nor-Cal in the amount of \$76,590 for the construction of the Project; and

WHEREAS, staff also requests Council authorize a 20% construction contingency in the amount of \$15,318 and authorize staff to spend the contingency as necessary to achieve the goals of the Project for a total Project cost not to exceed \$91,908; and

WHEREAS, sufficient funds were not included in the adopted Fiscal Year 22/23 budget for CIP GG 23-06 to fund the Project construction and related site improvements; therefore, staff requests City Council approve a budget amendment transferring \$191,908 from General Fund Reserve to the Project CIP fund as follows:

<u>Increase Transfer Out</u> 1000-9900-990-9010		\$191,908
<u>Increase Transfer In</u> 3010-9900-393-0000	GG 23-06	\$191,908
<u>Increase Expenditures</u> 3010-8000-420-12-00	GG 23-06	\$191,908

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby ratifies the City Manager’s execution of a construction contract with Nor-Cal Concrete Company for Temporary Animal Shelter Concrete, CIP GG 23-06 for a cost of \$76,590; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby authorize a 20% construction contingency in the amount of \$15,318 and authorizes staff to spend up to this amount as necessary to accomplish the goals of the Project; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby authorize an additional \$100,000 for related site improvements for CIP GG 23-06, Temporary Animal Shelter; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby ratify approve a budget amendment transferring \$191,908 from General Fund Reserve to the Project CIP fund as detailed above.

The foregoing resolution was passed and adopted this 10th day of April, 2023 by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

SECTION 00500**ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION****CONSTRUCTION CONTRACT****CONSTRUCTION CONTRACT**

This Contract, dated **March 1**, 2023, is entered into by and between the **City of Lathrop**, a municipal corporation of the State of California (City), and **Nor-Cal Concrete Company** (Contractor), whose Taxpayer Identification Number is 94-1740610.

For and in consideration of the following covenants, terms and conditions, City and Contractor (the parties) agree:

1. **Term.** This Contract shall commence on, and be binding on the parties on, the date of execution of this Contract, and shall expire on the date of recordation of the Notice of Substantial Completion, or, if no such notice is required to be filed, on the date that final payment is made hereunder, subject to the earlier termination of this Contract.
2. **General Scope of Project and Work.** Construction Documents for **Animal Shelter Concrete, CIP GG 23-06** (Project). Contractor shall furnish labor, services, materials and equipment in connection with the construction of the Project and complete the Work in accordance with the covenants, terms and conditions of this Contract to the satisfaction of City.

The work to be performed under this contract includes all work contained in the Construction Documents, as detailed in Paragraph 3 below, including, but not limited to sawcutting and removal of asphalt paving and concrete, and construction of concrete curb and flatwork and any task necessary to accomplish the aforementioned tasks at the City's Corporation Yard and Police Station.

The work shall be **completed within 30 working days** following issuance of Notice to Proceed.

The Work shall be complete, and all appurtenant work, materials, and services not expressly shown or called for in the Construction Documents which may be necessary for the complete and proper construction of the Work in good faith shall be performed, furnished, and installed by the Contractor as though originally specified or shown. The Contractor will be compensated for actual work performed in accordance with the unit prices and provisions contained in these Construction Documents.

Base Bid Total: \$76,590.00 (Seventy-Six Thousand Five Hundred Ninety Dollars)

2. **Construction Documents.** This Contract shall include the Construction Documents which are on file with the Public Works Department and are hereby incorporated by reference (i.e. Project Specifications, Project Plans, addenda, certification of insurance, workers compensation certification, and guaranty) and the Bid Documents submitted by Nor-Cal Concrete Company on February 14, 2023. For the purposes of construing, interpreting and resolving inconsistencies between the provisions of this Contract, these documents and the provisions thereof are set forth in the order of precedence described in Article 3 of the General Conditions.
3. **Compensation.** In consideration of Contractor's performance of its obligations hereunder, City shall pay to Contractor the amount set forth in Contractor's Bid in accordance with the provisions of this Contract and upon the receipt of written invoices and all necessary supporting documentation within the time set forth in the Construction Documents. Contractor hereby shall not be permitted to invoice the City nor accept compensation for work not yet complete.

SECTION 00500**ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION****CONSTRUCTION CONTRACT**

In no event, shall the Contractor be entitled to payment for work not included in the approved scope of work, a written task order, or change order signed by the City's Public Works Director prior to commencement of any work.

5. **Insurance.** On or before the Date of Execution, Contractor shall obtain and maintain the policies of insurance coverage described in Section 5.2 of the General Conditions on terms and conditions and in amounts as may be required by the City. City shall not be obligated to take out insurance on Contractor's personal property or the personal property of any person performing labor or services or supplying materials or equipment under the Project. Contractor shall furnish City with the certificates of insurance and with original endorsements affecting coverage required under this Contract on or before the Date of Execution. The certificates and endorsements for each insurance policy shall be signed by a person who is authorized by that insurer to bind coverage in its behalf. Proof of insurance shall be mailed to the Project Manager to the address set forth in Section 15 of this Contract.
6. **Indemnification.** Contractor agrees to protect, defend, indemnify and hold City, its City Council members, officers, employees, engineer, and construction manager harmless from and against any and all claims, demands, liabilities, losses, damages, costs, expenses, liens, penalties, suits, or judgments, arising in whole or in part, directly or indirectly, at any time from any injury to or death of persons or damage to property as a result of the willful or negligent act or omission of Contractor, or which results from Contractor's noncompliance with any Law respecting the condition, use, occupation or safety of the Project site, or any part thereof, or which arises from Contractor's failure to do anything required under this Contract or for doing anything which Contractor is required not to do under this Contract, or which arises from conduct for which any Law imposes strict liability on Contractor in the performance of or failure to perform the terms and conditions of this Contract, except as may arise from the sole willful or negligent act or omission of City or any of its City Council members, officers, employees. This indemnification shall extend to any and all claims, demands, or liens made or filed by reason of any construction, renovation, or remodeling work performed by Contractor under this Contract at any time during the term of this Contract, or arising thereafter.
7. **Assumption of Risk.** Contractor agrees to voluntarily assume any and all risk of loss, damage, or injury to the property of Contractor which may occur in, on, or about the Project site at any time and in any manner, excepting such loss, injury, or damage as may be caused by the sole willful or negligent act or omission of City or any of its City Council members, officers, or employees.
8. **Waiver.** The acceptance of any payment or performance, or any part thereof, shall not operate as a waiver by City of its rights under this Contract. A waiver by City of any breach of any part or provision of this Contract by Contractor shall not operate as a waiver or continuing waiver of any subsequent breach of the same or any other provision, nor shall any custom or practice which may arise between the parties in the administration of any part or provision of this Contract be construed to waive or to lessen the right of City to insist upon the performance of Contractor in strict compliance with the covenants, terms and conditions of this Contract.

SECTION 00500

ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION

CONSTRUCTION CONTRACT

9. Compliance with Laws. Contractor shall comply with all Laws now in force or which may hereafter be in force pertaining to the Project and Work and this Contract, with the requirement of any bond or fire underwriters or other similar body now or hereafter constituted, with any discretionary license or permit issued pursuant to any Law of any public agency or official as well as with any provision of all recorded documents affecting the Project site, insofar as any are required by reason of the use or occupancy of the Project site, and with all Laws pertaining to nondiscrimination and affirmative action in employment and hazardous materials.

DEPARTMENT OF INDUSTRIAL RELATIONS- COMPLIANCE MONITORING UNIT

DIR Registration.

- a) **Contractor and Subcontractor Compliance.** Strict compliance with DIR registration requirements pursuant to Labor Code Section 1725.5 is a material obligation of the Contractor under the Contract Documents. The foregoing includes without limitation, compliance with DIR Registration requirements at all times during performance of the Work by the Contractor and all Subcontractors of any tier. The failure of the Contractor and all Subcontractors of every tier to be DIR registered at all times during the performance of the Work is the Contractor's default of a material obligation of the Contractor under the Contract Documents.
- b) **No Subcontractor Performance of Work Without DIR Registration.** No portion of the Work is permitted to be performed by a Subcontractor of any tier unless the Subcontractor is a DIR Registered contractor.
- c) **Contractor Obligation to Verify Subcontractor DIR Registration Status.** An affirmative and on-going obligation of the Contractor under the Contract Documents is the Contractor's verification that all Subcontractors, of all tiers, are at all times during performance of Work in full and strict compliance with DIR Registration requirements. The Contractor shall not permit or allow any Subcontractor of any tier to perform any Work without the Contractor's verification that all such Subcontractors are in full and strict compliance with DIR Registration requirements.
- d) **Contractor Obligation to Request Substitution of Non-DIR Registered Subcontractor.** If any Subcontractor identified in the Contractor's Subcontractor List submitted with the Contractor's proposal for the Work is not DIR Registered at the time of opening of proposals for the Work or if a Subcontractor's DIR registration lapses prior to or during a Subcontractor's performance of Work, the Contractor shall request the CITY's consent to substitute the non-DIR registered Subcontractor pursuant to Labor Code Section 1771.1(c)(3) and/ or Labor Code Section 1771.1(d).

Certified Payroll Records

- a) **Compliance with Labor Code Section 1771.4 and 1776.** A material obligation of the Contractor under the Contract Documents is: (i) the Contractor's strict compliance with the requirements pursuant to Labor Code Section 1771.4 and 1776 for preparation and submittal of Certified Payroll Records ("CPR"); and (ii) the Contractor's enforcement of CPR preparation and submittal for all Subcontractors of every tier.
- b) **Express Condition Precedent to Payment of Contract Price.** Strict compliance with CPR requirements established pursuant to Labor Code Section 1776 is an express condition precedent to the CITY's obligation to: (i) process any request for payment of any portion of the Contract Price; or (ii) to disburse any portion of the Contract Price to the Contractor.

00500-3

SECTION 00500

ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION

CONSTRUCTION CONTRACT

The Contractor shall demonstrate strict compliance with CPR preparation and submittal requirements by delivery to the CITY of electronic files or hard copies of all CPR's submitted by the Contractor and/ or Subcontractors for Work pursuant to Labor Code Section 1771.4 and 1776 concurrently with the submittal thereof to the Labor Commissioner. The CITY: (i) shall not be obligated to process or disburse any portion of the Contract Price; or (ii) shall not be deemed in default of the CITY's obligations under the Contract Documents unless the Contractor's demonstrates strict compliance with CPR preparation and submittal requirements.

- c) PWR Monitoring and Enforcement. During the Work pursuant to Labor Code Section 1771.4(a)(4), the Department of Industrial Relations shall monitor and enforce the obligation of the Construction and Subcontractors of every tier to pay the laborers performing any portion of the work the PWR established for the classification of work/ labor performed.

RECORD OF WAGES PAID: INSPECTION

Pursuant to Labor Code section 1776, Contractor stipulates the following:

- a) Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work under the Facilities lease and Construction Provisions.
Such records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information of such forms. The payroll records may consist of payroll data that are maintained as computer records, if printouts contain the same information as the forms provided by the division and the printouts are verified as specified in subdivision (a) of Labor Code section 1776.
- b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor on the following basis:
 - (1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employees or his or her authorized representative on request.
 - (2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the CITY, the Division of Labor Standards Enforcement, and Division of Apprenticeship Standards of the Department of Industrial Relations.
 - (3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or copies thereof. However, a request by the public shall be made through either the CITY, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by Contractor, subcontractors, and the entity through which the request was made. The public shall not be given access to such records at the principal office of Contractor.
- c) Contractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested such records within ten (10) days after receipt of the written request.

00500-4

SECTION 00500

ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION

CONSTRUCTION CONTRACT

- d) Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency, by the CITY, the Division of Apprenticeship Standards, or the division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of contractor awarded the contract or performing the contract shall not be marked or obliterated.
- e) Contractor shall inform the CITY of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within (5) working days, provide a notice of a change of location and address.
- f) In the event of noncompliance with the requirements of this Article, Contractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects Contractor must comply with this Article. Should noncompliance still be evident after such 10-day period, Contractor shall pay a penalty of One- Hundred Dollars (\$100.00) to the CITY for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from the progress payment then due.

The responsibility for compliance with this Article shall rest upon Contractor.

10. Bonds. As a condition precedent to City's obligation to pay compensation to Contractor, and on or before the date of Execution, Contractor shall furnish to the Project Manager the Bonds as required under Section 00700 - 5.1A.
11. Representations and Warranties. In the supply of any materials and equipment and the rendering of labor and services during the course and scope of the Project and Work, Contractor represents and warrants:
 - (1) Any materials and equipment which shall be used during the course and scope of the Project and Work shall be vested in Contractor;
 - (2) Any materials and equipment which shall be used during the course and scope of the Project and Work shall be merchantable and fit to be used for the particular purpose for which the materials are required;
 - (3) Any labor and services rendered and materials and equipment used or employed during the course and scope of the Project and Work shall be free of defects in workmanship for a period of one (1) year after the recordation of the Notice of Substantial Completion, or, if no such notice is required to be filed, on the date that final payment is made hereunder;
 - (4) Any manufacturer's warranty obtained by Contractor shall be obtained or shall be deemed obtained by Contractor for and on behalf of City.
 - (5) Any information submitted by Contractor prior to the award of Contract, or thereafter, upon request, whether or not submitted under a continuing obligation by the terms of the Contract to do so, is true and correct at the time such information is submitted or made available to the City;

SECTION 00500

ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION

CONSTRUCTION CONTRACT

- (6) Contractor has not colluded, conspired, or agreed, directly or indirectly, with any person in regard to the terms and conditions of Contractor's Bid, except as may be permitted by the Notice to Contractors;
 - (7) Contractor has the power and the authority to enter into this Contract with City, that the individual executing this Contract is duly authorized to do so by appropriate resolution, and that this Contract shall be executed, delivered and performed pursuant to the power and authority conferred upon the person or persons authorized to bind Contractor;
 - (8) Contractor has not made an attempt to exert undue influence with the Project Manager or any other person who has directly contributed to City's decision to award the Contract to Contractor;
 - (9) There are no unresolved claims or disputes between Contractor and City which would materially affect Contractor's ability to perform under the Contract;
 - (10) Contractor has furnished and will furnish true and accurate statements, records, reports, resolutions, certifications, and other written information as may be requested of Contractor by City from time to time during the term of this Contract;
 - (11) Contractor and any person performing labor and services under this Project is duly licensed as a contractor with the State of California as required by California Business & Professional Code Section 7028, as amended; and
 - (12) Contractor has fully examined and inspected the Project site and has full knowledge of the physical conditions of the Project site.
12. Assignment. This Contract and the performance required hereunder is personal to Contractor, and it shall not be assigned by Contractor. Any attempted assignment shall be null and void.
 13. Claims of Contractor. All claims pertaining to extra work, additional charges, or delays within the Contract Time or other disputes arising out of the Contract shall be submitted by Contractor in accordance with the General Conditions.
 14. Audits by City. During the term of this Contract and for a period of not less than three (3) years after the expiration or earlier termination of this Contract, City shall have the right to audit Contractor's Project-related and Work-related writings and business records, as such terms are defined in California Evidence Code Sections 250 and 1271, as amended, during the regular business hours of Contractor, or, if Contractor has no such hours, during the regular business hours of City.
 15. Notices. All contracts, agreements, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) days by delivery of a hard copy of the material sent by facsimile transmission, in accordance with (1), (2) or (3) above. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

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SECTION 00500

**ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION**

CONSTRUCTION CONTRACT

To City: City of Lathrop
City Clerk
390 Towne Centre Drive
Lathrop, CA 95330

To City: City of Lathrop
Department of Public Works
390 Towne Centre Drive
Lathrop, CA 95330
PHONE: (209) 941-7430
FAX: (209) 941-7449
ATTN: Senior Construction Manager

To Contractor: Nor-Cal Concrete Company

Mailing Address: PO Box 521, Suisun, CA 94585

Phone: (707) 425-6144

Email: norcalconcrete@sbcglobal.net

ATTN: Joe Ardave

16. Miscellaneous

- (1) Bailee Disclaimer. The parties understand and agree that City does not purport to be Contractor's bailee, and City is, therefore, not responsible for any damage to the personal property of Contractor.
- (2) Consent. Whenever in this Contract the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (3) Controlling Law. The parties agree that this Contract shall be governed and construed by and in accordance with the Laws of the State of California.
- (4) Definitions. The definitions and terms are as defined in these specifications.
- (5) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Contract, which directly results from an Act of God or an act of a superior governmental authority.
- (6) Headings. The paragraph headings are not a part of this Contract and shall have no effect upon the construction or interpretation of any part of this Contract.
- (7) Incorporation of Documents. All documents constituting the Construction Documents described in Section 3 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in this Contract and shall be deemed to be part of this Contract.
- (8) Integration. This Contract and any amendments hereto between the parties constitute the entire contract between the parties concerning the Project and Work, and there are no other prior oral or written contracts between the parties that are not incorporated in this Contract.

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SECTION 00500

ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION

CONSTRUCTION CONTRACT

- (9) Modification of Contract. This Contract shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- (10) Provision. Any contract, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Contract shall define or otherwise control, establish, or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (11) Resolution. Contractor shall submit with its Bid a copy of any corporate or partnership resolution or other writing, which authorizes any director, officer or other employee or partner to act for or on behalf of Contractor or which authorizes Contractor to enter into this Contract.
- (12) Severability. If a court of competent jurisdiction finds or rules that any provision of this Contract is void or unenforceable, the provisions of this Contract not so affected shall remain in full force and effect.
- (13) Status of Contractor. In the exercise of rights and obligations under this Contract, Contractor acts as an independent contractor and not as an agent or employee of City. Contractor shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of City, and Contractor expressly waives any and all claims to such rights and benefits.
- (14) Successors and Assigns. The provisions of this Contract shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (15) Time of the Essence. Time is of the essence of this Contract and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday, or any Day observed as a legal holiday by City, the time for performance shall be extended to the following Business Day.
- (16) Venue. In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
- (17) Recovery of costs. The prevailing party in any action brought to enforce the terms of this Contract or arising out of this Contract, including the enforcement of the indemnity provision(s), may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.
- (18) Contractor and subcontractors must comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations at 40 CFR Part 15.
- (19) Contractors and subcontractors must comply with mandatory standards and policies relating to the energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation ACT (Public Law 94-163, 89 stat 871).

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SECTION 00500

ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION

CONSTRUCTION CONTRACT

- (20) The Contractor shall provide access to the site for the Environmental Protection Agency and its duly authorized representatives, and the City.
- (21) If during the course of construction evidence of deposit of historical or archaeological interest is found, the Contractor shall cease operation affecting the find and shall notify the City, who shall notify the EPA and the State Historic Preservation Officer. No further disturbance of the deposits shall ensue until the Contractor has been notified by the City that construction may proceed. The City will issue a notice to proceed only after the state official has surveyed the find and made a determination to the EPA and the City. Compensation to the contractor, if any, for lost time or changes in construction to avoid the find, shall be determined in accordance with changed conditions or change order provisions of the Construction Documents.
- (22) Notice to Proceed. Prior to commencing work under this Contract, CONTRACTOR shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONTRACTOR for any services prior to issuance of the Notice to proceed.
- (23) Signatures. The individuals executing this Contract represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Contract on behalf of the respective legal entities of the CONTRACTOR and the CITY. This Contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (24) This project is a public works project: Contractor shall comply with requirements of California Labor Code § 1700 and following, and prevailing wages shall be paid for work performed on this project.
- (25) The statutory provisions for penalties for failing to comply with the State of California wage and labor laws be enforced, as well as that for failing to pay prevailing wages.

EXHIBITS:

EXHIBIT A: Contractor's Submitted Bid Packet

Certification of insurance, performance and payment bonds, and worker's compensation certification shall be furnished to the City by the Contractor after City Council's approval with resolution.

SECTION 00500

**ANIMAL SHELTER CONCRETE, CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION**

CONSTRUCTION CONTRACT

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above stated in Lathrop, California.

CONTRACTOR

Contracted by:
By: Joe Ardave
4428440F057F4C7...
Name: Joe Ardave
Title: president

CITY OF LATHROP Council Meeting 04/10/2023
APPROVED AS TO FORM: Resolution No. 23-

By: [Signature]
Salvador Navarrete, City Attorney

RECOMMENDED FOR APPROVAL:

By: [Signature]
Michael King, P.E., Assistant City Manager

APPROVED:

By: [Signature]
Stephen J. Salvatore, City Manager

(END OF SECTION)

EXHIBIT "A"

SECTION 00300

**ANIMAL SHELTER CONCRETE - CIP GG 23-06
CUPCAA INFORMAL BID SOLICITATION**

BID PROPOSAL FORMS

ANIMAL SHELTER CONCRETE, CIP GG 23-06

BID SCHEDULE

BID ITEM	SITE	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	EXTENDED TOTAL
1	P	Sawcut / Remove PCC Sidewalk	68	SF	\$12.00	\$816.00
2	P	Sawcut / Remove Asphalt	330	SF	\$12.00	\$3960.00
3	P	Grading for Concrete	330	SF	\$6.00	\$1980.00
4	P	Form & Pour PCC @ 6" Deep	330	SF	\$15.00	\$4950.00
5	P	Form & Pour PCC 6" Vert. Curb	8	LF	\$45.00	\$360.00
6	P	Form & Pour PCC Sidewalk	64	SF	\$12.00	\$768.00
7	C	Form & Pour 6 PCC Slabs @ 6" Deep	3,954	SF	\$14.00	\$55,356.00
8	C	Form & Pour PCC Mow Strip	400	LF	\$21.00	\$8,400.00

P: POLICE STATION C: CORPORATION YARD

TOTAL BID: \$ 76,590.00

TOTAL BID IN WORDS: Seventy Six thousand five hundred & Ninety dollars cu

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SECTION 00300

**ANIMAL SHELTER CONCRETE - CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION**

BID PROPOSAL FORMS

INFORMATION REQUIRED OF BIDDER

The Bidder (Contractor) shall furnish the following information. This information is considered essential in enabling the Project Manager to determine if the Bidder is experienced in similar types of work and if the Bid is based on a careful study of methods applicable to the work and full realization of the various factors which may affect the progress of the work. Failure to comply with this requirement may render the Bid non-responsive and may cause its rejection. Additional sheets shall be attached as required.

BIDDER'S INFORMATION

- (1) Bidder's name and address: Nor Cal Concrete
PO Box 521
Suisun City CA 94585
- (2) Bidder's telephone number: 707 425 6144
- (3) Bidder's fax number: 707 425 5453
- (4) Bidder's Contractor's License (Class): C-8
License No.: 271483
Expires: 7-31-23
- (5) Person who inspected site of proposed work for Contractor's firm:
Name: Joe Ardave Date of Inspection: 2-9-23
- (6) List 5 projects of a nature similar to this project:

Project	Contract Price	Name, Address and Telephone Number of Owner
Caltrans 04-303204	479,100.00	State of CA Dept. of Transp 1727 30th St Sacramento CA 95816 510 526 3424
Power Inn Siskiyou	254,426	Co. of Sacramento 916 652-7821 9700 Goethe Rd St. D Sacramento CA
Sacramento JM-03B	79,420	John M. G. H. Construction 1430 Blue Oak Bl Roseville CA 95678-3 916 923-3
The Rivers Ph. II	141,151.00	River 18 LLC, 601 University Ave Sacramento CA 95825
Yosemite South End	750,730	Fed Highway Admin 12300 W. Dakota Ave Lake Wood CO 80228 775-267-6800

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SECTION 00300

**ANIMAL SHELTER CONCRETE - CIP GG 23-06
CUPCAA INFORMAL BID SOLICITATION**

BID PROPOSAL FORMS

List of Subcontractors:

The Bidder shall list below the name and business address of each subcontractor who will perform work under this Bid in excess of one-half of one percent of the Contractor's Total Bid Price, and shall also list the portion of the WORK which will be done by such subcontractor, in accordance with Section 4107 of the Public Contract Code. After the opening of bids, no changes or substitutions will be allowed except as otherwise provided by law. The listing of more than one subcontractor for each item of work to be performed with the words "and/or" will not be permitted. Failure to comply with this requirement may render the Bid non-responsive and may cause its rejection. Should the Contractor provide a bid that does not require a subcontractor, the Contractor shall note that on this page by writing "Not Applicable" in the list below.

<u>Work to be Performed</u>	<u>Subcontractor License Number</u>	<u>Percent of Total Contract</u>	<u>Subcontractor's Name & Address</u>
1. <i>Not Applicable</i>			
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____

Note: Attach additional sheets if required.

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SECTION 00300

**ANIMAL SHELTER CONCRETE - CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION**

BID PROPOSAL FORMS

ADDENDA

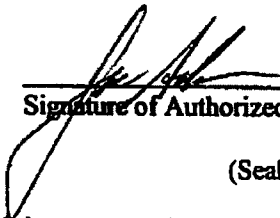
Bidder acknowledges receipt of the following addendum (addenda):

0

Respectfully submitted,

2-14-23
Dated

Nov Cal Concrete
Legal Name of Firm


Signature of Authorized Representative
(Seal)

(If Bidder is a corporation, show State in which incorporated.)

The full names and post office addresses of all persons and parties interested in the foregoing Bid as principals are as follows:

(NOTICE): Give first and last names in full; in case of corporation, give names of President, Secretary, Treasurer, and Manager, and in case of partnerships and joint ventures, give names and Post Office addresses of all the individual members.

Joe Ardace - President
707 Eldridge Ave. Vacaville CA 95688
Paul Ardace - Secretary
6161 N. King St Vacaville CA 95688

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Bond No. CSBA-23028

SECTION 00300

**ANIMAL SHELTER CONCRETE - CIP GG 23-06
CUPCCAA INFORMAL BID SOLICITATION**

BID PROPOSAL FORMS

BIDDER'S BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT WE Nor-Cal Concrete Company

as PRINCIPAL, and Old Republic Surety Company

as SURETY are held; and firmly bond unto the City of Lathrop in the penal sum of TEN PERCENT (10%) OF THE TOTAL AMOUNT OF THE BID of the Principal above named, submitted by the Principal to the City of Lathrop for the work described below, for the payment of which sum in lawful money of the United States, well and truly to be made to the City of Lathrop to which the bid was submitted, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by those presents. In no case shall the liability of the surety hereunder exceed the sum of \$ Ten Percent (10%) of the Amount Bid.

THE CONDITION OF THIS OBLIGATION IS SUCH,

THAT, WHEREAS, the Principal has submitted the above mentioned bid to the City of Lathrop for certain construction specifically described as follows, for which bids are to be opened at the Public Works Department, 390 Towne Centre Drive, Lathrop, CA: **ANIMAL SHELTER CONCRETE, CIP GG 23-06.**

NOW, THEREFORE, if the Principal is awarded the contract and within the time and manner required under the specifications, after the prescribed forms are presented to him for signature enters into a written contract in the prescribed form, in accordance with the bid, and files two bonds with the City, one to guarantee faithful performance, and the other to guarantee payment for labor and materials as required by law, then this obligation shall be null and void; otherwise, it shall be and remain in full force.

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SECTION 00300

**ANIMAL SHELTER CONCRETE - CIP GG 23-06
CUPCAA INFORMAL BID SOLICITATION**

BID PROPOSAL FORMS

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 7th day of February, 2023.

Nor Cal Concrete Company (Seal)

 (Seal)

Address: P.O. Box 521

Suisun City, CA 94585

Old Republic Surety Company (Seal)

 (Seal)
Chelsea Liberatoro, Attorney-in-Fact

Address: 1610 R St. Suite 300

Sacramento, CA 95811

NOTE: Signatures of those executing for the surety must be properly acknowledged.

*Please See California All-Purpose
Acknowledgment Attached*

ACKNOWLEDGMENT

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

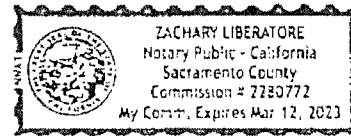
State of California
County of Sacramento)

On FEB 07 2023 before me, Zachary Liberatore, Notary Public
(insert name and title of the officer)

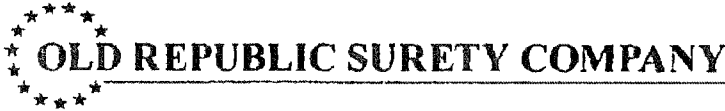
personally appeared Chelsea Liberatore
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



Signature *Zachary Liberatore* (Seal)



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That OLD REPUBLIC SURETY COMPANY, a Wisconsin stock insurance corporation, does make, constitute and appoint Daniel Huckabay, Arturo Ayala, Shaurna Rozelle Ostrom, Frank Morones, Michael D. Stong, Ben Stong, Benjamin Wolff, Chelsea Liberatore, Adrian Langrell of Orange, CA

its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto (if a seal is required), bonds, undertakings, recognizances or other written obligations in the nature thereof, (other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantees of installment paper and note guaranty bonds, self-insurance workers compensation bonds guaranteeing payment of benefits, or black lung bonds), as follows:

ALL WRITTEN INSTRUMENTS

and to bind OLD REPUBLIC SURETY COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This appointment is made under and by authority of the board of directors at a special meeting held on February 18, 1982.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the OLD REPUBLIC SURETY COMPANY on February 18, 1982.

RESOLVED that, the president, any vice-president or assistant vice president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person.

RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company

- (i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or
(ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
(iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the company to such person or persons.

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or ratification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company, and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, OLD REPUBLIC SURETY COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 3rd day of November, 2022.

Signatures of Karen J. Haffner (Assistant Secretary) and Alan Pavlic (President) with corporate seal of Old Republic Surety Company.

STATE OF WISCONSIN, COUNTY OF WAUKESHA - SS
On this 3rd day of November, 2022, personally came before me, Alan Pavlic and Karen J. Haffner, to me known to be the individuals and officers of the OLD REPUBLIC SURETY COMPANY who executed the above instrument, and they each acknowledged the execution of the same...

Notary Public seal and signature of Kathryn R. Pearson, Notary Public.

My Commission Expires: September 28, 2026 (Expiration of notary's commission does not invalidate this instrument)

CERTIFICATE
I, the undersigned, assistant secretary of the OLD REPUBLIC SURETY COMPANY, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

74 7242 Signed and sealed at the City of Brookfield, WI this 7th day of February, 2023. Signature of Karen J. Haffner (Assistant Secretary).

Commercial Surety Bond & Ins

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)

COUNTY OF SOLANO)

On FEB-13-2023 before me, AMMITA UPPAL Notary
Date Insert Name and Title of the officer

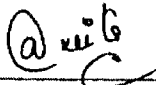
Public, personally appeared DANIEL HARMAN ARDAVE

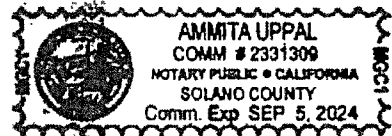
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: 



OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent attachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signers Name: _____	Signers Name: _____
<input type="checkbox"/> Corporate Officer – Title(s) _____	<input type="checkbox"/> Corporate Officer – Title(s) _____
<input type="checkbox"/> Partner - <input type="checkbox"/> Limited <input type="checkbox"/> General	<input type="checkbox"/> Partner - <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact	<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator	<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____
Signer is Representing: _____	Signer is Representing: _____

SECTION 00300

**ANIMAL SHELTER CONCRETE - CIP GG 23-06
CUPCAA INFORMAL BID SOLICITATION**

BID PROPOSAL FORMS

PUBLIC CONTRACT CODE SECTION 10162 QUESTIONNAIRE

In accordance with Public Contract Code Section 10162, the Bidder shall complete, under penalty of perjury, the following questionnaire:

Has the Bidder, any officer of the Bidder, or any employee of the Bidder, who has a proprietary interest in the Bidder, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes _____ No X

If the answer is yes, explain the circumstances in the following space.

PUBLIC CONTRACT SECTION 10232 STATEMENT

In accordance with Public Contract Code Section 10232, the Contractor hereby states under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two year period because of the Contractor's failure to comply with an order of a federal court which orders the Contractor to comply with an order of the National Labor Relations Board.

NOTE: The above Statement and Questionnaire are part of the Proposal. Signing this proposal on the signature portion thereof shall also constitute signature of this Statement and Questionnaire.

Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

(END OF SECTION)

00300-9

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ITEM 4.17

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: **RATIFICATION OF THE CITY MANAGER'S SIGNATURE AND APPROVE OPTION AND TOWER LEASE AGREEMENT WITH VERIZON WIRELESS FOR USE OF CITY OWNED TOWER**

RECOMMENDATION: **Adopt Resolution Ratifying City Manager's Signature and Approving Option and Tower Lease Agreement With Verizon Wireless for Use of City Tower.**

SUMMARY:

River Islands Development, LLC ("RID") completed construction of a large utility facility that includes water tanks, a water booster pump station, a significant sewer pump station, and a SCADA tower. RID decided to construct a SCADA tower that was taller than required so that the tower could include cell antennae to improve cell service in the River Islands Project and create a revenue stream from the lease payments by telecom companies ("rent"). RID transferred the land within the Employment Center to River Islands Employment Center, LLC (RI-EC). Therefore, that is the entity with whom the City will enter into the Agreement for Operations of a Communications Tower in River Islands ("Agreement").

Verizon Wireless has requested the City to enter into an Option and Tower Lease Agreement ("Lease Agreement") to lease space on the City cell tower site and on the cell tower itself. The Lease Agreement has been negotiated with Verizon Wireless, who will occupy the second to the top location on the cell tower (the top location is reserved for the City facilities) and will provide monthly rent for \$2,250 to the City, to reimburse RID based on the approved Agreement.

Staff recommends that the City Council adopt a resolution to ratify the City Manager's signature and approve Option and Tower Lease Agreement with Verizon Wireless.

BACKGROUND:

Various entitlements require RID as the developer for the River Islands Project to construct certain public facilities and infrastructure that will be of benefit to their property. RID completed the construction of a large utility facility that includes water tanks, a water booster pump station, a significant sewer pump station, and a SCADA tower. RID developed a communications tower site ("Site") within the Employment Center District of the River Islands at Lathrop project and erected a communications tower ("Tower") to serve national cellular communication providers ("Providers"), including the City of Lathrop ("City"), River Islands, related public agencies, Lathrop Police Department and Lathrop-Manteca Fire District.

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING**RATIFICATION OF THE CITY MANAGER'S SIGNATURE AND APPROVE OPTION AND TOWER LEASE AGREEMENT WITH VERIZON WIRELESS FOR USE OF CITY OWNED TOWER**

RID transferred the land within the Employment Center to River Islands Employment Center, LLC (RI-EC).

The Site provides space for the equipment to serve four (4) separate cell companies, and the tower itself includes an area for four (4) cell antennae. Now that the City owns the Site and Tower, the City can enter into lease agreements with Providers.

Verizon Wireless has requested the City of Lathrop enter into an Option and Tower Lease Agreement ("Lease Agreement") to lease space on the Site and the Tower. The Lease Agreement has been negotiated with Verizon Wireless, who will occupy the second to the top location on the cell tower (the top location is reserved for the City facilities) and will provide monthly rent for \$2,250 to the City, to be used for reimbursement with RI-EC based on the approved Agreement. Under the Lease Agreement, rent paid by Verizon will increase by three (3) percent each year, beginning in year two (2). The initial term of the lease will be ten (10) years and will automatically renew for four (4) additional five (5) year terms.

REASON FOR RECOMMENDATION:

By placing their cell antennae on the cell tower, Verizon will enable the increase and improvement of wireless and cellular mobile communications capacities, for not only businesses and residents within the area but also for essential emergency response, community safety, commerce, recreation, and tourists/commuters/travelers that rely on consistent and reliable wireless communication all along the Interstate 5 corridor. Police vehicles in the River Island area experience network service issues while the officers are attempting to utilize the equipment within the vehicles such as computers and radios. This cell tower would improve the network service in this area and rectify this issue, allowing officers to work more efficiently and effectively. Additionally, the City will be paid monthly rent during the time the tower is used. Staff recommends that the City Council adopt a resolution to ratify the City Manager's signature and approve Option and Tower Lease Agreement with Verizon Wireless.

FISCAL IMPACT:

Lease payments (\$27,000) received will be shared between the City and River Islands Employment Center, LLC (RI-EC), 75% until fully reimbursed and 25% to the City in accordance with the Agreement for Operations of a Communications Tower in River Islands. Verizon Wireless will make payment to The City and the City will pay 75% of the payment to RI-EC. The total amount that will be reimbursed in a single year will be \$20,050 to RI-EC. The amount due to complete reimbursement fully is \$246,798.40. The City will recognize the revenue of \$6,750 in Fiscal Year budget 2022-23. Lease payments will fully fund maintenance of the site and the tower structure and will repay River Islands for increasing the tower height. The City's share of the lease payments in excess of the maintenance costs will be available to the City for any use.

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

RATIFICATION OF THE CITY MANAGER'S SIGNATURE AND APPROVE OPTION AND TOWER LEASE AGREEMENT WITH VERIZON WIRELESS FOR USE OF CITY OWNED TOWER

Staff requests the following budget amendment for FY 2022-2023:

Increase Revenue

Communications

1010-15-10-371-90-01

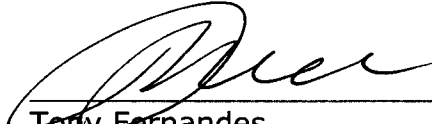
\$6,750

ATTACHMENTS:

- A. Resolution to Ratify City Mangers signature and approve Option and Tower Lease Agreement with New Verizon Wireless for Use of City Tower and Related Budget Amendment

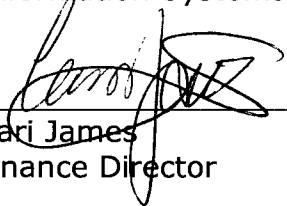
- B. Option and Tower Lease Agreement with Verizon Wireless

CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFICATION OF THE CITY MANAGER'S SIGNATURE AND APPROVE OPTION
AND TOWER LEASE AGREEMENT WITH VERIZON WIRELESS FOR USE OF CITY
OWNED TOWER
APPROVALS:



Tony Fernandes
Information Systems Director

4-5-2023
Date



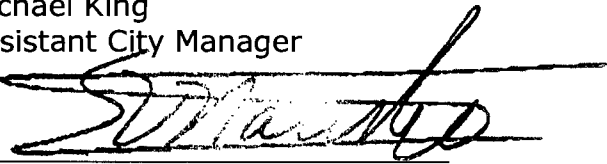
Cari James
Finance Director

4/6/2023
Date




Michael King
Assistant City Manager

4/6/2023
Date



Salvador Navarrete
City Attorney

4/5/2023
Date



Stephen J. Salvatore
City Manager

4.6.23
Date

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP RATIFYING CITY MANGER'S SIGNATURE AND APPROVING AN OPTION AND TOWER LEASE AGREEMENT WITH VERIZON WIRELESS FOR USE OF CITY TOWER.

WHEREAS, River Islands Development, LLC, ("RID") the developer for the River Islands Project, is required under various entitlements to construct certain public facilities and infrastructure that will be of benefit to their property; and

WHEREAS, RID is completing construction of a large utility facility that includes water tanks, a water booster pump station, a significant sewer pump station, and a SCADA tower; and

WHEREAS, RID has developed a communications tower site ("Site") within the Employment Center District of the River Islands at Lathrop project to erect a communications tower ("Tower") to serve national cellular communication providers ("Providers"), including City, River Islands, related public agencies and possibly Lathrop-Manteca Fire District; and

WHEREAS, RID has transferred the land within the Employment Center to River Islands Employment Center, LLC (RI-EC), and so that is the entity with whom the City will enter into the Agreement for Construction and Operations of a Communications Tower in River Islands ("Agreement"); and

WHEREAS, it has been determined that the additional height of the Tower can only be allowed if the City of Lathrop ("City") owns the facility, and so RI-EC offered to dedicate the Site and the Tower to the City; and

WHEREAS, Verizon Wireless has requested the City of Lathrop enter into an Option and Tower Lease Agreement ("Lease Agreement") in order to lease space on the cell tower site and the cell tower; and

WHEREAS, Verizon Wireless will occupy the second to the top location on the cell tower (the top location is reserved for the City facilities) and will provide monthly rent in the amount of \$2,250 to the City, to be shared with RID based on the approved Agreement; and

WHEREAS, accordance with the Lease Agreement, rent paid by Verizon Wireless will increase by 3 percent each year beginning in year two (2); and

WHEREAS, the initial term of the lease will be ten (10) years, and will automatically renew for four (4) additional five (5) year terms; and

WHEREAS, Lease payments (\$27,000) received will be shared between the City and River Islands Employment Center, LLC (RI-EC), 75% until fully reimbursed

and 25% to the City in accordance with the Agreement for Construction and Operations of a Communications Tower in River Islands; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby ratify City Manager's signature and approve Option and Tower Lease Agreement with Verizon Wireless for the use of City-owned tower.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

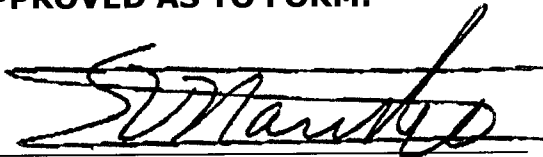
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

Market: Northern California
Cell Site Number: 558247
Search Ring Name: New Lathrop
Cell Site Name: Cirrus Court

OPTION AND TOWER LEASE AGREEMENT

THIS OPTION AND TOWER LEASE AGREEMENT ("**Agreement**"), dated as of the latter of the signature dates below (the "**Effective Date**"), is entered into by the City of Lathrop, a California municipal corporation, having a mailing address of 390 Towne Centre Drive, Lathrop, CA 95330 ("**Landlord**"), and Sacramento-Valley Limited Partnership, a California limited partnership d/b/a Verizon Wireless, having a mailing address of One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920, Attention: Network Real Estate ("**Tenant**").

BACKGROUND

Landlord owns that certain plot, parcel or tract of land, as described on **Exhibit 1**, improved with a tower structure (the "**Tower**"), together with all rights and privileges arising in connection therewith, located in the City of Lathrop, County of San Joaquin, State of California (collectively, the "**Property**"). Tenant desires to use a portion of the Property in connection with its federally licensed communications business. Landlord desires to grant to Tenant the right to use a portion of the Property in accordance with this Agreement.

The parties agree as follows:

1. OPTION TO LEASE.

- (a) Landlord grants to Tenant an option (the "**Option**") to lease a portion of the Property consisting of:
- (i) approximately three hundred (300) square feet of ground space including the air space above such ground space, as described on attached **Exhibit 1**, for the placement of Tenant's Communication Facility;
 - (ii) space for any structural steel or other improvements to support Tenant's equipment (collectively, the space referenced in (i) and (ii) is the "**Equipment Space**");
 - (iii) the portion of the Tower selected by Tenant and dedicated for Tenant's exclusive use with a rad center of ninety feet (90') above ground level as generally depicted on **Exhibit 1** (the "**Tenant RAD Center**"), and consisting of an envelope of five (5) contiguous vertical feet above the Tenant RAD Center and five (5) contiguous vertical feet below the Tenant RAD Center (for an aggregate of ten (10) contiguous vertical feet of space) (collectively, the "**Antenna Space Envelope**"). Tenant shall have the right to locate, operate or maintain its communication equipment and improvements within the Antenna Space Envelope. The Antenna Space Envelope includes any area on a horizontal plane, extending in all directions from the Tower, that is perpendicular to such ten foot (10') vertical envelope; and
 - (iv) those certain areas where Tenant's conduits, wires, cables, cable trays and other necessary connections (and the cables, wires, and other necessary connections and improvements of such third parties related to Tenant, such as Tenant's utility providers) are located between the Equipment Space and the Antenna Space Envelope, and between the Equipment Space and the electric power, telephone, fiber and fuel sources for the Property (hereinafter collectively referred to as the "**Connection Space**"). Landlord agrees that Tenant shall have the right to install connections between Tenant's equipment in the Equipment Space and Antenna Space Envelope; and between Tenant's equipment in the Equipment Space and the electric power, telephone, and fuel sources for the Property, and any other improvements. Landlord further agrees that Tenant shall have the right to install, replace and maintain utility lines, wires, poles, cables, conduits, pipes and other necessary connections over or along any right-of-way extending from the aforementioned

public right-of-way to the Premises. Notwithstanding the foregoing, Tenant, to the extent feasible, shall locate all lines, wires, conduits and cables on existing poles extending from the roadway into Landlord's Property. The Equipment Space, Antenna Space, and Connection Space, are hereinafter collectively referred to as the "Premises."

(b) During the Option Term, and during the Term of this Agreement, Tenant and its agents, engineers, surveyors and other representatives will have the right to enter upon the Property to inspect, examine, conduct soil borings, drainage testing, material sampling, radio frequency testing and other geological or engineering tests or studies of the Property (collectively, the "Tests"), to apply for and obtain licenses, permits, approvals, or other relief required of or deemed necessary or appropriate at Tenant's sole discretion for its use of the Premises and include, without limitation, applications for zoning variances, zoning ordinances, amendments, special use permits, and construction permits (collectively, the "Government Approvals"), initiate the ordering and/or scheduling of necessary utilities, and otherwise to do those things on or off the Property that, in the opinion of Tenant, are necessary in Tenant's sole discretion to determine the physical condition of the Property, the environmental history of the Property, Landlord's title to the Property and the feasibility or suitability of the Property for Tenant's Permitted Use, all at Tenant's expense. Tenant will not be liable to Landlord or any third party on account of any pre-existing defect or condition on or with respect to the Property, whether or not such defect or condition is disclosed by Tenant's inspection. Tenant will restore the Property to its condition as it existed at the commencement of the Option Term, reasonable wear and tear and loss by casualty or other causes beyond Tenant's control excepted.

(c) In consideration of Landlord granting Tenant the Option, Tenant agrees to pay Landlord the sum of Five Hundred and No/100 Dollars (\$500.00) within thirty (30) business days of the Effective Date. The Option will be for an initial term of one (1) year commencing on the Effective Date (the "Initial Option Term") and may be renewed by Tenant for an additional one (1) year (the "Renewal Option Term") upon notification to Landlord and the payment of an additional Five Hundred and No/100 Dollars (\$500.00) prior to the expiration date of the Initial Option Term. The Initial Option Term and any Renewal Option Term are collectively referred to as the "Option Term."

(d) The Option may only be sold, assigned or transferred at any time by Tenant to an Affiliate of Tenant. Otherwise, the Option may not be sold, assigned or transferred without the written consent of Landlord, such consent not to be unreasonably withheld, conditioned or delayed. From and after the date the Option has been sold, assigned or transferred by Tenant to an Affiliate or a third party agreeing to be subject to the terms hereof, Tenant shall immediately be released from any and all liability under this Agreement, including the payment of any rental or other sums due, without any further action.

(e) During the Option Term, Tenant may exercise the Option by notifying Landlord in writing. If Tenant exercises the Option, then Landlord leases the Premises to Tenant subject to the terms and conditions of this Agreement. If Tenant does not exercise the Option during the Option Term or any extension thereof, this Agreement will terminate and the parties will have no further liability to each other.

(f) If during the Option Term, or during the Term of this Agreement, Landlord decides to subdivide, sell, or change the status of the zoning of the Premises, Property or any of Landlord's contiguous, adjoining or surrounding property (the "Surrounding Property", which includes without limitation the remainder of the Tower) or in the event of foreclosure, Landlord shall immediately notify Tenant in writing. Landlord agrees that during the Option Term, or during the Term of this Agreement if the Option is exercised, Landlord shall not initiate or consent to any change in the zoning of the Premises, Property or Surrounding Property or impose or consent to any other use or restriction that would prevent or limit Tenant from using the Premises for the Permitted Use. Any and all terms and conditions of this Agreement that by their sense and context are intended to be applicable during the Option Term shall be so applicable.

2. **PERMITTED USE.** Tenant may use the Premises for the transmission and reception of communications signals and the installation, construction, maintenance, operation, repair, replacement and upgrade of its communications fixtures and related equipment, cables, accessories and improvements, which may include a suitable support structure, associated antennas, I beams, equipment shelters or cabinets and fencing and any other items necessary to the successful and secure use of the Premises (collectively, the "**Communication Facility**"), as well as the right to test, survey and review title on the Property; Tenant further has the right, but not the obligation, to add, modify and/or replace equipment in order to be in compliance with any current or future federal, state or local mandated application, including, but not limited to, emergency 911 communication services, at no additional cost to Tenant or Landlord (collectively, the "**Permitted Use**"). Landlord and Tenant agree that any portion of the Communication Facility that may be conceptually described on **Exhibit 1** will not be deemed to limit Tenant's Permitted Use. If **Exhibit 1** includes drawings of the initial installation of the Communication Facility, Landlord's execution of this Agreement will signify Landlord's approval of **Exhibit 1**. Landlord grants Tenant, its subtenants, licensees and sublicensees, the right to use such portions of Landlord's Surrounding Property as may reasonably be required during construction and installation of the Communication Facility. Tenant has the right to install and operate transmission cables from the equipment shelter or cabinet to the antennas, electric lines from the main feed to the equipment shelter or cabinet and communication lines from the Property's main entry point to the equipment shelter or cabinet, and to make other improvements, alterations, upgrades or additions appropriate for Tenant's Permitted Use, including the right to construct a fence around the Premises, install warning signs to make individuals aware of risks, install protective barriers, install any other control measures reasonably required by Tenant's safety procedures or applicable law, and undertake any other appropriate means to secure the Premises at Tenant's expense. Tenant has the right to install, modify, supplement, replace, upgrade, expand the equipment, increase the number of antennas or relocate the Communication Facility within the Premises at any time during the Term of this Agreement. Tenant will be allowed to make such alterations to the Property in order to ensure that Tenant's Communication Facility complies with all applicable federal, state or local laws, rules or regulations. In the event Tenant desires to modify or upgrade the Communication Facility, in a manner that requires an additional portion of the Property (the "**Additional Premises**") for such modification or upgrade, Landlord shall comply with all Federal and State laws and agrees to negotiate a reasonable amended compensation structure to this Agreement in a timely manner, and will not unreasonably withhold approval.

3. **TERM.**

(a) The initial lease term will be ten (10) years ("**Initial Term**"), commencing on the first day of the month following Tenant's exercise of the Option (the "**Term Commencement Date**"). The Initial Term will terminate on the tenth (10th) anniversary of the Term Commencement Date.

(b) This Agreement will automatically renew for four (4) additional five (5) year term(s) (each additional five (5) year term shall be defined as an "**Extension Term**"), upon the same terms and conditions unless Tenant notifies Landlord in writing of Tenant's intention not to renew this Agreement at least sixty (60) days prior to the expiration of the Initial Term or then-existing Extension Term.

(c) Unless (i) Landlord or Tenant notifies the other in writing of its intention to terminate this Agreement at least six (6) months prior to the expiration of the final Extension Term, or (ii) the Agreement is terminated as otherwise permitted by this Agreement prior to the end of the final Extension Term, then upon the expiration of the final Extension Term this Agreement shall continue in force upon the same covenants, terms and conditions for a further term of one (1) year, and for annual terms thereafter ("**Annual Term**") until terminated by either party by giving to the other written notice of its intention to so terminate at least six (6) months prior to the end of any such Annual Term. Monthly rental during such Annual Terms shall be equal to the Rent paid for the last month of the final Extension Term.

(d) The Initial Term, any Extension Terms and any Annual Terms are collectively referred to as the "**Term**".

4. RENT.

(a) Commencing on the Term Commencement Date (which is also referred to herein as the "**Rent Commencement Date**"), Tenant will pay Landlord on or before the fifth (5th) day of each calendar month in advance Two Thousand Two Hundred fifty and No/100 Dollars (\$2,250.00) (the "**Rent**"), at the address set forth above. In any partial month occurring after the Rent Commencement Date, Rent will be prorated. The initial Rent payment will be forwarded by Tenant to Landlord within sixty (60) days after the Rent Commencement Date.

(b) In year two (2) of the Initial Term, and each year thereafter, including throughout any Extension Terms exercised, the monthly Rent will increase by Three Percent (3.0%) over the Rent paid during the previous year.

(c) All charges payable under this Agreement such as utilities and taxes shall be billed by Landlord within one (1) year from the end of the calendar year in which the charges were incurred; any charges beyond such period shall not be billed by Landlord, and shall not be payable by Tenant. The foregoing shall not apply to monthly Rent which is due and payable without a requirement that it be billed by Landlord. The provisions of this subsection shall survive the termination or expiration of this Agreement.

5. APPROVALS.

(a) Landlord agrees that Tenant's ability to use the Premises is contingent upon the suitability of the Premises and Property for Tenant's Permitted Use and Tenant's ability to obtain and maintain all Government Approvals. Landlord authorizes Tenant to prepare, execute and file all required applications to obtain Government Approvals for Tenant's Permitted Use under this Agreement and agrees to reasonably assist Tenant with such applications and with obtaining and maintaining the Government Approvals.

(b) Tenant has the right to obtain a title report or commitment for a leasehold title policy from a title insurance company of its choice and to have the Property surveyed by a surveyor of its choice.

(c) Tenant may also perform and obtain, at Tenant's sole cost and expense, soil borings, percolation tests, engineering procedures, environmental investigation or other tests or reports on, over, and under the Property, necessary to determine if Tenant's use of the Premises will be compatible with Tenant's engineering specifications, system, design, operations or Government Approvals.

6. TERMINATION. This Agreement may be terminated, without penalty or further liability, as follows:

(a) by either party on thirty (30) days prior written notice, if the other party remains in default under Section 15 of this Agreement after the applicable cure periods;

(b) by Tenant upon written notice to Landlord, if Tenant is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the Communication Facility as now or hereafter intended by Tenant;

(c) by Tenant, upon written notice to Landlord, if Tenant determines, in its sole discretion, due to the title report results or survey results, that the condition of the Premises is unsatisfactory for its intended uses;

(d) by Tenant upon written notice to Landlord for any reason or no reason, at any time prior to commencement of construction by Tenant; or

(e) by Tenant upon sixty (60) days' prior written notice to Landlord for any reason or no reason, so long as Tenant pays Landlord a termination fee equal to three (3) months' Rent, at the then-current rate, provided, however, that no such termination fee will be payable on account of the termination of this Agreement by Tenant under any termination provision contained in any other Section of this Agreement including the following: 6(a) Termination, 6(b) Termination, 6(c) Termination, 6(d) Termination, 11(d) Environmental, 18 Condemnation or 19 Casualty.

7. INSURANCE.

(a) During the Term, Tenant will carry, at its own cost and expense, the following insurance: (i) workers' compensation insurance as required by law; and (ii) commercial general liability (CGL) insurance with respect to its activities on the Property, such insurance to afford protection of up to Three Million Dollars (\$3,000,000) per occurrence and Six Million Dollars (\$6,000,000) general aggregate, based on Insurance Services Office (ISO) Form or a substitute form providing substantially equivalent coverage. Tenant's CGL insurance shall contain a provision including Landlord as an additional insured as their interests may appear under this Agreement. Such additional insured coverage:

(i) shall be limited to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by Tenant, its employees, agents or independent contractors;

(ii) shall not extend to claims for punitive or exemplary damages arising out of the acts or omissions of Landlord, its employees, agents or independent contractors or where such coverage is prohibited by law or to claims arising out of the gross negligence of Landlord, its employees, agents or independent contractors; and

(iii) shall not exceed Tenant's indemnification obligation under this Agreement, if any.

(b) Notwithstanding the foregoing, Tenant shall have the right to self-insure the coverages required in subsection (a). In the event Tenant elects to self-insure its obligation to include Landlord as an additional insured, the following provisions shall apply (in addition to those set forth in subsection (a)):

(i) Landlord shall promptly and no later than thirty (30) days after notice thereof provide Tenant with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide Tenant with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like;

(ii) Landlord shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of Tenant; and

(iii) Landlord shall fully cooperate with Tenant in the defense of the claim, demand, lawsuit, or the like.

8. INTERFERENCE.

(a) Prior to or concurrent with the execution of this Agreement, Landlord has provided or will provide Tenant with a copy of the pre-existing Lease to New Cingular Wireless PCS, LLC, a Delaware limited liability company ("**Cingular Lease**") and a list of radio frequency user(s) and frequencies used on the Property as of the Effective Date. Tenant warrants that its use of the Premises will not interfere with the tenant's currently permitted use under the Cingular Lease or the existing radio frequency uses on the Property, as long as the tenant under the Cingular Lease and those existing radio frequency user(s) operate and continue to operate within their respective frequencies and in accordance with all applicable laws and regulations.

(b) Landlord will not grant, after the Effective Date of this Agreement, a lease, license or any other right to any third party, if the exercise of such grant may in any way adversely affect or interfere with the Communication Facility, the operations of Tenant or the rights of Tenant under this Agreement. Landlord will notify Tenant in writing prior to granting any third party the right to install and operate communications equipment on the Property.

(c) Landlord will not, nor will Landlord permit its employees, tenants, licensees, invitees, agents or independent contractors to interfere in any way with the Communication Facility, the operations of Tenant or the rights of Tenant under this Agreement. Landlord will cause such interference to cease within two (2) business days after receipt of notice of interference from Tenant. In the event any such interference does not cease within the aforementioned cure period, Landlord shall cease all operations which are suspected of causing interference (except for intermittent testing to determine the cause of such interference) until the interference has been corrected.

(d) For the purposes of this Agreement, "interference" may include, but is not limited to, any use on the Property or Surrounding Property that causes electronic or physical obstruction with, or degradation of, the communications signals from the Communication Facility.

9. INDEMNIFICATION.

(a) Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs) arising directly from the installation, use, maintenance, repair or removal of the Communication Facility or Tenant's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Landlord, its employees, agents or independent contractors.

(b) Landlord agrees to indemnify, defend and hold Tenant harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs) arising directly from the actions or failure to act of Landlord, its employees, agents or independent contractors, or Landlord's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Tenant, its employees, agents or independent contractors.

(c) The indemnified party: (i) shall promptly provide the indemnifying party with written notice of any claim, demand, lawsuit, or the like for which it seeks indemnification pursuant to this Section and provide the indemnifying party with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of the indemnifying party; and (iii) shall fully cooperate with the indemnifying party in the defense of the claim, demand, lawsuit, or the like. A delay in notice shall not relieve the indemnifying party of its indemnity obligation, except (1) to the extent the indemnifying party can show it was prejudiced by the delay; and (2) the indemnifying party shall not be liable for any settlement or litigation expenses incurred before the time when notice is given.

10. WARRANTIES.

(a) Tenant and Landlord each acknowledge and represent that it is duly organized, validly existing and in good standing and has the right, power and authority to enter into this Agreement and bind itself hereto through the party set forth as signatory for the party below.

(b) Landlord represents, warrants and agrees that: (i) Landlord solely owns the Property as a legal lot in fee simple, and solely owns the Tower; (ii) the Property is not and will not be encumbered by any liens, restrictions, mortgages, covenants, conditions, easements, leases, or any other agreements of record or not of record, which would adversely affect Tenant's Permitted Use and enjoyment of the Premises under this Agreement; (iii) as long as Tenant is not in default beyond all applicable notice and cure periods, then Landlord grants to Tenant sole, actual, quiet and peaceful use, enjoyment and possession of the Premises without hindrance or ejection by any persons lawfully claiming under Landlord; (iv) Landlord's execution and performance of this Agreement will not violate any laws, ordinances, covenants or the provisions of any mortgage, lease or other agreement binding on Landlord; and (v) if the Property is or becomes encumbered by a deed to secure a debt, mortgage or other security interest, then Landlord will provide promptly to Tenant a mutually agreeable subordination, non-disturbance and attornment agreement executed by Landlord and the holder of such security interest.

11. ENVIRONMENTAL.

(a) Landlord represents and warrants that, except as may be identified in **Exhibit 11** attached to this Agreement, (i) the Property, as of the Effective Date of this Agreement, is free of hazardous substances, including asbestos-containing materials and lead paint, and (ii) the Property has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. Landlord and Tenant agree that each will be responsible for compliance with any and all applicable governmental laws, rules, statutes, regulations, codes, ordinances, or principles of common law regulating or imposing standards of liability or standards of conduct with regard to protection of the environment or worker health and safety, as may now or at any time hereafter be in effect, to the extent such apply to that party's activity conducted in or on the Property.

(b) Landlord and Tenant agree to hold harmless and indemnify the other from, and to assume all duties, responsibilities, and liabilities at the sole cost and expense of the indemnifying party for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding (“**Claims**”) to the extent arising from that party’s breach of its obligations or representations under Section 11(a). Landlord agrees to hold harmless and indemnify Tenant from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of Landlord for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any Claims, to the extent arising from subsurface or other contamination of the Property with hazardous substances prior to the Effective Date of this Agreement or from such contamination caused by the acts or omissions of Landlord during the Term. Tenant agrees to hold harmless and indemnify Landlord from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of Tenant for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any Claims, to the extent arising from hazardous substances brought onto the Property by Tenant.

(c) The indemnifications of this Section 11 specifically include reasonable costs, expenses and fees incurred in connection with any investigation of Property conditions or any clean-up, remediation, removal or restoration work required by any governmental authority. The provisions of this Section 11 will survive the expiration or termination of this Agreement.

(d) In the event Tenant becomes aware of any hazardous substances on the Property, or any environmental, health or safety condition or matter relating to the Property that, in Tenant’s sole determination, renders the condition of the Premises or Property unsuitable for Tenant’s use, or if Tenant believes that the leasing or continued leasing of the Premises would expose Tenant to undue risks of liability to a government agency or other third-party liability, then Tenant will have the right, in addition to any other rights it may have at law or in equity, to terminate this Agreement upon written notice to Landlord.

12. **ACCESS.** At all times throughout the Term of this Agreement, and at no additional charge to Tenant, Tenant and its employees, agents, and subcontractors, will have twenty-four (24) hour per day, seven (7) day per week pedestrian and vehicular access (“**Access**”) to and over the Property, from an open and improved public road to the Premises, for the installation, maintenance and operation of the Communication Facility and any utilities serving the Premises. As may be described more fully in **Exhibit 1**, Landlord grants to Tenant an easement for such Access and Landlord agrees to provide to Tenant such codes, keys and other instruments necessary for such Access at no additional cost to Tenant. Upon Tenant’s request, Landlord will execute a separate recordable easement evidencing this right. Landlord shall execute a letter granting Tenant Access to the Property substantially in the form attached as **Exhibit 12**; upon Tenant’s request, Landlord shall execute additional letters during the Term. If Tenant elects to utilize an Unmanned Aircraft System (“**UAS**”) in connection with its installation, construction, monitoring, site audits, inspections, maintenance, repair, modification, or alteration activities at the Property, Landlord hereby grants Tenant, or any UAS operator acting on Tenant’s behalf, express permission to fly over the applicable Property and Premises, and consents to the use of audio and video navigation and recording in connection with the use of the UAS. Landlord acknowledges that in the event Tenant cannot obtain Access to the Premises, Tenant shall incur significant damage. If Landlord fails to provide the Access granted by this Section 12, such failure shall be a default under this Agreement.

13. **REMOVAL/RESTORATION.** All portions of the Communication Facility brought onto the Property by Tenant will be and remain Tenant’s personal property and, at Tenant’s option, may be removed by Tenant at any time during or after the Term. Landlord covenants and agrees that no part of the Communication Facility constructed, erected or placed on the Premises by Tenant will become, or be considered as being affixed to or a part of, the Property, it being the specific intention of Landlord that all improvements of every kind and nature constructed, erected or placed by Tenant on the Premises will be and remain the property of Tenant and may be removed by Tenant at any time during or after the Term. Tenant will repair any damage to the Property resulting from Tenant’s removal activities. Any portions of the Communication Facility that Tenant does not remove within one hundred twenty (120) days after the later of

the end of the Term and cessation of Tenant's operations at the Premises shall be deemed abandoned and owned by Landlord. Notwithstanding the foregoing, Tenant will not be responsible for the replacement of any trees, shrubs or other vegetation.

14. MAINTENANCE/UTILITIES.

(a) Tenant will keep and maintain the Premises in good condition, reasonable wear and tear and damage from the elements excepted.

(b) Landlord will maintain and repair the Property and access thereto, the Tower, and all areas of the Premises where Tenant does not have exclusive control, in good and tenantable condition, subject to reasonable wear and tear and damage from the elements. Landlord will be responsible for maintenance of landscaping on the Property, including any landscaping installed by Tenant as a condition of this Agreement or any required permit. Landlord shall maintain the Tower's structural integrity at all times (which shall mean that at no time will Landlord allow the Tower's condition to become, or remain, overstressed under the applicable structural standards set forth in the then-current version of the ANSI TIA-222). Landlord shall at all times during the Term of this Agreement reserve and have ready for Tenant's immediate use sufficient structural loading capacity on the Tower to support Tenant's installation of up to thirty-five thousand square inches (35,000 sq. in.) of Wind Load Surface Area, in the aggregate, of Communication Facilities anywhere on the Tower (the "Allowed Wind Load Surface Area"). "Wind Load Surface Area" means the Flat Plate Equivalent Area, as defined in ANSI TIA standards, of any appurtenance (excluding all mounts, platforms, cables and other non-operating equipment) at ninety degrees (90°) perpendicular to wind direction, possessing the characteristics of flat material, with associated drag factors. Landlord shall be responsible for the costs of all structural modifications to the Tower, including the costs of related Government Approvals or other approvals, to support the Allowed Wind Load Surface Area. In the event that Tenant has used the Allowed Wind Load Surface Area and an installation of a portion of the Communication Facility within the Antenna Space Envelope will require structural modifications to comply with the structural standards generally accepted within the telecommunications industry, Tenant will pay Landlord for the portion of the structural modifications that is necessary to support Tenant's loading in excess of the Allowed Wind Load Surface Area. In no event shall Tenant be responsible for Tower modification costs to support the installations of other tenants, licensees or other users of the Tower, or for the Tower to comply with applicable Laws so long as Tenant's installation is within the Allowed Wind Load Surface Area.

(c) Tenant will be responsible for paying on a monthly or quarterly basis all utilities charges for electricity, telephone service or any other utility used or consumed by Tenant on the Premises. In the event Tenant cannot secure its own metered electrical supply, Tenant will have the right, at its own cost and expense, to submeter from Landlord. When submetering is required under this Agreement, Landlord will read the meter and provide Tenant with an invoice and usage data on a monthly basis. Landlord agrees that it will not include a markup on the utility charges. Landlord further agrees to provide the usage data and invoice on forms provided by Tenant and to send such forms to such address and/or agent designated by Tenant. Tenant will remit payment within forty-five (45) days of receipt of the usage data and required forms. As noted in Section 4(c) above, any utility fee recovery by Landlord is limited to a twelve (12) month period. If Tenant submeters electricity from Landlord, Landlord agrees to give Tenant at least twenty-four (24) hours advance notice of any planned interruptions of said electricity. Landlord acknowledges that Tenant provides a communication service which requires electrical power to operate and must operate twenty-four (24) hours per day, seven (7) days per week. If an interruption in electrical power service occurs for an extended period of time, in Tenant's reasonable determination, Landlord agrees to allow Tenant the right to bring in a temporary source of power for the duration of the interruption. Landlord will not be responsible for interference with, interruption of or failure, beyond the reasonable control of Landlord, of such services to be furnished or supplied by Landlord.

(d) Tenant will have the right to install utilities, at Tenant's expense, and to improve present utilities on the Property and the Premises. Landlord hereby grants to any company providing utility or similar services, including electric power and telecommunications, to Tenant an easement over the Property, from an open and improved public road to the Premises, and upon the Premises, for the purpose of constructing, operating and maintaining such lines, wires, circuits, and conduits, associated equipment cabinets and such appurtenances thereto, as such companies may from time to time require in order to provide such services to the Premises. Upon Tenant's or the service company's request, Landlord will execute a separate recordable easement evidencing this grant, at no cost to Tenant or the service company.

15. DEFAULT AND RIGHT TO CURE.

(a) The following will be deemed a default by Tenant and a breach of this Agreement: (i) non-payment of Rent if such Rent remains unpaid for more than thirty (30) days after written notice from Landlord of such failure to pay; or (ii) Tenant's failure to perform any other term or condition under this Agreement within forty-five (45) days after written notice from Landlord specifying the failure. No such failure, however, will be deemed to exist if Tenant has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Tenant. If Tenant remains in default beyond any applicable cure period, Landlord will have the right to exercise any and all rights and remedies available to it under law and equity.

(b) The following will be deemed a default by Landlord and a breach of this Agreement: (i) Landlord's failure to provide Access to the Premises as required by Section 12 of this Agreement within twenty-four (24) hours after written notice of such failure; (ii) Landlord's failure to cure an interference problem as required by Section 8 of this Agreement within two (2) business days after written notice of such failure; or (iii) Landlord's failure to perform any term, condition, or breach of any warranty or covenant under this Agreement within forty-five (45) days of written notice from Tenant specifying the failure. No such failure, however, will be deemed to exist if Landlord has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default beyond any applicable cure period, Tenant will have: (1) the right to cure Landlord's default and to deduct the costs of such cure from monies due to Landlord from Tenant, and (2) any and all other rights available to it under law and equity.

16. ASSIGNMENT/SUBLEASE. Tenant will have the right to assign this Agreement or sublease the Premises and its rights herein, in whole or in part only to Affiliate or subsidiary of the Tenant, without Landlord's consent. Upon notification to Landlord of such assignment, Tenant will be relieved of all future performance, liabilities and obligations under this Agreement to the extent of such assignment.

17. NOTICES. All notices, requests and demands hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices will be addressed to the parties as follows:

If to Landlord: City of Lathrop
 Attn: City Clerk
 390 Towne Centre Drive
 Lathrop, CA 95330

With a copy to: City of Lathrop
 Attn: City Attorney
 390 Towne Centre Drive
 Lathrop, CA 95330

If to Tenant: Sacramento-Valley Limited Partnership
d/b/a Verizon Wireless
180 Washington Valley Road
Bedminster, New Jersey 07921
Attention: Network Real Estate
Site: New Lathrop Cirrus Court

Either party hereto may change the place for the giving of notice to it by thirty (30) days' prior written notice to the other as provided herein.

18. CONDEMNATION. In the event Landlord receives notification of any condemnation proceedings affecting the Property, Landlord will provide notice of the proceeding to Tenant within forty-eight (48) hours. If a condemning authority takes all of the Property, or a portion sufficient, in Tenant's sole determination, to render the Premises unsuitable for Tenant, this Agreement will terminate as of the date the title vests in the condemning authority. The parties will each be entitled to pursue their own separate awards in the condemnation proceeds, which for Tenant will include, where applicable, the value of its Communication Facility, moving expenses, prepaid Rent, and business dislocation expenses. Tenant will be entitled to reimbursement for any prepaid Rent on a prorated basis.

19. CASUALTY. Landlord will provide notice to Tenant of any casualty or other harm affecting the Property within forty-eight (48) hours of the casualty or other harm. If any part of the Communication Facility or the Property is damaged by casualty or other harm as to render the Premises unsuitable, in Tenant's sole determination, then Tenant may terminate this Agreement by providing written notice to Landlord, which termination will be effective as of the date of such casualty or other harm. Upon such termination, Tenant will be entitled to collect all insurance proceeds payable to Tenant on account thereof and to be reimbursed for any prepaid Rent on a prorata basis. Landlord agrees to permit Tenant to place temporary transmission and reception facilities on the Property, but only until such time as Tenant is able to activate a replacement transmission facility at another location; notwithstanding the termination of this Agreement, such temporary facilities will be governed by all of the terms and conditions of this Agreement, including Rent. If Landlord or Tenant undertakes to rebuild or restore the Premises and/or the Communication Facility, as applicable, Landlord agrees to permit Tenant to place temporary transmission and reception facilities on the Property at no additional Rent until the reconstruction of the Premises and/or the Communication Facility is completed. If Landlord determines not to rebuild or restore the Property, Landlord will notify Tenant of such determination within thirty (30) days after the casualty or other harm. If Landlord does not so notify Tenant, and Tenant decides not to terminate under this Section, then Landlord will promptly rebuild or restore any portion of the Property interfering with or required for Tenant's Permitted Use of the Premises to substantially the same condition as existed before the casualty or other harm. Landlord agrees that the Rent shall be abated until the Property and/or the Premises are rebuilt or restored, unless Tenant places temporary transmission and reception facilities on the Property.

20. WAIVER OF LANDLORD'S LIENS. Landlord waives any and all lien rights it may have, statutory or otherwise, concerning the Communication Facility or any portion thereof. The Communication Facility shall be deemed personal property for purposes of this Agreement, regardless of whether any portion is deemed real or personal property under applicable law; Landlord consents to Tenant's right to remove all or any portion of the Communication Facility from time to time in Tenant's sole discretion and without Landlord's consent.

21. TAXES.

(a) Landlord shall be responsible for (i) all taxes and assessments levied upon the lands, improvements and other property of Landlord including any such taxes that may be calculated by a taxing authority using any method, including the income method, (ii) all sales, use, license, value added,

documentary, stamp, gross receipts, registration, real estate transfer, conveyance, excise, recording, and other similar taxes and fees imposed in connection with this Agreement, and (iii) all sales, use, license, value added, documentary, stamp, gross receipts, registration, real estate transfer, conveyance, excise, recording, and other similar taxes and fees imposed in connection with a sale of the Property or assignment of Rent payments by Landlord. Tenant shall be responsible for (y) any taxes and assessments attributable to and levied upon Tenant's leasehold improvements on the Premises if and as set forth in this Section 21 and (z) all sales, use, license, value added, documentary, stamp, gross receipts, registration, real estate transfer, conveyance, excise, recording, and other similar taxes and fees imposed in connection with an assignment of this Agreement or sublease by Tenant. Nothing herein shall require Tenant to pay any inheritance, franchise, income, payroll, excise, privilege, rent, capital stock, stamp, documentary, estate or profit tax, or any tax of similar nature, that is or may be imposed upon Landlord.

(b) In the event Landlord receives a notice of assessment with respect to which taxes or assessments are imposed on Tenant's leasehold improvements on the Premises, Landlord shall provide Tenant with copies of each such notice immediately upon receipt, but in no event later than thirty (30) days after the date of such notice of assessment. If Landlord does not provide such notice or notices to Tenant in a timely manner and Tenant's rights with respect to such taxes are prejudiced by the delay, Landlord shall reimburse Tenant for any increased costs directly resulting from the delay and Landlord shall be responsible for payment of the tax or assessment set forth in the notice, and Landlord shall not have the right to reimbursement of such amount from Tenant. If Landlord provides a notice of assessment to Tenant within such time period and requests reimbursement from Tenant as set forth below, then Tenant shall reimburse Landlord for the tax or assessments identified on the notice of assessment on Tenant's leasehold improvements, which has been paid by Landlord. If Landlord seeks reimbursement from Tenant, Landlord shall, no later than thirty (30) days after Landlord's payment of the taxes or assessments for the assessed tax year, provide Tenant with written notice including evidence that Landlord has timely paid same, and Landlord shall provide to Tenant any other documentation reasonably requested by Tenant to allow Tenant to evaluate the payment and to reimburse Landlord.

(c) For any tax amount for which Tenant is responsible under this Agreement, Tenant shall have the right to contest, in good faith, the validity or the amount thereof using such administrative, appellate or other proceedings as may be appropriate in the jurisdiction, and may defer payment of such obligations, pay same under protest, or take such other steps as permitted by law. This right shall include the ability to institute any legal, regulatory or informal action in the name of Landlord, Tenant, or both, with respect to the valuation of the Premises. Landlord shall cooperate with respect to the commencement and prosecution of any such proceedings and will execute any documents required therefor. The expense of any such proceedings shall be borne by Tenant and any refunds or rebates secured as a result of Tenant's action shall belong to Tenant, to the extent the amounts were originally paid by Tenant. In the event Tenant notifies Landlord by the due date for assessment of Tenant's intent to contest the assessment, Landlord shall not pay the assessment pending conclusion of the contest, unless required by applicable law.

(d) Landlord shall not split or cause the tax parcel on which the Premises are located to be split, bifurcated, separated or divided without the prior written consent of Tenant.

(e) Tenant shall have the right but not the obligation to pay any taxes due by Landlord hereunder if Landlord fails to timely do so, in addition to any other rights or remedies of Tenant. In the event that Tenant exercises its rights under this Section 21(e) due to such Landlord default, Tenant shall have the right to deduct such tax amounts paid from any monies due to Landlord from Tenant as provided in Section 15(b), provided that Tenant may exercise such right without having provided to Landlord notice and the opportunity to cure per Section 15(b).

(f) Any tax-related notices shall be sent to Tenant in the manner set forth in Section 17. Promptly after the Effective Date, Landlord shall provide Tenant's notice address to the taxing authority for the authority's use in the event the authority needs to communicate with Tenant. In the event that Tenant's tax address changes by notice to Landlord, Landlord shall be required to provide Tenant's new tax address to the taxing authority or authorities.

(g) Notwithstanding anything to the contrary contained in this Section 21, Tenant shall have no obligation to reimburse any tax or assessment for which the Landlord is reimbursed or rebated by a third party.

22. SALE OF PROPERTY.

(a) Landlord shall not be prohibited from the selling, leasing or use of any of the Property or the Surrounding Property except as provided below.

(b) If Landlord, at any time during the Term of this Agreement, decides to rezone or sell, subdivide or otherwise transfer all or any part of the Premises, or all or any part of the Property or Surrounding Property, to a purchaser other than Tenant, Landlord shall promptly notify Tenant in writing, and such rezoning, sale, subdivision or transfer shall be subject to this Agreement and Tenant's rights hereunder. In the event of a change in ownership, transfer or sale of the Property, within ten (10) days of such transfer, Landlord or its successor shall send the documents listed below in this subsection (b) to Tenant. Until Tenant receives all such documents, Tenant shall not be responsible for any failure to make payments under this Agreement and reserves the right to hold payments due under this Agreement.

- i. Old deed to Property
- ii. New deed to Property
- iii. Bill of Sale or Transfer
- iv. Copy of current Tax Bill
- v. New IRS Form W-9 & CA FTB Form 590
- vi. Completed and Signed Tenant Payment Direction Form
- vii. Full contact information for new Landlord including phone number(s)

(c) Landlord agrees not to sell, lease or use any areas of the Property or Surrounding Property for the installation, operation or maintenance of other wireless communications facilities if such installation, operation or maintenance would interfere with Tenant's Permitted Use or communications equipment as determined by radio propagation tests performed by Tenant in its sole discretion. Landlord or Landlord's prospective purchaser shall reimburse Tenant for any costs and expenses of such testing. If the radio frequency propagation tests demonstrate levels of interference unacceptable to Tenant, Landlord shall be prohibited from selling, leasing or using any areas of the Property or the Surrounding Property for purposes of any installation, operation or maintenance of any other wireless communications facility or equipment.

(d) The provisions of this Section shall in no way limit or impair the obligations of Landlord under this Agreement, including interference and access obligations.

23. RENTAL STREAM OFFER. If at any time after the Effective Date of this Agreement, Landlord receives a bona fide written offer from a third party seeking an assignment or transfer of Rent payments associated with this Agreement ("**Rental Stream Offer**"), Landlord shall immediately furnish Tenant with a copy of the Rental Stream Offer. Tenant shall have the right within thirty (30) days after it receives such copy to match the Rental Stream Offer and agree in writing to match the terms of the Rental Stream Offer. Such writing shall be in the form of a contract substantially similar to the Rental Stream Offer. If Tenant chooses not to exercise this right or fails to provide written notice to Landlord within the thirty (30) day period, Landlord may assign the right to receive Rent payments pursuant to the Rental Stream Offer, subject to the terms of this Agreement. If Landlord attempts to assign or transfer Rent payments without complying with this Section, the assignment or transfer shall be void. Tenant shall not be responsible for any failure to make payments under this Agreement and reserves the right to hold payments due under this Agreement until Landlord complies with this Section.

24. MISCELLANEOUS.

(a) **Amendment/Waiver.** This Agreement cannot be amended, modified or revised unless done in writing and signed by Landlord and Tenant. No provision may be waived except in a writing signed by both parties. The failure by a party to enforce any provision of this Agreement or to require performance by the other party will not be construed to be a waiver, or in any way affect the right of either party to enforce such provision thereafter.

(b) **Memorandum/Short Form Lease.** Contemporaneously with the execution of this Agreement, the parties will execute a recordable Memorandum of Lease substantially in the form attached as **Exhibit 24(b)**. Either party may record this Memorandum of Lease at any time during the Option Term or the Term, as the case may be, in its absolute discretion. Thereafter during the Term of this Agreement, either party will, at any time upon fifteen (15) business days' prior written notice from the other, execute, acknowledge and deliver to the other a recordable Memorandum of Lease.

(c) **Limitation of Liability.** Except for the indemnity obligations set forth in this Agreement, and otherwise notwithstanding anything to the contrary in this Agreement, Tenant and Landlord each waives any claims that each may have against the other with respect to consequential, incidental or special damages, however caused, based on any theory of liability.

(d) **Compliance with Law.** Tenant agrees to comply with all federal, state and local laws, orders, rules and regulations ("Laws") applicable to Tenant's use of the Communication Facility on the Property. Landlord agrees to comply with all Laws relating to Landlord's ownership and use of the Property and any improvements on the Property.

(e) **Bind and Benefit.** The terms and conditions contained in this Agreement will run with the Property and bind and inure to the benefit of the parties, their respective heirs, executors, administrators, successors and assigns.

(f) **Entire Agreement.** This Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties hereto and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Agreement. Exhibits are numbered to correspond to the Section wherein they are first referenced. Except as otherwise stated in this Agreement, each party shall bear its own fees and expenses (including the fees and expenses of its agents, brokers, representatives, attorneys, and accountants) incurred in connection with the negotiation, drafting, execution and performance of this Agreement and the transactions it contemplates.

(g) **Governing Law.** This Agreement will be governed by the laws of the state in which the Premises are located, without regard to conflicts of law.

(h) **Interpretation.** Unless otherwise specified, the following rules of construction and interpretation apply: (i) captions are for convenience and reference only and in no way define or limit the construction of the terms and conditions hereof; (ii) use of the term "including" will be interpreted to mean "including but not limited to"; (iii) whenever a party's consent is required under this Agreement, except as otherwise stated in this Agreement or as same may be duplicative, such consent will not be unreasonably withheld, conditioned or delayed; (iv) exhibits are an integral part of this Agreement and are incorporated by reference into this Agreement; (v) use of the terms "termination" or "expiration" are interchangeable; (vi) reference to a default will take into consideration any applicable notice, grace and cure periods; (vii) to the extent there is any issue with respect to any alleged, perceived or actual ambiguity in this Agreement, the ambiguity shall not be resolved on the basis of who drafted the Agreement; (viii) the singular use of words includes the plural where appropriate and (ix) if any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force if the overall purpose of the Agreement is not rendered impossible and the original purpose, intent or consideration is not materially impaired.

(i) **Affiliates.** All references to "Tenant" shall be deemed to include any Affiliate of Tenant using the Premises for any Permitted Use or otherwise exercising the rights of Tenant pursuant to this Agreement. "Affiliate" means with respect to a party to this Agreement, any person or entity that (directly or indirectly) controls, is controlled by, or under common control with, that party. "Control" of a person or

entity means the power (directly or indirectly) to direct the management or policies of that person or entity, whether through the ownership of voting securities, by contract, by agency or otherwise.

(j) **Survival.** Any provisions of this Agreement relating to indemnification shall survive the termination or expiration hereof. In addition, any terms and conditions contained in this Agreement that by their sense and context are intended to survive the termination or expiration of this Agreement shall so survive.

(k) **Standard Payment Direction Form/W-9/FTB 590.** As a condition precedent to payment, Landlord agrees to provide Tenant with a properly completed (i) Standard Payment Direction Form of Tenant; and (ii) IRS Form W-9 and CA FTB Form 590, or their respective tax form equivalents, upon execution of this Agreement and at such other times as may be reasonably requested by Tenant, including, any change in Landlord's name or address.

(l) **Execution/No Option.** The submission of this Agreement to any party for examination or consideration does not constitute an offer, reservation of or option for the Premises based on the terms set forth herein. This Agreement will become effective as a binding Agreement only upon the handwritten legal execution, acknowledgment and delivery hereof by Landlord and Tenant. This Agreement may be executed in two (2) or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties. All parties need not sign the same counterpart.

(m) **Attorneys' Fees.** In the event that any dispute between the parties related to this Agreement should result in litigation, the prevailing party in such litigation shall be entitled to recover from the other party all reasonable fees and expenses of enforcing any right of the prevailing party, including without limitation, reasonable attorneys' fees and expenses. Prevailing party means the party determined by the court to have most nearly prevailed even if such party did not prevail in all matters. This provision will not be construed to entitle any party other than Landlord, Tenant and their respective Affiliates to recover their fees and expenses.

(n) **WAIVER OF JURY TRIAL.** EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER ANY THEORY OF LIABILITY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE TRANSACTIONS IT CONTEMPLATES.

(o) **Incidental Fees.** Unless specified in this Agreement, no unilateral fees or additional costs or expenses are to be applied by either party to the other party, including review of plans, structural analyses, consents, provision of documents or other communications between the parties.


(p) **Further Acts.** Upon request, Landlord will cause to be promptly and duly taken, executed, acknowledged and delivered all such further acts, documents, and assurances as Tenant may request from time to time in order to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all transactions and permitted use contemplated by this Agreement.

(Signatures appear on following page)

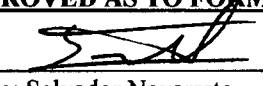
IN WITNESS WHEREOF, the parties have caused this Agreement to be effective as of the last date written below.

LANDLORD:

City of Lathrop,
a California municipal corporation

By: 
Name: Stephen J. Salvatore
Its: City Manager
Date: 2-16-23

APPROVED AS TO FORM:

By: 
Name: Salvador Navarrete
Its: City Attorney
Date: 2-8-2023

Subject to council ratification

TENANT:

Sacramento-Valley Limited Partnership, dba Verizon
Wireless

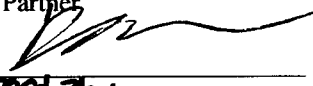
By: AirTouch Cellular Inc., its
General Partner
By: 
Name: Fred Zhu
Its: Executive Director
Date: 2/2/23

EXHIBIT 1

DESCRIPTION OF PROPERTY & PREMISES

to the Option and Tower Lease Agreement dated as of February 14, 2023, 2022, by and between the City of Lathrop, a California municipal corporation, as Landlord, and Sacramento-Valley Limited Partnership, dba Verizon Wireless, as Tenant.

The Property is legally described as follows:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Being a portion of Parcel 1, as said parcel is shown on the map entitled "Tract 3876, River Islands, Phase 1B, Large Lot Final Map", filed March 31, 2016, in Book 42 of Maps and Plats, at Page 56, official records of San Joaquin County, more particularly described as follows:

BEGINNING at a point on the East line of J7 court, as said court is described in Document No. 2020-076610, of Official Records of San Joaquin County;

Thence along said East line, along a curve to the left, having a radius of 56.00 feet, from which point the radius point bears South 50° 36' 58" West, through a central angle of 05° 11' 29", an arc distance of 5.07 feet;

Thence, along a reverse curve, having a radius of 17.00 feet, through a central angle of 44° 34' 31", an arc distance of 13.23 feet;

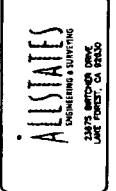
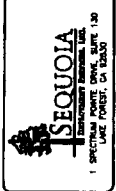
Thence, North 24.30 feet; thence, leaving said East line, East 90.00 feet; thence, South 40.00 feet; thence, West 81.72 feet to said point of beginning.

The Premises are described and/or depicted as follows:

[100% Construction Drawings (Sheets T-1; C-1; C-2; A-1; A-2; A-3; A-4; A-5; A-6; A-7; D-1; D-2; D-3; D-4; D-4.1; E-1; E-2; E-3; G-1; G-2) Dated November, 2022, Prepared by Allstates Engineering & Surveying, and Consisting of twenty (20) Pages, Appear on Following Pages]

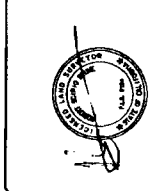
Notes:

1. THIS EXHIBIT MAY BE REPLACED BY A LAND SURVEY AND/OR CONSTRUCTION DRAWINGS OF THE PREMISES ONCE RECEIVED BY TENANT.
2. ANY SETBACK OF THE PREMISES FROM THE PROPERTY'S BOUNDARIES SHALL BE THE DISTANCE REQUIRED BY THE APPLICABLE GOVERNMENTAL AUTHORITIES.
3. WIDTH OF ACCESS ROAD SHALL BE THE WIDTH REQUIRED BY THE APPLICABLE GOVERNMENTAL AUTHORITIES, INCLUDING POLICE AND FIRE DEPARTMENTS.
4. THE TYPE, NUMBER AND MOUNTING POSITIONS AND LOCATIONS OF ANTENNAS AND TRANSMISSION LINES ARE ILLUSTRATIVE ONLY. ACTUAL TYPES, NUMBERS AND MOUNTING POSITIONS MAY VARY FROM WHAT IS SHOWN ABOVE.



PROJECT NO. NEW LATHROP
 DRAWN BY: NC
 CHECKED BY: JZ/NC/7/20

NO.	DATE	DESCRIPTION
1	11/17/2022	FINAL SURVEY DRAWING
2	11/17/2022	FINAL SURVEY DRAWING
3	11/17/2022	FINAL SURVEY DRAWING
4	11/17/2022	FINAL SURVEY DRAWING
5	11/17/2022	FINAL SURVEY DRAWING
6	11/17/2022	FINAL SURVEY DRAWING
7	11/17/2022	FINAL SURVEY DRAWING
8	11/17/2022	FINAL SURVEY DRAWING
9	11/17/2022	FINAL SURVEY DRAWING
10	11/17/2022	FINAL SURVEY DRAWING
11	11/17/2022	FINAL SURVEY DRAWING
12	11/17/2022	FINAL SURVEY DRAWING
13	11/17/2022	FINAL SURVEY DRAWING
14	11/17/2022	FINAL SURVEY DRAWING
15	11/17/2022	FINAL SURVEY DRAWING
16	11/17/2022	FINAL SURVEY DRAWING
17	11/17/2022	FINAL SURVEY DRAWING
18	11/17/2022	FINAL SURVEY DRAWING
19	11/17/2022	FINAL SURVEY DRAWING
20	11/17/2022	FINAL SURVEY DRAWING
21	11/17/2022	FINAL SURVEY DRAWING
22	11/17/2022	FINAL SURVEY DRAWING
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24	11/17/2022	FINAL SURVEY DRAWING
25	11/17/2022	FINAL SURVEY DRAWING
26	11/17/2022	FINAL SURVEY DRAWING
27	11/17/2022	FINAL SURVEY DRAWING
28	11/17/2022	FINAL SURVEY DRAWING
29	11/17/2022	FINAL SURVEY DRAWING
30	11/17/2022	FINAL SURVEY DRAWING



I, A. VICTORIA, OF THE STATE OF CALIFORNIA, LICENSE NO. 11018, REGISTERED PROFESSIONAL ENGINEER, DO HEREBY CERTIFY THAT THIS DRAWING WAS PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IT COMES INTO ACCORDANCE WITH THE REQUIREMENTS OF THE PROFESSIONAL ENGINEERING ACT.

NEW LATHROP
 APN 210-210-01
 650 STEWART ROAD
 LATHROP CA, 95330
 SITE EXHIBIT

SHEET TITLE
 TITLE & EXCEPTIONS
 INFORMATION

SHEET NUMBER
 C-2

BENCHMARK
 ECOM-412 219427.143
 NORTHING 219427.971
 EASTING 453.27 (AKS2L)

BASIS OF BEARING
 BEARINGS SHOWN HEREON ARE BASED UPON THE 1983 NORTH AMERICAN DATUM (NAD 83) AND THE CALIFORNIA STATE PLANE COORDINATE SYSTEM (CALSPAN) WITH STATE COORDINATE ZONE 10E. BEARINGS DETERMINED BY GPS OBSERVATIONS.

REFERENCE MAPS

- TRACT 2078 (45-46-58)
- TRACT 2079 (45-46-59)
- MAP 1 2022-07648P-34
- MAP 1 2022-07648-10

NOTES:

- THIS IS NOT A RECONSTRUCTION SURVEY. THIS IS A RECONSTRUCTED MEASUREMENTS AND THE PROPERTY LINES AND BOUNDARIES SHOWN HEREON ARE FROM RECORD INFORMATION AS NOTED HEREON. THIS SURVEY IS INTENDED FOR PUBLIC RECORD AND NOT FOR RECONSTRUCTION AS AN OFFICIAL RECORD OF SURVEY DRAWING. ALL STATES ENGINEERING & SURVEYING/ZALZALU & ASSOCIATES, INC. HAS CONDUCTED THIS SURVEY IN ACCORDANCE WITH THE REQUIREMENTS OF THE PROFESSIONAL ENGINEERING ACT AND THE CALIFORNIA REGISTERED PROFESSIONAL ENGINEERING ACT. THE RESULTS OF THIS SURVEY ARE SHOWN HEREON AND TITLE RESEARCH WAS PERFORMED BY ALL STATES ENGINEERING & SURVEYING/ZALZALU & ASSOCIATES, INC.
- ANY CHANGES MADE TO THE INFORMATION ON THE PLAN WITHOUT THE WRITTEN CONSENT OF ALL STATES ENGINEERING & SURVEYING/ZALZALU & ASSOCIATES, INC. RELIEVES ALL STATES ENGINEERING & SURVEYING/ZALZALU & ASSOCIATES, INC. OF ANY AND ALL LIABILITY.
- THESE DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF ALL STATES ENGINEERING & SURVEYING/ZALZALU & ASSOCIATES, INC. AND SHALL NOT BE USED ON ANY OTHER WORK EXCEPT BY AGREEMENT WITH THE SURVEYOR, AND BY WRITTEN PERMISSION FROM ALL STATES ENGINEERING & SURVEYING/ZALZALU & ASSOCIATES, INC.
- WRITTEN INTERFERENCES SHALL BE NOTICED PRIOR TO COMMENCEMENT OF ANY WORK TO BE PERFORMED ON THE JOB SITE. ANY DISCREPANCY SHALL BE NOTICED TO THE SURVEYOR PRIOR TO COMMENCEMENT OF ANY WORK.
- THIS SITE IS LOCATED WITHIN THE CITY OF LATHROP, COUNTY OF WASHINGTON, STATE OF WASHINGTON.
- TITLE INFORMATION SHOWN HEREON IS PER A REPORT OF TITLE PREPARED BY EQUITY NATIONAL TITLE INSURANCE COMPANY; ORDER NO.: 2819038084; CUSTOMER REFERENCE NUMBER: NEW LATHROP; AND DATED OCTOBER 23, 2022.
- THIS DRAWING IS NOT INTENDED TO VERIFY OWNERSHIP OR USAGE. SURVEYOR HAS NOT PERFORMED A SEARCH OF PUBLIC RECORDS TO DETERMINE ANY DEFECT IN TITLE.

TITLE INFORMATION
 TITLE INFORMATION SHOWN HEREON IS PER A REPORT OF TITLE PREPARED BY EQUITY NATIONAL TITLE INSURANCE COMPANY; ORDER NO.: 2819038084; CUSTOMER REFERENCE NUMBER: NEW LATHROP; AND DATED OCTOBER 23, 2022.

LEGAL DESCRIPTION:
 AN UNDIVIDED INTEREST SITUATE IN THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 1, AS SAID PARCEL IS SHOWN ON THE MAP ENTITLED "TRACT 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 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2788 MITCHELL DRIVE, SUITE 9
HAUNGT CREEK, CA 94025



1 IMPACT POINTS DRIVE, SUITE 10
LAKE FOREST, CA 92650-2708



20475 BRETHERIDGE DRIVE
LAKE FOREST, CA 92650

PROJECT ID: NEW LATHROP
DRAWN BY: [signature]
CHECKED BY: [signature]

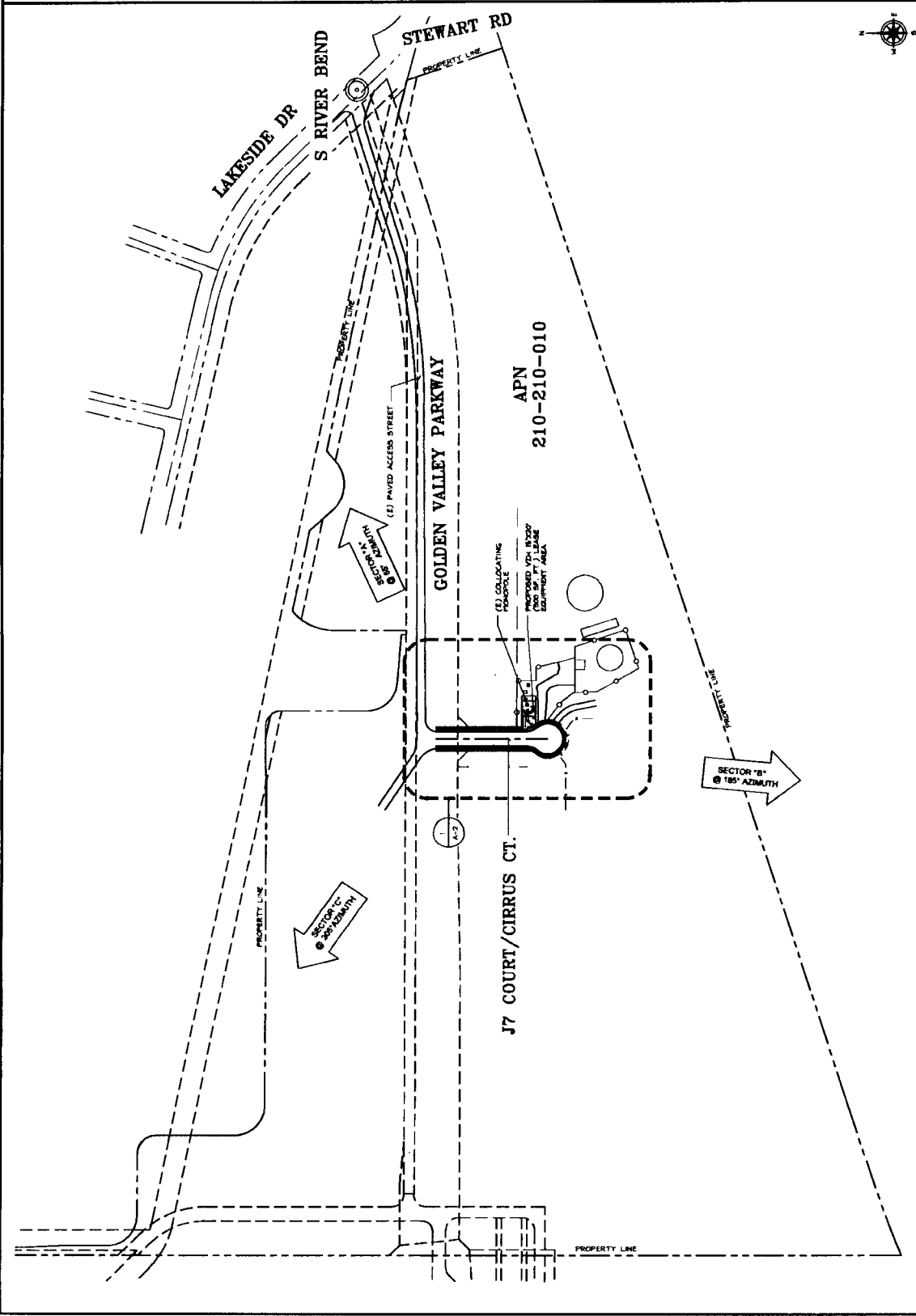
REV	DATE	DESCRIPTION
0	11/20/22	ISS FOR SUBMITTAL
1	11/20/22	ISS FOR SUBMITTAL

IT IS A VIOLATION OF LAW FOR ANY PERSON TO SEAL OR SIGN ANY DOCUMENTS FOR ANY OTHER PROJECT THAN THE PROJECT FOR WHICH THE SEAL AND SIGNATURE ARE USED.

NEW LATHROP
MONPOLE:
850 STEWART RD
LATHROP, CA 95330

SHEET TITLE
OVERALL SITE PLAN

SHEET NUMBER
A-1



OVERALL SITE PLAN 1
1/8" = 100' SCALE, NTS
1/16" = 100' SCALE, NTS

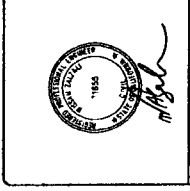


SEQUOIA
 1 SPECTRUM PARKWAY, SUITE 100
 LAKE FOREST, CA 92551-7285

ALISTATES
 2545 WILSONS CREEK
 LAKE FOREST, CA 92550

PROJECT ID: NEW LATHROP
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]

REV	DATE	DESCRIPTION
0	11/20/22	ISSUED FOR PERMITAL USE
1	11/20/22	ISSUED FOR PERMITAL USE

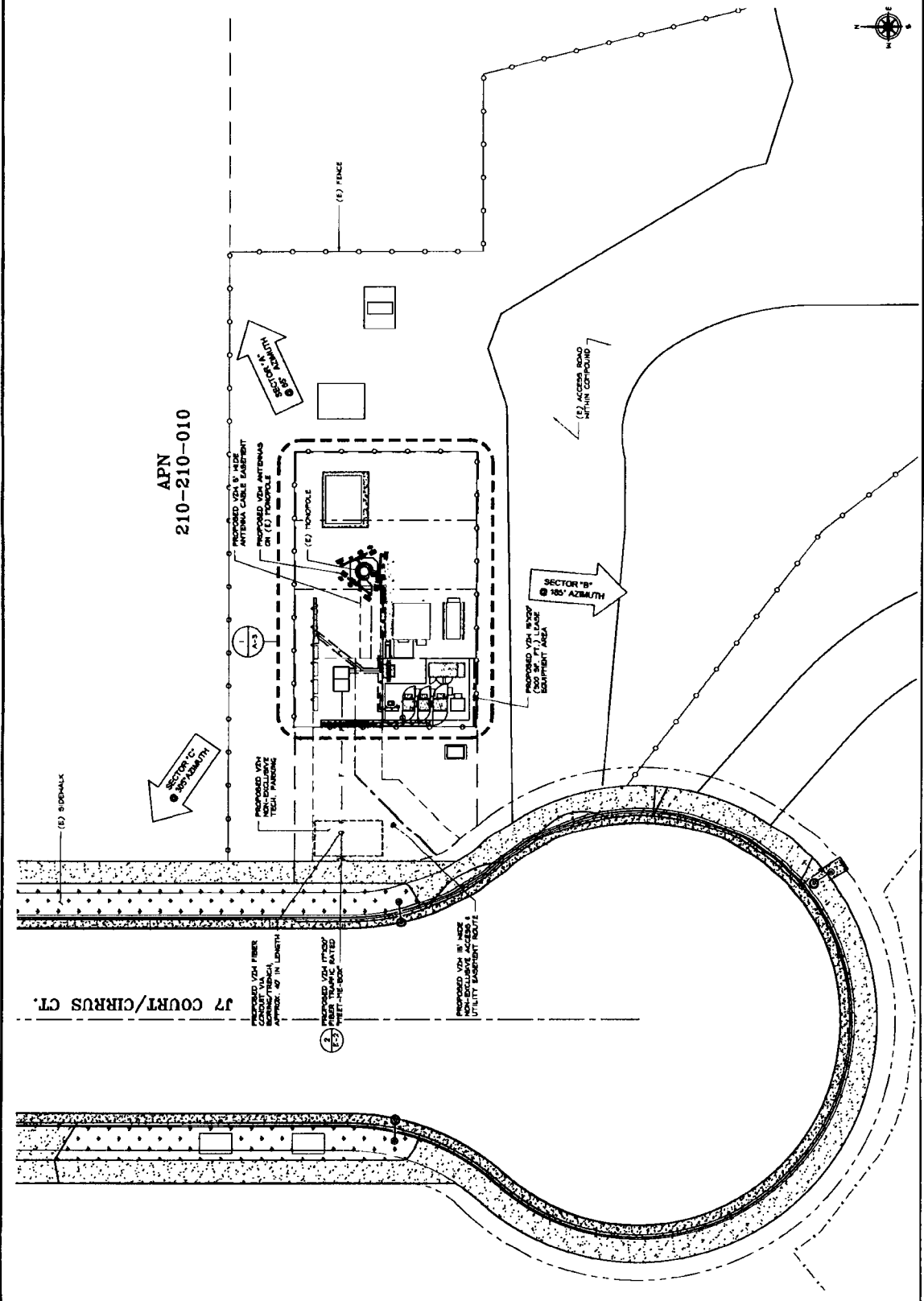


IT IS A VIOLATION OF LAW FOR ANY PERSON TO REPRODUCE OR TRANSMIT ANY INFORMATION CONTAINED HEREIN WITHOUT THE WRITTEN PERMISSION OF THE ENGINEER TO ALTER THIS DOCUMENT.

NEW LATHROP
 MONOPOLE:
 950 STEWART RD
 LATHROP, CA 95330

SHEET TITLE
ENLARGED SITE PLAN

SHEET NUMBER
A-2



77 COURT/CIRRUS CT.

APN 210-210-010

20'-0" SCALE INTS
 1/4" = 1'-0" SCALE INTS

ENLARGED SITE PLAN

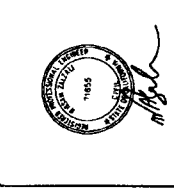
verizon
 7700 CENTRAL EXPRESS WAY, SUITE 100
 PALM JARVIS, CA 94306

SEQUOIA
 CONSULTING ENGINEERS, INC.
 10000 BAYVIEW DRIVE, SUITE 100
 LAKE FOREST, CA 94035

ALLSTATES
 23475 BRETHER DRIVE
 LAKE FOREST, CA 94586

PROJECT ID: NEW LATHROP
 DRAWN BY: DS
 CHECKED BY: DS

REV	DATE	DESCRIPTION
0	1/1/2020	ISSUE FOR SUBMITTAL
1	1/1/2020	ISSUE FOR REVIEW



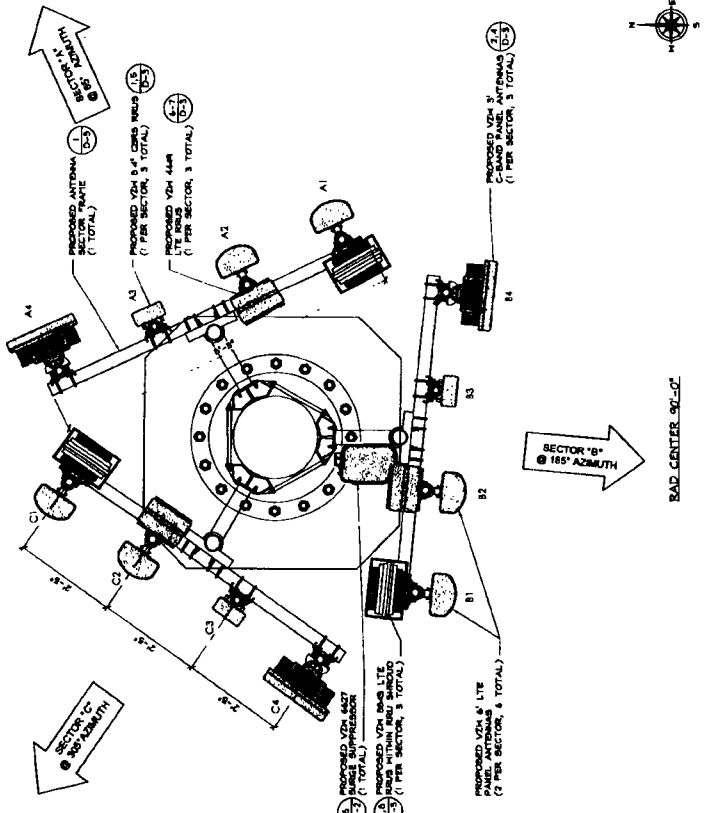
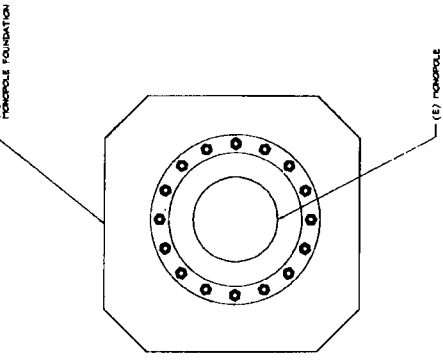
IT IS A CONDITION OF THIS PERMIT THAT THE PROPOSED WORK SHALL BE CONFORMANT WITH ALL APPLICABLE REGULATIONS AND ORDINANCES OF THE LOCAL AGENCIES AND THE STATE OF CALIFORNIA.

NEW LATHROP
 5000 WILSON RD
 LATHROP, CA 94530

SHEET TITLE
ANTENNA LAYOUT PLANS

SHEET NUMBER
A-5

SECTOR	RAD CENTER	TECHNOLOGY	ANTENNA			TRANSMISSION LINES			TRANSMISSION LINES					
			MFR	MODEL #	COUNT	SIZE	ADMN	CABLE LENGTH	CONDUIT SIZE	TYPE	NO. WAST HOOKS	WIRE CODE		
ALPHA	A1	NEW	90°	COMMSCOPE	NRH458R2B	2	6'-0"	65°	±1.50'	5'	ERICKSON	4497884G	1/1	
	A2	NEW	90°	ERICKSON	IRE1032B1/1	1	8'-0"	185°	±1.50'	-	ERICKSON	4408348 DC	1	
	A3	NEW	90°	ERICKSON	ARB44P	1	3'-0"	305°	±1.50'	-	WITHIN	-	-	
BETA	B1	NEW	90°	COMMSCOPE	NH458R2B	2	6'-0"	65°	±1.50'	5'	(2) 6-12 HYBRID TRUNKS	ERICKSON	4497884G	1/1
	B2	NEW	90°	ERICKSON	IRE1032B1/1	1	8'-0"	185°	±1.50'	-	ERICKSON	4408348 DC	1	
	B3	NEW	90°	ERICKSON	ARB44P	1	3'-0"	305°	±1.50'	-	WITHIN	-	-	
GAMMA	C1	NEW	90°	COMMSCOPE	NRH458R2B	2	6'-0"	65°	±1.50'	5'	ERICKSON	4497884G	1/1	
	C2	NEW	90°	ERICKSON	IRE1032B1/1	1	8'-0"	185°	±1.50'	-	ERICKSON	4408348 DC	1	
	C3	NEW	90°	ERICKSON	ARB44P	1	3'-0"	305°	±1.50'	-	WITHIN	-	-	



2' PANEL SCALE 1" = 1'-0" 1" PANEL SCALE 1/2" = 1'-0" 1

2' PANEL SCALE 1" = 1'-0" 1" PANEL SCALE 1/2" = 1'-0" 2

RAD. CENTER 90°-Z

RAD. CENTER 90°-Z

EXISTING ANTENNA LAYOUT PLAN

PROPOSED ANTENNA LAYOUT PLAN



7700 PITCABEL DRIVE, SUITE 9
MILPITAS, CA 95030

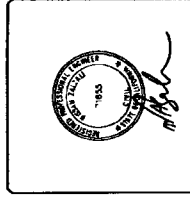


1000 UNIVERSITY AVENUE, SUITE 100
SANTA ANITA, CA 95050

ALLSTATES
ENGINEERING & SURVEYING
1000 UNIVERSITY AVENUE, SUITE 100
SANTA ANITA, CA 95050

PROJECT ID:	NEW LATHROP
DRAWN BY:	SS
CHECKED BY:	SS

REV	DATE	DESCRIPTION
0	11/20/22	ISS FOR SUBMITTAL
A	11/20/22	ISS FOR REVIEW

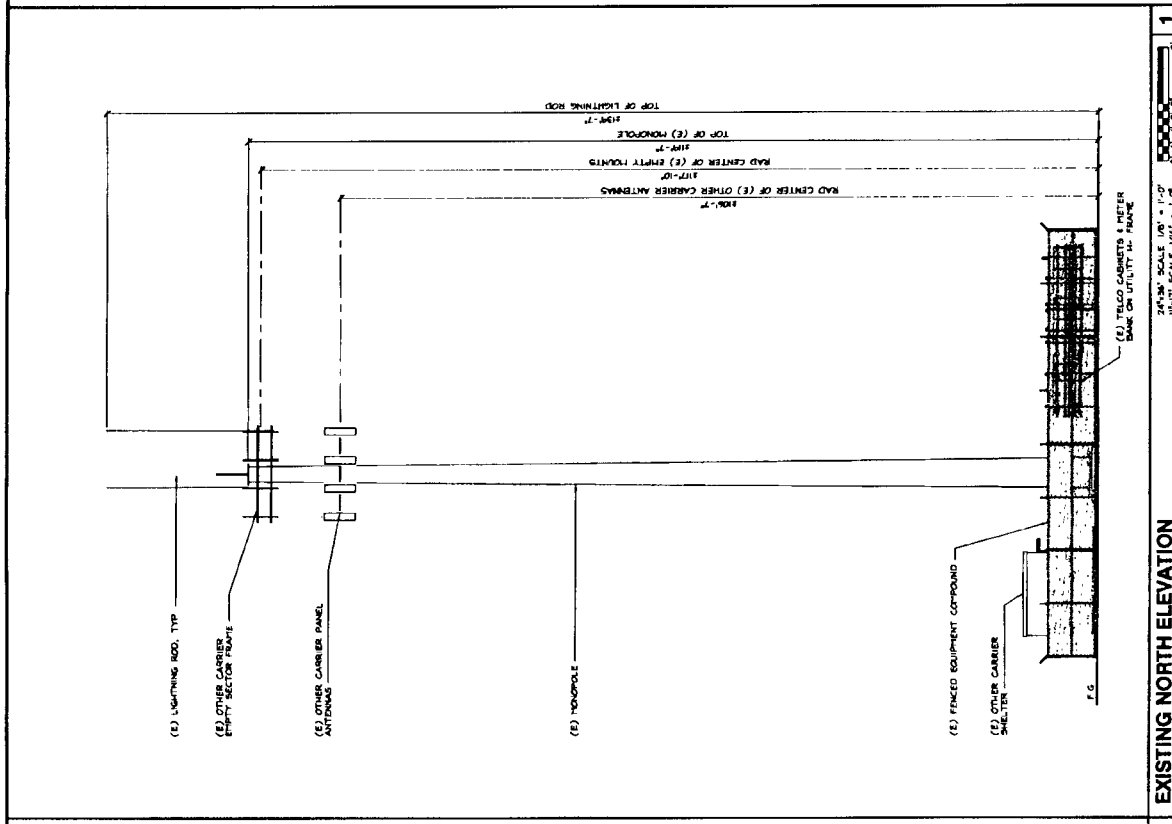


IT IS THE POLICY OF ALLSTATES ENGINEERING & SURVEYING TO MAINTAIN THE ACCURACY OF THIS DOCUMENT. ANY CHANGES TO THIS DOCUMENT MUST BE MADE BY A REGISTERED PROFESSIONAL ENGINEER TO AVOID ANY LIABILITY.

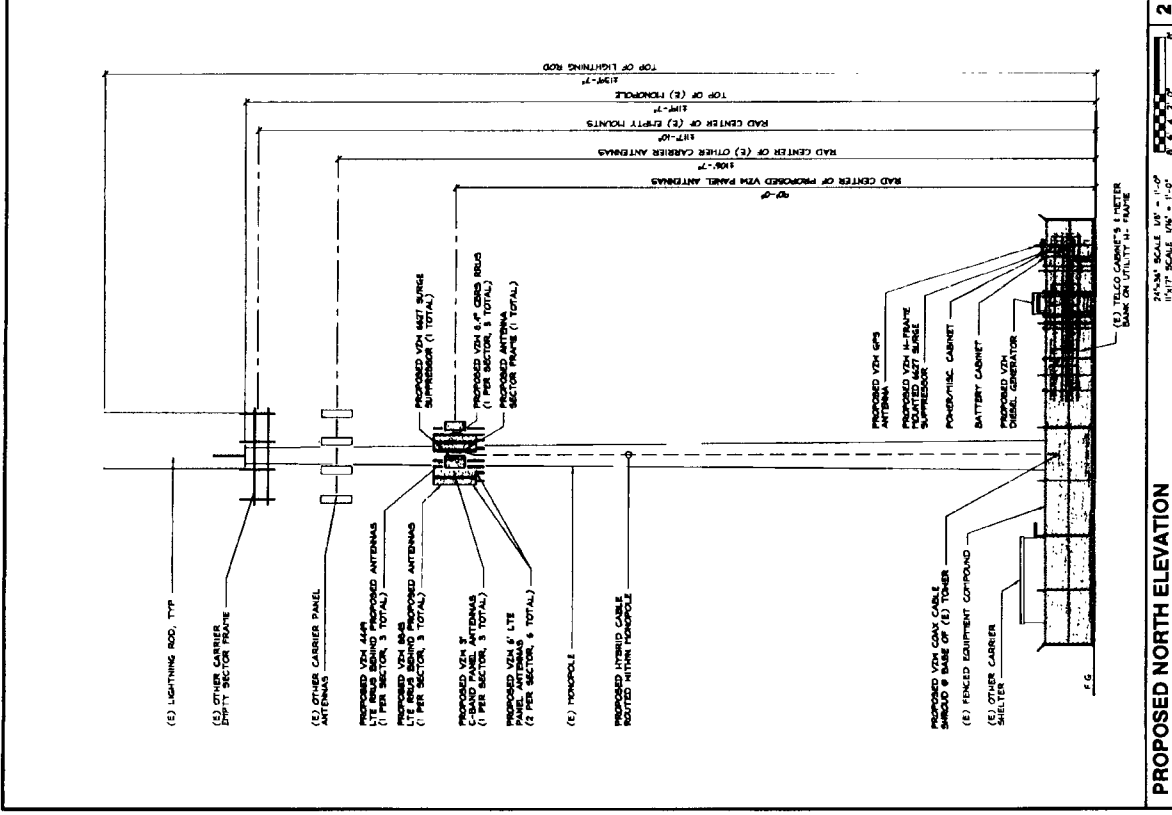
NEW LATHROP MONOPOLE:
950 STEWART RD
LATHROP, CA 95330

SHEET TITLE
ELEVATIONS

SHEET NUMBER
A-6



EXISTING NORTH ELEVATION



PROPOSED NORTH ELEVATION



1700 MITCHELL DRIVE, SUITE 9
MOUNTAIN VIEW, CA 94035



ALLSTATES
ENGINEERING & SURVEYING
25075 BARTON DRIVE
LAKE FOREST, CA 92650

PROJECT ID: NEW LATHROP
DRAWN BY: [signature]
CHECKED BY: [signature]

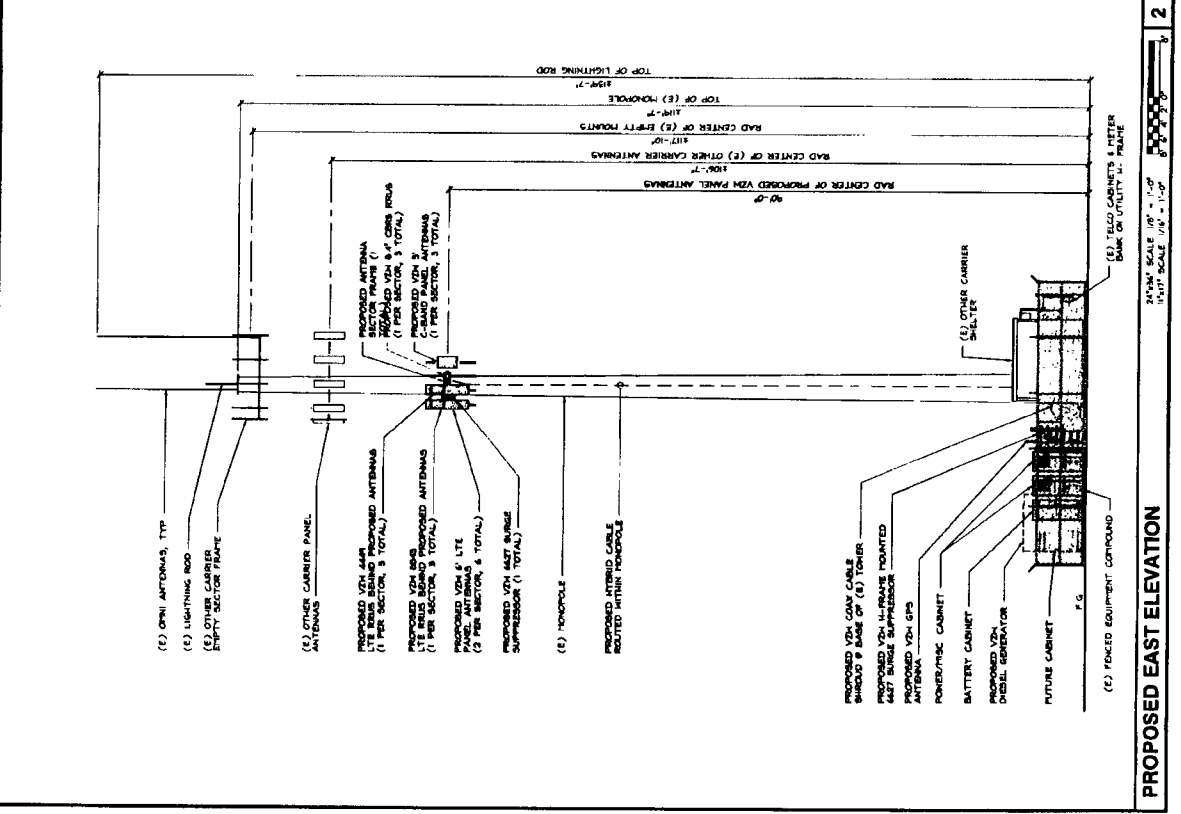
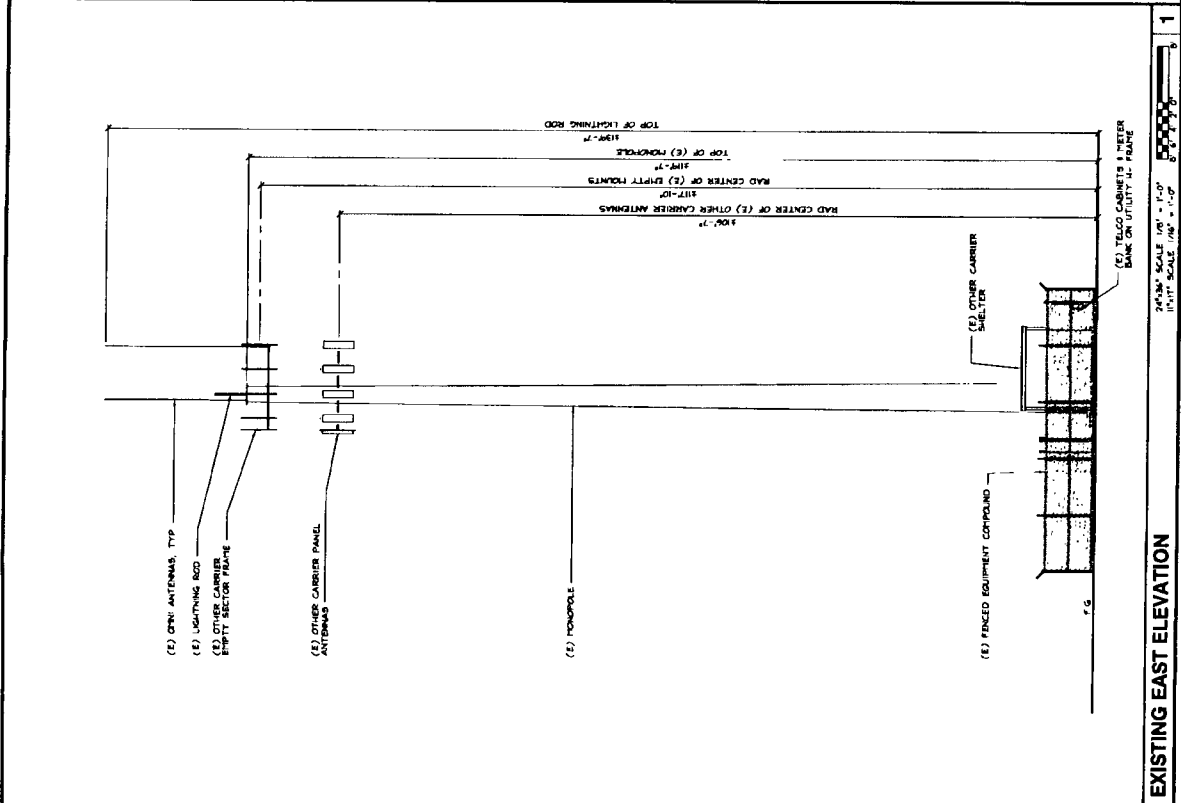
NO.	DATE	DESCRIPTION
0	ISSUED FOR PERMIT	
1	ISSUED FOR CONSTRUCTION	
2	ISSUED FOR AS-BUILT	



**NEW LATHROP
MONOPOLE:**
950 STEWART RD
LATHROP, CA 95330

SHEET TITLE
ELEVATIONS

SHEET NUMBER
A-7



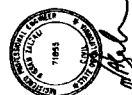
verizon
2700 PITCULL DRIVE, SUITE 4
MOUNT CREEK, CA 95026

SEQUOIA
CONCRETE CONTRACTORS, INC.
10000 S. GARDEN AVENUE, SUITE 100
DANA POINT, CA 92629-2583

ALLSTATES
CONCRETE CONTRACTORS, INC.
LAKE FOREST, CA 92640

PROJECT ID:	NEW LATHROP
DRAWN BY:	DR
CHECKED BY:	DR

NO.	DATE	DESCRIPTION
0	1/1/2002	ISSUE FOR SUBMITTAL
1	4/2/2002	ISSUE FOR REVISED
2		
3		
4		
5		
6		
7		
8		
9		
10		

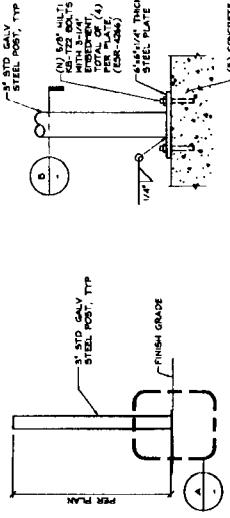


NEW LATHROP
MONOPOLE:
980 STEWART RD
LATHROP, CA 95330

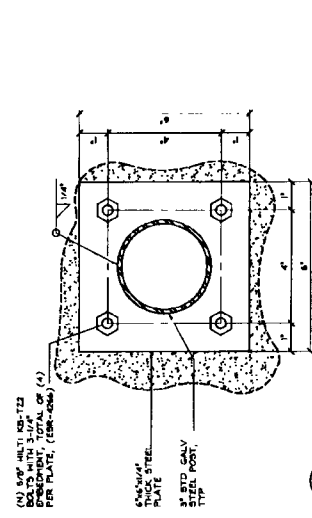
SHEET TITLE
EQUIPMENT DETAILS

SHEET NUMBER
D-1

IF A.S. VOUCHER IS FOR USE FOR ANY OTHER PROJECT, THE USER MUST OBTAIN WRITTEN PERMISSION FROM THE ORIGINAL OWNER TO AVOID THIS DOCUMENT.

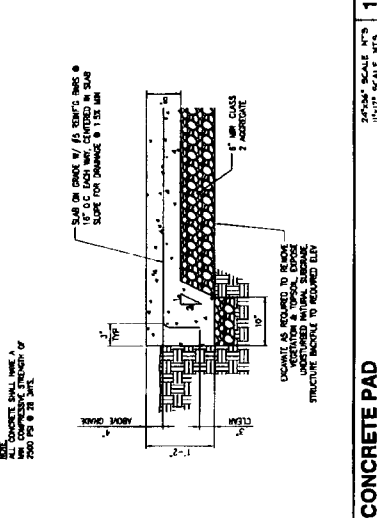


(A) TYPICAL POST ANCHORAGE DETAIL

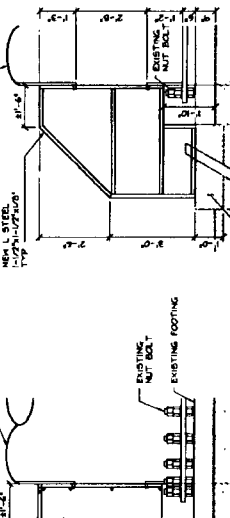


(B) TYPICAL POST SECTION DETAIL

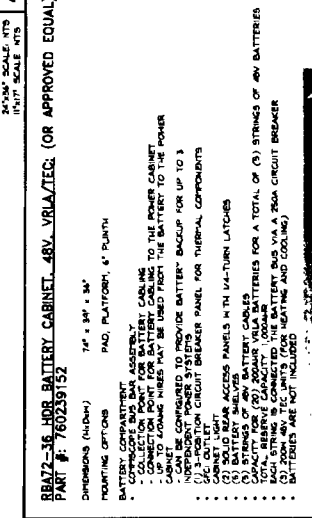
POST ANCHORAGE DETAIL
24" X 36" SCALE: NTS
1/4" = 1'-0" SCALE: NTS



CONCRETE PAD
24" X 36" SCALE: NTS
1/4" = 1'-0" SCALE: NTS

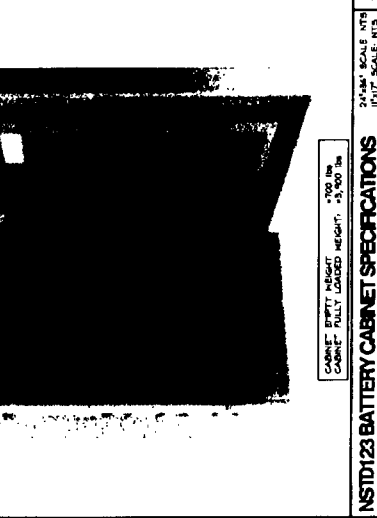


CABLE SHROUD

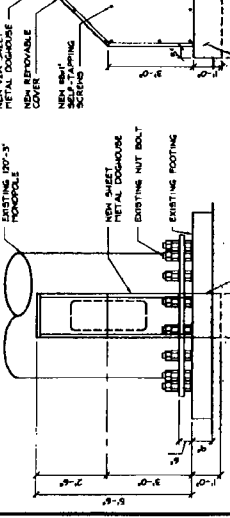


(B) TYPICAL POST SECTION DETAIL

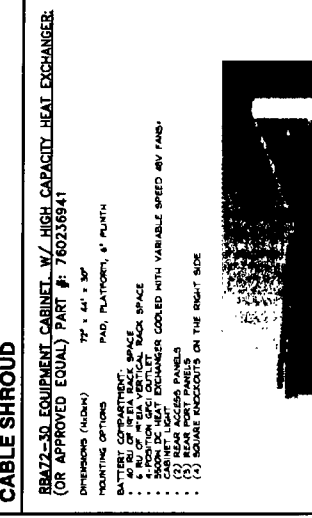
POST ANCHORAGE DETAIL
24" X 36" SCALE: NTS
1/4" = 1'-0" SCALE: NTS



CONCRETE PAD
24" X 36" SCALE: NTS
1/4" = 1'-0" SCALE: NTS

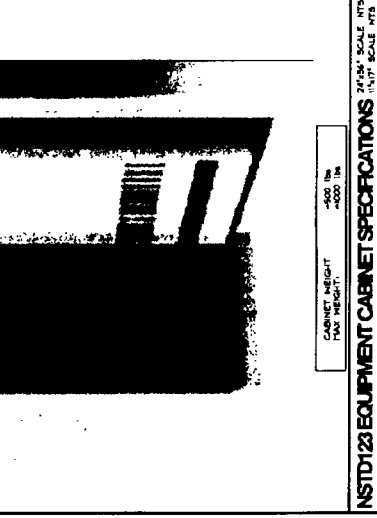


CABLE SHROUD



(B) TYPICAL POST SECTION DETAIL

POST ANCHORAGE DETAIL
24" X 36" SCALE: NTS
1/4" = 1'-0" SCALE: NTS



CONCRETE PAD
24" X 36" SCALE: NTS
1/4" = 1'-0" SCALE: NTS

verizon
2700 PITCULL DRIVE, SUITE 4
MOUNT CREEK, CA 95026

SEQUOIA
CONCRETE CONTRACTORS, INC.
10000 S. GARDEN AVENUE, SUITE 100
DANA POINT, CA 92629-2583

ALLSTATES
CONCRETE CONTRACTORS, INC.
LAKE FOREST, CA 92640

PROJECT ID: NEW LATHROP
DRAWN BY: DR
CHECKED BY: DR

NO.	DATE	DESCRIPTION
0	1/1/2002	ISSUE FOR SUBMITTAL
1	4/2/2002	ISSUE FOR REVISED
2		
3		
4		
5		
6		
7		
8		
9		
10		



NEW LATHROP
MONOPOLE:
980 STEWART RD
LATHROP, CA 95330

SHEET TITLE
EQUIPMENT DETAILS

SHEET NUMBER
D-1

IF A.S. VOUCHER IS FOR USE FOR ANY OTHER PROJECT, THE USER MUST OBTAIN WRITTEN PERMISSION FROM THE ORIGINAL OWNER TO AVOID THIS DOCUMENT.



CABLE SHROUD



(B) TYPICAL POST SECTION DETAIL

POST ANCHORAGE DETAIL
24" X 36" SCALE: NTS
1/4" = 1'-0" SCALE: NTS



CONCRETE PAD
24" X 36" SCALE: NTS
1/4" = 1'-0" SCALE: NTS

IF A.S. VOUCHER IS FOR USE FOR ANY OTHER PROJECT, THE USER MUST OBTAIN WRITTEN PERMISSION FROM THE ORIGINAL OWNER TO AVOID THIS DOCUMENT.



PROJECT ID: NEW LATHROP
DRAWN BY: SD
CHECKED BY: SD

REV	DATE	DESCRIPTION
C	1/1/2022	REV FOR PERMIT SUB
A	1/1/2022	REV FOR PERMIT SUB
B	1/1/2022	REV FOR PERMIT SUB

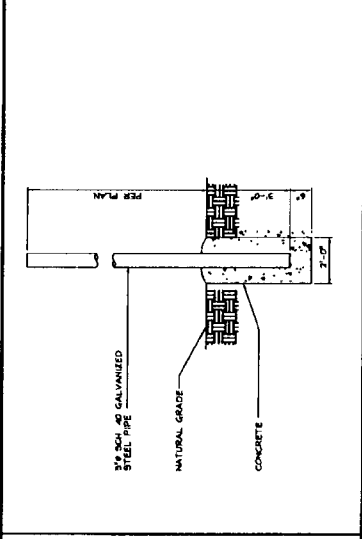


IT IS A CONDITION OF THIS CONTRACT THAT THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL, STATE AND FEDERAL AGENCIES BEFORE THE COMMENCEMENT OF WORK.

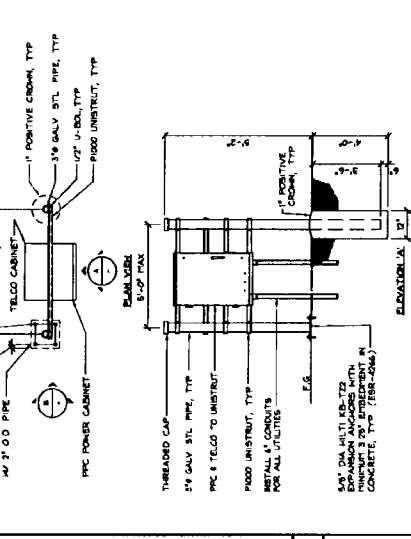
NEW LATHROP
1800 W. LATHROP RD
LATHROP, CA 95330

SHEET TITLE
EQUIPMENT DETAILS

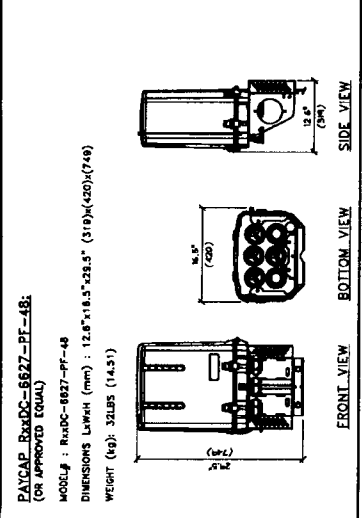
SHEET NUMBER
D-2



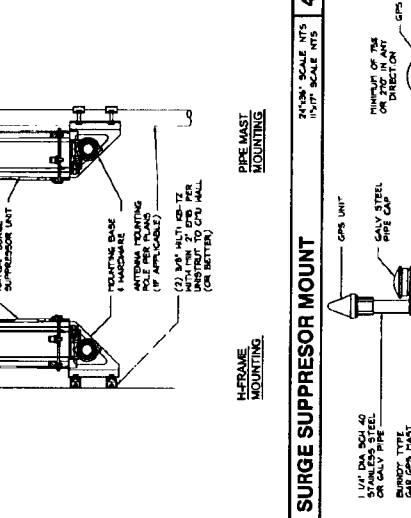
2 H-FRAME PIPE DETAIL
24"x36" SCALE NTS
1/4" = 1'-0" SCALE NTS



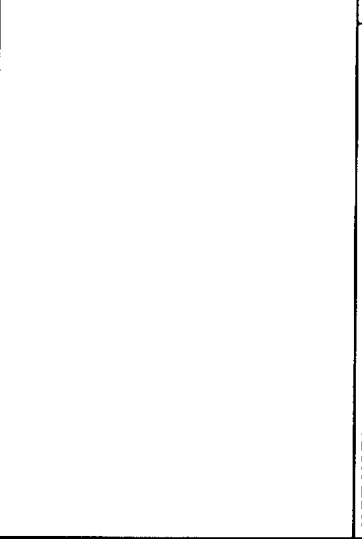
1 H-FRAME W/ PPC & TELCO
24"x36" SCALE NTS
1/4" = 1'-0" SCALE NTS



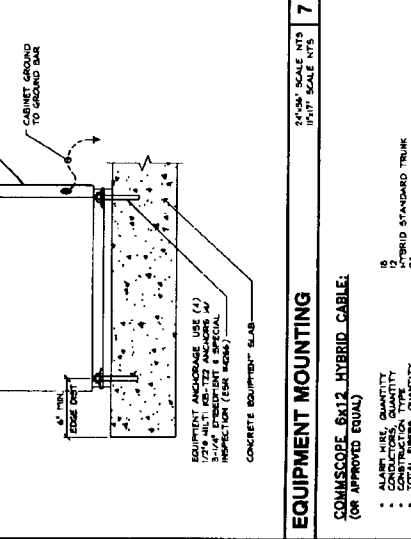
5 SURGE SUPPRESSOR
24"x36" SCALE NTS
1/4" = 1'-0" SCALE NTS



3 GPS ANTENNA GROUNDING & SPECIFICATIONS
24"x36" SCALE NTS
1/4" = 1'-0" SCALE NTS



8 NOT USED
24"x36" SCALE NTS
1/4" = 1'-0" SCALE NTS



7 EQUIPMENT MOUNTING
24"x36" SCALE NTS
1/4" = 1'-0" SCALE NTS



6 HYBRID CABLES
24"x36" SCALE NTS
1/4" = 1'-0" SCALE NTS

- COMMSCOPE 68412 HYBRID CABLE:**
- ALARM WIRE, QUANTITY 18
 - CONSTRUCTION TYPE HYBRID STANDARD TRUNK
 - CONDUIT SIZE 24
 - CONDUIT LENGTH 150 FT
 - CONDUIT OVER JACKET 1.50"
 - CONDUCTOR TYPE 18 AWG
 - CENTER CONDUCTOR GAUGE 18 AWG
 - HYBRID BOND BARS 18 AWG
 - HYBRID BOND BARS, PURGATION 18 AWG
 - HYBRID BOND BARS, PURGATION 18 AWG
 - CABLE WEIGHT 0.82 LB/FT

2700 RITCHIE DRIVE, SUITE 4
MOUNT CREEK, CA 95066

1 WOODBURN AVENUE, SUITE 100
LAKE FOREST, CA 92551-2288

5000 WILSON AVENUE
LAKE FOREST, CA 92551

PROJECT ID: 1804 LATHROP

DRAWN BY: [Signature]

CHECKED BY: [Signature]

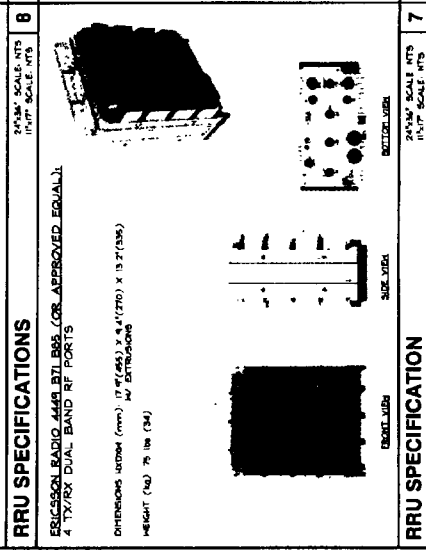
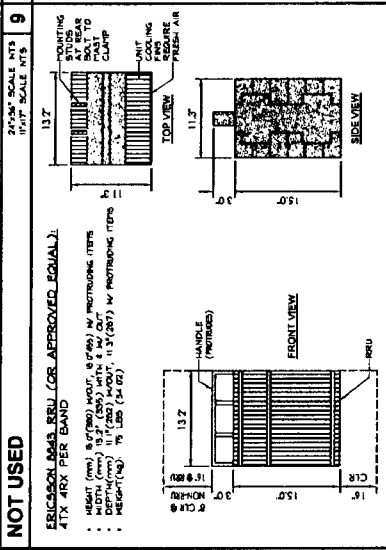
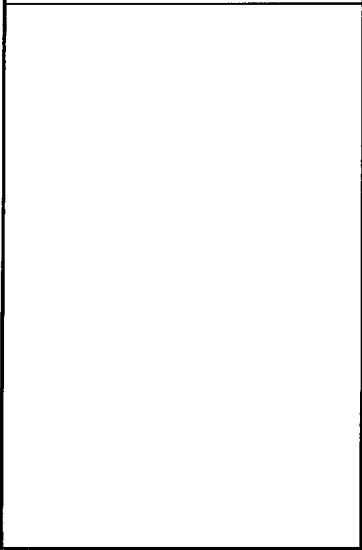
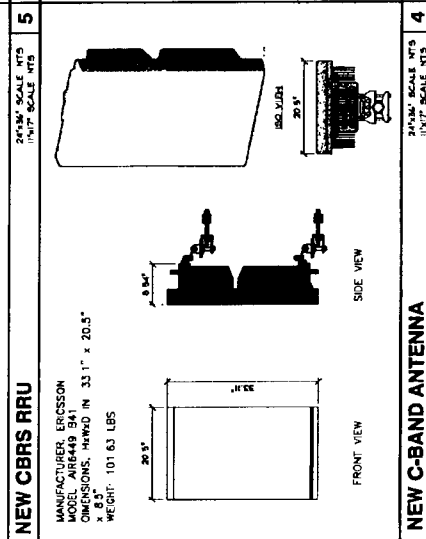
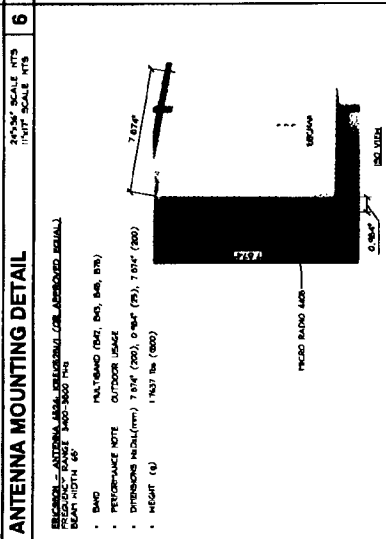
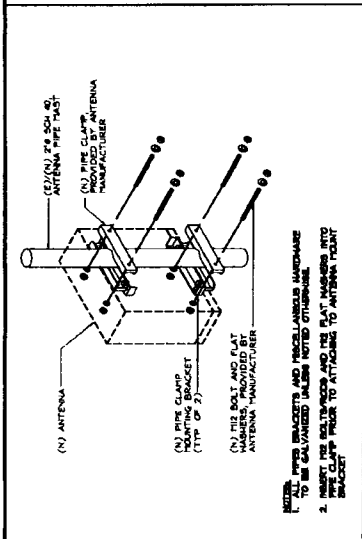
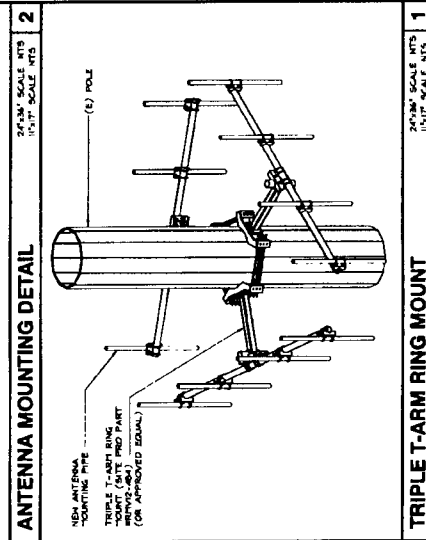
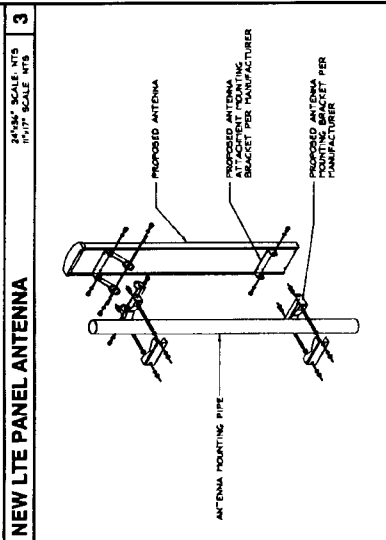
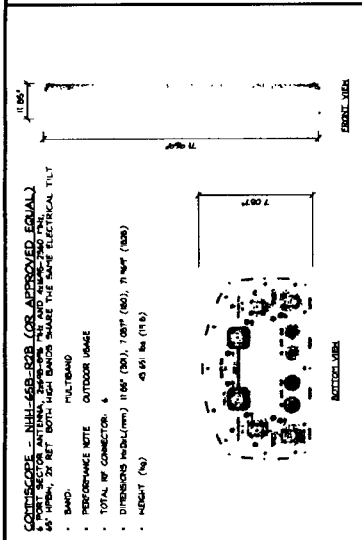
REV	DATE	DESCRIPTION
0	11/20/22	ISS ON FOR INITIAL
1	11/22/22	ISS ON FOR REVISION

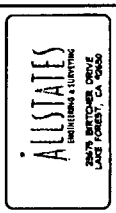
17. S.A. HOLDERS OF THIS PERMIT SHALL BE RESPONSIBLE TO AVOID THE OCCURRENCE OF COLLISIONS WITH OTHER STRUCTURES TO AVOID THE OCCURRENCE OF COLLISIONS WITH OTHER STRUCTURES.

NEW LATHROP
MONOPOLE:
950 STEWART RD
LATHROP, CA 95330

SHEET TITLE
EQUIPMENT DETAILS

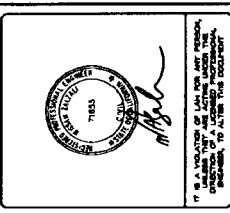
SHEET NUMBER
D-3





PROJECT ID:	NEW LATHROP
DRAWN BY:	SS
CHECKED BY:	SS

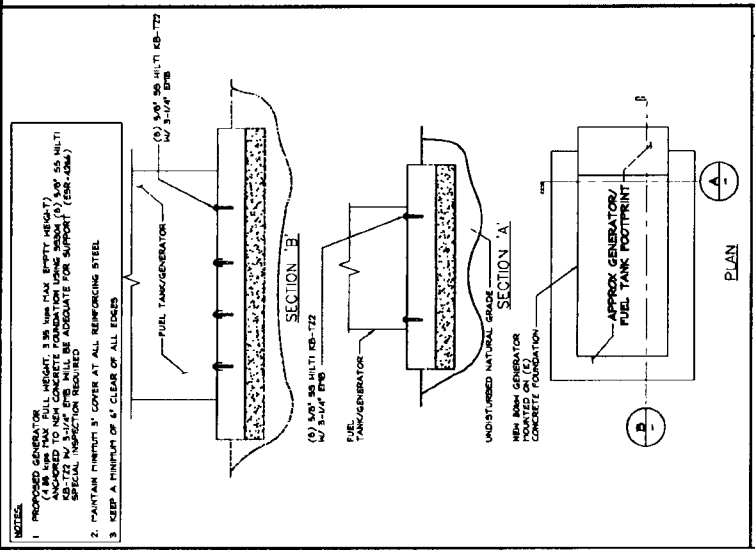
NO.	REV.	DATE	DESCRIPTION
0	1/4/2022		ISSUED FOR SUBMITTAL
1	1/11/2022		ISSUED FOR PERMITS
A	1/11/2022		ISSUED FOR CONSTRUCTION



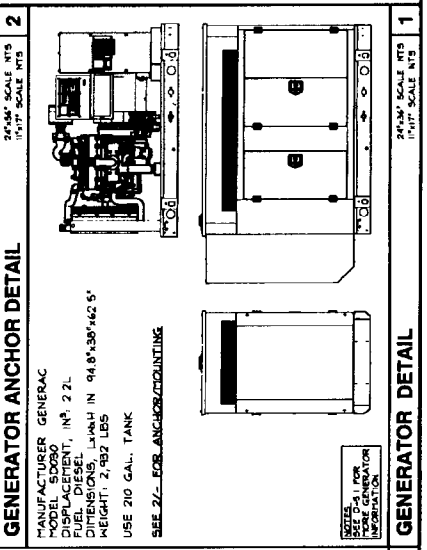
NEW LATHROP
MONROPILE
850 STEWART RD
LATHROP, CA 95330

SHEET TITLE
GENERATOR
WARNING SIGNS
& DETAILS

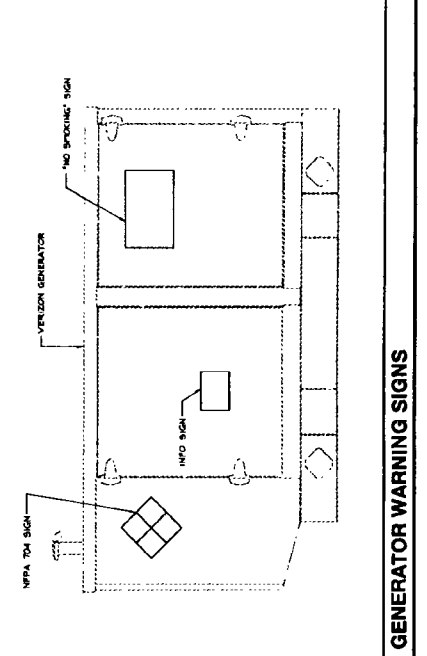
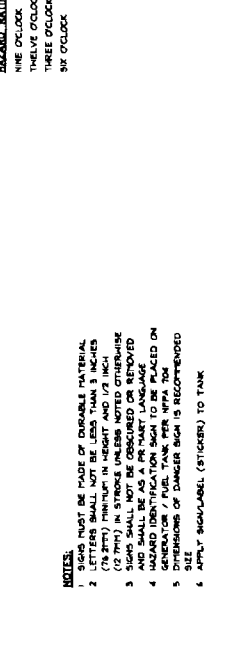
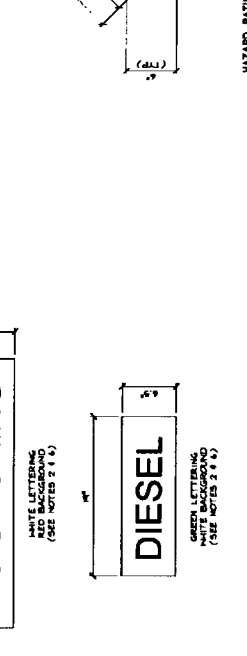
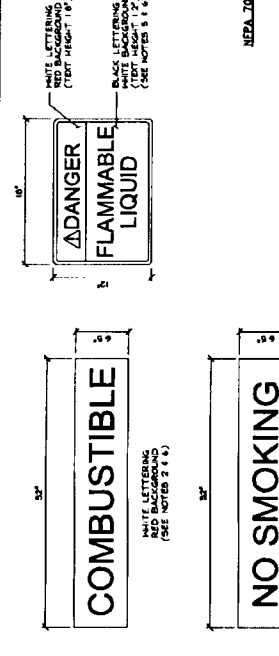
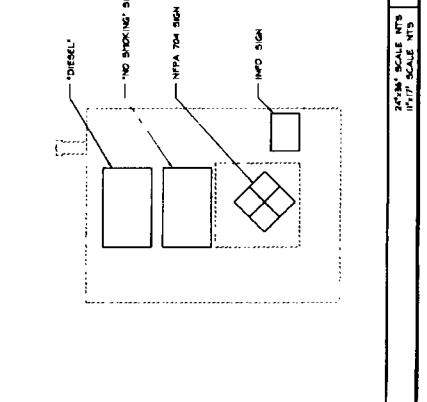
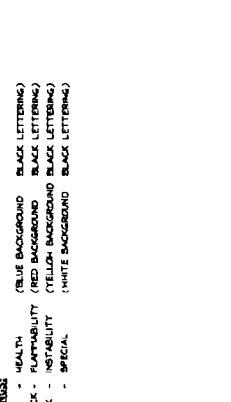
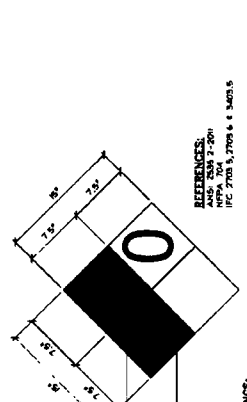
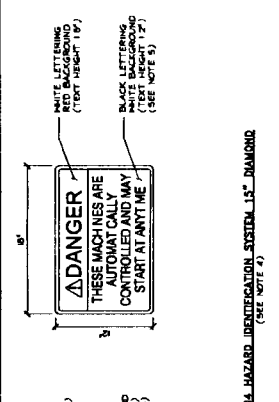
SHEET NUMBER
D-4



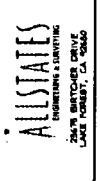
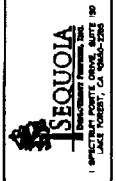
- PROPOSED GENERATOR SHALL BECAST IN 3.0 MIN MAX STRENGTH CONCRETE. ANCHORED TO NEW CONCRETE FOUNDATION USING 3/8\"/>
- PAINTMAN FINISH 3\"/>
- KEEP A MINIMUM OF 3\"/>



- GENERATOR ANCHOR DETAIL
- GENERATOR DETAIL
- GENERATOR WARNING SIGNS

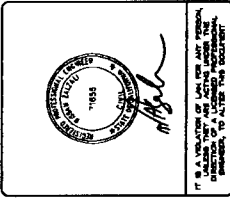


NOTES:
1. SIGNS MUST BE MADE OF DURABLE MATERIAL.
2. LETTERS SHALL NOT BE LESS THAN 3\"/>



PROJECT ID: 100-LATHROP
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]

NO.	DATE	BY	DESCRIPTION
1	11/20/22	MR. CHEN FOR SUBMITTAL	
2	11/20/22	MR. CHEN FOR REVIEW	

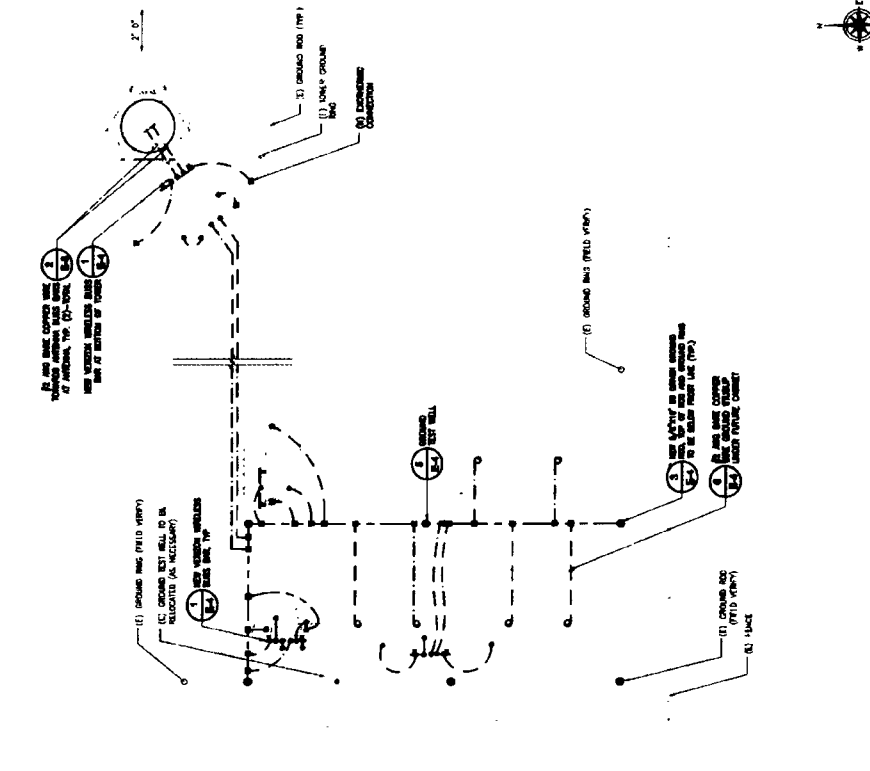


NEW LATHROP
 HONOLULU
 960 STEWART RD
 LATHROP, CA 95330

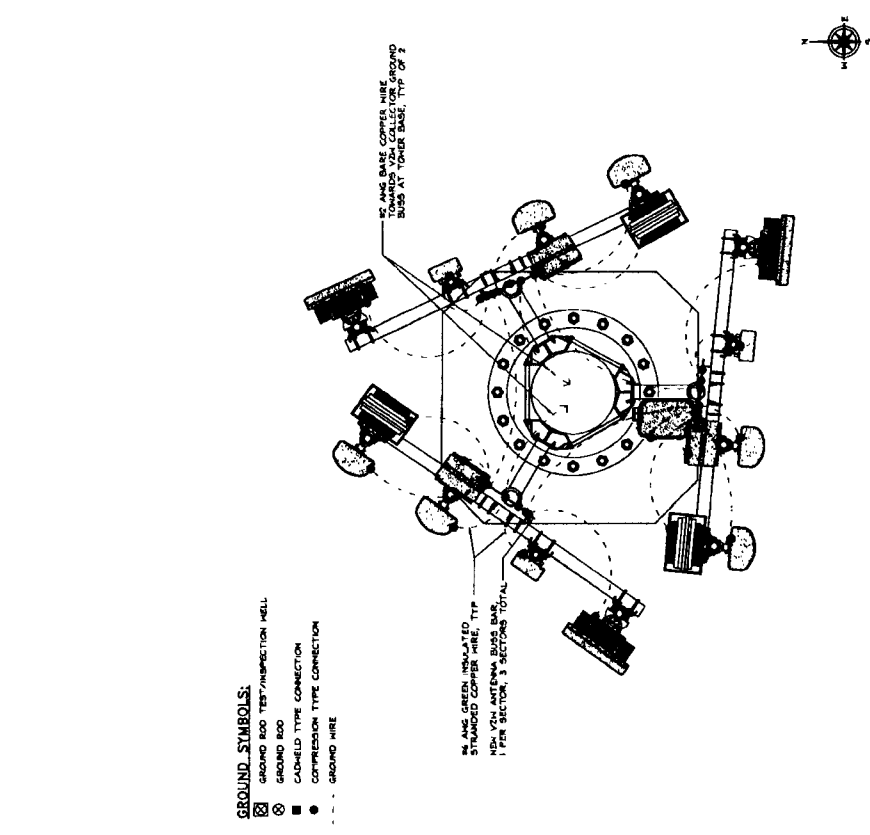
SHEET TITLE
 GROUNDING
 DIAGRAMS

SHEET NUMBER
 G-2

- GROUNDING NOTES:**
1. CONDUIT ROUTING AND CONDUIT SUBSTITUTIONS SHALL BE SUCH THAT ACCESS TO EQUIPMENT IS NOT OBSCURED.
 2. THE SUBCONTRACTOR IS RESPONSIBLE FOR IDENTIFYING EXISTING AND SUBSEQUENT CONDUIT INSTALLATION IS TO PREVENT ANY LOSS OF CONTINUITY IN THE SYSTEMS OR DAMAGE TO THE CONDUIT.
 3. COMPRESSION GROUND CONNECTIONS SHALL BE INSTALLED BY LATHROP (GROUND) CONNECTIONS.
 4. ALL GROUND CONNECTIONS SHALL BE MADE BY LATHROP (GROUND) CONNECTIONS.
 5. ALL GROUND CONNECTIONS SHALL BE MADE BY LATHROP (GROUND) CONNECTIONS.
 6. ALL GROUND CONNECTIONS SHALL BE MADE BY LATHROP (GROUND) CONNECTIONS.
 7. ALL GROUND CONNECTIONS SHALL BE MADE BY LATHROP (GROUND) CONNECTIONS.
 8. ALL EXTENSION GROUND CONNECTIONS SHALL BE MADE BY LATHROP (GROUND) CONNECTIONS.
 9. ALL EXTENSION GROUND CONNECTIONS SHALL BE MADE BY LATHROP (GROUND) CONNECTIONS.
 10. ALL EXTENSION GROUND CONNECTIONS SHALL BE MADE BY LATHROP (GROUND) CONNECTIONS.
 11. USE OF NO MORE THAN ONE (1) GROUND ROD PER EQUIPMENT OR SYSTEM.
 12. MINIMUM RESISTANCE OF THE COMPLETED GROUND SYSTEM SHALL NOT EXCEED 5 OHMS. TESTING SHALL BE PERFORMED IN ACCORDANCE WITH PROJECT SPECIFICATIONS FOR FACILITY.
 13. VERIFY GFI, JENSEN, TYPE & CAPACITANCE OF GROUND ROADS TO ENSURE SYSTEM PROVIDES GROUND RESISTANCE OF 5 OHMS OR LESS.



- GROUND SYMBOLS:**
- GROUND ROD TEST/INSPECTION WELL
 - GROUND ROD
 - CASH-HELD TYPE CONNECTION
 - COMPRESSION TYPE CONNECTION
 - GROUND WIRE



1
 1/4\"/>

2
 1/4\"/>

EXHIBIT 11

ENVIRONMENTAL DISCLOSURE

Landlord represents and warrants that the Property, as of the Effective Date of this Agreement, is free of hazardous substances except as follows:

1. NONE.

EXHIBIT 12
STANDARD ACCESS LETTER
[FOLLOWS ON NEXT PAGE]

[Landlord Letterhead]

DATE

Building Staff / Security Staff
Landlord, Lessee, Licensee
Street Address
City, State, Zip

Re: Verizon

Dear Building and Security Staff,

Please be advised that we have signed a lease with Sacramento-Valley Limited Partnership, dba Verizon Wireless ("Verizon") permitting Verizon to install, operate and maintain telecommunications equipment at the property. The terms of the lease grant Verizon and its representatives, employees, agents and subcontractors ("representatives") 24 hour per day, 7 day per week access to the leased area.

To avoid impact on telephone service during the day, Verizon representatives may be seeking access to the property outside of normal business hours.

Please grant the bearer of a copy of this letter access to the property and to leased area. Thank you for your assistance.

Landlord Signature

EXHIBIT 24(b)
MEMORANDUM OF LEASE
[FOLLOWS ON NEXT PAGE]

**Recording Requested By
& When Recorded Return To:**

CITY OF LATHROP
ATTN: CITY CLERK
390 TOWNE CENTRE DRIVE
LATHROP, CA 95330

Doc #: 2023-016055
03/01/2023 12:04:29 PM
Page: 1 of 6 Fee: \$37.00
Steve J. Bestolarides
San Joaquin County Recorders
Paid By: SHOWN ON DOCUMENT



APN: 210-210-010

(Space Above This Line For Recorder's Use Only)

City of Lathrop
County: San Joaquin

**MEMORANDUM
OF
LEASE**

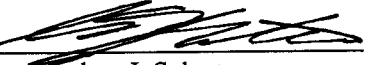
This Memorandum of Lease is entered into on February 16, 2023, by and between the City of Lathrop, a California municipal corporation, having a mailing address of 390 Towne Centre Drive, Lathrop, CA 95330 ("**Landlord**"), and Sacramento-Valley Limited Partnership, dba Verizon Wireless, a California limited partnership, having a mailing address of One Verizon Way, Mail Stop 4A100, Basking Ridge, New Jersey 07920, Attention: Network Real Estate ("**Tenant**").

1. Landlord and Tenant entered into a certain unrecorded Option and Tower Lease Agreement dated as of February 16, 2023 ("**Agreement**"), for the purpose of installing, operating and maintaining a communication facility and other improvements. All of the foregoing is set forth in the Agreement.
2. The initial lease term will be ten (10) years commencing based upon the effective date of written notification by Tenant to Landlord of Tenant's exercise of its option, with four (4) successive automatic five (5) year options to renew.
3. The portion of the land being leased to Tenant and associated easements are described in the Agreement, attached hereto as Exhibit 1.
4. The Agreement gives Tenant a right of first refusal in the event Landlord receives a bona fide written offer from a third party seeking an assignment or transfer of the Rent payments associated with the Agreement.
5. This Memorandum of Lease is not intended to amend or modify, and shall not be deemed or construed as amending or modifying, any of the terms, conditions or provisions of the Agreement, all of which are hereby ratified and affirmed. In the event of a conflict between the provisions of this Memorandum of Lease and the provisions of the Agreement, the provisions of the Agreement shall control. The Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject to the provisions of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the day and year first above written.

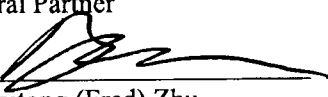
LANDLORD:

City of Lathrop,
a California municipal corporation


By: 
Name: Stephen J. Salvatore
Its: City Manager
Date: 2-16-23

TENANT:

Sacramento-Valley Limited Partnership, dba Verizon
Wireless

By: AirTouch Cellular Inc.
Its: General Partner
By: 
Name: Haitong (Fred) Zhu
Its: Executive Director
Date: 2/9/23

APPROVED AS TO FORM:

By: 
Name: Salvador Navarrete
Its: City Attorney
Date: 2-10-2023

[ACKNOWLEDGMENTS APPEAR ON FOLLOWING THREE (3) PAGES]

LANDLORD ACKNOWLEDGMENT

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

State of California
County of San Joaquin

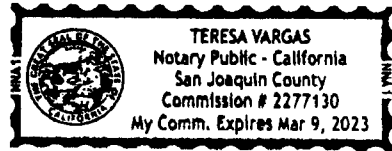
On February 16, 2023 before me, Teresa Vargas, Notary Public
(insert name and title of the officer)

personally appeared Stephen J. Salvatore,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature [Handwritten Signature] (Seal)



TENANT ACKNOWLEDGMENT

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

State of California
County of Contra Costa

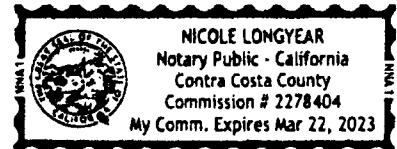
On February 9, 2023 before me, Nicole Longyear, a Notary Public,
(insert name and title of the officer)

personally appeared Haitong Zhu
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Nicole Longyear (Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of San Joaquin }

On 02/10/2023 before me, Tawyna Rae Bold, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Salvador Navarrete
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Memorandum of Lease

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
<input type="checkbox"/> Corporate Officer – Title(s): _____	<input type="checkbox"/> Corporate Officer – Title(s): _____
<input type="checkbox"/> Partner – <input type="checkbox"/> Limited <input type="checkbox"/> General	<input type="checkbox"/> Partner – <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact	<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian of Conservator	<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian of Conservator
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____
Signer is Representing: _____	Signer is Representing: _____

EXHIBIT 1

TO MEMORANDUM OF LEASE
DESCRIPTION OF PROPERTY

The Property is legally described as follows:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Being a portion of Parcel 1, as said parcel is shown on the map entitled "Tract 3876, River Islands, Phase 1B, Large Lot Final Map", filed March 31, 2016, in Book 42 of Maps and Plats, at Page 56, official records of San Joaquin County, more particularly described as follows:

BEGINNING at a point on the East line of J7 court, as said court is described in Document No. 2020-076610, of Official Records of San Joaquin County;

Thence along said East line, along a curve to the left, having a radius of 56.00 feet, from which point the radius point bears South 50° 36' 58" West, through a central angle of 05° 11' 29", an arc distance of 5.07 feet;

Thence, along a reverse curve, having a radius of 17.00 feet, through a central angle of 44° 34' 31", an arc distance of 13.23 feet;

Thence, North 24.30 feet; thence, leaving said East line, East 90.00 feet; thence, South 40.00 feet; thence, West 81.72 feet to said point of beginning.

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CITY MANAGER’S REPORT **PAGE 2**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFY THE PURCHASE OF CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS CIP GG 22-35

Table 1:

Vendor	Description of Component	Cost
Ray’s Radio Industrial Communications Sales, Inc.	Wireless Network Installation & Configurations	\$16,444
Vigilant Solutions, LLC	Automatic License Plate Reader (ALPR)	\$7,754
GHA Technologies	Uninterrupted Power Source (UPS)	\$4,307
Solid Networks Inc.	Network Hardware	\$10,870
Total Cost of Camera Surveillance System Infrastructure (Phase 1)		\$39,375

Tonight, Staff is requesting City Council adopt a resolution to ratify the service contract with ICU Technologies, Inc. for a sum not to exceed \$146,184 and approve additional purchases with various vendors for infrastructure and network communication equipment totaling \$39,375 for a total sum of \$185,559.

BACKGROUND:

On September 13, 2021, City Council approved the creation of Capital Improvement Project (CIP) GG 22-35 for Camera Surveillance Systems for Major City Parks. One year after on September 12, 2022, Council approved Resolution 22-5150 authorizing a budget to cover the cost of a camera surveillance system for the first phase of CIP GG 22-35 Camera Surveillance Systems for Major City Parks. The approved budget for the first phase was \$224,500 with a 10% contingency of \$22,450 for a final budget of \$246,950. The phase included initial three parks listed below.

- Apolinar Sangalang Park – 13470 Slate Street
- Manuel Valverde Park – 15557 Fifth Street
- Woodfield Park – 801 Lathrop Road

At Council direction, Staff requested proposals from ICU Technologies, Inc. (ICU) for installation required for each park. ICU is an authorize seller of surveillance cameras that meets the hardware specification of the City’s camera surveillance system standards for all city parks. Furthermore, ICU is certify to perform the configuration and installation of these cameras.

ICU presented an estimate of \$146,184 to provide and install a camera surveillance system at each of the city parks identified in the first phase of CIP GG 22-35. In January 2023, the City ordered equipment from ICU. The vendor’s estimate was within the budget authorizes by Council for phase one.

ICU Technologies, Inc. currently holds an active contract with the U.S. General Services Administration (GSA) - GSA Contract No. 47QSWA18D003K in Security &

**CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFY THE PURCHASE OF CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS CIP GG 22-35**

Protection and Information Technology Hardware & Software. This program, administered by the United States Government, provides government agencies with discounted pricing schedules, and establishes purchasing contracts with vendors through a competitive bidding process. The GSA's competitive bidding process is in conformance with the Office of Procurement, Department of General Services of the State of California exemption as described in the Lathrop Municipal Code Section 2.36.110. Furthermore, ICU has provided and installed other camera surveillance systems at numerous City facilities.

The remaining budget is reserve for the purchase of a network infrastructure for each camera surveillance system at Apolinar Sangalang Park, Manuel Valverde Park, and Woodfield Park. In addition to a camera surveillance system, other components are required to build the infrastructure and network communication to implement the systems. The costs of the additional components totals \$39,375 and are within City Manager's signing authority. They are described below to show the progress of the project.

Through a competitive bidding process, Staff selected the vendors listed in Table 1 to procure the additional components needed to implement the camera surveillance systems.

Wireless Network Installation & Configurations - \$16,444

The City has an active agreement with Ray's Radio to provide maintenance, repair and on-call services for the City's wireless communication towers. The vendor works exclusively with the City's communication equipment to ensure consistency and integration with other equipment as well as limit exposure and access to sensitive information. This vendor has access to the network security to install, configure and maintain network equipment.

Automatic License Plate Reader (ALPR) - \$7,754

The Automatic License Plate Reader (ALPR) equipment required for this project is proprietary in nature. Therefore, for this unique project, the City is requesting to use specialized equipment that can only be obtained from Vigilant Solutions, LLC (Vigilant) as they are the sole manufacturer of the L5F License Plate Reader (LPR) Camera System and do not have other distributors of the equipment. The City of Lathrop currently uses Vigilant Solutions ALPR system exclusively to ensure consistency and integration with current systems and maintain the ability for the ALPR to communicate with the Lathrop Police Department software and throughout the City network. Due to equipment supply delays, Staff placed an order with Vigilant for this specialized equipment in February 2023 to ensure all the components arrive timely to complete the installation of each system at one time. The costs of the equipment and services procured with Vigilant was \$7,754.

Uninterrupted Power Source (UPS) - \$4,307

Staff requested quotes from vendors for Uninterrupted Power Source (UPS) from ten

CITY MANAGER’S REPORT **PAGE 4**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFY THE PURCHASE OF CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS CIP GG 22-35

(10) and received three (3) quotes as shown in Table 2. This equipment is to ensure that in the event of a power outage that the system will remain unaffected. Surveillance Systems are becoming an increasingly essential part in solving crimes. It is crucial to procure more than one UPS to allow continuous surveillance during a power outage. GHA Technologies provided the lowest estimate with the earliest availability for four (4) UPS units.

Table 2:

Vendor	Quote Amount
GHA Technologies Inc.	\$4,307
CDW-G	\$4,452
Connection Public Sector	\$4,547

Network Hardware – \$10,870

Staff requested quotes for Network Data Switches from six (6) vendors and received five (5) quotes as shown in Table 3. Solid Networks presented the lowest quote of \$10,870. Solid Networks is contracted with the City to provide professional services for Co-Management of Servers, security network, virtual environment, and storage area network. The vendor has exclusive security access to the City’s network systems to perform professional services and ensure business security and service continuity.

Table 3:

Vendor	Quote Amount
Solid Networks Inc.	\$10,870
GHA Technologies	\$10,910
Insight Public Sector	\$13,593
Staples	\$13,954
Connection Public Sector	\$15,563
Allied Network Solutions	No Bid

Tonight, Staff is requesting City Council adopt a resolution to ratify the service contract with ICU Technologies, Inc. for a sum of \$146,184 and approve additional purchases with various vendors for infrastructure and network communication equipment and services totaling \$39,375 for a total sum of \$185,559 as summarized in Table 4.

Table 4:

Vendor	Description of Component	Cost
ICU Technologies, Inc.	Camera Surveillance Systems	146,184
Ray’s Radio Industrial Communications Sales, Inc.	Wireless Network Installation & Configurations	\$16,444

CITY MANAGER’S REPORT **PAGE 5**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFY THE PURCHASE OF CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS CIP GG 22-35

Vigilant Solutions, LLC	Automatic License Plate Reader (ALPR)	\$7,754
GHA Technologies	Uninterrupted Power Source (UPS)	\$4,307
Solid Networks Inc.	Network Hardware	\$10,870
Total Costs		\$ 185,559

Staff performed some of the services onsite as well as utilized available equipment and recovered a saving of \$51,107 or 21% of the approved budget for these three (3) parks.

REASON FOR RECOMMENDATION:

The Camera Surveillance System procured through ICU Technologies, LLC for CIP GG 22-35 for Camera Surveillance System for Major City Parks represents an effort to utilize technology to deter crimes, expedite crime solving, and proactively monitor activities to enhance crime prevention and citizens’ safety.

FISCAL IMPACT:

There are sufficient funds available in CIP GG 22-35 to cover the cost and installation of a camera surveillance systems procured through ICU Technologies, Inc. and the additional purchases for the network infrastructure required to implement the camera surveillance systems.

ATTACHMENTS:

- A. Resolution Ratifying the Agreement with ICU Technologies, Inc. to Provide and Install Camera Surveillance Systems and Approve the Purchases of Hardware and Services for the Network Infrastructure for Major City Parks Surveillance Systems at Apolinar Sangalang, Manuel Valverde & Woodfield Park, CIP GG 22-35
- B. Service Contract with ICU Technologies, Inc. to Provide and Install Camera Surveillance System at Apolinar Sangalang, Manuel Valverde & Woodfield Park

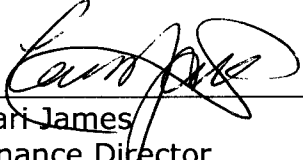
CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
RATIFY THE PURCHASE OF CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS CIP GG 22-35

APPROVALS:



Tony Fernandes
Information Systems Director

4-6-2023
Date



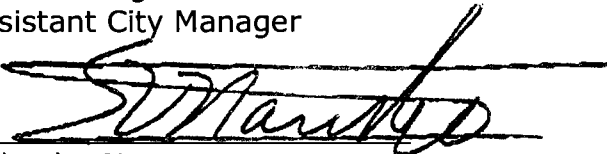
Cari James
Finance Director

4/6/2023
Date



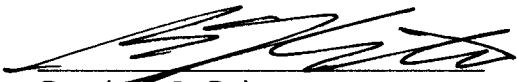
Michael King
Assistant City Manager

4/6/2023
Date



Salvador Navarrete
City Attorney

4/5/2023
Date



Stephen J. Salvatore
City Manager

4-6-23
Date

RESOLUTION NO. 23 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP RATIFYING A SERVICE CONTRACT WITH ICU TECHNOLOGIES, LLC TO PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS AND APPROVE THE PURCHASES OF HARDWARE AND SERVICES FOR THE NETWORK INFRASTRUCTURE FOR MAJOR CITY PARKS CAMERA SURVEILLANCE SYSTEMS AT APOLINAR SANGALANG, MANUEL VALVERDE, AND WOODFIELD PARK CIP GG 22-35

WHEREAS, on September 12, 2022 City, Council approved a budget to covered the cost of a camera surveillance system for the first phase of Capital Improvement Project (CIP) GG 22-35 Camera Surveillance Systems for Major City Parks; and

WHEREAS, the approved budget of \$246,950 will cover the cost of the initial three parks as recommended by IXII Group, Inc. for a camera surveillance system for the first phase; and

WHEREAS, the first phase includes (3) three parks, Apolinar Sangalang Park, Manuel Valverde Park, Woodfield Park; and

WHEREAS, Staff requested proposals from ICU Technologies, Inc. (ICU) for installation required for each park. ICU presented an estimate of \$146,184 to provide and install a camera surveillance system at each of the city parks identified; and

WHEREAS, in addition to a camera surveillance system, other components are required to build the infrastructure and network communication to implement the systems. The costs of the additional components totals \$39,375; and

WHEREAS, through a competitive bidding process, Staff selected vendors with the lowest quote and earliest availability for each component needed.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Lathrop does hereby ratify the service contract with ICU Technologies, Inc for a sum not to exceed \$145,184 to provide and install camera surveillance systems and approve the purchases of hardware and services totaling \$39,375 for the Network Infrastructure for a total cost of \$185,559 for CIP GG 22-35 Major City Parks Surveillance Systems at Apolinar Sangalang, Manuel Valverde & Woodfield Park.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

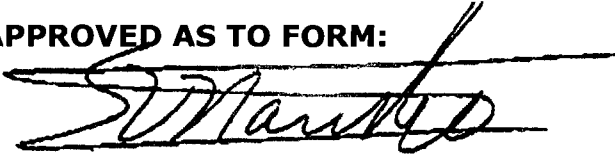
ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:



Teresa Vargas, City Clerk

Salvador Navarrete, City Attorney

**SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND
ICU TECHNOLOGIES, INC.**

**PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL
VALVERDE & WOODFIELD PARK CIP GG 22-35**

THIS SERVICE CONTRACT (hereinafter "Contract") is made on 21 day of **January 2023**, by and between the **City of Lathrop**, a municipal corporation of the State of California (hereinafter "City") and **ICU Technologies, Inc.** (hereinafter "Contractor"), whose Taxpayer Identification Number is 27-3118908.

For and in consideration of the following covenants, terms and conditions, City and Contractor (the parties) agree:

SCOPE OF WORK

Contractor agrees to perform services of camera surveillance systems for major city parks, provide consulting services related to technology systems platform and equipment associated with gathering video data at various park locations within the city, attached hereto as Exhibit "A", "B" and "C", incorporated herein by reference. Contractor agrees to diligently perform these services in accordance with the upmost standards of its profession and to City's satisfaction.

CONTRACT PRICE

The City agrees to pay and the Contractor agrees to accept, in full payment for the work above agreed to be done based on time and materials basis not to exceed \$146,184.27 set forth in the below Exhibits:

Exhibit "A" \$35,968.03 Est #2022-2170 Woodfield Park – 801 Lathrop Road

Exhibit "B" \$58,649.39 Est #2022-2171 Apolinar Sangalang Park –13470 State St

Exhibit "C" \$51,566.85 Est #2022-2172 Manuel Valverde Park – 15557 "5th" Street

TIME FOR PERFORMANCE

The effective date of this contract is 21 day of January 2023 and shall terminate no later than 30th of June 2023.

INSPECTION BY CITY

The Contractor shall at all times maintain proper facilities and provide safe access for inspection by the City to all parts of the work, and to the shops wherein the work is in preparation. Where the Specifications require work to be specially tested or approved, it shall not be tested or covered up without timely, written approval by the City.

**SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND
ICU TECHNOLOGIES, INC.**

**PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL
VALVERDE & WOODFIELD PARK CIP GG 22-35**

Should any such work be covered up without such notice, approval, or consent, it must, if required by City, be uncovered for examination at the Contractor's expense.

NOTICE

Any notice from one party to the other under the Contract shall be in writing and shall be dated and signed by the party giving such notice or by a duly authorized representative of such party. Any such notice shall not be effective for any purpose whatsoever unless served in the following manner.

- (a) If the notice is given to the City, by personal delivery thereof to the City's Director of Information Systems, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to the City's Department of Information Systems, postage prepaid and certified;
- (b) If the notice is given to the Contractor, by personal delivery thereof to said Contractor or to its duly authorized representative at the site of the project, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to the Contractor at the address set forth in the Contractor's Bid postage prepaid and certified; or
- (c) If the notice is given to the surety or any other person, by personal delivery to such surety or other person, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to such surety or other person, as the case may be, at the address of such surety or person last communicated by it to the party giving the notice, postage prepaid and certified.

ACCIDENT PREVENTION

Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Occupational Safety and Health Standards Board of the State of California.

CONTRACTOR'S WARRANTY

The City shall not, in any way or manner, be answerable or suffer loss, damage, expense or liability for any loss or damage that may happen to said building, work, or equipment or any part thereof, or in, on, or about the same during its construction and

SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND ICU TECHNOLOGIES, INC.

PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS FOR MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL VALVERDE & WOODFIELD PARK CIP GG 22-35

before acceptance. Contractor unqualifiedly warrants all work and materials to be free of defects whether performed or installed by it or by any subcontractor or supplier in the project which is the subject of this Contract for a period of one year from the date of the agreement.

APPRENTICES

- (a) The Contractor's attention is directed to the provisions of Sections 1777.5, 1777.6, and 1777.7 of the California Labor Code concerning employment of apprentices by the Contractor or any subcontractor under him. In addition, Contractor shall obtain a certificate of apprenticeship before employing any apprentice pursuant to Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code.
- (b) Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.
- (c) Knowing violations of Section 1777.5 will result in forfeiture not to exceed one hundred dollars (\$100) for each calendar day of non-compliance pursuant to Section 1777.7.

HOURS OF WORK

Eight (8) hours of work in any calendar day shall constitute a legal day's work. The Contractor and each subcontractor shall forfeit, as penalty to the City, twenty-five dollars (\$25) for each worker employed in the execution of work on the Project by the Contractor or any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any calendar week in violation of the provisions of the Labor Code, and in particular, Section 1810 to Section 1815, thereof, inclusive, except that work performed by employees of the Contractor and his subcontractors in excess of eight hours per day at not less than one and one half times the basic rate of pay, as provided in Labor Code section 1815.

PAYROLL RECORDS

Pursuant to Labor Code section 1776, as amended from time to time, the Contractor and each subcontractor shall keep records showing the name, address, social security number, work classification, straight time and overtime hours paid each day and

**SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND
ICU TECHNOLOGIES, INC.**

**PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL
VALVERDE & WOODFIELD PARK CIP GG 22-35**

week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by him or her in connection with the work.

The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:

- (a) A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.
- (b) A certified copy of all payroll records shall be made available for inspection or furnished upon request, or as required by Labor Code section 1771.7 to the City, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations.
- (c) A certified copy of all payroll records shall be made available upon request to the public for inspection or copies thereof made; provided, however, that if request by the public shall be made through either the City, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, if as requested, payroll records have been provided pursuant to paragraph (b), the requesting party shall, prior to being provided the records, reimburse the cost of preparation by the Contractor, subcontractors and the entity through which the request was made. The public shall not be given access to such records at the principal office of the Contractor.

The Contractor shall file a certified copy of the payroll records with the entity that requested such records within ten (10) calendar days after receipt of a written request. Any copy of records made available for inspection as copies and furnished upon request to the public or the City, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of the Contractor or any subcontractor performing work on the Project shall not be marked or obliterated.

The Contractor shall inform the City of the location of the payroll records, including the street address, city and county, and shall, within five (5) calendar days, provide a notice of a change of location and address.

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ICU TECHNOLOGIES, INC.**

**PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL
VALVERDE & WOODFIELD PARK CIP GG 22-35**

In the event of noncompliance with the requirements of this section, the Contractor shall have ten (10) calendar days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with this section. Should noncompliance still be evident after such ten (10) calendar day period, the Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each calendar day, or portion thereof, for each worker until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, such penalties shall be withheld from payments due Contractor.

PREVAILING WAGES

- (a) The Contractor is aware of the requirements of California Labor Code Sections 1720 *et seq.* and 1770 *et seq.*, as well as California Code of Regulations, Title 8, section 16000 *et seq.* ("Prevailing Wage Laws") which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Contract involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. The Contractor shall obtain a copy of the prevailing rates of per diem wages applicable to the work to be performed by subcontractors from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations located at <http://www.dir.ca.gov/dlsr/PWD/index.htm>. In the alternative, the City shall provide Contractor with a copy of the prevailing rates of per diem wages applicable to the work to be performed by subcontractors. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to perform work on the Project available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the Project site.

Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

- (b) The Contractor and each subcontractor shall forfeit as a penalty to the City not more than fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing rate for any work done by him, or by any subcontract under him, in violation of the provisions of the California Labor Code. The difference between such stipulated prevailing wage rate and the amount paid to each worker for each calendar

**SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND
ICU TECHNOLOGIES, INC.**

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MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL
VALVERDE & WOODFIELD PARK CIP GG 22-35**

day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Contractor.

INSURANCE

On or before beginning any of the services or work called for by any term of this Agreement, CONTRACTOR, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY.

CONTRACTOR shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONTRACTOR has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

- (a) Workers' Compensation. CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONTRACTOR. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars (\$1,000,000). In the alternative, CONTRACTOR may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONTRACTOR, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.

- (b) Commercial General and Automobile Liability Insurance. CONTRACTOR, at CONTRACTOR'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars per occurrence (\$1,000,000), combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general

**SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND
ICU TECHNOLOGIES, INC.**

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MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL
VALVERDE & WOODFIELD PARK CIP GG 22-35**

aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONTRACTOR, products and completed operations of CONTRACTOR; premises owned, occupied or used by CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
 - (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
 - (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
 - (iv) Any failure of CONTRACTOR to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
 - (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
 - (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.
- (c) Deductibles and Self-Insured Retentions. CONTRACTOR shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

**SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND
ICU TECHNOLOGIES, INC.**

**PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL
VALVERDE & WOODFIELD PARK CIP GG 22-35**

During the period covered by this Agreement, upon express written authorization of CITY Manager, CONTRACTOR may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY Manager may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONTRACTOR procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

- (d) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONTRACTOR shall provide written notice to CITY at CONTRACTOR'S earliest possible opportunity and in no case later than five days after CONTRACTOR is notified of the change in coverage.
- (e) In addition to any other remedies CITY may have if CONTRACTOR fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
 - (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
 - (ii) Order CONTRACTOR to stop work under this Agreement or withhold any payment which becomes due to CONTRACTOR hereunder, or both stop work and withhold any payment, until CONTRACTOR demonstrates compliance with the requirements hereof;
 - (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONTRACTOR'S breach.

INDEMNIFICATION

Contractor agrees to protect, defend, indemnify and hold City, its City Council members, officers, employees, engineer, and consultants harmless from and against any

**SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND
ICU TECHNOLOGIES, INC.**

**PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL
VALVERDE & WOODFIELD PARK CIP GG 22-35**

and all claims, demands, liabilities, losses, damages, costs, expenses, liens, penalties, suits, or judgments, arising in whole or in part, directly or indirectly, at any time from any injury to or death of persons or damage to property as a result of the willful or negligent act or omission of Contractor, or which results from Contractor's noncompliance with any Law respecting the condition, use, occupation or safety of the Project site, or any part thereof, or which arises from Contractor's failure to do anything required under this Contract or for doing anything which Contractor is required not to do under this Contract, or which arises from conduct for which any Law imposes strict liability on Contractor in the performance of or failure to perform the terms and conditions of this Contract, except as may arise from the sole willful or negligent act or omission of City or any of its City Council members, officers, employees.

This indemnification shall extend to any and all claims, demands, or liens made or filed by reason of any construction, renovation, or remodeling work performed by Contractor under this Contract at any time during the term of this Contract, or arising thereafter.

SEVERABILITY

Nothing contained in the Contract shall be construed so as to require the commission of any act contrary to law. Should a conflict arise between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract or act, the latter shall prevail and the provision of this Contract which is affected shall be curtailed and limited but only to the extent necessary to bring it within the requirements of the law. If such curtailment or limitation is not possible, the affected provision shall be of no force and effect. Except as aforesaid, such illegality shall not affect the validity of this Contract.

COMPLETE AGREEMENT

This Contract supersedes any and all agreements, either oral or in writing, between the Parties with respect to the subject matter herein. Each party to this Contract acknowledges that no representation by any party which is not embodied herein or any other agreement, statement, or promise not contained in this Contract shall be valid and binding.

INTERPRETATION

- (a) The parties hereto acknowledge and agree that each has been given the opportunity to independently review this Contract with legal counsel, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions of the Contract.

**SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND
ICU TECHNOLOGIES, INC.**

**PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS FOR
MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL
VALVERDE & WOODFIELD PARK CIP GG 22-35**

- (b) In the event of a controversy or dispute between the parties concerning the provisions herein, this document shall be interpreted according to the provisions herein and no presumption shall arise concerning the draftsmanship of such provision.

APPLICABLE LAW

- (a) The parties hereto understand and agree that the terms of this Contract, and its Exhibits, have been negotiated and executed within the State of California and shall be governed by and construed under the laws of the State of California.
- (b) In the event of a dispute concerning the terms of this Contract, the parties hereto expressly agree that the venue for any legal action shall be with the appropriate court in the County of San Joaquin, State of California.

SIGNATURES

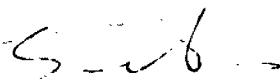
The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONTRACTOR and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND ICU TECHNOLOGIES, INC.

PROVIDE AND INSTALL CAMERA SURVEILLANCE SYSTEMS FOR MAJOR CITY PARKS AT APOLINAR SANGALANG, MANUEL VALVERDE & WOODFIELD PARK CIP GG 22-35

Approved as to Form:

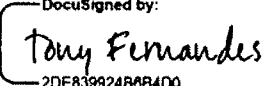
City of Lathrop
City Attorney



Salvador Navarrete 1.26.2023
Date

Recommended for Approval:

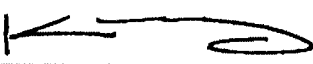
City of Lathrop
Director of Information Systems

DocuSigned by:


Tony Fernandes 1/20/2023
Date

Approved By:

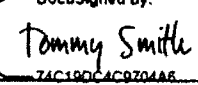
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

 FOR 1-27-2023

Stephen J. Salvatore Date
City Manager

Contractor:

ICU Technologies, Inc.
1382 Blue Oaks Blvd., Suite 110
Roseville, CA 95678
Fed ID # 27-3118908
Lathrop Business License # 41814

DocuSigned by:


Signature 1/20/2023
Date

Tommy Smith CEO

Print Name and Title

Estimate

#2022-2170



ICU Technologies, Inc.
 1382 Blue Oaks Blvd, Suite 110
 Roseville, CA 95678
 United States

Bill To

City of Lathrop
 City of Lathrop
 390 Towne Centre Dr
 Lathrop CA 95330
 United States

TOTAL

\$35,968.03

Date: 10/11/2022

Ship To

City of Lathrop
 City of Lathrop
 390 Towne Centre Dr
 Lathrop CA 95330
 United States

Expiration

01/10/2023

Project

City of Lathrop : City Parks
 Video Solution

Contract

GSA # 47QSWA18D003K

SIN	Item	Quantity	Rate	Amount
334220	15C-H4A-3MH-270 3X5 MP, WDR, LightCatcher, 2.8mm, Camera Only	1	\$1,720.47	\$1,720.47
334220	20C-H4A-4MH-360 4X5 MP, WDR, LightCatcher, 2.8mm, Camera Only	1	\$2,007.22	\$2,007.22
OLM	PP350 Pelco PP350 Parapet Wall Mount	4	\$448.50	\$1,794.00
OLM	ICU-G5A-MISC PMP Pole Mount Adapter for WMP-s adnWMP-L	4	\$100.00	\$400.00
334220	H4AMH-AD-IRIL1 Optional IR illuminator ring, up to 30m (100ft), for use with H4AMH-DO-COVR1.	1	\$315.41	\$315.41
OLM	H4AMH-DO-COVR1 Dome bubble and cover, for outdoor surface mount or pendant mount, clear.	2	\$129.60	\$259.20
OLM	H4AMH-AD-PEND1 Outdoor pendant mount adapter, must order one of IRPTZ-MNT-WALL1 or IRPTZ-MNT-NPTA1 and one of H4AMH-DO-COVR1 or H4AMH-DO-COVR1-SMOKE.	2	\$162.00	\$324.00
OLM	IRPTZ-MNT-NPTA1 Mount, Pend NPT Adapter, IR PTZ	4	\$44.55	\$178.20
334220	2.0C-H4IRPTZ-DP30-WP 2MP H4 IR PTZ, with Wiper 30X, Self-learning analytics, IK10, IP66, 250m IR	2	\$3,178.98	\$6,357.96
334220	VMA-AS3-8P8-NA HD Video Appliance 8-Port 8TB; NA. ACC licenses sold separately	2	\$2,552.59	\$5,105.18
334220	ACC7-ENT ACC 7 Enterprise Edition camera license	4	\$258.39	\$1,033.56
OLM	POE-INJ2-60W-NA Indoor single port Gigabit PoE++ 60W	2	\$117.66	\$235.32





ICU Technologies, Inc.
1382 Blue Oaks Blvd, Suite 110
Roseville, CA 95678
United States

Estimate

#2022-2170

SIN	Item	Quantity	Rate	Amount
OLM	POE-INJ2-95W-NA Indoor single Port PoE Injector Gigabit, 95W, NA power cord, for use with H4IR PTZ	2	\$324.00	\$648.00
OLM	ICU-GSA-MISC RSU Enclosure including pole mount	1	\$841.00	\$841.00
OLM	ICU-GSA-MISC Misc Installation materials, including cabling, conduit, fittings, blocks, connectors, and patch cables	1	\$1,400.00	\$1,400.00
OLM	ICU-GSA-MISC Low Profile Vertical Wall Mount Enclosure 36 Inch Server Depth Patch Panel Cabinet Black	1	\$703.82	\$703.82
541330L	Security Technician I Expert in security system design and installation. Provides advice, counsel, review services, and opinions on a wide variety of matters pertaining to security systems operations and systems management.	64	\$127.27	\$8,145.28
541330L	Project Lead Leads and directs the performance of a variety of related Security and surveillance technology projects. Responsible for ensuring high quality products and services that are delivered according to the agreed schedule and budget of the applicable task/delivery order.	6	\$161.54	\$969.24
541330L	Security Engineer Contribute in the execution of the day-to-day tasks and support of the project along with implementing and deploying the major portions of the solution. Applies engineering expertise and knowledge of state-of-the-art software, hardware, network infrastructure, and/or information technology in support of integration of security and surveillance technology systems.	3	\$171.33	\$513.99
541330L	Project Manager Oversees and leads assigned tasks of projects for law enforcement, homeland defense, emergency preparedness, K-12 campus safety and security information technology clients. Guides projects from the original concept through final implementation. Defines project scope and objectives, including developing detailed work plans, day-to-day management direction, schedules, project estimates, resource plans, status reports, and project tracking and analysis. Conducts project meetings and ensures quality standards. Provides advanced technical and strategic guidance to multiple project teams and oversees project deliverables. Responsible for assisting in all aspects of project technical, contractual, administrative, and financial performance.	3	\$195.80	\$587.40
	Subtotal			\$33,539.25
	IFF Charge		0.7556%	\$253.42
OLM	ICU-SHIPPING Freight to customer location	1	\$225.00	\$225.00



2022-2170

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ICU Technologies, Inc.
1382 Blue Oaks Blvd, Suite 110
Roseville, CA 95678
United States

Estimate

#2022-2170

Subtotal	\$34,017.67
Tax Total (%)	\$1,950.36
Total	\$35,968.03

DIR #1000064885
Email Order to orders@icu-techinc.com
Payment by credit card will include a 4% processing fee

Accepted By: _____

Accepted Date: _____



Estimate

#2022-2171



ICU Technologies, Inc.
 1382 Blue Oaks Blvd, Suite 110
 Roseville, CA 95678
 United States

Bill To

City of Lathrop
 City of Lathrop
 390 Towne Centre Dr
 Lathrop CA 95330
 United States

TOTAL

\$58,649.39

Date: 10/11/2022

Ship To

City of Lathrop
 City of Lathrop
 390 Towne Centre Dr
 Lathrop CA 95330
 United States

Expiration

01/12/2023

Project

City of Lathrop : City Parks
 Video Solution

Contract

GSA # 47QSWA18D003K

SIN	Item	Quantity	Rate	Amount
334220	15C-H4A-3MH-270 3X5 MP, WDR, LightCatcher, 2.8mm, Camera Only	3	\$1,720.47	\$5,161.41
334220	20C-H4A-4MH-360 4X5 MP, WDR, LightCatcher, 2.8mm, Camera Only	1	\$2,007.22	\$2,007.22
OLM	PP350 Pelco PP350 Parapet Wall Mount	6	\$448.50	\$2,691.00
OLM	ICU-GSA-MISC PMP Pole Mount Adapter for WMP-s adnWMP-L	6	\$41.00	\$246.00
334220	H4AMH-AD-IRIL1 Optional IR illuminator ring, up to 30m (100ft), for use with H4AMH-DO-COVR1.	4	\$315.41	\$1,261.64
OLM	H4AMH-DO-COVR1 Dome bubble and cover, for outdoor surface mount or pendant mount, clear.	4	\$129.60	\$518.40
OLM	H4AMH-AD-PEND1 Outdoor pendant mount adapter, must order one of IRPTZ-MNT-WALL1 or IRPTZ-MNT-NPTA1 and one of H4AMH-DO-COVR1 or H4AMH-DO-COVR1-SMOKE.	4	\$162.00	\$648.00
OLM	IRPTZ-MNT-NPTA1 Mount, Pend NPT Adapter, IR PTZ	6	\$44.55	\$267.30
334220	2.0C-H4IRPTZ-DP30-WP 2MP H4 IR PTZ, with Wiper 30X, Self-learning analytics, IK10, IP66, 250m IR	2	\$3,178.98	\$6,357.96
OLM	VMA-AS3-24P24-NA HD Video Appliance 24-Port 24TB	1	\$8,720.11	\$8,720.11
334220	ACC7-ENT ACC 7 Enterprise Edition camera license	6	\$258.39	\$1,550.34
OLM	POE-INJ2-60W-NA Indoor single port Gigabit PoE++ 60W	4	\$117.66	\$470.64



2022-2171



ICU Technologies, Inc.
1382 Blue Oaks Blvd, Suite 110
Roseville, CA 95678
United States

Estimate

#2022-2171

SIN	Item	Quantity	Rate	Amount
OLM	POE-INJ2-95W-NA Indoor single Port PoE Injector Gigabit, 95W, NA power cord, for use with H4IR PTZ	2	\$324.00	\$648.00
OLM	ICU-GSA-MISC Avigilon ES-PS-S4 - Fiber Switch	5	\$1,469.92	\$7,349.60
OLM	ICU-GSA-MISC RSU Enclosure including pole mount	2	\$841.00	\$1,682.00
OLM	ICU-GSA-MISC Misc Installation materials, including cabling, conduit, fittings, blocks, connectors, and patch cables	1	\$1,600.00	\$1,600.00
OLM	ICU-GSA-MISC Low Profile Vertical Wall Mount Enclosure 36 Inch Server Depth Patch Panel Cabinet Black	1	\$703.82	\$703.82
541330L	Security Technician I Expert in security system design and installation. Provides advice, counsel, review services, and opinions on a wide variety of matters pertaining to security systems operations and systems management.	80	\$127.27	\$10,181.60
541330L	Project Lead Leads and directs the performance of a variety of related Security and surveillance technology projects. Responsible for ensuring high quality products and services that are delivered according to the agreed schedule and budget of the applicable task/delivery order.	8	\$161.54	\$1,292.32
541330L	Security Engineer Contribute in the execution of the day-to-day tasks and support of the project along with implementing and deploying the major portions of the solution. Applies engineering expertise and knowledge of state-of-the-art software, hardware, network infrastructure, and/or information technology in support of integration of security and surveillance technology systems.	3	\$171.33	\$513.99
541330L	Project Manager Oversees and leads assigned tasks of projects for law enforcement, homeland defense, emergency preparedness, K-12 campus safety and security information technology clients. Guides projects from the original concept through final implementation. Defines project scope and objectives, including developing detailed work plans, day-to-day management direction, schedules, project estimates, resource plans, status reports, and project tracking and analysis. Conducts project meetings and ensures quality standards. Provides advanced technical and strategic guidance to multiple project teams and oversees project deliverables. Responsible for assisting in all aspects of project technical, contractual, administrative, and financial performance.	3	\$195.80	\$587.40
	Subtotal			\$54,458.75
	IFF Charge		0.7556%	\$411.49



2022-2171

2 of 3



ICU Technologies, Inc.
1382 Blue Oaks Blvd, Suite 110
Roseville, CA 95678
United States

Estimate

#2022-2171

SIN	Item	Quantity	Rate	Amount
OLM	ICU-SHIPPING Freight to customer location	1	\$250.00	\$250.00

Subtotal \$55,120.24

Tax Total (%) \$3,529.15

Total \$58,649.39

DIR #1000064885
Email Order to orders@icu-techinc.com
Payment by credit card will include a 4% processing fee

Accepted By: _____

Accepted Date: _____



EXHIBIT C Estimate

#2022-2172



ICU Technologies, Inc.
1382 Blue Oaks Blvd, Suite 110
Roseville, CA 95678
United States

Bill To

City of Lathrop
City of Lathrop
390 Towne Centre Dr
Lathrop CA 95330
United States

TOTAL

\$51,566.85

Date: 10/11/2022

Ship To

City of Lathrop
City of Lathrop
390 Towne Centre Dr
Lathrop CA 95330
United States

Expiration

01/12/2023

Project

City of Lathrop : City Parks
Video Solution

Contract

GSA # 47QSWA18D003K

SIN	Item	Quantity	Rate	Amount
334220	15C-H4A-3MH-270 3X5 MP, WDR, LightCatcher, 2.8mm, Camera Only	3	\$1,720.47	\$5,161.41
334220	20C-H4A-4MH-360 4X5 MP, WDR, LightCatcher, 2.8mm, Camera Only	2	\$2,007.22	\$4,014.44
OLM	PP350 Pelco PP350 Parapet Wall Mount	3	\$448.50	\$1,345.50
OLM	ICU-GSA-MISC PMP Pole Mount Adapter for WMP-s adnWMP-L	3	\$100.00	\$300.00
334220	H4AMH-AD-IRIL1 Optional IR illuminator ring, up to 30m (100ft), for use with H4AMH-DO-COVR1.	5	\$315.41	\$1,577.05
OLM	H4AMH-DO-COVR1 Dome bubble and cover, for outdoor surface mount or pendant mount, clear.	5	\$129.60	\$648.00
OLM	H4AMH-AD-PEND1 Outdoor pendant mount adapter, must order one of IRPTZ-MNT-WALL1 or IRPTZ-MNT-NPTA1 and one of H4AMH-DO-COVR1 or H4AMH-DO-COVR1-SMOKE.	5	\$162.00	\$810.00
OLM	IRPTZ-MNT-WALL1 Mount, Pend wall, IR PTZ	3	\$76.95	\$230.85
334220	H4-MT-CRNR1 Corner mount adapter for use with H4A-MT-WALL1, H4-BO-JBOX1, H4SL, H4F and H4 PTZ cameras.	3	\$81.15	\$243.45
OLM	IRPTZ-MNT-NPTA1 Mount, Pend NPT Adapter, IR PTZ	4	\$44.55	\$178.20
334220	2.0C-H4IRPTZ-DP30-WP 2MP H4 IR PTZ, with Wiper 30X, Self-learning analytics, IK10, IP66, 250m IR	2	\$3,178.98	\$6,357.96
334220	ACC7-ENT ACC 7 Enterprise Edition camera license	7	\$258.39	\$1,808.73





ICU Technologies, Inc.
1382 Blue Oaks Blvd, Suite 110
Roseville, CA 95678
United States

Estimate

#2022-2172

SIN	Item	Quantity	Rate	Amount
OLM	POE-INJ2-60W-NA Indoor single port Gigabit PoE++ 60W	1	\$117.66	\$117.66
OLM	POE-INJ2-95W-NA Indoor single Port PoE Injector Gigabit, 95W, NA power cord, for use with H4IR PTZ	2	\$324.00	\$648.00
OLM	PD-9512G MICROCHIP PD-9512GC/AC-US 12-PORT LEGACY 60W/ PORT MANAGEDIEEE802.3BT	1	\$1,876.58	\$1,876.58
OLM	ICU-GSA-MISC Avigilon ES-PS-S4 - Fiber Switch	3	\$1,469.92	\$4,409.76
OLM	ICU-GSA-MISC Misc Installation materials, including cabling, conduit, fittings, blocks, connectors, and patch cables	1	\$1,600.00	\$1,600.00
OLM	ICU-GSA-MISC Low Profile Vertical Wall Mount Enclosure 36 Inch Server Depth Patch Panel Cabinet Black	1	\$703.82	\$703.82
541330L	Security Technician I Expert in security system design and installation. Provides advice, counsel, review services, and opinions on a wide variety of matters pertaining to security systems operations and systems management.	104	\$127.27	\$13,236.08
541330L	Project Lead Leads and directs the performance of a variety of related Security and surveillance technology projects. Responsible for ensuring high quality products and services that are delivered according to the agreed schedule and budget of the applicable task/delivery order.	12	\$161.54	\$1,938.48
541330L	Security Engineer Contribute in the execution of the day-to-day tasks and support of the project along with implementing and deploying the major portions of the solution. Applies engineering expertise and knowledge of state-of-the-art software, hardware, network infrastructure, and/or information technology in support of integration of security and surveillance technology systems.	3	\$171.33	\$513.99
541330L	Project Manager Oversees and leads assigned tasks of projects for law enforcement, homeland defense, emergency preparedness, K-12 campus safety and security information technology clients. Guides projects from the original concept through final implementation. Defines project scope and objectives, including developing detailed work plans, day-to-day management direction, schedules, project estimates, resource plans, status reports, and project tracking and analysis. Conducts project meetings and ensures quality standards. Provides advanced technical and strategic guidance to multiple project teams and oversees project deliverables. Responsible for assisting in all aspects of project technical, contractual, administrative, and financial performance.	3	\$195.80	\$587.40



2022-2172



ICU Technologies, Inc.
1382 Blue Oaks Blvd, Suite 110
Roseville, CA 95678
United States

Estimate

#2022-2172

SIN	Item	Quantity	Rate	Amount
	Subtotal			\$48,307.36
	IFF Charge		0.7556%	\$365.01
OLM	ICU-SHIPPING Freight to customer location	1	\$250.00	\$250.00
Subtotal				\$48,922.37
Tax Total (%)				\$2,644.48
Total				\$51,566.85

DIR #1000064885
Email Order to orders@icu-techinc.com
Payment by credit card will include a 4% processing fee

Accepted By: _____

Accepted Date: _____



ITEM 4.19

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: CREATE CIP PS 23-18 FOR MCKINLEY AVENUE PAVEMENT REHABILITATION, AND APPROVE BUDGET AMENDMENT

RECOMMENDATION: Adopt Resolution Creating CIP PS 23-18 for McKinley Avenue Pavement Rehabilitation and Approving Budget Amendment

SUMMARY:

McKinley Avenue is a north south collector between Lathrop Road and Yosemite Avenue. The existing pavement condition is poor with a Pavement Conditions Index (PCI) rating of 63. As a result, staff is proposing to create Capital Improvement Project (CIP) PS 23-18 for McKinley Avenue Pavement Rehabilitation (Project) to address and repair deteriorated pavement surface.

The proposed Project consists of a Full-Depth Reclamation (FDR) flexible pavement treatment on the most impacted segments along McKinley Avenue from Louise Avenue to Yosemite Avenue. The segment of McKinley Avenue from Lathrop Road to Louise Avenue does not require maintenance at this time. The scope of work entails reconstructing the road's structural section, wearing course, and the installation of new striping.

Staff requests that City Council approve the creation of CIP PS 23-18 for McKinley Avenue Pavement Rehabilitation. Sufficient funds were not allocated in the approved FY 22/23 budget, and therefore staff requests approval of a budget amendment transferring \$100,000 from the Transportation Development Act - Local Transportation Fund (TDA-LTF) (2140) to the CIP Project Fund to create the project and fund the design engineering services.

BACKGROUND:

McKinley Avenue is a (2) lane minor arterial that runs north-south from Lathrop Road to the southerly City of Lathrop limits. The area is bounded by Service Commercial, Limited and General Industrial zoning, which permits heavy truck usage.

Through field observations and utilizing the City's Pavement Management System (PMS), staff assessed and determined the need to rehabilitate McKinley Avenue from Louise Avenue to Yosemite Avenue. The segment of McKinley Avenue from Lathrop Road to Louise Avenue does not require maintenance at this time. Staff proposes to create CIP PS 23-18 for McKinley Avenue Pavement Rehabilitation to maintain and repair deteriorated pavement surface. The proposed Project consists of a Full-Depth Reclamation flexible pavement treatment on the most affected segment along McKinley Avenue from Louise Avenue to Yosemite Avenue.

CITY MANAGER’S REPORT **PAGE 2**
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
CREATE CIP PS 23-18 FOR MCKINLEY AVENUE PAVEMENT REHABILITATION,
AND APPROVE BUDGET AMENDMENT

FDR is an in-place recycling method for reconstructing existing flexible pavements using the existing pavement section material as the base for the new roadway-wearing surface. This process can include adding chemicals to the base layer to increase its strength capacity. Treating the base layer and recycled asphalt provides a stronger foundation for heavy truck traffic.

REASON FOR RECOMMENDATION:

Creation of the Project is necessary to repair and rehabilitate existing pavement deficiencies on McKinley Ave, such as alligator cracks, small potholes, and faded striping. Cracks provide an opening for water to enter the asphalt and the subbase, and with raining, the cracks and damages will increase significantly.

Approving the creation of CIP PS 23-18 will allow the City to begin planning and designing phases for the proposed project. Staff will return to Council at a later date to award a construction contract.

FISCAL IMPACT:

To initiate the project and fund the design phase, staff is also requesting City Council approve a budget amendment transferring \$100,000 from the fund balance (TDA-LTF) (2140) to the CIP Project Fund (3310) as follows:

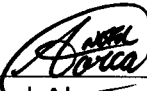
<u>Increase Transfer Out</u>		
2140-9900-990-9010		\$100,000
 <u>Increase Transfer In</u>		
3310-9900-393-0000	PS 23-18	\$100,000
 <u>Increase Appropriation</u>		
3310-8000-420-1200	PS 23-18	\$100,000

ATTACHMENTS:

- A. Resolution Creating CIP PS 23-18 for McKinley Avenue Pavement Rehabilitation and Approving Budget Amendment
- B. Location Map – CIP PS 23-18 for McKinley Avenue Pavement Rehabilitation

CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
CREATE CIP PS 23-18 FOR MCKINLEY AVENUE PAVEMENT REHABILITATION,
AND APPROVE BUDGET AMENDMENT

APPROVALS:



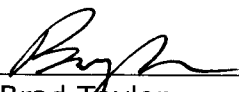
Angel Abarca
Assistant Engineer

03-28-2023
Date



Ken Reed
Senior Construction Manager

3-28-23
Date




Brad Taylor
City Engineer

4/3/2023
Date



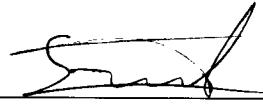
Michael King
Assistant City Manager

4.3.2023
Date



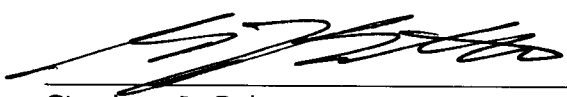
Cari James
Finance Director

4/3/2023
Date



Salvador Navarrete
City Attorney

3.29.2023
Date



Stephen J. Salvatore
City Manager

4.4.23
Date

RESOLUTION NO. 23-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
CREATING CIP PS 23-18 FOR MCKINLEY AVENUE PAVEMENT
REHABILITATION, AND APPROVE BUDGET AMENDMENT**

WHEREAS, McKinley Avenue is a (2) lane minor arterial that runs north-south from Lathrop Road to the southerly City of Lathrop limits. The area is bounded by Service Commercial, Limited and General Industrial zoning, which permits heavy truck usage; and

WHEREAS, through field observations and utilizing the City’s Pavement Management System (PMS), staff assessed and determined the need to rehabilitate McKinley Avenue from Louise Avenue to Yosemite Avenue; and

WHEREAS, the segment of McKinley Avenue from Lathrop Road to Louise Avenue does not require maintenance at this time; and

WHEREAS, staff is proposing to create Capital Improvement Project (CIP) PS 23-18 for McKinley Avenue Pavement Rehabilitation (Project) to address and repair deteriorated pavement surface; and

WHEREAS, the proposed Project consists of a Full-Depth Reclamation (FDR) flexible pavement treatment on the most impacted segments along McKinley Avenue from Louise Avenue to Yosemite Avenue; and

WHEREAS, the work entails reconstructing the road’s structural section, wearing course, and the installation of new striping; and

WHEREAS, sufficient funds were not allocated in the approved FY 22/23 budget, and therefore request approval of a budget amendment transferring \$100,000 from the Transportation Development Act - Local Transportation Fund (TDA-LTF) (2140) to the CIP Project Fund to create the project and fund the design engineering services as follows:

<u>Increase Transfer Out</u>		
2080-9900-990-9010		\$100,000
<u>Increase Transfer In</u>		
3310-9900-393-0000	PS 23-18	\$100,000
<u>Increase Appropriation</u>		
3310-8000-420-1200	PS 23-18	\$100,000

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby approves the creation of Capital Improvement Project (CIP) PS 23-18 for McKinley Avenue Pavement Rehabilitation; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop also approves a budget amendment transferring \$100,000 from the Transportation Development Act - Local Transportation Fund (TDA-LTF) (2140) to the CIP Project Fund (3310) as detailed above.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

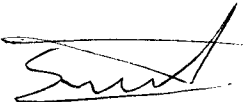
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney



PROJECT LOCATION MAP

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ITEM: GRAND JURY REPORT RESPONSE UPDATE

RECOMMENDATION: Direct the City Attorney to Submit a Letter to the Presiding Judge of the San Joaquin County Superior Court Responding with an Update to the Findings and Recommendations of the Grand Jury Report On Cybersecurity.

SUMMARY

On September 12, 2022 at its regularly scheduled City Council meeting, the City Council accepted the 2021/2022 San Joaquin County Grand Jury Final Report for Case No. 0321 regarding cyber security ("Attachment A") and directed the City Attorney to send a response letter ("Attachment B"). Within Findings and Recommendations 3.3 and 3.4, The Grand Jury recommended the City develop, adopt and implement a formal, written Business Continuity Plan and develop, adopt and implement formal, written, internal policies and procedures for potential ransomware attacks.

The City agreed with Findings and Recommendations 3.3 and 3.4, and instructed staff to draft written cyber security policies and procedures.

BACKGROUND

On September 12, 2022 at its regularly scheduled City Council meeting, the City Council accepted the 2021/2022 San Joaquin County Grand Jury Final Report for Case No. 0321 regarding cyber security and directed the City Attorney to send a response letter. Within Findings and Recommendations 3.3 and 3.4, The Grand Jury recommended the City develop, adopt and implement a formal, written Business Continuity Plan and develop, adopt and implement formal, written, internal policies and procedures for potential ransomware attacks.

City staff, with the assistance of hired consultants and the City's insurer, drafted Information Systems Department procedures and provided drafts of those policies regarding cyber security to the Grand Jury on March 28, 2023 as further response to the Final Report for Case No. 0321 Findings and Recommendations 3.3 and 3.4. The Grand Jury provided the requested edits or changes. Therefore, to finalize the City's response, staff requests City Council approval of the following updated responses:

Grand Jury Finding F3.3: "The City of Lathrop does not have an approved Business Continuity Plan, rendering the City relatively unprepared to restore essential services in a disruptive event."

Grand Jury Recommendation R3.3: "By January 1, 2023, the Lathrop City Council, in conjunction with the City's IT department, develop, adopt and implement a Business Continuity Plan."

City Council Original Response: The City of Lathrop has an unwritten Business Continuity Plan but not a written one. The City of Lathrop City Council agrees with Grand Jury Finding F3.3 and Recommendation R3.3 and documentation is anticipated to be complete by January of 2023.

Proposed Followup Response: The City worked with its consultant on the development and standardization of the City's unwritten Business Continuity Plan. Because those policies include confidential details that would allow a potential hacker to gain easier access to the City's Information Technology resources, those were shared confidentially with the Grand Jury on March 28, 2023 and Council adopts the same in compliance with the Grand Jury's recommendation. Redactions on the attached Business Continuity-Disaster Recovery Plan are intended to protect security information.

Grand Jury Finding F3.4: "The City of Lathrop does not have a formal internal policy or procedure to address ransomware attacks. This absence of policy could cause confusion, delay and greater loss of security in the event of such an attack."

Grand Jury Recommendation R3.4: "By November 1, 2022, the Lathrop City Council, in conjunction with the City's IT department, develop, adopt and implement a formal internal policy and procedure for a ransomware attack."

City Council Original Response: The City of Lathrop has an unwritten, internal procedure to address ransomware attacks and, in addition to such, has hired a consultant whom will assist the City in development and implementation of a formal written policy for procedures to address ransomware attacks. The City of Lathrop City Council agrees with Grand Jury Finding F3.4 and Recommendation R3.4 and anticipates documentation will be complete by January of 2023.

Proposed Followup Response: The City worked with its consultant on the development of the City's unwritten, internal procedures to address ransomware attacks and standardize those into internal policies. Because those policies include confidential details that would allow a potential hacker to gain easier access to the City's Information Technology resources, those were shared confidentially with the Grand Jury on March 28, 2023 and Council adopts the same in compliance with the Grand Jury's recommendation. Redactions on the attached Information Security Policy and the inclusion of only the Executive Summary and Introduction of the Incident Response Plan are intended to protect security information.

**CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
GRAND JURY REPORT RESPONSE UPDATE**

PAGE 3

RECOMMENDATION:

Staff recommends City Council consider approval of the City's proposed updated responses to the Grand Jury and direct the City Attorney to submit responses to the Presiding Judge of the San Joaquin County Superior Court to the findings and the recommendations outlined in the Grand Jury Final Report for Case No. 0321.

FISCAL IMPACT:

None, except for staff time to prepare this report.

ATTACHMENTS:

- A. Grand Jury Final Report, Case No. 0321
- B. Letter to San Joaquin County Superior Court Presiding Judge in response to Grand Jury Final Report Case #0321 dated September 13, 2022.
- C. Draft Letter to San Joaquin County Superior Court Presiding Judge in follow-up response to Grand Jury Final Report Case #0321
- D. City of Lathrop Draft Incident Response Plan Executive Summary and Introduction
- E. City of Lathrop Draft Information Security Policy
- F. City of Lathrop Draft Business Continuity-Disaster Recovery Plan

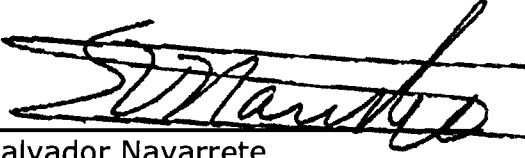
**CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
GRAND JURY REPORT RESPONSE UPDATE**

APPROVALS:



Tony Fernandes
Director of Information Systems

4-4-2023
Date



Salvador Navarrete
City Attorney

4/5/2023
Date



Stephen J. Salvatore
City Manager

4.6.23
Date

2021–2022 San Joaquin County Grand Jury



San Joaquin County and Its Seven Cities: Cybersecurity: Local Defense Against a Global Threat Case #0321

Summary

We hear reports on a daily basis of cyberattacks occurring around the world. These attacks are becoming increasingly sophisticated, disruptive and expensive. Attacks on government agencies can disrupt essential services, crippling communities. Agencies small and large are equally vulnerable. There is an ever-growing demand for stolen data in an underground market. Compromise of information has proven to be a serious threat on the cyber battleground, both domestically and internationally. Bad actors hack intelligence, media and essential service systems. Other disasters such as floods, fires, storms or prolonged power outages can interrupt essential services if providers' information systems are not adequately secure. According to one expert witness interviewed by the 2021-2022 Grand Jury, "World War III will be fought in cyberspace, not on the battlefield."

Grand Jury members are not technical experts but sought to understand the cybersecurity landscape and local governments' management of their cybersecurity risks and vulnerabilities. In this investigation of information security of San Joaquin County and its seven cities, the 2021-2022 Grand Jury made a "point in time" assessment of each entity's Information Systems Department (ISD), focusing primarily on cybersecurity. The Grand Jury considered nine elements of any ISD and, through research of relevant literature and input from industry experts, established an expected standard for each of those elements. The Grand Jury then evaluated each of the agencies with respect to those expectations.

The Grand Jury concluded that San Joaquin County (SJC) has mature and robust security policies and systems. The County's security architecture provided a model in evaluating each city's systems. The Grand Jury determined that Escalon, Lodi and Stockton met a lay person's expectations for cybersecurity but were lacking either a formal Business Continuity Plan (BCP) or Disaster

Preparedness Plan (DPP). Lathrop, Manteca and Tracy were found to have adequate security systems in place but lack documented plans for both Business Continuity and Disaster Preparedness. Ripon was found to-need improvement in meeting several of the Grand Jury's expectations, with lack of personnel being their greatest challenge.

The Grand Jury recommends that the County and affected cities:

- **develop, adopt and implement a Business Continuity Plan;**
- **develop, adopt and implement an IT Disaster Preparedness Plan;**
- **remedy specific cybersecurity risks found in this investigation; and**
- **the City of Ripon undergo a data system security review by an expert third party to assess the City's IT systems and protocols.**

The Grand Jury recognizes that cybersecurity is a dynamic process, a continually moving target which needs constant monitoring and updating.

Glossary

- **Access:** The ability and means to communicate with or otherwise interact with a system; to use system resources to manage information; to gain knowledge of the information the system contains; to control system components and functions.
- **Actor, bad actor, threat actor or attacker:** An individual, group, organization or government that attempts or executes an attack.
- **Attack:** An intentional attempt to gain unauthorized access to system services, resources or information; an attempt to compromise system integrity.
- **Authentication:** The process of verifying the identity or other attributes of an entity (user, process or device).
- **Authorization:** A process of determining, by evaluating applicable access control information, whether a subject is allowed to have the specified types of access to a particular resource.
- **BCP:** Business Continuity Plan. A document that sets forth procedures for the continued performance of core capabilities, critical operations and user services during any disruption or potential disruption.
- **CCISDA:** California County Information Services Directors Association. This is the official organization of the county IT directors and chief information officers throughout the state of California. CCISDA represents all 58 California counties in the area of information technology in county government.
- **CIO:** Chief Information Officer.
- **Computer Aided Dispatch Systems:** Used by dispatchers, call-takers, and 911 operators to prioritize and record incident calls, identify the status and locations of responders in the field and effectively dispatch responders.
- **Confidentiality:** A property of information that is not disclosed to users, processes or devices unless they have been authorized to access the information.
- **Cyber event or incident:** An occurrence that actually or potentially results in adverse consequences to an information system or the information that the system processes, stores or transmits and that may require a response action to mitigate the consequences. An occurrence that constitutes a violation or imminent threat of violation of security policies, security procedures or acceptable use policies.

- **Cybersecurity:** The activity, process, ability, capability or state whereby information and communications systems and the information contained therein are protected from and/or defended against damage, unauthorized use, modification or exploitation.
- **DPP:** Disaster Preparedness Plan. A document that sets forth policies and procedures for restoration of information systems after a critical incident or event from any source. The plan addresses interim restoration of information operations in the short and medium term and full restoration of all capabilities in the longer term.
- **Data integrity:** The property that data is complete, intact and trusted and has not been modified or destroyed in an unauthorized or accidental manner.
- **Data security policy:** A rule or set of rules that governs the acceptable use of an organization's information and services to a level of acceptable risk and the means for protecting the organization's information assets.
- **Encryption:** The process of converting data into a form that cannot be easily understood by unauthorized people or agents.
- **Firewall:** A capability to limit network traffic between networks and/or information systems. A hardware/software device, or a software program, that limits network traffic according to a set of rules of what access is and is not allowed or authorized.
- **Hacker:** An unauthorized user who attempts to or gains access to an information system.
- **ISD:** Information Systems Department.
- **IT:** Information Technology.
- **KnowB4:** A proprietary security awareness training platform. KnowB4 is used by agencies for simulated phishing activities and other email compromise tests, as well as for other IT security training needs.
- **Malware:** Software that compromises the operation of a system by performing an unauthorized function or process.
- **Mobile device management tool:** A security software tool designed to help organizations secure, manage and monitor mobile devices such as smartphones and tablets.
- **Multi-factor authentication:** An electronic authentication mechanism in which a user is granted access to an application only after presenting two or more pieces of evidence (factors or keys only the authentic user knows or possesses).
- **Multi-layer security access:** Multi-layer security refers to a system that uses numerous components to shield the IT infrastructure. It is a defense mechanism that mitigates, delays or prevents threats.
- **Network or cyber infrastructure:** The information and communication systems and services composed of all hardware and software that process, store and communicate information; any combination of all these elements.
- **Next-generation systems:** Security systems consisting of both firewall and intrusion prevention systems built in, rather than as add-ons, along with the features of basic firewalls.
- **Phishing:** A digital form of social engineering to deceive individuals into providing sensitive information.
- **Phishing test:** A security training exercise designed to test users' vulnerability and reinforce vigilance.
- **Presidential Executive Order 14028:** "Improving the Nation's Cybersecurity" (issued May 12, 2021) requires agencies to enhance their cybersecurity system integrity.

- **Ransomware:** A type of malicious software designed to block access to a computer system until a sum of money is paid.
 - **Ransomware attack response plan:** A set of predetermined and documented procedures to detect and respond to a cyber incident involving demand for ransom for recovery and restoration of data or systems.
 - **Records Management System:** The management of records for an organization throughout the records' life cycle.
 - **Redundancy:** Additional or alternative systems, sub-systems, assets or processes that maintain a degree of overall functionality in case of loss or failure of another system, sub-system, asset or process. Typically applied to power supplies and data backup systems.
 - **Vulnerability:** A characteristic or specific weakness that renders an organization or asset (such as information or an information system) open to exploitation by a given threat or susceptible to a given hazard.
- Wi-Fi network:** A family of wireless network protocols used for local area networking of devices and internet access, allowing nearby digital devices to exchange data by radio waves.

Background

The 2008-2009 San Joaquin County Grand Jury reported on information technology security, finding that several County departments and two of the seven cities in the county met expectations for Information Technology (IT) security, while some County departments and five cities did not. Recommendations were made and generally accepted in agency responses. In terms of technology, 2008-2009 was at least a generation ago. Government agencies use and store vast amounts of sensitive data on their residents and their employees, including personal identification data, financial data, health data and legal data. Additionally, these agencies provide services essential to our day-to-day lives, including public safety (police and fire), public works, health services, water services and community development. The Grand Jury recognizes that we are lay people, hardly experts, in the field of IT. It was the intent of the 2021-2022 Grand Jury to examine how the county and city governments within San Joaquin County are exercising due diligence to protect information, defend against future cyberattacks, maintain current disaster plans and provide on-going training to employees in these matters.

Reason for Investigation

As stated in Presidential Executive Order 14028, "...the prevention, detection, assessment and remediation of cyber incidents is a top priority and essential to national economic security."

San Joaquin County has experienced ransomware and cybersecurity attacks firsthand. School districts, municipalities and county agencies have been victimized in recent years. Given the rise in complexity of IT, the current sophistication of cybercrime, and the essential nature of government services provided, the 2021-2022 Grand Jury undertook an investigation into the current state of security and disaster preparedness of the IT systems of San Joaquin County and the seven incorporated cities within the county.

Method of Investigation

The 2021-2022 Grand Jury surveyed six San Joaquin County IT department heads and the City Manager or City Administrator of each of the seven cities in the county; each responded to the survey. Subsequently, an agency IT department head or staff member, an IT consultant or a city administrator was interviewed to clarify responses and to provide additional material when applicable. The Grand Jury also interviewed independent cybersecurity experts. The expert witnesses have collectively more than 50 years' experience at diverse levels of government ranging from county to state to national information systems and cybersecurity. IT executives from one school district were also interviewed. For this investigation, the Grand Jury interviewed 16 individuals and attended cybersecurity presentations.

The Grand Jury also reviewed numerous websites and newspaper and magazine articles relevant to this investigation. Additionally, the Grand Jury reviewed documents provided, including network diagrams, ransomware insurance policies and other items.

Materials Reviewed

- 2021-2022 San Joaquin County Grand Jury surveys
- Biden, Joseph. *Executive Order on Improving the Nation's Cybersecurity*. 12 May 2021. Executive Order#14028
- *California Joint Cyber Incident Response Guide*. California Office of Emergency Services Cyber Security Integration Center, 2 Aug. 2021
- *Cyber Attack Preparedness in Contra Costa County*. Contra Costa County Civil Grand Jury, 2021. Report 2104
- *Digital Services and Innovation Strategy*. San Joaquin County, 19 Nov. 2020
- *How to Develop a Ransomware Remediation Plan*. Rubrik, 2021
- *Information Technology Security*. 2018-2019 Santa Barbara County Grand Jury, 2019
- *Information Technology Security: Cities and San Joaquin County*. 2008/2009 San Joaquin County Grand Jury, 2009. Report No.03-08
- *Ransomware Defense for Dummies--2nd Edition*. 2nd ed., Cisco Umbrella, 2021

Websites Visited

- Cybersecurity & Infrastructure Security Agency. "CYBERSECURITY | CISA." *Cisa.gov*, Cybersecurity and Infrastructure Security Agency, 2019, www.cisa.gov/cybersecurity. Accessed 6 May 2022.
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Discussions, Findings and Recommendations

General Discussion

The Grand Jury recognizes cybersecurity is an extremely complicated topic. Specialized knowledge, experience and expertise are required for a deep understanding of what is necessary for adequate policies, systems and architecture. Lacking such specialized knowledge, the Grand Jury researched numerous sources, including recognized experts in this field to determine the following elements of any ISD and to define the following expectations for adequate cybersecurity in today's environment.

Expectations

- **Organization:** Each organization should have a detailed Organization Chart demonstrating the structure of its independent IT department. Cities lacking an independent IT department should have a chart showing where IT resides in their overall structure.
- **Network Diagram:** Each organization should have a detailed network diagram indicating the relationships between all IT architectural elements. Best-practice guidelines suggest that this diagram be confidential.
- **Data Confidentiality:** Each organization should have an organization-wide policy determining data confidentiality and access control. Policy for data access should be clearly defined and desk-specific or station-specific.
- **Data Security:** Each organization should have next-generation systems and controls to ensure both physical and cyber security for all IT assets. Next-generation firewalls and endpoint management systems provide protection against ever-evolving means of cyberattack. Data should be protected with daily or continuous backup and archival systems. Backups should be protected against corruption, external encryption and/or destruction. Agencies should require multi-factor authentication for access to network systems.
- **Business Continuity Plan (BCP):** Each organization should have a detailed, current, comprehensive plan for restoring services in the event of disruption from any source.
- **Disaster Preparedness Plan (DPP):** Each organization should have a formal, detailed plan to prepare for various possible IT disruptions. This plan should be tested frequently and updated regularly.
- **Ransomware Policy:** Each organization should have an internal (confidential) documented policy for agency response to a ransomware attack.

- **Cyber Event Insurance:** Each organization should have insurance coverage to help offset economic losses from cyber events.
- **Ongoing Employee Training:** Each organization should provide rigorous, frequent training and ongoing testing of all employees as an integral part of its cybersecurity profile.

Survey Results:

The table below indicates whether an agency met (M), did not meet (NM) or was in the process of meeting (IP) the nine defined expectations.

	Org Chart	Network Diagram	Data Confidentiality	Data Security	BCP	DPP	Ransomware Policy	Cyber Insurance	Training
SJC	M	M	M	M	M	M	NM	M	M
Escalon	M	M	M	M	NM	M	M	M	M
Lathrop	M	M	M	M	NM	M	NM	NM	M
Lodi	M	M	M	M	IP	M	M	M	M
Manteca	M	M	M	M	M	M	IP	IP	M
Ripon	M	M	M	M	NM	NM	NM	M	M
Stockton	M	M	M	M	M	M	NM	M	M
Tracy	M	M	M	M	IP	IP	NM	M	M

1.0 San Joaquin County–Discussion

In November 2020, San Joaquin County released a three-year (2020-2023) strategic plan for ensuring continuing security, efficacy, cost-effectiveness and best-service outcomes to all end-users of County services and systems. The plan document “San Joaquin County Digital Services and Innovation Strategy” established goals for County digital service systems. These goals—Modernizing and Leveraging Our Technology Environment—address objectives for a security posture:

1. Acquire and implement cybersecurity technology to enable SJC to develop industry-leading capabilities to help mitigate and address cybersecurity risk.
2. Develop and mature security governance and processes to meet or exceed industry standards, enhance security enforcement partnerships, and strengthen County practices.
3. Develop a robust security training program for the County workforce, including enhanced training and development for the security workforce.

Excerpt from “San Joaquin County Digital Services and Innovation Strategy,” November 19, 2020 (page 6)

San Joaquin County has met these objectives and continues to update and enhance these processes as the cybersecurity landscape continues to evolve.

San Joaquin County ISD oversees all County departments, making it one of the largest county ISDs in California. San Joaquin County ISD is an active participant in the California County Information Systems Department Association (CCISDA). This association provides opportunities for counties to share information and experiences and offers guidance, such as standards for best-practice policies. Several large and specialized departments within the County have their own IT departments and department chiefs who report to the County's Chief Information Officer. Additionally, SJC has a dedicated Information Security Officer. All these IT executives form a cybersecurity governance committee which meets monthly, with subgroups meeting more frequently as needed. County ISD and Human Resource Departments conduct frequent and on-going employee training and testing using proprietary software. In addition to these County departments, several Independent Special Districts in SJC use County IT services through various memoranda of understanding. The only element of the defined expectations not met by SJC is having an internal documented policy for response to a ransomware attack. San Joaquin County is a model agency in the realm of information technology and maintenance of cybersecurity.

Findings

F1.1 San Joaquin County does not have a formal internal policy concerning payments or procedures in ransomware attacks. This absence of policy could cause confusion, delay and greater loss of security in the event of such an attack.

F1.2 San Joaquin County has an exemplary profile regarding cybersecurity and should serve as a model for other government agencies within San Joaquin County.

Recommendations

R1.1 By November 1, 2022, the San Joaquin County Board of Supervisors, in conjunction with San Joaquin County ISD, develop, adopt and implement a formal internal policy and procedure for response to a ransomware attack.

2.0 City of Escalon–Discussion

The City of Escalon does not have an independent IT department but has a contract agreement with Mid Valley IT to provide all IT services. In the City organization, IT functions report to the Finance and HR Directors. Each employee is given a level of access according to assigned responsibilities within their department. All employees receive information security training specific to their responsibilities as well as general security awareness training. The IT consultant employs an aggressive multi-layered approach to mitigate security threats through software and hardware protection measures. Critical or confidential data is stored in multiple cloud-based locations and systems employing numerous safeguards, including use of multi-factor authentication for access.

IT functions are protected with a standby generator and redundant backups in case of a system failure. The generator is tested periodically for functionality.

The City of Escalon met all but one of the expectations for adequate cybersecurity. Escalon is by far the smallest city in San Joaquin County, but by using a contracted IT service provider, Escalon is meeting its cybersecurity needs. The City of Escalon does not have a documented Business Continuity Plan.

Findings

F2.1 The City of Escalon does not have a documented Business Continuity Plan, leaving the City relatively unprepared to restore essential services in a disruptive event.

Recommendations

R2.1 By January 1, 2023, the Escalon City Council, in conjunction with Mid Valley IT, develop, adopt and implement a Business Continuity Plan.

3.0 City of Lathrop–Discussion

The City of Lathrop met six of the expectations for the nine elements considered in this investigation. Lathrop’s IT organization includes a Director of Information Technology at the cabinet leadership level, a policy strongly recommended by an IT expert for maximum IT security. Including the Director of IT in frequent, regular meetings with other department heads allows effective communication of IT security needs to all City departments.

Expectations for data confidentiality and data security were met. However, use of multi-factor authentication for system access was not universal at the time of this investigation, leaving Lathrop at higher risk of attack. Lathrop provides an unsecured public Wi-Fi network, separate from the City’s secure business network and accessible to any user. Hackers or other bad actors could take advantage of the unsecured network, possibly resulting in compromise of log-in credentials from that network and possibly exposing the City to costly liability suits. Lathrop was in the process of developing and approving a BCP and DPP plan at the time of this investigation. Similarly, the City was updating an internal policy for response to a ransomware attack. At the time of this investigation, Lathrop lacked insurance against losses incurred in a cybersecurity incident.

Findings

F3.1 The City of Lathrop does not employ multi-factor authentication universally, leaving City systems more vulnerable to the activities of bad actors.

F3.2 The City of Lathrop provides an unsecured public Wi-Fi network. Misuse of this unsecured network could expose the City to liability risks.

F3.3 The City of Lathrop does not have an approved Business Continuity Plan, rendering the City relatively unprepared to restore essential services in a disruptive event.

F3.4 The City of Lathrop does not have a formal internal policy or procedure to address ransomware attacks. This absence of policy could cause confusion, delay and greater loss of security in the event of such an attack.

F3.5 The City of Lathrop does not have an insurance policy covering financial losses from a cyberattack, possibly exposing City financial resources.

Recommendations

R3.1 By November 1, 2022, the Lathrop City Council, in conjunction with the City's IT department, develop, adopt and implement a procedure for universal multi-factor authentication for access to City data.

R3.2 By November 1, 2022, the Lathrop City Council, in conjunction with the City's IT department, provide a secure public Wi-Fi network.

R3.3 By January 1, 2023, the Lathrop City Council, in conjunction with the City's IT department, develop, adopt and implement a Business Continuity Plan.

R3.4 By November 1, 2022, the Lathrop City Council, in conjunction with the City's IT department, develop, adopt and implement a formal internal policy and procedure for a ransomware attack.

R3.5 By January 1, 2023, the Lathrop City Council, in conjunction with the City's IT department, obtain an insurance policy to mitigate fiscal impact resulting from cyberattack or other critical information system loss.

4.0 City of Lodi–Discussion

The City of Lodi has a large IT division, responsible for all IT functions of the City. The division is responsible for the integrity of the City's cyber infrastructure, maintenance and support of all hardware and software, and assuring secure access to all network resources. Lodi fell victim to a ransom attack in April 2019. That unfortunate event caused the City to change its management of cybersecurity, significantly elevating the importance of vigilance by all City staff. Lodi has implemented a robust cyber awareness training program for all City employees, incorporating education in tactics used by bad actors both inside and outside the City's network. Monthly training is followed by testing in topics covered. Citywide campaigns occur quarterly to test employee response to phishing and other email-based attacks. The IT division head reports directly to the Deputy City Manager and meets regularly with all City department heads. The City of Lodi met all expectations for cybersecurity except for having a completed, up-to-date Business Continuity Plan. The City has contracted a business consulting firm to create a BCP, projected to be completed and implemented by the end of June 2022.

Findings

F4.1 The City of Lodi does not have an approved Business Continuity Plan, rendering the City relatively unprepared to restore essential services in a disruptive event.

F4.2 The City of Lodi has implemented an excellent cyber awareness training program for all employees minimizing risk to damage from cyberattack.

Recommendations

R4.1 By January 1, 2023, the Lodi City Council, in conjunction with the City's IT division, develop, adopt and implement a Business Continuity Plan.

5.0 City of Manteca–Discussion

The City of Manteca met seven of the nine expectations considered in this investigation. Manteca's Information Technology department is independent in the City's organization. The department director reports directly to the City Manager and meets weekly with other City department heads. User level of access is determined by position, background and other departmental factors. Employees are trained on a regular basis. The training is mandatory for all employees. Hard drives are encrypted, and a Mobile Device Management tool is used for tablets, laptops and phones.

Manteca's ISD is currently updating its Information Technology Security Policy. This comprehensive policy has not been updated since 2010. Manteca's Department of Information Technology and Innovation is collaborating with City administration and the City Attorney to update all policies relating to information technology security. Similarly, the City is in the process of bringing both hardware and software systems up to next-generation standards with new firewall, malware, user access, backup systems and applications in place. Employee training is executed through KnowB4, an industry-standard cybersecurity training program which includes phishing and other email compromise testing.

Regarding firewalls and switches, roughly 60% still operate off single rather than dual or redundant power supplies. Over the next five years, the City is phasing out older devices as they reach end-of-life.

Findings

F5.1 The City of Manteca has an Information Technology Security Policy which has not been updated since 2010, leaving the City relatively unprepared for a cyber event.

F5.2 The City of Manteca lacks a policy and procedure for ransomware attacks. This absence of policy could cause confusion, delay, and greater loss of security in the event of such an attack.

F5.3 The City of Manteca has a significant number of security devices with single power supplies. This lack of redundant power presents vulnerability in major or prolonged power outages.

Recommendations

R5.1 By January 1, 2023, the Manteca City Council, in conjunction with the City's ISD, develop, approve and implement an updated Information Technology Security Policy.

R5.2 By January 1, 2023, the Manteca City Council, in conjunction with the City's ISD, develop, approve and implement a confidential policy and procedure for response to a ransomware attack.

R5.3 By March 1, 2023, the Manteca City Council, in conjunction with the City's ISD, develop, approve and adopt an updated timeline to replace single-powered units with dual-powered or redundant-powered units in their network architecture.

6.0 City of Ripon–Discussion

The City of Ripon has experienced turnover and vacancies in the IT Department in the past year. The Director of IT resigned in early 2021. Subsequently, another IT Director was hired but resigned within three months. The City has contracted with a former IT employee as a temporary IT Director and is currently updating the job description for a permanent director of the IT functions.

The City's organization chart does not include an IT department or department head. The only IT position shown is within the Police Department.

Data confidentiality is maintained through a three-tiered access structure. Management supervisors for each City department determine who has access to appropriate information. Sensitive data is held within a Computer Aided Dispatch Program or a Records Management System within the IT division of the Ripon Police Department. The sensitivity of data with all other City departments is determined by supervisors.

Findings

F6.1 It is unclear in the City of Ripon's Organization Chart where responsibilities for IT and IT security lie, creating confusion over who is responsible to act in a disruptive event.

F6.2 The City of Ripon has a rudimentary network diagram outlining the City's router and firewall relationship with networks used, but the diagram lacks detail, leaving uncertainty about data security.

F6.3 Although the City of Ripon met expectations in the areas of data confidentiality and security, lack of IT staff and leadership leaves these areas vulnerable to cyberattack.

F6.4 The City of Ripon lacks a Business Continuity Plan, rendering the City relatively unprepared to restore essential services in a disruptive event.

F6.5 The City of Ripon does not have a Disaster Preparedness Plan, leaving the City at risk for significant delay and cost to restore IT systems in the event of a disaster.

F6.6 The City of Ripon does not have a formal policy or procedure to address ransomware attacks. This absence of policy could cause confusion, delay and greater loss of security in the event of an attack.

Recommendations

R6.1 By January 1, 2023, the Ripon City Council develop and make public an updated City Organization chart showing details of the City's IT functions, including all IT positions.

R6.2 By January 1, 2023, the Ripon City Council develop and adopt a detailed Network Diagram to decrease security vulnerabilities.

R6.3 By January 1, 2023, the Ripon City Council obtain a third-party security review of the City's IT department assets, positions, and policies and an evaluation of data confidentiality, security systems and protocols.

R6.4 By January 1, 2023, the Ripon City Council develop, adopt and implement a formal Business Continuity Plan.

R6.5 By January 1, 2023, the Ripon City Council develop, adopt and implement a formal Disaster Preparedness Plan for IT functions.

R6.6 By January 1, 2023, the Ripon City Council develop, adopt and implement a formal internal policy and procedure for response to a ransomware attack.

7.0 City of Stockton--Discussion

The City of Stockton has a large IT department that oversees IT functions for all the City's other departments. Data confidentiality and user access are determined departmentally, following uniform standards. Information is protected by many safeguards aiming not only to minimize risk of penetration but also to detect any breach that might occur. Stockton has both a BCP and a DPP. Stockton is one of very few cities having license to use a cybersecurity tool integrating the City with the State of California's Office of Emergency Services. Stockton's IT Director meets weekly with other department heads, updating them on all matters related to cybersecurity.

Stockton met each of the cybersecurity expectations except for the presence of a documented internal policy and procedure for response to a ransomware attack. However, the City does have a Cybersecurity Response Book detailing response procedures for other cyber events. Employee security awareness training is required every six months.

Findings

F7.1 The City of Stockton does not have a formal internal policy concerning payments or procedures in ransomware attacks. This absence of policy could cause confusion, delay and greater loss of security in the event of an attack.

F7.2 The City of Stockton has a large IT Department which places cybersecurity and disaster preparedness at a high priority, minimizing risk to the City's information and service systems.

Recommendations

R7.1 By November 1, 2022, the Stockton City Council, in conjunction with the City's IT department, develop, adopt and implement a formal internal policy and procedure for response to a ransomware attack.

8.0 City of Tracy–Discussion

The City of Tracy met all expectations for cybersecurity or was in the process of meeting them when surveyed. The City has an Information Technology Division, which is part of the Finance Department. This division supports all departments and functions of the City except water treatment. Data confidentiality and security are guaranteed with industry-leading, next-generation firewalls and network access controls. Data storage, backup and cybersecurity are monitored continually. The IT Manager meets every two weeks with all other City department heads to address IT issues, including cybersecurity.

Tracy does not require encryption of thumb drives used on City devices, a requirement that is considered a “best practice” by an expert witness.

Tracy does not have either a formal Business Continuity Plan or Disaster Preparedness Plan in place but is in the process of developing both. The BCP was scheduled to be complete in April 2022. Completion date for the DPP was not specified by the City.

Findings

F8.1 Lacking a requirement for encryption of thumb drives used on City devices exposes the City of Tracy to potential data theft and contamination.

F8.2 The City of Tracy lacks a completed Business Continuity Plan, rendering Tracy relatively unprepared to restore essential services in a disruptive event.

F8.3 The City of Tracy lacks a completed Disaster Preparedness Plan, leaving Tracy at risk for delay and cost to restore IT systems in the event of a disaster.

Recommendations

R8.1 By November 1, 2022, the Tracy City Council, in conjunction with the IT division, develop, adopt and implement a policy requiring encryption of thumb drives used on City devices.

R8.2 By January 1, 2023, the Tracy City Council, in conjunction with the IT division, develop, adopt and implement a formal Business Continuity Plan.

R8.3 By January 1, 2023, the Tracy City Council provide the Grand Jury with an updated formal Disaster Preparedness Plan.

Conclusion

San Joaquin County is well protected regarding cybersecurity. The seven cities in the county vary with respect to Grand Jury expectations, most being well secured but lacking defined plans for Business Continuity and IT Disaster Preparedness. Cybersecurity is an evolving concern and requires ongoing efforts by government entities to remain current and vigilant against risks to their Information Systems.

In this investigation the Grand Jury learned from cybersecurity experts that three key elements lead to maximum agency cybersecurity:

- a dedicated information security position within each organization,
- a “seat at the table” with other agency department heads in regular meetings, and
- a rigorous employee education and training program in cybersecurity matters.

Disclaimers

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 the 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).

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 within 90 days of receipt of the report.

The San Joaquin County Board of Supervisors and the City Councils of each city addressed shall respond to all findings and recommendations specific to their city.

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

Honorable Michael D. Coughlan, Presiding Judge
San Joaquin County Superior Court
180 E Weber Ave, Suite 1306J
Stockton, California 95202

Also, please email a copy of the response to Ms. Trisa Martinez, Staff Secretary to the Grand Jury, at grandjury@sjcourts.org



390 Towne Centre Drive-Lathrop, CA 95330
Phone 209-941-7235 Fax 209-941-7233
www.ci.lathrop.ca.us

September 13, 2022

Honorable Michael D. Coughlan, Presiding Judge
San Joaquin County Superior Court
180 East Weber Avenue, Suite 1306J
Stockton, CA 95202

Re: Response to Grand Jury Final Report Case No. 0321 (2021/2022).
Report received by the City of Lathrop on June 15, 2022

Honorable Michael D. Coughlan,

Pursuant to Penal Code Section 933 and 933.05, this letter is to inform you that on September 12, 2022 at a regularly scheduled City Council Meeting, the City Council of the City of Lathrop reviewed and approved the above referenced Grand Jury Final Report and directed me to write this letter of response on their behalf.

The 2021/2022 Grand Jury Final Report found that:

Grand Jury Finding F3.1: “The City of Lathrop does not employ multi-factor authentication universally, leaving City systems more vulnerable to the activities of bad actors.”

Grand Jury Recommendation R3.1: “By November 1, 2022, the Lathrop City Council, in conjunction with the City’s IT department, develop, adopt and implement a procedure for universal multi-factor authentication for access to City data.”

City Council Response: The City of Lathrop City Council agrees with Grand Jury Finding F3.1 and Recommendation R3.1 and multi-factor authentication security has been implemented and in effect since June of 2022.

Grand Jury Finding F3.2: “The City of Lathrop provides an unsecured public Wi-Fi network. Misuse of this unsecured network could expose the City to liability risks.”

Grand Jury Recommendation R3.2: “By November 1, 2022, the Lathrop City Council, in conjunction with the City’s IT department, provide a secure public Wi-Fi network.”

City Council Response: The City of Lathrop disagrees with Grand Jury Finding F3.2 and Recommendation R3.2 because by definition, publicly available Wi-Fi is inherently “unsecured”, although this designation is a misnomer because it eludes to an idea that publicly available Wi-Fi can either be secured or unsecured, and that unsecured is less “safe” or more “risky” than secured. Neither are the case. An “unsecured network” only means that such Wi-Fi is publicly available for anyone to use. Wi-Fi networks, either secured or unsecured, cannot merge end-users between those networks. Secured and unsecured networks, and the end-users utilizing either, remain completely isolated from one another; it would be unfeasible for someone with access to only an unsecured Wi-Fi network to also have the ability to gain access to a separate, secured Wi-Fi network.

The commonly perpetuated idea of “risk” associated with the use of an unsecured Wi-Fi network incorrectly shapes such “risk” as something that happens upon an end-user regardless of their use of the unsecured Wi-Fi network, when in reality, risk can develop and potentially increases the more limited an end-user’s understanding of how their digital presence on the internet affects their vulnerability and security. End-users should be encouraged to utilize personal checks and balances to verify the Wi-Fi networks they choose to connect to are verifiable and reputable, that their presence on the internet is not made easily available to be tracked by others, and that they are visiting legitimate websites, in order to further maintain security of their personal data and information.

Publicly available Wi-Fi is a critical asset to cities around the country. Publicly available Wi-Fi provides the public the opportunity to connect to critical and important information equitably and provides a consistent source of access to such information, promoting economic inclusion within the community. The City of Lathrop currently hosts an unsecured public Wi-Fi network entitled “City of Lathrop Guest Cloud 1” and end-users who connect to this network to access the internet must agree to the terms and conditions of its use, and which the public is only able to remain connected to for time increments of thirty (30) minute, between 7am and 7pm, seven (7) days per week.

Grand Jury Finding F3.3: “The City of Lathrop does not have an approved Business Continuity Plan, rendering the City relatively unprepared to restore essential services in a disruptive event.”

Grand Jury Recommendation R3.3: “By January 1, 2023, the Lathrop City Council, in conjunction with the City’s IT department, develop, adopt and implement a Business Continuity Plan.”

City Council Response: The City of Lathrop has an unwritten Business Continuity Plan but not a written one. The City of Lathrop City Council agrees

with Grand Jury Finding F3.3 and Recommendation R3.3 and documentation is anticipated to be complete by January of 2023.

Grand Jury Finding F3.4: “The City of Lathrop does not have a formal internal policy or procedure to address ransomware attacks. This absence of policy could cause confusion, delay and greater loss of security in the event of such an attack.”

Grand Jury Recommendation R3.4: “By November 1, 2022, the Lathrop City Council, in conjunction with the City’s IT department, develop, adopt and implement a formal internal policy and procedure for a ransomware attack.”

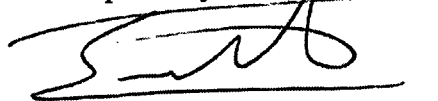
City Council Response: The City of Lathrop has an unwritten, internal procedure to address ransomware attacks and, in addition to such, has hired a consultant whom will assist the City in development and implementation of a formal written policy for procedures to address ransomware attacks. The City of Lathrop City Council agrees with Grand Jury Finding F3.4 and Recommendation R3.4 and anticipates documentation will be complete by January of 2023.

Grand Jury Finding F3.5: “The City of Lathrop does not have an insurance policy covering financial losses from a cyberattack, possibly exposing City financial resources.”

Grand Jury Recommendation R3.5: “By January 1, 2023, the Lathrop City Council, in conjunction with the City’s IT department, obtain an insurance policy to mitigate fiscal impact resulting from cyberattack or other critical information system loss.”

City Council Response: The City of Lathrop City Council partially agrees with Grand Jury Finding F3.5 and Recommendation R3.5 and would like to further clarify that staff confirmed that the City of Lathrop does in fact have cybersecurity insurance coverage, and is currently in discussions with Risk Management to enhance said coverage.

Respectfully submitted,



Salvador V. Navarrete
City Attorney

SVN/trb

Cc: Trisa Martinez at grandjury@sicourts.org



DRAFT

390 Towne Centre Drive
Lathrop, CA 95330
Phone 209-941-7235
www.ci.lathrop.ca.us

April 11, 2023

Honorable Michael D. Coughlan, Presiding Judge
San Joaquin County Superior Court
180 East Weber Avenue, Suite 1306J
Stockton, CA 95202

Re: Followup Response to Grand Jury Final Report Case No. 0321 (2021/2022).

Honorable Michael D. Coughlan,

This letter is provided to the Grand Jury as a followup response to the City of Lathrop response to Grand Jury Final Report for Case No. 0321 (2021/2022). At its regularly scheduled City Council Meeting on April 10, 2023, the City Council of the City of Lathrop reviewed and approved the policies described herein and directed me to write this letter of response on their behalf.

The 2021/2022 Grand Jury Final Report for Case No. 0321 stated the following:

Grand Jury Finding F3.3: “The City of Lathrop does not have an approved Business Continuity Plan, rendering the City relatively unprepared to restore essential services in a disruptive event.”

Grand Jury Recommendation R3.3: “By January 1, 2023, the Lathrop City Council, in conjunction with the City’s IT department, develop, adopt and implement a Business Continuity Plan.”

City Council Original Response: The City of Lathrop has an unwritten Business Continuity Plan but not a written one. The City of Lathrop City Council agrees with Grand Jury Finding F3.3 and Recommendation R3.3 and documentation is anticipated to be complete by January of 2023.

Followup Response: The City worked with its consultant on the development and standardization of the City’s unwritten Business Continuity Plan. Because those policies include confidential details that would allow a potential hacker to gain easier access to the City’s Information Technology resources, those were shared confidentially with the Grand Jury on March 28,

2023 and Council adopts the same in compliance with the Grand Jury's recommendation. Redactions on the attached Business Continuity-Disaster Recovery Plan are intended to protect security information.

Grand Jury Finding F3.4: "The City of Lathrop does not have a formal internal policy or procedure to address ransomware attacks. This absence of policy could cause confusion, delay and greater loss of security in the event of such an attack."

Grand Jury Recommendation R3.4: "By November 1, 2022, the Lathrop City Council, in conjunction with the City's IT department, develop, adopt and implement a formal internal policy and procedure for a ransomware attack."

City Council Original Response: The City of Lathrop has an unwritten, internal procedure to address ransomware attacks and, in addition to such, has hired a consultant whom will assist the City in development and implementation of a formal written policy for procedures to address ransomware attacks. The City of Lathrop City Council agrees with Grand Jury Finding F3.4 and Recommendation R3.4 and anticipates documentation will be complete by January of 2023.

Followup Response: The City worked with its consultant on the development of the City's unwritten, internal procedures to address ransomware attacks and standardize those into internal policies. Because those policies include confidential details that would allow a potential hacker to gain easier access to the City's Information Technology resources, those were shared confidentially with the Grand Jury on March 28, 2023 and Council adopts the same in compliance with the Grand Jury's recommendation. Redactions on the attached Information Security Policy and the inclusion of only the Executive Summary and Introduction of the Incident Response Plan are intended to protect security information.

Respectfully submitted,

Salvador V. Navarrete
City Attorney

SVN/trb

Cc: Trisa Martinez, Grand Jury Staff Secretary, San Joaquin County Superior Court via email at grandjury@sjcourts.org



DRAFT

City of Lathrop Incident Response Plan

Incident Response Plan

Version History

Version	Date	Author	Reason/Comments
1.8	March 2023		Document Origination



Executive Summary

A Cyber Security Incident is defined as an event that breaches or violates the Confidentiality, Integrity or Availability (CIA) of City of Lathrop Information systems. Failure to act quickly and efficiently in accordance with best practices and relevant requirements can result in a loss of functionality and reputation damage, but also potential steep financial penalties. To avoid the worst fallout of a cyber-incident, it's vital that the components of your incident response plan (IRP) are built with consideration of industry guidelines, cyber legislation, and your organizations unique risk profile.

Incident Response Plan

An Incident Response plan is important to address issues that were not stopped by preventative systems and procedures. No system can be 100% secure. Reasonable steps and best practices such as Information Security Policies, Encryption guidelines, Security Awareness training and other measures are implemented to prevent incidents from occurring. However, when an attacker is successful in penetrating the layers of security, a plan of action needs to be predefined to ensure efficient containment and remediation of the event.

This policy provides the framework to addresses the seven steps necessary to minimize the negative effects of a security breach. These steps are as follows:

Preparation: Identify risks and establish roles and responsibilities to address those risks.

Identification and Assessment: Training and evaluation for defining and detecting a threat and to determine if there is a need to activate the plan.

Containment and Intelligence: The containment section will outline the strategies for limiting the scope of the incident.

Eradication: The procedures for removing the threat from all affected systems through to the recovery of all affected systems.

Recovery: Implementation of restore functions of the Data Backup and Retention Policy to recover lost or damaged information as well as replacement or reconfiguration of damaged systems.

Lessons Learned: Once the incident is resolved it must be determined how the breach occurred, how to prevent similar incidents and preparation of a plan to address necessary changes.

Introduction

The City of Lathrop Incident Response Plan has been developed to provide guidance to the handling of information security incidents that adversely affect City of Lathrop Information Resources. The City of Lathrop Incident Response Plan applies to any person charged by the City of Lathrop Incident Response Commander with a response to information security related incidents.

The purpose of the Incident Response Plan is to allow the City of Lathrop to respond quickly and appropriately to information security incidents.



Event Definition

Any abnormal observable occurrence in system, network, environment, process, workflow, or personnel. Events may or may not be negative in nature.

Adverse Events Definition

Events with a negative consequence. This plan only applies to adverse events that are computer security related, not events caused by natural disasters, power failures, etc. which are covered in the Business Continuity-Disaster Recovery Plan.

Incident Definition

A violation or imminent threat of violation of computer security policies, acceptable use policies, or standard security practices that jeopardizes the confidentiality, integrity, or availability of information resources or operations. A security incident may have one or more of the following characteristics:

- A. Violation of an explicit or implied City of Lathrop security policy
- B. Attempts to gain unauthorized access to a City of Lathrop Information Resource
- C. Denial of service to a City of Lathrop Information Resource
- D. Unauthorized use of City of Lathrop Information Resources
- E. Unauthorized modification of City of Lathrop information
- F. Loss of City of Lathrop Confidential or Protected information



DRAFT

Information Security Policy

City of Lathrop Information Security Policy

Version History

Version	Date	Author	Reason/Comments
1.8	March 2023		Document Origination



Information Security Policy

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Information Security Policy

Introduction

This policy defines the mandatory minimum information security requirements as defined below under Scope. Any department within the City of Lathrop may, based on its individual business needs and specific legal and federal requirements, exceed the security requirements put forth in this policy, but must, at a minimum, achieve the security levels required by this policy.

Scope

This policy applies to all employees, consultants, contractors, and vendors working on behalf of the City, that use or access any IT resource for which the City of Lathrop has administrative responsibility. While a vendor may adopt a different policy, it must include the requirements set forth in this one.

This policy encompasses all systems, automated and manual, for which the organization has administrative responsibility, including systems managed or hosted by vendors on behalf of the organization.

Information

This policy acts as an umbrella document to all other security policies and associated standards. This policy defines the responsibility of all employees, consultants, contractors, and vendors working on behalf of the City to:

- protect and maintain the confidentiality, integrity, and availability of information and related infrastructure assets;
- manage the risk of security exposure or compromise;
- ensure a secure and stable information technology (IT) environment;
- identify and respond to events involving information asset misuse, loss, or unauthorized disclosure;
- monitor systems for anomalies that might indicate compromise; and
- promote and increase the awareness of information security.

Failure to secure and protect the confidentiality, integrity, and availability of information assets in today's highly networked environment can damage or shut down systems that operate critical infrastructure, financial and business transactions, and compromise data which could result in legal and regulatory non-compliance.

Compliance

This policy shall take effect upon publication. Policies and standards may be amended at any time as see fit by the Chief Information Officer (CIO).

City of Lathrop employees who violate this policy may be subject to appropriate disciplinary action up to and including discharge as well as both civil and criminal penalties. Non-City employees, including, without limitation, contractors, may be subject to termination of contractual agreements, denial of access to IT resources, and other actions as well as both civil and criminal penalties.

Exceptions

No exceptions to this policy will be approved.



Contact Information[†]

Listed personnel that should be contacted in the event of data loss incidents.

Updated March 2023

Name	Title	Role	Contact Information	Escalation (1-3)*
[Redacted]	Information Security Risk Coordinator	CSIST Commander	[Redacted]	[Redacted]
	Asset Manager	CSIST Commander		
	Infrastructure Manager	CSIST Manager		
	CIO	CIO		
	Communications Manager	CSIST member		
	Legal	CSIST member		
	Risk Manager	CSIST member		
	HR Representative	CSIST member		
	Physical Security Representative	CSIST member		
	3 rd Party Support			
FBI	Regulatory/Government Reporting Body			

*Escalation level determines order in which notification should occur in the event of a data loss incident:

- 1 Notify first, required on all incidents
- 2 Required on all moderate or high-severity incidents
- 3 Involve as needed

[†]This information may be revised from time to time, as internal City personnel and external organizations change. For the most up to date copy, please see *Contact Information* located in *Appendix I: Reference*.



Roles and Responsibilities

Chief Information Officer (CIO)

- Ensure service level agreements with service providers clearly define expectations of the organization and the service provider in relation to hardware and software.
- Ensure policies related to Information Security accurately represent the goals of the city.
- Ensure Cyber Insurance is maintained as necessary and appropriate stakeholders are informed.
- Establish and maintain a security team and function with the ability to identify, protect, detect, respond, and recover from attacks against City information resources.
- Develop and maintain a centralized incident response plan capable of addressing major compromises of City information resources.

Cyber Security Information Security Team (CSIST)

- Consists of legal experts, risk managers, and other department managers that may be consulted or notified during data documentation and policy creation.
- Advise on Information Security policy activities relevant to their area of expertise.
- Ensure Information Security activities are in accordance with legal, contractual, and regulatory requirements.
- Responsible for internal communications pertaining to Information Security.

CSIST Commander

Cyber Security Information Security Team Commander oversees development and is responsible for implementing and monitoring the Information Security Plan. Managing and approving the Service Level Agreements (SLAs) in place with third parties, and the role third parties may play in Information Security.

Further responsibilities:

- Assemble a Cyber Security Information Security Team (CSIST).
- Ensure personnel tasked with Information Security responsibilities are trained and knowledgeable on how to perform Asset documentation and maintenance.
- Update security policies as needed [REDACTED]
- Review the security policies [REDACTED]
- Ensure team activities comply with legal and industry requirements for Information Security procedures.
- Act as the primary Asset Manager, responsible for Asset integrity and confidentiality, managing team response activities.
- Be aware of Cyber Insurance Policies, contact mechanisms, and when to initiate Cyber Incident Response Team Notification.



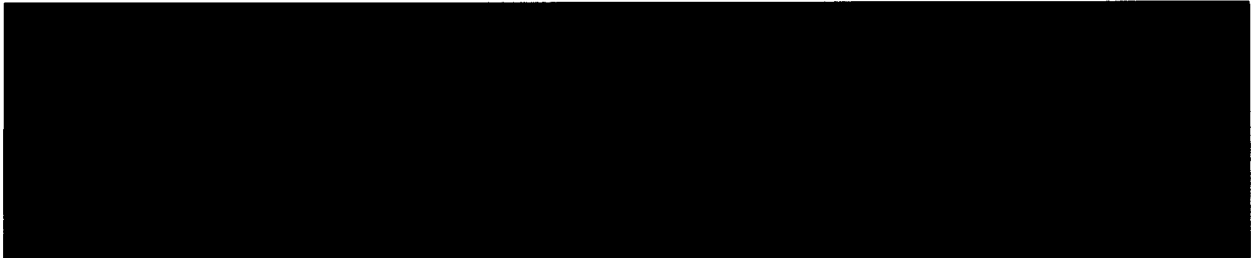
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Information Security Team Members[†]

Updated March 2023

The Asset Manager (tf) is supported by a team of technical staff that work directly with Information systems to configure, perform, and document assets.

Further responsibilities:



No.	CSIRT Member	Role
1		CSIST Commander
2		Network Subject Matter Expert
3		Network Subject Matter Expert
4		Senior IT Staff
5		Systems Engineer
6		Recorder
7		Recorder

[†]This information may be revised from time to time, as internal City personnel and external organizations change. For the most up to date copy, please see *Information Security Team Members* located in *Appendix I: Reference*.



Information Security Framework

Phase I – Organizational Security

Information security requires [redacted] and an information technology security function. It is recommended that the functions be performed [redacted]

[redacted]

1. The Information Security Risk Coordinator is responsible to certify that information risk management functions are met, ensuring that:

i. risk-related considerations for information assets and individual information systems, including authorization decisions, are viewed wholly from the perspective of the City of Lathrop regarding the overall strategic goals and objectives of the City of Lathrop in carrying out its core missions and business functions; and

ii. the management of information assets, [redacted] mission/business success.

2. The Information Security Risk Coordinator is responsible to certify that information technology security functions are met. [redacted]

[redacted]

Phase II – Functional Responsibilities

The City of Lathrop CIO is responsible for:

[redacted]

2. identifying City of Lathrop information security responsibilities and goals and integrating them into relevant processes;

3. supporting the consistent implementation of information security policies and standards;

4. supporting security within the City of Lathrop through clear direction and demonstrated commitment of appropriate resources.

5. promoting awareness of information security best practices through the regular dissemination of materials provided by the Information Security Risk Coordinator (tf);



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6. implementing a process for determining information classification and categorization, based on industry recommended practices, State directives, and legal and regulatory requirements, to determine the appropriate levels of protection for that information; (*Appendix I: Security Awareness References. FIPS 199 Standards for Security Categorization of Federal Information and Information Systems*).
7. implementing the process for information asset identification, handling, use, transmission, and disposal based on information classification and categorization;
8. determining who, within the City of Lathrop, will be assigned and serve as information owners while maintaining ultimate responsibility for the confidentiality, integrity, and availability of the data;
9. participating in the response to security incidents;
10. complying with applicable notification requirements in the event of a breach of private information;
11. adhering to specific legal and regulatory requirements related to information security;
12. communicating the requirements of this policy and the associated standards, including the consequences of non-compliance, to the City of Lathrop workforce and third parties, and addressing adherence in third party agreements.

The City of Lathrop Information Security Risk Coordinator (tf) is responsible for:

1. maintaining familiarity with the City of Lathrop business functions and requirements;
2. maintaining an adequate level of current knowledge and proficiency in information security through annual Continuing Professional Education (CPE) credits directly related to information security;
3. assessing City of Lathrop compliance with information security policies and legal and regulatory information security requirements;
4. evaluating information security risks and assisting the City of Lathrop in understanding its information security risks and how to appropriately manage those risks;
5. representing and ensuring security architecture considerations are addressed;
6. advising on security issues related to procurement of products and services;



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7. escalating security concerns that are not being adequately addressed according to the applicable reporting and escalation procedures;
8. disseminating threat information to appropriate parties;
9. participating in the response to potential security incidents;
10. participating in the development of enterprise policies and standards that consider the City of Lathrop needs; and
11. promoting information security awareness.

The City of Lathrop Infrastructure Manager (tf) is responsible for:

1. supporting security by providing clear direction and consideration of security controls in the data processing infrastructure and computing network(s) which support the information owners;
2. providing resources needed to maintain a level of information security control consistent with this policy;
3. identifying and implementing all processes, policies, and controls relative to security requirements defined by the City of Lathrop business and this policy;
4. implementing the proper controls for information owned by the City of Lathrop based on the City of Lathrop classification designations;
5. providing training to appropriate technical staff on secure operations (e.g., secure coding, secure configuration);
6. fostering the participation of information security and technical staff in protecting information assets, and in identifying, selecting, and implementing appropriate and cost-effective security controls and procedures; and
7. implementing business continuity and disaster recovery plans

The City of Lathrop workforce is responsible for:

1. understanding the baseline information security controls necessary to protect the confidentiality, integrity, and availability of information entrusted to City of Lathrop;
2. protecting City of Lathrop information and resources from unauthorized use or disclosure;
3. protecting personal, private, sensitive information (PPSI) from unauthorized use or disclosure;



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4. abiding by City of Lathrop Policy, Acceptable Use of Information Technology Resources (*Appendix I: Security Awareness References. Acceptable Use of Technology 00-17*).
5. reporting suspected information security incidents or weaknesses to the appropriate manager and designated security representatives.

Phase III – Separation of Duties

The City of Lathrop shall maintain:



Phase IV – Information Risk Management

The City of Lathrop shall maintain:



- b. Risk assessments are required for new projects, implementations of new technologies, any significant updates, or changes to the operating environment, or in response to the discovery of significant vulnerabilities. Risk assessments are required regardless if the work is done by City of Lathrop, vendor/contractor, or any other third party on behalf of the City of Lathrop.



- c. Risk assessment results, and the decisions made based on these results, must be documented.

Phase V – Information Classification and Handling

The City of Lathrop shall maintain:

- a. All information, which is created, acquired, or used in support of City of Lathrop business activities, must only be used for its intended business purpose.



Information Security Policy

b. All information assets must have an information owner established by the City of Lathrop's Information Services Department (ISD).

c. Information must be properly managed from its creation, through authorized use, to proper disposal.

d. All information assets must be reviewed [REDACTED]
[REDACTED] Any changes to the individual data elements of an information asset requires an immediate review by the CIO.

[REDACTED]

f. If the City of Lathrop [REDACTED]
[REDACTED]

h. All reproductions of information in its entirety must carry the same confidentiality category as the original. Partial reproductions need to be evaluated by the CIO to determine if a new category is warranted.

i. Each category has an approved set of baseline controls designed to protect the data asset and [REDACTED]
[REDACTED]

j. The City of Lathrop must communicate the requirements for secure handling of information to its workforce.

[REDACTED]

Phase VI – Information Sharing

The City of Lathrop content made available to the general public must be reviewed by the City of Lathrop Attorney's office, defined and approved according to the Public Records Act (PRA). The process must include the review and approval of updates to publicly available content and must consider the type and classification of information posted:



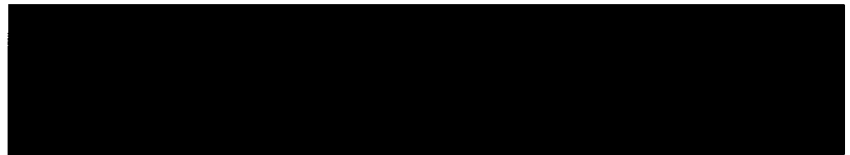
Information Security Policy

b. For non-public information to be released outside the City of Lathrop or shared between the City of Lathrop and external entities, a process must be established that, at a minimum:

1. ensures that an information categorization has been performed and documented for the information to be released or shared;
2. documents the intended use of the information;
3. identifies the responsibilities of each party for protecting the information;
4. defines the process and minimum controls required to transmit, store, and use the information;
5. records the measures that each party has in place to protect the information;
6. defines a method for compliance measurement;
7. provides a signoff procedure for each party to accept responsibilities,
8. establishes a schedule and procedure for reviewing the controls; and
9. identifies an end date for the use of the information (if applicable).

c. In addition to the requirements in Phase VI Section b, when information categorized as having a High-Impact Confidentiality requirement is to be released or shared, the City of Lathrop Attorney's office must ensure that they:

1. have a formal written agreement (e.g., Non-Disclosure Agreement (NDA), Acceptable Use Policy, Memorandum of Understanding (MOU), etc.), which contains the requirements for the handling of information, in place prior to sharing that information with any other third-party.
2. designate the level of management who can give written approval for:





Information Security Policy

Phase VII – IT Asset Management

The City of Lathrop shall maintain:

- a. All IT hardware and software assets must be assigned by the City of Lathrop Information Services Department (ISD) to a designated business unit or individual within the City of Lathrop for its use, however the asset continues to be owned by ISD.
- b. The City of Lathrop ISD are required to maintain an inventory of hardware and software assets, including all system components (e.g., network address, machine name, software version) at a level of granularity deemed necessary for tracking and reporting.

Phase VIII – Personnel Security

The City of Lathrop shall maintain:

- a. The City of Lathrop workforce must receive general information security awareness training, to include recognizing and reporting insider threats, within 30 days of hire. Additional training on City of Lathrop specific information security procedures, if required, must be completed before access is provided to specific City of Lathrop sensitive information not covered in the general information security training. All information security training must be reinforced at least annually and must be tracked by the City of Lathrop Information Systems Department (ISD).
- b. The City of Lathrop must require the workforce to abide by the following policies:
 - i. Policy 00-15, Cellular and Personal Digital Assistant
 - ii. Policy 00-16, Password Control
 - iii. Policy 00-17, Acceptable Use of Technology
 - iv. Policy 00-18, Automatic Logoff Policy
 - v. Policy 00-19, Physical Entry Control Security
 - vi. Policy 00-20, User Account
 - vii. Policy 00-21, Workstation Security
 - viii. Policy 00-22, Data Backups
 - ix. Policy 00-23, IT Helpdesk
 - x. Policy 00-24, Operations and Fault Logs
 - xi. Policy 00-25, Security Device and Media Control
 - xii. Policy 00-26, Website Links
 - xiii. Policy 00-27, Website Policy
 - xiv. Policy 00-28, Television Broadcast
 - xv. Policy 00-29, Social Media
 - xvi. Policy 00-30, Video Monitoring and Retention
 - xvii. Policy 00-31, Remote Working



Information Security Policy

c. All job positions must be evaluated by the City of Lathrop Human Resources (HR) department along with approval by the direct department head to determine whether they require access to sensitive information and/or sensitive information technology assets.

d. For those job positions requiring access to sensitive information and sensitive information technology assets, the City of Lathrop CIO must conduct workforce suitability determinations, unless prohibited from doing so by law, regulation, or contract. Depending on the risk level, suitability determinations may include, as appropriate and permissible, evaluation of criminal history record information or other reports from federal, state, and private sources that maintain public and non-public records. The suitability determination must provide reasonable grounds for the City of Lathrop CIO to conclude that an individual will likely be able to perform the required duties and responsibilities of the subject position without undue risk to the City of Lathrop.

e. A process must be established within the City of Lathrop to repeat or review suitability determinations periodically and upon change of job duties or position.

f. City of Lathrop Department Supervisors are responsible for ensuring all City of Lathrop issued property is returned to HR prior to an employee's separation.

g. City of Lathrop ISD are responsible for ensuring accounts are disabled and access is removed immediately upon notification from HR of an employee's separation from the City of Lathrop.

h. HR is responsible for providing ISD proper notification of each employee's separation from the City of Lathrop.

i. For **sensitive positions**, HR will provide notification to ISD prior to an employee's separation from the City of Lathrop.

ii. For **non-sensitive positions**, HR will provide notification to ISD within ten (10) minutes of an employee's separation from the City of Lathrop

i. Within 24 hours, each department is responsible to provide ISD a Technical Service Request (TSR) with instructions on archiving or deleting the separated employee's data, which includes emails.

Phase IX – Information Security Incident Management

City of Lathrop must have an incident response plan, consistent with NIST standards, to effectively respond to information security incidents.

a. All observed or suspected information security incidents or weaknesses are to be reported the City of Lathrop Information Services Department (ISD) as quickly as possible. If a member of the workforce feels that information security concerns are not being appropriately addressed, they may confidentially contact the CIO directly.



Information Security Policy

- b. The Cyber Security Incident Response Team must be notified [REDACTED] incident [REDACTED]

Phase X – Physical and Environmental Security

The City of Lathrop shall maintain:

[REDACTED]

b. An annual risk assessment must be performed by ISD for information processing and storage facilities to determine whether existing controls are operating correctly and if additional physical security measures are necessary.

c. Information technology equipment must be physically protected from security threats and environmental hazards. Special controls may also be necessary to protect supporting infrastructure and facilities such as electrical supply and cabling infrastructure.

d. All information technology equipment and information media must be secured [REDACTED]

e. Visitors to information processing and storage facilities, including maintenance personnel, must be always escorted. Any maintenance performed remotely must be virtually escorted.

f. For City of Lathrop information that has a High Confidentiality requirement, software or automated processes must be implemented to keep track of individual electronic documents and files, devices, or media and the individuals who have possession of them. City of Lathrop information is currently monitored by [REDACTED]

Phase XI – Account Management and Access Control

The City of Lathrop shall maintain:

a. All accounts must have an individual employee or group assigned to be responsible for account management [REDACTED]

b. Access to systems must be provided through the use of individually assigned, unique identifiers known as user-IDs.

c. Associated with each user-ID is an authentication token (e.g., password) which must be used to authenticate the identity of the person or system requesting access.



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d. Automated techniques and controls must be implemented to lock a session and require authentication or re-authentication after a period of inactivity for any system where authentication is required. Information on the screen must be replaced with publicly viewable information (e.g., screen saver, blank screen, clock) during the session lock.

e. Automated techniques and controls must be implemented to terminate a session after specific conditions are met. Specific conditions include:

1. *Group Policy rule will be implemented that terminates session [REDACTED] inactivity.*

f. Tokens used to authenticate a person or process must be treated as confidential and protected appropriately.

g. Passwords must not be stored on paper, or in an electronic file, hand-held device, or browser, unless they can be stored securely [REDACTED] has been approved by the Chief Information Officer (CIO).

h. Information owners are responsible for determining who should have access to protected resources within their jurisdiction, [REDACTED]

i. Access privileges will be granted by the City of Lathrop CIO in accordance with the user's job title and will be limited only to those necessary to accomplish assigned tasks in accordance with City of Lathrop missions and business functions [REDACTED]

j. Users of privileged accounts [REDACTED]

k. Logon banners must be implemented on all systems where that feature exists to inform all users that the system is for City of Lathrop business or other approved use consistent with City of Lathrop policy, and that user activities may be monitored, and the user should have no expectation of privacy.

l. Advance approval for any remote access connection must be provided by the City of Lathrop. An assessment must be performed and documented to determine the scope and method of access, the technical and business risks involved, and the contractual, process, and technical controls required for such connection to take place [REDACTED]

m. All remote connections must be made through managed points-of-entry reviewed by the CIO. Working from a remote location must be authorized by the City of Lathrop City Manager and CIO, and best practices which ensure the appropriate protection of City of Lathrop data in remote environments must be shared with the individual prior to the individual being granted remote access [REDACTED]



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Phase XII – System Security

The City of Lathrop shall maintain:

a. Systems include but are not limited to servers, platforms, networks, communications, databases, and software applications.

1. The City of Lathrop Information Services Department (ISD) must be assigned responsibility for maintenance and administration of any system deployed on behalf of the City of Lathrop.

2. Information security must be required at system inception and documented via electronic helpdesk ticket and/or change request form, as part of the decision to create or modify a system (*Appendix I: Security Awareness References. Computer Setup Check List*).

3. All systems must be developed, maintained, and decommissioned in accordance [REDACTED]

4. Each system must have a set of controls commensurate with the categorization of any information that is stored on or passes through the system (*dr*).

5. All system clocks must synchronize to a centralized reference time set to UTC (Coordinated Universal Time) which is itself synchronized to at least three synchronized time sources source [REDACTED]

6. Environments and test plans must be established to validate the system works as intended prior to deployment in production [REDACTED]

8. Formal change control procedures for all systems must be developed, implemented, and enforced. [REDACTED]

a. Databases and software [REDACTED]

1. All software written for or deployed on City of Lathrop [REDACTED]



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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] or

ii. sensitive data is masked or overwritten with fictional information.

4. Where technically feasible, development software and tools must not be maintained on production systems.

[REDACTED]

[REDACTED]

7. Privileged access to production systems by development staff must be restricted whenever possible.

8. Migration processes must be documented and implemented to govern the transfer of software from the development environment up through the production environment.

b. Network Systems:

1. Connections between systems must be authorized by the City of Lathrop Chief Information Officer (CIO) of all relevant City of Lathrop sites and protected by the implementation of appropriate controls.

2. All connections and their configurations must be documented, and the documentation must be reviewed by the City of Lathrop CIO annually, at a minimum, to ensure:



Information Security Policy

- i. the business case for the connection is still valid and the connection is still required; and
- ii. the security controls in place [REDACTED] are appropriate and functioning correctly.

3. A network architecture must be maintained that includes, at a minimum, tiered network segmentation between:

- i. [REDACTED]
- ii. [REDACTED] and other systems; and
- iii. [REDACTED]

5. Two-factor authentication (2FA) is required for all users connecting to City of Lathrop internal systems.

6. Network Authentication is required for all devices connecting to City of Lathrop internal networks.

7. Only City of Lathrop Information Services Department (ISD) personnel may capture or monitor network traffic unless authorized by CIO for auditing purposes.

8. A risk assessment must be performed in consultation with the City of Lathrop CIO before the initiation of, or significant change to, any network technology or project, including but not limited to wireless technology.

Phase XIII – Collaborative computing Devices

The City of Lathrop Information Services Department (ISD) shall purchase and maintain:

1. Collaborative computing devices, including, for example, networked white boards, cameras, and microphones.
2. Collaborative computing devices must:
 - a. prohibit remote activation; and
 - b. provide users physically present at the devices with an explicit indication of use.
3. City of Lathrop must provide simple methods to physically disconnect collaborative computing devices. Simple methods include physically unplugging collaborative computing device from the computer or completely shutting down the computer.



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Phase XIV – Vulnerability Management

The City of Lathrop shall maintain:

[REDACTED]

b. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Phase XV – Operations Security

The City of Lathrop shall maintain:

a. All systems, and the physical facilities in which they are stored, must adhere to the operating instructions, management processes, and formal incident management procedures listed within this document [REDACTED]

b. System configurations must follow CIO approved configuration standards.

c. Advance planning and preparation must be performed to ensure the availability of adequate capacity and resources. System capacity must be monitored on an ongoing basis.



Information Security Policy

d. Where City of Lathrop provides a server, application, or network service to another site, operational and management responsibilities must be coordinated by all impacted sites.

e. Host based firewalls must be installed and enabled on all City of Lathrop workstations to protect from threats and to restrict access to only that which is needed.

f. Controls must be implemented [REDACTED] across City of Lathrop systems [REDACTED]

g. [REDACTED]

i. Controls must be in place to allow only City of Lathrop approved software to run on a system and prevent execution of all other software.

j. All systems must be maintained at a vendor-supported level to ensure accuracy and integrity.

l. Any system, software, or Operating System environment which is no longer supported and cannot be patched to current versions (e.g. end of life hardware/software) must be decommissioned and removed from service.

q. Contingency plans (e.g., business continuity plans, disaster recovery plans, continuity of operations plans) [REDACTED]

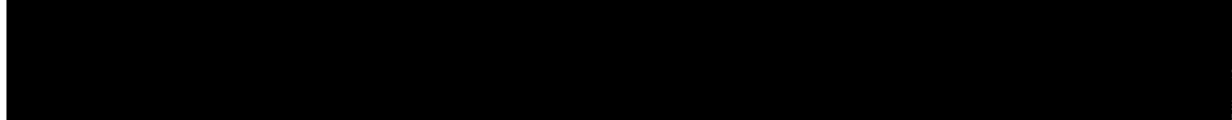
2. [REDACTED]



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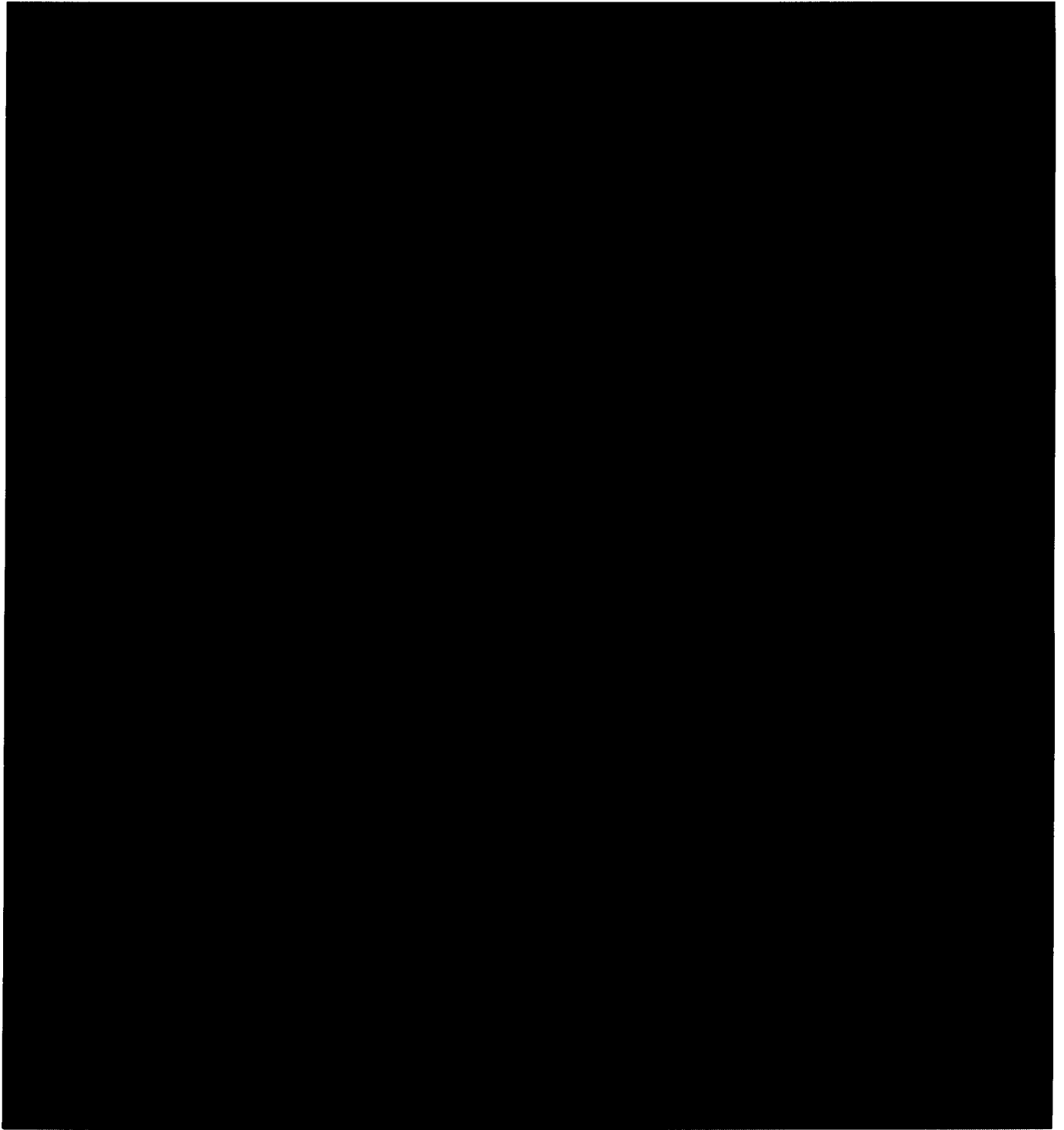
s. Backups and restoration must be tested monthly. Separation of duties must be applied to these functions (*dr*).





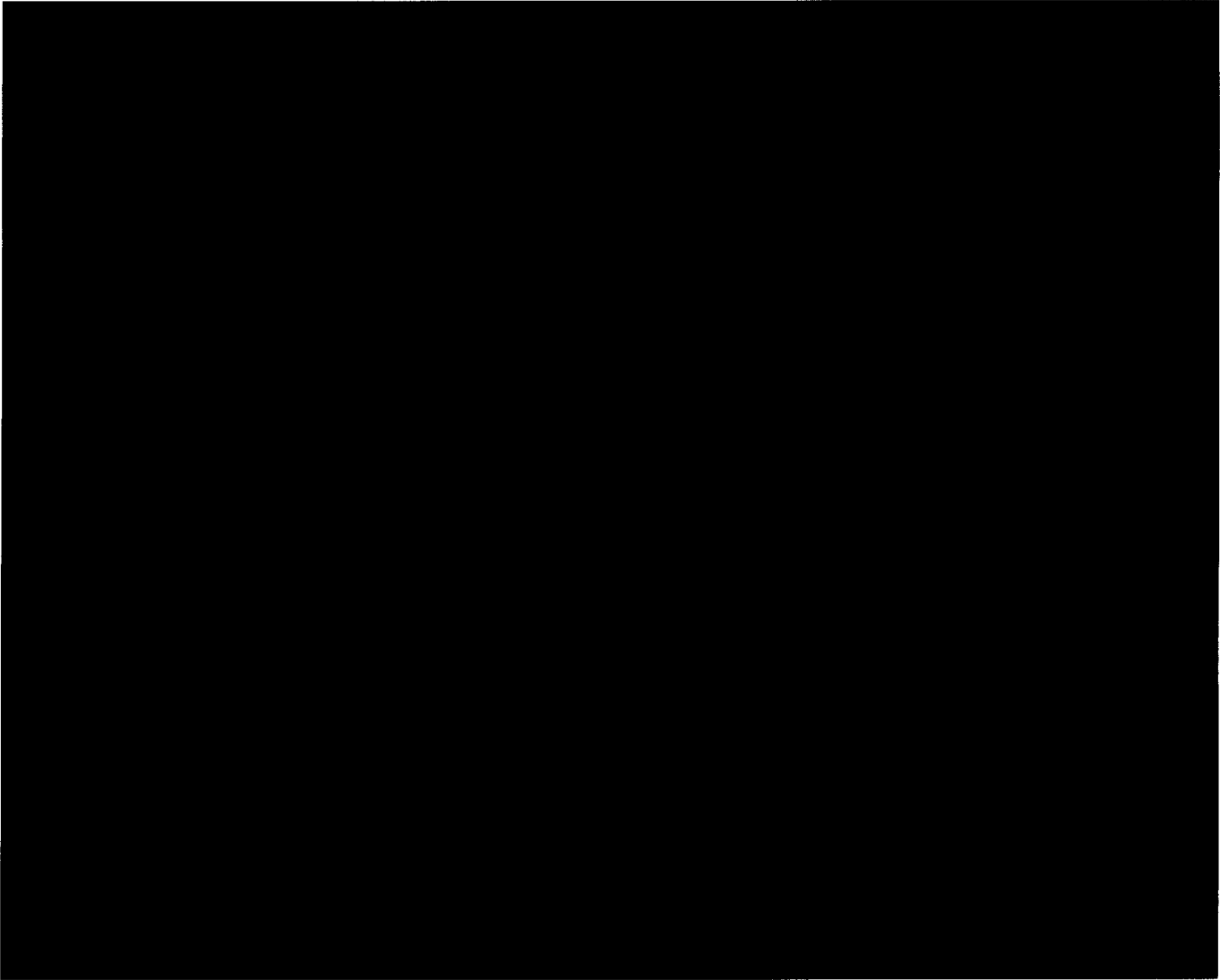
Reference

Appendix I: Security Awareness References





Information Security Policy





CITY OF LATHROP ADMINISTRATIVE REGULATION

Acceptable Use of Technology

00-17

Overview

The intention for publishing an Acceptable Use Policy is to clarify restrictions consistent with the City of Lathrop established culture of openness, trust and integrity.

We are committed to protecting City of Lathrop's employees and the City from illegal or damaging actions by individuals, either knowingly or unknowingly. Internet/Intranet/Extranet-related systems, including but not limited to computer equipment, software, operating systems, storage media, network accounts providing electronic mail, WWW browsing, and FTP, are the property of City of Lathrop. These systems are to be used for business purposes in serving the interests of the City, and of our customers in the course of normal operations.

Effective security is a team effort involving the participation and support of every City of Lathrop employee and affiliate who deals with information and/or information systems. It is the responsibility of every computer user to know these guidelines, and to conduct their activities accordingly.

City of Lathrop's Acceptable Use Policy helps to safeguard system assets and data, including Electronic Protected Information (EPI), against unauthorized use, disclosure, modification, damage, or loss.

Questions about this policy should be directed via e-mail to the Information Technologies Manager at helpdesk@ci.lathrop.ca.us.

Purpose

The purpose of the Acceptable Use Policy is to describe City of Lathrop's requirements for operations and is to outline the acceptable use of computer equipment at City of Lathrop. These rules are in place to protect the employees and the City. Inappropriate use exposes City of Lathrop to risks including virus attacks, compromise of network systems and services, and legal issues.

Scope

This policy applies to all City of Lathrop and affiliate employees, including temporary employees and employees of affiliated third-party organizations. This policy also applies to all equipment that is owned, leased, operated, or maintained by City of Lathrop.

Revision Information



Information Security Policy

When this document is updated, the reason for revision will appear here.

Policy

General Use and Ownership

1. While City of Lathrop's network administration desires to provide a reasonable level of privacy, users should be aware that the data they create on the City systems remains the property of City of Lathrop. Management does not guarantee the confidentiality of information stored on any network device belonging to City of Lathrop.
2. Employees are responsible for exercising good judgment regarding the reasonableness of personal use and at department head discretion.
3. The City recommends that any information that users consider sensitive or vulnerable be encrypted.
4. For security and network maintenance purposes, authorized individuals within City of Lathrop may monitor equipment, systems and network traffic at any time.
5. City of Lathrop reserves the right to audit networks and systems on a periodic basis to ensure compliance with this policy.

Security and Proprietary Information

1. The user interface for information contained on Internet/Intranet/Extranet-related systems should be classified as either confidential or not confidential, as defined by the City confidentiality guidelines to be public or confidential, details of which can be found in Human Resources policies. Examples of confidential information include but are not limited to: Employee information, Payroll, customer lists, medical information, social security numbers, credit card numbers, vendor and bidder sensitive information, and lawyer/client correspondence, research data. Employees should take all necessary steps to prevent unauthorized access to this information.
2. Authorized users are assigned accounts for their specific use based on their defined needs. Users are responsible for the security of their accounts.
3. Passwords are provided to enable users to keep their account secure. Keep passwords secure and do not share accounts. Authorized users are responsible for the security of their passwords and accounts. System level passwords are to be changed every 90 days; user level passwords should be changed every 60 days.
4. All PCs, laptops and workstations should be secured with a password-protected screensaver with the automatic activation feature set at 10 minutes or less, or by logging-off (control-alt-delete for Windows users) when the host will be unattended.



Information Security Policy

5. Because information contained on portable computers is especially vulnerable, the computer's hard drive is encrypted to prevent access to the data in the case of the computer being lost or stolen. Password and user accounts are not to be displayed or written anywhere in the portable computer.
6. Postings by employees from a City of Lathrop email address to newsgroups should contain a disclaimer stating that the opinions expressed are strictly their own and not necessarily those of City of Lathrop, unless posting is in the course of business duties.
7. All hosts used by the employee that are connected to the City of Lathrop Internet/Intranet/Extranet, whether owned by the employee or City of Lathrop, shall be continually executing approved virus-scanning software with a current virus database.
8. Employees must use extreme caution when opening e-mail attachments received from unknown senders, which may contain viruses, e-mail bombs, or Trojan horse code.

Unacceptable Use

The following activities are, in general, prohibited. Information Technologies Staff may be exempted from these restrictions during the course of their legitimate job responsibilities (e.g., there may have a need to disable the network access of a host if that host is disrupting production services). Under no circumstances is an employee of City of Lathrop authorized to engage in any activity that is illegal under local, state, federal or international law while utilizing City of Lathrop owned resources.

The lists below are by no means exhaustive, but attempt to provide a framework for activities which fall into the category of unacceptable use.

The following activities are strictly prohibited, with no exceptions:

1. Violations of the rights of any person or protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations, including, but not limited to, the installation or distribution of "pirated" or other software products that are not appropriately licensed for use by City of Lathrop .
2. Unauthorized copying of copyrighted material including, but not limited to, digitization and distribution of photographs from magazines, books or other copyrighted sources, copyrighted music, and the installation of any copyrighted software for which City of Lathrop or the end user does not have an active license is strictly prohibited.



Information Security Policy

3. Exporting software, technical information, encryption software or technology, in violation of international or regional export control laws, is illegal. The appropriate management should be consulted prior to export of any material that is in question.
4. Introduction of malicious programs into the network or server (e.g., viruses, worms, Trojan horses, e-mail bombs, etc.).
5. Revealing your account password to others or allowing use of your account by others. This includes family and other household members when work is being done at home.
6. Using a City of Lathrop computing asset to actively engage in procuring or transmitting material that is in violation of sexual harassment or hostile workplace laws in the user's local jurisdiction.
7. Making fraudulent offers of products, items, or services originating from any City of Lathrop account.
8. Making statements about warranty, expressly or implied, unless it is a part of normal job duties.
9. Effecting security breaches or disruptions of network communication. Security breaches include, but are not limited to, accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorized to access, unless these duties are within the scope of regular duties. For purposes of this section, "disruption" includes, but is not limited to, network sniffing, pinged floods, packet spoofing, denial of service, and forged routing information for malicious purposes.
10. Port scanning or security scanning is expressly prohibited unless prior notification to the IT Department is made.
11. Executing any form of network monitoring which will intercept data not intended for the employee's host, unless this activity is a part of the employee's normal job/duty.
12. Circumventing user authentication or security of any host, network or account.
13. Interfering with or denying service to any user other than the employee's host (for example, denial of service attack).
14. Using any program/script/command, or sending messages of any kind, with the intent to interfere with, or disable, a user's terminal session, via any means, locally or via the Internet/Intranet/Extranet.
15. Providing information about, or lists of, City of Lathrop employees to parties outside City of Lathrop.
16. Sending of "junk mail" or other advertising material to individuals who did not specifically request such material (email spam).
17. Any form of harassment via email, paging, whether through language, frequency, or size of messages.



Information Security Policy

18. Unauthorized use, or forging, of email header information.
19. Solicitation of email from any other email address, other than that of the poster's account, with the intent to harass or to collect replies.
20. Creating or forwarding "chain letters", "Ponzi" or other "pyramid" schemes of any type.
21. Use of unsolicited email originating from within City of Lathrop 's networks of other Internet/Intranet/Extranet service providers on behalf of, or to advertise, any service hosted by City of Lathrop or connected via City of Lathrop 's network.
22. Posting the same or similar non-business-related messages to large numbers of Usenet newsgroups (newsgroup spam).
23. Video, audio and /or any type of internet streaming not for business purposes.

Electronic Data Access

Only Department Heads or the Information Systems Manager with the approval of the City Manager can authorize the reading of electronic media information, which includes, but is not limited to, e-mail and voicemail messages, for employees under their supervision. For City Manager would have to be approved by at least three City Council Members. The City will also respond to legal processes and fulfill any obligations to third parties with the approval of the City Attorney.

Privacy

1. All information created by employees or use by employees is not confidential or private. All of the City's electronic media and information relating to these electronic media are City property information and records are also subject to disclosure to the public. Although employees have passwords that restrict access to their computers, the City reserves the right to and routinely does access this information.
2. It should be noted that even though information or files may have been deleted from electronic media, it does not mean that they have been permanently erased from the systems. This includes e-mail and messages stored on external electronic media systems such as Microsoft Hotmail or Instant Messaging that may have been viewed, read, printed, or stored (permanently or temporarily), on City equipment.
3. In addition to the foregoing provisions, employees should be aware that certain kinds of electronic media information may be subject to record retention requirements employees may not delete any such protected records, either as "public records" or pursuant to discovery in litigation.



Information Security Policy

Wireless Network Equipment

1. Written permission must be obtained from the IT Manager and authorized before any wireless network device can be connected to City of Lathrop networks.
2. Deployment of ANY wireless access points without IT Manager's permission is strictly prohibited.
3. All wireless network devices connecting to City networks must be configured by the IT Department. At no time should laptop computers, handheld computers or PDAs (Personal Digital Assistant), or other wireless devices be connected to the City's internal network without the prior approval of the IT Department. The exception would be any designated public wireless access point or public hotspot deployed by the City of Lathrop.

Enforcement

Disciplinary actions for City staff are defined in the City's Personnel Rules & Regulations Manual.

Definitions

Term	Definition
Spam	Unauthorized and/or unsolicited electronic mass mailings
EPI	Electronic Protected Information - Examples are; Employee information, Payroll information, customer lists, medical information, social security numbers, credit card numbers, etc.



Information Security Policy

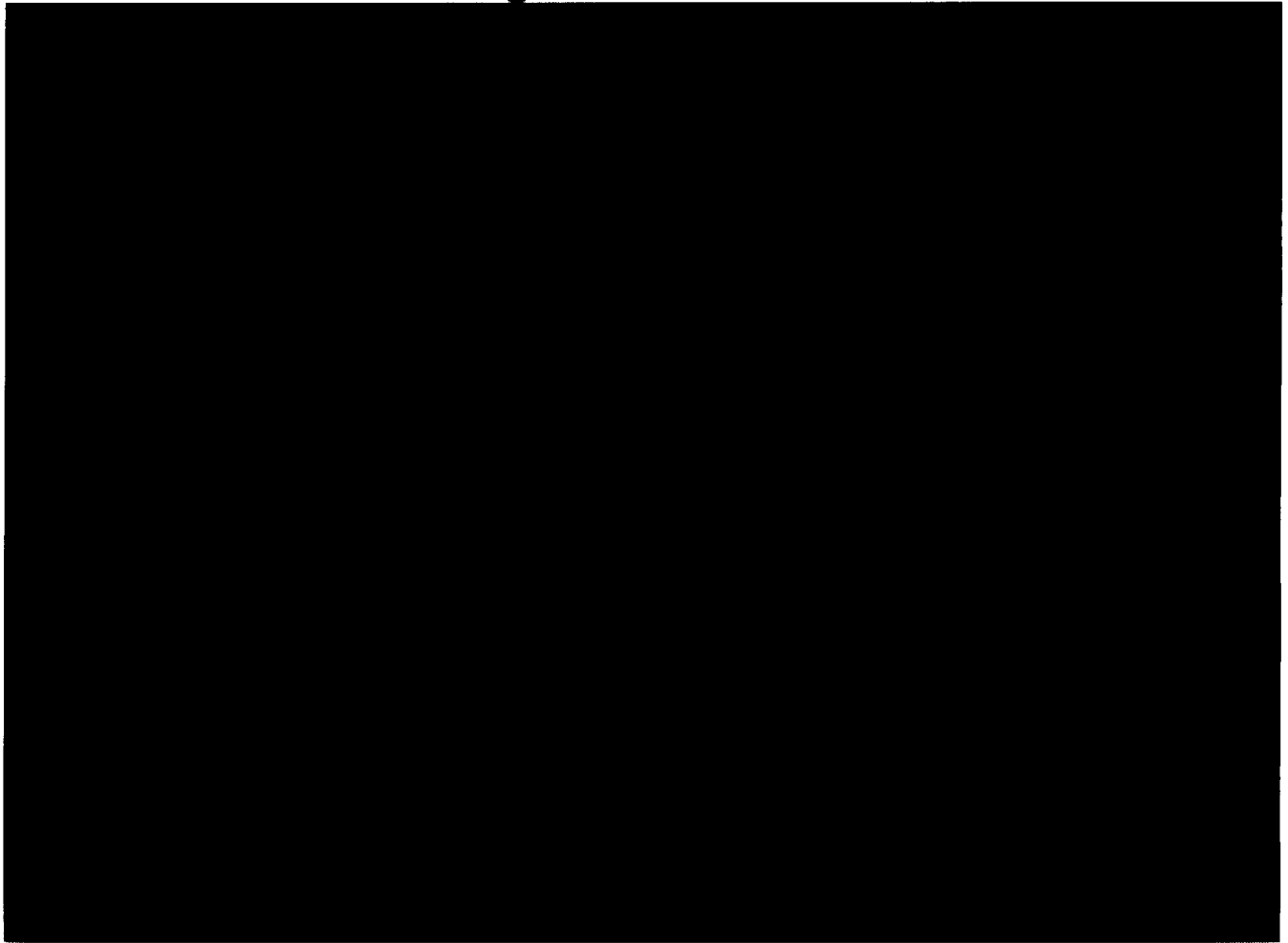
Vendor Remote Log-In Questionnaire



Information Systems Department

390 Towne Centre Dr. – Lathrop, CA 95330
Phone (209)941-74300 – Fax (209) 941-7219
www.ci.lathrop.ca.us

Remote Log-In Questionnaire



Requestor Signature

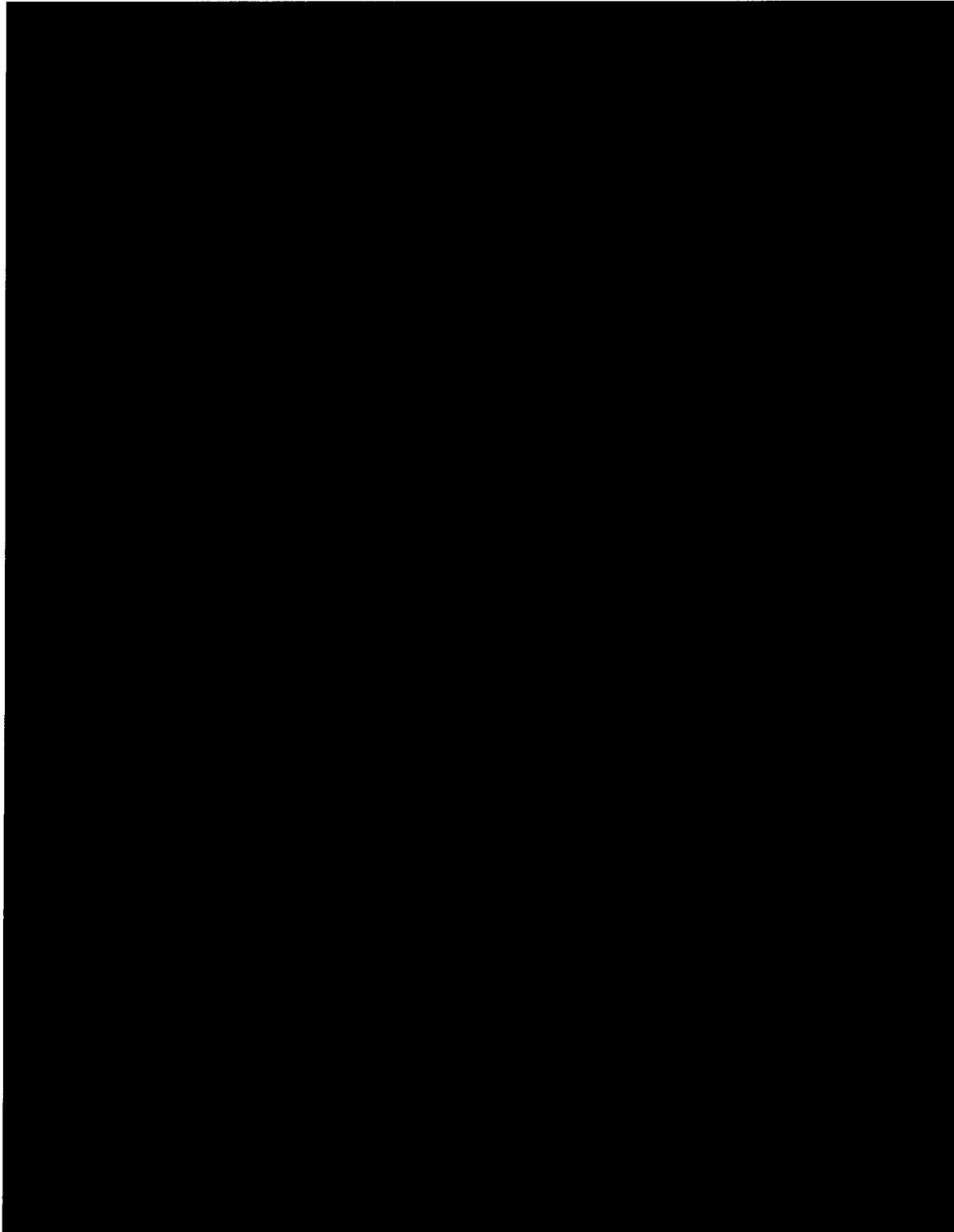
Date

City of Lathrop CIO Signature

Date



Information Security Policy





Information Security Policy

Contact Information

Listed personnel that should be contacted in the event of data loss incidents.

Updated March 2023

Name	Title	Role	Contact Information	Escalation (1-3)*
	Information Security Risk Coordinator	CSIST Commander		
	Asset Manager	CSIST Commander		
	Infrastructure Manager	CSIST Manager		
	CIO	CIO		
	Communications Manager	CSIST member		
	Legal	CSIST member		
	Risk Manager	CSIST member		
	HR Representative	CSIST member		
	Physical Security Representative	CSIST member		
	3 rd Party Support			
FBI	Regulatory/Government Reporting Body			

*Escalation level determines order in which notification should occur in the event of a data loss incident:

1. Notify first, required on all incidents
2. Required on all moderate or high-severity incidents
3. Involve as needed



Information Security Policy

Information Security Team Members

Updated March 2023

No.	CSIRT Member	Role
1		CSIST Commander
2		Network Subject Matter Expert
3		Network Subject Matter Expert
4		Senior IT Staff
5		Systems Engineer
6		Recorder
7		Recorder



DRAFT

City of Lathrop Business Continuity-Disaster Recovery Plan

Version History

Version	Date	Author	Reason/Comments
1.5	March 2023		Document Origination



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Part I

Introduction

Planning for the business continuity of City of Lathrop in the aftermath of a disaster is a complex task. Preparation for, response to, and recovery from a disaster affecting the business functions of the City of Lathrop requires the cooperative efforts of the Business Continuity Team (BCT) in partnership with the essential departments of the City of Lathrop. This document records the Plan that outlines and coordinates these efforts, reflecting the analyses by the City of Lathrop Chief Information Officer, Tony Fernandes.

The purpose of the City of Lathrop Business Continuity-Disaster Recovery Plan is to allow City of Lathrop to respond quickly and appropriately to service interrupting incidents.

Event Definition

Adverse Events Definition

How to Use This Document

Use this document to learn about the issues involved in planning for the continuity of the critical and essential business functions at City of Lathrop, for training personnel, and for recovering from a disaster. This document is divided into four parts, as described below.

Part Contents

Part I - Information about the document itself.

Part II - Design of the Plan that this document records, including information about the overall structure of business continuity planning at City of Lathrop.

Part III - General responsibilities of the individual City of Lathrop Support Teams that together form the Business Continuity Management Team, emphasizing the function of each team and its preparation responsibilities.

Part IV - Recovery actions for the City of Lathrop Support Teams and important checklists such as the notification list for a disaster and an inventory of resources required for the environment. [Note: If a "disaster" situation arises, Section IV of the Plan is the only section that needs to be referenced. It contains all the procedures and support information for recovery.



Audience

This document addresses several groups within the City of Lathrop central administration with differing levels and types of responsibilities for business continuity, as follows:

- Administration
- Business Continuity Management Team (BCMT)
- City of Lathrop Business Continuity Team (BCT)
- External Organizations

It should be emphasized that this document is addressed particularly to the members of the Business Continuity Management Team, since they have the responsibility of preparing for, responding to, and recovering from any disaster that impacts City of Lathrop. Part III of this document describes the composition of the Business Continuity Management Team in detail.

Distribution

As the written record of City of Lathrop 's Business Continuity Plan, this document is distributed to each member of the Business Continuity Management Team.

It is also distributed to City of Lathrop Department Heads and other Community Organizations and while not primarily involved with the direct recover effort, will require advanced knowledge of planned actions and needs. Community Organizations include Physical Plants, security provided by the Police, and service provided by the Fire Department.

Part II

Design of the Plan

Part II describes the philosophy of business continuity planning at City of Lathrop generally, and the kind of analysis that produced this Plan. It also provides an overview of the functions of the Business Continuity Management Team in implementing this Plan.

Purpose

City of Lathrop increasingly depends on computer-supported information processing and telecommunications. The increasing dependency on computers and telecommunications for operational support poses the risk that a lengthy loss of these capabilities could seriously affect the overall business performance of the City of Lathrop.

City of Lathrop Information Services Department recognizes the low probability of severe damage to data processing telecommunications and computer information systems. Nevertheless, because of the potential



impact to City of Lathrop, [REDACTED]

The Business Continuity Plan (BCP) identifies the critical functions of the City of Lathrop and the resources required to support them. The BCP provides guidelines for ensuring that needed personnel and resources are available for both disaster preparation and response and that the proper steps will be carried out to permit the timely restoration of services.

This BCP specifies the responsibilities of the Business Continuity Management Team, whose mission is to establish City of Lathrop level procedures to ensure the continuity of City of Lathrop 's business functions. In the event of a disaster affecting any of the functional sites, the Business Continuity Management Team serves as liaison between the functional site(s) affected and other community organizations providing major services. These services include the support provided by Physical Plants, security provided by the Police, service provided by the Fire Department, and public information dissemination handled by the City of Lathrop Communications Team, among other.

Assumptions

The City of Lathrop Plan is predicated on the validity of the following three assumptions:

[REDACTED]

It should be noted however, that the Plan will still be functional and effective even in an area-wide disaster. [REDACTED]

[REDACTED]

[REDACTED]

- The Plan is a document that reflects the changing environment and requirements of City of Lathrop. Therefore, the Plan requires the continued allocation of resources to maintain it and to keep it in a constant state of readiness.

Development

City of Lathrop 's Chief Information Officer is responsible for developing the City of Lathrop 's Business Continuity Plan. Development and support of individual City of Lathrop Department Plans are the responsibility of the Department Heads planning for recovery.



Maintenance

Ensuring that the Plan reflects ongoing changes to resources is crucial. This task includes updating the Plan and revising this document to reflect updates; testing the updated Plan; and training personnel. The Business Continuity Management Team Coordinators are responsible for this comprehensive maintenance task.

The Business Continuity Management Team Coordinators ensures that a formal review is initiated whenever there is a significant change required for the plan. Annually, the Business Continuity Management Team Coordinators initiates a complete review of the Plan, which could result in major revisions to this document. These revisions will be distributed to all authorized personnel, who exchange their old plans for the newly revised plans. At that time the Coordinators will provide an annual status report on continuity planning to the City of Lathrop Chief Information Officer.

Testing





Contact Information⁺

Updated March 2023

Name	Title	Role	Contact Information	Escalation (1-3)*
	Business Continuity Management Team Coordinator	BC manager		
	Infrastructure Manager	BC Manager		
	CIO	CIO		
	Communications Manager	BCMT member		
	Legal	BCMT member		
	Risk Manager	BCMT member		
	HR Representative	BCMT member		
	Physical Security Representative	BCMT member		
3 rd Party Network Support				
FBI	Regulatory/Government Reporting Body			

*Escalation level determines order in which notification should occur:

1. Notify first, required on all incidents
2. Required on all moderate or high-severity incidents
3. Involve as needed

⁺This information may be revised from time to time, as internal City personnel and external organizations change. For the most up to date copy, please see *Contact Information* located in *Appendix I: Supporting Document List*.



Part III

Roles and Responsibilities

Chief Information Officer (CIO)

- Seek approval from City Manager for the administration of the Business Continuity Program.
- Coordinate response activities with department heads and external resources as needed to minimize damages to information resources.
- Provide updates on response activities to Business Continuity Management Team (BCMT) and other stakeholders during an incident.
- Ensure service level agreements with service providers clearly define expectations of the organization and the service provider in relation to Business Continuity.
- Ensure policies related to recovery management accurately represent the goals of the City of Lathrop.
- Review the Business Continuity Plan ("the Plan") to ensure that it meets policy objectives and accurately reflects the goals of the City.
- Ensure Cyber Insurance is maintained as necessary and appropriate stakeholders are informed.
- Ensure lessons learned are applied/weighed based on risk for Business Continuity incidents.

Business Continuity Management Team (BCMT)

Under the overall direction of the Business Continuity Manager, support is provided to assist City of Lathrop functional site's recovery by the Business Continuity Team members and external vendors. These teams work the problem condition to restore services and provide assistance at the City of Lathrop level. Support from external vendors is generally documented in a procedure's manual for the City of Lathrop. The Business Continuity Plan is an adjunct to that documentation and highlights the interfaces between the vendor level service and the Business Continuity Team operations requirements. In cases where the documentation in this Plan and the vendor's documents differ, the vendor's documentation has precedence.

- Advise on recovery response activities relevant to their area of expertise.
- Maintain a general understanding of the Plan and policies of the City of Lathrop.
- Ensure business continuity activities are in accordance with legal, contractual, and regulatory requirements.
- Participate in tests of the Business Continuity plan and procedures.
- Responsible for internal and external communications pertaining to recovery activities.

Business Continuity Manager

The Business Continuity manager oversees and prioritizes actions during the incident. They are also responsible for conveying the special requirements of high severity activities to the rest of the City of Lathrop personnel. Additionally, they are responsible for understanding the SLAs in place with third party vendors, and the role third parties may play in specific response scenarios.

Further responsibilities:

- Assemble a Business Continuity Response Team (CSIRT).
- Ensure personnel tasked with business continuity responsibilities are trained and knowledgeable on how to respond to incidents.



- Update Business Continuity Plan and procedures as needed [REDACTED]
- [REDACTED]
- Initiate tests of the business Continuity Plan [REDACTED]
- Ensure team activities comply with legal and industry requirements for Business Continuity procedures.
- Act as the primary Business Continuity Manager, responsible for declaring a disaster incident, managing team response activities, and approving close of recovery incidents.
- [REDACTED]

Business Continuity Team Members

The Business Continuity Manager is supported by a team of technical staff that work directly with the affected information systems to restore service to end users. Team members are typically comprised of subject matter experts (SMEs), senior level IT staff, third parties, outsourced security, or forensic partners.

Teams and responsibilities:

- **Damage Assessment/Salvage Team.** Headed by the Infrastructure Manager and activated during the initial stage of an emergency, the team reports directly to the Business Continuity Management Team, evaluates the initial status of the damaged functional area, and estimates both the time to reoccupy the facility and the salvageability of the remaining equipment. [REDACTED]
- **Transportation Team.** A temporary City of Lathrop Support Team headed jointly by the Infrastructure Manager and Physical Security Representative responsible for transporting resources, personnel, equipment, and materials to back-up sites as necessary.
- **Telecommunications Team.** Headed by the Infrastructure Manager is responsible for establishing voice and data communications between the affected site and the City of Lathrop.



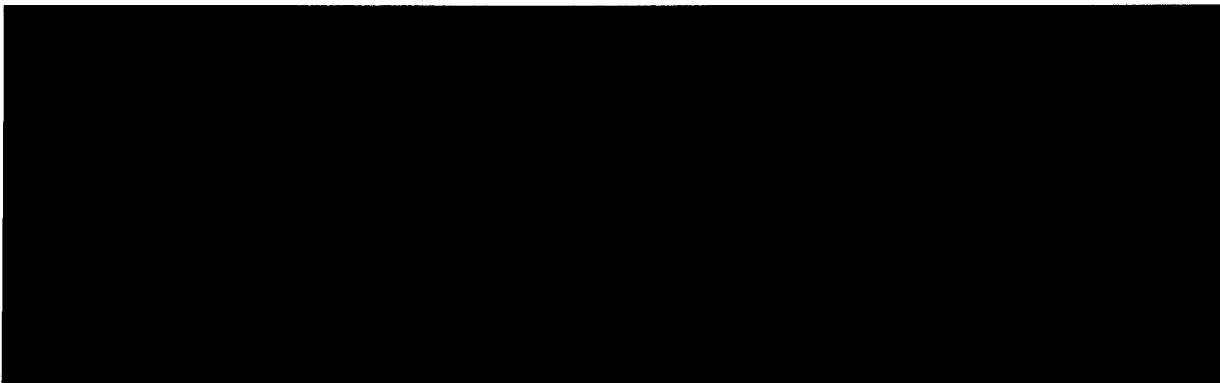
TABLE 1: CITY OF LATHROP BUSINESS CONTINUITY TEAM MEMBERS*
Updated March 2023

No.	BCT Member	Role
1		Business Continuity Manager
2		Network SME
3		Network SME
4		Senior IT Staff
5		Systems Engineer
6		Business Continuity Team Member - Recorder
7		Business Continuity Team Member - Recorder

* This information may be revised from time to time, as internal City personnel and external organizations change. For the most up to date copy, please see *Table 1: City of Lathrop Business Continuity Team Members* located in *Appendix I: Supporting Document List*

Part IV

Business Continuity Framework

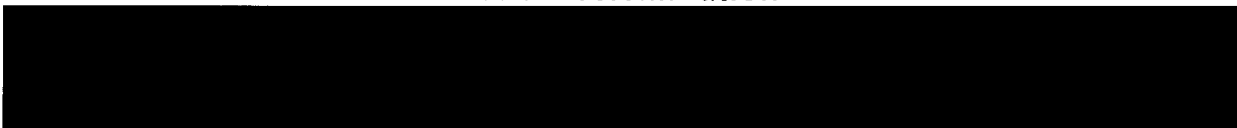


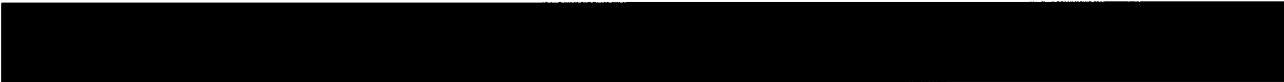
4. Disaster Recovery Strategy



Each subsection below identifies the organization(s) and/or position(s) responsible for each of these responses.

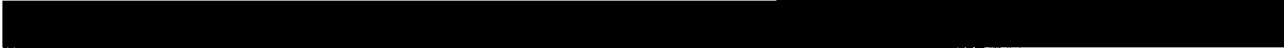
Phase I – Disaster Detection and Determination





Phase II – Notification of Personnel Responsible for Recovery

When a situation occurs that could result in interruption of processing



- The Business Continuity Manager¹
- The Business Continuity Team¹


¹ Refer to page 7 Contact Information

Phase III – Initiate the Business Continuity Plan

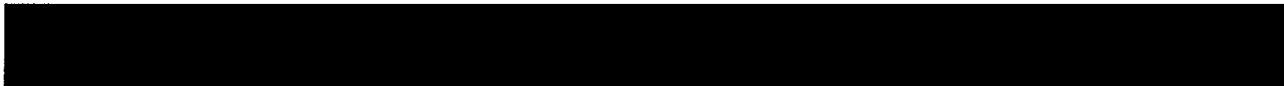
Initiation of this Plan is the responsibility of the Business Continuity Management Team Coordinator or any member of the Business Continuity Management Team.

Activation of a Designated Hot Site

- Hot Site: 

The responsibility for activating any of the designated hot sites or back-up resources is delegated to Chief Information Officer (CIO). In the absence of the CIO, responsibility reverts to the Communications Manager. The CIO, or alternate, determines 



 Infrastructure Manager and Communications Manager.

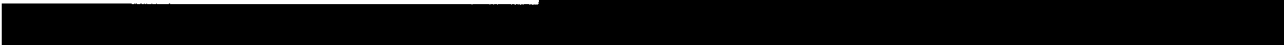


Dissemination of Public Information

The Communications Manager is responsible for directing all meetings and discussions with the news media and the public, and in conjunction with the BCT Manager and necessary BCT personnel not actively participating in the recovery operation. In the absence of the Communications Manager, the responsibility reverts to the senior official present at the scene.

Recovery Status Information Number

ISD Helpdesk;  is the predefined number established as the voice mail information number for posting recovery status and information notices. 





Provision of Support Services to Aid Recovery

During and following a disaster, at the direction of the CIO, each department head shall have their respected department personnel available [REDACTED]

Phase IV - Disaster Recovery Strategy

The disaster recovery strategy explained below [REDACTED]

[REDACTED]

Subsections below explain the context in which the City of Lathrop's Business Continuity Plan operates.

This section addresses three phases of disaster recovery:

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]

Emergency Phase

The emergency phase begins with the initial response to a disaster. During this phase, the existing emergency plans and procedures are implemented for direct efforts to protect life and property. Security over the area is established as local support services such as the Police and Fire Departments are enlisted through existing mechanisms. The Business Continuity Manager is alerted and begins to monitor the situation.

[REDACTED]

[REDACTED]

[REDACTED]



Back-up Phase

[REDACTED]

[REDACTED]

Recovery Phase

The time required for recovery of the functional site and the eventual restoration of normal processing depends on the damage caused by the disaster. [REDACTED]

[REDACTED]

The primary goal is to restore normal operations as soon as possible.

Scope of the Business Continuity Plan

The object of this Plan [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Note:

[REDACTED]

[REDACTED]



Table 7: Categorization of Federal Information and Information Systems

A large, solid black rectangular box covers the entire area where the table content would be. This indicates that the information in the table has been redacted.



Information Systems listed by Risk Category
(Deliverable Pending)



Appendix I: Supporting Document List

The following documents have been defined to assist in incident response for the City of Lathrop.

Document	URL
<u>Contact Information</u>	
<u>Table 1: City of Lathrop Business Continuity Team Members</u>	



Contact Information

Updated March 2023

Name	Title	Role	Contact Information	Escalation (1-3)*
	Business Continuity Management Team Coordinator	BC manager		
	Infrastructure Manager	BC Manager		
	CIO	CIO		
	Communications Manager	BCMT member		
	Legal	BCMT member		
	Risk Manager	BCMT member		
	HR Representative	BCMT member		
	Physical Security Representative	BCMT member		
	3 rd Party Network Support			
FBI	Regulatory/Government Reporting Body			

*Escalation level determines order in which notification should occur:

1. Notify first, required on all incidents
2. Required on all moderate or high-severity incidents
3. Involve as needed



Table 1: City of Lathrop Business Continuity Team Members

Updated March 2023

No.	BCT Member	Role
1		Business Continuity Manager
2		Network SME
3		Network SME
4		Senior IT Staff
5		Systems Engineer
6		Business Continuity Team Member - Recorder
7		Business Continuity Team Member - Recorder

ITEM 4.21

CITY MANAGER'S REPORT APRIL 10, 2023 REGULAR CITY COUNCIL MEETING

ITEM: **AUTHORIZE THE FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)**

RECOMMENDATION: **Adopt a Resolution of Intention to Establish City of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2) and a Future Annexation Area to Finance Public Services and Facilities**

SUMMARY:

As part of their development agreement requirements, master developers are required to submit to the City a fiscal impact analysis. The purpose of a fiscal impact analysis is to estimate the overall financial impacts a development will have on the City. This analysis enables the City to estimate the difference between the costs of providing services to a new development and the revenue the new development will generate.

In 2013, River Islands completed a fiscal impact analysis for their project. The fiscal impact analysis projected that the River Islands (Developer) development would produce a shortfall to the City's General Fund. In order for the City to ensure that development continued to pay its own way, Community Facilities District (CFD) No. 2013-1 (River Islands Public Services and Facilities) was formed to cover the shortfalls. Since that time, River Islands and the City has reviewed project revenues and expenses annually to ensure the project continues to perform as projected.

In January 2023, the City and San Joaquin County (SJC) amended their property tax sharing agreement for the West Lathrop Specific Plan (WLSP), which includes the River Islands Development. The amended agreement will revise the property tax formula for new development within the River Islands tax area from a 90%-County/10%-City tax split to a 60%-County/40%-City tax split. While this agreement has no immediate effect on property tax revenue received, it may generate substantially more property tax revenue than previously anticipated in the future development area.

As a result of the change in the property tax revenue, a new CFD will need to be created for all future development to allow the City flexibility to adjust the assessment if or when the shortfall is reduced. The new CFD will apply to future development and will not impact current residents. Currently, the future development area is owned by the developer.

It is recommended Council authorize the attached Resolution of Intention to establish the City of Lathrop Community Facilities District No. 2023-1 (River Islands Services and Facilities #2) (the “District”) and to levy a special tax to finance the costs of certain public facilities and services of benefit to the properties within the District.

BACKGROUND:

City Staff, the Financing Team and the Developer have had several discussions to help formulate the proposed District and the special tax to be levied, which has been approved by the developer and will be calculated and levied as set forth in the Rate and Method of Apportionment of Special Tax (attached to the Resolution of Intention (Attachment A)).

The District will initially include three (3) parcels and is setup with the contemplation that additional land areas (the “Future Annexation Area”) will be annexed into the District in the future upon the consent of the then owner/developer as the area develops.

The District will have a single tax rate formula, for the levy of the “Special Tax”, for the purpose of funding services, and will convert to the purpose of funding facilities in the future.

The description of the services authorized to be paid for by the Special Tax, as well as the facilities/public improvements are described in the “List of Services and Facilities” (Exhibit A of Attachment A). The services shall include:

Services

- Police Protection Services
- Maintenance of open space; including irrigation and vegetation control
- Maintenance of roads and roadways; including street sweeping, street repair, street striping and repair and repainting of sound walls
- Storm protection; including operation and maintenance of storm drainage system
- Landscaping of public areas; including irrigation, tree trimming and vegetation maintenance and control

Facilities

- Roadway and related improvements
- Bradshaw’s Crossing Bridge improvements
- Water Infrastructure
- Sewer Infrastructure
- Public Landscaping and Recreational Features

The City Council has four documents for consideration:

1. The Resolution of Intention (Attachment A) - The resolution sets forth the intention to establish the District, designates the name of the District, identifies the services and facilities to be funded, and states the City's intention to levy a special tax to pay for the services and in the future to pay for the acquisition, construction, and associated costs of the public facilities. The Resolution also sets June 12, 2023 as the date for a hearing on the matters set forth therein.
2. List of Services and Facilities (Exhibit A of Attachment A) – Lists the services and projects that are authorized to be funded from special tax revenues generated within the District.
3. The Rate and Method of Apportionment of Special Tax (Exhibit B of Attachment A) is a key document in that it provides for the security for the funding of the District. This document presents how the revenues from the District are to be collected and also sets forth the purpose and level of the taxes from the various different types of properties.
4. The District Boundary Map (Attachment B) – Details the legal parcels which will make up the properties within the boundaries of the District, showing the area initially to be taxed and the area that may be taxed later if annexed to the CFD as the "Future Annexation Area."

Today's resolution sets the public hearing date at which time the City Council will hear a presentation on the proposed District. At the same time the election of the property owners is expected to be completed. The election results will unanimously favor the District formation, as the Developer, as the only property owner within the District boundaries, will be voting. It is expected that the Developer will waive a number of noticing and election procedures that make it possible for the proposed district to be formed in a relatively short period of time.

At the public hearing on the District, protests against the establishment of the District, the extent of the District, or the furnishing of specified types of public facilities or services within the District may be made orally or in writing by any interested persons or taxpayers. Any protests pertaining to the regularity or sufficiency of the proceedings shall be made in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the hearing. The City Council may waive any irregularities in the form or content of any written protest and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn in writing at any time before the conclusion of the hearing. If the City Council determines at the conclusion of the hearings to proceed with the establishment of the District, the proposed voting procedure shall be by landowners voting in accordance with the Mello-Roos Community Facilities District Act of 1982, as there are less than twelve registered electors residing within the proposed district boundaries.

**CITY MANAGER’S REPORT
APRIL 10, 2023 REGULAR CITY COUNCIL MEETING
COMMUNITY FACILITIES DISTRICT NO. 2023-1 FORMATION**

Notice of the Public Hearing will be published in the same manner as the City’s other public hearing notifications at least seven days prior to the hearing date. Furthermore, a notice of the hearing will be mailed to each property owner and registered voter within the proposed District boundaries (unless otherwise waived).

REASON FOR RECOMMENDATION:

Staff has worked with River Islands to complete a fiscal impact analysis for their project. The fiscal impact analysis has determined that the River Islands development will produce a shortfall to the City’s General Fund. In order for the City to ensure that development continues to pay its own way, a Community Facilities District (CFD) needs to be formed to cover the shortfalls. River Islands and the City has committed to an annual review of project revenues and expenses to ensure the project continues to perform as projected.

In order to form the CFD, Council needs to adopt the Resolution of Intention. The Resolution is required to be adopted by a majority approval of the City Council.

FISCAL IMPACT:

River Islands has funded the forming of the CFD.

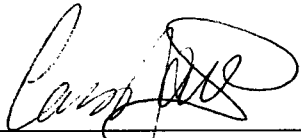
ATTACHMENTS:

- A. Resolution of Intention to Establish Community Facilities District
Exhibits to Attachment A:
 - A. Description of Authorized Services and Facilities
 - B. Rate and Method of Apportionment of Special Tax

- B. Community Facilities District No. 2023-1 Boundary Map

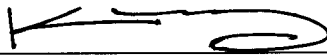
**CITY MANAGER'S REPORT
APRIL 10, 2023 REGULAR CITY COUNCIL MEETING
COMMUNITY FACILITIES DISTRICT NO. 2023-1 FORMATION**

APPROVALS:



Cari James
Director of Finance

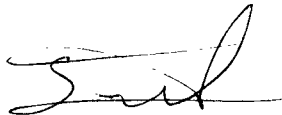
3/29/2023
Date



FOR


Brad Taylor
City Engineer

3.30.2023
Date



Salvador Navarrete
City Attorney

3-30-2023
Date



Stephen J. Salvatore
City Manager

4.4.23
Date

RESOLUTION NO. 23-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP OF INTENTION TO ESTABLISH CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2) AND A FUTURE ANNEXATION AREA TO FINANCE PUBLIC SERVICES AND FACILITIES

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") is authorized to establish a community facilities district and to act as its legislative body; and

WHEREAS, this Council, having received a request from the owners of the area of developing land proposed to be included in the proposed community facilities district within the City, now desires to proceed with the establishment of such community facilities district to finance costs of certain public services required to meet the demands of new development of such land; and

WHEREAS, pursuant to Section 53339.2 of the Act, this Council further desires to undertake proceedings to provide for future annexation of territory to the proposed community facilities district.

NOW, THEREFORE, IT IS RESOLVED as follows:

1. Authority. This Council proposes to conduct proceedings to establish a community facilities district pursuant to the Act, and hereby determines that public convenience and necessity require that a future annexation area be established pursuant to the Act.

2. Name of CFD; Future Annexation Area. The name proposed for the community facilities district is City of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2) (the "CFD").

The name proposed for the territory proposed to be annexed into the CFD in the future is "City of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2) (Future Annexation Area)" (the "Future Annexation Area").

3. Boundaries Described. The proposed boundaries of the CFD and the Future Annexation Area are as shown on the map of it on file with the City Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. This Council finds that the map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code. This Council directs the City Clerk to certify the adoption of this resolution on the face of the map, and to file a copy of the map in the office of the

City Clerk in accordance with Section 3111 of the California Streets and Highways Code, and within 15 days of the date of adoption of this resolution but in no event later than 15 days prior to the public hearing provided for herein transmit the map to the County Recorder for recording in the Book of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of San Joaquin.

Parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed and all or any portions of territory that annex into the CFD from the Future Annexation Area or otherwise may be annexed into a separate zone or improvement area to be designated at the time of such annexation, all without any requirement for additional public hearings, resolutions of the City Council or other additional proceedings. In connection with establishing such zone or improvement area, all proceedings for approval of an appropriations limit, the rate and method of apportionment and manner of collection of special taxes, and the authorization to incur bonded indebtedness may differ from other designated areas of the CFD, all as set forth in the Unanimous Approval, and shall apply only to the parcel or parcels within such zone or improvement area.

4. Services and Facilities. The types of public facilities and services proposed to be provided within the CFD and the Future Annexation Area are set forth on Exhibit A attached to this Resolution (the "Services" and "Facilities"). The Council hereby finds that these Services and Facilities are necessitated by new development occurring and anticipated within the CFD and the Future Annexation Area and the Council hereby determines that the increased services and facilities are necessary to meet increased demands placed upon local agencies as the result of development occurring or to occur within the CFD and the Future Annexation Area. The Council hereby finds and determines that the public interest will not be served by allowing the property owners in the CFD to enter into a contract in accordance with Section 53329.5(a) of the Act. Notwithstanding the foregoing, the Council, on behalf of CFD, may enter into one or more contracts directly with any of the property owners with respect to the construction and/or acquisition of any portion of the Facilities.

The City Manager is hereby authorized and directed to enter into joint community facilities agreements with any entity that will share in providing the Services and Facilities, as may be necessary to comply with the provisions of Section 53316.2(a) and (b) of the Act. The Council hereby declares that such joint agreements will be beneficial to owners of property in the area of the CFD.

5. Special Tax. Except to the extent that funds are otherwise available, the City will levy the special taxes (together, the "Special Tax") to pay directly for the Services and Facilities. The Special Tax will be secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of

apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto and hereby incorporated herein (the "Rate and Method").

This Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to *ad valorem* property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

As required by Section 53339.3(d) of the Act, the Council hereby determines that the special tax proposed to pay for one or more Services and Facilities to be supplied within the Future Annexation Area will be equal to the special taxes levied to pay for the same Services and Facilities for similarly designated parcels in the original area of the CFD.

6. Exempt Property. Except as may otherwise be provided by the Act, by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California and/or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the costs and expenses of the Services and Facilities and the CFD. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the required annual expenses of the CFD, subject to the provisions of the rate and method of apportionment of the Special Tax.

7. Election. The levy of the Special Tax shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD.

A special tax shall be levied in the Future Annexation Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings.

8. CFD Report. The City's Finance Director, as the officer having charge and control of the Services and Facilities in and for the CFD, or the designee of such officer, is hereby directed to study said proposed Services and Facilities and to make, or cause to be made, and file with the City Clerk a report in writing, (the "CFD Report") presenting the following:

- (a) A description of the Services and Facilities by type which will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith.

(c) An estimate of the fair and reasonable cost of the Facilities including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith and incidental expenses in connection therewith.

The CFD Report shall be made a part of the record of the public hearing specified below.

9. Public Hearing. Monday, June 12, 2023, at 7:00 p.m. or as soon as possible thereafter, in the Council Chambers, 390 Towne Centre Drive, Lathrop, California 95330, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and the Future Annexation Area and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD, the Future Annexation Area and the levy of the Special Tax.

At the hearing, testimony concerning the CFD, the extent of the CFD and Future Annexation Area or the furnishing of the particular types of Services and Facilities will be heard and protests will be considered from registered voters residing within the CFD and persons owning real property within the CFD. Written protests by a majority of the registered voters (if at least six such voters protest), or by the owners of a majority of the land (by acreage) which would be subject to special taxation within the proposed the CFD will require the suspension of proceedings for at least one year. Written protests must be filed with the City Clerk at or before the time fixed for the hearing. If such protests are directed only against certain elements of the proposed Services and Facilities or proposed special tax, and if such protests constitute a majority protest, only those elements shall be deleted from the proceedings.

10. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD and the Future Annexation Area. The publication shall be completed at least seven days before the date of the public hearing specified above. The City may also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner's address as it appears on the most recent tax records of San Joaquin County or as otherwise known to the City to be correct. Such mailing shall be completed not less than 15 days before the date of the public hearing. Each of the notices shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

11. Billing of Special Tax. It is anticipated that the special tax will be billed as a separate line item on the regular property tax bill. However, this Council reserves the right, under Section 53340, to utilize any method of collecting the special

tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing.

12. Further Action. The Mayor, City Manager/Treasurer, Finance Director, City Attorney, City Clerk and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

13. No Obligation. This Resolution shall in no way obligate the Council of the City to form the CFD. The formation of the CFD shall be subject to the approval of this Council by resolution following the holding of the public hearing referred to above.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 10th day of April, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

EXHIBIT A

CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2023-1
(RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)
DESCRIPTION OF AUTHORIZED SERVICES AND FACILITIES

Services

The services to be funded, in whole or in part, by the community facilities district (CFD) include all direct and incidental costs related to providing public services and maintenance of public infrastructure within the River Islands area including the area initially included in the CFD, as well as any future annexation area of the CFD and areas adjacent to the foregoing. More specifically, the services shall include, but not be limited to: (i) police protection services, (ii) maintenance of open space, including trails and habitat areas, with services to include, but not be limited to, irrigation and vegetation control; (iii) maintenance of roads and roadways, with services to include, but not be limited to, regularly scheduled street sweeping, repair of public streets, striping of streets and repair and repainting of sound walls and other appurtenances; (iv) storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, (v) landscaping in public areas and in the public right of way along public streets, including, but not limited to, irrigation, tree trimming and vegetation maintenance and control; and (vi) any other public services authorized to be funded under Section 53313 of the California Government Code that are not already funded by another community facilities district on the property within the CFD.

The CFD may fund any of the following related to the services described in the preceding paragraph: obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of personnel necessary or convenient to provide the services, payment of insurance costs and other related expenses and the provision of reserves for repairs and replacements and for the future provision of services. The services to be financed by the CFD are in addition to those provided in the territory of the CFD before the date of formation of the CFD and will not supplant services already available within that territory when the District is created.

Facilities

The CFD may also fund all or any portion of the costs of the following facilities to be located within or in the vicinity of the CFD:

Roadway and related improvements, including, but not limited to, construction of the roadways currently identified on Vesting Tentative Map No. 3694 as Stewart Road, Golden Valley Parkway, South River Islands Parkway, North River Islands Parkway, Broad Street, Commercial Street, J8 Street, B5 Street, B6 Street and C1 Street, as well as other backbone and arterial streets, including, but not limited to, grading, fill, pavement section, curb gutter and sidewalk, joint trench, water, sewer, reclaimed water, storm drainage, and other utility improvements necessary for, or incidental

to, road construction. Roadway improvements may also include landscaping, street lights and signage, and traffic signals and striping.

Bradshaw's Crossing Bridge improvements, including, but not limited to, design, construction, utility connections, mitigation payments, right-of-way acquisition, and other improvements required for, or incidental to, construction of the bridge.

Water infrastructure, including, but not limited to, tanks, pump stations, distribution lines, and other improvements necessary for, or incidental to, the delivery of potable or reclaimed water.

Sewer infrastructure, including, but not limited to, treatment facilities, sanitary sewer collection lines and force mains, effluent holding and storage, pump stations, lift stations, and other improvements necessary for, or incidental to, the delivery of sanitary sewer service.

Public landscaping and recreational features along rivers, lakes, within parks, and along and including pathways.

Offsite public infrastructure, including, but not limited to, the extension of sanitary sewer lines and payment of license fees (e.g., to Caltrans or UPRR) and any other incidental fees or exactions.

The facilities authorized to be funded by the CFD shall include the costs of design, engineering, surveys, reports, environmental mitigation, soils testing, permits, plan check, inspection fees, impact fees, insurance, construction management, and any other costs or appurtenances related to any of the foregoing.

Administrative Expenses

The administrative expenses to be funded by the CFD include the direct and indirect expenses incurred by the City of Lathrop (City) in carrying out its duties with respect to the CFD including, but not limited to, the levy and collection of the special taxes, the fees and expenses of attorneys, any fees of the County of San Joaquin related to the CFD or the collection of special taxes, an allocable share of the salaries of any City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to the CFD or the services authorized to be financed by the CFD, and expenses incurred by the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the CFD.

Other

The incidental expenses that may be funded by the CFD include, in addition to the administrative expenses identified above, the payment or reimbursement to the CFD of all costs associated with the establishment and ongoing administration of the CFD.

EXHIBIT B

CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in the City of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2) shall be levied and collected according to the tax liability determined by the City or its designee, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate rate and method of apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Accessory Unit” means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

“Administrative Expenses” means any or all of the following: expenses of the City in carrying out its duties with respect to the CFD, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its legal counsel, costs related to annexing property into the CFD, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Taxes, costs associated with appeals or requests for interpretation associated with the Special Taxes and this RMA, costs associated with foreclosure and collection of delinquent Special Taxes and all other costs and expenses of the City and County in any way related to the establishment or administration of the CFD.

“Administrator” means the person or firm designated by the City to administer the Special Taxes according to this RMA.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown on a County Assessor's Parcel map with an assigned County Assessor's Parcel number.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Facilities Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“Authorized Services” means those services that are authorized to be funded by Services Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“CFD” means the City of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2).

“CFD Formation” means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Developed Property” means, in any Fiscal Year, the following:

- for Single Family Detached Property, all Parcels of Taxable Property for which a Final Map was recorded on or prior to June 30 of the preceding Fiscal Year
- for Multi-Family Property and Single Family Attached Property, all Parcels of Taxable Property for which a building permit for new construction of a residential structure was issued on or prior to June 30 of the preceding Fiscal Year
- for Non-Residential Property, all Parcels of Taxable Property for which a building permit for new construction of a structure was issued on or prior to June 30 of the preceding Fiscal Year.

“Development Agreement” means the 2003 Amended and Restated Development Agreement dated February 4, 2003 and recorded on March 31, 2003 in the San Joaquin County Recorder’s Office as Document No. 2003-069319, as has been amended and as may be amended in the future.

“Escalation Factor” means, in any Fiscal Year, the lesser of (i) the increase from the prior Fiscal Year, if any, in the Local Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose Area for All Urban Consumers, or (ii) four percent (4%). The CPI used shall be as determined by the Bureau of Labor Statistics from April to April beginning with the period from April 2022 to April 2023.

“Facilities Special Tax” means a special tax levied in any Fiscal Year after the Trigger Event has taken place to pay the Facilities Special Tax Requirement.

“Facilities Special Tax Requirement” means the amount necessary in any Fiscal Year after the Trigger Event to pay the costs of Authorized Facilities to be funded directly from Facilities Special Tax proceeds.

“Final Map” means a final map, or portion thereof, approved by the City and recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq) that creates SFD Lots. The term “Final Map” shall not include any large lot subdivision map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Fiscal Review Process” means the River Islands Annual Fiscal Review Process, which is required pursuant to the Development Agreement, and which process is described in detail in Exhibit B of the Development Agreement.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Maximum Facilities Special Tax” means the greatest amount of Facilities Special Tax that can be levied on a Parcel in any Fiscal Year after the Trigger Event, as determined in accordance with Section C below.

“Maximum Services Special Tax” means the greatest amount of Services Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Section C below.

“Maximum Special Taxes” means, collectively, the Maximum Facilities Special Tax and the Maximum Services Special Tax that can be levied on a Parcel in any Fiscal Year.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit or use permit has been issued or is expected to be issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Non-Residential Property” means all Assessor’s Parcels of Taxable Property for which a building permit was or is expected to be issued for an office, commercial, retail, industrial or mixed-use building, as determined by the City.

“Non-Residential Square Footage” means the net leasable square footage used by or designated for non-residential uses within a building as reflected on the condominium plan, site plan, building permit for new construction, or other such document. If a structure on a Parcel of Non-Residential Property includes Units, such Units shall be categorized and taxed as Residential Property, and the square footage of such Units shall not be counted as Non-Residential Square Footage for purposes of determining the Maximum Special Taxes pursuant to Section C below.

“Proportionately” means, for the Services Special Tax, that the ratio of the actual Services Special Tax levied in any Fiscal Year to the Maximum Services Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For the Facilities Special Tax, “Proportionately” means that the ratio of the actual Facilities Special Tax levied in any Fiscal Year to the Maximum Facilities Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property.

“Public Property” means any property within the boundaries of the CFD that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a building includes both Units and Non-Residential Square Footage, the Units within the building shall be categorized as Residential Property for purposes of this RMA.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Services Special Tax” means a special tax levied in any Fiscal Year to pay the Services Special Tax Requirement.

“Services Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts needed to cure any delinquencies in the payment of Services Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the tax will be collected. In any Fiscal Year, the Services Special Tax Requirement shall be reduced by surplus amounts available (as determined by the City) from the levy of the Services Special Tax in prior Fiscal Years, including revenues from the collection of delinquent Services Special Taxes and associated penalties and interest.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit was or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was or is expected to be issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share an Assessor’s Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 4125.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was or is expected to be issued for construction of a Unit that does not share a common wall with another Unit. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

“Special Taxes” means, collectively, the Facilities Special Tax and the Services Special Tax.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the CFD which are not exempt from the Special Taxes pursuant to law or Section F below.

“Tax Zone” means a mutually exclusive geographic area within which Special Taxes may be levied pursuant to this RMA. *All of the property within the CFD at the time of CFD Formation is within Tax Zone 1.* Additional Tax Zones may be created when property is annexed to the CFD, and separate Maximum Special Taxes shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such Parcels are annexed to the CFD shall be identified by Assessor’s Parcel number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels annexed into the CFD that constitutes the property owner’s approval and unanimous vote in favor of annexing into the CFD and the levy of Special Taxes against his/her Parcel or Parcels pursuant to this RMA.

“Trigger Event” will be deemed to have occurred in any Fiscal Year if, on or before June 30 of the prior Fiscal Year, the City has made a finding that, for the third year in a row, the Fiscal Review Process has demonstrated that fiscal surpluses will be generated to the City’s general fund from development within the River Islands Master Plan area, and, as part of the Fiscal Review Process in each of the prior three years, the Services Special Tax revenue factored into the fiscal analysis was based on the Services Special Tax being levied at only 47.43% of the Maximum Services Special Tax that could have been levied in each of those three years. Once the Trigger Event has occurred, the reduced Services Special Taxes and the Facilities Special Taxes determined for each Tax Zone pursuant to Section C shall be the applicable Maximum Special Taxes in all future Fiscal Years regardless of the results of future Fiscal Review Processes.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure.

B. DATA FOR ADMINISTRATION OF SPECIAL TAXES

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Developed Property within the CFD. The Administrator shall also determine: (i) within which Tax Zone each Parcel is located; (ii) which Parcels of Developed Property are Residential Property and Non-Residential Property; (iii) the Non-Residential Square Footage of buildings on each Parcel of Non-Residential Property; (iv) for Single Family Detached Property, the square footage of each SFD Lot, (v) by reference to the condominium plan, site plan, or other document, the number of Units on each Parcel of Single Family Attached Property and Multi-Family Property; (vi) whether the Trigger Event has occurred; and (vii) the Services Special Tax Requirement and, if the Trigger Event has occurred, the Facilities Special Tax Requirement for the Fiscal Year. To determine the square footage of each Parcel of Single Family Detached Property, the Administrator shall reference Assessor’s Parcel Maps or, if the square footage is not yet designated on such maps, the small lot subdivision map recorded to create the individual lots.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel

map, and (iii) a building permit was issued on or prior to June 30 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Taxes for Units and/or Non-Residential Square Footage within the subdivided area and levy such Special Taxes on the master Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAXES

1. Services Special Tax, Tax Zone 1

Table 1 below identifies the Maximum Services Special Tax for Developed Property within Tax Zone 1, both before and after the Trigger Event. A different Maximum Services Special Tax may be identified for property that annexes into the CFD and is part of a separate Tax Zone.

**TABLE 1
MAXIMUM SERVICES SPECIAL TAX
TAX ZONE 1**

Type of Property	Lot Size	Maximum Services Special Tax in Tax Zone 1 Prior to the Trigger Event (Fiscal Year 2022-23)*	Maximum Services Special Tax in Tax Zone 1 After the Trigger Event (Fiscal Year 2022-23)*
<u>Residential Property:</u>			
Single Family Detached Property	Greater than 7,000 SqFt	\$432.29 per SFD Lot	\$205.02 per SFD Lot
Single Family Detached Property	5,801 to 7,000 SqFt	\$349.02 per SFD Lot	\$165.53 per SFD Lot
Single Family Detached Property	4,801 to 5,800 SqFt	\$320.21 per SFD Lot	\$151.87 per SFD Lot
Single Family Detached Property	4,000 to 4,800 SqFt	\$272.18 per SFD Lot	\$129.09 per SFD Lot
Single Family Detached Property	Less than 4,000 SqFt	\$252.96 per SFD Lot	\$119.97 per SFD Lot
Single Family Attached Property	Not Applicable	\$ 0.00 per Unit	\$ 0.00 per Unit
Multi-Family Property	Not Applicable	\$ 0.00 per Unit	\$ 0.00 per Unit
Non-Residential Property	Not Applicable	\$0.00 per Non-Residential Square Foot	\$0.00 per Non-Residential Square Foot

* On July 1, 2023 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by the Escalation Factor.

2. *Facilities Special Tax, Tax Zone 1*

Table 2 below identifies the Maximum Facilities Special Tax for Developed Property within Tax Zone 1 both before and after the Trigger Event; a different Maximum Facilities Special Tax may be identified for property that annexes into the CFD and is part of a separate Tax Zone.

**TABLE 2
MAXIMUM FACILITIES SPECIAL TAX
TAX ZONE 1**

Type of Property	Lot Size	Maximum Facilities Special Tax in Tax Zone 1 Prior to the Trigger Event (Fiscal Year 2022-23)*	Maximum Facilities Special Tax in Tax Zone 1 After the Trigger Event (Fiscal Year 2022-23)*
<u>Residential Property:</u>			
Single Family Detached Property	Greater than 7,000 SqFt	\$ 0.00 per SFD Lot	\$227.27 per SFD Lot
Single Family Detached Property	5,801 to 7,000 SqFt	\$ 0.00 per SFD Lot	\$183.49 1per SFD Lot
Single Family Detached Property	4,801 to 5,800 SqFt	\$ 0.00 per SFD Lot	\$168.34 per SFD Lot
Single Family Detached Property	4,000 to 4,800 SqFt	\$ 0.00 per SFD Lot	\$143.09 per SFD Lot
Single Family Detached Property	Less than 4,000 SqFt	\$ 0.00 per SFD Lot	\$132.99 per SFD Lot
Single Family Attached Property	Not Applicable	\$ 0.00 per Unit	\$ 0.00 per Unit
Multi-Family Property	Not Applicable	\$ 0.00 per Unit	\$ 0.00 per Unit
Non-Residential Property	Not Applicable	\$0.00 per Non-Residential Square Foot	\$0.00 per Non-Residential Square Foot

* On July 1, 2023 and on each July 1 thereafter until the first Fiscal Year after the Trigger Event, all figures shown in Table 2 above shall be increased by the Escalation Factor. On July 1 of the first Fiscal Year after the Trigger Event, and on each July 1 thereafter, the Maximum Facilities Special Taxes shall increase by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. *Maximum Special Taxes for Mixed-Use Buildings*

If, in any Fiscal Year, the Administrator determines that a Parcel of Developed Property is built or proposed to be built with both Units and Non-Residential Square Footage, the Maximum Special Taxes for the Parcel shall be the sum of (i) the aggregate Maximum Special Taxes for all Units on the Parcel, and (ii) the Maximum Special Taxes determined for all of the Non-Residential Square Footage on the Parcel.

4. *Reduction of the Maximum Special Taxes*

If, in any Fiscal Year, the City determines pursuant to the Fiscal Review Process that the Maximum Special Taxes within one or more Tax Zones should be reduced, the Maximum Special Taxes within the Tax Zones may be reduced without a vote of the qualified CFD electors. An Amended Notice of Special Tax Lien reflecting the reduced Maximum Special Taxes shall be recorded against the Parcels within such Tax Zones.

D. METHOD OF LEVY OF THE SPECIAL TAXES

1. Services Special Tax

Each Fiscal Year, the Administrator shall determine the Services Special Tax Requirement for the Fiscal Year, and the Services Special Tax shall be levied on each Parcel of Developed Property within the CFD in the amount of either (i) the Maximum Services Special Tax, or (ii) the Proportionately determined percentage of the Maximum Services Special Tax required to generate the Services Special Tax Requirement, whichever is less.

2. Facilities Special Tax

Each Fiscal Year after the Trigger Event, the Administrator shall determine the Facilities Special Tax Requirement for the Fiscal Year, and the Facilities Special Tax shall be levied on each Parcel of Developed Property within the CFD in the amount of either (i) the Maximum Facilities Special Tax, or (ii) the Proportionately determined percentage of the Maximum Facilities Special Tax required to generate the Facilities Special Tax Requirement, whichever is less.

E. MANNER OF COLLECTION OF SPECIAL TAXES

The Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Facilities Special Tax shall be levied for thirty (30) Fiscal Years, beginning the first Fiscal Year after the Trigger Event has taken place. Under no circumstances may the Facilities Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Facilities Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. The Services Special Tax may be levied and collected in perpetuity.

F. EXEMPTIONS

No Special Taxes shall be levied on Public Property or any other Parcels in the CFD that are not Residential Property or Non-Residential Property, as defined herein.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The City may interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness or ambiguity as it relates to the Special Tax rates, the method of apportionment, the classification of properties or any definition applicable to the CFD, by resolution or ordinance. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land.

PROPOSED BOUNDARIES AND FUTURE ANNEXATION AREA OF

CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)

SAN JOAQUIN COUNTY, CALIFORNIA

CITY CLERK CERTIFICATES

1. FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LATHROP THIS _____ DAY OF _____, 2023.

CITY CLERK

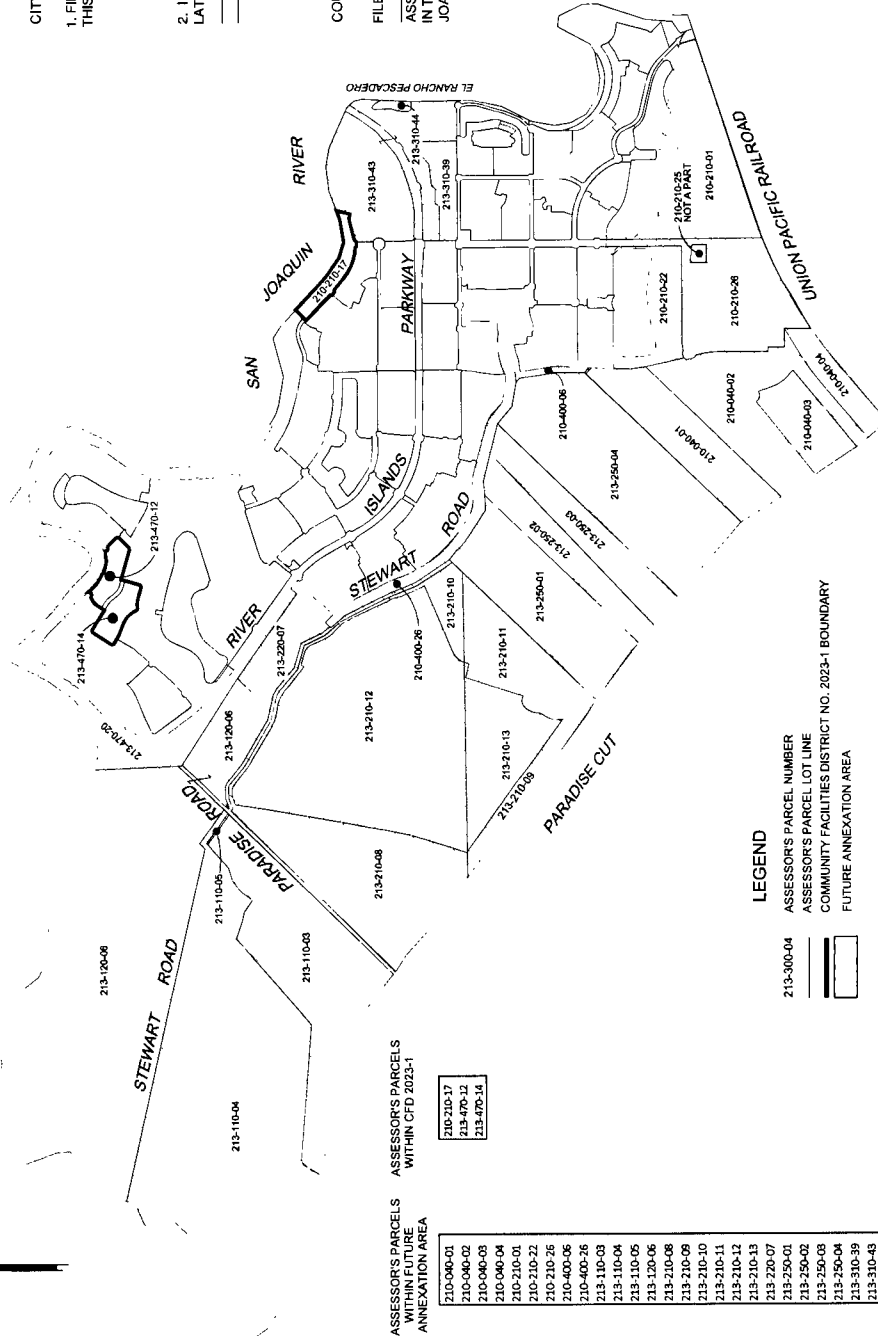
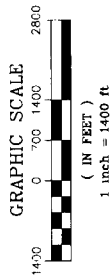
2. I HEREBY CERTIFY THAT THIS MAP WAS APPROVED BY THE CITY OF LATHROP CITY COUNCIL AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2023, BY ITS RESOLUTION NO. _____

CITY CLERK

COUNTY RECORDER'S CERTIFICATE

FILED THIS _____ DAY OF _____, 2023, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF SAN JOAQUIN,
STATE OF CALIFORNIA



LEGEND

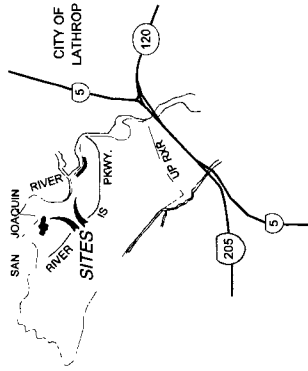
- 213-300-04 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LOT LINE
- COMMUNITY FACILITIES DISTRICT NO. 2023-1 BOUNDARY
- FUTURE ANNEXATION AREA

ASSESSOR'S PARCELS WITHIN FUTURE ANNEXATION AREA

- 210-040-01
- 210-040-02
- 210-040-03
- 210-040-04
- 210-210-01
- 210-210-22
- 210-210-26
- 210-400-06
- 210-400-26
- 213-110-03
- 213-110-04
- 213-110-05
- 213-110-06
- 213-110-08
- 213-210-08
- 213-210-10
- 213-210-11
- 213-210-12
- 213-210-13
- 213-210-07
- 213-250-01
- 213-250-02
- 213-250-03
- 213-250-04
- 213-310-39
- 213-310-43
- 213-310-44
- 213-470-20

ASSESSOR'S PARCELS WITHIN CFD 2023-1

- 210-310-17
- 213-470-12
- 213-470-14



VICINITY MAP
N.T.S.



ITEM 4.22

CITY MANAGER'S REPORT APRIL 10, 2023, CITY COUNCIL REGULAR MEETING

ITEM: **ACCEPT PUBLIC IMPROVEMENTS FROM RIVER ISLANDS DEVELOPMENT, LLC FOR TRACTS 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, 4111, AND ACCEPT RIVER ISLANDS PARKWAY WITH ASSOCIATED CONDITION**

RECOMMENDATION: **Adopt Resolution to Accept Public Improvements from River Islands Development, LLC for Tracts 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, 4111, and Accept River Islands Parkway with Associated Condition**

SUMMARY:

River Island Development, LLC (RID) has completed construction of the public improvements listed in the GASB 34 reports (Attachment "C") for Tract 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, and 4111 ("Tracts"), in accordance with the associated Subdivision Improvement Agreements (SIA).

RID has also substantially completed construction for a portion of River Islands Parkway (RIP) from Somerston Parkway to Walera Drive in accordance with the SIA's for Tract 3834, 3908, and 4032. However, the lake connect line between Lake 10 and 11 requires repairs in order to be completely operational.

These improvements have been inspected by staff and deemed complete by the City Engineer, except for the repair of the lake connect pipe between Lake 10 and 11. RID provided one-year warranty bonds based on 10% of the completed improvement construction cost, and lien releases for the proposed accepted improvements. Vicinity Maps for the Tracts are included as Attachment "B".

Staff recommends City Council accept the completed Public Improvements for the Tracts and accept RIP from Somerston Parkway to Walera Drive, with the exception of a segment of RIP depicted in Attachment "D", contingent upon the repair of the lake connect pipe between Lake 10 and 11.

BACKGROUND:

On March 27, 2007, Council approved Vesting Tentative Map (VTM) 3694, and later amended VTM 3694 with updated Conditions of Approval (COA) on June 1, 2015. The Tracts comply with the amended COA's of VTM 3694.

As required by the City's subdivision ordinance, the final maps for the Tracts within the Villages included a Subdivision Improvement Agreement (SIA) to guarantee public improvements. Completion of the public improvements listed in the GASB 34 reports fulfills the associated obligations of the SIAs. The Council approval dates & resolution numbers are detailed in Table 1 below.

CITY MANAGER'S REPORT **PAGE 2**
APRIL 10, 2023, CITY COUNCIL REGULAR MEETING
ACCEPT PUBLIC IMPROVEMENTS FROM RID FOR TRACTS 3994, 3995, 4015,
4016, 4020, 4021, 4030, 4031, 4060, 4111, AND ACCEPT RIP WITH
ASSOCIATED CONDITION

Table 1: Council Approval Dates and Resolutions

Village	Tract	Council Approval Date	Resolution Number
T	3994	10/8/2018	18-4461
	3995	12/9/2019	19-4661
W	4015	9/9/2019	19-4627
	4016	11/9/2020	20-4810
X	4020	11/9/2020	20-4811
S	4021	5/11/2020	20-4720
	4030	5/10/2021	21-4874
	4031	8/9/2021	21-4934
	4060	1/11/2021	21-4829
	4111	12/13/2021	21-5008

The Performance and Labor & Materials Bonds will be released and replaced with the Warranty Bonds upon acceptance of the improvements. The bond values and numbers are detailed in Table 2 below.

Table 2: Bond Values and Numbers

Village	Tract	Performance Bond Number/Value	Labor & Materials Bond Number/Value	Warranty Bond Number/Value
T	3994	0757337/\$560,904	0757337/\$280,452	0757337/\$232,500
	3995	0757337/\$560,904	0757337/\$280,452	
W	4015	0757331/\$136,866	0757331/\$68,433	0757331/\$202,566
	4016	0757331/\$136,866	0757331/\$68,433	
X	4020	0757350/\$3,401,448	0757350/\$1,700,724	0757350/\$432,854
S	4021	0757341/\$4,602,505	0757341/\$2,301,253	0757341/\$460,251
	4030	0757341/\$4,602,505	0757341/\$2,301,253	
	4031	0757341/\$4,602,505	0757341/\$2,301,253	
	4060	0757341/\$4,602,505	0757341/\$2,301,253	
	4111	0757341/\$4,602,505	0757341/\$2,301,253	

Table 3 below details the Tracts that required the construction of River Islands Parkway as part of their SIA.

APRIL 10, 2023, CITY COUNCIL REGULAR MEETING

ACCEPT PUBLIC IMPROVEMENTS FROM RID FOR TRACTS 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, 4111, AND ACCEPT RIP WITH ASSOCIATED CONDITION

Table 3: Council Approval Dates and Resolutions

Tract	Council Approval Date	Resolution Number	Guaranteed Portion of River Islands Parkway
3834 Village M	11/21/2016	16-4158	From Somerston to Dell’Osso
3908 Large Lot	7/9/2018	18-4426	From Dell’Osso to Stage 2B boundary
4032 Large Lot	6/8/2020	20-4739	From Stage 2B boundary to Walera Drive

To ensure that the unfinished improvements are completed, the bonds listed in Table 4 below will remain in place until all SIA requirements for Tract 3834, 3908, and 4032 are completed, inspected by staff, and deemed complete by the City Engineer. Upon completion the bonds will be released, and maintenance will begin.

Table 4: Bond Values and Numbers

Tract	Performance Bond Number/Value	Labor & Materials Bond Number/Value	Warranty Bond Number/Value
3834 Village M	Set-Aside Letter dated, April 23,2018 for \$52,889		0799682/\$526,400 0757345/\$1,029,300
3908 Large Lot	Set-Aside Letter dated, June 26,2018 for \$450,000		
4032 Large Lot	0757345/ \$5,970,525	0757345/\$2,985,263	

REASON FOR RECOMMENDATION:

Staff has inspected the improvements listed in the GASB 34 Reports for the Tracts and confirmed that the improvements have been completed in accordance with City specifications and deemed complete by the City Engineer.

Construction of the public improvements for River Islands Parkway from Somerston Parkway to Walera Drive is substantially complete and have been inspected by City staff to ensure conformance with the approved plans.

Staff recommends City Council accept the completed Public Improvements for the Tracts and accept RIP from Somerston Parkway to Walera Drive, with the exception of a segment of RIP depicted in Attachment “D”, contingent upon the repair of the lake connect pipe between Lake 10 and 11.

RID has submitted lien releases and one-year maintenance bonds for the improvements being accepted.

ACCEPT PUBLIC IMPROVEMENTS FROM RID FOR TRACTS 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, 4111, AND ACCEPT RIP WITH ASSOCIATED CONDITION

FISCAL IMPACT:

The City's maintenance costs will increase because of the additional improvements that have to be maintained. The warranty bonds cover any repairs or replacements due to defective materials or workmanship for the completed improvements that become necessary during the one-year period, beginning with this acceptance. The City's Service Maintenance CFD 2013-1 has been established to fund City maintenance and operating costs.

ATTACHMENTS:

- A. Resolution to Accept Public Improvements from River Islands Development, LLC for Tracts 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, 4111 and Accept River Islands Parkway with Associated Condition
- B. Vicinity Maps – Tracts and River Islands Parkway
- C. GASB 34 Reports
- D. Vicinity Map - Conditional Acceptance Vicinity Map for River Islands Parkway

CITY MANAGER'S REPORT **PAGE 5**
APRIL 10, 2023, CITY COUNCIL REGULAR MEETING
ACCEPT PUBLIC IMPROVEMENTS FROM RID FOR TRACTS 3994, 3995, 4015,
4016, 4020, 4021, 4030, 4031, 4060, 4111, AND ACCEPT RIP WITH
ASSOCIATED CONDITION

APPROVALS:



Bellal Nabizadah
Assistant Engineer

3/30/23

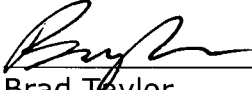
Date



Ken Reed
Senior Construction Manager

4-03-23

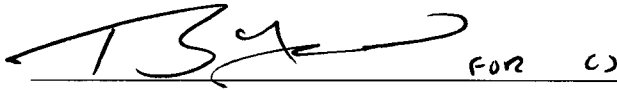
Date



Brad Taylor
City Engineer

4/3/2023

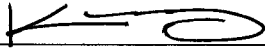
Date



Cari James
Finance Director

3/31/2023

Date



Michael King
Assistant City Manager

3.30.2023

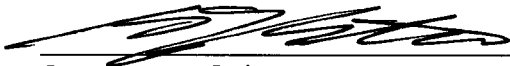
Date



Salvador Navarrete
City Attorney

3.30.2023

Date



Stephen J. Salvatore
City Manager

4.4.23

Date

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO ACCEPT PUBLIC IMPROVEMENTS FROM RIVER ISLANDS DEVELOPMENT, LLC FOR TRACTS 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, 4111, AND ACCEPT A PORTION OF RIVER ISLANDS PARKWAY WITH ASSOCIATED CONDITION

WHEREAS, on March 27, 2007, the City Council approved Vesting Tentative Map (VTM) 3694, and later amended VTM 3694 with updated Conditions of Approval (COA) on June 1, 2015. The Tracts comply with the amended COA’s of VTM 3694; and

WHEREAS, required by the City’s subdivision ordinance, the final maps for the Tracts within the Villages included a Subdivision Improvement Agreement (SIA) to guarantee public improvements. Completion of the public improvements listed in the GASB 34 reports fulfills the associated obligations of the SIAs. The Council approval dates & resolution numbers are detailed in Table 1 below; and

Table 1: Council Approval Dates and Resolutions

Village	Tract	Council Approval Date	Resolution Number
T	3994	10/8/2018	18-4461
	3995	12/9/2019	19-4661
W	4015	9/9/2019	19-4627
	4016	11/9/2020	20-4810
X	4020	11/9/2020	20-4811
S	4021	5/11/2020	20-4720
	4030	5/10/2021	21-4874
	4031	8/9/2021	21-4934
	4060	1/11/2021	21-4829
	4111	12/13/2021	21-5008

WHEREAS, the Performance and Labor & Materials Bonds will be released and replaced with the Warranty Bonds upon acceptance of the improvements. The bond values and numbers are detailed in Table 2 below; and

Table 2: Bond Values and Numbers

Village	Tract	Performance Bond Number/Value	Labor & Materials Bond Number/Value	Warranty Bond Number/Value
T	3994	0757337/\$560,904	0757337/\$280,452	0757337/\$232,500
	3995	0757337/\$560,904	0757337/\$280,452	
W	4015	0757331/\$136,866	0757331/\$68,433	0757331/\$202,566
	4016	0757331/\$136,866	0757331/\$68,433	
X	4020	0757350/\$3,401,448	0757350/\$1,700,724	0757350/\$432,854
S	4021	0757341/\$4,602,505	0757341/\$2,301,253	0757341/\$460,251
	4030	0757341/\$4,602,505	0757341/\$2,301,253	
	4031	0757341/\$4,602,505	0757341/\$2,301,253	
	4060	0757341/\$4,602,505	0757341/\$2,301,253	
	4111	0757341/\$4,602,505	0757341/\$2,301,253	

WHEREAS, Table 3 below details the Tracts that required the construction of River Islands Parkway as part of their SIA; and

Table 3: Council Approval Dates and Resolutions

Tract	Council Approval Date	Resolution Number	Guaranteed Portion of River Islands Parkway
3834 Village M	11/21/2016	16-4158	From Somerston to Dell'Osso
3908 Large Lot	7/9/2018	18-4426	From Dell'Osso to Stage 2B boundary
4032 Large Lot	6/8/2020	20-4739	From Stage 2B boundary to Walera Drive

WHEREAS, to ensure that the unfinished improvements are completed, the bonds listed in Table 4 below will remain in place until all SIA requirements for Tract 3834, 3908, and 4032 are completed, inspected by staff, and deemed complete by the City Engineer. Upon completion the bonds will be released, and maintenance will begin; and

Table 4: Bond Values and Numbers

Tract	Performance Bond Number/Value	Labor & Materials Bond Number/Value	Warranty Bond Number/Value
3834 Village M	Set-Aside Letter dated, April 23,2018 for \$52,889		0799682/\$526,400 0757345/\$1,029,300
3908 Large Lot	Set-Aside Letter dated, June 26,2018 for \$450,000		
4032 Large Lot	0757345/ \$5,970,525	0757345/\$2,985,263	

WHEREAS, staff has inspected the improvements listed in the GASB 34 Reports for the Tracts and confirmed that the improvements have been completed in accordance with City specifications and deemed complete by the City Engineer; and

WHEREAS, construction of the public improvements for portion of River Islands Parkway (RIP) from Somerston Parkway to Walera Drive is substantially complete and have been inspected by City staff to ensure conformance with the approved plans; and

WHEREAS, staff recommends City Council accept the completed Public Improvements for the Tracts and accept RIP from Somerston Parkway to Walera Drive, with the exception of a segment of RIP depicted in Attachment "D" of the City Manager's Report, contingent upon the repair of the lake connect pipe between Lake 10 and 11; and

WHEREAS, RID has submitted lien releases for the improvements being accepted, one-year warranty bonds, and as-built drawings for said improvements; and

WHEREAS, the City's maintenance costs will increase because of the additional improvements that have to be maintained. The warranty bonds cover any repairs or replacements due to defective materials or workmanship for the completed improvements that become necessary during the one-year period, beginning with this acceptance. The City's Service Maintenance CFD 2013-1 has been established to fund City maintenance and operating costs.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop accepts the above detailed public improvements from River Islands Development, LLC for Tracts 3994, 3995, 4015, 4016, 4020, 4021, 4030, 4031, 4060, 4111, and accepts River Islands Parkway from Somerston Parkway to Walera Drive, with the exception of a segment of RIP depicted in Attachment "D" of the City Manager's Report, contingent upon the repair of the lake connect pipe between Lake 10 and 11.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:


ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney



**ATTACHMENT B
VILLAGE T
VICINITY MAP
MARCH 2023**



**ATTACHMENT B
VILLAGE W
VICINITY MAP
MARCH 2023**



ATTACHMENT B
VILLAGE X
VICINITY MAP
MARCH 2023



ATTACHMENT B
VILLAGE S
VICINITY MAP
MARCH 2023

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/23/2023

Tract No.: River Islands Village T - Tract 3994 (51 Lots)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
3" AC Paving	SF	31,400	\$ 1.50	\$ 47,100.00
4.5" AC Paving	SF	118,200	\$ 2.25	\$ 265,950.00
4" Aggregate Base	SF	149,600	\$ 0.60	\$ 89,760.00
Vertical Curb and Gutter <i>(with AB cushion)</i>	LF	3,960	\$ 15.00	\$ 59,400.00
Rolled Curb and Gutter <i>(with AB cushion)</i>	LF	4,800	\$ 15.00	\$ 72,000.00
Concrete Sidewalk	SF	43,500	\$ 5.00	\$ 217,500.00
Driveway Approach	EA	51	\$ 600.00	\$ 30,600.00
Handicap Ramps	EA	19	\$ 2,500.00	\$ 47,500.00
Survey Monuments	EA	13	\$ 300.00	\$ 3,900.00
Traffic Striping & Signage	LF	4,560	\$ 5.00	\$ 22,800.00
Catch Basins <i>(type A inlet)</i>	EA	26	\$ 2,400.00	\$ 62,400.00
Catch Basins <i>(type A inlet over type I manhole base)</i>	EA	7	\$ 2,800.00	\$ 19,600.00
Catch Basins <i>(type A inlet over type II manhole base)</i>	EA	7	\$ 5,000.00	\$ 35,000.00
Field Inlet	EA	2	\$ 1,200.00	\$ 2,400.00
15" Storm Drain Pipe	LF	1,320	\$ 34.00	\$ 44,880.00
18" Storm Drain Pipe	LF	1,120	\$ 46.00	\$ 51,520.00
24" Storm Drain Pipe	LF	640	\$ 65.00	\$ 41,600.00
30" Storm Drain Pipe	LF	260	\$ 80.00	\$ 20,800.00
36" Storm Drain Pipe	LF	520	\$ 95.00	\$ 49,400.00
42" Storm Drain Pipe	LF	240	\$ 120.00	\$ 28,800.00
Manholes <i>(type I)</i>	EA	4	\$ 3,000.00	\$ 12,000.00
8" Sanitary Sewer Pipe	LF	3,600	\$ 28.00	\$ 100,800.00
Manholes	EA	15	\$ 4,000.00	\$ 60,000.00
4" Sewer Service	EA	50	\$ 600.00	\$ 30,000.00
Plug & Stub	EA	1	\$ 1,000.00	\$ 1,000.00
8" Water Line <i>(including all appurtenances)</i>	LF	4,640	\$ 32.00	\$ 148,480.00
1-1/2" Water Service	EA	50	\$ 2,000.00	\$ 100,000.00
Fire Hydrants	EA	9	\$ 4,000.00	\$ 36,000.00
Blow Off Valve	EA	5	\$ 4,000.00	\$ 20,000.00
Air Release Valve	EA	2	\$ 2,500.00	\$ 5,000.00
Resilient Valve	EA	31	\$ 1,550.00	\$ 48,050.00
Water Plug & Stub	EA	1	\$ 1,000.00	\$ 1,000.00
Civil Engineering/Design	LS	1	\$ 33,670.00	\$ 33,670.00
Surveying/Staking	LS	1	\$ 36,720.00	\$ 36,720.00
Joint Trench/Utilities	LS	1	\$ 25,500.00	\$ 25,500.00
Plan Check and Inspection Fees	LS	1	\$ 106,925.51	\$ 106,925.51
			Total	\$ 1,978,000.00

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/23/2023

Tract No.: River Islands Village T - Tract 3995 (52 Lots)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
Driveway Approach	EA	52	\$ 600.00	\$ 31,200.00
4" Sewer Service	EA	52	\$ 600.00	\$ 31,200.00
1-1/2" Water Service	EA	52	\$ 2,000.00	\$ 104,000.00
Civil Engineering/Design	LS	1	\$ 34,330.00	\$ 34,330.00
Surveying/Staking	LS	1	\$ 37,440.00	\$ 37,440.00
Joint Trench/Utilities	LS	1	\$ 26,000.00	\$ 26,000.00
Plan Check and Inspection Fees	LS	1	\$ 109,022.09	\$ 109,022.09
			Total	\$ 373,000.00

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/23/2023

Tract No.: River Islands Village W - Tract 4015 (44 Lots)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
3" AC Paving	SF	52,800	\$ 1.50	\$ 79,200.00
4.5" AC Paving	SF	65,600	\$ 2.25	\$ 147,600.00
6" Aggregate Base	SF	21,800	\$ 0.90	\$ 19,620.00
7" Aggregate Base	SF	31,100	\$ 1.05	\$ 32,655.00
8" Aggregate Base	SF	65,600	\$ 1.20	\$ 78,720.00
Vertical Curb and Gutter (with AB cushion)	LF	2,590	\$ 15.00	\$ 38,850.00
Rolled Curb and Gutter (with AB cushion)	LF	4,040	\$ 15.00	\$ 60,600.00
Concrete Sidewalk	SF	33,750	\$ 5.00	\$ 168,750.00
Driveway Approach	EA	44	\$ 600.00	\$ 26,400.00
Handicap Ramps	EA	12	\$ 2,500.00	\$ 30,000.00
Survey Monuments	EA	16	\$ 300.00	\$ 4,800.00
Traffic Striping & Signage	LF	3,420	\$ 5.00	\$ 17,100.00
Catch Basins (type A inlet)	EA	19	\$ 2,400.00	\$ 45,600.00
Catch Basins (type A inlet over type I manhole base)	EA	2	\$ 2,800.00	\$ 5,600.00
Catch Basins (type A inlet over type II manhole base)	EA	2	\$ 5,000.00	\$ 10,000.00
15" Storm Drain Pipe	LF	1,030	\$ 34.00	\$ 35,020.00
18" Storm Drain Pipe	LF	380	\$ 46.00	\$ 17,480.00
24" Storm Drain Pipe	LF	490	\$ 65.00	\$ 31,850.00
36" Storm Drain Pipe	LF	200	\$ 95.00	\$ 19,000.00
42" Storm Drain Pipe	LF	400	\$ 120.00	\$ 48,000.00
Manholes (type I)	EA	3	\$ 3,000.00	\$ 9,000.00
Manholes (type II)	EA	1	\$ 5,000.00	\$ 5,000.00
8" Sanitary Sewer Pipe	LF	3,130	\$ 28.00	\$ 87,640.00
Manholes (type I)	EA	13	\$ 4,000.00	\$ 52,000.00
Manholes (drop/trunk)	EA	1	\$ 6,000.00	\$ 6,000.00
4" Sewer Service	EA	44	\$ 600.00	\$ 26,400.00
8" Water Line (including all appurtenances)	LF	2,920	\$ 32.00	\$ 93,440.00
10" Water Line (including all appurtenances)	EA	590	\$ 40.00	\$ 23,600.00
1-1/2" Water Service	EA	44	\$ 2,000.00	\$ 88,000.00
Fire Hydrants	EA	6	\$ 4,000.00	\$ 24,000.00
Blow Off Valve	EA	8	\$ 4,000.00	\$ 32,000.00
Air Release Valve	EA	6	\$ 2,500.00	\$ 15,000.00
8" Resilient Valve	EA	14	\$ 1,550.00	\$ 21,700.00
10" Resilient Valve	EA	4	\$ 2,500.00	\$ 10,000.00
Civil Engineering/Design	LS	1	\$ 28,642.00	\$ 28,642.00
Surveying/Staking	LS	1	\$ 31,680.00	\$ 31,680.00
Joint Trench/Utilities	LS	1	\$ 22,000.00	\$ 22,000.00
Plan Check and Inspection Fees	LS	1	\$ 77,551.43	\$ 77,551.43
Total				\$ 1,570,000.00

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/23/2023

Tract No.: River Islands Village W - Tract 4016 (62 Lots)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
3" AC Paving	SF	28,700	\$ 1.50	\$ 43,050.00
6" Aggregate Base	SF	11,400	\$ 0.90	\$ 10,260.00
7" Aggregate Base	SF	17,400	\$ 1.05	\$ 18,270.00
Vertical Curb and Gutter (with AB cushion)	LF	100	\$ 15.00	\$ 1,500.00
Rolled Curb and Gutter (with AB cushion)	LF	1,530	\$ 15.00	\$ 22,950.00
Concrete Sidewalk	SF	7,350	\$ 5.00	\$ 36,750.00
Driveway Approach	EA	62	\$ 600.00	\$ 37,200.00
Survey Monuments	EA	5	\$ 300.00	\$ 1,500.00
Traffic Striping & Signage	LF	680	\$ 5.00	\$ 3,400.00
Catch Basins (type A inlet)	EA	6	\$ 2,400.00	\$ 14,400.00
15" Storm Drain Pipe	LF	490	\$ 34.00	\$ 16,660.00
18" Storm Drain Pipe	LF	30	\$ 46.00	\$ 1,380.00
8" Sanitary Sewer Pipe	LF	670	\$ 28.00	\$ 18,760.00
Manholes (type I)	EA	3	\$ 4,000.00	\$ 12,000.00
4" Sewer Service	EA	60	\$ 600.00	\$ 36,000.00
8" Water Line (including all appurtenances)	LF	730	\$ 32.00	\$ 23,360.00
1-1/2" Water Service	EA	60	\$ 2,000.00	\$ 120,000.00
3" Water Service	EA	1	\$ 2,000.00	\$ 2,000.00
Fire Hydrants	EA	2	\$ 4,000.00	\$ 8,000.00
Blow Off Valve	EA	4	\$ 4,000.00	\$ 16,000.00
Air Release Valve	EA	2	\$ 2,500.00	\$ 5,000.00
8" Resilent Valve	EA	1	\$ 1,550.00	\$ 1,550.00
8" Non-Potable Water Line (including all appurtenances)	LF	470	\$ 35.00	\$ 16,450.00
3" Non-Potable Water Service	EA	1	\$ 2,000.00	\$ 2,000.00
Blow Off Valve	EA	1	\$ 4,000.00	\$ 4,000.00
Resilent Valve	EA	1	\$ 1,550.00	\$ 1,550.00
Civil Engineering/Design	LS	1	\$ 40,358.00	\$ 40,358.00
Surveying/Staking	LS	1	\$ 44,640.00	\$ 44,640.00
Joint Trench/Utilities	LS	1	\$ 31,000.00	\$ 31,000.00
Plan Check and Inspection Fees	LS	1	\$ 109,277.01	\$ 109,277.01
			Total	\$ 699,000.00

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/22/2023

Tract No.: River Islands Village X - Tract 4020 (57 Lots)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
3" AC Paving	SF	73,500	\$ 1.50	\$ 110,250.00
4 5" AC Paving	SF	35,500	\$ 2.25	\$ 79,875.00
6" Aggregate Base	SF	34,300	\$ 0.90	\$ 30,870.00
7" Aggregate Base	SF	39,200	\$ 1.05	\$ 41,160.00
8" Aggregate Base	SF	35,500	\$ 1.20	\$ 42,600.00
Vertical Curb and Gutter (with AB cushion)	LF	1,960	\$ 15.00	\$ 29,400.00
Rolled Curb and Gutter (with AB cushion)	LF	4,330	\$ 15.00	\$ 64,950.00
Concrete Sidewalk	SF	26,900	\$ 5.00	\$ 134,500.00
Driveway Approach	EA	57	\$ 600.00	\$ 34,200.00
Handicap Ramps	EA	8	\$ 2,500.00	\$ 20,000.00
Survey Monuments	EA	16	\$ 300.00	\$ 4,800.00
Traffic Striping & Signage	LF	3,100	\$ 5.00	\$ 15,500.00
Catch Basins (type A inlet)	EA	11	\$ 2,400.00	\$ 26,400.00
Catch Basins (type A inlet over type I manhole base)	EA	8	\$ 2,800.00	\$ 22,400.00
Catch Basins (type A inlet over type II manhole base)	EA	2	\$ 5,000.00	\$ 10,000.00
Field Inlet	EA	1	\$ 1,200.00	\$ 1,200.00
15" Storm Drain Pipe	LF	490	\$ 34.00	\$ 16,660.00
18" Storm Drain Pipe	LF	660	\$ 46.00	\$ 30,360.00
24" Storm Drain Pipe	LF	650	\$ 65.00	\$ 42,250.00
30" Storm Drain Pipe	LF	270	\$ 80.00	\$ 21,600.00
36" Storm Drain Pipe	LF	160	\$ 95.00	\$ 15,200.00
Manholes (type I)	EA	2	\$ 3,000.00	\$ 6,000.00
8" Sanitary Sewer Pipe	LF	3,100	\$ 28.00	\$ 86,800.00
4" Sewer Service	EA	59	\$ 600.00	\$ 35,400.00
Manholes (type I)	EA	12	\$ 4,000.00	\$ 48,000.00
8" Water Line (including all appurtenances)	LF	3,170	\$ 32.00	\$ 101,440.00
1" Water Service	EA	1	\$ 800.00	\$ 800.00
1-1/2" Water Service	EA	57	\$ 2,000.00	\$ 114,000.00
2" Water Service	EA	2	\$ 2,000.00	\$ 4,000.00
3" Water Service	EA	1	\$ 2,000.00	\$ 2,000.00
Fire Hydrants	EA	8	\$ 4,000.00	\$ 32,000.00
Water Sampling Station	EA	1	\$ 3,000.00	\$ 3,000.00
Blow Off Valve	EA	5	\$ 4,000.00	\$ 20,000.00
Air Release Valve	EA	2	\$ 2,500.00	\$ 5,000.00
Resilient Valve	EA	15	\$ 1,550.00	\$ 23,250.00
8" Non-Potable Water Line (including all appurtenances)	LF	920	\$ 35.00	\$ 16,450.00
3" Non-Potable Water Service	EA	1	\$ 2,000.00	\$ 2,000.00
Blow Off Valve	EA	1	\$ 4,000.00	\$ 4,000.00
Air Release Valve	EA	1	\$ 2,500.00	\$ 2,500.00
Resilient Valve	EA	1	\$ 1,550.00	\$ 1,550.00
Civil Engineering/Design	LS	1	\$ 37,000.00	\$ 37,000.00
Surveying/Staking	LS	1	\$ 40,320.00	\$ 40,320.00
Joint Trench/Utilities	LS	1	\$ 28,500.00	\$ 28,500.00
Plan Check and Inspection Fees	LS	1	\$ 132,938.82	\$ 132,938.82
Total				\$ 1,541,000.00

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/24/2023

Tract No.: River Islands Village S - Tract 4021 (44 Lots)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
3" AC Paving	SF	29,900	\$ 1.50	\$ 44,850.00
4.5" AC Paving	SF	71,600	\$ 2.25	\$ 161,100.00
6" Aggregate Base	SF	13,900	\$ 0.90	\$ 12,510.00
7" Aggregate Base	SF	16,000	\$ 1.05	\$ 16,800.00
8" Aggregate Base	SF	71,600	\$ 1.20	\$ 85,920.00
Vertical Curb and Gutter (with AB cushion)	LF	1,700	\$ 15.00	\$ 25,500.00
Rolled Curb and Gutter (with AB cushion)	LF	4,040	\$ 15.00	\$ 60,600.00
Concrete Sidewalk	SF	32,500	\$ 5.00	\$ 162,500.00
Driveway Approach	EA	36	\$ 600.00	\$ 21,600.00
Handicap Ramps	EA	10	\$ 2,500.00	\$ 25,000.00
Survey Monuments	EA	12	\$ 300.00	\$ 3,600.00
Traffic Striping & Signage	LF	2,850	\$ 5.00	\$ 14,250.00
Catch Basins (type A inlet over type I manhole base)	EA	4	\$ 2,800.00	\$ 11,200.00
Catch Basins (type A inlet over type II manhole base)	EA	1	\$ 5,000.00	\$ 5,000.00
Field Inlet (type C inlet over type I manhole base)	EA	20	\$ 2,800.00	\$ 56,000.00
Field Inlet (type C inlet over type II manhole base)	EA	2	\$ 5,000.00	\$ 10,000.00
15" Storm Drain Pipe	LF	2,260	\$ 18.00	\$ 40,680.00
18" Storm Drain Pipe	LF	710	\$ 20.00	\$ 14,200.00
24" Storm Drain Pipe	LF	770	\$ 31.00	\$ 23,870.00
30" Storm Drain Pipe	LF	770	\$ 45.00	\$ 34,650.00
36" Storm Drain Pipe	LF	290	\$ 55.00	\$ 15,950.00
Manholes (type I)	EA	2	\$ 3,000.00	\$ 6,000.00
Manholes (type II)	EA	5	\$ 5,000.00	\$ 25,000.00
8" Sanitary Sewer Pipe	LF	3,430	\$ 28.00	\$ 96,040.00
Manholes (type I)	EA	12	\$ 4,000.00	\$ 48,000.00
Cleanouts	EA	47	\$ 500.00	\$ 23,500.00
4" Sewer Service Lateral	EA	1	\$ 600.00	\$ 600.00
6" Sewer Service Line	EA	11	\$ 1,000.00	\$ 11,000.00
8" Water Line (including all appurtenances)	LF	3,820	\$ 32.00	\$ 122,240.00
Water Service (one 2" water service and one water manifold with two 1" water meters for each pod)	EA	72	\$ 2,000.00	\$ 144,000.00
2" Water Service	EA	1	\$ 2,000.00	\$ 2,000.00
Fire Hydrants	EA	10	\$ 4,000.00	\$ 40,000.00
Blow Off Valve	EA	1	\$ 4,000.00	\$ 4,000.00
Air Release Valve	EA	1	\$ 2,500.00	\$ 2,500.00
8" Resilient Valve	EA	18	\$ 1,550.00	\$ 27,900.00
Civil Engineering/Design	LS	1	\$ 63,385.00	\$ 63,385.00
Surveying/Staking	LS	1	\$ 26,462.00	\$ 26,462.00
Joint Trench/Utilities	LS	1	\$ 25,846.00	\$ 25,846.00
Plan Check and Inspection Fees	LS	1	\$ 23,925.62	\$ 23,925.62
			Total	\$ 1,538,000.00

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/24/2023

Tract No.: River Islands Village S - Tract 4030 (43 Lots)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
Cleanouts	EA	11	\$ 500.00	\$ 5,500.00
6" Sewer Service Line	EA	11	\$ 1,000.00	\$ 11,000.00
Civil Engineering/Design	LS	1	\$ 61,944.00	\$ 61,944.00
Surveying/Staking	LS	1	\$ 25,860.00	\$ 25,860.00
Joint Trench/Utilities	LS	1	\$ 25,259.00	\$ 25,259.00
Plan Check and Inspection Fees	LS	1	\$ 23,381.85	\$ 23,381.85
			Total	\$ 153,000.00

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/24/2023

Tract No.: River Islands Village S - Tract 4031 (48 Lots)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
Cleanouts	EA	12	\$ 500.00	\$ 6,000.00
6" Sewer Service Line	EA	12	\$ 1,000.00	\$ 12,000.00
Civil Engineering/Design	LS	1	\$ 69,147.00	\$ 69,147.00
Surveying/Staking	LS	1	\$ 28,867.00	\$ 28,867.00
Joint Trench/Utilities	LS	1	\$ 28,196.00	\$ 28,196.00
Plan Check and Inspection Fees	LS	1	\$ 26,100.68	\$ 26,100.68
			Total	\$ 170,000.00

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/24/2023

Tract No.: River Islands Village S - Tract 4111 (8 Lots)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
Cleanouts	EA	2	\$ 500.00	\$ 1,000.00
6" Sewer Service Line	EA	2	\$ 1,000.00	\$ 2,000.00
Civil Engineering/Design	LS	1	\$ 11,524.00	\$ 11,524.00
Surveying/Staking	LS	1	\$ 4,811.00	\$ 4,811.00
Joint Trench/Utilities	LS	1	\$ 4,699.00	\$ 4,699.00
Plan Check and Inspection Fees	LS	1	\$ 4,350.11	\$ 4,350.11
			Total	\$ 28,000.00

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Submitted by: _____

Date: 3/23/2023

Tract No.: River Islands - River Islands Parkway (From Somerston Parkway to Walera Drive)

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
Phase 1B (Somerston Parkway to Dell'Osso Drive)				
5.5" AC Paving	SF	166,920	\$ 2.75	\$ 459,030.00
19" Aggregate Base	SF	166,920	\$ 2.85	\$ 475,722.00
Vertical Curb and Gutter <i>(with AB cushion)</i>	LF	4,110	\$ 15.00	\$ 61,650.00
Type F Median Curb <i>(with AB cushion)</i>	LF	4,040	\$ 18.00	\$ 72,720.00
Concrete Sidewalk	SF	33,700	\$ 5.00	\$ 168,500.00
Handicap Ramps	EA	6	\$ 2,500.00	\$ 15,000.00
Survey Monuments	EA	2	\$ 300.00	\$ 600.00
Traffic Striping & Signage	LF	2,250	\$ 5.00	\$ 11,250.00
Bus Stops	LS	1	\$10,000	\$ 10,000.00
Catch Basins <i>(type A inlet)</i>	EA	3	\$ 2,400.00	\$ 7,200.00
Catch Basins <i>(type A inlet over type I manhole base)</i>	EA	5	\$ 2,800.00	\$ 14,000.00
Catch Basins <i>(type C inlet over type I manhole base)</i>	EA	1	\$ 2,400.00	\$ 2,400.00
Catch Basins <i>(type C inlet over type II manhole base)</i>	EA	1	\$ 5,000.00	\$ 5,000.00
15" Storm Drain Pipe	LF	1,060	\$ 34.00	\$ 36,040.00
18" Storm Drain Pipe	LF	430	\$ 46.00	\$ 19,780.00
24" Storm Drain Pipe	LF	370	\$ 65.00	\$ 24,050.00
30" Storm Drain Pipe	LF	110	\$ 80.00	\$ 8,800.00
36" Storm Drain Pipe	LF	180	\$ 95.00	\$ 17,100.00
Manholes <i>(type I)</i>	EA	1	\$ 3,000.00	\$ 3,000.00
Manholes <i>(type II)</i>	EA	1	\$ 5,000.00	\$ 5,000.00
8" Sanitary Sewer Pipe	LF	230	\$ 28.00	\$ 6,440.00
12" Sanitary Sewer Pipe	LF	120	\$ 42.00	\$ 5,040.00
30" Sanitary Sewer Pipe	LF	2,250	\$ 180.00	\$ 405,000.00
Manholes <i>(type I)</i>	EA	7	\$ 4,000.00	\$ 28,000.00
8" Water Line <i>(including all appurtenances)</i>	LF	240	\$ 32.00	\$ 7,680.00
20" Water Line <i>(including all appurtenances)</i>	LF	2,310	\$ 100.00	\$ 231,000.00
2" Water Service	EA	3	\$ 2,000.00	\$ 6,000.00
3" Water Service	EA	1	\$ 3,000.00	\$ 3,000.00
4" Water Service	EA	1	\$ 4,000.00	\$ 4,000.00
Fire Hydrants	EA	5	\$ 4,000.00	\$ 20,000.00
Blow Off Valve	EA	5	\$ 4,000.00	\$ 20,000.00
Air Release Valve	EA	4	\$ 2,500.00	\$ 10,000.00
Resilient Valve	EA	4	\$ 1,550.00	\$ 6,200.00
Butterfly Valve	EA	6	\$ 2,500.00	\$ 15,000.00
12" Non-Potable Water Line <i>(including all appurtenances)</i>	LF	2,310	\$ 60.00	\$ 138,600.00
1 1/2" NPW Service	EA	1	\$ 2,000.00	\$ 2,000.00
2" NPW Service	EA	3	\$ 2,000.00	\$ 6,000.00
4" NPW Service	EA	1	\$ 2,000.00	\$ 2,000.00
Blow Off Valve	EA	7	\$ 4,000.00	\$ 28,000.00
Air Release Valve	EA	7	\$ 2,500.00	\$ 17,500.00
Butterfly Valve	EA	4	\$ 4,000.00	\$ 16,000.00
12" Recycled Water Line <i>(including all appurtenances)</i>	LF	2,310	\$ 55.00	\$ 127,050.00
Blow Off Valve	EA	5	\$ 4,000.00	\$ 20,000.00
Air Release Valve	EA	5	\$ 2,500.00	\$ 12,500.00
Butterfly Valve	EA	5	\$ 4,000.00	\$ 20,000.00
14" Lake Fill Line <i>(including all appurtenances)</i>	LF	420	\$ 35.00	\$ 14,700.00
3" Aeration Line <i>(including all appurtenances)</i>	LF	420	\$ 4.00	\$ 1,680.00
			Subtotal	\$ 2,590,232.00

Stage 2A (Dell'Oso Drive to Aquarius Avenue/Norbeck Street)

7" AC Paving	SF	317,500	\$ 3.50	\$ 1,111,250.00
11" Aggregate Base	SF	299,200	\$ 1.65	\$ 493,680.00
13" Aggregate Base	SF	18,400	\$ 1.95	\$ 35,880.00
12" Lime Treatment	SF	299,200	\$ 1.10	\$ 329,120.00
Vertical Curb and Gutter <i>(with AB cushion)</i>	LF	9,600	\$ 15.00	\$ 144,000.00
Type F Median Curb <i>(with AB cushion)</i>	LF	9,100	\$ 18.00	\$ 163,800.00
Roundabout Concrete	SF	2,400	\$ 5.00	\$ 12,000.00
Bus Stop	EA	3	\$ 10,000.00	\$ 30,000.00
Concrete Sidewalk	SF	77,400	\$ 5.00	\$ 387,000.00
Handicap Ramps	EA	20	\$ 2,500.00	\$ 50,000.00
Survey Monuments	EA	7	\$ 300.00	\$ 2,100.00
Traffic Striping & Signing	LF	4,710	\$ 5.00	\$ 23,550.00
Catch Basins <i>(type A inlet)</i>	EA	24	\$ 2,400.00	\$ 57,600.00
15" Storm Drain Pipe	LF	1,110	\$ 34.00	\$ 37,740.00
18" Storm Drain Pipe	LF	220	\$ 46.00	\$ 10,120.00
24" Storm Drain Pipe	LF	780	\$ 65.00	\$ 50,700.00
8" Sanitary Sewer Pipe	LF	340	\$ 28.00	\$ 9,520.00
12" Sanitary Sewer Pipe	LF	1,610	\$ 42.00	\$ 67,620.00
15" Sanitary Sewer Pipe	LF	710	\$ 60.00	\$ 42,600.00
18" Sanitary Sewer Pipe	LF	1,120	\$ 80.00	\$ 89,600.00
24" Sanitary Sewer Pipe	LF	390	\$ 150.00	\$ 58,500.00
30" Sanitary Sewer Pipe	LF	4,490	\$ 180.00	\$ 808,200.00
Manholes (Trunk)	EA	24	\$ 4,000.00	\$ 96,000.00
8" Water Line <i>(including all appurtenances)</i>	LF	740	\$ 32.00	\$ 23,680.00
10" Water Line <i>(including all appurtenances)</i>	LF	280	\$ 40.00	\$ 11,200.00
20" Water Line <i>(including all appurtenances)</i>	LF	4,630	\$ 100.00	\$ 463,000.00
Fire Hydrants	EA	16	\$ 4,000.00	\$ 64,000.00
2" Water Service	EA	1	\$ 2,000.00	\$ 2,000.00
3" Water Service	EA	1	\$ 2,000.00	\$ 2,000.00
4" Water Service	EA	4	\$ 3,000.00	\$ 12,000.00
Air Release Valve	EA	1	\$ 2,500.00	\$ 2,500.00
Blow Off Valve	EA	15	\$ 4,000.00	\$ 60,000.00
20" Butterfly Valve	EA	11	\$ 5,250.00	\$ 57,750.00
8" Recycled Water Flushing Line <i>(including all appurtenances)</i>	LF	80	\$ 45.00	\$ 3,600.00
12" Recycled Water Drain Line <i>(including all appurtenances)</i>	LF	150	\$ 55.00	\$ 8,250.00
16" Recycled Water Line <i>(including all appurtenances)</i>	LF	4,650	\$ 65.00	\$ 302,250.00
Butterfly Valve	EA	5	\$ 4,000.00	\$ 20,000.00
8" Non-Potable Water Line <i>(including all appurtenances)</i>	LF	650	\$ 35.00	\$ 22,750.00
16" Non-Potable Water Line <i>(including all appurtenances)</i>	LF	4,660	\$ 80.00	\$ 372,800.00
2" Non-Potable Water Service	EA	1	\$ 2,000.00	\$ 2,000.00
3" Non-Potable Water Service	EA	1	\$ 2,000.00	\$ 2,000.00
4" Non-Potable Water Service	EA	4	\$ 3,000.00	\$ 12,000.00
Blow Off Valve	EA	7	\$ 4,000.00	\$ 28,000.00
16" Butterfly Valve	EA	2	\$ 4,000.00	\$ 8,000.00
16" Lake Fill Line <i>(including all appurtenances)</i>	LF	4,820	\$ 50.00	\$ 241,000.00
3" Aeration Line <i>(including all appurtenances)</i>	LF	4,820	\$ 4.00	\$ 19,280.00
Air Release Valve	EA	1	\$ 2,500.00	\$ 2,500.00
Blow Off Valve	EA	2	\$ 4,000.00	\$ 8,000.00
Butterfly Valve	EA	4	\$ 4,000.00	\$ 16,000.00
			Subtotal	\$ 5,877,140.00

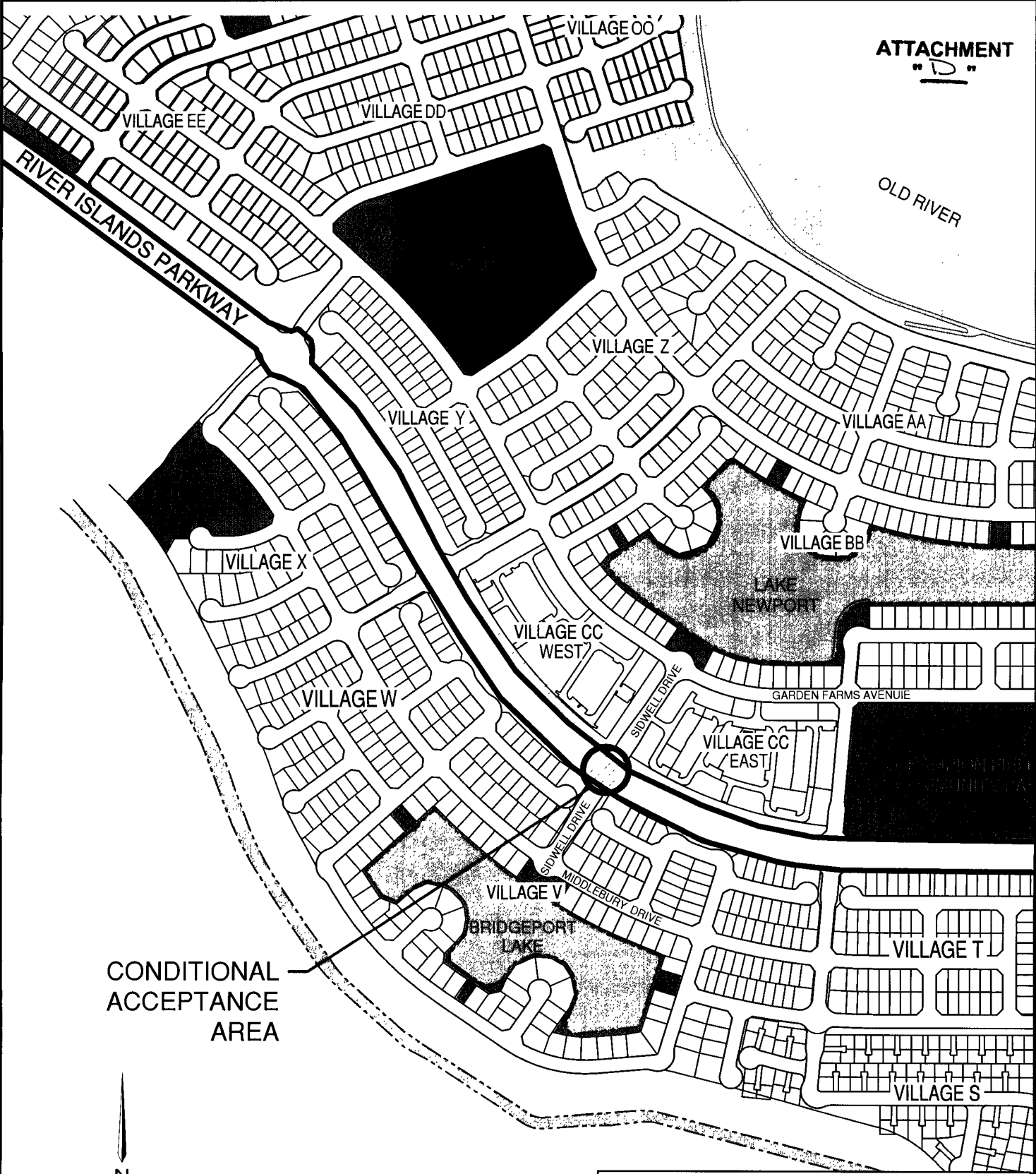
Stage 2B (Aquarius Avenue/Norbeck Street to Walera Drive)

7" AC Paving	SF	261,400	\$ 3.50	\$ 914,900.00
13" Aggregate Base	SF	261,400	\$ 1.95	\$ 509,730.00
12" Lime Treatment	SF	261,400	\$ 1.10	\$ 287,540.00
Vertical Curb and Gutter <i>(with AB cushion)</i>	LF	7,800	\$ 15.00	\$ 117,000.00
Type F Median Curb <i>(with AB cushion)</i>	LF	7,300	\$ 18.00	\$ 131,400.00
Concrete Sidewalk	SF	62,720	\$ 5.00	\$ 313,600.00
Handicap Ramps	EA	13	\$ 2,500.00	\$ 32,500.00
Survey Monuments	EA	7	\$ 300.00	\$ 2,100.00
Traffic Striping & Signing	LF	4,000	\$ 5.00	\$ 20,000.00
Catch Basins <i>(type A inlet)</i>	EA	10	\$ 2,400.00	\$ 24,000.00
Catch Basins <i>(type A inlet over type I manhole base)</i>	EA	4	\$ 2,800.00	\$ 11,200.00
Catch Basins <i>(type A inlet over type III manhole base)</i>	EA	2	\$ 7,500.00	\$ 15,000.00
15" Storm Drain Pipe	LF	730	\$ 34.00	\$ 24,820.00
18" Storm Drain Pipe	LF	390	\$ 46.00	\$ 17,940.00
24" Storm Drain Pipe	LF	170	\$ 65.00	\$ 11,050.00
60" Storm Drain Pipe	LF	130	\$ 140.00	\$ 18,200.00
8" Sanitary Sewer Pipe	LF	135	\$ 28.00	\$ 3,780.00
10" Sanitary Sewer Pipe	LF	95	\$ 35.00	\$ 3,325.00
10" Sanitary Sewer Force Main Pipe	LF	2,010	\$ 85.00	\$ 170,850.00
12" Sanitary Sewer Pipe	LF	95	\$ 42.00	\$ 3,990.00
24" Sanitary Sewer Pipe	LF	2,860	\$ 150.00	\$ 429,000.00
Manholes (Trunk)	EA	9	\$ 6,000.00	\$ 54,000.00
Force Main Air Release Valve	EA	2	\$ 2,500.00	\$ 5,000.00
8" Water Line <i>(including all appurtenances)</i>	LF	170	\$ 32.00	\$ 5,440.00
10" Water Line <i>(including all appurtenances)</i>	LF	150	\$ 40.00	\$ 6,000.00
20" Water Line <i>(including all appurtenances)</i>	LF	4,000	\$ 100.00	\$ 400,000.00
Fire Hydrants	EA	14	\$ 4,000.00	\$ 56,000.00
2" Water Service	EA	12	\$ 2,000.00	\$ 24,000.00
Air Release Valve	EA	2	\$ 2,500.00	\$ 5,000.00
Blow Off Valve	EA	9	\$ 4,000.00	\$ 36,000.00
8" Gate Valve	EA	7	\$ 2,000.00	\$ 14,000.00
10" Gate Valve	EA	3	\$ 2,700.00	\$ 8,100.00
20" Butterfly Valve	EA	13	\$ 6,000.00	\$ 78,000.00
16" Recycled Water Line <i>(including all appurtenances)</i>	LF	3,980	\$ 65.00	\$ 258,700.00
Air Release Valve	EA	2	\$ 2,500.00	\$ 5,000.00
Blow Off Valve	EA	2	\$ 4,000.00	\$ 8,000.00
Butterfly Valve	EA	7	\$ 4,000.00	\$ 28,000.00
8" Non-Potable Water Line <i>(including all appurtenances)</i>	LF	140	\$ 35.00	\$ 4,900.00
10" Non-Potable Water Line <i>(including all appurtenances)</i>	LF	120	\$ 50.00	\$ 6,000.00
16" Non-Potable Water Line <i>(including all appurtenances)</i>	LF	3,990	\$ 80.00	\$ 319,200.00
2" Non-Potable Water Service	EA	12	\$ 2,000.00	\$ 24,000.00
Air Release Valve	EA	2	\$ 2,500.00	\$ 5,000.00
Blow Off Valve	EA	8	\$ 4,000.00	\$ 32,000.00
8" Gate Valve	EA	2	\$ 2,000.00	\$ 4,000.00
10" Gate Valve	EA	2	\$ 2,700.00	\$ 5,400.00
16" Butterfly Valve	EA	10	\$ 4,500.00	\$ 45,000.00
16" Lake Fill Line <i>(including all appurtenances)</i>	LF	1,160	\$ 50.00	\$ 58,000.00
3" Aeration Line <i>(including all appurtenances)</i>	LF	1,160	\$ 4.00	\$ 4,640.00
Air Release Valve	EA	1	\$ 2,500.00	\$ 2,500.00
Blow Off Valve	EA	2	\$ 4,000.00	\$ 8,000.00
Butterfly Valve	EA	3	\$ 4,000.00	\$ 12,000.00
				\$ 4,583,805.00

Soft Cost

Civil Engineering/Design	LS	<u>1</u>	<u>\$ 335,000.00</u>	<u>\$ 335,000.00</u>
Surveying/Staking	LS	<u>1</u>	<u>\$ 151,750.00</u>	<u>\$ 151,750.00</u>
Joint Trench/Utilities	LS	<u>1</u>	<u>\$ 109,500.00</u>	<u>\$ 109,500.00</u>
Plan Check and Inspection Fees	LS	<u>1</u>	<u>\$ 879,042.44</u>	<u>\$ 879,042.44</u>
			Subtotal	\$ 1,475,292.44
			Total	\$ 14,526,000.00

**ATTACHMENT
"D"**



CONDITIONAL
ACCEPTANCE
AREA

**ATTACHMENT D
RIVER ISLANDS PKWY.
CONDITIONAL ACCEPTANCE
VICINITY MAP
MARCH 2023**

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ITEM 5.1

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER MUNICIPAL CODE AMENDMENT TO AMEND THE ZONING ORDINANCE AND MOSSDALE URBAN DESIGN CONCEPT TO LIMIT HOTEL DEVELOPMENT IN THE CENTRAL LATHROP SPECIFIC PLAN AND MOSSDALE VILLAGE (TA-23-32)

RECOMMENDATION: Council to Consider the Following:

1. Hold a Public Hearing; and
2. First Reading and Introduction of an Ordinance to Add Chapter 17.78 Hotel Limitations and Modify Section 17.62.072 of the Central Lathrop Commercial Office Zoning District of the Lathrop Municipal Code; and
3. Adopt a Resolution Amending the Permitted and Conditional Land Use List for Mossdale Landing, Mossdale Landing East, and Mossdale Landing South Urban Design Concepts to Regulate and Limit Hotel Development in the Central Lathrop Specific Plan and Mossdale Village.

SUMMARY:

The proposed Municipal Code Text Amendment (TA) is a Council-initiated proposal to limit hotel establishments in the City. The areas of limitation are the Central Lathrop Specific Plan and Mossdale Landing development areas.

The amendments include adding a new Chapter 17.78 "Hotel Limitations" and amending Section 17.62.072 of the Central Lathrop Commercial Office Zoning District of the Lathrop Municipal Code (LMC). In addition amendments are proposed for the Permitted and Conditional Land Use Lists for the Mossdale Landing, Mossdale Landing East, and Mossdale Landing South Urban Design Concepts (UDC).

BACKGROUND:

On February 13, 2023, the City Council discussed the potential limitation of hotel establishments in the City. The discussion was prompted by a disproportionately large number of applications for entitlements and construction permits for hotels. Following this discussion, the City Council instructed staff to prepare amendments to ensure that adequate land is available for a variety of potential commercial development such as retail, office, services, etc., within the undeveloped commercial land along Interstate-5.

At the end of the discussion, the City Council provided direction to staff to prepare an Ordinance to limit new hotel developments in the Central Lathrop Specific Plan and Mossdale Landing development areas.

On March 29, 2023, the Planning Commission voted unanimously (4-0) to recommend the City Council adopt an Ordinance regarding the proposed amendments to the Lathrop Municipal Code and Mossdale Landing UDC's. Planning Commission Resolution No. 23-4 is attached (Attachment #8) for reference.

ANALYSIS:

According to the Lathrop Municipal Code, amendments to the Zoning Ordinance must be reviewed by the Planning Commission and forwarded to the City Council for approval. Before any recommendation to approve by the Planning Commission, or final approval by the City Council, the finding that the proposed amendment will be consistent with applicable provisions of the General Plan must be made. In regards to Mossdale Landing, the Urban Design Concept considers modification of permitted and conditionally permitted uses as a "Major Amendment". Major Amendments are referred to the Planning Commission for approval; however, since the amendments are associated with each other, they are being referred to the City Council as a combined action. The following is a general overview of the proposed changes to the LMC and UDC's.

New LMC Chapter 17.78: Hotel Limitations (Attachment #7)

This chapter identifies the zoning districts where hotel establishments are limited. The total number of hotels that are permitted to operate at any given time is six (6). The affected zoning districts are as follows:

- CO-CL, Commercial Office, Central Lathrop
- CS-MV, Service Commercial, Mossdale Village
- CH-MV, Highway Commercial, Mossdale Village East
- CS-MV, Service Commercial, Mossdale Village East
- CS-MV, Service Commercial, Mossdale Village South

Revised Section 17.62.072 (Permitted Uses) of the CO-CL Zoning District (Attachment #3)

This section is amended with a new footnote that any new hotel establishment is subject to Chapter 17.78 Hotel Limitations as described above.

Revised UDC Permitted and Conditional Land Use List

In similar fashion to Section 17.62.072 amendment, the UDC's for Mossdale Landing (Attachment #4), Mossdale Landing East (Attachment #5), and Mossdale Landing South (Attachment #6) include a new footnote that any new hotel establishment is subject to Chapter 17.78 Hotel Limitations of the LMC.

PUBLIC NOTICE:

A Notice of Public Hearing was advertised in the Manteca Bulletin on March 31, 2023 and email notification sent to Public Hearing subscribers on March 30, 2023. In addition, the meeting agenda was posted at the Council Chambers bulletin board and three (3) other locations accessible to the public. The agenda is also posted to the City's website. As of the writing of this report, no comments were received in favor or against the proposed amendment.

RECOMMENDATION:

The Planning Commission and staff recommend that the City Council consider all information provided and submitted, take and consider all public testimony and, if determined to be appropriate, introduce an Ordinance to (1) Add Chapter 17.78 Hotel Limitations and Modify Section 17.62.072 of the Central Lathrop Commercial Office Zoning District of the Lathrop Municipal Code; (2) Adopt a Resolution Amending the Permitted and Conditional Land Use List for Mossdale Landing, Mossdale Landing East, and Mossdale Landing South Urban Design Concepts to Regulate and Limit Hotel Development in the Central Lathrop Specific Plan and Mossdale Village.

CEQA STATUS:

The proposed Municipal Code Text Amendment is exempt according to the California Environmental Quality Act (CEQA) Article 5 §15061 by the "Common Sense Exemption" that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Specific development projects undertaken in the future pursuant to the amended Municipal Code would be required to comply with CEQA at that time.

FISCAL IMPACT:

There is no fiscal impact to the City of Lathrop, only staff time to prepare this report.

ATTACHMENTS:

1. Ordinance Approving Hotel Limitations
2. Resolution Approving Mossdale Landing Amendments
3. Mark up of Section 17.62.072 CO-CL Zoning District.
4. Mark up of CS-MV, Mossdale Landing.
5. Mark up of CH & CS-MV, Mossdale Landing East.
6. Mark up of CS-MV, Mossdale Landing South.
7. New Chapter 17.78 Hotel Limitations.
8. Planning Commission Resolution No. 23-4

**CITY MANAGERS REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
HOTEL LIMITATIONS**

APPROVALS:



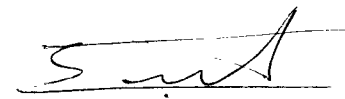
Rick Caguiat
Assistant Community Development Director

4/4/2023
Date




Mark Meissner
Community Development Director

4/4/2023
Date



Salvador Navarrete
City Attorney

4.5.2023
Date



Stephen J. Salvatore
City Manager

4.5.23
Date

ORDINANCE NO. 23-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP AMENDING TITLE 17 OF THE LATHROP MUNICIPAL CODE TO LIMIT HOTEL DEVELOPMENT IN THE CENTRAL LATHROP SPECIFIC PLAN DEVELOPMENT AREA (TA-23-32)

WHEREAS, the City of Lathrop Planning Commission held a duly noticed public hearing at a Special meeting on March 29, 2023, at which they adopted PC Resolution No. 23-4 recommending City Council adopt Municipal Code Text Amendment No. TA-23-32 pursuant to the Lathrop Municipal Code; and

WHEREAS, the City of Lathrop City Council held a duly noticed public hearing at a regular meeting on April 10, 2023 to review and consider adding Chapter 17.78 Hotel Limitations and Modify Section 17.62.072 of the Central Lathrop Commercial Office Zoning District of the Lathrop Municipal Code to Regulate and Limit Hotel Development in the Central Lathrop Specific Plan; and

WHEREAS, the proposed code amendment is limited to the Central Lathrop Specific Plan; and

WHEREAS, chapter 17.124 of the Lathrop Municipal Code mandates the transmittal of a Planning Commission recommendation to the City Council by resolution; and

WHEREAS, the proposed code amendment is exempt according to the California Environmental Quality Act (CEQA) Article 5 §15061 by the "Common Sense Exemption" that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment; and

WHEREAS, the City Council finds that the proposed code amendment is consistent with applicable provisions of the Lathrop General Plan and will implement the City's Economic Development goals by facilitating a variety of retail, office, services, etc. within the undeveloped commercial land along Interstate 5 ; and

WHEREAS, proper notice of this public hearing was given in all respects as required by law; and

WHEREAS, the City Council has reviewed all written evidence and oral testimony presented to date.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby approve Municipal Code Amendment as shown on Attachments "3" and "7" of the April 10, 2023 City Council Staff Report, incorporated by reference herein.

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

Section 1. The Lathrop Municipal Code is hereby amended as shown in Attachments "3" and "7" of the staff report that accompanied this ordinance, incorporated by reference herein.

Section 2. This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the city or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3. Severability. If any section, subsequent subdivision, paragraph, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise invalid, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance irrespective of the unconstitutionality or invalidity of any section, subsection, subdivision, paragraph, sentence, clause or phrase.

Section 4. Effective Date. This Ordinance shall take legal effect 30 days from and after the date of its passage.

Section 5. Publication. Within fifteen days of the adoption of this Ordinance, the City Clerk shall cause a copy of this Ordinance to be published in full accordance with Section 36933 of the Government Code.

THIS ORDINANCE was introduced at a regular meeting of the City Council of the City of Lathrop on the 10th day of April 2023, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on _____, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:


ABSENT:

SONNY DHALIWAL, MAYOR

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP AMENDING THE MOSSDALE LANDING URBAN DESIGN CONCEPT TO LIMIT HOTEL DEVELOPMENT IN THE MOSSDALE VILLAGE DEVELOPMENT AREAS (TA-23-32)

WHEREAS, the City of Lathrop Planning Commission held a duly noticed public hearing at a Special meeting on March 29, 2023, at which they adopted PC Resolution No. 23-4 recommending City Council adopt Municipal Code Text Amendment No. TA-23-32 pursuant to the Lathrop Municipal Code; and

WHEREAS, the City of Lathrop City Council held a duly noticed public hearing at a regular meeting on April 10, 2023 to review and consider amendments to the Permitted and Conditional Land Use List for Mossdale Landing, Mossdale Landing East, and Mossdale Landing South Urban Design Concepts to Regulate and Limit Hotel Development in Mossdale Village; and

WHEREAS, the proposed the proposed amendment is limited to Mossdale Landing, Mossdale Landing East, and Mossdale Landing South Urban Design Concepts of Mossdale Village; and

WHEREAS, major amendments to the Mossdale Landing Urban Design Concept requires Planning Commission approval which can be deferred to the City Council; and

WHEREAS, the proposed code amendment is exempt according to the California Environmental Quality Act (CEQA) Article 5 §15061 by the "Common Sense Exemption" that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment; and

WHEREAS, the City Council finds that the proposed amendment is consistent with applicable provisions of the Lathrop General Plan and will implement the City's Economic Development goals by facilitating a variety of retail, office, services, etc. within the undeveloped commercial land along Interstate 5 ; and

WHEREAS, proper notice of this public hearing was given in all respects as required by law; and

WHEREAS, the City Council has reviewed all written evidence and oral testimony presented to date.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop hereby make the following findings:

Section 1. That certain documents entitled Permitted and Conditional Land Use List for “Mosssdale Landing, Mosssdale Landing East, and Mosssdale Landing South” Urban Design Concepts, as illustrated and incorporated by reference as Attachment 4, 5, and 6 (respectively) of the City Council Staff Report is hereby approved.

Section 2. The criteria herein shall become effective upon the date of this Resolution.

BE IT FURTHER RESOLVED that the City Council of the City of Lathrop based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby approve amendments to the Permitted and Conditional Land Use List for Mosssdale Landing, Mosssdale Landing East, and Mosssdale Landing South as shown on Attachments “4”, “5” and “6” of the April 10, 2023 City Council Staff Report, incorporated by reference herein.

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

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Chapter 17.62 CO-CL: Commercial Office Zoning District

[...]

17.62.072 Permitted uses.

[...]

B. Service retail uses including, but not limited to:

1. Fur repair and storage
2. Automobile repair
3. Automobile upholstery and top shops
4. Banks/credit unions/savings and loans/financial institutions
5. Facial/massage
6. Cafeterias
7. Catering
8. Cleaning, pressing and dyeing establishments (using nonflammable and nonexplosive cleaning fluid)
9. Day care centers
10. Emergency medical/dental clinics, and prescribing pharmacies within
11. Electronics repair
12. Employment agency
13. Equipment rental
14. Rug cleaning and dyeing
15. Hotel/~~motel~~/apartment hotels (subject to Chapter 17.78 Hotel Limitations)
16. Inns providing temporary visitor accommodations and accessory recreational and commercial facilities

[...]

New text is shown by underline; deleted text is shown by ~~strikethrough~~

Permitted and Conditional Land Uses – Service Commercial, Mossdale Landing

Conditional Uses:

Administrative offices- City, county, state, and federal
 Auditoriums / Concert Hall
 Adult Novelty Store
 Ambulance Stations
 Any facility or business serving alcoholic beverages or selling hard alcohol.
 Any facility or business producing excessive noise, sounds or music.
 Billiards / Pool Hall
 Bowling Alley
 Business and professional schools and colleges
 Car Wash
 Church / Religious Facility
 Cocktail Lounge / Bar
 Community / Civic Centers
 Skating rinks and other similar commercial recreation facilities.
 Expansion or remodeling of an existing non-conforming use of a structure or land, up to 50% or less of the value of the structure, or reestablishment of a nonconforming use which has been damaged, except non-conforming signs and outdoor advertising structures, non-conforming uses occupying a structure with an assessed valuation of less than \$200, and non-conforming fences, walls and hedges.
 Fire / Police Station
 Gaming / Gambling / Bingo Parlor
 Gas and electrical transmission lines
 Gas / Service Station / Convenience store
 Governmental offices
 Hospital / Medical center
~~Hotel and motel~~ (subject to LMC Chapter 17.78 Hotel Limitations)
 Library
 Museums
 Nightclub / Micro-brewery
 Recreational facility / Indoor
 Senior / Youth Centers
 Temporary Christmas tree lot
 Temporary pumpkin patch
 Theater (Dinner, Movie, Live, etc.)
 Transit Stations

New text is shown by underline; deleted text is shown by ~~strikethrough~~

Permitted and Conditional Land Uses – Highway Commercial, Mossdale Landing East

Conditional Uses:

Administrative offices- City, county, state, and federal
 Amusement / Arcade
 Auditoriums / Concert Hall
 Adult Novelty Store
 Ambulance Stations
 Any facility or business producing excessive noise, sounds or music.
 Beer / Wine store
 Billiards / Pool Hall
 Bowling Alley
 Business and professional schools and colleges
 Car Wash
 Church / Religious Facility
 Community / Civic Centers
 Skating rinks and other similar commercial recreation facilities.
 Expansion or remodeling of an existing non-conforming use of a structure or land, up to 50% or less of the value of the structure, or reestablishment of a nonconforming use which has been damaged, except non-conforming signs and outdoor advertising structures, non-conforming uses occupying a structure with an assessed valuation of less than \$200, and non-conforming fences, walls and hedges.
 Fire / Police Station
 Gaming / Gambling / Bingo Parlor
 Gas and electrical transmission lines
 Gas / Service Station / Convenience store
 Governmental offices
 Hospital / Medical center
~~Hotel and motel~~ (subject to LMC Chapter 17.78 Hotel Limitations)
 Library
 Museums
 Nightclub / Cocktail Lounge / Bar
 Private Clubs
 Recreational facility / Indoor
 Senior / Youth Centers
 Temporary Christmas tree lot
 Temporary pumpkin patch
 Theater (Dinner, Movie, Live, etc.)
 Transit Stations

Permitted and Conditional Land Uses – Service Commercial, Mossdale Landing East**Conditional Uses:**

Administrative offices- City, county, state, and federal
 Amusement / Arcade
 Auditoriums / Concert Hall
 Adult Novelty Store
 Ambulance Stations
 Any facility or business producing excessive noise, sounds or music.
 Beer / Wine store
 Billiards / Pool Hall
 Bowling Alley
 Business and professional schools and colleges
 Car Wash
 Church / Religious Facility
 Cocktail Lounge / Bar
 Community / Civic Centers
 Skating rinks and other similar commercial recreation facilities.
 Expansion or remodeling of an existing non-conforming use of a structure or land, up to 50% or less of the value of the structure, or reestablishment of a nonconforming use which has been damaged, except non-conforming signs and outdoor advertising structures, non-conforming uses occupying a structure with an assessed valuation of less than \$200, and non-conforming fences, walls and hedges.
 Fire / Police Station
 Gaming / Gambling / Bingo Parlor
 Gas and electrical transmission lines
 Gas / Service Station / Convenience store
 Governmental offices
 Hospital / Medical center
 Hotel and motel- (subject to LMC Chapter 17.78 Hotel Limitations)
 Library
 Museums
 Nightclub
 Private Clubs
 Recreational facility / Indoor
 Senior / Youth Centers
 Temporary Christmas tree lot
 Temporary pumpkin patch
 Theater (Dinner, Movie, Live, etc.)
 Transit Stations

New text is shown by underline; deleted text is shown by ~~strikethrough~~

Permitted and Conditional Land Uses – Service Commercial, Mossdale Landing South

Conditional Uses:

Administrative offices- City, county, state, and federal
 Amusement / Arcade
 Auditoriums / Concert Hall
 Ambulance Stations
 Any facility or business producing excessive noise, sounds or music.
 Billiards / Pool Hall
 Bowling Alley
 Business and professional schools and colleges
 Car Wash
 Cocktail Lounge / Bar
 Community / Civic Centers
 Skating rinks and other similar commercial recreation facilities.
 Expansion or remodeling of an existing non-conforming use of a structure or land, up to 50% or less of the value of the structure, or reestablishment of a nonconforming use which has been damaged, except non-conforming signs and outdoor advertising structures, non-conforming uses occupying a structure with an assessed valuation of less than \$200, and non-conforming fences, walls and hedges.
 Fire / Police Station
 Gaming / Gambling / Bingo Parlor
 Gas and electrical transmission lines
 Gas / Service Station / Convenience store
 Governmental offices
 Hospital / Medical center
~~Hotel and motel~~ (subject to LMC Chapter 17.78 Hotel Limitations)
 Library
 Museums
 Nightclub
 Private Clubs
 Recreational facility / Indoor
 Senior / Youth Centers
 Temporary Christmas tree lot
 Temporary pumpkin patch
 Theater (Dinner, Movie, Live, etc.)
 Transit Stations
 Water quality ponds / associated facilities

New text is shown by underline; deleted text is shown by ~~strikethrough~~

Chapter 17.78 Hotel Limitations

17.78.010 Purpose

The purpose and intent of this chapter is to define the zoning districts where hotel establishments are limited. The provisions of this chapter are in addition to any other permits, licenses and approvals which may be required to operate a hotel establishment business in the City.

17.78.020 Applicability

This section applies to the following zoning districts:

- CO-CL, Commercial Office, Central Lathrop
- CS-MV, Service Commercial, Mossdale Village
- CH-MV, Highway Commercial, Mossdale Village East
- CS-MV, Service Commercial, Mossdale Village East
- CS-MV, Service Commercial, Mossdale Village South

17.78.030 Maximum Allowed

The number of hotels permitted to operate in the city within the zoning districts listed in Section 17.78.020 at any one given time shall be a total of six (6).

**CITY OF LATHROP
PLANNING COMMISSION RESOLUTION NO. 23-4**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LATHROP
RECOMMENDING CITY COUNCIL AMEND TITLE 17 OF THE LATHROP
MUNICIPAL CODE AND APPROVE AMENDMENTS TO THE MOSSDALE
LANDING URBAN DESIGN CONCEPT TO LIMIT HOTEL DEVELOPMENT IN THE
CENTRAL LATHROP SPECIFIC PLAN AND MOSSDALE VILLAGE
DEVELOPMENT AREAS (TA-23-32)**

WHEREAS, the City of Lathrop Planning Commission held a duly noticed public hearing to consider the text amendment pursuant to the Lathrop Municipal Code; and

WHEREAS, the proposed text amendment applies to the Central Lathrop Specific Plan and Mossdale Village development areas; and

WHEREAS, Chapter 17.124 of the Lathrop Municipal Code mandates the transmittal of a recommendation to the City Council by resolution; and

WHEREAS, major amendments to the Mossdale Landing Urban Design Concept require Planning Commission approval; and

WHEREAS, the proposed text amendment is exempt according to the California Environmental Quality Act (CEQA) Article 5 §15061(b)(3) by the "Common Sense Exemption" that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment; and

WHEREAS, the Planning Commission finds that the proposed text amendment is consistent with applicable provisions of the Lathrop General Plan and will implement the City's Economic Development goals; and

WHEREAS, proper notice of this public hearing was given in all respects as required by law; and

WHEREAS, the Planning Commission has reviewed all written evidence and oral testimony presented to date.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Lathrop based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby recommend the City Council (1) adopt an Ordinance to add Chapter 17.78 Hotel Limitations and modify Section 17.62.072 of the Central Lathrop Commercial Office Zoning District of the Lathrop Municipal Code; (2) adopt a Resolution amending the Permitted and Conditional Land Use List for Mossdale Landing, Mossdale Landing East, and Mossdale Landing South Urban Design Concepts Limit Hotel Development in the Central Lathrop Specific Plan and Mossdale Village development areas as shown in Attachments 2 through 6 of the Staff Report, incorporated by reference herein.

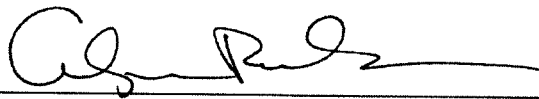
PASSED AND ADOPTED by the Planning Commission of the City of Lathrop at a Special meeting on the 29th day of March, 2023 by the following vote:

AYES: Rhodes, Ishihara, Gatto, Ralmilay

NOES: None

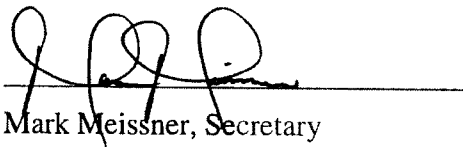
ABSTAIN: None

ABSENT: Jackson

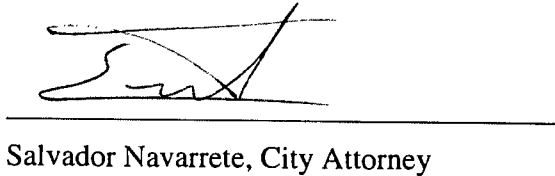


Gloryanna Rhodes, Chair

ATTEST:


Mark Meissner, Secretary

APPROVED AS TO FORM:


Salvador Navarrete, City Attorney

ITEM 5.2

CITY MANAGER'S REPORT APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: **RECEIVE UPDATE FOR AQUIFER STORAGE AND RECOVERY, APPROVE AMENDMENT NO. 1 WITH CAROLLO ENGINEERS, INC. CIP PW 22-36 AND APPROVE BUDGET AMENDMENT**

RECOMMENDATION: **Adopt Resolution to Approve Amendment No. 1 with Carollo Engineers, Inc. for the Aquifer Storage and Recovery, CIP PW 22-36 and Approve Budget Amendment**

CEQA STATUS: **Staff has determined the CEQA status for the project to date as exempt according to California Environmental Quality Act Article 18 §15262, "Feasibility and Planning Studies"**

SUMMARY:

Aquifer Storage and Recovery (ASR) is a water resources management technique for actively storing water underground during wet periods for recovery when needed. The injection and extraction of water is accomplished using a well and is permitted through the State Water Board.

On January 10, 2022 Council approved the creation of Capital Improvement Project (CIP) PW 22-36 ASR and a professional services agreement with Carollo Engineers, Inc. (Carollo) for completing the engineering feasibility study and preliminary design for the project. As a result of Carollo completing the ASR feasibility study and initial design, they determined that the proposed site location is feasible for the ASR project. At the request of staff, Carollo has provided a proposal to provide additional engineering services needed to support the next design and bidding phases of the project.

Staff requests that Council approve Amendment No. 1 with Carollo for the services included in Tasks 1-6 of their proposal for a cost of \$1,547,242 for additional research, design and bidding assistance services. Sufficient funds were not included in the adopted FY 22/23 Budget for CIP PW 22-36; therefore, staff requests that Council approve a budget amendment allocating \$1,701,966 (including 10% contingency) of the Water Fund 5620.

BACKGROUND:

The City's drinking water comes from two sources, local groundwater and surface water purchased from the South San Joaquin Irrigation District (SSJID). The City's water supply historically has been very reliable and staff has taken the necessary steps to plan for future growth and the corresponding water needs; however, there are emerging risks that the ASR project could help mitigate.

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

**APPROVE AMENDMENT NO. 1 WITH CAROLLO ENGINEERS, INC. FOR
AQUIFER STORAGE AND RECOVERY, CIP PW 22-36 AND APPROVE BUDGET
AMENDMENT**

These risks include but are not limited to, prolonged droughts, new State regulatory requirements, emerging groundwater contaminants, and management of upstream reservoirs.

On January 10, 2022 Council approved the creation of CIP PW 22-36 Aquifer Storage and Recovery and a Professional Services Agreement with Carollo Engineers, Inc. Carollo for completing an engineering feasibility study and preliminary design for the project. Carollo has completed the ASR feasibility study and initial design and has determined that the proposed site location in River Islands is favorable for the ASR project. Carollo Engineers, Inc. has provided a proposal to provide additional engineering services required for the next phases of the ASR project.

REASON FOR RECOMMENDATION:

An ASR project would considerably enhance reliability and mitigate emerging risks to the City’s water supply by pumping and storing surface water acquired from SSJID during wet periods into the ground allowing for later retrieval and utilization during dry seasons, droughts, or instances of water supply shortage.

CEQA STATUS:

Staff has determined the CEQA status for the project to date as exempt according to California Environmental Quality Act Article 18 §15262, “Feasibility and Planning Studies”. Staff will be retaining the De Novo Planning Group to prepare an Initial Study/Mitigated Negative Declaration for this project during this next phase.

FISCAL IMPACT:

Amendment No. 1 in the amount of \$1,547,242 for the ASR design and bidding assistance services with Carollo. Staff requests that Council approve a budget amendment allocating \$1,701,966 (including 10% contingency) of the Water Fund 5620. Sufficient funds were not included in the adopted Fiscal Year 22/23 budget for these costs, and therefore, staff is requesting Council approve the following budget amendment:

Increase Transfers Out		
5620-99-00-990-90-10		\$1,701,966
Increase Transfers In		
5690-99-00-393-00-00	PW 22-36	\$1,701,966
Increase Expenditures		
5690-80-00-420-12-00	PW 22-36	\$1,701,966

APRIL 10, 2023 CITY COUNCIL REGULAR MEETING

**APPROVE AMENDMENT NO. 1 WITH CAROLLO ENGINEERS, INC. FOR
AQUIFER STORAGE AND RECOVERY, CIP PW 22-36 AND APPROVE BUDGET
AMENDMENT**


ATTACHMENTS:

- A. Resolution Approving Amendment No. 1 with Carollo Engineers, Inc. for the Aquifer Storage and Recovery, CIP PW 22-36 and Approving Budget Amendment

- B. Amendment No. 1 with Carollo Engineers, Inc. to Provide the Lathrop Aquifer Storage and Recovery Well Design Services , CIP PW 22-36

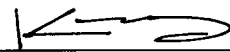
CITY MANAGER'S REPORT
APRIL 10, 2023 CITY COUNCIL REGULAR MEETING
APPROVE AMENDMENT NO. 1 WITH CAROLLO ENGINEERS, INC. FOR
AQUIFER STORAGE AND RECOVERY, CIP PW 22-36 AND APPROVE BUDGET
AMENDMENT

APPROVALS:



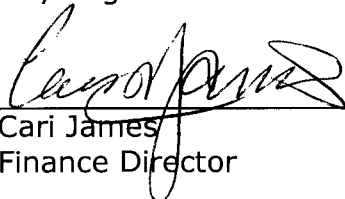
Greg Gibson
Senior Civil Engineer

04/03/2023
Date

 FOR

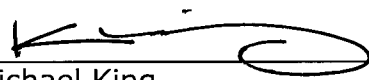
Brad Taylor
City Engineer

4/5/2023
Date



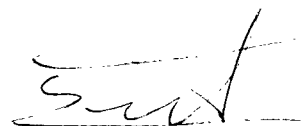
Cari James
Finance Director

4/5/2023
Date



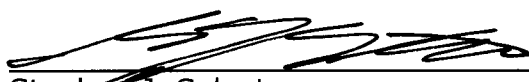
Michael King
Assistant City Manager

4/4/2023
Date



Salvador Navarrete
City Attorney

4-4-2023
Date



Stephen J. Salvatore
City Manager

4-5-23
Date

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING AMENDMENT NO. 1 WITH CAROLLO ENGINEERS, INC. FOR THE AQUIFER STORAGE AND RECOVERY, CIP PW 22-36 AND APPROVING BUDGET AMENDMENT

WHEREAS, the City's drinking water comes from two sources, local groundwater and surface water purchased from the South San Joaquin Irrigation District (SSJID); and

WHEREAS, the City's water supply historically has been very reliable and staff has taken the necessary steps to plan for future growth and the corresponding water needs; however, there are emerging risks that the ASR project could help mitigate; and

WHEREAS, these risks include but are not limited to, prolonged droughts, new State regulatory requirements, emerging groundwater contaminants, and management of upstream reservoirs; and

WHEREAS, an ASR project would considerably enhance reliability and mitigate emerging risks to the City's water supply by pumping and storing surface water acquired from SSJID during wet periods into the ground allowing for later retrieval and utilization during dry seasons, droughts, or instances of water supply shortage; and

WHEREAS, on January 10, 2022 City Council approved the creation of Capital Improvement Project PW 22-36 Aquifer Storage and Recovery and a Professional Services Agreement with Carollo Engineers, Inc. for completing an engineering feasibility study and preliminary design for the project; and

WHEREAS, Carollo has completed the ASR feasibility study and initial design and has determined proposed site location is favorable for the ASR project; and

WHEREAS, at the request of staff, Carollo Engineers, Inc. has provided a proposal to provide additional engineering services for the next phases of the ASR project described under Tasks 1-6 of their proposal for a cost not to exceed \$1,547,242; and

WHEREAS, sufficient funds were not included in the adopted Fiscal Year (FY) 22/23 Budget, so therefore, staff is requesting that Council approve a budget amendment allocating \$1,701,966 (including an approximate 10% contingency) of the Water Fund 5620 for Carollo to continue provide engineering design services for the CIP PW 22-36 ASR project; and

WHEREAS, the CEQA Status for this project to date has been determined by staff to be exempt according to California Environmental Quality Act Article 18 §15262, "Feasibility and Planning Studies".

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Lathrop does hereby approve Amendment No. 1 with Carollo Engineers, Inc. in the amount of \$1,547,242 for continued engineering support services for the CIP PW 22-36 Aquifer Storage and Recovery; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, the City Council of the City of Lathrop hereby approves the budget amendment to the following accounts:

Increase Transfers Out		
5620-99-00-990-90-10		\$1,701,966
Increase Transfers In		
5690-99-00-393-00-00	PW 22-36	\$1,701,966
Increase Expenditures		
5690-80-00-420-12-00	PW 22-36	\$1,701,966

NOW, THEREFORE, BE IT FURTHER RESOLVED, the City Council of the City of Lathrop hereby determines this action is exempt according to California Environmental Quality Act Article 18 §15262, "Feasibility and Planning Studies".

The foregoing resolution was passed and adopted this 10th day of April 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

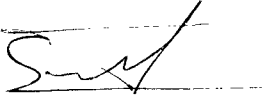
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

AMENDMENT NO. 1

**TO THE AGREEMENT BETWEEN THE CITY OF LATHROP AND
CAROLLO ENGINEERS, INC.**

**TO PROVIDE THE LATHROP AQUIFER STORAGE AND RECOVERY
WELL DESIGN SERVICES, CIP PW 22-36**

THIS AMENDMENT (hereinafter “AMENDMENT NO. 1”) to the agreement between **Carollo Engineers, Inc.**, and the City of Lathrop dated April 10, 2023 (hereinafter “AGREEMENT”) dated for convenience this ___ **day of April 2023**, is by and between **Carollo Engineers, Inc.** (“CONSULTANT”) and the **City of Lathrop**, a California municipal corporation (“CITY”);

RECITALS:

WHEREAS, CONSULTANT is specially trained, experienced, and competent to perform Professional Engineering Consulting Services for the City of Lathrop, which are required by this agreement; and

WHEREAS, CITY selected the CONSULTANT pursuant to said qualifications; and

WHEREAS, on January 10, 2022, CONSULTANT and CITY entered into an AGREEMENT to provide the Lathrop Aquifer Storage and Recovery and Feasibility Study and Funding Support, CIP PW 22-36, not to exceed \$301,744; and

WHEREAS, CONSULTANT provided scope of work attached hereto as Exhibit “A” for Amendment No. 1 for Lathrop Aquifer Storage and Recovery Well Design Services, CIP PW 22-36.

NOW, THEREFORE, CONSULTANT and the CITY agree as follows:

AMENDMENT NO. 1 TO AGREEMENT

- (1) **Scope of Service. Section (1) of the AGREEMENT for Consulting is hereby amended to add the following:**

CONSULTANT agrees to perform Engineering Services in accordance with Tasks 1 – 6 of the scope of work and fee proposal provided by CONSULTANT, attached hereto as Exhibit “A” in addition to the scope of work in the original AGREEMENT dated January 10, 2022.

CONSULTANT agrees to diligently perform these services in accordance with the upmost standards of its profession and to CITY’S satisfaction.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT AMENDMENT NO. 1
WITH CAROLLO FOR LATHROP AQUIFER STORAGE AND RECOVERY WELL
DESIGN SERVICES, CIP PW 22-36

(2) Compensation. Section (2) of the AGREEMENT for Consulting Services is hereby amended as follows:

City hereby agrees to pay CONSULTANT an additional sum of **\$1,547,242** for services set forth in Tasks 1-6 listed of Exhibit “A” of this Amendment No.1, with a total sum not to exceed of \$1,848,986 (\$301,744 for the original AGREEMENT, \$1,547,242 for AMENDMENT NO. 1). CONSULTANT shall be paid within thirty (30) days of receipt of billings containing all information contained in Paragraph 5 of the original AGREEMENT. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in the original scope of work and this AMENDMENT unless a written change order or authorization describing the extra work and payment terms has been executed by CITY’S Authorized Representative prior to the commencement of the work.

(3) Effective Date and Term

The effective date of AMENDMENT NO. 1 is **April ____, 2023**, and it shall terminate no later than **June 30, 2024**. All other terms of the original AGREEMENT shall remain in full force and effect.

(4) Applicability to Original Consultant AGREEMENT

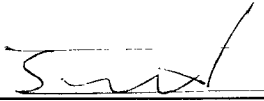
All terms and conditions set forth in the AGREEMENT dated January 10th, 2022 are still in effect and are incorporated by reference herein and said AGREEMENT is incorporated by reference herein.

(5) Signatures

The individuals executing this AMENDMENT NO. 1 represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this AMENDMENT NO. 1 on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT AMENDMENT NO. 1
WITH CAROLLO FOR LATHROP AQUIFER STORAGE AND RECOVERY WELL
DESIGN SERVICES, CIP PW 22-36

Approved as to Form: City of Lathrop
City Attorney



Salvador Navarrete Date 4-4-2023

Recommended for Approval: City of Lathrop
Public Works Director

Michael King Date

Approved by: City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore Date
City Manager

Consultant: Carollo Engineers, Inc.
2880 Gateway Oaks Drive, Suite 300
Sacramento, CA 95833

Federal ID # _____
Business License # _____

Signature Date

Print Name and Title

Signature Date

Print Name and Title

**EXHIBIT A
SCOPE OF SERVICES**

CITY OF LATHROP

AND

CAROLLO ENGINEERS, INC.

AQUIFER STORAGE AND RECOVERY WELL DESIGN

PURPOSE OF PROJECT

This Scope of Services defines Carollo Engineers, Inc.'s (CONSULTANT) scope, schedule, and budget for furnishing design services for the Aquifer Storage and Recovery (ASR) Well Design Project (Project). The project scope generally includes design of a new ASR well (Well ASR1) with a proposed production capacity of 900 gpm (aquifer storage of up to 1450 acre-feet per year [AFY]), site mechanical improvements, electrical facilities, and ancillary piping. Treated surface water will be supplied to the ASR well from the nearby South San Joaquin Irrigation District (SSJID) turnout (see Attachment 1). Production water will be discharged to the existing storage tanks adjacent to the ASR well site.

This scope of services has been developed based on prior work and findings from the Aquifer Storage and Recovery Feasibility Study and Funding Support Project (CIP PW 22-36) and includes preliminary and detailed design, project bidding and engineering services during construction, ASR well commissioning, and related support tasks.

CONSULTANT'S SERVICES

CONSULTANT will perform the following services:

- Task 1: Project Coordination and Administration
- Task 2: Data Collection and Preliminary Design
- Task 3: DWSAP Report and Outside Agency Permitting
- Task 4: Detailed Design
 - Package 1: ASR Well Drilling, Development, and Testing
 - Package 2: ASR Well Equipping and Site Improvements
- Task 5: Permitting Assistance
- Task 6: Bidding Assistance
- Task 7: Package 1 (Well Drilling) Engineering Services During Construction
- Task 8: Package 2 (Well Equipping) Engineering Services During Construction
- Task 9: ASR Well Commissioning
- Optional Task 10: Additional Monitoring Well Depth and Coring
- Optional Task 11: Grant Administration Support

TASK 1 – PROJECT COORDINATION AND ADMINISTRATION

This task provides for the following:

Task 1.1 Project Monitoring and Administration

Maintain project coordination between the City of Lathrop (CITY) and CONSULTANT team members, including subconsultants. This task includes development of the QA/QC plan and Project Guide, preparation of monthly status reports, internal team meetings, regular correspondence with team members, and review of work progress for quality and completion. Monthly status reports will include the following:

- Description of work completed in reporting period
- Percentage complete to date by task and subtask
- Schedule and budget status
- Deliverable status
- Key decisions and action items
- Potential project issues

Task 1.2 Kickoff and Project Progress Meetings

Monitor project schedule and budget on a continuous basis and prepare monthly invoices and progress reports for submittal to CITY.

This task includes one project kickoff meeting, monthly (virtual) design progress meetings, and three project progress meetings to convene with CITY staff, discuss review comments, and track key decision items. The kickoff meeting will be held shortly after Notice to Proceed. Project progress meetings are scheduled to occur after CITY review of the draft Preliminary Design Report, 60% design, and 90% design deliverable milestones.

Task 1 Deliverables

- QA/QC Plan and Project Guide
- Monthly invoices, project status reports, and schedule updates
- Meeting agendas and minutes
- Decision item, action item, and comment log updates

Task 1 Meetings

- Kickoff meeting (in-person)
- Preliminary Design Report review workshop (in-person)
- 60% design review workshop (in-person)
- 90% design review workshop (in-person)
- Monthly design progress meetings (12 assumed; virtual conference)

TASK 2 – DATA COLLECTION AND PRELIMINARY DESIGN

This task provides for the following:

Task 2.1 Data Collection and Review

Available project data will be collected and reviewed by CONSULTANT. This includes record drawings, local utility information, hydrogeologic data, groundwater quality information, water distribution system data, San Joaquin County Environmental Health Department data, and

findings of previous work. Available data will be used to inform the other work items under this task.

Task 2.2 Surveying and Mapping

This task includes completion of a design-level topographic survey by O'Dell Engineering. The survey extent includes the proposed ASR well site, portions of the adjacent tank site, and a portion of the paved access road leading to the project area. See Attachment 1 for project location. Record drawings for the tank site will be reviewed to determine approximate as-built locations of underground facilities for background site map development.

Task 2.3 Geotechnical Investigation

ENGEO has completed prior geotechnical investigations and furnished geotechnical recommendation for other improvements at and adjacent to the project site. ENGEO will be retained to review prior geotechnical data and provided updated geotechnical recommendations for the following:

- Earthwork and grading.
- Evaluation and mitigation of geologic hazards.
- Current seismic design parameters.
- Approximate depth to groundwater.
- Foundation recommendations for the ASR well building.
- On-grade concrete slabs.
- Flexible pavement improvements.

Structural improvements for this project are assumed to be limited to at-grade concrete equipment slabs, a wellhead pedestal, and a conventional single-story cement masonry unit (CMU) building. ENGEO's recommendations will be presented in a Geotechnical Report Update Memorandum and supplemented with existing geotechnical data that ENGEO has previously obtained in the immediate vicinity of the project site.

Task 2.4 Monitoring Well Installation and Analyses

As described in the ASR feasibility study, Lohdorff & Scalmanini Consulting Engineers (LSCE) will obtain the services of a licensed well driller to complete a second on-site monitoring well to an approximate depth of 900 ft below ground surface (BGS). The monitoring well will be used to evaluate groundwater conditions to the stated depth and be used to determine the design depth of the ASR well.

Update Groundwater Mounding Analysis

The quantity of the available recharge water is a major consideration with regard to assessing the feasibility of recharge. LSCE will conduct screening level groundwater/surface water modeling to assess the technical and practical feasibility of the proposed ASR project. The groundwater modeling evaluation will simulate the effects of recharge on the water table and vadose zones and also be used as a tool to evaluate volumes and rate(s) of recharge and to simulate how the groundwater responds under various recharge scenarios. LSCE will build upon previous work to efficiently develop GIS mapping solutions, numerical modeling, and will utilize supplemental information from the CITY. LSCE will also utilize information developed by previously conducted pumping tests and will rely on that information to refine aquifer parameters. MODFLOW and MT3DMS will be used to estimate groundwater flow,

mounding (groundwater rising), travel times, underground retention times (URT) and transport of recharge water. The modeling effort will yield calibrated aquifer parameters to augment future modeling efforts that will eventually be needed. The initial development of estimated injection volume will be conducted after the completion of Task 2.1 (data collection and review) and 2.4 (monitoring well installation) which will be critical to addressing the following questions:

- Where may aquifer recharge be feasible, at what rates, and native water quality.
- How much surface water may be available for recharging, when surface water is available, and what is its water quality.
- How much water is required to meet existing and future demands.

Update Geochemical Modeling

LSCE will build upon previous work to efficiently conduct the modeling update. Geochemical analysis for this ASR phase of the project will be preliminary, focusing on known or potential geochemical issues. For this desktop geochemical evaluation, the geochemical modeling program PHREEQC or Geochemist's Workbench will be used to conduct a mixing analysis and to identify the potential for geochemical reactions that could result in a reduction in the injection efficiency of the ASR system. The chemistry of all potential water sources that might be mixed will need to be available including groundwater chemistry from all locations of potential injection wells as well as the chemistry of injected water. Mixing ratios will be derived from modeling efforts and the full spectrum of mixing ratios will be included in the modeling.

Task 2.5 Preliminary Design Report

The Preliminary Design Report (PDR) will serve as the basis for final construction documents. The PDR will include findings and recommendations from the ASR feasibility study, data collection and review (Task 2.1), surveying and mapping (Task 2.2), geotechnical investigation (Task 2.3), and monitoring well installation (Task 2.4). Based on discussions with CITY staff, the ASR well will receive injection water from the nearby SSJID turnout; ASR well discharge water will be conveyed directly into the on-site CITY-owned storage tanks. Supplemental booster pumping out of the storage tanks is excluded from this scope of work.

The PDR will include a Class 5 estimate of probable construction cost as defined by AACE International and a preliminary construction schedule for project completion.

A draft PDR will be submitted for CITY review and then refined and resubmitted in final version following the PDR review meeting. All key decisions, action items, and responses to CITY comments will be tracked and submitted with the final PDR.

Task 2 Assumptions

- CITY will furnish all available reports and studies, including hydrogeologic data, groundwater quality information, water distribution system data, and hydraulic model files where required.
- Record drawings and as-built data for the SSJID and CITY improvements on the ASR well site will be sufficient for development of yard piping drawings; supplemental potholing and utility locating are excluded from this scope of work.

- All project improvements will occur within the ASR well site and the adjacent (existing) storage tank site as shown on Attachment 1.
- Design of off-site improvements is excluded from this project.
- Based on the ASR feasibility study, a pH adjustment system will be required prior to injecting SSJID-supplied water. Assumptions for the pH adjustment system include:
 - SSJID water will be supplied at a pH ranging from approximately 7.8 to 8.0.
 - pH will be adjusted to down to approximately 7.0 to 7.2 prior to injection.
 - Recovered water pH will be raised from approximately 7.0-7.2 to approximately pH 7.9 prior to discharge to the CITY distribution system.
 - pH reduction will be by either carbon dioxide or sulfuric acid. CONSULTANT will perform a planning level alternatives analysis with process flow diagrams, preliminary site layouts, and planning level cost estimates for each (two alternatives total).
 - pH increase will be by caustic soda. No alternative chemicals will be evaluated.
 - CONSULTANT will use the RTW model to evaluate chemical doses required based on expected water quality as provided by the CITY.
 - The PDR will document design doses, chemical strength, storage volumes, and other chemical system design criteria for selected alternative.
 - CITY will provide:
 - Water quality from SSJID to be used for modeling chemical doses required to achieve target pH changes.
 - Target CITY distribution system pH.
 - Water quality of the water recovered from the ASR well for modeling chemical doses required to achieve target pH changes.
- Distribution system water quality modeling is excluded from this scope of work.
- Structural improvements for this project are assumed to be limited to at-grade concrete equipment slabs, a wellhead pedestal, and a conventional single-story cement masonry unit (CMU) building to house the ASR well pedestal and related electrical equipment.
- The local storm drainage and/or sanitary sewer collection systems are sufficiently sized to handle periodic pump-to-waste flows from the ASR well; CITY staff will provide confirmation of available storm and/or sewer system capacity via hydraulic modeling or other methods.
- All deliverables will be provided in electronic format (PDF).

Task 2 Deliverables

- Draft and final Geotechnical Update Memorandum
- Draft and final Preliminary Design Report

TASK 3 – DWSAP REPORT AND OUTSIDE AGENCY PERMITTING

The State Water Resources Control Board (SWRCB) has recently recognized that it is the best interest of the state to develop a comprehensive regulatory approach for ASR projects and has adopted general water discharge requirements for ASR project that inject drinking water into groundwater (Order No. 2012-0010-DWQ or ASR General Order). The ASR General Order provides a consistent statewide regulatory framework for authorizing both pilot ASR testing and permanent ASR projects. LSCE and CONSULTANT will conduct a pre-application meeting with both the RWQCB and the California Division of Drinking Water (DDW) to review the proposed well site and approach to construct and test Well ASR1. LSCE will evaluate and summarize the DDW permitting requirements for Well ASR1 and prepare the required DDW submittal. The initial DDW submittal document will request siting concurrence for the new well based on compliance with SWRCB setbacks. Concurrence on the well siting is required to proceed with the design and construction of the well. LSCE will also make other DDW submittals for the preliminary and final amended water supply permit. The preliminary water supply permit includes well design information, site plan, and preliminary Drinking Water Source Assessment and Protection (DWSAP) application. The Final water supply permit submittal will include updates to the information from the preliminary submittal in addition to the Operations Plan, well and chlorination data sheets, an engineering report, and final as-built diagrams.

LSCE will contact all applicable agencies as needed to establish permitting requirements for well drilling and construction, flood plain mitigations, encroachment permits, Waste Discharge Requirements, discharge to sanitary sewer, and electrical service application.

Task 3 Deliverables

- Notice of Intent (NOI) Application Package
- Preliminary and final DWSAP Report
- Well Completion Report

Task 3 Assumptions

- Any and all necessary temporary construction easements, permanent easements, and/or land acquisition services will be obtained and/or furnished by the CITY.

TASK 4 – DETAILED DESIGN

Two separate design packages are assumed under this task:

- Package 1: ASR Well Drilling, Development, and Testing.
- Package 2: ASR Well Equipping and Site Improvements.

This scope of work assumes that Package 1 will be completed first and advertised for bid such that the well drilling, development, and testing operations will be completed prior to completion of Package 2 design.

Task 4.1 Package 1 - Plans, Specifications, and Estimate

LSCE will prepare 95% and 100% specifications and bid set submittals that will include detailed construction requirements that must be followed by the well drilling contractor during every phase of the project, including the minimum acceptable methods for drilling fluid control, conditioning of the borehole for casing and gravel envelope installation, well development and

testing, and performance standards. Other site-specific items will include requirements for site security/access control, sound barriers, containment and disposal of drill cuttings and handling of discharge water during development and test pumping in accordance with applicable local, state, and federal regulations.

LSCE will provide front end specifications to supplement CITY-provided front-end documents, tech specifications, drawings, engineers cost estimate and schedule.

Task 4.2 Package 2 - 60% Plans, Specifications, and Estimate

For Package 2, CONSULTANT will design site civil, mechanical, and electrical improvements for injecting treated surface water into the ASR well and discharging groundwater to the adjacent tank site.

CONSULTANT will develop 60% plans, specifications, and construction cost estimates for the ASR Well Design Project. The project is assumed to consist of the following basic elements:

- New ASR well.
- Installation of a new motor control center (MCC) and related electrical facilities.
- CMU building to house the ASR well, pH adjustment system(s), MCC, and variable frequency drive (if required).
- Ancillary site, civil, piping, and mechanical improvements.
- Carbon dioxide or sulfuric acid storage and feed system as determined in the PDR alternatives analysis.
- Caustic soda storage and feed system.

All cost estimates will be prepared in accordance with AACE International guidelines.

Following CITY review of the 60% design submittal, CONSULTANT will meet with CITY to solicit feedback, review comments, and discuss next steps.

Task 4.3 Package 2 - 90% Plans, Specifications, and Estimate

Following receipt of all CITY comments on the 60% design submittal, CONSULTANT will develop the 90% design submittal. All comments, decisions, and action items will be logged for record. CONSULTANT will provide a comments response log with the 90% design submittal for CITY review. Following CITY review of the 90% design submittal, CONSULTANT will meet with CITY to solicit feedback, review comments, and discuss next steps.

Task 4.4 Package 2 - Bid Documents

Following receipt of all CITY comments on the 90% design submittal, CONSULTANT will develop the Bid Documents submittal. All comments, decisions, and action items will be logged for record. CONSULTANT will provide a comments response log with the Bid Documents submittal for CITY review.

Task 4 Deliverables

- 60% design submittal (Package 2)
- 90% design submittal (Package 2)
- 95% design submittal (Package 1)

- Bid set submittal (Packages 1 and 2)

Task 4 Assumptions

- All deliverables will be provided in electronic format (PDF).
- CITY comments will be compiled into a single document for CONSULTANT review.
- CITY front-end documents will be provided for CONSULTANT review and use.
- Well drilling, development, and testing will be submitted as a separate design package.
- Soils are assumed to be adequate for traditionally founded structures; deep foundations will not be required.
- The proposed ASR well building will be sized to house the ASR wellhead, immediate downstream mechanical improvements, chemical storage and feed systems, and related electrical facilities (MCC and variable frequency drives, if required).
- ASR well injection and discharge connections will be made to existing on-site yard piping facilities.
- ASR well instrumentation will tie into existing on-site facilities.
- pH adjustment chemical system assumptions:
 - Chemical storage and feed will be housed inside the CMU building with the ASR well and electrical equipment. If carbon dioxide is selected, the storage will be in an outdoor tank. Separate rooms will be provided for each chemical.
- SCADA programming and integration services are excluded from this scope of work.
- Design of the following improvements are excluded from this scope of work:
 - Permanent and temporary emergency generators.
 - On-site fire protection facilities.
 - Off-site pipelines, including water, storm, and sewer facilities.
 - Natural gas facilities.
 - Site security improvements.
 - SCADA network upgrades and improvements.
 - The site is located on CITY owned property and no further easements or land acquisitions are required for project development.

TASK 5 – PERMITTING ASSISTANCE

This task provides for the following:

Task 5.1 Permitting Assistance

This task includes supplemental agency coordination and completion of necessary permits not included under Task 3. Coordination with the SWRCB, DDW, and San Joaquin County Environmental Health Department (SJCEHD) related to permitting for drilling, construction, and testing of the new well is anticipated. The contractor selected to drill the production well will be responsible for procurement and administration of the drilling permit. CONSULTANT and LSCE

will submit plans and applications and administer other permits as needed. This task assumes the CITY will be responsible for payment of all filing fees.

Task 5 Assumptions

- Forty (40) staff hours, including two meetings with agency leads in the Sacramento or Lathrop areas, are assumed for Task 5.1.
- CITY will retain a third-party CEQA consultant for environmental planning and permitting; CEQA, CEQA-Plus, and NEPA permitting efforts are excluded from CONSULTANT's scope of services.
- CONSULTANT will furnish technical data to the CEQA consultant under Task 5.1.

TASK 6 – BIDDING ASSISTANCE

This task provides bidding assistance for two separate bid packages (Package 1 and Package 2) as described under Task 4. This task provides for the following:

Task 6.1 Attend Pre-Bid Conference

CONSULTANT's Project Manager or Project Engineer will attend the pre-bid conference for Package 2 as scheduled by the CITY and note any questions for later response by addendum.

Task 6.2 Prepare Addenda

CONSULTANT and/or LSCE will prepare addenda in response to questions received by the CITY in writing. CONSULTANT and/or LSCE will submit the addenda to the CITY directly for distribution to prospective bidders.

Task 6.3 Bid Tab Analysis

LSCE (Package 1) and CONSULTANT (Package 2) will review the submitted contractor bids and prepare a bid tab evaluation for the CITY.

Task 6 Assumptions

- CITY will administer the bid process, including posting bid advertisements, receiving questions from prospective bidders, issuing responses to questions (responses provided by CONSULTANT and/or LSCE), scheduling pre-bid conferences, receiving bids, publicly opening bids, and posting bid results.
- Up to two addenda for each bid package are assumed under this task.
- CITY will receive written questions from prospective bidders and provide to CONSULTANT and/or LSCE for response.
- CITY will distribute addenda to prospective bidders.

TASK 7 – PACKAGE 1 ENGINEERING SERVICES DURING CONSTRUCTION

Task 7.1 Pre-Construction Conference

LSCE will attend a pre-construction conference with the contractor to answer technical or logistical questions concerning project approach and completion.

Task 7.2 ASR Well Construction Oversight

LSCE will provide the following services during construction of Package 1:

- Verify ASR well location.
- Witness conductor/surface casing installation.
- Monitor drilling operations and borehole construction.
- Inspect and verify casing and screen materials.
- Witness borehole conditioning and casing assembly installation.
- Inspect gravel pack and seal placement and estimate final quantities for installation.

TASK 8 – PACKAGE 2 ENGINEERING SERVICES DURING CONSTRUCTION

Task 8.1 Pre-Construction Conference

CONSULTANT's Project Manager and Project Engineer will attend a pre-construction conference with the contractor to answer technical or logistical questions concerning project approach and completion.

Task 8.2 Engineer Site Visits and Progress Meetings

CONSULTANT's Project Manager or Project Engineer will attend regular progress meetings for the duration of construction. This task assumes attendance at up to 24 meetings over a 12-month construction duration.

Task 8.3 Respond to RFIs

CONSULTANT will respond to requests for information (RFIs) submitted by the contractor to the CITY or Construction Manager. Responses will be submitted in writing and delivered to the CITY or third-party construction manager via email. Review of up to 15 RFIs is assumed under this task.

Task 8.4 Shop Drawing Submittal Review

CONSULTANT will review shop drawing submittals for compliance with project plans and specifications. Review of 40 submittals and resubmittals is assumed under this task.

Task 8.5 Change Order Review

CONSULTANT will review proposed change orders and assist the City and Construction Manager with response preparation. If required, supplemental drawings and specifications will be prepared for the change order response. Up to four change orders are assumed under this task.

Task 8.6 Final Acceptance Walk

CONSULTANT's Project Manager or Project Engineer will attend a final acceptance job walk as scheduled by the City and Construction Manager and note any final items required for project completion.

Task 8.7 Record Drawings

CONSULTANT will prepare record drawings based on as-built markups provided by the contractor or CITY's third-party construction manager.

Task 8 Assumptions

- The total duration of construction will not exceed 12 months with active, on-site construction (excluding material procurement periods) requiring approximately 6 months. Due to uncertain conditions in material supply chains and the current bidding environment, this is a preliminary estimate of construction schedule based on available

information; the anticipated construction schedule will be updated as design progresses and submitted to the CITY with each design deliverable (see Task 4).

- Attendance at up to 24 on-site construction progress meetings is assumed.
- Responses to up to 70 RFIs and 100 shop drawing submittals are assumed.
- Responses to up to four design clarifications or change orders are assumed.
- Materials testing during construction will be the responsibility of the CITY or CITY's designated third-party construction manager.

TASK 9 – ASR WELL COMMISSIONING

This task provides for ASR well “cycle one” commissioning support, including interim recharge, to evaluate the operation of the ASR well and adjust controls to optimize long-term operation. ASRS will prepare an O&M manual; conduct operator training; provide a first-year cycle-testing plan to guide ASR operations; monitor data from well operations during the first year after completion of wellhead facilities; and recommend any needed adjustments. The cycle one commissioning support is anticipated to occur over a duration of 12 months.

OPTIONAL TASK 10 – ADDITIONAL MONITORING WELL DEPTH AND CORING

This optional task provides for modifications to the monitoring well construction described under Task 2.4. This option will not be initiated until approved by the CITY in writing.

Optional Task 10.1 Additional Monitoring Well Depth

The optional task provides for drilling the monitoring well deeper than the depth stated under Task 2.4. The cost associated with this task includes drilling to a maximum depth of 1,500 ft BGS. If an intermediate depth (less than 1,500 ft BGS) is desired by the CITY, a modified drilling cost can be provided.

Optional Task 10.2 Wireline Coring of Monitoring Well

This optional task provides for wireline coring of monitoring well (described under Task 2.4 and Optional Task 10.1) to better evaluate geophysical conditions and potential geochemical reactions to ASR operations in the target aquifer. The cost associated with this task includes wireline coring within the monitoring well to a maximum depth of 1,500 ft BGS. If an intermediate depth (less than 1,500 ft BGS) is desired by the CITY, a modified coring cost can be provided.

OPTIONAL TASK 11 – GRANT ADMINISTRATION SUPPORT

CONSULTANT will assist CITY staff with administrative tasks required to comply with grant funding requirements. Anticipated tasks include preparation of quarterly progress reports, project completion reports, and post-construction reports. The final level of effort will depend on the grant awarded and CITY staffing needs. This task assumes up to 80 CONSULTANT staff hours, including one meeting with CITY staff.

TIME OF PERFORMANCE

CONSULTANT will perform the scope of services for Task 1 through Task 6 over an assumed 12-month duration. The durations for Tasks 7 and 8 (Engineering Services During Construction) will be established following completion of Task 2 (Data Collection and Preliminary Design) but

currently assume a duration of 12 months. The duration of Task 9 (ASR Commissioning Support) assumes a duration of 12 months.

PAYMENT

Payment to the CONSULTANT for services performed under this Agreement shall be based on the attached fee proposal (Attachment 2) on a time and materials basis. The not-to-exceed cost limit to the CONSULTANT's services, excluding optional tasks, shall be **\$2,280,423**.

Including optional tasks, the not-to-exceed limit to the CONSULTANT's services shall be **\$3,061,822**.



CITY OF LATHROP
 AQUIFER STORAGE AND RECOVERY WELL DESIGN PROJECT
 FEE PROPOSAL
 MARCH 2023



	Carollo Engineers, Inc. ⁽¹⁾							Subconsultants ⁽²⁾						Project Total
	Engineering	Senior CAD Tech.	CAD Tech.	Document Processor	Total Hours	Labor Cost	ODC (2)	Carollo Engineers Subtotal	O'Dell Engineer. (Survey)	Pezzoni Engineer. (Electrical)	ENGE (Geotech.)	LSCE (Hydrogeo.)	ASRS (ASR Systems)	
1 Project Coord. and Admin	114	-	-	-	114	\$ 30,518	\$ 2,136	\$ 32,654	\$ -	\$ -	\$ -	\$ 13,653	\$ 85,395	\$ 131,702
2 Data Collection and PDR	346	-	-	4	350	\$ 82,306	\$ 5,100	\$ 87,406	\$ 9,240	\$ 3,520	\$ 8,800	\$ 387,860	\$ 41,250	\$ 538,076
3 DWSAP Report	44	-	-	-	44	\$ 10,788	\$ 916	\$ 11,704	\$ -	\$ -	\$ -	\$ 27,500	\$ 8,131	\$ 47,335
4 Detailed Design	1,332	284	260	120	1,996	\$ 455,068	\$ 27,944	\$ 483,012	\$ -	\$ 51,480	\$ -	\$ 12,756	\$ 236,640	\$ 783,887
5 Permitting Assistance	40	-	-	-	40	\$ 10,788	\$ 560	\$ 11,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,348
6 Bidding Assistance	44	8	-	-	52	\$ 12,652	\$ 728	\$ 13,380	\$ -	\$ 770	\$ -	\$ 2,624	\$ 18,119	\$ 34,893
Phase 1 (Design) Subtotal	1,920	292	260	124	2,596	\$ 602,120	\$ 37,384	\$ 639,504	\$ 9,240	\$ 55,770	\$ 8,800	\$ 444,392	\$ 389,535	\$ 1,547,242
7 Package 1 ESDC	12	-	-	-	12	\$ 3,348	\$ 168	\$ 3,516	\$ -	\$ -	\$ -	\$ 96,096	\$ -	\$ 99,612
8 Package 2 ESDC	1,434	32	120	-	1,586	\$ 412,066	\$ 24,204	\$ 436,270	\$ -	\$ 10,230	\$ -	\$ -	\$ 141,900	\$ 588,400
9 Commissioning	72	-	-	-	72	\$ 18,008	\$ 1,168	\$ 19,176	\$ -	\$ -	\$ -	\$ -	\$ 25,993	\$ 45,169
Phase 2 (ESDC) Subtotal	1,518	32	120	-	1,670	\$ 433,422	\$ 25,540	\$ 458,962	\$ -	\$ 10,230	\$ -	\$ 96,096	\$ 167,893	\$ 733,181
Project Total (excludes Optional)	3,438	324	380	124	4,266	\$ 1,035,542	\$ 62,924	\$ 1,098,466	\$ 9,240	\$ 66,000	\$ 8,800	\$ 540,488	\$ 557,428	\$ 2,280,423
Optional Tasks														
10 Additional MW Depth and Coning	20	-	-	-	20	\$ 5,580	\$ 280	\$ 5,860	\$ -	\$ -	\$ -	\$ 731,379	\$ 22,000	\$ 759,239
11 Grant Administration Support	80	-	-	-	80	\$ 21,040	\$ 1,120	\$ 22,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,160
Project Total (includes Optional)	3,538	324	380	124	4,366	\$ 1,062,162	\$ 64,324	\$ 1,126,486	\$ 9,240	\$ 66,000	\$ 8,800	\$ 1,271,887	\$ 579,428	\$ 3,081,822

Notes:

- (1) Rates are based on Carollo Engineers, Inc. Fee Schedule as of Jan 1, 2023 for California.
- (2) Other direct costs (ODC) include mileage traveling to/from meetings at IRS Federal Rate, travel at cost and Project Equipment and Communication Expense (PECE) at \$14 per direct labor hour
- (3) Includes Subconsultant markup of 10%.

**CAROLLO ENGINEERS, INC.
FEE SCHEDULE**

**As of January 1, 2023
California**

	<u>Hourly Rate</u>
Engineers/Scientists	
Assistant Professional	\$214.00
Professional	263.00
Project Professional	311.00
Lead Project Professional	330.00
Senior Professional	349.00
Technicians	
Technicians	161.00
Senior Technicians	224.00
Support Staff	
Document Processing / Clerical	143.00
Project Equipment Communication Expense (PECE) Per DL Hour	14.00
Other Direct Expenses	
Travel and Subsistence	at cost
Mileage at IRS Reimbursement Rate Effective January 1, 2023	\$.655 per mile
Subconsultant	cost + 10%
Other Direct Cost	cost + 10%
Expert Witness	Rate x 2.0

This fee schedule is subject to annual revisions due to labor adjustments.

ATTACHMENT 1



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