



Last Resolution No. 16-1001
Last Ordinance No. 16-0324

AGENDA NO. 1
REGULAR MEETING OF THE SOLVANG CITY COUNCIL

COUNCIL CHAMBERS
1644 OAK STREET

December 12, 2016
6:30 p.m.

Please be advised that, pursuant to State Law, any member of the public may address the Council concerning any item on the Agenda. Please be aware that Items on the Consent Calendar are considered to be routine and are normally enacted by one vote of the Council.

If you wish to speak on Items 3, 4, 5, or 6 please do so during Public Communications.

Regular City Council meetings are broadcast live on **Channel 23** in the Santa Ynez Valley, and stream live on the City's website at **www.cityofsolvang.com/City Council**

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATIONS

Mayor Richardson will present proclamations to Arleen Pelster and Danny Bence acknowledging their retirement and years of service to the City.

CITY MANAGERS REPORT

1. PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL

At this time, please direct comments to the City Council regarding Consent Calendar Items or matters NOT on the agenda but within the jurisdiction of the Council. (Speakers are limited to five (5) minutes).

2. COUNCIL COMMENTS AND REQUESTS

Comments and requests from City Council Members. No action will be taken at this meeting.

3. CORRESPONDENCE RECEIVED BY CITY COUNCIL

4. APPROVAL OF AGENDA AS PRESENTED

5. CITY COUNCIL MINUTES

Approval of Draft Minutes of November 14, 2016 City Council meeting (*Continued from November 28, 2016 meeting for clarification of Item 9 motion*)

Approval of Draft Minutes of November 28, 2016 City Council meeting

6. CONSENT AGENDA

- a. Approval of Warrant Register
- b. Approval of new Job Description for Senior Water Operator Position
- c. Santa Ynez Valley Transit Annual Operating Cost and Contract Amendment 1
 1. Approve Amendment 1 to the Santa Ynez Valley Transit operations contract with Roadrunner Management Services and authorize execution of the Amendment by the Mayor
- d. Award Professional Services Agreement for Compensation Study
 1. Authorize the City Manager to execute the Compensation Study Professional Services Agreement, between the City of Solvang and Regional Government Services Group (RGS) in substantial conformity with the attached draft, upon approval as to form by the City Attorney, in the amount of \$14,275.
- e. Award Construction Contract for Reservoir 2 Repair & Recoating Project, PW077
 1. Award a Construction Agreement with West Coast Industrial Coatings, Inc. in the amount of \$217,700 and authorize execution of the Agreement by the Mayor;
 2. Authorize the City Manager to execute any change orders if within the contingency amount of \$30,000; and
 3. Authorize the City Manager to execute Amendment with Cannon Corporation for project inspection services in the amount of \$28,900.
- f. Tajiguas Resource Recovery Project Revised Agreement
 1. Approval of the Revised Resource Recovery Project Material Delivery Commitment and Processing Services Agreement between the County of Santa Barbara and the City of Solvang.

REGULAR AGENDA

7. RESOLUTION ACCEPTING DECLARATION OF RESULTS OF THE GENERAL MUNICIPAL ELECTION HELD NOVEMBER 8, 2016

Adopt Resolution No. 16-___, a Resolution of the City Council of the City of Solvang reciting the facts of the General Municipal Election held on November 8, 2016.

8. PRESENTATION TO OUTGOING COUNCIL MEMBER EDWIN SKYTT

9. ADJOURNMENT OF 2016 COUNCIL

RECEPTION IN FOYER TO WELCOME RETURNING MAYOR RICHARDSON, RETURNING COUNCIL MEMBER HANS DUUS, AND NEW COUNCIL MEMBER RYAN TOUSSAINT, AND BID FAREWELL TO OUTGOING COUNCIL MEMBER SKYTT

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of Administrative Services at 688-5575 or the California Relay Service. Notification 48 hours prior to the meeting would enable the City to make reasonable arrangements to ensure accessibility to this meeting.



MINUTES OF THE REGULAR MEETING OF THE
SOLVANG CITY COUNCIL

Council Chambers
1644 Oak Street
Solvang, CA 93463

November 14, 2016
Monday
6:30 pm

CALL TO ORDER: Mayor for a Day Linda Johansen called the meeting to order at 6:30 p.m.

ROLL CALL:

PRESENT: Mayor Richardson, Council Members Duus, Jamieson, Skytt, and Zimmerman

STAFF: Brad Vidro, City Manager; Roy Hanley, City Attorney; Arleen T. Pelster, Planning & Economic Development Director; Matt van der Linden, Public Works Director; Lt. Shawn O'Grady; and Lisa S. Martin, City Clerk

PLEDGE OF ALLEGIANCE: Led by Mayor for a Day Johansen

Mayor Richardson returned to the dais.

CITY MANAGERS REPORT: Informational report only

1. **PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL**

Tracy Farhad, SCVB

- Tourism update
- Invited the Council and the public to the Marketing reception on November 17th at 10:00 a.m.
- Grand Marshals for Julefest are the Niensens

Fred Kovol, Solvang Resident

- Economic development focuses on businesses and tourism only, not on the residents
- Concerned about insufficient street lighting and lack of sidewalks on Alisal Road

Mark Oliver, Santa Ynez Valley Alliance

- Urged the City not to move forward with a sphere of influence change
- Not in the best interest of the City of Solvang
- Not consistent with the Santa Ynez Valley Community Plan (see pg. 210 of document), nor the City's General Plan

Bob Field, Citizen

- It is important to maintain the rural buffers between the Santa Ynez Valley communities
- The Council needs to be more explicit in their sphere of influence intentions, need a more complete story
- How does a potential annexation benefit the City, and who does it benefit

2. **COUNCIL REQUESTS**

None.

3. **CORRESPONDENCE RECEIVED BY COUNCIL**

No discussion – informational only.

4. **APPROVAL OF AGENDA AS PRESENTED**

No changes to the agenda.

5. **CITY COUNCIL MINUTES OF OCTOBER 24, 2016**

*Motion made by Council Member Skytt to approve the minutes as written, seconded by Council Member Duus, and **carried** with a verbal response of 5 ayes.*

6. **CONSENT AGENDA**

- a. Approval of Warrant Register
- b. Award Professional Services Agreement – Engineering Services for Mission Drive Intersection and Crosswalk Improvement Project
 1. Approve a Professional Services Agreement with LaChaine & Associates in the amount of \$48,000, and authorize execution of the Agreement by the Mayor; and
 2. Authorize the City Manager to execute contract amendments if within the contingency amount of \$8,000.
- c. Authorize the Mayor to execute the Agreement for Land Development Improvements for The Merkantile/Valley Plaza redevelopment project
- d. Adopt on Second Reading, by title only, an Amendment to Title 10, Chapter 1, Building Code Regulations, to add Regulations for Residential Short Term/Vacation Rentals
 1. Review proposed amendments to Title 10 of the Municipal Code, to amend Building Code Regulations for Short Term/Vacation Rentals; and
 2. Adopt on second reading, by title only, amendments to Title 10; and
 3. Accept the Exemption to the California Environmental Quality Act pursuant to CEQA Section 15061; or
 4. Provide alternate direction to staff.

Mayor Richardson pulled Item 6b for discussion.

Staff report by Matt van der Linden, Public Works Director. No changes to what Council approved other than one minor bulb-out added at Fourth and Mission as it lacked the necessary width.

Mayor Richardson opened Item 6b to public comment at 7:14 p.m.

Fred Kovol, Solvang Resident

- With this project, there is no way that Highway 246 can ever be widened

The item was closed to public comment at 7:15 p.m.

*Motion to approve the Consent Agenda made by Council Member Duus, seconded by Council Member Jamieson, and **carried** with a roll call vote of 5 ayes.*

REGULAR AGENDA

7. FIRST READING OF PROPOSED AMENDMENT TO BUILDING CODE REGULATIONS, TITLES 10 AND 11 OF THE MUNICIPAL CODE, TO ADOPT AND AMEND THE LATEST EDITIONS OF THE CALIFORNIA BUILDING STANDARD CODES AND ESTABLISH SPECIAL PERMIT PROCESSING FOR RESIDENTIAL ROOFTOP SOLAR SYSTEMS AND ELECTRIC VEHICLE CHARGING STATIONS

Staff report by Bryan Spain, Contract Building Official. The changes to these California Building Codes are more in line with the International Building Codes.

Council Member Duus asked what changes are proposed to the Title 24 Energy Codes.

Bryan Spain responded that the energy codes will be more strict, approximately 20% tighter as far as building envelope requirements.

Mayor Richardson inquired as to whether it was a requirement for us to follow the California Codes.

Bryan Spain indicated that local jurisdictions can adopt minor changes due to climatic, topographic or site environment applicable to the area.

City Attorney Hanley added that we don't have the ability to find special circumstances to loosen the California codes.

Council Member Skytt asked if there is anything in the codes yet regarding hydrogen fueling stations. Bryan Spain answered that nothing is yet required by code.

Council Member Jamieson asked about ground mount solar systems. Bryan Spain confirmed that ground mounted solar is allowed to be permitted however it would not receive the special permit processing as they include a structural element.

Mayor Richardson opened the item to public comment at 7:24 p.m.

Fred Kovol, Solvang Resident

- Questions on the proposed building codes and associated ordinance

The item was closed to public comment at 7:27 p.m.

*Motion made by Council Member Skytt to approve the staff recommendation and adopt Resolution 16-1001, seconded by Council Member Duus, and **carried** with a roll call vote of 5-0.*

8. INTRODUCTION FOR FIRST READING BY TITLE ONLY, AN AMENDMENT TO TITLE 9, CHAPTER 2 REVISING THE SEWER CODE TO ADD RESIDENTIAL WATER SOFTENER RESTRICTIONS

Staff report by Matt van der Linden, Public Works Director. Requiring these high efficiency dual tank units should reduce our TDS levels by 20-30%.

Council Member Skytt asked how long these high efficiency water softener units have been available. Staff responded that they have been available since 2009.

Council Member Skytt also inquired if the Santa Ynez Community Services District is required to meet our requirements for their wastewater discharge. Matt van der Linden responded affirmatively, as our agreement with them requires that they meet our standards.

Council Member Zimmerman questioned whether we have a gauge on how SYCSD's discharge levels compare to ours. Staff answered that in previous reports, their discharge is slightly lower in TDS's.

Matt van der Linden explained that if we implement the wellhead treatment, we could require that their discharge meet the same TDS level as our discharge.

Mayor Richardson discussed that he had researched dual tank softener units and could find no evidence that they reduced the salt discharge, only that they more efficiently utilized water. Matt van der Linden indicated that typical softeners regenerate too early, using more salt.

Mayor Richardson commented that he doesn't see any language regarding existing systems being grandfathered in, and discussed the Wellhead Treatment Study. Does not want to spend \$20,000 on a study that's going to come back with a cost of millions of dollars to implement well head treatment, when we are not going to spend millions to do so. Would rather the City use the \$20,000 for customer rebates to upgrade to the more efficient systems.

Council Member Zimmerman noted that it might be money well spent now to determine the actual cost of treating/softening the water at the wellhead.

Council Member Duus added that with all of the Federal and State regulations, we could be forced to treat the water within a few years anyway.

Council Member Skytt discussed that if the State implements new regulations there will be many cities trying to prepare these studies at the same time and therefore the cost for the study will be more. The timing is better now. He also did some research and did find the State codes that refer to the requirements that staff have proposed in the ordinance.

Mayor Richardson disagreed, seeing no advantage to performing the study now if inflation, etc. will cause the costs to go up if we don't do the project right away.

City Attorney Hanley discussed that the proposed requirements will at least show the Regional Water Quality Control Board that we are taking an incremental step to correct the TDS levels. The study also shows goodwill.

Mayor Richardson opened the item to public comment at 8:12 p.m.

Fred Kovol, Solvang Resident

- In the minutes of the September 12, 2016 meeting you made three mandates, now you are going in the opposite direction
- Next year there will be mandates for nitrates and ammonia
- TDS levels have been exceeding the allowable for several years

The item was closed to public comment at 8:19 p.m.

Council Member Jamieson stated that we need to take action on this.

Motion made by Council Member Duus to approve the budget adjustment of \$20,000 for the Wellhead Water Treatment Study, seconded by Council Member Jamieson, and **carried** with a roll call vote of 5-0.

Council Member Duus doesn't like the January 2019 date if we are making progress on the wellhead treatment. Would like the date changed to 2022. Would also like the language changed to clarify that we are requiring portable exchange tanks systems or high efficiency water softening units with an efficiency rating of not less than 4,000 grains of hardness removed per pound of salt used in regeneration, not necessarily dual tank systems.

City Attorney Hanley indicated that the words "dual tank" and "dual" (as relating to a sensor system) could be removed.

***Motion** made by Council Member Skytt to approve the first reading of Ordinance No. 16-___ with the verbiage changes to paragraph B and a date change to 2022, seconded by Council Member Duus, and **carried** with a roll call vote of 5-0.*

9. CITY SIDEWALK MASTER PLAN 2016 UPDATE – FINAL DRAFT

Council Member Skytt inquires of the City Attorney whether he needs to step down if his property is within 500 feet of a citywide project. City Attorney Hanley responds that if the decision affects the public in the same way that it affects the council member, then there is no conflict.

Staff report by Matt van der Linden, Public Works Director.

Mayor Richardson opened the item to public comment at 9:00 p.m.

Fred Kovol, Solvang Resident

- Discussed the need for sidewalks on Fir Avenue and Alisal Road.

The item was closed to public comment at 9:04 p.m.

Council Member Duus lives in the area and is in full agreement with the red, Priority 1 sidewalks due to kids needing a safe route to school. Possibly we could split the yellow, Priority 2 sidewalks into more and less critical, create a Priority 3.

Council Member Zimmerman questioned if the timeline for Priority 1 sidewalks was ten years. Staff answered affirmatively. Council Member Zimmerman indicated that a ten year timeline didn't sound like a "priority."

Council Member Skytt led discussion regarding sidewalks on Elm, Laurel Ave, and Second Place.

Council Member Duus agreed that down the hill on Laurel to the school should be a Priority 1.

Council Member Jamieson questioned how we have the room on Fifth Street to add a sidewalk, especially with the hotel parking. Matt van der Linden responded that it's very close, but doable. The final engineering will be brought back before Council.

Council Member Duus would like to take the money from Elm, Fourth, and western Laurel, where there are already sidewalks on one side of the street, and see how far it gets us on engineering the stretch of Laurel between Second and Alisal.

***Motion** made by Council Member Duus to move Elm, Fourth, and western Laurel to Priority 3 and to upgrade eastern Laurel Avenue between Second and Alisal and Alisal Road from Maple to Laurel and Laurel to Eucalyptus to Priority 1, seconded by Council Member Skytt, and **carried** with a roll call vote of 4-1 with Council Member Zimmerman voting No.*

10. FISCAL YEAR 2015-16 FINANCIAL REVIEW

Staff report by Sandra Featherson, Administrative Services Director.

Mayor Richardson opened the item to public comment at 9:52 p.m.

Fred Kovol, Solvang Resident

- Item should have been first on the regular agenda

The item was closed to public comment at 9:54 p.m.

There was Council consensus to accept the report.

11. COUNCIL MEMBER REPORTS (Oral reports: Each Council Member will give oral reports on their activities in relation to the following committee or agencies. In addition, each member may report on items that will be included on the agenda for such committee or agency and seek guidance from the Council as a whole on such items, including on what position to take on behalf of the City)

- Santa Barbara County Association of Governments
- Air Pollution Control Board
- Finance Committee
- Joint Wastewater Committee
- Chumash Tribe
- Water Committee
- Indian Gaming Benefit Committee
- California Joint Powers Insurance Authority

None.

12. ADVANCE CALENDAR

Information only, no action.

13. CLOSED SESSION

No reportable action.

14. ADJOURNMENT Mayor Richardson adjourned the City Council meeting at 10:27 p.m.



MINUTES OF THE REGULAR MEETING OF THE
SOLVANG CITY COUNCIL

Council Chambers
1644 Oak Street
Solvang, CA 93463

November 28, 2016
Monday
6:30 pm

CALL TO ORDER: Mayor Richardson called the meeting to order at 6:30 p.m.

ROLL CALL:

PRESENT: Mayor Richardson, Council Members Duus, Jamieson, Skytt, and Zimmerman

STAFF: Brad Vidro, City Manager; Roy Hanley, City Attorney; Arleen T. Pelster, Planning & Economic Development Director; Matt van der Linden, Public Works Director; Lt. Shawn O'Grady; and Lisa S. Martin, City Clerk

PLEDGE OF ALLEGIANCE: Led by Council Member Zimmerman

CITY MANAGERS REPORT: Informational report only

1. **PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL**

Tracy Beard, Solvang Chamber of Commerce

- Gave update on the Energywatch partnership with PG&E

Dave Cross, SB County Energywatch Partnership

- Provided a grant worth \$7,500 to the City of Solvang for lighting upgrades
- Acknowledged the business outreach performed by the Chamber

Fred Kovol, Solvang Resident

- Discussed his desired change to the draft Minutes of the November 14, 2016 City Council meeting minutes regarding the Sidewalk Master Plan motion (Item 9).

2. **COUNCIL REQUESTS**

Council Member Jamieson requested that Brown Act and Ethics trainings be added to the agenda in January.

3. **CORRESPONDENCE RECEIVED BY COUNCIL**

No discussion – informational only.

4. **APPROVAL OF AGENDA AS PRESENTED**

No changes to the agenda.

5. **CITY COUNCIL MINUTES OF NOVEMBER 14, 2016**

Council Member Duus reiterated his position on the motion related to the sidewalk master plan. Public Works Director van der Linden discussed his understanding of the Council's motion.

*Motion made by Council Member Jamieson to continue the minutes to the meeting of November 28, 2016 for clarification of the Motion for Item 9, seconded by Council Member Skytt, and **carried** with a verbal response of 5 ayes.*

6. **CONSENT AGENDA**

- a. Receive and file Sheriff's Department report for October 2016
- b. Receive and file VisitSYV 2016 3rd Quarter Report
- c. Ordinance Amendment to Title 9, Chapter 2 of the Municipal Code to add Residential Water Softener Restrictions
 1. Adopt on second reading, by title only, Ordinance No. 16-_____, an Ordinance of the City of Solvang revising the Sewer Code
- d. Recognize and accept the generous monetary donations to the Solvang Parks and Recreation Department Halloween Haunted House from Santa Ynez Valley Youth Recreation, John and Teri Harmon, and the Sheriff's Benevolent Posse
- e. Ordinance Amendment to Titles 10 and 11 of the Municipal Code, Building Code Regulations, to adopt and amend the latest editions of the California Building Standards Code and establish Special Permit Processing for Residential Rooftop Solar Systems and Electric Vehicle Charging Stations
- f. Adopt on second reading, by title only, Ordinance No. 16-_____, an Ordinance of the City Council of the City of Solvang amending Titles 10 and 11 of the Solvang Municipal Code to adopt and amend the latest editions of the Constituent Codes of the California Building Standards Code and adopt findings of facts to support the imposition of requirements other than the requirements established by or pursuant to the California Building Standards Code, and establish special permit processing for small residential rooftop solar energy systems and electric vehicle charging stations;
- g. Accept the Exemption to the California Environmental Quality Act pursuant to CEQA Section 15061

Mayor Richardson pulled Item 6d to acknowledge the donors. Council Members Jamieson and Duus also acknowledged the work of the Parks & Recreation staff and volunteers who do an excellent job of putting this together each year.

*Motion to approve the Consent Agenda made by Council Member Skytt, seconded by Council Member Duus, and **carried** with a roll call vote of 5 ayes.*

REGULAR AGENDA

7. STORMWATER MANAGEMENT PROGRAM ANNUAL REPORT

Staff report by Matt van der Linden, Public Works Director.

Mayor Richardson inquired as to how the stormwater samples are taken. Staff responded that samples are taken from gutters in residential areas during a storm event. The samples are used to create a pollutant model.

Council Member Duus questioned the Trash Amendment, specifically what constitutes “trash.” Staff replied that anything over ¼” in diameter is considered trash. Council Member Duus asked if that would include leaves from trees? Matt van der Linden confirmed, and agreed that the regulations were sometimes frustrating.

Mayor Richardson asked if the trash amendment was a State requirement? Matt van der Linden responded that it was. A letter was sent to us from the State Regional Water Quality Control Board letting us know the new regulations were coming. The trash amendment is not expected to be effective until next year when our permit is renewed.

City Attorney Hanley discussed litigation regarding unfunded mandates.

Council Member Skytt posed the question of whether oil and rubber from roadways was part of the trash amendment. Matt van der Linden stated that it was not part of that amendment, although it is definitely included as part of our stormwater permit regulations.

Mayor Richardson opened the item to public comment at 7:13 p.m.

Fred Kovol, Solvang Resident

- There are 218 pages of requirements
- Concerned with the cost, control, and reporting and who is going to pay for all of it

The item was closed to public comment at 7:15 p.m.

Matt van der Linden indicated that these were not only State, but Federal regulations, and that cities all across the US are struggling with this issue.

There was consensus to receive and file the annual Storm Water Management report.

8. TAJIGUAS RESOURCE RECOVERY PROJECT AGREEMENT

Staff report by Brad Vidro, City Manager. Implementation could result in about \$5 more per trash customer.

Mayor Richardson inquired if we would now bypass the Foxen Canyon facility. Brad Vidro responded that we use Waste Management who doesn't utilize the Foxen Canyon transfer station. Our franchise agreement with Waste Management indicates that our waste goes to the Tajiguas facility, and our recyclables go to the Santa Maria facility.

Council Member Duus asked if the higher cost was essentially a “picking and sorting” fee. Staff answered that it was, and that the cost would be paid by the customer, not directly by the City.

Mayor Richardson opened the item to public comment at 7:29 p.m.

Fred Kovol, Solvang Resident

- The costs projected do not account for any parcels the City might annex

The item was closed to public comment at 7:31 p.m.

Council Member Skytt stated we are not binding Waste Management to this agreement, we are binding the City to it, and whatever franchise we use. It is a good solution for the County.

Council Member Jamieson inquired how Solvang has done as far as trash reduction. City Manager Vidro indicated that we have met our diversion rate requirement.

Council Member Zimmerman asked if there a cap to what the rate payers could be forced to pay.

Mark Schleich, County of Santa Barbara Public Works/Solid Waste Director discussed the due diligence they have done in regards to the cost and that there are limits in the agreement as to what they can charge, or increase per year.

Roy Hanley added that the agreement also has language that it cannot be changed without the majority of the parties agreeing on the new terms.

***Motion** made by Council Member Skytt to approve the staff recommendation and the City Attorney's recommendation to authorize the City Manager to approve minor changes to the agreement, seconded by Council Member Duus, and **carried** with a roll call vote of 5-0.*

9. METHOD FOR RESOLVING A TIE VOTE IN THE CITY COUNCIL ELECTION

Staff report by Brad Vidro, City Manager. Looking for a process of resolving a tie by lot. The method must be a non-skill game of chance.

Mayor Richardson spelled out his opinion of choosing a number between 10 and 30. The candidate who chooses the number closest to the number drawn by the outgoing Council Member prior to the beginning of the Council meeting, without going over, would be the winner.

City Council Candidate Karen Waite spoke as to her desire that the race not be decided by the flip of a coin, and discussed the possibility of a recount.

Mayor Richardson opened the item to public comment at 7:47 p.m.

Fred Kovol, Solvang Resident

- Commented on a potential recount

Council Member Duus stated that he would not request a recount even if he were only 2 votes apart, and agreed that the most impartial method would be a number draw.

Council Member Skytt inquired what the status of the City Council would be if a recount was requested by a candidate.

City Attorney Hanley responded that the existing Council would remain until the recount was completed by the County.

The item was closed to public comment at 7:59 p.m.

*Motion made by Council Member Duus to approve the picking of numbers as the method of tie resolution with the candidates drawings numbers between 10 and 30 prior to the beginning of the City Council meeting, the outgoing Council Member drawing a number during the Council meeting, and the candidate coming the closest to the number without going over declared as the winner, and seconded by Council Member Jamieson, and **carried** with a roll call vote of 5-0.*

10. COUNCIL MEMBER REPORTS (Oral reports: Each Council Member will give oral reports on their activities in relation to the following committee or agencies. In addition, each member may report on items that will be included on the agenda for such committee or agency and seek guidance from the Council as a whole on such items, including on what position to take on behalf of the City)

- Santa Barbara County Association of Governments
Mayor Richardson commented on the status of the 101 freeway and added that there would be no December SBCAG meeting.
- Air Pollution Control Board
- Finance Committee
- Joint Wastewater Committee
- Chumash Tribe
- Water Committee
- Indian Gaming Benefit Committee
- California Joint Powers Insurance Authority

11. ADVANCE CALENDAR

Information only, no action.

12. CLOSED SESSION

Government Code Section 54956.8 – Real Property Negotiation regarding Parcel Number 139-540-064 as to price and terms, with owner Bella Vista SYV, LLC.

No reportable action.

13. ADJOURNMENT Mayor Richardson adjourned the City Council meeting at 8:43 p.m.



City of Solvang

City of Solvang Warrant Register

By Check Number

Date Range: 11/01/2016 - 11/30/2016

Number	Payment Date	Vendor Number	Vendor Name	Payment Type	Payment Amount
Payable #	Payable Type	Payable Date	Payable Description	Payable Amount	
Bank Code: APBNK-AP Bank Code					
10009	California Code Check, Inc.		11/07/2016 EFT	0.00	4,400.00 1530
SLVG16-23	Invoice	10/21/2016	Code Check	0.00	4,400.00
11008	Carrs Boots & Western Wear		11/07/2016 EFT	0.00	130.00 1531
183	Invoice	10/12/2016	Nathan Giacinto boots	0.00	130.00
10195	City of Lompoc Finance Dept.		11/07/2016 EFT	0.00	1,686.66 1532
96073	Invoice	10/24/2016	Gail Ocheltree fingerprinting	0.00	20.00
96074	Invoice	10/24/2016	Wine Country Express	0.00	1,666.66
10797	Engel & Gray		11/07/2016 EFT	0.00	1,044.24 1533
17265	Invoice	10/03/2016	Annual po for sludge disposal	0.00	524.53
17297	Invoice	10/06/2016	Annual po for sludge disposal	0.00	519.71
10028	Hanley & Fleishman, LLP		11/07/2016 EFT	0.00	6,600.00 1534
2760	Invoice	11/01/2016	Legal services	0.00	6,600.00
10224	Christophe Millner		11/07/2016 EFT	0.00	155.40 1535
10/28/16	Invoice	10/28/2016	Kung Fu Instructor	0.00	155.40
10034	ReadyRefresh by Nestle		11/07/2016 EFT	0.00	110.00 1536
16J0018038034	Invoice	10/26/2016	Drinking water for WWTP	0.00	110.00
10790	Polydyne, Inc		11/07/2016 EFT	0.00	1,146.96 1537
1087263	Invoice	10/27/2016	Annal PO for Polydyne	0.00	1,146.96
10723	Procure Janitorial Supply, Inc		11/07/2016 EFT	0.00	1,302.90 1538
104790	Invoice	10/20/2016	Restroom 2	0.00	409.86
104944	Invoice	10/27/2016	Restroom 1	0.00	330.05
104945	Invoice	10/27/2016	Restroom 3	0.00	274.85
104946	Invoice	10/27/2016	Streets	0.00	288.14
11150	Sprint Communications Company		11/07/2016 EFT	0.00	37.59 1539
1930 10/16	Invoice	10/19/2016	Acc# 921051930	0.00	37.59
10613	Advantage Group, The		11/14/2016 EFT	0.00	170.00 1540
94706	Invoice	10/31/2016	Flex Administration/Processing Oct 2016	0.00	170.00
10823	Atco International		11/14/2016 EFT	0.00	94.00 1541
10472725	Invoice	10/28/2016	Supplies	0.00	94.00
10009	California Code Check, Inc.		11/14/2016 EFT	0.00	1,627.50 1542
osSLV16-22	Invoice	11/03/2016	Building Inspector 10/14-10/27/16	0.00	1,627.50
10057	FGL Environmental, Inc.		11/14/2016 EFT	0.00	240.00 1543
611271A	Invoice	10/11/2016	Bacti Analysis - Colilert	0.00	40.00
611543A	Invoice	10/13/2016	Bacti Analysis- Quanti Tray Colilert	0.00	40.00
611544A	Invoice	10/13/2016	Bacti Analysis- Colilert	0.00	40.00
611839A	Invoice	10/20/2016	Bacti Analysis Colilert	0.00	40.00
612231A	Invoice	11/08/2016	Bacti Analysis-Colilert	0.00	40.00
612592A	Invoice	10/29/2016	Bacti Analysis Colilert	0.00	40.00
10303	McMaster-Carr Supply Company		11/14/2016 EFT	0.00	202.90 1544
86359431	Invoice	10/31/2016	Light Dimmer	0.00	59.68
86551017	Invoice	11/01/2016	Light Dimmer	0.00	23.67
86826890	Invoice	11/03/2016	Light Dimmer	0.00	119.55
10885	Moore & Associates, Inc.		11/14/2016 EFT	0.00	6,636.16 1545

City of Solvang Warrant Register

Date Range: 11/01/2016 - 11/30/2016

Number	Payment Date	Vendor Number	Vendor Name	Payment Type	Payment Amount
Payable #	Payable Type	Payable Date	Payable Description		Payable Amount
16:3738	Invoice	11/02/2016	SYVT Marketing	0.00	1,824.66
16:3739	Invoice	11/02/2016	SYVT Professional Mgmt Services	0.00	4,811.50
10975	O'Reilly Automotive Stores, Inc. dba O'Reilly Auto	11/14/2016	EFT	0.00	59.38 1546
4372-290547	Invoice	10/28/2016	security kit	0.00	59.38
10790	Polydyne, Inc	11/14/2016	EFT	0.00	1,146.96 1547
1089277	Invoice	11/02/2016	Annal PO for Polydyne	0.00	1,146.96
10723	Procure Janitorial Supply, Inc	11/14/2016	EFT	0.00	844.74 1548
105028	Invoice	11/02/2016	Annex Janitorial Supplies	0.00	150.23
105029	Invoice	11/02/2016	City Hall Janitorial Supplies	0.00	112.56
105030	Invoice	11/02/2016	Vets Hall Janitorial Supplies	0.00	261.66
105030-1	Invoice	11/04/2016	Vets Hall Janitorial Supplies	0.00	14.00
105042	Invoice	11/02/2016	Restroom 2 Janitorial Supplies	0.00	306.29
11320	Rafael Ruiz Janitor Service	11/14/2016	EFT	0.00	2,410.00 1549
0818	Invoice	11/07/2016	custodial	0.00	2,410.00
10281	Satcom Global FZE	11/14/2016	EFT	0.00	42.75 1550
AS11160501	Invoice	11/01/2016	SIM Card	0.00	42.75
10478	Statewide Traffic Safety and Signs, Inc	11/14/2016	EFT	0.00	81.62 1551
03005141	Invoice	11/03/2016	Paint Gun Repair	0.00	81.62
11182	Underground Service Alert of Southern California	11/14/2016	EFT	0.00	57.00 1552
10201684	Invoice	11/01/2016	38 New Tickets	0.00	57.00
10686	ZWorld GIS	11/14/2016	EFT	0.00	832.65 1553
10686	Invoice	11/01/2016	GIS Maint. & Updates	0.00	832.65
10151	B & B Steel & Supply of Santa Maria, Inc.	11/21/2016	EFT	0.00	210.60 1554
520435	Invoice	11/08/2016	Rec Small Equipment	0.00	210.60
10170	Buellton Medical Center	11/21/2016	EFT	0.00	435.00 1555
11/09/16	Invoice	11/09/2016	Pre employment Physicals	0.00	435.00
10076	Cannon Associates	11/21/2016	EFT	0.00	5,095.30 1556
62331	Invoice	10/31/2016	Reservoir 2 Repairs & Recoating - Engrg Work	0.00	5,095.30
10797	Engel & Gray	11/21/2016	EFT	0.00	2,061.85 1557
0000017358	Invoice	10/12/2016	Annual po for sludge disposal	0.00	540.32
0000017405	Invoice	10/17/2016	Annual po for sludge disposal	0.00	510.52
0000017415	Invoice	10/19/2016	Annual po for sludge disposal	0.00	501.41
0000017439	Invoice	10/20/2016	Annual po for sludge disposal	0.00	509.60
10611	Farm Supply Co	11/21/2016	EFT	0.00	31.32 1558
21416	Invoice	11/11/2016	Keith Cote Uniform	0.00	31.32
10276	Infosend, Inc	11/21/2016	EFT	0.00	1,027.33 1559
112764	Invoice	10/31/2016	Utility Bill Printing and Distribution	0.00	1,027.33
10224	Christophe Millner	11/21/2016	EFT	0.00	118.30 1560
11/14/16	Invoice	11/14/2016	Kung Fu Instruction	0.00	118.30
10790	Polydyne, Inc	11/21/2016	EFT	0.00	573.48 1561
1090636	Invoice	11/09/2016	Chemicals-Water	0.00	573.48
10723	Procure Janitorial Supply, Inc	11/21/2016	EFT	0.00	1,904.18 1562
105175	Invoice	11/09/2016	Waste Water-Janitorial Supplies	0.00	72.90
105176	Invoice	11/09/2016	Waste Water Janitorial Supplies	0.00	83.46
105288	Invoice	11/11/2016	Restroom 2 Janitorial Supplies	0.00	414.18
105289	Invoice	11/11/2016	Restroom 2 Janitorial Supplies	0.00	297.23
105313	Invoice	11/11/2016	Restroom 1 Janitorial Supplies	0.00	384.61
105314	Invoice	11/11/2016	Restroom 3 Janitorial Supplies	0.00	368.24

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Date Range: 11/01/2016 - 11/30/2016

Number	Payment Date	Vendor Number	Vendor Name	Payment Type	Payment Amount
Payable #	Payable Type	Payable Date	Payable Description		Payable Amount
105315	Invoice	11/11/2016	Roads Supplies	0.00	283.56
91257	Richardson, Jim		11/21/2016 EFT	0.00	46.38 1563
INV0003972	Invoice	10/22/2016	SBCAG Board Meeting	0.00	46.38
10902	Staples Advantage		11/21/2016 EFT	0.00	35.00 1564
8041549516	Invoice	10/22/2016	Admin Supplies	0.00	43.27
8041661344	Credit Memo	10/29/2016	Return of Product	0.00	-8.27
11257	Aramark Uniform Service		11/28/2016 EFT	0.00	306.80 1565
000531921841	Invoice	10/17/2016	Mats and towels	0.00	306.80
10151	B & B Steel & Supply of Santa Maria, Inc.		11/28/2016 EFT	0.00	46.98 1566
520434	Invoice	11/08/2016	Supplies Maint Dept	0.00	46.98
11281	Battery Systems		11/28/2016 EFT	0.00	53.98 1567
3765554	Invoice	11/17/2016	Batteries-Transit	0.00	53.98
10009	California Code Check, Inc.		11/28/2016 EFT	0.00	4,317.50 1568
SLV16-22	Invoice	10/21/2016	Code Checks	0.00	2,695.00
SLV16-24	Invoice	11/01/2016	Code Checks	0.00	1,622.50
10981	D.L. Electric Inc.		11/28/2016 EFT	0.00	3,284.00 1569
16-699	Invoice	11/17/2016	Reservoir #1 Compressor & Circuit Breaker ...	0.00	3,284.00
10797	Engel & Gray		11/28/2016 EFT	0.00	1,565.35 1570
0000017476	Invoice	10/24/2016	Annual po for sludge disposal	0.00	528.36
0000017500	Invoice	10/26/2016	Annual po for sludge disposal	0.00	505.11
0000017534	Invoice	10/31/2016	Annual po for sludge disposal	0.00	531.88
10611	Farm Supply Co		11/28/2016 EFT	0.00	210.33 1571
21566	Invoice	11/21/2016	Cody Uhrig Uniform	0.00	210.33
11210	Hach Company		11/28/2016 EFT	0.00	379.19 1572
10192457	Invoice	11/14/2016	Chlorine	0.00	379.19
10549	Level 3 Communications		11/28/2016 EFT	0.00	856.40 1573
48877244	Invoice	11/17/2016	T-1 line	0.00	856.40
10224	Christophe Millner		11/28/2016 EFT	0.00	263.90 1574
11/17/16	Invoice	11/17/2016	Kung Fu	0.00	263.90
90014	Neill Zimmerman		11/28/2016 EFT	0.00	1,578.73 1575
110816	Invoice	11/08/2016	LOCC Annual Conference	0.00	1,578.73
10790	Polydyne, Inc		11/28/2016 EFT	0.00	573.48 1576
1091647	Invoice	11/14/2016	Annal PO for Polydyne	0.00	573.48
10142	SP Maintenance Services, Inc		11/28/2016 EFT	0.00	3,000.00 1577
59651	Invoice	11/08/2016	Street Sweeping	0.00	3,000.00
10902	Staples Advantage		11/28/2016 EFT	0.00	78.28 1578
3320742789	Invoice	11/05/2016	Admin Office Supplies	0.00	40.21
3320742790	Invoice	11/22/2016	Admin Office Supplies	0.00	38.07
10478	Statewide Traffic Safety and Signs, Inc		11/28/2016 EFT	0.00	2,471.60 1579
03005253	Invoice	11/15/2016	Updated and correct school street signs	0.00	2,471.60
10337	Visit the Santa Ynez Valley		11/28/2016 EFT	0.00	37,755.21 1580
INV0004021	Invoice	11/17/2016	SYVTBID-Sept 2016(Oct pymts)	0.00	37,755.21
10042	Western Exterminator Company		11/28/2016 EFT	0.00	82.25 1581
4596150	Invoice	10/31/2016	Vets Memorial Bldg Oct Bill	0.00	82.25
11320	Rafael Ruiz Janitor Service		11/30/2016 EFT	0.00	2,480.00 1582
0824	Invoice	11/29/2016	Custodial	0.00	2,480.00

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Date Range: 11/01/2016 - 11/30/2016

Number	Payment Date	Vendor Number	Vendor Name	Payment Type	Payment Amount
Payable #	Payable Type	Payable Date	Payable Description	Payable Amount	
51075	Jeff Rio Memorial Fund		11/01/2016 Regular	0.00	100.00 33777
INV0003902	Invoice	11/01/2016	for Carl Rio donation memorial fund	0.00	100.00
90025	Kristin Rubin		11/07/2016 Regular	0.00	225.84 33782
INV0003903	Invoice	11/01/2016	Tyler Users Group reimbursement	0.00	225.84
10027	Lompoc Excel Personnel Svs Inc		11/07/2016 Regular	0.00	1,237.33 33783
2092176	Invoice	10/20/2016	Gail Ocheltree & Heidi Serbus	0.00	1,237.33
10046	Lunde's Solvang Auto Repair		11/07/2016 Regular	0.00	515.89 33784
006315	Invoice	10/24/2016	Truck 610 Smog Inspection	0.00	355.72
006359	Invoice	10/24/2016	Advenger Smog Inspection	0.00	160.17
10607	Miller Event Management		11/07/2016 Regular	0.00	765.00 33785
102916	Invoice	10/26/2016	Vets Hall Security Veronica Zarate 10/29/16	0.00	765.00
11128	Nielsen Building Material		11/07/2016 Regular	0.00	40.64 33786
532924	Invoice	10/24/2016	Sunny Fields Repairs & Maintenance	0.00	22.01
534287	Invoice	10/31/2016	Repairs & Maintenance	0.00	18.63
11187	Nu-Tech Pest Management		11/07/2016 Regular	0.00	125.00 33787
0122469	Invoice	10/14/2016	Sunnyfields Gophers	0.00	125.00
10299	Praxair Distribution, Inc.		11/07/2016 Regular	0.00	70.13 33788
74741181	Invoice	10/23/2016	Industrial Acetylene & Co2	0.00	70.13
10004	Santa Barbara Co Sheriff Dept		11/07/2016 Regular	0.00	4,067.26 33789
17-089	Invoice	10/25/2016	Court Case and Security	0.00	2,579.29
17-111	Invoice	10/28/2016	Late Report & Vets hall Security	0.00	1,487.97
11179	Todd Pipe & Supply		11/07/2016 Regular	0.00	13.24 33790
326665	Invoice	10/25/2016	Repairs & Maintenance	0.00	13.24
10992	Tyler Technologies, Inc		11/07/2016 Regular	0.00	40.00 33791
025-171872	Invoice	11/01/2016	Utility Billing online	0.00	40.00
10872	Verizon Wireless Services, LLC		11/07/2016 Regular	0.00	198.92 33792
9773934833	Invoice	10/19/2016	Wireless Billing Sept. 20 - Oct. 19, 2016	0.00	198.92
10700	Mr. Rooter Plumbing of the Central Coast		11/14/2016 Regular	0.00	147.31 33798
28415	Invoice	11/03/2016	Toilet Part	0.00	147.31
10605	805 Signs		11/14/2016 Regular	0.00	730.00 33799
16-288 DEP	Invoice	11/02/2016	Utility Box Wrapping Deposit	0.00	730.00
10531	Berry General Engineering Contractors, Inc		11/14/2016 Regular	0.00	22,437.52 33800
6749	Invoice	10/07/2016	FY2016-17 Pavement Maintenance	0.00	1,116.00
6750	Invoice	10/08/2016	FY2016-17 Pavement Maintenance	0.00	21,321.52
10082	BPR, Inc		11/14/2016 Regular	0.00	15,142.50 33801
20161027	Invoice	10/27/2016	Sidewalk grinding	0.00	15,142.50
10073	Buellflat Rock Co, Inc		11/14/2016 Regular	0.00	1,131.94 33802
2016-0852	Invoice	10/26/2016	Truck Fuel	0.00	936.30
93275	Invoice	10/31/2016	Concrete Sand/FillDirt/Cold Mix	0.00	195.64
10070	Cal-Coast Irrigation		11/14/2016 Regular	0.00	126.84 33803
770386	Invoice	10/19/2016	bushing	0.00	5.71
770540	Invoice	11/02/2016	Ball Valve	0.00	86.21
770541	Invoice	11/02/2016	pipe wrap	0.00	34.92
10587	Cushman Contracting "Escrow"		11/14/2016 Regular	0.00	11,502.97 33804
3	Invoice	10/20/2016	Escrow Acct Alisal Bridge Proj #3	0.00	11,502.97
10037	Cushman Contracting Corp.		11/14/2016 Regular	0.00	218,556.50 33805

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Number	Payment Date	Vendor Number	Vendor Name	Payment Type	Payment Amount
Payable #	Payable Type	Payable Date	Payable Description		Payable Amount
3	Invoice	10/20/2016	Alisal Bridge Seismic Retrofit Project	0.00	218,556.50
10467	DellaValle Embroidery		11/14/2016 Regular	0.00	695.94 33806
1297	Invoice	10/28/2016	Frank Pacheco Uniform	0.00	230.14
1299	Invoice	10/29/2016	Maint. Logo Set up	0.00	125.00
1300	Invoice	11/02/2016	Parks and Rec Set up Fee	0.00	125.00
1301	Invoice	11/02/2016	Ray Cano Uniform	0.00	147.76
1302	Invoice	11/02/2016	Mike Garley Uniform	0.00	68.04
11233	Department of Justice		11/14/2016 Regular	0.00	405.00 33807
198947	Invoice	11/02/2016	Fingerprinting	0.00	405.00
11145	Ferguson Enterprises, Inc		11/14/2016 Regular	0.00	199.56 33808
3971340	Invoice	11/03/2016	Supplies	0.00	199.56
11365	Frontier Communications		11/14/2016 Regular	0.00	105.26 33809
2900 10/16	Invoice	11/21/2016	ACC# 805-688-2900-110481-5	0.00	48.62
7459 10/16	Invoice	11/18/2016	ACC#805-688-7459-060995-5	0.00	56.64
10286	G.J. Jedlicka's Saddlery Inc.		11/14/2016 Regular	0.00	43.72 33810
168013	Invoice	10/31/2016	Jorge Garcia Uniform	0.00	43.72
11237	Hanly General Engineering Corp		11/14/2016 Regular	0.00	69,875.00 33811
1473	Invoice	10/26/2016	Construct Hatch over wet well at Fjord lift	0.00	15,875.00
1474	Invoice	10/26/2016	Fredensborg Roadway & Waterline Work	0.00	54,000.00
10081	Harrison Hardware		11/14/2016 Regular	0.00	90.15 33812
360567	Invoice	10/18/2016	Supplies	0.00	63.78
360744	Invoice	10/20/2016	Irrigation Supplies	0.00	8.28
361002	Invoice	10/24/2016	irrigation supplies	0.00	7.30
361093	Invoice	10/25/2016	Supplies-Batteries	0.00	10.79
10083	Inner Nature		11/14/2016 Regular	0.00	2,100.00 33813
11139	Invoice	10/31/2016	City planters	0.00	2,100.00
11121	Jones & Jones, LLP		11/14/2016 Regular	0.00	1,035.00 33814
10	Invoice	11/02/2016	Fire Dept Building Addition	0.00	1,035.00
10027	Lompoc Excel Personnel Svs Inc		11/14/2016 Regular	0.00	1,919.37 33815
2097742	Invoice	10/27/2016	Gail Ocheltree / Heidi Serbus	0.00	1,892.87
50841	Invoice	09/15/2016	Gail Ocheltree Background Check	0.00	26.50
11218	Napa Auto Parts		11/14/2016 Regular	0.00	27.52 33816
668402	Invoice	10/05/2016	Dodge Avenger Wiper Blades	0.00	27.52
11187	Nu-Tech Pest Management		11/14/2016 Regular	0.00	457.00 33817
0122470	Invoice	10/21/2016	Sunnyfield Gophers	0.00	125.00
0122471	Invoice	10/28/2016	Sunnyfield Gophers	0.00	125.00
0122742	Invoice	10/27/2016	Hans Christian Ground Squirrels	0.00	129.00
0123068	Invoice	11/01/2016	Municipal Center Annex Ants & Roaches	0.00	78.00
10133	Quinn Rental Services		11/14/2016 Regular	0.00	206.44 33818
SW25216	Invoice	11/03/2016	Boom Lift Repair	0.00	206.44
11381	Roadrunner Management Services, Inc.		11/14/2016 Regular	0.00	35,397.39 33819
102016SYVT	Invoice	11/04/2016	SYVT Operations Contract	0.00	35,397.39
10033	S.Y.R.W.C.D. ID #1		11/14/2016 Regular	0.00	5,461.71 33820
0001 10/16	Invoice	10/24/2016	ACC# 17040001 900 Alamo Pintado Rd	0.00	1,465.65
5001 10/16	Invoice	10/24/2016	ACC# 17005001 1890 Old Mill Rd	0.00	2,455.55
7501 10/16	Invoice	10/24/2016	ACC# 17037501 Alamo Pintado Rd	0.00	1,540.51
10484	Santa Ynez Valley Rotary Foundation		11/14/2016 Regular	0.00	5,000.00 33821
5	Invoice	07/04/2016	4th of July Sponsorship	0.00	5,000.00

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Number	Payment Date	Vendor Number	Vendor Name	Payment Type	Payment Amount
Payable #	Payable Type	Payable Date	Payable Description		Payable Amount
11231	Solvang Theaterfest		11/14/2016 Regular	0.00	2,500.00 33822
HH 2016	Invoice	10/31/2016	theater rental	0.00	2,500.00
10497	West Coast Arborists, Inc		11/14/2016 Regular	0.00	2,130.00 33823
119866	Invoice	09/30/2016	Tree Maint. 2016-2017	0.00	780.00
120080	Invoice	10/31/2016	Tree Maint.	0.00	1,350.00
11167	Santa Ynez Valley Hardware		11/09/2016 Regular	0.00	1,062.93 33824
10/2016	Invoice	10/31/2016	Supplies/Repairs and Maintenance	0.00	1,062.93
11217	State of California		11/15/2016 Regular	0.00	115.00 33836
46295	Invoice	11/15/2016	Renewal Matt van der Linden	0.00	115.00
11295	Advanced Automotive Solutions Inc.		11/21/2016 Regular	0.00	786.41 33841
19530	Invoice	11/10/2016	Diagnose and repair engine misfire trk# 626	0.00	786.41
10614	Autosys, Inc.		11/21/2016 Regular	0.00	5,797.71 33842
973	Invoice	11/07/2016	Emergency Calibration Flow Meters	0.00	540.00
974	Invoice	11/07/2016	Program Denit Cycle in SCADA and replace c...	0.00	2,942.50
978	Invoice	11/07/2016	Emergency Sludge Pump Wiring	0.00	2,315.21
11155	Baker, Manock & Jensen		11/21/2016 Regular	0.00	8,653.81 33843
414672	Invoice	11/07/2016	General Water Matters	0.00	5,776.70
414673	Invoice	11/07/2016	Environmental Impact Report	0.00	2,877.11
10275	Board of Equalization		11/21/2016 Regular	0.00	387.60 33844
0002 5506 751	Invoice	11/08/2016	Acc# WR 094-008498 7/1/16-6/30/17	0.00	387.60
10070	Cal-Coast Irrigation		11/21/2016 Regular	0.00	27.64 33845
770566	Invoice	11/04/2016	Water Repair & Maint	0.00	27.64
10655	Comcast		11/21/2016 Regular	0.00	106.05 33846
5898 10/16	Invoice	10/28/2016	Acc# 8155 70 005 0125898	0.00	106.05
51078	Eduardo Torrio		11/21/2016 Regular	0.00	200.00 33847
INV0003971	Invoice	11/05/2016	HCA Deposit Refund	0.00	200.00
11365	Frontier Communications		11/21/2016 Regular	0.00	264.97 33848
1998 11/25/16	Invoice	11/25/2016	Acc# 805-686-1998-110309-5	0.00	101.94
5452 11/28/16	Invoice	11/28/2016	Acc# 805-688-5452-031006-5	0.00	163.03
10148	Gemplers		11/21/2016 Regular	0.00	72.73 33849
SI02992273	Invoice	11/08/2016	Sports Drink Mix	0.00	72.73
10422	Hamid Sedehi dba SC Inc.		11/21/2016 Regular	0.00	421.20 33850
1329	Invoice	10/26/2016	Turkey Trot T Shirts- Logo Screen applied	0.00	421.20
10069	Home Depot Credit Services		11/21/2016 Regular	0.00	5.64 33851
11/07/16	Invoice	11/07/2016	Reimbursable Finance Charges	0.00	5.64
10180	Jim's Service Center		11/21/2016 Regular	0.00	1,227.84 33852
10/2016	Invoice	10/31/2016	Truck Fuel	0.00	1,227.84
10895	Lee Central Coast Newspaper		11/21/2016 Regular	0.00	144.74 33853
91908-1	Invoice	10/30/2016	Parks & Rec Vacancy Ad	0.00	144.74
10680	Meridian Consultants LLC		11/21/2016 Regular	0.00	11,191.92 33854
2315	Invoice	10/24/2016	Well 22 - Environmental Work	0.00	11,191.92
11128	Nielsen Building Material		11/21/2016 Regular	0.00	50.58 33855
534393	Invoice	11/01/2016	Annex Rep & Maint	0.00	13.36
535938	Invoice	11/08/2016	Roads Rep & Maint	0.00	37.22
11133	Nielsen's Market		11/21/2016 Regular	0.00	37.45 33856
10/16	Invoice	10/31/2016	Supplies	0.00	37.45

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Number	Payment Date	Vendor Number	Vendor Name	Payment Type	Payment Amount
Payable #	Payable Type	Payable Date	Payable Description		Payable Amount
11187	Nu-Tech Pest Management		11/21/2016 Regular	0.00	125.00 33857
0123078	Invoice	11/04/2016	Sunnyfield Gophers	0.00	125.00
10025	Perry's Electric Motors & Controls		11/21/2016 Regular	0.00	757.33 33858
19921	Invoice	11/04/2016	Water Rep & Maint	0.00	757.33
11179	Todd Pipe & Supply		11/21/2016 Regular	0.00	603.67 33859
327586-1	Invoice	11/08/2016	Restroom #1 Repair & Maint	0.00	81.41
327723	Invoice	11/09/2016	Water Rep & Maint	0.00	24.47
646100-1	Invoice	11/08/2016	Restroom #1 Rep & Maint	0.00	497.79
11193	Viking Press		11/21/2016 Regular	0.00	534.92 33860
11/09/16	Invoice	11/09/2016	Envelopes	0.00	534.92
11191	VTR Inc. dba Valley Tool Rentals		11/21/2016 Regular	0.00	227.50 33861
10025.1.3	Invoice	11/04/2016	Halloween Lights	0.00	227.50
10999	Platinum Plus for Business dba Business Card		11/21/2016 Regular	0.00	2,924.23 33866
3831 11/16	Invoice	11/18/2016	10/11/16-11/10/16	0.00	2,924.23
10873	Aqua-Metric Sales Company		11/29/2016 Regular	0.00	400.00 33867
0063185	Invoice	11/18/2016	Prop Study	0.00	400.00
10579	Bengal Engineering, Inc.		11/29/2016 Regular	0.00	1,350.00 33868
3026	Invoice	11/14/2016	Seismic Retrofit - Bengal Construction Phase	0.00	1,350.00
51832	BERCH, STEFANIE		11/29/2016 Regular	0.00	100.00 33869
INV0003315	Invoice	06/13/2016	DEPOSIT REFUND 5/21/16	0.00	100.00
10065	Brenntag Pacific, Inc		11/29/2016 Regular	0.00	870.64 33870
BP1679442	Invoice	11/17/2016	Chlorine	0.00	870.64
10070	Cal-Coast Irrigation		11/29/2016 Regular	0.00	364.57 33871
770634	Invoice	11/10/2016	Water Rep & Maint	0.00	135.35
770679	Invoice	11/14/2016	Sludge Pump Bypass	0.00	229.22
10620	Central Coast UrgentCare Medical Group		11/29/2016 Regular	0.00	125.00 33872
54808C1132	Invoice	10/03/2016	DMV Physical-Nickolas Rivera	0.00	125.00
11225	Clean Machine Laundromat		11/29/2016 Regular	0.00	138.00 33873
280007	Invoice	11/07/2016	8 lbs Solvang Park	0.00	8.00
280010	Invoice	11/07/2016	14 lbs Restroom #3	0.00	14.00
280025	Invoice	11/14/2016	16 lbs Restroom #1	0.00	16.00
280026	Invoice	11/21/2016	11 lbs Solvang Park	0.00	11.00
331076	Invoice	10/10/2016	8 lbs Solvang Park	0.00	8.00
331854	Invoice	10/03/2016	11 lbs Vets Memorial Bldg	0.00	11.00
331855	Invoice	10/03/2016	16 lbs Solvang Park	0.00	16.00
331895	Invoice	10/16/2016	10 lbs Solvang Park	0.00	10.00
820414	Invoice	10/23/2016	14 lbs Annex	0.00	14.00
820419	Invoice	10/23/2016	10 lbd Solvang Park	0.00	10.00
820436	Invoice	10/31/2016	12 lbs Solvang Park	0.00	12.00
820444	Invoice	11/02/2016	8 lbs Vets Memorial Bldg	0.00	8.00
11278	Dudek		11/29/2016 Regular	0.00	1,310.12 33874
20166409	Invoice	11/14/2016	WWTP Bank Restoration - Monitoring & Rep...	0.00	1,310.12
11365	Frontier Communications		11/29/2016 Regular	0.00	370.65 33875
1425 11/13/16	Invoice	11/13/2016	805-686-1425-080105-5	0.00	232.90
5575 11/13/16	Invoice	11/13/2016	Acc# 805-688-5575-062171-5	0.00	137.75
10148	Gemplers		11/29/2016 Regular	0.00	477.49 33876
SI03005316	Invoice	11/14/2016	Water Safety Gear	0.00	477.49
51807	GOMEZ, VERONICA		11/29/2016 Regular	0.00	75.00 33877

City of Solvang Warrant Register

Date Range: 11/01/2016 - 11/30/2016

Number	Payment Date	Vendor Number	Vendor Name	Payment Type	Payment Amount
Payable #	Payable Type	Payable Date	Payable Description		Payable Amount
INV0003080	Invoice	04/19/2016	DEPOSIT REFUND 4/17/16	0.00	75.00
10530	GSI Water Solutions		11/29/2016 Regular	0.00	7,841.25 33878
0662.001-3	Invoice	11/04/2016	River Wells Permit Hydrogeology Tech Assist	0.00	7,841.25
51473	HALME, SUSAN		11/29/2016 Regular	0.00	26.37 33879
INV0000797	Invoice	08/21/2014	SHERIFF REFUND 6/14/14	0.00	26.37
11247	Hopkins Technical Products Inc		11/29/2016 Regular	0.00	2,525.40 33880
3616301413	Invoice	11/07/2016	Chemical Pump Repair	0.00	2,525.40
51079	Kirk Balius		11/29/2016 Regular	0.00	231.84 33881
INV0004020	Invoice	11/15/2016	Toilet Rebate	0.00	231.84
11272	Leathers Associates		11/29/2016 Regular	0.00	316.09 33882
10209	Invoice	11/17/2016	Sunny Fields Rep & Maint	0.00	316.09
10027	Lompoc Excel Personnel Svs Inc		11/29/2016 Regular	0.00	2,095.33 33883
2103637	Invoice	11/03/2016	Gail Ocheltree & Heidi Serbus	0.00	2,095.33
10680	Meridian Consultants LLC		11/29/2016 Regular	0.00	8,469.92 33884
2343	Invoice	11/17/2016	Well 22 - Environmental Work	0.00	8,469.92
11187	Nu-Tech Pest Management		11/29/2016 Regular	0.00	254.00 33885
0123079	Invoice	11/11/2016	SunnyField Gophers	0.00	125.00
0123361	Invoice	11/14/2016	HCA Ground Squirrels	0.00	129.00
51784	PACE, JACKIE		11/29/2016 Regular	0.00	100.00 33886
INV0002954	Invoice	03/21/2016	DEPOSIT REFUND 2/27/16	0.00	100.00
11137	Pacific Gas & Electric Company		11/29/2016 Regular	0.00	29,946.36 33887
5526-1 11/15/16	Invoice	11/15/2016	Acc# 3982645526-1	0.00	4,631.09
7582-5 11/2016	Invoice	11/17/2016	Acc# 0408007582-5	0.00	25,315.27
10025	Perry's Electric Motors & Controls		11/29/2016 Regular	0.00	367.37 33888
19946	Invoice	11/15/2016	Motor- Water Repair & Maint	0.00	367.37
11136	Petty Cash		11/29/2016 Regular	0.00	47.16 33889
P&R 11/2016	Invoice	11/15/2016	Reimb Parks & Rec Petty Cash	0.00	47.16
11025	Physio-Control, Inc.		11/29/2016 Regular	0.00	52.68 33890
116153022	Invoice	10/13/2016	Electrode Kit (was returned-see credit mem...	0.00	351.13
216007651	Credit Memo	11/08/2016	Returned W/ Restock Fee	0.00	-298.45
10221	R & M Diesel Service & Towing		11/29/2016 Regular	0.00	476.45 33891
11/07/16	Invoice	11/07/2016	Generator Service	0.00	476.45
11381	Roadrunner Management Services, Inc.		11/29/2016 Regular	0.00	4,813.88 33892
102016fuel	Invoice	10/31/2016	Fuel Reimbursment	0.00	4,813.88
10004	Santa Barbara Co Sheriff Dept		11/29/2016 Regular	0.00	130,385.00 33893
17-120	Invoice	11/18/2016	December 2016 Contract Services	0.00	130,385.00
11227	Santa Maria Tire, Inc		11/29/2016 Regular	0.00	1,463.88 33894
109478	Invoice	11/21/2016	SYVT Bus #'s 977&975 Tires	0.00	1,463.88
51636	SANTA YNEZ VALLEY GIRLS SOFTBA		11/29/2016 Regular	0.00	275.00 33895
INV0001697	Invoice	05/18/2015	DEPOSIT REFUND 5/17/15	0.00	175.00
INV0002291	Invoice	10/19/2015	Deposit refund from 5/23/10	0.00	100.00
11294	Scott Reardon's Locksmith Service		11/29/2016 Regular	0.00	385.26 33896
11204	Invoice	11/08/2016	Vets Bldg- Gym Access	0.00	123.58
11211	Invoice	11/15/2016	Truck#611 new locks on toolbox	0.00	261.68
10609	Silvio Motta		11/29/2016 Regular	0.00	18,995.00 33897
2016_01	Invoice	11/15/2016	Live Webstreaming and AV Upgrade	0.00	18,995.00

City of Solvang Warrant Register

Date Range: 11/01/2016 - 11/30/2016

Number	Payment Date	Vendor Number	Vendor Name	Payment Type	Payable Amount	Payment Amount
Payable #	Payable Type	Payable Date	Payable Description			
11176	The Gas Company		11/29/2016 Regular	0.00	89.40	33898
9410 6 11/17/16	Invoice	11/17/2016	188 514 9410 6 11/17/2016	0.00	42.82	
9500 0 11/17/16	Invoice	11/17/2016	Acc# 098 214 9500 0	0.00	46.58	
10107	UPS Store 1882		11/29/2016 Regular	0.00	34.51	33899
00000002576	Invoice	10/04/2016	Public Works package Shipped	0.00	14.63	
00000002647	Invoice	10/25/2016	Tim Batteries returned	0.00	19.88	
10497	West Coast Arborists, Inc		11/29/2016 Regular	0.00	1,852.50	33900
119859	Invoice	11/07/2016	HCA/Sunny Fields tree work	0.00	1,852.50	
10613	Advantage Group, The		11/07/2016 Bank Draft	0.00	6,118.27	DFT0002466
INV0003899	Invoice	10/28/2016	Advantage Group Reirees October 2016	0.00	6,118.27	

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	146	96	0.00	657,176.88
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	1	1	0.00	6,118.27
EFT's	84	53	0.00	101,902.13
	231	150	0.00	765,197.28

Fund Summary

Fund	Name	Period	Amount
998	POOLED CASH	11/2016	765,197.28
			<u>765,197.28</u>



**CITY COUNCIL
STAFF REPORT/CONSENT AGENDA**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Sandra Featherson, Director of Administrative Services

MEETING DATE: December 12, 2016

DATE PREPARED: December 5, 2016

SUBJECT: **NEW JOB DESCRIPTION FOR SENIOR WATER OPERATOR POSITION**

I. RECOMMENDATION:

Approve the new job description for a Senior Water Operator position.

II. DISCUSSION:

During the past year, the Water Department has been operating with a reduced staff while the Water Supervisor has been out on a leave of absence. After evaluating the job descriptions in the Water Department, which consist of Water Operator I and II, and the Water Supervisor, it became evident for the need for a position at a level which could take on the responsibilities for the Water Supervisor in his absence. In addition, a Senior Water Operator position would allow for more growth in the Water Operator series, and provide a training opportunity for those wanting advancement to Water Supervisor.

The City has no plans at this time to recruit for a Senior Water Operator position or add additional staff, however having this position available would allow the city to appoint an employee as an "Acting Senior Water Operator," if needed to provide supervision for the department.

The City is placing the position at the same range, 116, in the City Range Schedule, as the Wastewater Treatment Operator III. Both positions have similar scope and responsibility.

The job description includes all of the necessary language to ensure equal opportunity employment practices and has been reviewed and approved by the City Attorney. In addition, the job description was reviewed by the Teamsters Union Local 986.

III. ALTERNATIVES:

The City Council could make changes to the job description. Depending on the scope of the changes it may require additional City Attorney review.

IV. FISCAL IMPACT:

If an employee were promoted to Senior Water Operator, the financial impact to the City would be an increased cost over the current incumbent's salary by approximately 5%.

V. ATTACHMENTS:

A. New Senior Water Operator Job Description

**SENIOR WATER OPERATOR
CITY OF SOLVANG
JOB DESCRIPTION**

This is not an individualized job description. It defines the general character and scope of responsibilities. It is not intended to describe and does not necessarily list every duty for a given position.

DEFINITION

Under the direction of the Water Supervisor, perform a variety of skilled and semi-skilled duties in the operation, maintenance, and repair of the City's water supply, treatment and distribution systems, and associated facilities. Performs semi-skilled construction and maintenance work on a variety of public works facilities and projects. This level is expected to direct, inspect, train, check, and review the work of a crew involved in the construction, maintenance, and repair of water mains, surfaces, and equipment. Incumbents participate fully in the work of the assigned crew. A Senior Water Operator is responsible for the productivity of the crew in completing a predetermined schedule of work. In the absence of the Water Supervisor, coordinates the work of employees engaged in the operation of the City's water supply, treatment and distribution systems, and associated facilities. Performs the more complex and difficult duties assigned to the work unit.

LICENSE REQUIREMENTS

Possession of a valid California Water Treatment Operator Grade II Certificate. Possession of a California Grade II Distribution System Certificate. Possession of a valid California driver's license.

EXAMPLES OF DUTIES

Duties may include, but are not limited to, the following:

- Operate the City's water supply, treatment and distribution systems in compliance with current industry standards, and State and Federal Regulations.
- Operate valves, wells, booster pumps and disinfection facilities to control flow of and disinfection of water; regularly monitor system functions through reading gauges, graphs, meters, and control panels.
- Operate water treatment facilities at the level required for successful job performance; regularly monitor system functions through reading gauges, graphs, meters, and control panels.
- Operate a computer and the supervisory control and data acquisition (SCADA) system at the level required for successful job performance.
- Make daily rounds of the system performing a variety of duties pertaining to water maintenance and operation.
- Monitor chemical supplies and fill chemical tanks as required.
- Maintain logs and worksheets of operations; compile equipment readings and test results into spreadsheets and reports.
- Check water volume and pressure; collect water samples for chlorine, physical chemistry and bacteriological tests; and perform chlorine residual tests.
- Inspect, flush, clean and perform minor to major repairs of water mains, lines and laterals; make taps for new services.
- Install, repair and replace fire hydrants, valves, meters and meter vaults and boxes at an advanced skill level.
- Turn on and off meters, read meters; post notices at customer locations.

Senior Water Operator , Continued

- Use concrete cutting and breaking equipment; operate a jackhammer; operate a backhoe; pour and assist in finishing concrete and masonry work; construct concrete forms and perform routine carpentry work.
- Develop and implement water conservation programs, and monitor water consumption/waste of all types of customers to assure compliance with rules and regulations.
- Respond orally and in writing to requests and inquiries from the general public.
- Identify staffing, materials and equipment needs for each assigned project.
- Repair waterlines and water facilities at an advanced skill level.
- Utilize proper safety precautions for all work performed.
- Read meters and gauges correctly and act quickly and competently.
- Make routine repairs and adjustments to motors, pumps and other equipment at an advanced skill level.
- Use and operate hand tools, mechanical equipment, and power tools and equipment required for the work in a safe and efficient manner. Maintain written records and logs as directed. Perform and interpret tests and adjust disinfection equipment accordingly at an advanced skill level.
- Wear Self Contained Breathing Apparatus (SCBA) as required for confined space entry.
- Carry a mobile phone while on standby duty, which is a 7-day, 24 hour rotating Water Division scheduled shift.
- Perform other related duties as assigned.

MINIMUM REQUIREMENTS

- Ability to organize and oversee job assignments; identify system problems or potential problems and take corrective action in an efficient manner.
- Meet the physical requirements necessary to safely and effectively perform required duties.
- Working knowledge of materials, methods, techniques, equipment, and tools used in general public works construction and maintenance.
- Working knowledge of electrical and mechanical systems utilized in water treatment and distribution systems.
- Knowledge of spreadsheet, computerized record keeping and report preparation techniques.
- Knowledge of safe work practices including chemical storage and handling.
- Knowledge of modern principles, practices and techniques of water treatment and distribution operations.
- Working knowledge of how to operate and maintain a variety of water treatment machinery and equipment.
- Demonstrated ability to effectively operate computer software (such as Word, Excel, Outlook and SCADA software), and effectively navigate the internet. Very good oral and written communication skills including techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors and City staff.
- Ability to respond to work site for emergencies within 30 minutes of call/notification.
- Demonstrated ability to work independently in the absence of supervision and train less experienced staff.
- Establish and maintain cooperative working relationships with those contacted in the course of work.
- Ability to perform semi-skilled public works maintenance, construction and repair work.
- Ability to operate a variety of vehicular and stationary mechanical equipment in a safe and effective manner in routine situations.
- Knowledge of general principles of subordinate employee supervision and training.

- Knowledge of applicable County, State and Federal Laws and regulations.

PHYSICAL DEMANDS

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

PHYSICAL REQUIREMENTS

Physical: Heavy - exert force of 50-100 pounds occasionally, 25-50 pounds frequently, or 10-20 pounds constantly to lift, carry, push/pull or move object; Constantly stand or walk; handle, grip and grasp; Occasionally sit, bend, stoop, crouch, push/pull and twist at the waist; Frequently reach above, at and below shoulder level; Frequently extend neck upward, downward and from side to side; Occasionally kneel, finger/type; Rarely crawl; Frequently climb ladders, stairs and rarely scaffolding.

Vision: Visual acuity which could be corrected sufficiently to perform the essential functions of the position; average depth perception needed.

Communication: Ability to effectively verbally communicate to exchange information both in the field and in an office environment, to hear and comprehend oral instructions and communications, and to effectively hear construction and traffic noise in the field.

ENVIRONMENTAL CONDITIONS

Is required to work rotating shifts, including on standby approximately one weekend per month, and under adverse conditions such as exposure to toxic chemicals and gases, heights, and confined space; Work both indoors and outdoors; Constantly work around machinery; Occasional exposure to excessive noise and chemicals, dust, fumes, smoke gases, odors and to slippery or uneven walking surfaces; Uses a computer, drives motorized equipment/vehicles. Rare exposure to solvents, grease or oil, flames/smoke. Work both alone and with others. Work in water distribution, wastewater collection system, and water and wastewater treatment plant environments; some exposure to water, chemicals, hazardous materials, and noise; May work at heights, in confined spaces, and in inclement weather conditions.

EDUCATION AND EXPERIENCE

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way would be: Three years of increasingly responsible experience operating water treatment facilities and water supply/distribution systems and associated facilities. High School Diploma or equivalent is required, with general mechanical and electrical knowledge.

This is to acknowledge that I have received a copy of this job description and understand its contents.

Employee Signature

Date



**CITY COUNCIL
STAFF REPORT**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Matt van der Linden, Public Works Director/City Engineer
and Jim Moore, Moore & Associates

MEETING DATE: December 12, 2016

DATE PREPARED: December 2, 2016

**SUBJECT: SANTA YNEZ VALLEY TRANSIT ANNUAL OPERATING COST
AND CONTRACT AMENDMENT 1**

I. RECOMMENDATION:

Approve Amendment 1 to the Santa Ynez Valley Transit operations contract with Roadrunner Management Services and authorize execution of the Amendment by the Mayor.

II. BACKGROUND:

In Spring 2016, the City received five bids for the operation of its Santa Ynez Valley Transit (SYVT) program. Each bid, including Storer Transit Systems (incumbent), represented a significant increase over the Cost/Vehicle Service Hour of the final year of the prior contract. This increase can be partially attributed to the City of Lompoc's decision not to participate in a joint transit operations procurement with the City of Solvang. As a result, SYVT is experiencing an \$88,000 (22%) year-over-year increase in annual operating cost.

SYVT ridership has been declining since 2011, when it peaked at 52,859 unlinked trips annually. In 2016, ridership stood at 39,918, its lowest point since 2009. This decrease can be attributed to a number of external factors and industry trends. First, California gas prices increased dramatically between 2009 and 2012, which typically contributes to increases in transit ridership. A sharp

decrease following a peak in 2014 has resulted in significantly lower gas prices at present, which correlates with lower transit ridership.

The second external factor relates to employment. As the unemployment rate has dropped over the past few years, so has transit ridership. The unemployment rate in Santa Barbara County peaked in 2010, which also correlates with SYVT's ridership peak in 2011.

Finally, the challenge of decreasing ridership is not unique to SYVT. Nationally and throughout California fixed-route bus ridership has experienced steady decreases since 2012, resulting in a drop of more than 8.5 percent between 2008 and 2015. In addition, between 2010 and 2014, the population of the Santa Ynez Valley remained largely static. This is another factor that limits ridership growth.

III. DISCUSSION:

While increasing fixed-route ridership would certainly help to mitigate the increased operating cost, external factors and current trends make it unlikely to have a significant impact in the long term. Unless other strategies are identified to reduce the \$88,000 annual gap, it will absorb SYVT's reserve account in less than four years. Therefore, staff and the City's transit consultant have identified and recommend the following initial cost cutting measure.

Reduction to 20 Percent Project Manager

During the operations procurement, the successful bidder (Roadrunner Management Services) offered an option wherein they would provide a 50% project manager for a reduced per vehicle revenue hour cost of \$50.22. During the first few months of the contract, staff and its consultant evaluated the level of service needed for effective operation. It was determined that reducing the level of project management to 20% (effectively, one day per week) would be sufficient for effective operation of the program while offering an additional opportunity for cost savings. (It should be noted that our prior operations contract with Storer included a shared project manager with the City of Lompoc wherein SYVT successfully operated with a 20% project manager.) Staff requested that Roadrunner lower its price per hour to \$47.50 to reflect this lower level of project management. Roadrunner has agreed to this contract adjustment. This will result in a savings of approximately \$26,000 annually, which would reduce the \$88,000 gap by nearly 30%.

We recommend accepting the 20% project manager and subsequent reduction in per-hour cost so as to decrease the funding gap. This change would become effective January 1, 2017.

Options to address the remaining gap, such as further cost reductions, elimination of Sunday Dial-A-Ride Service, fare increases, and/or methods to increase ridership, will be explored within the SYVT Short Range Transit Plan Update currently under development. Upon completion of the SYVT Short Range Transit Plan Update staff will return to City Council to present additional recommendations and receive further direction.

IV. ALTERNATIVES:

The City Council could choose not to implement the contract adjustment outlined above.

V. FISCAL IMPACT:

Failure to effectively close the \$88,000 cost-revenue gap will result in the rapid erosion of SYVT's reserve fund. In addition, SYVT's ability to maintaining a farebox recovery ration above the required 10% is of serious concern with expenditures increasing and revenues decreasing. Our 2015 overall farebox ratio was 13%. Should farebox recovery continue to fall short of state and federal thresholds, the City's future transit funding would be reduced.

Implementing Amendment 1 will reduce the funding gap from \$88,000 to approximately \$62,000 annually. While a significant funding gap remains, it would be cut by 30% for the short-term. As mentioned above, options to address the remaining gap, such as further cost reductions, elimination of Sunday DAR Service, fare increases, and/or methods to increase ridership, will be explored within the SYVT Short Range Transit Plan Update currently under development.

VI. ATTACHMENTS:

1. Latest SYVT Schedule & Route Map
2. Amendment 1

INFORMACIÓN GENERAL

Santa Ynez Valley Transit conecta a Ballard, Buellton, Los Olivos, Santa Ynez, y Solvang. Vea el mapa para área de servicio y rutas.

SYVT no ofrece servicio el Día de Año Nuevo, Día de Martin Luther King, Día de los Presidentes, Día de Pascua, Día Conmemorativo, Día de Independencia, Día del Trabajo, Día de los Veteranos, Día de Acción de Gracia, y Navidad.

Para información adicional o asistencia de planificación de viajes, llame al (805) 688-5452.

HORAS DE SERVICIO

Lunes - Sábado: 7:00 AM - 7:00 PM

TARIFAS/PASES RUTA-FIJA**

General.....	\$1.50
Mayores (60+ años).....	\$1.25
Certificación-ADA/Discapacitado.....	\$0.75
Pase Multi-Viaje.....	\$15.00
Pase Multi-Viajes Mayores (60+ años).....	\$12.50
Pase Multi-Viajes ADA/Discapacitado.....	\$7.50

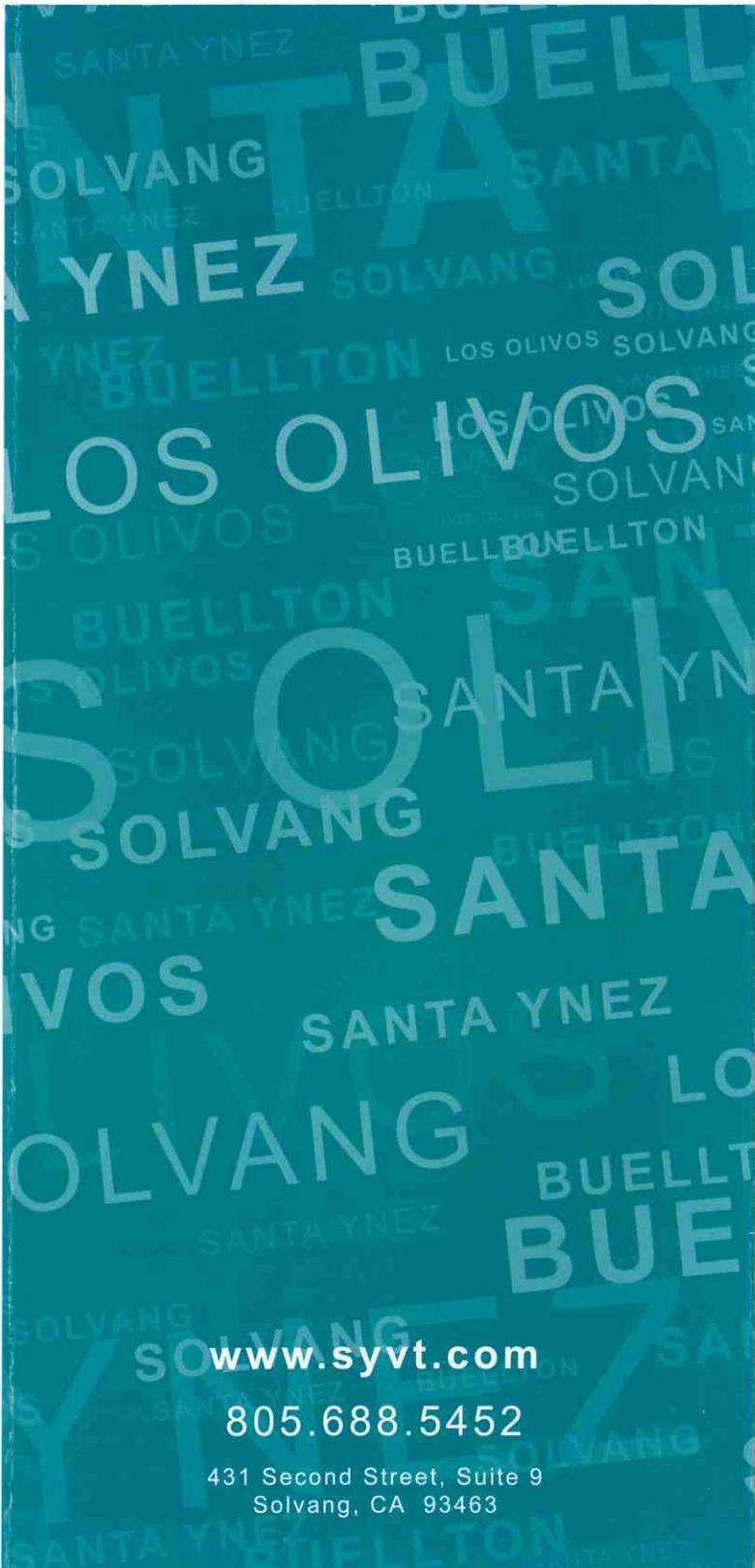
Niños menores de 5 años de edad viajan gratis acompañados por adulto que paga.

**Por favor tenga cambio exacto. Conductores no hacen cambio.

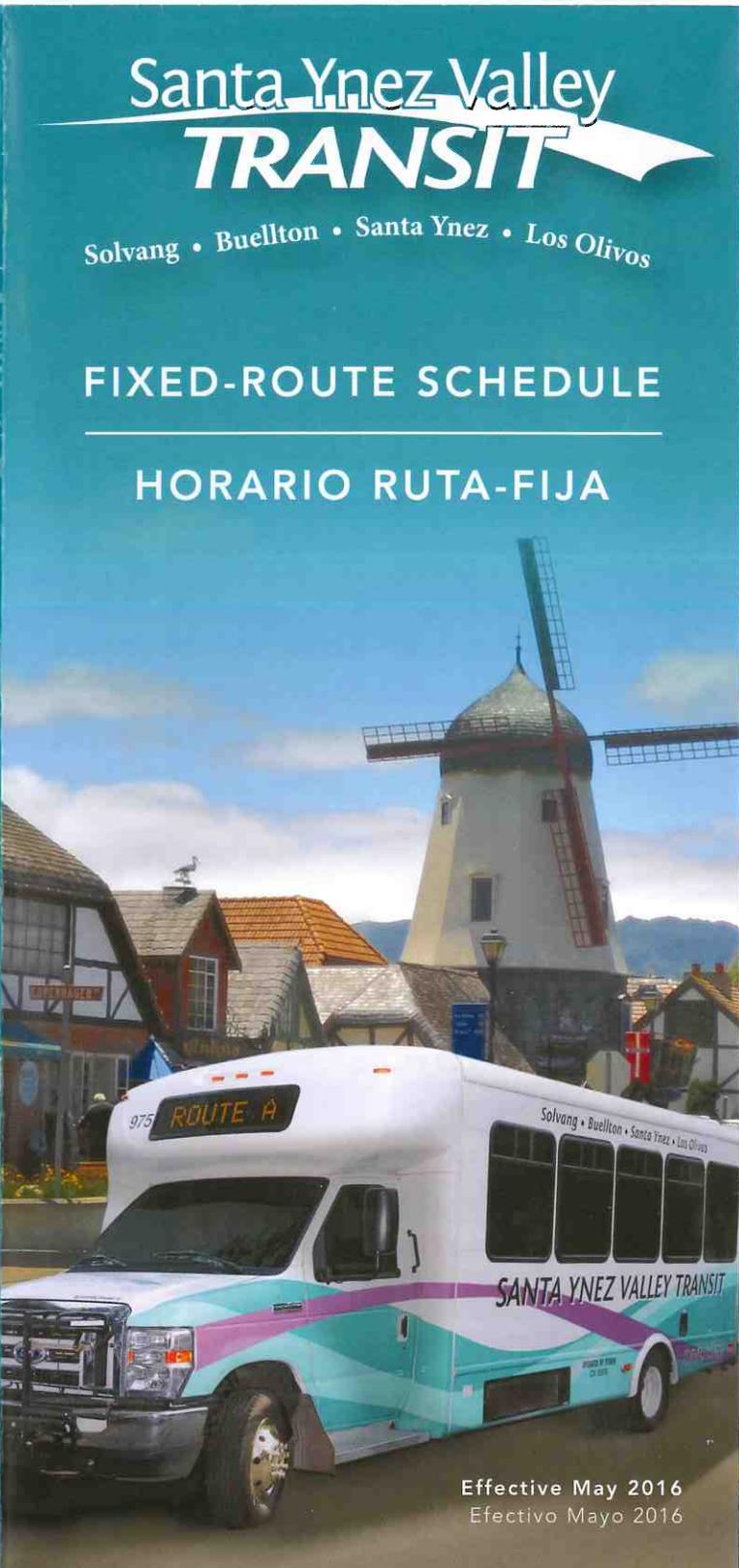
SANTA YNEZ VALLEY TRANSIT PÚBLICO DE DERECHOS CIVILES

Como beneficiario de fondos federales, Santa Ynez Valley Transit (SYVT) ha certificado y asegurado que cumpla plenamente con el Título VI de la Ley de Derechos Civiles de 1964. SYVT se compromete a garantizar que ninguna persona sea excluida de participar en, o negado los beneficios de sus servicios, sobre la base de raza, color u origen nacional.

Ninguna persona, o grupo de personas, sera objeto de discriminación con respecto a las rutas, horarios, o la calidad del servicio de transporte que proporciona SYVT sobre la base de raza, color, u origen nacional. La frecuencia de servicio, edad y calidad de los vehículos asignados a las diferentes rutas, y la ubicación de las rutas no puede determinarse sobre la base de raza, color u origen nacional.



www.syvt.com
805.688.5452
 431 Second Street, Suite 9
 Solvang, CA 93463



Santa Ynez Valley TRANSIT

Solvang • Buellton • Santa Ynez • Los Olivos

FIXED-ROUTE SCHEDULE

HORARIO RUTA-FIJA

Effective May 2016
 Efectivo Mayo 2016

GENERAL INFORMATION

Santa Ynez Valley Transit links Ballard, Buellton, Los Olivos, Santa Ynez, and Solvang. See map for service area and routes.

SYVT does not operate on New Year's Day, Martin Luther King Day, Presidents' Day, Easter, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, and Christmas.

For additional service information and trip planning assistance call (805) 688-5452.

SERVICE HOURS

Monday - Saturday: 7:00 AM - 7:00 PM

FIXED-ROUTE FARES/PASSES**

General.....	\$1.50
Senior (60+ years).....	\$1.25
ADA-Certified/Disabled.....	\$0.75
Multi-Trip Pass.....	\$15.00
Senior (60+ years) Multi-Trip Pass.....	\$12.50
ADA/Disabled Multi-Trip Pass.....	\$7.50

Children under 5 FREE with paying adult.

**Please have exact fare. Drivers do not make change.

SANTA YNEZ VALLEY TRANSIT PUBLIC NOTICE OF CIVIL RIGHTS

As a recipient of federal funds, Santa Ynez Valley Transit (SYVT) has certified and provided assurances that it will fully comply with Title VI of the Civil Rights Act of 1964. SYVT is committed to ensuring that no person is excluded from participation in, or denied the benefits of its services, on the basis of race, color, or national origin.

No person or group of persons shall be discriminated against with regard to the routing, scheduling, or quality of transportation service that SYVT furnishes on the basis of race, color, or national origin. Frequency of service, age, and quality of vehicles assigned to routes, quality of stations serving different routes, and location of routes may not be determined on the basis of race, color, or national origin.

DIAL-A-RIDE SERVICE

SYVT offers "door-to-door" Dial-A-Ride service for seniors (60+ years) and ADA-certified patrons regardless of age. Dial-A-Ride is a reservation-based, shared-ride service. Sunday Dial-A-Ride service is open to the general public. To schedule a ride call (805) 688-5452.

SERVICE HOURS

Monday - Saturday: 7:00 AM - 7:00 PM
Sunday: 8:30 AM - 12:30 PM and 1:00 PM - 4:00 PM

DIAL-A-RIDE FARES/PASSES**

One-Way (Senior 60+ and ADA-certified)\$1.75
Sunday One-Way (General Public).....\$2.25
Senior (60+ years) Multi-Trip Pass.....\$17.50
Disabled Multi-Trip Pass.....\$17.50

**Please have exact fare. Drivers do not make change.

SERVICIO DE DIAL-A-RIDE

SYVT ofrece servicio de Dial-A-Ride de "puerta a puerta" para personas mayores (60 años) y pasajeros certificados por ADA sin importar la edad. Dial-A-Ride es un servicio de reservación y de viaje compartido. El servicio de Domingo Dial-A-Ride está abierto al público general. Para reservar un viaje llame al (805) 688-5452.

HORAS DE SERVICIO

Lunes - Sábado: 7:00 AM - 7:00 PM
Domingo: 8:30 AM - 12:30 PM y 1:00 PM - 4:00 PM

DIAL-A-RIDE TARIFAS/PASES**

Una Manera (Mayores 60+ y Certificación-ADA).....\$1.75
Domingo Una Manera (Público General).....\$2.25
Pase Multi-Viajes Mayores (60+ años).....\$17.50
Pase Multi-Viajes Discapacitado.....\$17.50

** Por favor tenga cambio exacto. Conductores no hacen cambio.

OTHER TRANSIT SERVICES

Wine Country Express

Weekday service with three roundtrips* daily connecting Lompoc and the Santa Ynez Valley.
(805) 736-7666
www.cityoflompoc.com/transit

Clean Air Express

Weekday commuter service connecting Solvang and Buellton to Goleta and Santa Maria. Saturday service between Santa Ynez Valley and Santa Barbara.
(805) 692-1902
www.cleanairexpress.com

The Breeze Bus

Weekday commuter service between Santa Maria, Vandenberg AFB, Lompoc, Los Alamos, Buellton, and Solvang.
(800) 417-2137
www.breezebus.com

Amtrak Thruway Motorcoach

Limited to Amtrak passengers traveling from Santa Barbara and San Luis Obispo to the Santa Ynez Valley.
(800) USA-RAIL
www.amtrak.com

SMOOTH Senior Dial-A-Ride

Connecting Santa Maria with Santa Barbara via Lompoc. Limited service days.
(805) 922-8476
www.smoothinc.org

COLT-City of Lompoc Transit

Public transit service throughout Lompoc, Mission Hills, and Vandenberg Village.
(805) 736-7666
www.cityoflompoc.com/transit

SMAT-Santa Maria Area Transit

Public transit serving Santa Maria, Orcutt, and Tanglewood. Connections to The Breeze Bus.
(805) 928-5624
<http://www.ci.santa-maria.ca.us>

OTROS SERVICIOS DE TRANSITO

Wine Country Express

Servicio de Lunes a Viernes, con tres viajes de ida y vuelta cada día, conectando Lompoc y el Valle de Santa Ynez.
(805) 736-7666
www.cityoflompoc.com/transit

Clean Air Express

Servicio de Lunes a Viernes conectando Solvang y Buellton a Goleta y Santa Maria. Servicio de sábados entre Santa Ynez Valley y Santa Bárbara.
(805) 692-1902
www.cleanairexpress.com

The Breeze Bus

Servicio de lunes a viernes entre Santa Maria, Vandenberg AFB, Lompoc, Los Alamos, Buellton y Solvang.
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Amtrak Thruway Motorcoach

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(805) 928-5624
<http://www.ci.santa-maria.ca.us>

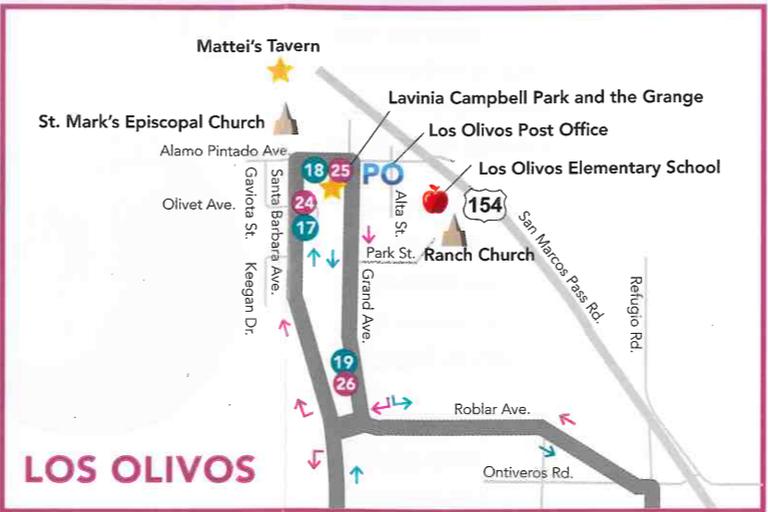
Santa Ynez Valley TRANSIT

Solvang • Buellton • Santa Ynez • Los Olivos



SANTA YNEZ VALLEY TRANSIT

LOS OLIVOS



SANTA YNEZ



SOLVANG

Santa Ynez Valley TRANSIT

Solvang • Buellton • Santa Ynez • Los Olivos

BUELLTON



LEGEND | LEYENDA

- SYVT Fixed Route Ruta Fija de SYVT
- Route A Stop Parada Ruta A
- Route B Stop Parada Ruta B
- AB Shared Stop Parada Compartida AB
- Schools Escuelas
- Parks Parques
- Churches Iglesias
- Points of Interest Puntos de Interesar
- Visitors Centers Visitantes Centros
- Post Offices PO Oficinas de Correo
- Civic Buildings Edificios Cívicos

TIMEPOINTS / PUNTOS DE TIEMPO

ROUTE A / RUTA A

Runs counter clockwise / Viaja en el sentido opuesto del reloj

1	2nd St. & Ave of the Flags	7:00 AM	8:20 AM	9:45 AM	11:05 AM	12:25 PM	1:55 PM	3:25 PM	4:55 PM
6	Buellton Post Office	7:10 AM	8:30 AM	9:55 AM	11:15 AM	12:36 PM	2:06 PM	3:36 PM	5:06 PM
8	Albertsons at Hwy 246 & Freear Dr.	7:17 AM	8:37 AM	10:03 AM	11:23 AM	12:44 PM	2:13 PM	3:43 PM	5:13 PM
10	Solvang Park South	7:24 AM	8:44 AM	10:10 AM	11:30 AM	12:53 PM	2:22 PM	3:52 PM	5:22 PM
14	SY High School (El Rancho Market)	7:31 AM	8:51 AM	10:17 AM	11:37 AM	1:02 PM	2:30 PM	4:00 PM	5:30 PM
18	Sagunto St. & Edison St.	7:40 AM	9:00 AM	10:26 AM	11:46 AM	1:10 PM	2:40 PM	4:10 PM	5:40 PM
22	Refugio Rd. & Baseline Ave.	7:45 AM	9:05 AM	10:31 AM	11:51 AM	1:15 PM	2:45 PM	4:15 PM	5:45 PM
25	Alamo Pintado Ave. & Grand Ave.	7:54 AM	9:14 AM	10:40 AM	12:00 PM	1:25 PM	2:55 PM	4:25 PM	5:55 PM
31	Solvang Park North	8:08 AM	9:28 AM	10:54 AM	12:14 PM	1:42 PM	3:12 PM	4:42 PM	6:12 PM
34	McMurray Rd.	8:15 AM	9:35 AM	11:00 AM	12:20 PM	1:50 PM	3:20 PM	4:50 PM	6:20 PM

ROUTE B / RUTA B

Runs clockwise / Viaja en el sentido del reloj

1	2nd St. & Ave of the Flags	7:40 AM	9:00 AM	10:25 AM	11:45 AM	1:05 PM	2:25 PM	3:55 PM	5:25 PM
6	Buellton Post Office	7:48 AM	9:08 AM	10:33 AM	11:53 AM	1:13 PM	2:33 PM	4:03 PM	5:33 PM
8	Albertsons at Hwy 246 & Freear Dr.	7:55 AM	9:15 AM	10:40 AM	12:00 PM	1:20 PM	2:40 PM	4:10 PM	5:40 PM
10	Solvang Park South	8:02 AM	9:22 AM	10:47 AM	12:07 PM	1:27 PM	2:47 PM	4:17 PM	5:47 PM
17	Santa Barbara Ave. & Alamo Pintado Ave.	8:16 AM	9:36 AM	11:01 AM	12:21 PM	1:41 PM	3:03 PM	4:33 PM	6:03 PM
21	Refugio Rd. & Baseline Ave.	8:26 AM	9:46 AM	11:11 AM	12:31 PM	1:51 PM	3:13 PM	4:43 PM	6:13 PM
25	Edison St. & Sagunto St.	8:33 AM	9:53 AM	11:18 AM	12:38 PM	1:58 PM	3:21 PM	4:51 PM	6:21 PM
29	Santa Ynez High School	8:42 AM	10:02 AM	11:27 AM	12:47 PM	2:07 PM	3:32 PM	5:02 PM	6:32 PM
31	Solvang Park North	8:48 AM	10:08 AM	11:33 AM	12:53 PM	2:13 PM	3:40 PM	5:10 PM	6:40 PM
34	McMurray Rd.	8:55 AM	10:15 AM	11:40 AM	1:00 PM	2:20 PM	3:50 PM	5:20 PM	6:50 PM

ROUTE A STOP ORDER RUTA A ORDEN DE PARADAS

Stop / Parada Cross Street / Cruce de Calles

1	2nd St. & Ave of the Flags (Houston's)
2	Jonata School (via 2nd St.)
3	2nd St. & Sycamore Dr. (Oak Park)
4	Riverview Park (Meadow View Dr. & Old Dairy Rd.)
5	Hwy 246 & Park Circle
6	Buellton Post Office
7	Flying Flags RV Park (via Ave of Flags)
8	Hwy 246 & Freear Dr. (Albertsons)
9	Mission Dr. & 5th St. (South / Outbound)
10	Solvang Park (South / Outbound)
* 11	Allan Hancock College (Alisal Rd. & Elverhoy Way)
12	Santa Ines Mission (Mission Dr. & Alisal Rd.)
* 13	Alamo Pintado Rd. & Mission Dr. (Union Bank)
14	Santa Ynez High School (El Rancho Market)
* 15	Tribal Health Clinic
* 16	Chumash Casino
17	Meadowvale Rd. & Sagunto St. (The Maverick)
18	Sagunto St. & Edison St.
19	Pine St. & Edison St. (Lower Campus)
20	Santa Ynez School (Pine St. & Calzada Ave., Upper Campus)
21	Refugio Rd. & Samantha Dr.
22	Refugio Rd. & Baseline Ave.
23	Refugio Rd. & Roblar Ave.
24	Santa Barbara Ave. & Alamo Pintado Ave.
25	Alamo Pintado Ave. & Grand Ave.
26	Grand Ave. & Alamo Pintado Rd.
27	Alamo Pintado Rd. & Baseline Ave.
* 28	Viborg Rd. (Cottage Hospital)
29	Alamo Pintado Rd. & Mission Dr. (Valley Plaza)
30	Mission Dr. & Alisal Rd. (Veteran's Hall / Library)
31	Solvang Park (North / Inbound)
32	Mission Dr. & 5th St. (North / Inbound)
33	Hwy 246 & Freear Dr. (North / Inbound)
34	McMurray Rd. (McDonald's / Theatre)

ROUTE B STOP ORDER RUTA B ORDEN DE PARADAS

Stop / Parada Cross Street / Cruce de Calles

1	2nd St. & Ave of the Flags (Houston's)
2	Jonata School (via 2nd St.)
3	2nd St. & Sycamore Dr. (Oak Park)
4	Riverview Park (Meadow View Dr. & Old Dairy Rd.)
5	Hwy 246 & Park Circle
6	Buellton Post Office
7	Flying Flags RV Park (via Ave of Flags)
8	Hwy 246 & Freear Dr. (Albertsons)
9	Mission Dr. & 5th St. (South / Outbound)
10	Solvang Park (South / Outbound)
* 11	Allan Hancock College (Alisal Rd. & Elverhoy Way)
12	Santa Ines Mission (Mission Dr. & Alisal Rd.)
* 13	Alamo Pintado Rd. & Mission Dr. (Union Bank)
14	Alamo Pintado Rd. & Old Mission Dr. (Nielsens Shp. Ctr.)
* 15	Viborg Rd. (Cottage Hospital)
16	Alamo Pintado Rd. & Baseline Ave.
17	Santa Barbara Ave. & Alamo Pintado Ave.
18	Alamo Pintado Ave. & Grand Ave.
19	Grand Ave. & Alamo Pintado Rd.
20	Refugio Rd. & Roblar Ave.
21	Refugio Rd. & Baseline Ave.
22	Samantha Dr. & Refugio Rd.
23	Santa Ynez School (Upper Campus)
24	Pine St. & Edison St. (Lower Campus / Inbound)
25	Edison St. & Sagunto St.
26	Sagunto St. & Meadowvale Rd. (The Maverick)
* 27	Chumash Casino
* 28	Tribal Health Clinic
29	SYV High School
30	Mission Dr. & Alisal Rd. (Veteran's Hall / Library)
31	Solvang Park (North / Inbound)
32	Mission Dr. & 5th St. (North / Inbound)
33	Hwy 246 & Freear Dr. (North / Inbound)
34	McMurray Rd. (McDonald's / Theatre)

* On-call stops are served upon request. These include Cottage Hospital, Allan Hancock College, Union Bank, Chumash Casino, and the Tribal Health Clinic. To request a pick-up at an on-call stop call (805) 688-5452. To exit at an on-call stop let the driver know when you board the vehicle.

* Paradas "On-Call" son servidas a pedido. Estas incluyen Cottage Hospital, Allan Hancock College, Union Bank, Chumash Casino, y Tribal Health Clinic. Para solicitar una recojida en una parada "On-Call" llame al (805) 688-5452. Para salir en una parada "On-Call" informe el conductor cuando usted aborde el vehículo.

AMENDMENT NO. 1

TO

PROFESSIONAL SERVICES AGREEMENT

FOR

SANTA YNEZ VALLEY TRANSIT OPERATIONS

BETWEEN THE CITY OF SOLVANG

AND ROADRUNNER MANAGEMENT SERVICES

THIS AMENDMENT, is made and entered into this **12TH** day of **December 2016**, between the CITY OF SOLVANG, a municipal corporation, hereinafter referred to as “City” and ROADRUNNER MANAGEMENT SERVICES, hereinafter referred to as the “Contractor”. In consideration of the mutual covenants and conditions set forth in the original Agreement awarded by the City on May 9, 2016 and dated July 25, 2016, the Contactor and City agree to a contract amendment as follows.

Project Management services provided by the Contractor shall be reduced from 50% full time equivalent down to 20% full time equivalent. This results in a reduced unit cost per revenue hour. The Fee Schedule as provided in “Section 1.04 Compensation” of our Agreement shall be replaced by the table below that summarizes the new allowable unit cost per revenue hour (hourly rate) for the remaining contract period.

The Year 1 adjustment and subsequent hourly rates shall become effective beginning **January 1, 2017**.

All remaining portions of the original Agreement shall remain in full force and effect. As determined by the original Agreement, and Amendment No. 1 the contract hourly rates shall be:

SYVT	FY 2016-17 (Year 1 final 6 months)	FY 2017-18 (Year 2)	FY 2018-19 (Year 3)	FY 2019-20 (Year 4)	FY 2020-21 (Year 5)
Unit Cost/ Revenue Hour	\$ 47.50	\$ 48.69	\$ 49.90	\$ 51.15	\$ 52.43
Estimated Annual Revenue Hours	9,699	9,699	9,699	9,699	9,699
Total Cost	\$ 460,702.50	\$ 472,244.31	\$ 483,980.10	\$ 496,103.85	\$ 508,518.57

Agreed to and executed as follows:

Contractor:

By: _____

Title: _____

CITY OF SOLVANG:

Jim Richardson, Mayor

ATTEST:

By: _____
Lisa S. Martin, City Clerk



**CITY COUNCIL
STAFF REPORT/CONSENT AGENDA**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Sandra Featherson, Director of Administrative Services

MEETING DATE: December 12, 2016

DATE PREPARED: December 5, 2016

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT –
COMPENSATION STUDY**

I. RECOMMENDATIONS:

Authorize the City Manager to execute the Compensation Study Professional Services Agreement, between the City of Solvang and Regional Government Services Group (RGS) in substantial conformity with the attached draft, upon approval as to form by the City Attorney, in the amount of \$14, 275.

II. BACKGROUND:

As part of our negotiations with the Union, Teamsters Local 986, the City agreed to do a compensation study to evaluate the pay and benefits for City employees. City staff does not possess the specialized expertise required to complete this type of study and therefore it is necessary to enter into a Professional Services Agreement to obtain the necessary services for successful completion of this project.

III. DISCUSSION:

The Administrative Services Director, in conjunction with the City Manager, developed a Request for Proposal for the Compensation Study, and solicited proposals from consulting firms possessing the necessary capabilities to perform the services requested. On October 24th, 2016 staff received seven proposals.

Staff reviewed and evaluated the proposals, and RGS was selected and determined to be well qualified to provide the requested services. The final scope of work and fee were negotiated for an amount of \$14,275.

The table below identifies all proposals and costs:

Consulting Firm	Cost
CPS HR Consulting	\$30,713
Ralph Anderson & Associates	\$26,400
Koff & Associates	\$24,250
RSG – Reward Strategy Group	\$24,100
CBIZ	\$16,500
RGS – Regional Government Services	\$14,275
Ewing	\$9,500

IV. ALTERNATIVES:

The City Council could choose to cancel or postpone the Compensation Study and not approve a Professional Services Agreement at this time.

V. FISCAL IMPACT:

Funding for the Compensation Study is approved in the City’s Fiscal Year 2016-17 Budget in the following account:

100-1100-120-57016

The cost of the proposed consultant services is considered reasonable and consistent with the approved project budget.

VI. ATTACHMENTS:

- A. City of Solvang Request for Proposal
- B. Regional Government Services Group RFP Proposal
- C. Professional Services Agreement



CITY OF SOLVANG
1644 Oak Street
Solvang, CA 93463

Request for Proposals
2016
Compensation Study

Released: September 26, 2016

Proposal Deadline: Monday, October 24, 2016

**CITY OF SOLVANG
NOTICE OF REQUEST FOR PROPOSALS
COMPENSATION STUDY**

INVITATION

The CITY OF SOLVANG (hereinafter "City") is soliciting proposals from qualified professional consulting firms (hereinafter "Consultant") to prepare a compensation study and will receive proposals in the office of the City Clerk, 1644 Oak Street, Solvang, California, up to the hour of **2:00 PM on the 24th day of October, 2016**. The selected consultant shall perform the tasks specified in the "Scope of Work" section of the Request for Proposals (RFP).

You are hereby invited to submit a proposal based upon the requirements and conditions set forth in this RFP. The intent of the study is to independently assess and evaluate the City of Solvang's competitiveness in the labor market and to evaluate the overall compensation and benefits package in relation to the market. The study will be based on a comprehensive review of the City of Solvang's current job classifications, salary scales, and benefits relative to similar cities of size and services in the labor market.

The services to be performed by the successful Consultant are described in the Request for Proposals. Copies of the Request for Proposals are available from the City at:

Administrative Services and Finance Department
1644 Oak Street
Solvang, CA 93463
(805) 688-5575

Or online at:

www.Cityofsolvang.com

All responsive proposals shall be reviewed and evaluated by the City in order to determine which proposer best meets the City's needs for this project. The criteria by which the City shall evaluate proposals are set forth in the Request for Proposals.

The City reserves the right to reject any and all proposals or waive any irregularities in any proposal or the proposal process.

Brad Vidro, City Manager

Date

CITY OF SOLVANG REQUEST FOR PROPOSALS COMPENSATION STUDY

INTRODUCTION/BACKGROUND INFORMATION

Solvang, meaning “Sunny Field,” was founded in 1911 by a group of Danish educators from the Midwest who were in search of a site for a Danish-type folk school. They liked what they saw and envisioned the location of the potential town, nestled between the Santa Ynez and San Rafael mountain ranges as an ideal place to launch the school and where settlers could develop a Danish Colony that we now know as Solvang. Although Solvang has since developed into one of California’s main tourist attractions, its many Danish-American residents continue to perpetuate their Danish heritage as seen by the architectural style in the downtown tourist area. The City is located inland along the Central Coast, some 45 miles north of Santa Barbara, in the historic Santa Ynez Valley.

The City was incorporated on May 1, 1985. It subsequently transitioned from a General Law City to a Charter City in November 2006. Becoming a “Charter City” means we have more “local home rule” authority than cities that incorporate under the “general laws” of the State of California. The Charter is the City’s “Constitution,” and any changes must be approved by the voters.

The City of Solvang provides a full range of municipal services, including contracted police services, the construction and maintenance of City streets, storm drains, bridges and similar infrastructure type assets, park maintenance and community recreation activities. Water, wastewater and transit services are provided through the use of an enterprise fund or business-type fund structure.

The City has 35 full time employees and 2 part time employees. The City has one Memorandum of Understanding with the Teamsters Union Local 986. The chart below identifies represented and non represented employees.

City Manager	Non-Represented	Exempt
City Clerk/Executive Assistant	Non-Represented	Exempt
Director of Administrative Services	Non-Represented	Exempt
Director of Parks and Recreation	Non-Represented	Exempt
Director of Public Works/City Engineer	Non-Represented	Exempt
Director of Planning, Building, and Economic Development	Non-Represented	Exempt
Sr. Accounting Technician	Non-Represented/Confidential	Non-Exempt
All Other Full Time Positions	Represented	Non-Exempt

See City Organization Chart (Attachment 2).

1. INSTRUCTIONS FOR SUBMITTALS

Three (3) hard copies of the Proposal must be received by **2:00 PM on the 24th day of October, 2016.**

It is the prospective Consultant's responsibility to ensure that the proposal is received by the City prior to the hour and date for the opening of proposals specified in the Notice of Request for Proposals. Any proposals received by the City after that hour and date shall be returned unopened.

All proposals shall be prepared in conformance with the Request for Proposals and submitted in an envelope plainly marked on the outside: "PROPOSAL FOR COMPENSATION STUDY– DO NOT OPEN WITH REGULAR MAIL."

2. QUALITY OF PROPOSAL

Unnecessarily elaborate or glossy proposals are neither expected nor desired. The emphasis of the proposal should be on responding to the requirements set forth in this Request for Proposal.

3. CONTENTS OF PROPOSAL

The Consultant shall include in its proposal, at a minimum, the following information presented in a clear and concise format, in order to demonstrate the prospective Consultant's competence and professional qualifications for the satisfactory performance of the services outlined in the "Scope of Services" section of this Request for Proposals.

3.1. **Executive Summary**

Provide a brief overview of the entire proposal, highlighting key aspects of the proposal and demonstrating the prospective Consultant's understanding of the study.

3.2. **Qualifications and Experience**

Prospective Consultants must provide a detailed history of their company and/or its partners' experience in conducting compensation studies for public agencies. Proposals must include the following information about the prospective Consultant and any subconsultants.

Company's Qualifications

- a. Total number of years in business, general scope of services provided.
- b. Name of Principals and a narrative description of the firm's organization.
- c. Firm's relationship to any larger business entity.
- d. Qualifications and expertise to meet the City's needs.

Company's Personnel Qualifications

- a. Describe key personnel's proposed roles and responsibilities on this project, including any subconsultants.
- b. Describe qualifications of each of the key personnel to be assigned to the project and their relevant related experience.

- c. Identify a proposed Project Manager who would be responsible for the day-to-day management of project tasks and would be the primary point of contact for the project.
- d. Acknowledge that any change of successful prospective Consultants and/or subconsultants on this project from those proposed in the response to this RFP must be approved by the City before the change is implemented. Substitutions without prior approval will be considered a breach of the contract. The City reserves the right to request replacement of any successful prospective Consultant's team member that proves to be unacceptable.

Relevant Experience

Briefly describe other projects managed or executed by the prospective Consultants that demonstrate relevant experience.

- a. Describe your experience conducting compensation studies for public sector agencies, including positions in the maintenance, water, and wastewater fields.
- b. List most relevant (similar size, scope, and complexity) completed projects related to conducting compensation studies that the prospective consultant has been involved in within the past five (5) years.
- c. Provide three (3) references for the most relevant projects, including the contact person, the dollar amount of the contract, and the date of performance.

3.3. Scope of Services

A detailed description of the methods by which the prospective Consultant intends to perform the work set forth in the Scope of Services. The description shall include, at a minimum, the following items:

- a. A statement and discussion of the project objectives, concerns and key issues.
- b. A detailed scope of work along with the process for executing the requirements and objectives of the project.
- c. A statement of the extent to which the prospective Consultant's proposed approach and scope of work will meet or exceed the stated objectives discussed in this RFP. A discussion of how the Consultant would modify the project, and/or schedule to better meet these objectives, may also be included.
- d. A detailed tentative schedule for completion of the work, including performance and delivery schedules indicating phases or segments of the project, milestones, and significant events.

3.4. Cost Proposal

A total proposed "Not to Exceed" cost of the services, including a Fee Schedule describing all charges and hourly rates for services.

- a. A performance and cost schedule for all services necessary to complete this project. The proposal should specify the major components, the cost breakdown by major component or phase, and the expected time of completion for each component based on the scope of services outlined in the proposal.
- b. All proposals shall give the costs proposed, both in writing and in figures, and give all other information requested herein, and shall be signed by the prospective Consultant's authorized representative. Proposal prices shall include everything necessary for the information gathering, preparation and presentation,

including but not limited to, furnishing all materials, equipment, tools, facilities and all management, superintendence, labor, services, taxes, licenses and permits required to complete the work. Any items shown on the prospective Consultant's plans or details that are not specifically listed in the proposal are to be considered included in the proposal cost, and no additional or special compensation will be allowed.

- c. Include payment terms.

The cost proposal should also include:

- 3.4.1 Proposed terms for an agreement by which the work shall be performed. The CITY's standard Professional Services Agreement is attached to this Request for Proposals (see attachment 1). The prospective contractor should specifically indicate, in its proposal, any clauses in the City's proposed Agreement which are unacceptable to the prospective contractor. This may be cause for the proposal to be considered as non-responsive.
- 3.4.2 A statement which discloses any past ongoing or potential conflicts of interest which the Consultant may have as a result of performing the work for this project.
- 3.4.3 A statement of intent to provide insurance per the City's standard requirements as described in Attachment C of the Professional Services Agreement.
- 3.4.4 The Proposal must be signed by an authorized representative of the prospective contractor.

4. INTERPRETATIONS OF THE REQUEST FOR PROPOSALS.

If the prospective consultant is in doubt as to the meaning of any part of the Request For Proposals, or finds discrepancies in or omissions from the Request For Proposals, the prospective Consultant shall submit to the City a written request for an interpretation of clarification prior to the time for opening proposals. All such requests should be addressed to the City at:

Director of Administrative Services
1644 Oaks Street
Solvang, CA 93463

The prospective Consultant shall be responsible for the prompt delivery of the request. The City shall not be responsible for any explanation or interpretations of the Request for Proposals other than by written addendum delivered to each prospective contractor. No oral interpretations of any provision in the Request for Proposals shall be binding upon the City.

5. EVALUATION OF PROPOSALS

After the Proposals are received and opened by the City, the City shall review and evaluate all proposals for responsiveness to the Request for Proposals in order to determine whether the prospective Consultant possesses the professional qualifications necessary for the satisfactory performance of the services required. The City shall also investigate qualifications of all prospective Consultants to whom the award is

contemplated, and the City may request clarifications of proposals directly from one or more contractors. It is anticipated that this review period will last up to approximately thirty (30) days. In reviewing the proposals, the City will consider the following:

5.1 Consultants' Experience and Qualifications (Weighted 25%)

- a. Experience with projects of similar type and scope.
- b. Experience with other municipalities and public sector organizations.
- c. Hands-on experience of team and staff who will be involved with project
- d. Demonstrated expertise in and understanding of local government operations.

5.2 Methodology and Structure (Weighted 25%)

- a. Description of the professional methodology and structure that will be used to satisfy the project's objectives.
- b. The feasibility of the proposal based upon the performance, delivery schedules and the methodology to be used by the Prospective Consultant.

5.3 Implementation and/or Delivery Schedule (Weighted 10%)

- a. Proposed timeline is realistic and responsive to project objectives.

5.4 Cost Proposal (Weighted 20%)

- a. Total cost of the project.

5.5 References (Weighted 10%)

- a. Feedback from submitted references.

5.6 Presentation and Clarity of Proposal (Weighted 10%)

- a. Quality of work submitted as it relates to meeting project objectives.
- b. The clarity, creativeness, and responsiveness to the Request for Proposal.
- c. The Consultant's understanding of the proposed project and familiarity with the City's current compensation system.

6. ANTICIPATED SCHEDULE

The City has identified the following tentative timetable for submittal and evaluation of the proposals, and negotiation and final approval of the Professional Services Agreement:

September 26, 2016	Issue RFP
October 24, 2016	Proposal Submittal Deadline
October 24 – November 4, 2016	Review and Evaluation of Proposals
November 7–11, 2016	Consultant Interviews (if necessary)
November 14, 2016	Selection of Consultant and Notification
November 14, 2016	Commence Scope-of-Work Negotiations
November 28, 2016	City Council Approval of Consultant Contract

7. AWARD OF AGREEMENT

Upon completion of the review period, the City shall notify the prospective Consultant selected for the Project. The prospective Consultant so notified may be required to provide specific documentation to the City. Any delay caused by prospective Consultant failure to respond to direction from the City may lead to a rejection of the Proposal.

- 7.1. If the City determines, after further evaluation and negotiation, to award the Agreement, a Professional Services Agreement shall be sent to the successful prospective Consultant for signature. No proposal shall be binding upon the City until after the Agreement is signed by duly authorized representatives of both the Contractor and the City.
- 7.2. The City reserves the right to reject any or all proposals, and to waive any irregularities.
- 7.3. The successful prospective contractor will be required to obtain a City of Solvang Business Certificate.

Request for Proposals 2016 Compensation Study Detailed Scope of Work

The Consultant shall prepare and produce a detailed and comprehensive Compensation Study to enable the City to understand the current labor market, including analysis and position within the market as it relates to salary and benefits and shall include the following:

- A. Conduct a comprehensive compensation survey listing of comparable agencies in population, revenue base, and cost of living; not only job titles, but duties and responsibilities. The survey should include all elements of compensation (salary, retirement formula, health and other ancillary benefits).
- B. Conduct a total compensation labor market analysis (salary and benefits) using established or revised benchmarked classifications from comparable agencies. The analysis should take into consideration the cost of living and/or cost differences due to geographic locations and make the necessary adjustments to formulate a fair comparison.
- C. Conduct an internal salary relationship analysis to ensure internal salary equity.
- D. Determine the City's labor market position with regard to salaries and benefits and propose target compensation goals, while considering the City's financial restraints. Recommend salary range adjustments for classifications, based on study results.
- E. Considering the City's salary structure and compensation goals, develop a strategy for implementing the results of the study, including how to establish salaries for classifications that are above market. Considering the City's financial constraints, provide multiple options for implementation, including partial and full implementation over a multi-year period. Assist in implementing the results of the study by determining the short and long term fiscal impact to the City for providing market adjustments.
- F. Confirm validity of current job families, classification series, and career ladders to ensure accuracy of internal alignments.
- G. Assist the City in developing a compensation policy with the goal of providing ongoing structure and consistency for classification analysis and changes in future years.
- H. Develop a communication plan regarding the compensation study to include consultation with supervisors, department heads, and union representatives on the objectives, processes, and progress of the study.
- I. Provide monthly progress reports outlining the scope of work completed to date, scope of work completed during the period, and summary statement of project progress.
- J. Prepare a draft report of all compensation findings and recommendations, including supporting data for recommendations.
- K. Present draft results of the survey to management and the bargaining unit in a group meeting setting.
- L. Present the final compensation report and recommendations to the City Council.

- M. Upon the conclusion of the study, provide summary report with detailed analysis and recommendations, salary ranges, benchmark listing, market survey agency listing, and all materials associated with the implementation of the study in electronic format using Microsoft Office software (Word, Excel, PowerPoint, etc.).

The successful firm will provide the City with a detailed list of information required to complete the study. The City will provide the information and records and arrange for management personnel to meet the firm's personnel, once an agreement has been executed between the City and the firm. All requested statistical and financial City reports will be submitted to the requestor in Excel and/or PDF format. The successful firm is expected onsite for an initial kickoff meeting to review the data available and commence the study. Subsequent onsite visits may be necessary. The complete draft report shall be submitted to the City within 4 months after award of contract. The City recognizes that performance by Consultant is dependent upon performance by City and shall make schedule adjustments to reflect any delays caused by City.

The Consultant shall attend two progress meetings with City staff at appropriate project milestones. Following review of the draft Study by City staff, Consultant shall incorporate and/or address all staff comments. Based on direction from City staff, Consultant shall develop a second draft Study and submit to staff for review. Following review of second draft Study by City staff, Consultant shall incorporate and/or address all staff comments. The Consultant shall attend City Council meeting and submit and present the final report.

Five hard copies and one PDF copy of the first and final draft Studies shall be provided. Ten (10) bound copies, one unbound copy, and the electronic files in Microsoft Word format, of the final report shall be submitted to City within 30 days of receipt of City final comments.

**CITY OF SOLVANG
2016
Compensation Study**

PROFESSIONAL SERVICES AGREEMENT

This agreement is made upon the date of execution, as set forth below, by and between _____ (“Consultant”), a *human resources consulting* firm, and the City of Solvang (“City”). The parties hereto, in consideration of the mutual covenants contained herein, hereby agree to the following terms and conditions:

1.0 GENERAL PROVISIONS

1.01 **Term:** This agreement will become effective on the date of execution set forth below, and will continue in effect until terminated as provided herein.

1.02 **Services:** Consultant shall perform the tasks described and set forth in **Exhibit A**, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

Consultant shall determine the method, details and means of performing the above-referenced services.

Consultant may, at their own expense, employ such assistants and sub consultants, as Consultant deems necessary to perform the services required of Consultant by this agreement. However, Consultant may not assign this agreement to any other person or entity in the performance of required project-related services, and the City may not control, direct or supervise Consultant’s assistants or employees in the performance of those services.

1.03 **Standard of Performance:** Consultant’s services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of Consultant’s profession currently practicing under similar conditions. Whenever the scope of work requires or permits approval by the City, it is understood to be approval solely for the purposes of conforming to the requirements of the scope of work and not acceptance of any professional or other responsibility for the work. Such approval does not relieve the Consultant of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Consultant or its subconsultants. By delivery of completed work, Consultant certifies

that the work conforms to the requirements of this contract and all applicable federal, state and local laws. If Consultant is retained to perform services requiring a license, certification, registration or other similar requirement under California law, Consultant shall maintain that license, certification, registration or other similar requirement throughout the term of this Contract.

1.04 **Compensation:** In consideration for the services to be performed by Consultant, City agrees to pay Consultant monetary consideration for professional services in accordance with the rates set forth in **Exhibit B**. The parties agree that total compensation for fees and costs for the services detailed in Exhibit A shall not exceed the sum of \$_____, unless and until this Agreement is amended as provided herein.

1.05 **Billing/Payment Terms.** All charges for Consultant's services and related reimbursable expenses shall be billed monthly, and all undisputed charges will be paid by City within 30 (thirty) days of receipt. The bills will itemize by date all services and expenses provided for the invoice period under this Agreement including a brief description of the nature of work performed, the person performing or vendor providing them, the applicable billing rate, the time expended. All Consultant service invoices must be approved by either the Public Works Director or the City Manager, prior to payment.

2.0 OBLIGATIONS OF CONSULTANT

2.01 **Contract Management and Service Performance:** Consultant Principal shall serve as the project manager and will personally prepare, or direct and supervise the preparation of, all work product called for by this agreement. Consultant represents that it has the qualifications, experience and facilities to properly perform all services hereunder in a thorough, competent, timely, and professional manner and shall, at all times during the term of this Agreement, have in full force and effect all licenses required of it by law. Consultant agrees to devote the hours and the human resources necessary to timely perform the services set forth in this agreement in an efficient, professional, and effective manner.

2.02 **Avoidance of Conflict of Interest.** Consultant may represent, perform services for, and be employed by additional individuals or entities, in Consultant's sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with City's business or interfere with the timely performance and completion of Consultant's services under this Agreement.

Consultant shall comply with all conflict of interest laws and regulations including, without limitation, the City's Conflict of Interest Code (on file in the City Clerk's Office). All officers, employees and/or agents of Consultant who will be working on behalf of the City pursuant to this Agreement may be required to file

Statements of Economic Interest. Therefore, it is incumbent upon the Consultant or Consulting Firm to notify the City of any staff changes relating to this Agreement.

- A. In accomplishing the scope of services of this Agreement, all officers, employees and/or agents of the Consultant(s) unless as indicated in Subsection B, will be performing a very limited and closely supervised function, and therefore, unlikely to have a conflict of interest arise. No disclosures are required for any officers, employees, and/or agents of Consultant, except as indicated in Subsection B.

2.03 **Tools and Instrumentalities:** Consultant shall provide all tools and instrumentalities to perform the services under this agreement.

2.04 **Workers' Compensation and Other Employee Benefits:** City and Consultant intend and agree that Consultant is an independent consultant of City and agree that Consultant and Consultant's employees and agents have no right to Workers' Compensation and other City-sponsored employee benefits. Consultant agrees to provide Workers' Compensation and other employee benefits, where required by law, for Consultant's employees and agents. Consultant agrees to hold harmless and indemnify City for any and all claims arising out of any claim for injury, disability, or death of Consultant and any of Consultant's employees or agents.

2.05 **Indemnification:**

General Professional Services: Professional Consultant hereby agrees to, and shall, hold City, its elective and appointive boards, officers, agents and employees, harmless and shall defend the same from any liability for damage or claims for damage, or suits or actions at law or in equity which may allegedly arise from the negligent acts, errors or omissions of Consultant's or any of Consultant's employees' or agents' operations under this agreement, whether such operations be by Consultant or by any one or more persons directly or indirectly employed by, or acting as agent for, Consultant; provided as follows:

- (a) To the fullest extent permitted by law, the Consultant shall (1) immediately defend, and (2) indemnify the City of Solvang, and its elected officials, officers, and employees from and against all liabilities regardless of nature or type arising out of or resulting from Consultant's performance of services under this contract, or any negligent or wrongful act or omission of the Consultant or Consultant's officers, employees, agents, or subconsultants. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The Consultant's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole active negligence or sole willful misconduct of an

indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, the Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

(b) The duty to defend is a separate and distinct obligation from the Consultant's duty to indemnify. The Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City of Solvang, the City of Solvang and its elected officials, officers, and employees, immediately upon tender to the Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the Consultant from its separate and distinct obligation to defend City of Solvang. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if the Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of an indemnified party, Consultant may submit a claim to the City of Solvang for reimbursement of reasonable attorneys' fees and defense costs.

(c) The review, acceptance or approval of the Consultant's work or work product by any indemnified party shall not affect, relieve or reduce the Consultant's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

2.06 **Insurance:** Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this agreement

3.0 OBLIGATIONS OF CITY

3.01 **Cooperation:** City agrees to comply with all reasonable requests of Consultant necessary to the performance of Consultant's duties under this agreement. City employees, agents and officers of the City agree to disclose all information relevant to this project to Consultant.

4.0 TERMINATION OF AGREEMENT

4.01 **Termination Notice:** Notwithstanding any other provision of this agreement, any party hereto may terminate this agreement, at any time, without cause, by giving at least 30 (thirty) days' prior written notice to the other parties to this agreement.

4.02 **Termination on Occurrence of Stated Events:** This agreement shall terminate automatically on the occurrence of any of the following events:

- a. Sale of the business of any party;
- b. The end of the 30 (thirty) days as set forth in section 4.01;
- c. End of the contract to which Consultant's services were necessary; or
- d. Assignment of this agreement by Consultant without the consent of City.
- e. Bankruptcy or insolvency of any party.
- f. Death of any party.

4.03 **Termination by any Party for Default:** Should any party default in the performance of this agreement or materially breach any of its provisions, the non-breaching party, at its option, may terminate this agreement, immediately, by giving written notice of termination to the breaching party.

4.04 **Termination:** This agreement shall terminate on _____, 20____, unless earlier extended as set forth in this Section. The City, with the agreement of Consultant, is authorized to extend the term of this agreement beyond the termination date, as needed, under the same terms and conditions as set forth in this agreement. Any such extension shall be in writing and be an amendment to this agreement.

5.0 SPECIAL PROVISIONS

5.01 **Additional Tasks as May Be Assigned by the Director of Administrative Services or the City Manager:** Prior to initiating any Consultant work on matters relating to _____, but outside this contract, it shall be the responsibility of Consultant to obtain written approval of the Administrative Services Director, or the City Manager, prior to initiation of such tasks.

5.02 **Time Schedule:** Consultant is to begin work upon receipt and execution of City contract. It is contemplated that most of the services hereunder, including but not limited to preparation, public and agency review, and submission of the draft report to the City Manager and final report to City Council, will be completed on or before March 31, 2017. **TIME IS OF THE ESSENCE OF THIS CONTRACT.** Consultant agrees to engage its best efforts to adhere strictly to the schedule set forth in Exhibit A and incorporated herein.

5.03 **Work Outside Contract Scope:** No payment for changed or additional work shall be made unless the changed or additional work has first been approved in writing by the Contract Manager and the parties have agreed upon the appropriate adjustment, if any, to the payment schedule and maximum payment amount for the changed or additional work. The Contract Manger may order changes or additions to the scope of work. Whether a change or addition to the scope of work is proposed by the Consultant or ordered by the Contract Manager, the parties shall in good faith negotiate an appropriate adjustment, if any, to the payment schedule and maximum payment for the changed or additional work. An approved change or addition, along with the payment

adjustment, if any, will be effective upon an amendment to this contract executed by both parties. The amendment shall not render ineffective or invalidate unaffected portions of this contract.

5.04 **Confidentiality:**

- (a) Confidential Nature of Information. Consultant shall treat all information obtained from the City in the performance of this contract as confidential and proprietary to the City. Consultant shall treat all records and work product prepared or maintained by Consultant in the performance of this contract as confidential.
- (b) Limitation on use and disclosure. Consultant agrees that it will not use any information obtained as a consequence of the performance of work for any purpose other than fulfillment of Consultant’s scope of work. Consultant will not disclose any information prepared for the City, or obtained from the City or obtained as a consequence of the performance of work to any person other than the City, or its own employees, agents or subconsultants who have a need for the information for the performance of work under this contract unless such disclosure is specifically authorized in writing by the City.
- (c) Security plan. If requested by the Contract Manager, Consultant shall prepare a security plan to assure that information obtained from the City or as a consequence of the performance of work is not used for any unauthorized purpose or disclosed to unauthorized persons. Consultant shall advise the City of any request for disclosure of information or of any actual or potential disclosure of information.
- (c) Survival. Consultant’s obligations under this paragraph shall survive the termination of this contract.

6.0 MISCELLANEOUS

6.01 **Notices:** Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this agreement or by law to be served on or given to any party to this agreement shall be in writing and delivered or, in lieu of such personal service, when deposited in the United States mail, first class postage prepaid, to the following address for each respective party:

PARTY	ADDRESS
TO: CITY OF SOLVANG	City of Solvang 1644 Oak Street Solvang, CA 93463 Attention: City Clerk

Copy to: Roy Hanley

City Attorney
HANLEY & FLEISHMAN, LLP
8930 Morro Road
Atascadero, CA 93422

TO CONSULTANT:

6.02 **Governing Law:** This agreement and all matters relating to this agreement shall be governed by the laws of the State of California in force at the time, should any need for interpretation of this agreement or any decision or holding concerning this agreement arise.

6.03 **Binding Effect:** This agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, but nothing in this Section shall be construed as consent by City to any assignment of this agreement or any interest in the agreement.

6.04 **Remedies:** The remedies set forth in this agreement shall not be exclusive, but shall be cumulative with, and in addition to, all remedies now or hereafter allowed by law or equity.

6.05 **Due Authority:** The parties hereby represent that the individuals executing this agreement are expressly authorized to do so on and in behalf of the parties.

6.06 **Ownership of Work Product:** Upon delivery, the work product, including without limitation, all original reports, writings, recordings, drawings, files, and detailed calculations developed under this contract are the property of the City. Consultant agrees that all copyrights, which arise from creation of the work pursuant to this contract, shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Consultant makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

6.07. **Integration and Modification:** This contract represents the entire understanding and agreement of the City and Consultant as to those matters contained herein. This agreement correctly sets forth the obligations of the parties hereto to each other as of the date of this agreement. All agreements or representations respecting the subject matter of this agreement not expressly set forth or referred to in this agreement are null and void. No prior oral or written understanding shall be of any force or effect with respect to those

matters covered hereunder. This contract may not be modified, amended, or altered except in writing signed by the City and Consultant.

6.08. **Advice of Counsel:** The parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms, and conditions of this contract, and that the decision of whether or not to seek the advice of counsel with respect to this contract is a decision which is the sole responsibility of each of the parties hereto. This contract shall not be construed in favor or against either party by reason of the extent to which each party participated in the drafting of the contract.

6.09. **Independent Review:** Each party hereto declares and represents that in entering this contract it has relied and is relying solely upon its own judgment, belief and knowledge of the nature, extent, effect and consequence relating thereto. Each party further declares and represents that this contract is being made without reliance upon any statement or representation not contained herein of any other party, or any representative, agent, or attorney of any other party.

6.10. **Attorney Fees:** In the event of any controversy, claim or dispute between the parties hereto, arising out of or relating to this agreement, or the breach hereof, the prevailing party shall be entitled, in addition to other such relief as may be granted, to a reasonable sum as and for attorney fees.

6.11 **No waiver:** The waiver of any breach by any party of any provision of this agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of this agreement.

6.12. **Assignment:** This agreement is specifically not assignable by Consultant to any person or entity. Any assignment or attempt to assign by Consultant whether it be voluntary or involuntary, by operation of law or otherwise, is void and is a material breach of this agreement, giving rise to a right to terminate as set forth in Section 4.03.

6.13. **Time for Performance:** Except as otherwise expressly provided for in this agreement, should the performance of any act required by this agreement to be performed by either party be prevented or delayed by reason by any act of God, strike, lockout, labor trouble, inability to secure materials, or any other cause, except financial inability, which is the fault of the party required to perform the act, the time for performance of the act will be extended for a period of time equivalent to the period of delay and performance of the act during the period of delay will be excused: provided, however, that nothing contained in this Section shall exclude the prompt payment by either party as required by this agreement of the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act.

6.14 **Severability:** Should any provision of this agreement be held by a court of competent jurisdiction or by a legislative or rulemaking act to be either invalid, void or unenforceable, the remaining provisions of this agreement shall remain in full force and effect, unimpaired by the holding, legislation or rule.

6.15. **Construction:** The parties agree that each has had an opportunity to have their counsel review this agreement and that any rule of construction to the effect that

ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provision to which they relate.

6.16. **Amendments:** Amendments to this agreement shall be in writing and shall be made only with the mutual written consent of all the parties to this agreement.

6.17. **Signatures:** The individuals executing this contract represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this contract on the following date.

Consultant:

Date: _____

By: _____
President

City of Solvang:

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

City Attorney:

HANLEY & FLEISHMAN, LLP

Date: _____

By: _____
Roy Hanley
City Attorney

EXHIBIT A

TASKS TO BE PERFORMED

EXHIBIT B
SCHEDULE OF FEES

EXHIBIT C

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and “Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Best’s rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all consultants, and subconsultants to do likewise.

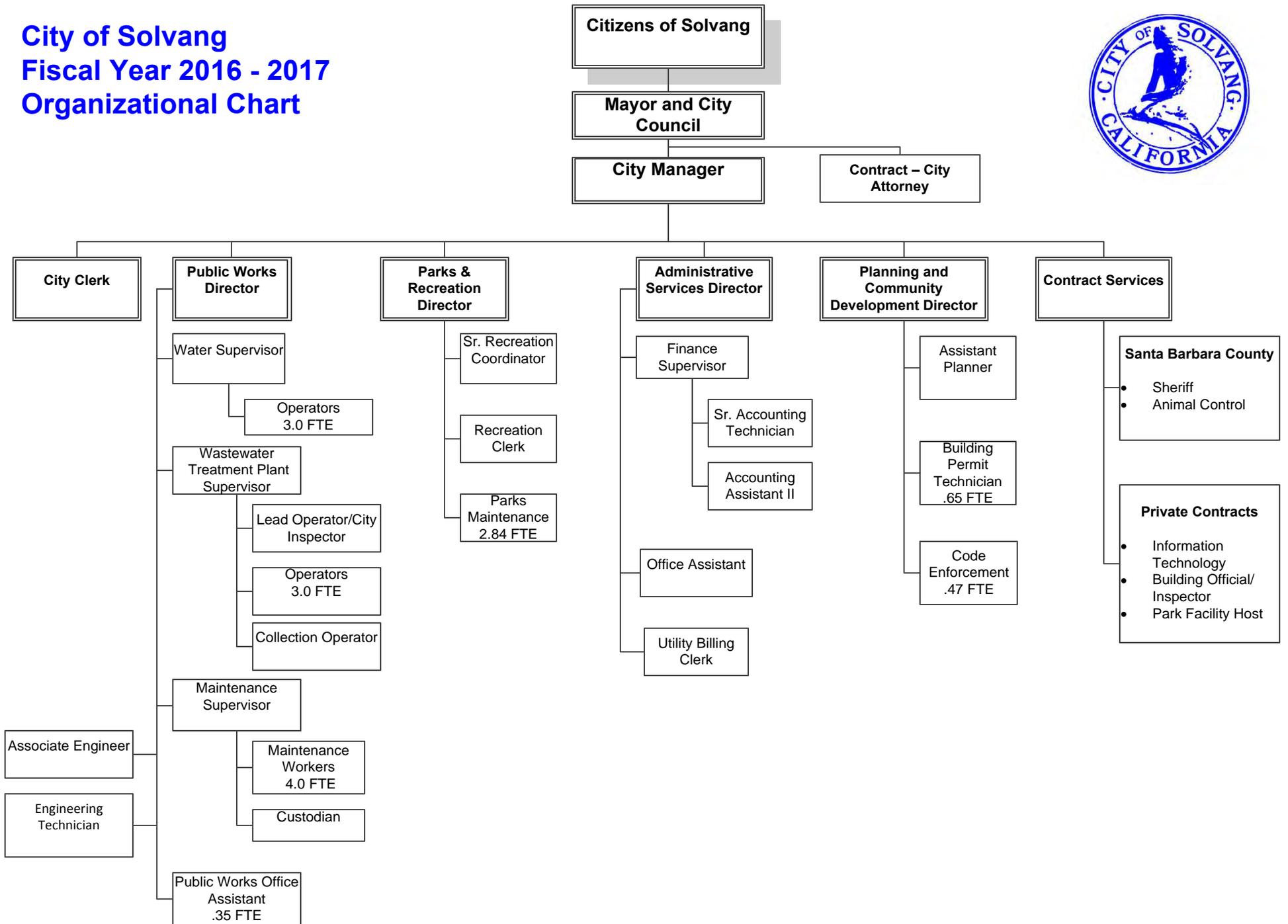
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all consultants and subconsultants to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any consultant or subconsultant.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.
8. Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.
9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subconsultant, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self insurance available to City.
10. Consultant agrees to ensure that subconsultants, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all

agreements with subconsultants and others engaged in the project will be submitted to City for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any consultant, subconsultant, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increased benefit to City.
13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

**City of Solvang
Fiscal Year 2016 - 2017
Organizational Chart**





**REGIONAL
GOVERNMENT
SERVICES**

SERVING PUBLIC AGENCIES SINCE 2002

October 24, 2016

Brad Vidro, City Manager
Office of the City Clerk
1644 Oak Street
Solvang, CA 93463

RE: A PROPOSAL TO THE CITY OF SOLVANG IN RESPONSE TO REQUEST FOR PROPOSALS - 2016 COMPENSATION STUDY

Dear Mr. Vidro,

Regional Government Services (RGS) is pleased to submit a proposal to the City of Solvang in response to Request for Proposals (RFP) 2016 Compensation Study. RGS is a unique, fee-supported, non-profit government agency specializing in public-sector staffing and consulting services. RGS exclusively serves public agencies and employs experienced public-sector professionals to assist our partner agencies.

I feel confident that you will find our work plan is responsive to each of the study objectives, key timelines, and benchmarks. The plan allows for ample time, tools, and support to allow City staff to effectively maintain and administer the classification plan. RGS has a solid and respected reputation with the public agencies we serve for timely, cost efficient delivery and effective implementation. As we are a public agency, we understand the needs and requirements of public agencies.

RGS consultants are experienced in working with our partner agencies' management, employees, elected officials, and labor representatives. RGS will provide the resources necessary to fulfill study objectives and meet benchmarks and deadlines. Deborah Muchmore, Senior Human Resource Advisor, will lead the experienced team of Advisors and support team members conducting the study. If you have any questions or need additional information, please do not hesitate to contact Deborah Muchmore, Human Resources Advisor at (650) 587-7300 x25 or via e-mail at: dmuchmore@rgs.ca.gov, or myself at (650) 587-7316 or via e-mail at jbower@rgs.ca.gov. RGS looks forward to the opportunity to provide these services to the City.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Bower". The signature is written in a cursive style.

Jennifer Bower, Director of Administrative Services

REGIONAL GOVERNMENT SERVICES

EXECUTIVE SUMMARY

Regional Government Services Authority (RGS), appreciates the opportunity to submit this proposal to the City of Solvang for completion of a Citywide Total Compensation Study. As an organization governed by City Managers, we understand the opportunities and challenges facing full-service municipalities. We are confident that we can provide effective and creative solutions, expert analysis and reporting, and implementation plans that are directly applicable to the City's needs.

The City is soliciting proposals from qualified firms experienced in assessing current labor market conditions, conducting detailed and comprehensive Compensation Studies, and developing and implementing classification and compensation systems for a full-service Charter City with a Council-Mayor form of government. RGS's experienced and professional advisors and analysts are skilled in classification and compensation practices and have provided these services to over 100 public agencies throughout California.

The study will encompass approximately 30 classifications and 37 employees of whom 38 are full-time and 2 are part-time. Of the 37 employees, 7 are unrepresented or confidential and the balance are represented by Teamsters Union Local 986.

The study will commence upon award of contract, as early as December of 2016, and last no more than 4 months for a "not to exceed" consideration of **\$14,275** as detailed in Cost Proposal section on **page 16**. RGS will perform the requested services including the following desired outcomes:

- A communication plan with timely and effective notification to all appropriate stakeholders of study objectives, timelines, and progress, including monthly progress reports outlining the scope of work completed to date, during the period, and summary statements.
- A comprehensive labor market analysis and review of matched classifications at comparator entities which have similar population, revenue base, cost of living, and positions conducting similar job duties and responsibilities taking into consideration classification duties and responsibilities, not just title.
- Confirmation of the validity of current job families, classification series, and career ladders and, where appropriate, suggested revisions to internal alignment, benchmark classes, or compensation strategies as appropriate.
- Results of a total compensation survey including all elements of compensation (salary, retirement formula, health, dental, vision, life, Long Term Disability, or other compensable benefits) using current or revised benchmarked classifications. The results will be adjusted and adjustments documented, where applicable, for a fair comparison based on economic or geographic factors.

- An analysis of the City's labor market position regarding salaries and benefits and a proposal of compensation goals and recommendations for salary range adjustments based on external factors.
- An analysis a of the internal equity across the entire classification plan including several options to the City taking into consideration the City's financial status and projections, external market competitiveness, labor market conditions, and internal compensation analysis across the entire classification system.
- A summary of findings report for discussion with appropriate City staff regarding findings, proposed recommendations, the City's financial, political, and cultural restraints, and possible implementation strategies.
- Implementation options for the City considering the full classification structure and parity within and across classifications and series, including strategies for salaries that are above market, fiscal impact projections, and providing multiple options for implementation over current and multi-year periods.
- Collaborative development of a compensation policy that includes current and ongoing administration guidelines that will be sustainable, internally equitable, externally competitive, and consistent for the future.
- A draft report including the results of the study presented to City management and the bargaining unit in a group setting.
- Final report and presentation materials for City Council. Presentation of final report and recommendations to the City Council.
- A summary report and detailed analysis and recommendations, including strategies for implementation, salary ranges, benchmarked class listing, market survey agency listing, all materials associated with and the recommendations for ongoing administration of the compensation plan in electronic format using Microsoft Office software.

The individual tasks that will achieve the outcomes listed above are detailed and explained in detail in the Scope of Services section of this proposal. RGS routinely provides the services listed in this proposal to our over 150 present and past public agency clients and partner agencies. We are confident that through an iterative partnership with the City based on communication, flexibility, and collaboration we can provide creative, effective, and usable recommendations and solutions based on best practices to meet the City's objectives.

QUALIFICATIONS AND EXPERIENCE

COMPANY'S QUALIFICATIONS

Regional Government Services (RGS) is a California Joint Powers Authority established in 2001 to serve the needs of cities, counties, special districts, and other governmental entities throughout California. Under California law, a JPA can be formed by two or more governmental agencies, with the agencies becoming governing members of the JPA. The members of RGS are the Cities of Dublin, Larkspur, and Walnut Creek and the Town of Yountville. Each agency's chief executive officer has a seat on the Board of Directors for RGS. The Board of Directors appoints individuals to assist the Board in overseeing the operation of the JPA, including an Executive Committee and a Finance Committee. Our Executive Director and CFO, Richard Averett, has worked with the Board of Directors to implement the Authority's strategic plan and manages the day-to-day operations through a staff of professionals.

RGS works exclusively with public agencies providing a ready source of competent and effective staffing and consulting services to meet the needs of our partner agencies in a broad range of service areas. We offer expert advice and human resources services in areas of classification and compensation, labor negotiations, organizational development, benefits administration, performance management and incentive compensation programs, policy and procedural development and implementation, development of competency models and strategic management tools, training programs and team building retreats, professional development and succession planning, payroll administration, and serving as HR Directors for our smaller public agencies who are unable to support a full-time, on-site professional.

Our team of Senior Advisors, supported by over 125 team members, has worked with more than 150 agencies throughout the state from small municipalities to larger counties and Metropolitan Planning Organizations. We don't have clients; we have partners who benefit from our low-cost delivery model and open source access to tools created to improve internal efficiencies and the delivery of services to the public. To see a list of our recent and past client partners please visit: <http://www.rgs.ca.gov/> and click on "Partners".

In 2015, RGS advisor teams completed over 21 compensation study and analyses and 31 classification studies for agencies throughout the State of California. Compensation study analyses ranged from total organizational, full compensation survey studies and MOU costing in preparation for labor negotiations, to analysis of benchmarks, internal salary relationships, and ongoing salary administration.

The RGS staff prides itself on its ability to deliver accurate, professional products and services within reasonable timelines, meet deadlines, and provide clear, honest, and effective

communications. All of which help to promote good relations with stakeholders at all phases of a client's project.

At RGS, we believe in striving to be a partner to the agencies we serve, not simply a consultant or contractor. We believe in relationships that are lasting and mutually respectful and beneficial. To establish a mutually respectful relationship as well as a productive one, RGS has adopted the following values and business methods.

OUR VALUES

- **Expert Services:** RGS serves exclusively public sector agencies with its team of public sector experts.
- **Innovation:** RGS encourages and develops innovative and sustainable services to help each agency meet its challenges through new modes of service provision.
- **Customer Driven:** RGS customizes solutions to achieve the right level and right kind of service at the right time for each agency's unique organizational needs.
- **Perseverance:** Sometimes the best solutions are not immediately apparent. RGS listens, works with you, and sticks with it until a good fit with your needs is found.
- **Open Source Sharing:** RGS tracks emerging best practices and shares them, our clients and our advisors learn openly from each other's hard won experience.
- **Commitment:** Government agencies are the public's only choice for many services. Public trust is earned and must be used wisely. And RGS will do its part. Each agency should and will know how RGS sets its rates. RGS' pledge to you is that we will act with honesty, openness, and full transparency.

HOW RGS DOES BUSINESS?

When you work with RGS you can expect:

- **Pre-contract meetings** either in person or by phone to ensure our working relationship starts on firm footing. RGS will strive to be explicit up front and put our understandings in writing. Before making assumptions, we hope to talk directly to prevent any misunderstandings.
- **Ongoing interaction** throughout our relationship to ensure that your needs are being met, and that projects progress appropriately and agreed-upon timelines are met.

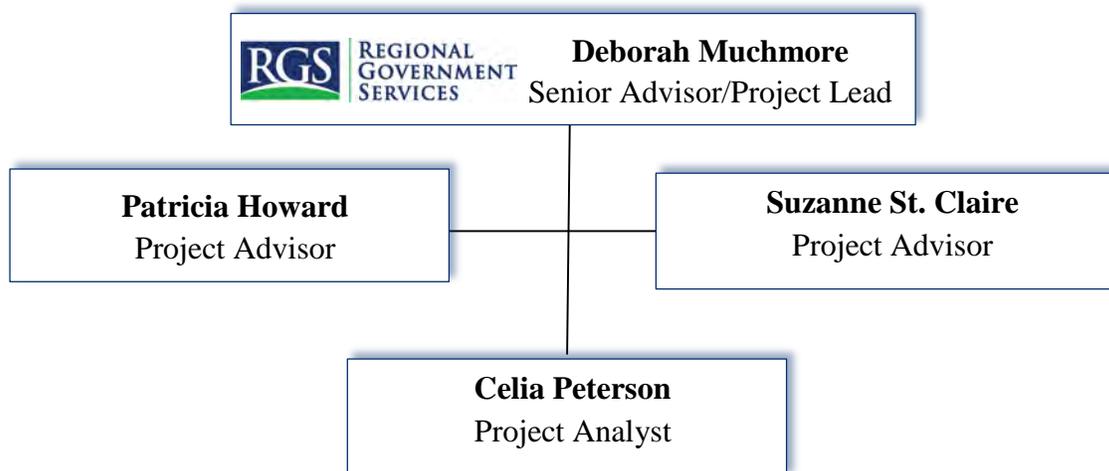
- RGS operates candidly, and will be open with what we can and cannot do. RGS is committed to honest interaction.
- When our employees are on your site, we expect them to treat people respectfully and be treated respectfully. If problems arise, we want to communicate early, accurately, and thoroughly to ensure that we find mutually acceptable solutions.
- As a public agency, partnering is valued. We look out for each other's interests consistent with maintaining the public trust.

COMPANY'S PERSONNEL QUALIFICATIONS

The RGS team we are proposing to assist the City has extensive relevant experience and accomplishments in the municipal, state, and county human resource sectors specifically in the areas of classification and compensation. RGS will maintain open communication lines with applicable City staff by providing in person onsite services, meetings as needed, draft and final reports, presentation of final materials, and frequent and timely communications via phone, fax, and email.

To illustrate our project team structure and lines of communication, we are providing the following project team organizational chart:

The key project staff resourced for this team have extensive experience in classification and compensation projects and developing and delivering effective training programs for municipalities, counties, special districts and other public organizations. We work as a team of equals with complementary skill specializations and abilities. For the purpose of project team structure and lines of communication, we are providing the following project team organizational chart:



KEY TEAM MEMBERS

* Please see **Attachment 1** of this proposal for Full Key Team Member Resumes.

Our advisors have worked on multiple comprehensive classification studies for public entities at state, county, and local levels. We are skilled at crafting, reviewing, and analyzing a wide array of public sector organizational compensation and classification structures. We are familiar with and have helped many organizations to successfully navigate the challenges and opportunities that surface in studies like this one. An introduction and information about the qualifications, experience and role of our proposed project team members follows, full resumes are attached at the end of this letter proposal. RGS acknowledges that any changes to key personnel assigned to the project will be approved by the City prior to implementation. RGS further acknowledges that the city reserves the right to request replacement of any successful prospective team member that proves to be unacceptable.

Deborah Muchmore, SPHR, SHRM-SCP, Senior Advisor/Project Lead

Deborah Muchmore brings over 25 years of professional level human resources and administrative services experience in both public and private sectors to RGS. The last 15 years she has worked with county and municipal governments, special districts, and commissions focusing the last five years on the areas of classification, compensation, job analysis, recruitment and selection, staff development, and organizational development. Deborah has extensive experience in classification and compensation studies, job analyses, and recruitment and selection for all classification levels including executive, administrative, professional, and technical.

Deborah has served as Human Resources Manager for a Special Utility District, Administrative Services Officer for a Community Development Commission, and a Senior Human Resources Analyst for the County of Sonoma Human Resources Department. Prior to that, Deborah held several senior and regional management roles in the private sector.

In addition to holding a Bachelor of Science degree in Public Administration, Deborah has been a certified Senior Professional in Human Resources Management since 2014 through both the Human Resources Certification Institute (HRCI) and the Society of Human Resources Management (SHRM).

Deborah will act as the Lead Advisor for this project team, serving as a point of communication for the City Project lead, and coordinating the major project activities and deliverables through collaboration with other team members and the City.

Patricia Howard, Senior Advisor

Creating and implementing functional and strategic level change within an organization has been Patricia Howard's passion for more than 26 years. She has worked with local municipal governments in the City of Rockland and El Dorado County. During her career in Human Resources, she has overseen centralized full service Human Resources departments that addressed recruitments, classification and compensation, benefits, performance management, discipline, employee and labor relations, and training. Patricia's key skill is assisting all levels of an organization address complex matters to facilitate effective resolutions.

Patricia joined RGS in 2016 as a Human Resources advisor. She is also a Certified Master in Labor Relations through CALPELRA. Additionally, Patricia holds a Master's degree in Public Administration. Patricia will provide key expertise and analysis throughout the study process acting as a Project Advisor to the City.

Susanne St. Claire, J.D., Project Advisor

Susanne's human resource experience spans close to 30 years, providing executive level human resource management and consulting services to a diversity of clients including non-profit organizations, public agencies, and small businesses. During her career, Suzanne has been a human resources manager, a Director of Human Resource Services and owner and President of a human resources consulting firm.

Susanne has extensive human resources experience in the areas of staffing and recruitment, training and development, human resources analysis, labor relations and salary administration. As a consultant, performs HR assessments, develops policies and procedures, conducts employee and supervisory training programs, performs compensation studies, provides management development, and conducts executive searches.

Celia Peterson, Senior Analyst

Celia Peterson has 30 years of local government experience working for various departments, agencies, commissions and special districts holding positions as Business and Administrative Services Manager, Department Accounting Manager, Controller, Administrative Services Officer and Department Analyst.

During her accomplished career in accounting, budget and finance, Celia has initiated and managed projects for information system conversions, major procurements, contract negotiations and administration, department consolidations and reorganizations. She has been a successful and sought after resource for effecting positive change in an organization, identifying and developing business processes, and implementing administrative initiatives with grace and diplomacy.

Celia has a Bachelor's Degree in Business Administration/Accounting from Sonoma State University, and a Master's Degree in Public Administration from the University of San Francisco. Celia will provide key fiscal and accounting support to our compensation analysis and development of presentation materials.

RELEVANT EXPERIENCE

Regional Government Services has provided comprehensive classification and compensation services to over 150 public agencies throughout California. RGS had provided classification and compensation studies and services which included water and wastewater classifications for the following public entities: Ironhouse Sanitary District, City of Salinas, Ross Valley Sanitary District, and the City of Patterson. Over the last three years, RGS has conducted over 25 compensation studies for partner agencies.

Deborah Muchmore, Project Lead and Senior Advisor has served as the Human Resources Manager for the Sonoma County Water Agency and Classification and Compensation Analyst for the County of Sonoma prior to joining RGS. Since joining RGS, she has served as Human Resources Manager for the Ross Valley Sanitation District and has conducted classification and compensation studies for several sanitation districts the most relevant of which are listed below.

- Comprehensive compensation study and horizontal and vertical analysis for Sonoma County Water Agency administrative management, County of Sonoma
- Engineering Division compaction and differentials assessment, Sonoma County Water Agency, County of Sonoma
- Comprehensive Administrative Salary Differentials Analysis, Sonoma County Water Agency, County of Sonoma
- Comprehensive Classification and Compensation Study, Communications Division, Public Works Department, County of Marin
- Classification and compensation studies for the Ross Valley Sanitation District
- Comprehensive Classification and Compensation Study Environmental Resources and Public Affairs Division, Sonoma County Water Agency, County of Sonoma
- Multiple Departmentwide Classification and Compensation Studies, City of Salinas, including Public Works Wastewater Operators.
- Benchmark and Comparator Analysis-Chemists, Sonoma County Water Agency, County of Sonoma

- Comprehensive Classification and Compensation Study, Eligibility Workers, Human Services Department, County of Sonoma
- Citywide classification and compensations studies, City of Patterson

REFERENCES

Listed below are a few of our most relevant client references. Contract amounts have been provided where a separate contract was negotiated for the specific compensation or classification work. In most cases, the work was part of a larger contract for human resources services. In those cases, an amount has not been provided.

IRONHOUSE SANITATION DISTRICT

Various classification and position studies and a review and analysis of District compensation strategies and development of a short and long-term compensation strategy. 2016

Contact: Chad Davisson

General Manager
450 Walnut Meadows Drive
Oakley, CA 94561
(925) 809-3001; FAX (925) 625-0169
davisson@isd.us.com

ROSS VALLEY SANITARY DISTRICT

Development of a District-wide reorganization, new job descriptions and full compensation studies and surveys for Management, Represented, and Unrepresented employees– 2016. Various classification and compensation studies 2014/2015

Contact: Greg Norby

District Manager
1260 Kerner Boulevard
San Rafael, CA 95401
415.259.2949, Fax 415.460.2149
gnorby@rvsd.org

CITY OF SALINAS

Multiple positions reviewed, classification, and compensation studies – analysis of internal salary relationships for studied classifications- 2015, 2016.

Contact: Marina Horta-Gallegos

Human Resources Officer
200 Lincoln Avenue
Salinas, CA 93901
831.758.7417, Fax 831.758.7941
marinah@ci.salinas.ca.us

CITY OF PATTERSON

Various classification and compensation studies – most recently – a complete review and update of all classifications and a mid-management total compensation survey 2016

Contact: Dionysia Smith

Human Resource Manager
1 Plaza
Patterson, CA 95363
209.895.8013, Fax 209.895.8019
dsmith@ci.patterson.ca.us

COUNTY OF MARIN

Classification and Compensation Services agreement - \$50,000. Most recent project: A division-wide study for the Emergency Radio Communications Division of the Public Works Department– 2016.

Contact: Colleen Beck

Administrative Analyst III
3501 Civic Center Drive, Ste. 104
San Rafael, CA 95403
415.473.6185, Fax 415.473.2899
cbeck@countyofmarin.org

**SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY**

Total compensation survey 2016

Contact: Hilary Gans

General Manager
333 Shoreway Road
San Carlos, CA 94070
650.802.8355, Fax 925.977.6955
hgans@rethinkwaste.org

**SAN MATEO COUNTY HARBOR
DISTRICT**

Various classification and total compensation studies –2015-2016

Contact: Glenn Lazof

Director of Administrative Services
504 Avenue Alhambra, 2nd Floor
El Granada, CA 94018
650.583.4996, Fax 650.583.4611
glazof@smharbor.com

SCOPE OF SERVICES

The following section of our proposal provides a breakdown and description of the specific steps RGS will follow to provide the services and deliverables for the comprehensive total compensation study from market comparator selection, through analysis and recommendations, to final reports and presentations.

TASK 1 - REQUEST AND REVIEW KEY CITY INFORMATION

Once the contract is executed, RGS will request a list of key information from the City to help the Project Lead Human Resources Analyst to prepare for the meeting with City management and understand the City's current structure, policy, procedures, challenges, and practices related to compensation systems and administration. Typical materials requested include:

- Organizational Charts
- Existing classification specifications
- Previous related classification and compensation studies both external and internal.
- Budget documents, budget projections, budgetary actions, actuarial reports, and related business cases for personnel related programmatic or organizational improvement requests

- Historical compensation information, a list of traditional and currently accepted comparator agencies
- Compensation and classification plans, policies, and procedures, and benefit summaries
- Related salary schedules and previous salary surveys, benefits summaries and employer/employee cost data
- Agreements for terms and conditions of employment, Employee Contracts, Memorandums of Understanding, and other related agreements or side letters
- Applicable policies, procedures, and ordinances
- An employee census (name, job title, classification, step, wage, representation, department, section, supervisor)
- Recruitment and turnover information showing challenges and impediments to hiring, and any other documents relevant to the study. prepare for the initial meeting with the City

RGS will review the key information provided by the City. During the review process RGS will begin to assess relevancy of classifications, validity of current job families, classification series, and career ladders. RGS will suggest revisions to internal alignment, or benchmark classes, or compensation strategies as appropriate throughout the study.

RGS will also use the material and conduct research on potential labor market agencies and provide the City with recommendations concerning survey agencies and benchmarked classifications. RGS will also review the material to understand the City's historical classification and compensation practices and to assess relevancy of classifications, validity of current job families, classification series, and career ladders. As appropriate, RGS will suggest revisions to internal alignment or benchmark classes or compensation strategies.

TASK 2 - INITIATE THE STUDY/COMMUNICATION PLAN

RGS will meet with City management personnel to discuss initial data provided, the study methodology, objectives, deliverables, timelines, communications strategies, data collection methods, schedule an on-site initial kick-off meeting, and commence the study.

During this task, RGS will develop a communication plan with timely and effective notifications to all appropriate stakeholders of study objectives, timelines, and progress, including monthly progress reports outlining the scope of work completed to date, during the period, and summary statements.

RGS will help plan, facilitate, and participate in an initial on-site study Kick-off Meeting to communicate the study timeline, milestones, and process and answer any questions that may come up.

TASK 3 - DESIGN, DEVELOP, AND DEPLOY SURVEY

RGS will examine market conditions to learn what comparable classifications in public sector agencies earn and gather comprehensive information including all elements of compensation using established or revised comparator agencies. To facilitate this review, RGS will develop a survey instrument to collect comprehensive total compensation salary and benefit data effectively from each of the comparator agencies. The survey tool will include information about each of the classifications to be surveyed and will record minimum and maximum salary for each. Job classifications will be matched based on duties and responsibilities, not solely on title. The survey information collected will include minimum and maximum salary and employer paid salary and benefit components such as:

- Health, vision, and dental premiums
- Deferred compensation
- Defined benefit and social security practices
- Short- and Long term disability
- Longevity Pay
- Auto Allowance and other special compensation that is included in regular salary (not as reimbursements)
- Paid time off practices such as vacation, sick, holiday, and administrative leave

Prior to the survey tool deployment, RGS will assess comparator agencies for relative proximity and similar attributes, not traditionally considered comparators by the City, to help develop and ensure a comprehensive list of comparator agencies. RGS will review and compare the agreed upon comparator agencies based on population served, demographics, revenue base and current staffing size, cost of living, cost of wages, organizational type and services provided, geographic proximity, industries employing citizens, and the labor market climate.

Initial collection of survey information is first obtained through a web-based review of each of the comparable agencies taking into consideration MOUs, benefits information, job specifications, salary schedules, organizational charts, and budget documents to obtain preliminary information for the survey.

To improve the accuracy of the survey, RGS often makes appointments and contact by phone or email with human resources professionals at comparator agencies to collect complete information or clarify benefit, salary, or classification information based on the initial data collected.

RGS reviews potential match classifications at each of the agreed upon comparators with the City's existing or revised benchmark classifications using the criteria listed below.

- Job Title
- Level of Supervision Given and Received
- Level of Authority and Autonomy Exercised
- Job Duties Performed
- Education, Experience, and Certifications required at entry
- Knowledge, Skills, and Abilities Required to Perform Successfully
- Organizational Structure

For this study, RGS will also utilize a whole-job analysis approach to compare jobs with one another based on an overall evaluation of difficulty or performance. This considers the entire position, including those factors mentioned above as well as magnitude of work and the accountability for results. This method will help analyze and assess relevance and hierarchical consistency of classifications within the whole class plan and in relation to the external market and internal equity.

Where no match classifications are found, notations will be provided explaining which classifications were surveyed and why a classification is not a match to the City's classification.

TASK 4 - PRELIMINARY REVIEW AND ANALYSIS OF DATA

The RGS team will review the survey information collected, confirm appropriate benchmark job classes, and compare total compensation for each City benchmarked job classification against total compensation for comparable classifications at the agreed upon comparator agencies.

The analysis will be organized into Microsoft Excel worksheets and will include the percentage difference between the City and the average of all comparator agencies as well as the mean of all agencies (including the City) for total cash compensation, total benefits, and total compensation at top step salary.

Where fewer than four (4) match classifications are found, using internal alignment rationale to set salary will be recommended. Where appropriate, a discussion of the methods and

recommendations for internal salary alignment rationale will be included as a part of the final Total Compensation Survey Report.

TASK 5 – ANALYZE BENEFITS ACROSS THE LABOR MARKET SURVEYED

Benefits information collected from comparators as a part of the survey will be included in the Microsoft Excel survey worksheets as part of a total compensation analysis. As part of our compensation analysis, RGS will compare classifications with each comparator where a matched classification has been found for base salary, total cash compensation (salary plus auto allowance, deferred compensation, and other cash benefits), total cash compensation and employer paid health benefits, and total compensation which includes employer paid retirement contributions.

TASK 6 - CONDUCT AN INTERNAL ANALYSIS OF SALARY RELATIONSHIPS

Using the information from the full compensation survey and analysis conducted in the previous steps, RGS will compare the relationships of the surveyed classifications to the current salary schedule and across the classification plan and develop draft compensation and salary recommendations.

RGS will conduct an analysis of internal relationships between classes, within class families, and within classification series, and make recommendations based on best practices for relationships between benchmarks and the City's other classifications. RGS will document preliminary recommendations, based on best practices, for internal alignment, relationships to benchmarks, and salary administration.

TASK 7 - PROGRESS MEETING 1 WITH CITY STAFF

RGS believes in an open and collaborative study process with regular communications between City staff and the RGS Project Team. This ensures that study recommendations are responsive to the City's current and future needs, operational considerations, and fiscal landscape. At this point RGS will offer to meet with appropriate City staff to share preliminary study findings and analysis; discuss proposed recommendations; the City's financial, political, and cultural restraints; and possible implementation strategies.

TASK 8 – DEVELOP COMPENSATION GOALS AND RECOMMENDATIONS

RGS will develop a proposal of compensation goals for salary range adjustments and ongoing administration based on a balance of the external salary study results, analysis of the current labor market, internal salary analysis, and an understanding of the City's current financial constraints. The proposal will include a determination of the City's labor market position regarding salaries and benefits.

TASK 9 – DEVELOP IMPLEMENTATION STRATEGIES AND WORK WITH CITY MANAGEMENT TO DEVELOP A SUSTAINABLE COMPENSATION PLAN

RGS will develop an implementation strategy for the City considering the full classification structure and parity within and across classifications and series, including strategies for salaries that are above market, fiscal impact projections, and providing multiple options for implementation over current and multi-year periods.

TASK 10 - PROGRESS MEETING 2 WITH CITY STAFF

RGS will meet with appropriate City staff to discuss the implementation plan(s), strategies, and options and assist the City in the development of a compensation policy that includes current and ongoing administration guidelines that will be sustainable, internally equitable, externally competitive, and consistent for the future.

TASK 11 - PRESENTATION OF DRAFT REPORT AND RESULTS

RGS will review, compile, and analyze all information obtained from the City, the surveys, and analyses, and prepare a preliminary draft report. The draft report will include, at a minimum, the following:

- Executive Summary;
- The City's currently documented compensation policy;
- List of identified comparators;
- Results and analysis of the labor market salary survey;
- Methodology used and criteria applied;
- Documentation of benchmark classifications and internal benchmark relationships;
- Salary recommendations for all studied job classifications;
- Recommendations for administering salary differentials within and across series;
- Recommendations to address current and potential future compaction issues;
- Recommendations for ongoing salary administration for the unrepresented classes;

- Appendices containing salary surveys, tables showing benchmark relationships and recommended differentials within class families, recommended salary schedules, and other supporting documentation.

This draft report will be presented along with the results of the study to management and the bargaining unit in a group setting.

TASK 12 - PREPARATION OF FINAL REPORT

RGS will incorporate information received from the City during and after presentation of the draft report and study results and prepare a final report and presentation materials for presentation to the City Council. RGS will attend a Council meeting to present the final report and recommendation to the City Council.

TASK 13 - SUMMARY REPORT AND DETAILED ANALYSIS & RECOMMENDATIONS

RGS will provide the City with a final summary report and detailed analysis and recommendations, including strategies for implementation, salary ranges, benchmarked class listing, market survey agency listing, all materials associated with and the recommendations for ongoing administration of the compensation plan in electronic format using Microsoft Office software.

COST PROPOSAL

Total not to exceed costs for the professional services and expenses to conduct the compensation study as described in this proposal are **Fourteen Thousand Two Hundred and Seventy-Five Dollars (\$14,275)**. Costs are based on the following proposed performance and cost schedule:

PERFORMANCE AND COST SCHEDULE

Task	Cost	Week Number(s)
1. Request and Review key data and information from the City	\$500	1
2. Initiate the Study/Communication Plan	\$1,000	2
3. Design, Develop, and Deploy Survey	\$1,450	3-4
4. Preliminary Review and Analysis of Data	\$1,450	4-7
5. Analyze Benefits Across the Labor Market Surveyed	\$1,250	8-9
6. Conduct an Internal Analysis of Salary Relationships	\$1,455	9-10

Task	Cost	Week Number(s)
7. Progress Meeting 1	\$1,000	11
8. Develop Compensation Goals and Recommendations	\$1,475	11-13
9. Develop Implementation Strategies and Work with City Management to Develop a Sustainable Compensation Plan	\$1,750	13-14
10. Progress Meeting 2	\$1,000	14
11. Presentation of Draft Report and Results	\$945	14
12. Preparation of Final Report and Presentation Materials	\$750	15-16
13. Delivery of Summary Report and Detailed Analysis & Recommendations	\$250	16
Total Not to Exceed Costs	\$14,275	16 weeks

Costs are based on the scope of work as described in the work plan. Costs include 3-4 separate site visits over 1-2 days at a time for kick-off, orientation, and presentation meetings. RGS will provide itemized invoices monthly during the study showing the hours worked by each team member, the tasks worked on and the amount of contract expended. Invoices are due upon receipt.

The above Performance & Cost Schedule is dependent on timely performance of the City in providing the data and key information requested, responding to inquiries throughout the study, providing and arranging meeting locations and assisting in scheduling meeting times, dates, and locations.

PROPOSED TERMS FOR AN AGREEMENT

Section 2.05 (a) Indemnification

Existing Language The Consultant’s obligation to indemnify applies unless it is adjudicated that its liability was caused by the **sole** active negligence or **sole** willful misconduct of an indemnified party.

Comment(s) Request strike the word “sole.” Given that Consultant is a municipal corporation/joint powers authority, Consultant does not wish to assume undue risk/liability for its partner agency’s actions.

Section 2.05 (b) Indemnification

Existing Language If it is finally adjudicated that liability was caused by the ~~sole~~ active negligence or ~~sole~~ willful misconduct of an indemnified party, Consultant may submit a claim to the City of Solvang for reimbursement of reasonable attorneys' fees and defense costs.

Comment(s) Request strike the word "sole." Given that Consultant is a municipal corporation/joint powers authority, Consultant does not wish to assume undue risk/liability for its partner agency's actions.

Exhibit C Insurance Coverage

Existing Language Throughout the exhibit

Comment(s) Strike/replace the word "insurance" as Consultant participates in a risk pool for coverages. Consultant is a municipal corporation/joint powers authority.

Consult is self-insured and maintains loss occurrence coverage through its membership in the Municipal Insurance Cooperative ("MIC"), a California Joint Powers Authority, which is a risk purchasing joint powers authority. Consistent with sections 990.4 and 990.8 of the Government Code, the MIC provides coverage to RGS, in excess of its member retained limit, against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work by RGS and its agents, representatives, employees, and subcontractors.

Existing Language Commercial General Liability ~~Insurance~~ coverage using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Comment(s): See note above regarding Consultant's participation in risk pool coverage. No proposed change/point of clarification. The Municipal Insurance Cooperative ("MIC") issues a Certificate of Coverage.

Self-insured retentions (SIRs) are established annually and are not subject to renegotiation until the next renewal period. Therefore, Consultant cannot reduce or eliminate its SIRs. Consultant will agree to provide evidence satisfactory to City of its capacity to fund its SIRs in

the event of a loss occurrence. Consultant does not agree to provide a financial guarantee.

Existing Language *Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Best's rating of A- or better and a minimum financial size VII.*

Comment(s): See note above regarding Consultant's participation in risk pool coverage.

General Conditions – Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents, using standard ISO endorsement No. CG Section 1 2010 with an edition prior to 1992. Consultant also agrees

Existing Language to require all consultants, and subconsultants to do likewise.

Comment(s): See note above regarding Consultant's participation in risk pool coverage. No proposed change/point of clarification. The Municipal Insurance Cooperative ("MIC") issues a Certificate of Coverage. Endorsements are made by notation of in the Certificate. They are not issued separately.

Section 8 ~~Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage. Consultant agrees to require its~~
Existing Language ~~insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.~~

Comment(s): Propose strike entire section. Pursuant to Chapter 10.4, Section 674, of the 2010 California Insurance Code,

"A policy of liability insurance issued to a local public entity or state agency as a named insured shall not be canceled or renewal of such a policy declined for reasons other than nonpayment of premium unless notice is mailed to the named insured at least 45 days prior to the effective date of nonrenewal or at least 60 days prior to the effective date of cancellation. Such notice need not be sent if a renewal notice stating a premium for an additional period of coverage has been sent the named insured at least 45 days before cancellation or expiration of an existing policy and such premium has not been tendered the insurer before such cancellation or expiration. This section shall not require that notice of cancellation or nonrenewal be given an additional insured added by way of endorsement or certificate of insurance."

Consultant is a municipal corporation/joint powers authority

Section 11

~~Consultant agrees not to self insure or to use any self insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any consultant, subconsultant, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self insure its obligations to City. If Consultant’s existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self insured retention, substitution of other coverage, or other solutions.~~

Comment(s)

Strike entire section.

See note above regarding Consultant’s participation in risk pool coverage. No proposed change/point of clarification. The Municipal Insurance Cooperative (“MIC”) issues a Certificate of Coverage.

Self-insured retentions (SIRs) are established annually and are not subject to renegotiation until the next renewal period. Therefore, Consultant cannot reduce or eliminate its SIRs. Consultant will agree to provide evidence satisfactory to City of its capacity to fund its SIRs in the event of a loss occurrence. Consultant does not agree to provide a financial guarantee.

RGS is flexible and responsive in its ability and desire to assign competent staff to a study team and will work with the City to get the most effective and reasonable study team blend to meet the fiscal and operational needs of the City. RGS team members will be billed at the following hourly rates.

Title	Hourly Rate
Senior Advisor/ Human Resources Manager	\$125/hour
Project Advisor/ Human Resources Analyst	\$95/hour
Project Analyst/ Budget and Financial Analyst	\$85/hour

OPTIONAL SERVICES: RGS is available to contract for ongoing Human Resource Consulting Services on an as needed basis for many Human Resources disciplines including risk management, labor relations, labor contract negotiations, merit audits, FLSA compliance audits, classification and compensation, leave management, disability management, workforce development, recruitment and selection, and general human resource related topics.

Optional human resource services are available at the following hourly costs:

Title	Hourly Rate
Senior Advisor/ Human Resources Manager	\$125/hour
Project Advisor/ Human Resources Analyst	\$95/hour
Project Coordinator/ Human Resources Technician	\$65/hour

Regional Government Services also offers a full range of other services that may be of interest to the City. A few of these services include:

- Comprehensive communications and strategic planning
- Financial management and planning
- Payroll
- Interim staffing
- Training and workforce development
- Labor negotiations

For more information about other RGS services please visit our website at www.rgs.ca.gov.

October 24, 2016

ATTACHMENT A - Resumes



Deborah A. Bucci-Muchmore, SPHR, SHRM-SCP Senior Advisor/Project Lead

PROFESSIONAL EXPERIENCE SUMMARY

- Operations
- Program Development
- Organizational Development
- Personnel Development
- Property and Facilities Management
- Financial Analysis and Projections
- Classification and Compensation

Ms. Muchmore is a well-disciplined administrative manager with proven abilities to successfully manage multiple complex projects, programs and people, with 16 years of progressively responsible public sector experience in human resource management, fiscal and program planning and management, system development and assessment, and operations. Ms. Muchmore is an effective communicator with strong interpersonal skills experienced in developing positive alliances with staff members, vendors, collaborating agencies and volunteers; mediation; conflict resolution; team building; and human resource management. Ms. Muchmore is a proactive planner with strong forecasting, reporting, and analytical experience managing programs, projects, assets, and resources for public and private sector entities.

CAREER HISTORY

Regional Government Services, JPA

Coordinating Project Advisor

(July 2015 – Present)

- Conducted five classification studies for three municipalities and one county.
- Conducted and developed and presented compensation studies.
- Provided expert human resource consulting services to small municipalities, special districts, and government entities on leave and disability management, performance management, policy development, staffing, employee relations, strategic planning, payroll and FLSA compliance, and a broad range of other human resource topics and services.

County of Sonoma Human Resources Department

Human Resources Analyst III

(January 2014 – May 2016)

- Directed and conducted twelve classification studies and four compensation studies including two of the largest classification studies in the history of the County; one for the Economic Assistance Unit of the Human Services Department (246 incumbents) and another for the Environmental Resources and Public Affairs Division of the Sonoma County Water Agency (38 incumbents).

- Developed and conducted recruitment strategies for one or more County Departments or Agencies, conducted and reported out on classification studies and salary recommendations.
- Developed and provided statistical backup and comparable data for salary studies.
- Developed and delivered advice to department and agency liaisons and managers related to recruitment, selection, and classification.

Sonoma County Water Agency
Administrative Services Officer II
(December 2012 – January 2014)

- Management and oversight of the day-to-day operations of the human resources, safety, clerical, records, and payroll sections of the Administrative Services Division including a 4 direct reports (10 total employees).
- Main architect of the first Water Agency Employee Communications Council, project manager for employee database and training database redesign projects.
- Human resources and benefits consultant for the launch of Sonoma Clean Power, directed the executive search for CEO of Sonoma Clean Power.
- Delivered consulting and training services for managers and supervisors on discipline, leave management, and labor relations issues.

Sonoma County Community Development Commission, Administrative Division
Administrative Services Officer
(December 2005 – November 2012)

- Managed the administrative support section serving the Sonoma County Housing Authority, Sonoma County Community Development Commission, and Sonoma County Community Redevelopment Agency.
- Directed, facilitated, and oversaw development and implementation of all Commission safety, disaster, and emergency plans; management of Commission-owned assets; development and oversight of administrative contracts, purchasing, and administrative agenda items.
- Directed the development and submission of the Commission's annual budget and narrative.
- Supervised the Commission's accountant staff through four audits related to the dissolution of Redevelopment and the annual Section 125 independent audit.
- Supported program managers with development and analysis of programs and systems.
- Served as the EEO/ADA, training, & HR liaison with full human resources responsibilities including section 504 compliance, oversight of payroll processing, recruitment, development, training, and discipline, worker's compensation claim management, leave management, and the ergonomics training and assessment program.

- Served as the Employee and Hazard Incident and Complaint Investigator, Safety Coordinator, ADA transition plan steering committee member, and Department Liaison to the County Information Services Department.

Sonoma County Housing Authority

Inspector/Occupancy Specialist

(February 2000-November 2005)

Conducted Housing Quality Inspections, scheduled and conducted intake interviews, processed files for Section 8 Management Assessment Program (SEMAP) compliance, helped to develop desk manuals, resolved participant issues and concerns and contributed to the development of more efficient systems to improve productivity and reduce cost of labor.

AvalonBay Communities, Inc.

Senior Community Manager/Community Manager

(January 1996-February 2000)

Directed all aspects of fiscal, leasing, renovation, and community operations for six 138 to 284-unit, upscale, garden apartment and mixed use high rise communities in Renton, Washington, San Francisco, California and the North Bay area. Recruited, developed, directed, coached, and disciplined a combined staff of 12 management, 14 professional, and up to 30 skilled employees. Responsible for safety programs, processes, and practices; environmental reviews; asbestos and lead notifications, evacuation, abatement and containment processes, legal service and court appearances.

EDUCATION AND TRAINING

- BA Business/Public Administration -- University of Phoenix
- County of Sonoma Management Academy
- County of Sonoma Basic Supervisory Certificate
- CPS HR Consulting Classification, Compensation, and Job Analysis Certification
- Certified Ergonomic Coordinator

CERTIFICATES AND SERVICE

- Senior Certified Professional (SHRM-SCP) Certification from the Society of Human Resource Management, September 2015.
- Senior Professional Human Resources (SPHR) Certification from the Human Resources Certification Institute December 2014 – December 2017.
- Sonoma County Management Advisory Council Board of Directors –Past Chair of Compensation and Benefits Committee, Past Communications Secretary, member County-wide Joint Labor Management Committee, Board Member at Large.



Patricia J. Howard, M.A., IPMA-SCP

Project Advisor

Patty Howard has over 25 years of management-level, human resources experience working for local government agencies. She has in-depth knowledge and experience in all areas of human resources management including recruitment & selection, classification & compensation, employee relations, labor negotiations, and EEO investigations. She is also a seasoned trainer having developed and presented Supervisory and Lead Worker training (multiple training modules), harassment and discrimination prevention, and new employee orientation for employees in all job classifications.

Ms. Howard is an Effective leader with responsibility for managing recruitment & selection, employee & labor relations, classification & compensation, training and other Human Resources programs. She has in-depth knowledge of State and Federal employment laws, regulations, and emerging legal opinions and court rulings. Ms. Howard is a strong communicator with the ability to build effective working relationships and instill trust with those at all levels of the organization.

PROFESSIONAL EXPERIENCE SUMMARY

REGIONAL GOVERNMENT SERVICES

Human Resources Advisor (04/2016 – Present)

- Conduct compensation studies; determine comparable classifications based on research and analysis; develop recommendations for setting salaries of new and existing classifications based on data gathered.
- Conduct classifications studies; review employee-completed position description questionnaires; conduct research regarding comparable classifications within study agencies and/or outside agencies; create draft job specifications for review by department and management staff.

COUNTY OF EL DORADO, PLACERVILLE, CA

Principal Personnel Analyst (Limited Term) (07/2013 – Present)

- Conduct classification studies; review employee-completed position description questionnaires; conduct research regarding comparable positions in other agencies; create draft job specifications for review by department and management staff.
- Conduct compensation studies; conduct research related to compensation and benefit data of comparable agencies; contact agency personnel to obtain and confirm additional information; analyze all data obtained to ensure reliability and accuracy; provide data for review by management staff.
- Perform other professional Human Resources work as assigned.

KOFF & ASSOCIATES

Senior Associate (07/2012 – 07/2014)

- Assist with classification studies; review employee-completed position description questionnaires; conduct research regarding comparable positions in other agencies; create draft job specifications for review by executive staff.
- Assist with compensation studies; conduct research related to compensation and benefit data of comparable agencies; contact agency personnel to obtain and confirm additional information; analyze data obtained to ensure reliability and accuracy; provide data for review by executive staff.

CITY OF ROCKLIN, ROCKLIN CA

Principal Human Resources Analyst (04/2011 - 02/2012)

Senior Human Resources Analyst (11/2004 - 04/2011)

- Organize, direct, and oversee the activities of the Human Resources division.
- Serve as City training coordinator ensuring the provision of all training courses in accordance with State and Federal mandates; design, present and evaluation various training courses; work with training consultants to provide specialized training; research, test, and implement online training courses, conduct follow up to determine effectiveness.
- Supervise professional, technical, and administrative Human Resources staff, including planning, assigning, directing and evaluating the work of assigned staff.
- Develop and administer division budget, recommending necessary staff, equipment, and supplies.
- Member of management negotiating team for multiple bargaining unit contract negotiations.
- Conduct investigations related to allegations of misconduct, harassment, discrimination and violence in the workplace in compliance with local, State and Federal laws and guidelines.
- Serve as volunteer coordinator for various city sponsored events throughout the year.
- Conduct classification and compensation studies in accordance with contract provisions and timelines.

COUNTY OF EL DORADO, PLACERVILLE, CA

Principal Personnel Analyst (06/2002 - 11/2004)

Senior Personnel Analyst (11/1996 - 06/2002)

Personnel Analyst I/II (11/1990 - 11/1996)

- Coordinate County-wide training programs to ensure all applicable mandates were met.
- Direct oversight of the following personnel programs: recruitment and selection, classification and compensation, training and orientation, operations support.
- Supervise professional, technical, and administrative Personnel staff.

- Prepare and implement departmental budget.
- Conduct investigations related to allegations of misconduct, harassment, discrimination and violence in the workplace in compliance with local, State and Federal laws and guidelines.
- Provide HR assistance to various departments, including contract interpretation.
- Member of management team for contract negotiations with various bargaining units.

EDUCATION

- Master's Degree, Public Administration, San Diego State University, San Diego CA
- Bachelor of Arts Degree, Sociology/Social Work, Humboldt State University, Arcata CA

CERTIFICATES/MEMBERSHIPS

- Certified Senior HR Professional granted by the International Public Management Association-Human Resources (IPMA-HR)
- Masters in Labor Relations Certificate granted by the California Public Employers Labor Relations Association (CALPELRA)
- Mediation Skills Certificate granted by the Sacramento Mediation Center
- Past President - Sacramento/Mother Lode Chapter of the IPMA-HR
- Certificate - Instruction Techniques for Trainers from Cooperative Personnel Services, Human Resources Services



Susanne St. Clair, J.D.

Project Advisor

Susanne's human resource experience spans close to 30 years, providing executive level human resource management and consulting services to a diversity of clients including non-profit organizations, public agencies, and small businesses. During her career, Suzanne has been a human resources manager, a Director of Human Resource Services and owner and President of a human resources consulting firm.

Susanne has extensive human resources experience in the areas of staffing and recruitment, training and development, human resources analysis, labor relations and salary administration. As a consultant, performs HR assessments, develops policies and procedures, conducts employee and supervisory training programs, performs compensation studies, provides management development, and conducts executive searches.

EXPERIENCE

ST CLAIR HR CONSULTING, (STOCKTON, CA)

2003 - PRESENT

President

Provide a wide range of human resources consulting services to a diversity of clients including non-profit organizations, public agencies, and small businesses. Services provided include: executive searches, sexual harassment prevention and other supervisory and employee training, HR assessment, policies and procedures, employee handbooks, and compensation studies.

DELTA HEALTH CARE, (STOCKTON, CA)

1996 - 2002

Director of Human Resources

Designed and implemented the agency's human resources department. Human resources responsibilities included staffing and recruitment, safety management, training and development, salary administration, and facilities management for several sites.

CHATTAHOOCHEE TECHNICAL COLLEGE: NORTH METRO CAMPUS, (ACWORTH, GA)

1994 - 1996

Adjunct Instructor of Marketing and Management

Taught various courses to traditional age and returning college students. Courses included Labor Law, Personnel Administration, Marketing Management, Economics, Advertising, and English.

CAMPAIGN TO ELECT MICHELLE HENSON, (STONE MOUNTAIN)

1992

Campaign Coordinator

Successfully managed the re-election campaign for state representative Henson. Responsibilities included fund-raising, volunteer coordination, outreach and public relations.

KMART APPAREL, (FOREST PARK, GA)

1978 - 1991

Personnel Manager

Worked as a personnel generalist for Kmart Apparel's southeast distribution center's management and union employees. Responsibilities included staffing, training and development, and labor relations. Conducted investigations and participated in arbitration. Supervised a staff of nine, developed and implemented a participative management team approach for supervisors and union employees; significantly reduced absenteeism and work-related injuries, and conducted a study to assess the center's technology needs.

EDUCATION

- Juris Doctor, Atlanta School of Law; Dean's honors seminar
- Belmont University, (Nashville, TN); B.A. cum laude in Psychology (Minors in American History and Sociology)
- Mary Washington College of the University of Virginia, (Fredericksburg, VA)

ADDITIONAL EDUCATION

- Certification: AB 1825 Sexual Harassment Prevention Train the Trainer; Team Trainers, LLC (Sacramento, CA)

ACCOMPLISHMENTS

- Excellence in Teaching Award

AFFILIATIONS

- Member – Civil Service Commission; City of Stockton; Chair 2012- 2014
- Member – Salary Setting Commission for the Mayor and City Council; City of Stockton; Vice Chair 2009
- Society for Human Resource Management, Member and former Board Member (Chapter President, Chapter Secretary, and State District Director)
- Community Partnership for Families, Stockton, CA – Board of Directors; Finance Committee
- Greater Stockton Employer Advisory Committee, Stockton, CA – Board of Directors
- Member Advisory Board, Clayton State College (GA) School of Business - developed plan for upgrading curriculum from two-year to four-year program

VOLUNTEER WORK

- United Way of San Joaquin County – Recipient Evaluation Team
- Carter Center – Atlanta, GA
- Habitat for Humanity – Atlanta, GA



CELIA M. PETERSON, SPHR, SHRM-SCP

Project Analyst

PROFESSIONAL EXPERIENCE SUMMARY

Ms. Peterson has 30 years of local government experience working for various departments, agencies, commissions and special districts holding positions as Business and Administrative Services Manager, Department Accounting Manager, Controller, Administrative Services Officer and Department Analyst.

With the focus of her career in accounting, budget and finance, Ms. Peterson has initiated and managed projects for information system conversions, major procurements, contract negotiations and administration, department consolidations and reorganizations. She has been a successful and sought after resource for effecting positive change in an organization, identifying and developing business processes, and implementing administrative initiatives with grace and diplomacy.

Ms. Peterson has a Bachelor's Degree in Business Administration/Accounting from Sonoma State University, and a Master's Degree in Public Administration from the University of San Francisco.

CAREER HISTORY

Regional Government Services, JPA

Project Analyst

(September 2016 – Present)

- Providing analyst and operations management consulting services to partner agencies.

Ross Valley Sanitary District

Interim Business & Administrative Services Manager

(April 2016 – September 2016)

- Manage and direct administrative support, finance and accounting services
- Review annual budget preparation and reports
- Review and recommend financial policy changes
- Analyze staff workload and recommend changes
- Collaborative workflow analysis and process improvement
- Organizational change management

County of Sonoma, County Clerk/Recorder/Assessor

Department Accounting Manager

(February 2002 – May 2015)

- Organize and direct finance and accounting services under Dept. Head direction
- Prepare and monitor annual budget (\$16,000,000)
- Prepare Board Agenda for grant funds and contracts
- Monitor and administer contract expenditures and reimbursements
- Oversee preparation of claims and financial reports to State and Federal agencies
- Oversee cost accounting and billing for election reimbursements

Sonoma County Community Development Commission

Controller

(September 2000 – February 2002)

- Managed accounting and finance unit with a staff of 5.0 FTE under Executive Director
- Prepared and monitored annual budget (\$27,000,000) and mid-year reports
- Developed and implemented accounting systems, policies and procedures
- Managed preparation of claims and financial reports to State and Federal agencies
- Monitored and audited grant fund recipient contracts

Sonoma County Water Agency

Administrative Services Officer

(June 1998 – September 2000)

- Managed accounting and finance unit under Admin Services Manager
- Prepared and monitored Agency budget (\$168,000,000)
- Administered project cost accounting system
- Prepared Board Agenda for administrative/fiscal projects
- Recruited, trained and supervised Accounting Unit staff of 5.0 FTE

EDUCATION AND TRAINING

- MA Masters of Public Administration, University of San Francisco, Santa Rosa, CA
- BA Business Management (Accounting), Sonoma State University, Rohnert Park, CA

MEMBERSHIPS

- 1995 - 2015 Government Finance Officers Association
- 1994 - 2015 California Association of Clerks and Elections Officials

**CITY OF SOLVANG
2016
Compensation Study**

PROFESSIONAL SERVICES AGREEMENT

This agreement is made upon the date of execution, as set forth below, by and between Regional Government Services (RSG) (“Consultant”), a *human resources consulting* firm, and the City of Solvang (“City”). The parties hereto, in consideration of the mutual covenants contained herein, hereby agree to the following terms and conditions:

1.0 GENERAL PROVISIONS

1.01 **Term:** This agreement will become effective on the date of execution set forth below, and will continue in effect until terminated as provided herein.

1.02 **Services:** Consultant shall perform the tasks described and set forth in **Exhibit A**, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

Consultant shall determine the method, details and means of performing the above-referenced services.

Consultant may, at their own expense, employ such assistants and sub consultants, as Consultant deems necessary to perform the services required of Consultant by this agreement. However, Consultant may not assign this agreement to any other person or entity in the performance of required project-related services, and the City may not control, direct or supervise Consultant’s assistants or employees in the performance of those services.

1.03 **Standard of Performance:** Consultant’s services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of Consultant’s profession currently practicing under similar conditions. Whenever the scope of work requires or permits approval by the City, it is understood to be approval solely for the purposes of conforming to the requirements of the scope of work and not acceptance of any professional or other responsibility for the work. Such approval does not relieve the Consultant of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Consultant or its subconsultants. By delivery of completed work, Consultant certifies

that the work conforms to the requirements of this contract and all applicable federal, state and local laws. If Consultant is retained to perform services requiring a license, certification, registration or other similar requirement under California law, Consultant shall maintain that license, certification, registration or other similar requirement throughout the term of this Contract.

1.04 **Compensation:** In consideration for the services to be performed by Consultant, City agrees to pay Consultant monetary consideration for professional services in accordance with the rates set forth in **Exhibit B**. The parties agree that total compensation for fees and costs for the services detailed in Exhibit A shall not exceed the sum of \$14,275, unless and until this Agreement is amended as provided herein.

1.05 **Billing/Payment Terms.** All charges for Consultant's services and related reimbursable expenses shall be billed monthly, and all undisputed charges will be paid by City within 30 (thirty) days of receipt. The bills will itemize by date all services and expenses provided for the invoice period under this Agreement including a brief description of the nature of work performed, the person performing or vendor providing them, the applicable billing rate, the time expended. All Consultant service invoices must be approved by either the Administrative Services Director or the City Manager, prior to payment.

2.0 OBLIGATIONS OF CONSULTANT

2.01 **Contract Management and Service Performance:** Consultant Principal shall serve as the project manager and will personally prepare, or direct and supervise the preparation of, all work product called for by this agreement. Consultant represents that it has the qualifications, experience and facilities to properly perform all services hereunder in a thorough, competent, timely, and professional manner and shall, at all times during the term of this Agreement, have in full force and effect all licenses required of it by law. Consultant agrees to devote the hours and the human resources necessary to timely perform the services set forth in this agreement in an efficient, professional, and effective manner.

2.02 **Avoidance of Conflict of Interest.** Consultant may represent, perform services for, and be employed by additional individuals or entities, in Consultant's sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with City's business or interfere with the timely performance and completion of Consultant's services under this Agreement.

Consultant shall comply with all conflict of interest laws and regulations including, without limitation, the City's Conflict of Interest Code (on file in the City Clerk's Office). All officers, employees and/or agents of Consultant who will be working on behalf of the City pursuant to this Agreement may be required to file

Statements of Economic Interest. Therefore, it is incumbent upon the Consultant or Consulting Firm to notify the City of any staff changes relating to this Agreement.

- A. In accomplishing the scope of services of this Agreement, all officers, employees and/or agents of the Consultant(s) unless as indicated in Subsection B, will be performing a very limited and closely supervised function, and therefore, unlikely to have a conflict of interest arise. No disclosures are required for any officers, employees, and/or agents of Consultant, except as indicated in Subsection B.

2.03 **Tools and Instrumentalities:** Consultant shall provide all tools and instrumentalities to perform the services under this agreement.

2.04 **Workers' Compensation and Other Employee Benefits:** City and Consultant intend and agree that Consultant is an independent consultant of City and agree that Consultant and Consultant's employees and agents have no right to Workers' Compensation and other City-sponsored employee benefits. Consultant agrees to provide Workers' Compensation and other employee benefits, where required by law, for Consultant's employees and agents. Consultant agrees to hold harmless and indemnify City for any and all claims arising out of any claim for injury, disability, or death of Consultant and any of Consultant's employees or agents.

2.05 **Indemnification:**

General Professional Services: Professional Consultant hereby agrees to, and shall, hold City, its elective and appointive boards, officers, agents and employees, harmless and shall defend the same from any liability for damage or claims for damage, or suits or actions at law or in equity which may allegedly arise from the negligent acts, errors or omissions of Consultant's or any of Consultant's employees' or agents' operations under this agreement, whether such operations be by Consultant or by any one or more persons directly or indirectly employed by, or acting as agent for, Consultant; provided as follows:

- (a) To the fullest extent permitted by law, the Consultant shall (1) immediately defend, and (2) indemnify the City of Solvang, and its elected officials, officers, and employees from and against all liabilities regardless of nature or type arising out of or resulting from Consultant's performance of services under this contract, or any negligent or wrongful act or omission of the Consultant or Consultant's officers, employees, agents, or subconsultants. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The Consultant's obligation to indemnify applies unless it is adjudicated that its liability was caused by the active negligence or willful misconduct of an indemnified

party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, the Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

(b) The duty to defend is a separate and distinct obligation from the Consultant's duty to indemnify. The Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City of Solvang, the City of Solvang and its elected officials, officers, and employees, immediately upon tender to the Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the Consultant from its separate and distinct obligation to defend City of Solvang. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if the Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the active negligence or willful misconduct of an indemnified party, Consultant may submit a claim to the City of Solvang for reimbursement of reasonable attorneys' fees and defense costs.

(c) The review, acceptance or approval of the Consultant's work or work product by any indemnified party shall not affect, relieve or reduce the Consultant's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

2.06 **Insurance:** Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this agreement

3.0 OBLIGATIONS OF CITY

3.01 **Cooperation:** City agrees to comply with all reasonable requests of Consultant necessary to the performance of Consultant's duties under this agreement. City employees, agents and officers of the City agree to disclose all information relevant to this project to Consultant.

4.0 TERMINATION OF AGREEMENT

4.01 **Termination Notice:** Notwithstanding any other provision of this agreement, any party hereto may terminate this agreement, at any time, without cause, by giving at least 30 (thirty) days' prior written notice to the other parties to this agreement.

4.02 **Termination on Occurrence of Stated Events:** This agreement shall terminate automatically on the occurrence of any of the following events:

- a. Sale of the business of any party;
- b. The end of the 30 (thirty) days as set forth in section 4.01;
- c. End of the contract to which Consultant's services were necessary; or
- d. Assignment of this agreement by Consultant without the consent of City.
- e. Bankruptcy or insolvency of any party.
- f. Death of any party.

4.03 **Termination by any Party for Default:** Should any party default in the performance of this agreement or materially breach any of its provisions, the non-breaching party, at its option, may terminate this agreement, immediately, by giving written notice of termination to the breaching party.

4.04 **Termination:** This agreement shall terminate on April 30, 2017, unless earlier extended as set forth in this Section. The City, with the agreement of Consultant, is authorized to extend the term of this agreement beyond the termination date, as needed, under the same terms and conditions as set forth in this agreement. Any such extension shall be in writing and be an amendment to this agreement.

5.0 SPECIAL PROVISIONS

5.01 **Additional Tasks as May Be Assigned by the Director of Administrative Services or the City Manager:** Prior to initiating any Consultant work on matters relating to the City, but outside this contract, it shall be the responsibility of Consultant to obtain written approval of the Administrative Services Director, or the City Manager, prior to initiation of such tasks.

5.02 **Time Schedule:** Consultant is to begin work upon receipt and execution of City contract. It is contemplated that most of the services hereunder, including but not limited to preparation, public and agency review, and submission of the draft report to the City Manager and final report to City Council, will be completed on or before April 30, 2017. **TIME IS OF THE ESSENCE OF THIS CONTRACT.** Consultant agrees to engage its best efforts to adhere strictly to the schedule set forth in Exhibit A and incorporated herein.

5.03 **Work Outside Contract Scope:** No payment for changed or additional work shall be made unless the changed or additional work has first been approved in writing by the Contract Manager and the parties have agreed upon the appropriate adjustment, if any, to the payment schedule and maximum payment amount for the changed or additional work. The Contract Manger may order changes or additions to the scope of work. Whether a change or addition to the scope of work is proposed by the Consultant or ordered by the Contract Manager, the parties shall in good faith negotiate an appropriate adjustment, if any, to the payment schedule and maximum payment for the

changed or additional work. An approved change or addition, along with the payment adjustment, if any, will be effective upon an amendment to this contract executed by both parties. The amendment shall not render ineffective or invalidate unaffected portions of this contract.

5.04 **Confidentiality:**

- (a) Confidential Nature of Information. Consultant shall treat all information obtained from the City in the performance of this contract as confidential and proprietary to the City. Consultant shall treat all records and work product prepared or maintained by Consultant in the performance of this contract as confidential.
- (b) Limitation on use and disclosure. Consultant agrees that it will not use any information obtained as a consequence of the performance of work for any purpose other than fulfillment of Consultant’s scope of work. Consultant will not disclose any information prepared for the City, or obtained from the City or obtained as a consequence of the performance of work to any person other than the City, or its own employees, agents or subconsultants who have a need for the information for the performance of work under this contract unless such disclosure is specifically authorized in writing by the City.
- (c) Security plan. If requested by the Contract Manager, Consultant shall prepare a security plan to assure that information obtained from the City or as a consequence of the performance of work is not used for any unauthorized purpose or disclosed to unauthorized persons. Consultant shall advise the City of any request for disclosure of information or of any actual or potential disclosure of information.
- (c) Survival. Consultant’s obligations under this paragraph shall survive the termination of this contract.

6.0 MISCELLANEOUS

6.01 **Notices:** Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this agreement or by law to be served on or given to any party to this agreement shall be in writing and delivered or, in lieu of such personal service, when deposited in the United States mail, first class postage prepaid, to the following address for each respective party:

PARTY	ADDRESS
TO: CITY OF SOLVANG	City of Solvang 1644 Oak Street Solvang, CA 93463 Attention: City Clerk

Copy to: Roy Hanley
City Attorney

HANLEY & FLEISHMAN, LLP
8930 Morro Road
Atascadero, CA 93422

TO CONSULTANT:

6.02 **Governing Law:** This agreement and all matters relating to this agreement shall be governed by the laws of the State of California in force at the time, should any need for interpretation of this agreement or any decision or holding concerning this agreement arise.

6.03 **Binding Effect:** This agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, but nothing in this Section shall be construed as consent by City to any assignment of this agreement or any interest in the agreement.

6.04 **Remedies:** The remedies set forth in this agreement shall not be exclusive, but shall be cumulative with, and in addition to, all remedies now or hereafter allowed by law or equity.

6.05 **Due Authority:** The parties hereby represent that the individuals executing this agreement are expressly authorized to do so on and in behalf of the parties.

6.06 **Ownership of Work Product:** Upon delivery, the work product, including without limitation, all original reports, writings, recordings, drawings, files, and detailed calculations developed under this contract are the property of the City. Consultant agrees that all copyrights, which arise from creation of the work pursuant to this contract, shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Consultant makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

6.07. **Integration and Modification:** This contract represents the entire understanding and agreement of the City and Consultant as to those matters contained herein. This agreement correctly sets forth the obligations of the parties hereto to each other as of the date of this agreement. All agreements or representations respecting the subject matter of this agreement not expressly set forth or referred to in this agreement are null and void. No prior oral or written understanding shall be of any force or effect with respect to those

matters covered hereunder. This contract may not be modified, amended, or altered except in writing signed by the City and Consultant.

6.08. **Advice of Counsel:** The parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms, and conditions of this contract, and that the decision of whether or not to seek the advice of counsel with respect to this contract is a decision which is the sole responsibility of each of the parties hereto. This contract shall not be construed in favor or against either party by reason of the extent to which each party participated in the drafting of the contract.

6.09. **Independent Review:** Each party hereto declares and represents that in entering this contract it has relied and is relying solely upon its own judgment, belief and knowledge of the nature, extent, effect and consequence relating thereto. Each party further declares and represents that this contract is being made without reliance upon any statement or representation not contained herein of any other party, or any representative, agent, or attorney of any other party.

6.10. **Attorney Fees:** In the event of any controversy, claim or dispute between the parties hereto, arising out of or relating to this agreement, or the breach hereof, the prevailing party shall be entitled, in addition to other such relief as may be granted, to a reasonable sum as and for attorney fees.

6.11 **No waiver:** The waiver of any breach by any party of any provision of this agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of this agreement.

6.12. **Assignment:** This agreement is specifically not assignable by Consultant to any person or entity. Any assignment or attempt to assign by Consultant whether it be voluntary or involuntary, by operation of law or otherwise, is void and is a material breach of this agreement, giving rise to a right to terminate as set forth in Section 4.03.

6.13. **Time for Performance:** Except as otherwise expressly provided for in this agreement, should the performance of any act required by this agreement to be performed by either party be prevented or delayed by reason by any act of God, strike, lockout, labor trouble, inability to secure materials, or any other cause, except financial inability, which is the fault of the party required to perform the act, the time for performance of the act will be extended for a period of time equivalent to the period of delay and performance of the act during the period of delay will be excused: provided, however, that nothing contained in this Section shall exclude the prompt payment by either party as required by this agreement of the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act.

6.14 **Severability:** Should any provision of this agreement be held by a court of competent jurisdiction or by a legislative or rulemaking act to be either invalid, void or unenforceable, the remaining provisions of this agreement shall remain in full force and effect, unimpaired by the holding, legislation or rule.

6.15. **Construction:** The parties agree that each has had an opportunity to have their counsel review this agreement and that any rule of construction to the effect that

ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provision to which they relate.

6.16. **Amendments:** Amendments to this agreement shall be in writing and shall be made only with the mutual written consent of all the parties to this agreement.

6.17. **Signatures:** The individuals executing this contract represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this contract on the following date.

Consultant:

Date: _____

By: _____
President

City of Solvang:

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

City Attorney:

HANLEY & FLEISHMAN, LLP

Date: _____

By: _____
Roy Hanley
City Attorney

EXHIBIT A

TASKS TO BE PERFORMED

Request for Proposals 2016 Compensation Study Detailed Scope of Work

The Consultant shall prepare and produce a detailed and comprehensive Compensation Study to enable the City to understand the current labor market, including analysis and position within the market as it relates to salary and benefits and shall include the following:

- A. Conduct a comprehensive compensation survey listing of comparable agencies in population, revenue base, and cost of living; not only job titles, but duties and responsibilities. The survey should include all elements of compensation (salary, retirement formula, health and other ancillary benefits).
- B. Conduct a total compensation labor market analysis (salary and benefits) using established or revised benchmarked classifications from comparable agencies. The analysis should take into consideration the cost of living and/or cost differences due to geographic locations and make the necessary adjustments to formulate a fair comparison.
- C. Conduct an internal salary relationship analysis to ensure internal salary equity.
- D. Determine the City's labor market position with regard to salaries and benefits and propose target compensation goals, while considering the City's financial restraints. Recommend salary range adjustments for classifications, based on study results.
- E. Considering the City's salary structure and compensation goals, develop a strategy for implementing the results of the study, including how to establish salaries for classifications that are above market. Considering the City's financial constraints, provide multiple options for implementation, including partial and full implementation over a multi-year period. Assist in implementing the results of the study by determining the short and long term fiscal impact to the City for providing market adjustments.
- F. Confirm validity of current job families, classification series, and career ladders to ensure accuracy of internal alignments.
- G. Assist the City in developing a compensation policy with the goal of providing ongoing structure and consistency for classification analysis and changes in future years.
- H. Develop a communication plan regarding the compensation study to include consultation with supervisors, department heads, and union representatives on the objectives, processes, and progress of the study.
- I. Provide monthly progress reports outlining the scope of work completed to date, scope of work completed during the period, and summary statement of project progress.
- J. Prepare a draft report of all compensation findings and recommendations, including supporting data for recommendations.
- K. Present draft results of the survey to management and the bargaining unit in a group meeting setting.
- L. Present the final compensation report and recommendations to the City Council.

- M. Upon the conclusion of the study, provide summary report with detailed analysis and recommendations, salary ranges, benchmark listing, market survey agency listing, and all materials associated with the implementation of the study in electronic format using Microsoft Office software (Word, Excel, PowerPoint, etc.).

The successful firm will provide the City with a detailed list of information required to complete the study. The City will provide the information and records and arrange for management personnel to meet the firm's personnel, once an agreement has been executed between the City and the firm. All requested statistical and financial City reports will be submitted to the requestor in Excel and/or PDF format. The successful firm is expected onsite for an initial kickoff meeting to review the data available and commence the study. Subsequent onsite visits may be necessary. The complete draft report shall be submitted to the City within 4 months after award of contract. The City recognizes that performance by Consultant is dependent upon performance by City and shall make schedule adjustments to reflect any delays caused by City.

The Consultant shall attend two progress meetings with City staff at appropriate project milestones. Following review of the draft Study by City staff, Consultant shall incorporate and/or address all staff comments. Based on direction from City staff, Consultant shall develop a second draft Study and submit to staff for review. Following review of second draft Study by City staff, Consultant shall incorporate and/or address all staff comments. The Consultant shall attend City Council meeting and submit and present the final report.

Five hard copies and one PDF copy of the first and final draft Studies shall be provided. Ten (10) bound copies, one unbound copy, and the electronic files in Microsoft Word format, of the final report shall be submitted to City within 30 days of receipt of City final comments.

EXHIBIT B
SCHEDULE OF FEES

EXHIBIT C

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability using Insurance Services Office “Commercial General Liability” policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and “Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Best’s rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all consultants, and subconsultants to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all consultants and subconsultants to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any consultant or subconsultant.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.
8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subconsultant, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self insurance available to City.
9. Consultant agrees to ensure that subconsultants, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subconsultants and others engaged in the project will be submitted to City for review.
10. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the.

11. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increased benefit to City.
12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
13. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
14. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
15. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
16. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
20. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the

cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

21. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.



**CITY COUNCIL
STAFF REPORT/CONSENT AGENDA**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Bridget Elliott, Associate Engineer, and
Matt van der Linden, Public Works Director/City Engineer

MEETING DATE: December 12, 2016

DATE PREPARED: December 2, 2016

**SUBJECT: AWARD OF CONSTRUCTION AGREEMENT FOR THE RESERVOIR
2 REPAIR & RECOATING PROJECT, PW 077**

I. RECOMMENDATION:

1. Award a Construction Agreement with West Coast Industrial Coatings, Inc. in the amount of \$217,700 and authorize execution of the Agreement by the Mayor; and
2. Authorize the City Manager to execute any change orders if within the contingency amount of \$30,000; and
3. Authorize the City Manager to execute Amendment with Cannon Corporation for project inspection services in the amount of \$28,900.

II. BACKGROUND:

The City of Solvang water distribution system storage facilities consist of three reservoirs and two cisterns. Reservoir 2, which serves Zone 2, is located at 790 Ribe Road, and is in need of repairs and recoating. Reservoir 2 is a welded steel tank that was constructed in 1982. This is the first major maintenance project to be performed on the reservoir.

The Reservoir 2 Repair & Recoating Project, PW 077 consists of various steel welding repairs, sand blasting, protective coatings, new roof vents, inlet-outlet piping modifications, replacement of the cathodic protection system, and appurtenants work. The engineers estimate for this work was \$260,000.

III. DISCUSSION:

The Engineering Division staff received and publically opened the bids for this Project on Tuesday, November 22, 2016, at 2:00 PM. West Coast Industrial Coatings was the apparent low bidder with a bid proposal of \$217,700. The Engineering Division received ten bids for the project. A summary of the bids received are below:

No.	Contractor Name	Business Location	Bid Amount (\$)
1	West Coast Industrial Coatings, Inc.	Hemet	\$ 217,700.00
2	Blastco, Inc.	Downey	\$ 221,850.00
3	Inspec Coating, Inc.	Campbell, OH	\$238,100.00
4	AMP United, LLC	Torrance	\$240,070.00
5	Crosno Construction, Inc.	Arroyo Grande	\$243,600.00
6	Utility Service Co., Inc.	Perry, GA	\$249,430.00
7	Speiss Construction, Inc.	Santa Maria	\$253,175.00
8	State Painting Co., Inc.	West Valley City, UT	\$259,666.00
9	Advanced Industrial Services	Los Alamitos	\$285,800.00
10	Olympos Painting, Inc.	Van Nuys	\$289,574.00

The license and references of West Coast Industrial Coatings were checked and staff has found them to be in good standing. They have furnished all of the necessary insurance and bond documents. After the award of the Agreement, a pre-construction meeting will be scheduled, and a "Notice to Proceed" will be issued by staff.

Due to the specialized nature of the coating work involved on this Project, specialized construction inspection is required. Cannon Corporation and their sub-consultant CSI Services provided the City with a proposal for the necessary specialized inspection services with their original design proposal. Cannon was selected to perform the design services for this Project through a competitive qualifications-based process. Due to their involvement in the design phase of this Project they are uniquely qualified to perform the required inspection services. Their fee proposal has been evaluated by staff and found to be very competitive. Staff recommends that the City Council authorize the City Manager to execute an Amendment with Cannon Corporation for, the not to exceed amount of, \$28,900 to perform specialized inspection services.

Staff recommends that the City Council award a Construction Agreement to West Coast Industrial Coatings, Inc. in the amount of \$217,700. Staff further recommends that the City Council authorize the City Manager to execute construction change orders up to the

contingency amount of \$30,000 and approve the \$28,900 Amendment to Cannon Corporations Professional Services Agreement for construction inspection services.

IV. ALTERNATIVES:

The City Council could choose to reject all bids, either cancel, postpone, or revise and re-bid the Project.

V. FISCAL IMPACT:

Funding in the amount of \$310,000 for the Reservoir 2 Repair & Recoating Project is available in the City's Fiscal Year 2016-17 Budget in Account No. 500-5100-501-70945. The cost of the proposed construction agreement is considered reasonable. Funding for the engineering, construction, construction contingency, and inspection services comes to a total of \$301,600, which is under the original budget amount.

VI. ATTACHMENTS:

1. Construction Agreement
2. Professional Services Agreement - Amendment 1

B1 - CONSTRUCTION AGREEMENT

PROJECT: CITY OF SOLVANG – RESERVOIR 2 REPAIR & RECOATING PROJECT, PW 077

AMOUNT OF CONTRACT: **\$217,700.00**

THIS AGREEMENT, made and entered into this 12th day of **December, 2016**,

by and between the City of Solvang hereinafter referred to as "Agency", and **West Coast Industrial Coatings, Inc.**, hereinafter referred to as "Contractor".

IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS
HEREINAFTER SET FORTH, THE PARTIES DO HEREBY AGREE as follows:

ARTICLE I: GENERAL

For and in consideration of the payments and agreements hereinafter mentioned to be made and performed by said Agency, said Contractor agrees with said Agency to perform and complete in a workmanlike manner all work required under the Bidding Schedule of said Agency's Specifications entitled **RESERVOIR 2 REPAIR & RECOATING PROJECT, PW 077** in accordance with the Specifications and Drawings therefore, to furnish at his own expense all labor, materials, equipment, tools, transportation, and services necessary therefore, except such materials, equipment and services as may be stipulated in said Specifications to be furnished by said Agency, and to do everything required by the Agreement and the said Specifications and Drawings, for the sum of **\$217,700.00**, pursuant to the Bidding Schedule attached hereto and made a part hereof.

ARTICLE II: PAYMENT

For furnishing all said labor, materials, equipment, tools, and services, furnishing and removing all plant, temporary structures, tools, and equipment, and doing everything required by this Agreement and the said Specifications and Drawings; for all loss and damages arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise during the prosecution of the work until its acceptance by said Agency, and for all risks of every description connected with the work; for all expenses resulting from the suspension or discontinuance of work, except as in the said Specifications are expressly stipulated to be borne by said Agency and for completing the work in accordance with the requirements of said Specifications and Drawings, said Agency will pay, and said Contractor shall receive, in full compensation there for, the price named in the above mentioned Bidding Schedule.

ARTICLE III: CONSIDERATION

The Agency hereby employs said Contractor to perform the work according to the terms of this Agreement for the abovementioned price and agrees to pay the same at the time, in the manner, and upon the conditions stipulated in the said Specifications; and the said parties for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE IV: INDEMNIFICATION

(a) To the fullest extent permitted by law, the Contractor shall (1) immediately defend and (2) indemnify the City of Solvang, and its elected officials, officers, and employees from and against all liabilities regardless of nature, type, or cause, arising out of or resulting from or in connection with the performance of the Contract. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The Contractor's obligation to indemnify applies regardless of whether a liability is a result of the negligence of any other person, unless it is adjudicated that the liability is caused by the sole active negligence or sole willful misconduct of an indemnified party.

(b) The duty to defend is a separate and distinct obligation from the Contractor's duty to indemnify. The Contractor shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City of Solvang, the City of Solvang and its elected officials, officers, and employees, immediately upon submittal to the Contractor of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. A determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the Contractor from its separate and distinct obligation to defend City of Solvang. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Contractor asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of an indemnified party, Contractor may submit a claim to the City of Solvang for reimbursement of reasonable attorneys' fees and defense costs.

(c) The review, acceptance or approval of the Contractor's work or work product by any indemnified party shall not affect, relieve or reduce the Contractor's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

(d) Liabilities subject to this Section include any claim of discrimination or harassment, including but not limited to sexual harassment, arising from the conduct of the Contractor or any of the Contractor's officers, employees, agents, licensees, or subcontractors. In the event of a discrimination or harassment complaint against any employee, agent, licensee or subcontractor of the Contractor or its subcontractors, the Contractor shall take immediate and appropriate action in response to such complaint, including, but not limited to termination or appropriate discipline of any responsible employee, agent, licensee or subcontractor.

ARTICLE V: WAGES

The payment of prevailing wages are required on this project. The general prevailing rates of per diem wages and general prevailing rate for holiday and overtime work in the locality in which the work is to be performed have been determined by the Agency. Said general prevailing rates of per diem wages are hereby incorporated herein and made a part hereof. The Contractor agrees that he, or any subcontractor under him, will pay not less than the foregoing specified prevailing rates of wages to all workmen employed in the execution of the Contract. Any contractor who is awarded a public works project and intends to use a craft or classification not shown on the general prevailing wage determinations, may be required to pay the wage rate of that craft or classification most closely related to it as shown in the general determinations effective at the time of the call for bids.

ARTICLE VI: HOURS AND WORKING CONDITIONS

The Agency is a public entity in the State of California and is subject to the provisions of the Government Code and the Labor Code of the State. It is stipulated and agreed that all provisions of law applicable to public contracts are a part of this contract to the same extent as though set forth herein and will be complied with by the Contractor.

ARTICLE VII: COMPONENTS OF AGREEMENT

The Bid Information Sheet, Contractor's Proposal, Bid Bond, Information Required of Bidder, Faithful Performance Bond, Labor and Material Bond, Certificate of Compliance, Insurance Requirements for Contractors, Labor Provisions, Standard Specifications for Public Works Construction (latest edition), General Provisions, General Provisions Modifications, Special Provisions, Specifications, Drawings and all Addenda issued by the Agency with respect to the foregoing prior to the opening of bids, are hereby incorporated in and made part of this Agreement.

IN WITNESS WHEREOF, this contract has been executed on the day and year first above written.

CITY OF SOLVANG

APPROVED AS TO FORM:

City Attorney

Mayor

ATTEST:

City Clerk

CONTRACTOR

Printed Name

Signature

Title

AMENDMENT NO. 1

**PROFESSIONAL SERVICES AGREEMENT
Reservoir 2 Repair & Recoating Project**

THIS AMENDMENT is made and entered into this 12th day of December 2016, between the CITY OF SOLVANG, a municipal corporation, and Cannon Corporation. In consideration of the mutual covenants and conditions set forth in the original Agreement dated, September 12, 2016, the parties agree to an expanded scope of services and fee for construction management & inspection (engineering) services.

Cannon Corporation has submitted its proposal to provide such additional services as set forth in **Exhibit “D”** for a fee not to exceed **\$28,900.00**. The parties have agreed to add **Exhibit “D”** to the original Agreement. All remaining portions of the original Agreement shall remain in full force and effect.

“CONSULTANT”

“CITY”

CANNON CORPORATION

CITY OF SOLVANG

Brad Vidro, City Manager

Print Name and Title

Attest: Lisa S. Martin, City Clerk

Date

Date



EXHIBIT "D"

Task 1.4 Cost Estimates

We will provide a detailed construction cost estimate consistent with the Project Manual bid schedule at the 70% and 100% levels of progress on the project, and upon submittal of the final Project Manual. Our recent relevant experience on similar projects will allow us to provide a solid budgetary number for the work to be completed on this tank.

Task 2.1 RFI Response and Submittal Review

We will prepare responses to requests for information (RFIs) during the bidding and construction phases of work. We will maintain a submittal log, and review and respond to contractor submittals in a timely manner. Submittals are anticipated to include steel and welding repairs, protective coatings, roof vents, cathodic protection equipment and materials, and interior pipe and fittings.

OPTIONAL CONSTRUCTION INSPECTION SERVICES

Our construction inspection services will be provided by members of Cannon staff, as well as CSI Services. Together, we will perform construction inspection for all aspects of construction described above. CSI will be responsible for all day-to-day field level operations, as documented in daily diaries or inspection reports. Cannon's inspector will maintain that all elements of the project are furnished, installed and constructed in accordance with the Project Manual/construction specifications. Inspectors will provide daily Inspection Reports/Diaries which contain sufficient information for documentation purposes. Collectively we will review contractor progress and final payment requests on a monthly basis, and monitor contract time using a Weekly Statement of Working Days form. All reports and documentation will be furnished to the City on a weekly basis in electronic format. Coatings inspection will be intermittent based on the schedule of the coatings contractor, but it is assumed that 5-6 weeks of full-time inspection is needed to oversee all the aspects of the blasting and coating process. Inspection will be provided between 16 and 40 hours per week depending on the activities taking place while construction is actively in progress.

See the attached CSI services proposal for additional information on their services and capabilities.

DELIVERABLES

1. 70% Project Manual/Specs, details, bid sheet, and cost estimate
2. 100% Project Manual/Specs, details, bid sheet, and cost estimate
3. Final Project Manual/Specs, details, bid sheet, and cost estimate
4. RFI responses, and submittal log and responses
5. Optional Inspection Task – Daily reports

SCHEDULE

The schedule as outlined in the RFP documents is achievable and will be followed based on the date notice to proceed issued to Cannon. Note that the Thanksgiving holiday may push the schedule back slightly if NTP is not issued until mid or late September, but every effort will be made to make up any lost time to keep the project on track for the proposed January tank shutdown.

- | | | |
|-----------------------------|-------|----------|
| 1. Project Kick-off meeting | 1 Day | 9/2/2016 |
|-----------------------------|-------|----------|



2. Submit 70% Documents	5 Weeks	10/7/2016
3. City Review / Progress meeting	2 Weeks	10/20/2016
4. Submit 100% Documents	2 Weeks	11/4/2016
5. City Review	1 Week	11/11/2016
6. Submit Final Bid Documents	1.5 Weeks	11/23/2016

FEES

The following fees are broken down by the tasks noted above.

<u>Task</u>	<u>Description</u>	<u>Fees</u>
1.1	Progress Meetings and Coordination	\$3,900
1.2	Research and Data Collection	\$4,000
1.3	Project Manual / Construction Specifications	\$9,500
1.4	Cost Estimates	\$2,100
2.1	Construction Phase – RFI and Submittal Review	\$5,500
Total		\$25,000

Optional Construction Inspection Services

<u>Description</u>		<u>Fees</u>
Construction Coordination and Verification (Cannon)	~4 hrs./wk.	\$5,500
Tank Blasting and Coatings Inspection (CSI)	30 Days	\$23,400
Total		\$28,900

ASSUMPTIONS AND EXCLUSIONS

This proposal was based on the following assumptions related to the proposed project:

- Tasks not specifically described are excluded from the scope of work
- All data provided to Cannon will be made available in a digital format
- The information and technical data provided and prepared by others, may be used by Cannon in performing its services and is entitled to rely upon the accuracy and completeness thereof
- Topographic and Boundary surveys by others
- Geotechnical, Biological, and Archeological surveys and investigations by others

PROJECT TEAM

The following team has been assembled to perform the tasks associated with this project. Team resumes are included on the following pages.

Larry Kraemer, PE – Principal-in-Charge
 Michael Kielborn, PE – Project Manager and main point of contact
 Marshall Pihl, PE, SE – Structural Engineer
 Patrick Sweeney (CSI) – Project Manager for coatings
 Jim Fox (CSI) – Coatings Inspector



Scope of Services

Phase 1 - Specification Development

Task A - Coating Sample Heavy Metal Analysis

It is unclear if any coating films contain heavy metals. This information is critical to developing maintenance plans. CSI understand that the coating work planned involves both interior and exterior surfaces of each tank. CSI proposes to obtain two samples from both the interior and exterior of each tank. Each sample would be tested for heavy metals (chromium, lead, and cadmium) content by laboratory analysis in accordance with AOAC Method 974.02. This testing protocol meets all Federal and State requirements for this type of work.

Task B - Specification Preparation

CSI will prepare coating specifications for the interior relining, and potentially exterior painting. Specifications will address the project requirements with respect to surface preparation, materials, and application. Sections covering applicable standards, contractor qualifications, safety and health requirements, quality assurance, testing, and inspection will be included, as required. It will be the intent of the specification to have it used as the technical requirements in addition to the District's own "front-end" contract documents.

Task C - Meetings and Miscellaneous Project Support

CSI will provide a list of at least 6 qualified contractors that can complete the work. CSI can participate in the start-up, progress, and any special interest meetings as required to discuss procedures, progress, problems, or outstanding issues. CSI will support the project by responding to all inquires, preparing addendums, reviewing coating submittals, etc.

Phase 2 - Inspection Services

Task D - In-Process Inspection

CSI will provide fulltime quality assurance inspection services during the coating work. CSI will provide technical as-needed consulting assistance and a qualified fully trained and equipped inspector throughout the progress of the work up to and including final acceptance. CSI will provide an independent, professional, and thorough inspection. CSI will not in any way take responsibility for the safety of others. The CSI inspector will be fully equipped with calibrated instruments to verify that the Contractor meets all of the requirements of the specification.

CSI has found that it can provide its clients the most versatile and technically competent quality assurance program through a team approach. This team of engineers, inspectors, and administrative support personnel allow us to provide an up-to-date, competent, and efficient service product. The duty of this team approach is segmented into two tasks, which frequently overlap. Either the field inspector or the support personnel will complete the various tasks that will be required on this project.



1. The CSI inspector will ensure that the requirements of the Contract Specifications and manufacturer's technical data sheets for the various materials are strictly followed. PDCA P2-04, SSPC, NACE, and ASTM D3276 standard practices will be used a guideline for proper procedures, where not called out in the specification or manufacturer's written PDS's.
2. Verifications of the contractor's compliance with the specifications will be accomplished by performing the following tasks as necessary, with the appropriate calibrated instruments for each:
3. The CSI inspector will ensure that the requirements of the Contract Specifications and manufacturer's technical data sheets for the various materials are strictly followed. ASTM D3276 will be used a guideline for proper procedures. It is not the intent of our cost proposal to provide a safety inspector to this project. The ultimate responsibility for safety will in no means or measure be the responsibility of CSI.
4. Verifications of the contractor's compliance with the specifications will be accomplished by performing the following tasks as necessary, with the appropriate calibrated instruments for each:
 - a. Condition Of Surfaces Prior To Preparation – The CSI inspector will inspect the surfaces to be prepared to assure that grease and oil have been removed, and sharp edges are removed as specified. NACE Standard RP0178 will be used as acceptance criteria where areas are of concern.
 - b. Compressed Air Cleanliness – The CSI inspector will check the air quality when production includes abrasive blast cleaning or substrate blow-down procedures. This will be accomplished in accordance ASTM D4285.
 - c. Ambient Conditions – The CSI inspector will monitor ambient conditions in accordance with ASTM E337 to assure that final blast cleaning and coating application operations are not completed outside the specified requirements.
 - d. Surface Preparation – The CSI inspector will examine the abrasive and equipment used for surface preparation for adequacy to do the work, as specified. Equipment pressures will be monitored. The inspector will verify proper storage and size of abrasives, and that the proper degree of cleaning and surface profile or scarification is achieved.
 - e. Coating Preparation and Mixing – The CSI inspector will observe the mixing of coatings to assure that all components are added and proportioned correctly and that any induction times are maintained. The inspector will verify that any materials used are approved and that they are not used when the pot or shelf lives have been exceeded.



- f. Coating Application – The CSI inspector will examine the application equipment for cleanliness and adequacy to do the work. The inspector will observe application techniques to assure proper coverage without detrimental runs, pinholes, or other visually evident deficiencies. The inspector will make spot checks of the wet film thickness in accordance with ASTM D4414 so that adjustments to the amount of material being applied can be made at the time of application to minimize the amount of rework after the coating has dried.
- g. Dry Film Thickness – The CSI inspector will measure the dry film thickness of each coat to assure that it complies with the specification requirements and manufacturers' instructions. Film thickness will be monitored using a Type II film gage in accordance with ASTM D1186, SSPC-PA2, or as required (i.e. every 100SqFt).
- h. Holiday Detection – CSI will provide holiday detection equipment and perform 100 percent holiday detection in accordance with NACE International's "Recommended Practice for Discontinuity (Holiday) Testing of Protective Coatings," (RP 0188-99), AWWA D102, and the specified requirements.
- i. Final Inspection – The CSI inspector will perform a final inspection to evaluate the Contractor's final product. This will verify that the final visual appearance (SSPC PA1), dry film thickness readings, holiday detection, cure testing, and so forth meet the project requirements.

In-Process Inspection Documentation

1. The CSI inspector will use a daily journal, daily reports, and an in-process punch list to clearly document the coating operations and occurrences to verify compliance with Contract documents. At a minimum, the verifications noted above will be recorded. Daily reports can be transmitted electronically throughout the project.



**CITY COUNCIL
STAFF REPORT/CONSENT AGENDA**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Brad Vidro, City Manager

MEETING DATE: December 12, 2016

DATE PREPARED: December 6, 2016

SUBJECT: **TAJIGUAS RESOURCE RECOVERY PROJECT**

I. RECOMMENDATION:

Approval of the Revised Resource Recovery Project Material Delivery Commitment and Processing Services Agreement between the County of Santa Barbara and the City of Solvang

II. DISCUSSION:

At the November 28, 2016 City Council meeting the City Council approved a Resource Recovery Project Material Delivery Commitment and Processing Services Agreement between the County of Santa Barbara and the City of Solvang. Subsequent to that approval, the agreement was brought before the City of Santa Barbara City Council and several changes were made to the base agreement. While the Council authorized approval of the agreement with changes to be reviewed and approved by the City Attorney, staff felt it appropriate to make the City Council aware of the changes that will ultimately be incorporated in the final agreements of all the participating cities.

The changes include adding the following definition for Surplus Fund:

“Surplus Fund”, means on June 1 and December 1 of each year, beginning on June 1, 2017, all remaining money in the Revenue Fund after making the foregoing deposits shall be withdrawn from the Revenue Fund and deposited by the County in the Surplus Fund. Moneys in the Surplus Fund may be

applied for any lawful purpose of the County relating to the Solid Waste System.

Adding language that if carbon credits that have not already been accounted for in the Power Purchase Agreement with SCE and the federal CREBs rebate we are getting on the financing related to the renewable energy come up due to new regulations, the credits would be allocated among the participating jurisdictions based on their delivery amounts, as allowed by law. (Section 3.3).

The following was added to the section on Landfill Tip Fee:

For Fiscal year 2019, beginning July 1, 2018, the City agrees to pay a tipping fee of one hundred ten (\$110) dollars per ton. For Fiscal Year 2020, beginning July 1, 2019, the County shall establish the Acceptable Materials Charge pursuant to Section 4.3A and the limitations in Section 4.3D shall not apply. The limitations on the amount by which the County may adjust the Acceptable Materials Charge for the upcoming Agreement Year as set forth in Section 4.3D will not take effect until fiscal year 2021 on July 1, 2020. Notwithstanding the above, the Acceptable Material Charge will be set as required by the Bond Documents.

This will result in a lower rate increase to the rate payer initially, but if revenues are less it would result in a higher future tip fee.

Two new exhibits (D & E) showing example cost and dividend calculations.

III. FISCAL IMPACT:

The changes will result in a slightly lower increase to the rates for Waste Management customers initially.

IV. ATTACHMENTS:

- Agreement

1 **Tajiguas Resource Recovery Project**
2 **Materials Delivery Commitment &**
3 **Processing Services**
4 **Agreement**
5 **BETWEEN**
6 **County of Santa Barbara**
7 **AND**
8 **City of Solvang**

9 **Agreement Date:**
10 November 17, 2016 – Final

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53 **ATTACHMENTS**

54 1. Projected and Minimum Annual Delivery Requirement

55 RECITALS

56 This Material Processing Services and Delivery Commitment Agreement is made and dated as of the
57 date on the cover page between the County of Santa Barbara, a political subdivision of the State of
58 California (the "County"), and the City of Solvang, a general law charter city and political subdivision of
59 the State of California (the "City").

60 (A) WHEREAS, the Parties are responsible for the health and safety of the citizens within their
61 geographic boundaries; and,

62 (B) WHEREAS, the Parties regulate Municipal Solid Waste, Recyclable Materials, and Organic
63 Materials collection in areas under their jurisdiction and award franchises for collection to
64 private organization(s), herein called "Collection Contractor(s)"; and,

65 (C) WHEREAS, the Parties find it in their mutual economic interest to address solid waste and
66 recycling issues on a regional level; and,

67 (D) WHEREAS, the California Integrated Waste Management Act (CIWMA) (California Public
68 Resources Code, §40000 et seq.) required that the Parties reduce by fifty percent (50%) the
69 amount of Solid Waste they landfill by the end of the Year 2000 and continue to maintain that
70 reduction going forward; and,

71 (E) WHEREAS, subsequent legislation including Assembly Bills (AB) 32, 341 and 1826 require
72 reduced air emissions and increased diversion of commercial and multi-family Recyclable
73 Materials and Organic Materials to achieve a 75% diversion goal by 2020; and,

74 (F) WHEREAS, each Party has the authority to regulate its solid waste, Recyclable Materials, and
75 Organic Materials stream, including the collection, transfer, transportation, and Processing
76 thereof, and has the authority to establish rates for the conduct of such functions; and,

77 (G) WHEREAS, solid waste from each Party is disposed at the Tajiguas Sanitary Landfill located off
78 State Highway 101, approximately twenty six (26) miles West of Santa Barbara; and,

79 (H) WHEREAS, the Parties developed the Tajiguas Resource Recovery Project ("TRRP") in order to
80 achieve their goals of: extending the operating life of Tajiguas Landfill; and complying with State
81 law and local policy that mandate diverting materials from Disposal, and reducing greenhouse
82 gas emissions; and,

83 (I) WHEREAS, the Parties have found that these goals are in the public interest, and,

84 (J) WHEREAS, County has determined that the execution of this Agreement will serve the public
85 health, safety and welfare by providing a more stable, predictable and reliable supply of
86 Municipal Solid Waste and the resulting service payment revenue, thereby enabling County to
87 plan, manage, operate and finance the Tajiguas Resource Recovery Project and extend the life of
88 the Tajiguas Landfill; and,

89 (k) WHEREAS, this is a necessary financing agreement needed to secure the Certificates used to
90 finance the TRRP;

91 IT IS THEREFORE AGREED AS FOLLOWS:

92 **ARTICLE 1: DEFINITIONS**

93 “Acceptable Materials”, means all of the materials delivered to the Facilities by the Collection
94 Contractor(s), Public Participants, (or on behalf of Public Participants), and Other Users as permitted
95 under Applicable Law and the Facilities’ Permits, including Mixed Waste, Source-Separated Organic
96 Materials and Source-Separated Recyclable Materials. Acceptable Materials may include some
97 Unacceptable Materials that must be removed by the Service Contractor before Processing or Disposal.

98 “Acceptable Materials Charge; AMC”, means the charge established pursuant to Section 4.3.A of this
99 Agreement.

100 “Agreement”, means this Agreement, including all exhibits and attachments, as it may be amended.

101 “Agreement Services”, means all of County’s performance obligations under this Agreement to City
102 under Article 3; and all of City’s performance obligations to County under Article 4.

103 “Agreement Term”, means the period of time between the Effective Date and the termination date, as
104 set forth in Sections 2.1 and 2.2, during which this Agreement shall be effective.

105 “Agreement Year”, means the fiscal year, July 1 through June 30.

106 “Anaerobic Digestion Facility”; “AD Facility”, means the facility as described in Service Contractor’s
107 Proposal and in subsequent documentation, which shall be operated by Service Contractor for Organic
108 Materials Processing to produce digestate, biogas for electricity generation and Compost.

109 “Annual Budget”; means a budget that will contain an estimate of the Current Revenues and System
110 Costs payable from Current Revenues for the ensuing Agreement Year (beginning on the upcoming July
111 1). The Annual Budget will also contain an estimate of the amount of Acceptable Materials expected to
112 be delivered to the System in such Agreement Year and the resulting Acceptable Materials Charge
113 required to be imposed in order for the County to meet the Rate Covenant.

114 “Applicable Law”, means any law, rule, code, standard, regulation, requirement, consent decree,
115 consent order, consent agreement, Permit, guideline, action, determination or order of, or legal
116 entitlement issued or deemed to be issued by, any governmental body having jurisdiction, applicable
117 from time to time to any activities associated with the siting, design, construction, equipping, financing,
118 ownership, start-up testing, acceptance, operation, maintenance, repair and replacement of any part of
119 the Project, the transfer, handling, transportation, Marketing, Disposal or Processing of products and
120 residuals, and any other obligations of the Parties under this Agreement. Governmental bodies include
121 local, County, State and federal agencies and all successors thereto.

122 “Assignment”, means but is not limited to:

123 (A) A transfer to a third party of at least twenty-five percent (25%) of either Party’s assets dedicated
124 to service under this Agreement; and,

125 (B) A sale, exchange or other transfer to a third party, which may result in a change of control of
126 City or County; and,

Material Delivery Commitment and Processing Services Agreement

127 (C) Any dissolution, reorganization, consolidation, merger, recapitalization, stock issuance or re-
128 issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction
129 in which either Party are a party and which results in a change of control of either Party; and,

130 (D) Any assignment by operation of law, including insolvency or bankruptcy, assignment for the
131 benefit of creditors, writ of attachment for an execution being levied against this Agreement,
132 appointment of a receiver taking possession of either Party's property; and,

133 (E) Any combination of the foregoing (whether or not in related or contemporaneous transactions),
134 which has the effect of any such transfer or change of control of either Party.

135 "Bond Documents", means the Trust Agreement, 2017 Installment Purchase Agreement, Assignment
136 Agreement, and all other legal documents necessary to effectuate the issuance of Certificates.

137 "Bond Holders Rate Stabilization Fund", means the account established pursuant to the Bond
138 Documents. On the date of issuance of the Certificates, the County shall make a cash contribution in the
139 amount of five million dollars (\$5,000,000), and deposit such sum in the Bond Holders Rate Stabilization
140 Fund. If funds are used due to financial shortfalls (either higher than projected costs or lower than
141 projected revenues) related to the Facility, the Fund will be replenished with Current Revenues from all
142 of the participating jurisdictions based on the tons of material delivered to the Facility. If funds are used
143 due to costs not related to the TRRP but rather related to non-TRRP costs, the Fund will be replenished
144 with Current Revenues from the County

145 "Business Day", means any day that County Administrative Offices are open to the public to conduct
146 business. In relation to the Certificates and the County's obligations under the Bond Documents, this
147 definition is extended to mean any day on which the Trustee is open for corporate trust business at its
148 Corporate Trust Office and on which the Federal Reserve System is open for business.

149 "Bypassed Waste", means any material that is weighed in at the County scale house for acceptance to
150 the Project Site which could not be Processed at the Facilities prior to Disposal. Examples of Bypassed
151 Waste could be Unacceptable Waste, waste not Processable due to size, high negative value for
152 Processing, or unmarketable material. Bypassed Waste includes materials diverted from the Project
153 before or after unloading but not Processed at the Project Site.

154 "Cap Value", means the threshold value of \$3,500,000 in the Jurisdictional Rate Stabilization Fund.

155 "Certificates", means all Solid Waste System Revenue Certificates of Participation (including Additional
156 Certificates) payable from the Net Revenues of the County's Solid Waste Enterprise System. The County
157 shall issue Solid Waste System Revenue Certificates of Participation, Series 2017 to fund the TRRP.

158 "Certificates Issuance Date" means the date on which the Solid Waste System Revenue Certificates of
159 Participation, Series 2017 are executed and delivered.

160 "Change in Law", means any of the following acts, events, or circumstances, with which the Parties must
161 comply notwithstanding the cost of such compliance, to the extent that compliance therewith materially
162 increases or decreases the cost of performing a Party's obligations under this Agreement when such
163 changes exceed fifty thousand dollars (\$50,000) in the aggregate in any one Agreement Year subject to
164 adjustment using the applicable Adjustment Factor.

Material Delivery Commitment and Processing Services Agreement

165 (A) The adoption, amendment, promulgation, issuance, modification, repeal or written change in
166 administrative or judicial interpretation of any Applicable Law on or after the Effective Date
167 (including a new or amended prevailing wage, minimum wage, living wage or similar laws or
168 regulations), unless such Applicable Law was on or prior to the Effective Date duly adopted,
169 promulgated, issued or otherwise officially modified or changed in interpretation, in each case
170 in final form to become effective without any further action by any governmental body;

171 (B) The order or judgment of any governmental body issued on or after the Effective Date (unless
172 such order or judgment is issued to enforce compliance with Applicable Law which was effective
173 as of the Effective Date) to the extent such order or judgment is not the result of willful or
174 negligent action, error or omission or lack of reasonable diligence of the Collection Contractor or
175 Service Contractor, the County or the City, whichever is asserting the occurrence of a Change in
176 Law; provided, however, that the contesting in good faith or failure in good faith to contest any
177 such order or judgment shall not constitute or be construed as such a willful or negligent action,
178 error or omission or lack of reasonable diligence; or

179 (C) Except with respect to any governmental approval required for the Project as provided in item
180 (2) below pertaining to exclusions from "Change in Law", the denial of an application for, a delay
181 in the review, issuance or renewal of, or the suspension, termination, or interruption of any
182 governmental approval, or the imposition of a term, condition or requirement which is more
183 stringent or burdensome than the Agreement standards in connection with the issuance,
184 renewal or failure of issuance or renewal of any governmental approval, to the extent that such
185 occurrence is not the result of willful or negligent action, error or omission or a lack of
186 reasonable diligence of the Collection or Service Contractor, the County or the City, whichever is
187 asserting the occurrence of a Change in Law; provided, however, that the contesting in good
188 faith or the failure in good faith to contest any such occurrence shall not be construed as such a
189 willful or negligent action or lack of reasonable diligence.

190 It is specifically understood, however, that none of the following shall constitute a "Change in Law":

191 (1) A change in the nature or severity of the actions typically taken by a governmental body to
192 enforce compliance with Applicable Law which was effective as of the Effective Date;

193 (2) All matters relating to the Service Contractor's assuming the Permitting risk for the Project in
194 connection with obtaining and maintaining federal, State or local governmental approvals of the
195 design, construction and operation of the Project; and

196 (3) Any event that affects generally applicable working conditions or standards that is not specific to
197 the solid waste management industry.

198 "City", means the City of Solvang, California, a political subdivision of the State of California.

199 "City Agreement Representative", means the individual named by City under Exhibit B: Communications.

200 "City's Maximum Annual Delivery Allowance," means the maximum total annual Tonnages of Acceptable
201 Materials, described in Section 4.2.A, that the City may deliver or the City's Collection Contractor may be
202 directed to deliver on behalf of the City for each Agreement Year.

203 "City's Minimum Annual Delivery Requirement", means the minimum total annual Tonnage of

Material Delivery Commitment and Processing Services Agreement

204 Acceptable Materials, described in Section 4.2.A, that the City will deliver or the City's Collection
205 Contractor is directed to deliver on behalf of the City for each Agreement Year.

206 "City's Revenue Share", means the amount of TRRP Revenue that City receives from County under this
207 Agreement.

208 "Collection Contractor", means anyone that collects Acceptable Materials for City by any or all of the
209 following: 1) contract (including franchise contracts); 2) license; 3) permit; and, 4) any other obligation.

210 "Compost" means soil amendment material that is the result of the controlled aerobic decomposition
211 process of Organic Materials (e.g., composting).

212 "Construction and Demolition Debris" means used or discarded construction materials removed from a
213 premises during the construction or renovation of a structure resulting from construction, remodeling,
214 repair, or demolition operations on any pavement, house, commercial building, or other structure
215 including, but not limited to, concrete, brick, wood, dirt, rock, cardboard, packaging materials, etc.

216 "County", means the County of Santa Barbara, California, a political subdivision of the State of California.

217 "County Agreement Representative", means the individual named by County under Exhibit B.

218 "Current Revenues", means all gross income and revenue received or receivable by the County from the
219 ownership, operation or use of the Solid Waste System, determined in accordance with Generally
220 Accepted Accounting Principles, including all rates, fees, charges and revenue (including tipping fees,
221 recovered materials revenue, power revenues and salvage income) received by the County for the use
222 of Solid Waste System and all other income and revenue howsoever derived by the County from the
223 ownership, operation or use of the Solid Waste System, but excluding in all cases any proceeds of taxes
224 and any refundable deposits made to establish credit and advances or contributions in aid of
225 construction. Current revenues also include direct federal subsidy payments received by the County
226 relating to the Certificates issued as New Clean Renewable Energy Bonds.

227 "County Service Cost", means a component of the overall facility Acceptable Material Charge that is
228 comprised of the following four (4) programs: Program 1200 (Tajiguas Landfill), Program 1101 (South
229 Coast Recycling and Transfer Station), Program 1301 (Santa Ynez Recycling and Transfer Station) and
230 Program 1850 (TRRP Contract Management, Environmental Monitoring and Regulatory Compliance). In
231 addition, County Service Cost will include overhead costs allocated to these programs, except that no
232 overhead costs will be allocated to closure, post-closure or regulatory fees.

233 "Day", means calendar day of twenty-four (24) hours measured from midnight to the next midnight.

234 "Delivery Covenant", means the obligation of the Public Participants to deliver Acceptable Materials to
235 the TRRP, pursuant to and as described in Section 4.1.

236 "Direct Costs", means the sum of the following: 1) payroll costs (including compensation, vacation, sick
237 leave, holidays, retirement, workers compensation insurance, federal and State unemployment taxes
238 and medical and health insurance benefits), *plus*; 2) the costs of materials, services, direct rental costs
239 and supplies, *plus*; 3) travel and subsistence costs, *plus*; 4) the reasonable costs of consultants,
240 (sub)contractors, and counsel (necessary in connection with enforcement of the other Party's
241 performance under this Agreement), *plus*; 5) any other cost or expense which is directly or normally

242 associated with that enforcement or exercise, which direct costs are substantiated to the satisfaction of
243 the other Party.

244 “Dispose”; “Disposal” means the final disposition of Residue and Bypassed Waste from the Project Site
245 as restricted by Permit conditions for Unacceptable Waste.

246 “Effective Date” means the date of this Agreement’s execution by the last of the Parties.

247 “Excess Tonnage”, means Tonnage of Acceptable Material delivered (or caused to be delivered) by the
248 City to the Facilities in excess of the City’s Maximum Annual Delivery Allowance, and/or in excess of the
249 Maximum Facility Capacity.

250 “Facility” or “Facilities”, means the building, equipment and all activities related to the MRF and/or the
251 AD Facility.

252 “Food Scraps”, means all Organic Materials generated during or resulting from the storage, sale,
253 preparation, cooking, or handling of food stuffs, including: (i) all kitchen and table food waste; (ii) animal
254 or vegetable waste; (iii) discarded paper and cardboard that is contaminated with food; and, (iv) fruit
255 waste, grain waste, dairy waste, meat and fish waste. Food Scraps are a subset of Organic Materials and
256 contain less than 2% contamination by weight.

257 “Hazardous Waste”, means any waste which is defined or regulated as a hazardous waste, toxic waste,
258 hazardous chemical substance or mixture, or asbestos under Applicable Law, including:

259 (1) “Hazardous Waste” pursuant to Section 40141 of the California Public Resources Code; all
260 substances defined as acutely hazardous waste, extremely hazardous waste or hazardous waste
261 by Sections 25110.02, 25115, and 25117 of the California Health and Safety Code (the California
262 Hazardous Waste Control Act), and future amendments to or recodification of such statutes or
263 regulations promulgated thereunder;

264 (2) “Hazardous Substances” as defined under Chapter 6.8 of the California Health and Safety Code,
265 Division 20, Sections 25316 and 25317;

266 (3) Materials regulated under the Toxic Substance Control Act, 15 U.S.C. Section 2601 et seq., as
267 amended, and related Federal, State of California, and local laws and regulations, including the
268 California Toxic Substances Account Act, California Health and Safety Code Section 25300 et
269 seq.;

270 (4) Materials regulated under the Comprehensive Environmental Response, Compensation and
271 Liability Act, 42 U.S.C. 9601, et seq., as amended, and regulations promulgated thereunder;

272 (5) Materials regulated under The Resource Conservation and Recovery Act and the regulations
273 contained in 40 CFR Parts 260-281; and,

274 (6) Materials regulated under any future additional or substitute Federal, State or local laws and
275 regulations pertaining to the identification, transportation, treatment, storage or Disposal of
276 toxic substances or hazardous waste.

277 If two or more governmental agencies having concurrent or overlapping jurisdiction over hazardous

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278 waste adopt conflicting definitions of “hazardous waste”, for purposes of collection, transportation,
279 Processing and/or Disposal, the broader, more restrictive definition shall be employed for purposes of
280 this Agreement.

281 “Jurisdictional Rate Stabilization Fund”, means the fund held by the County for the purpose of enhancing
282 System liquidity including making payments to the Service Contractor resulting from lower than
283 expected Recovered Materials revenues.

284 “Landfill”, means the Tajiguas Landfill, a Subtitle D Disposal facility.

285 “Market” (or “Marketed” or “Marketing” or other variations thereof), means providing for the sale or
286 placement of Recyclable Materials, electricity and Compost for the purpose of beneficial use.

287 “Material Recovery Facility” or “MRF”, means the Project Facility as described in Service Contractor’s
288 Proposal and in subsequent documentation to be developed and operated by Service Contractor in
289 which Processing equipment and systems are used to Process Acceptable Materials.

290 “Maximum Facility Capacity”, means the maximum number of Tons the Facility is designed, and the
291 Contractor’s operating expenses are assumed, to Process.

292 “Mixed Waste”, means Municipal Solid Waste that is available for delivery for Processing and may be
293 Processed at the Project, and is not Unprocessable Waste or Unacceptable Waste. Mixed Waste also
294 includes commercial and industrial waste that meets the criteria defined herein, Construction and
295 Demolition Debris, agricultural plastic, and tires. Mixed Waste does not include materials that are
296 collected or delivered in a source-separated form.

297 “Monthly Service Payment”, means the monthly amount paid to the County by the Collection
298 Contractors (on behalf of and overseen by the City) for delivery of Acceptable Materials for Processing at
299 the Project Site, as described in Section 4.2.B.

300 “Municipal Solid Waste”; “MSW”, means generally the components of Mixed Waste, and specifically all
301 substances or materials that are discarded or rejected as being spent, useless, worthless or in excess of
302 the owner’s needs at the time of discard or rejection including, without limitation, all putrescible and
303 non-putrescible solid and semi-solid waste including garbage, rubbish, maintenance waste, Yard
304 Trimmings, bulky wastes, industrial wastes, Construction and Demolition Debris, and grit and sweepings
305 from a water pollution control plant, which are generated by residential, commercial, industrial,
306 institutional, municipal, agricultural and other activities and which are not otherwise restricted in a Class
307 III landfill by State or federal regulations and which are delivered to the Project Site as Mixed Waste.
308 Municipal Solid Waste does not include: (i) Hazardous Waste; (ii) medical waste; (iii) ash; (iv) Source-
309 Separated Recyclable Materials; (v) Source-Separated Yard Trimmings; (vi) Source-Separated Food
310 Scraps; or (vii) other materials collected separately from Municipal Solid Waste for Processing at the
311 Project Site.

312 “Net Current Revenues” means for any Agreement Year, the Current Revenues during such Agreement
313 Year less the System Costs during such Agreement Year.

314 “Net Revenues”, means for any Agreement Year, the Revenues during such Agreement Year less System
315 Costs during such Agreement Year.

- 316 “Notice”; “Notify”, means notice given in accordance with Section 9.6 and Exhibit A.
- 317 “Operating Committee”; means a committee comprised of each Public Participant (including the
318 County). Each Public Participant (including the County) will be allocated one representative on the
319 Operating Committee. The Operating Committee can be called to order as necessary. The
320 representative will be the City Manager or his/her designee who is authorized to vote on behalf of the
321 represented Public Participant. Each representative will have a weighted vote proportionate to the
322 amount of Acceptable Materials such Participant delivered during the Agreement Year as compared to
323 the total amount of Acceptable Materials delivered by all Public Participants during the prior Agreement
324 Year. A two-thirds vote is necessary to support a decision by the Operating Committee.
- 325 “Operating Reserve”, means the minimum balance of ten million dollars (\$10,000,000) to be maintained
326 within the County Solid Waste Enterprise Fund or other fund established by the County necessary to
327 operate the Solid Waste System, which includes the TRRP. Such minimum balance shall be consistent
328 with the County’s Enterprise Fund Reserve Policy adopted by the County prior to the issuance of the
329 Certificates.
- 330 “Organic Materials”, means: (i) materials intended for Processing by the AD Facility, which may include
331 organics sorted out of Mixed Waste, Yard Trimmings, and Food Scraps; and, (ii) sludge and residuals
332 from water and wastewater treatment, as further defined in the Service Contractor’s subcontract with
333 the AD Facility Operator.
- 334 “Other County Costs” means other System Costs that are not in County Service Costs
- 335 “Other Users”, means any Person delivering Spot Market Materials to the Facility as authorized by the
336 Service Contractor, and approved by the County, as applicable.
- 337 “Party; Parties”, means County and City, individually and together.
- 338 “Permit(s)” means all Federal, State, City, other local and any other governmental unit permits, orders,
339 licenses, approvals, authorizations, consents and entitlements of whatever kind and however described
340 which are required under Applicable Law to be obtained or maintained by any Person with respect to
341 the Facilities or the performance of any obligation under this Agreement, as renewed or amended from
342 time to time.
- 343 “Person”, means any individual, firm, association, organization, partnership, corporation, trust, joint
344 venture, the United States, the State, a county, a municipality or special purpose district, or other entity
345 whatsoever.
- 346 “Process”; “Processing” (or any other variation thereof), means the picking, pulling, sorting, separating,
347 classifying and recovery of Recovered Materials from Acceptable Materials by the Service Contractor at
348 the Project Site. Processing also means the baling, crushing, shredding, chipping, grinding or any other
349 method of preparing Acceptable Materials for further Processing (for example, at the AD Facility) or
350 Marketing.
- 351 “Project”; “TRRP”, means all aspects of the Tajiguas Resource Recovery Project as conducted at the
352 Project Site. “Project Site”; “Site”, means the area at the Tajiguas Landfill property to be used by the
353 County and Service Contractor for development of the Facility, including one or more discrete sites
354 including, but not limited to the “Operations Deck” and a composting area (“Top Deck”).

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355 “Promptly”, means as soon as possible, and no longer than three (3) Business Days unless the Parties
356 otherwise agree in writing.

357 “Public Participants”, means any jurisdiction which enters into an individual Material Delivery
358 Commitment and Processing Service Agreement with the County, excluding Other Users. The City is a
359 Public Participant.

360 “Reasonable Business Efforts”, means those efforts that a reasonably prudent business Person would
361 expend under the same or similar circumstances in the exercise of such Person’s business judgment,
362 intending in good faith to take steps calculated to satisfy the obligation which such Person has
363 undertaken to satisfy; provided that such Person and/or any enterprise by which such Person is
364 employed would not incur a financial loss (other than time expended or otherwise compensated for
365 such efforts herein) by reason of having expended or expending such efforts.

366 “Recovered Materials”, means Recyclable Materials and Organic Materials recovered through
367 Processing of Acceptable Materials.

368 “Recyclable Materials”, means materials having economic value or a beneficial reuse which are
369 commonly recovered in comparable materials recovery facilities and organics Processing facilities in
370 California.

371 “Reimbursement Costs”, means the Direct Costs that the Party incurs to enforce its rights or exercise its
372 remedies under this Agreement *plus* an amount equal to the average interest rate payable on the
373 California Local Agency Investment Fund in effect when the Direct Costs were incurred.

374 “Revenue Fund” or “Solid Waste Enterprise Fund; means Fund No. 1930 in the County’s financial
375 accounting system in which Current Revenues will be deposited and from which System Costs will be
376 dispersed.

377 “Revenues” means Current Revenues plus deposits to the Revenue Fund from amounts on deposit in the
378 Bond Holders Rate Stabilization Fund, but only as and to the extent specified in the Bond Documents.

379 “Service Agreement”, means the contract between the County of Santa Barbara and MSB Investors, LLC
380 for development and operation of the TRRP.

381 “Service Contractor”, means the Contractor defined in the Service Agreement between the County of
382 Santa Barbara and MSB Investors, LLC.

383 “Service Contractor’s Proposal”, means the Service Contractor’s document(s) included in Exhibit J to the
384 Service Agreement, and all related materials submitted subsequently prior to the Effective
385 Date “Shortfall Charge”, means the charge incurred by the City for failure to meet the City’s Minimum
386 Annual Delivery Requirement (i.e., if the actual tonnage delivered and paid for is less than the
387 committed tons). The charge will equal the number of tons short of the City’s Minimum Annual Delivery
388 Requirement multiplied by the effective Acceptable Material Charge.

389 “Solid Waste System”; “System” means all solid waste collection, processing, diversion, composting,
390 recycling, disposal and power generation facilities (including related equipment) and any other facilities
391 related thereto now owned by the County, and all other facilities (including related equipment) for solid
392 waste collection, processing, diversion, composting, recycling, disposal and power generation hereafter

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393 acquired and constructed by the County and such other facilities, which may or may not be owned by
394 the County, determined by the County to be a part of the Solid Waste System. Solid Waste System shall
395 not include any Special Facilities.

396 “Source-Separated Food Scraps”, means Food Scraps, containing less than two percent (2%)
397 contamination by weight, segregated from other Municipal Solid Waste prior to collection. Source-
398 Separated Food Scraps may be collected separately or commingled with Yard Trimmings. Source-
399 Separated Food Scraps are Organic Materials.

400 “Source-Separated Organic Materials”, means Source-Separated Food Scraps, or combined Food Scraps
401 and Yard Trimmings, containing less than two percent (2%) contamination by weight, that are collected
402 separately from Municipal Solid Waste.

403 “Source-Separated Recyclable Materials”, means Recyclable Materials, containing less than 15%
404 contamination by weight, that are separated by the generator from Municipal Solid Waste, provided for
405 collection by individual material type or as combined materials in a single-stream program, and are
406 delivered to the Project for Processing and transport to Market.

407 “Source-Separated Yard Trimmings”, means Yard Trimmings, containing less than two percent (2%)
408 contamination by weight, segregated from other Municipal Solid Waste prior to collection. Source-
409 separated yard trimmings are not included in the City’s Minimum Annual Delivery Requirement.

410 “Spot Market Material”, means Acceptable Material generated within Santa Barbara County and
411 delivered to the Facility by or on behalf of Other Users.

412 “State”, means the State of California.

413 “Surplus Fund”, means on June 1 and December 1 of each year, beginning on June 1, 2017, all remaining
414 money in the Revenue Fund after making the foregoing deposits shall be withdrawn from the Revenue
415 Fund and deposited by the County in the Surplus Fund. Moneys in the Surplus Fund may be applied for
416 any lawful purpose of the County relating to the Solid Waste System.

417

418 “System Costs”, means all reasonable and necessary costs paid or incurred by the County for
419 maintaining and operating the Solid Waste System, determined in accordance with Generally Accepted
420 Accounting Principles, including all reasonable expenses of management and repair and other expenses
421 necessary to maintain and preserve the Solid Waste System in good repair and working order, state
422 mandated surcharges, and the annual costs of any permits or licenses, but excluding debt service costs,
423 and including all administrative costs of the County that are charged directly or apportioned to the
424 operation of the Solid Waste System, such as salaries, wages, and pension and other post-employment
425 benefits of employees, overhead, taxes (if any) and insurance premiums, and including all other
426 reasonable and necessary costs of the County or charges required to be paid by the County to comply
427 with the terms hereof or of any resolution authorizing the issuance of any Certificates (as defined in the
428 Bond Documents) or of such Certificates, or of any resolution authorizing the execution of any contract
429 (as defined in the Bond Documents) or of such contract, such as compensation, reimbursement and
430 indemnification of the trustee for any such Certificates or contracts and fees and expenses of
431 independent certified public accountants and independent engineers, insurance consultants, but
432 excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor,

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433 amortization of intangibles and intergovernmental transfers by the County which are not
434 reimbursements or payments for overhead or other administrative expenses incurred by the County.
435 System Costs do not include payments by the County from funds in the Jurisdictional Rate Stabilization
436 Fund (i) to the Public Participants pursuant to the terms and provisions of this Agreement, and (ii) to the
437 Service Contractor.

438 "Target Value", means the targeted amount of funds to be kept in the Jurisdictional Rate Stabilization
439 Fund of \$3,000,000.

440 "Ton"; "Tonnage", means a short Ton of 2,000 pounds.

441 "TRRP Revenue(s)", means revenue from the sale of any or all of the following, without regard to source:

442 (A) Sale of Recyclable Materials

443 (B) Sale of Compost

444 (C) Sale of electricity

445 (D) Share of Spot-Market tipping fees

446 (E) Any other revenues generated as a result of changes in law or other from regulatory-driven
447 factors occurring after and not otherwise incorporated into Service Contractor's pro-forma

448 "TRRP Service", means any or all of Service Contractor's obligations that are described in the Service
449 Agreement, including development, operations (throughput, recovery, residue, electric output, net
450 electricity generated, and environmental performance), maintenance, Marketing, etc.

451 "Unacceptable Waste" means wastes that the TRRP may not receive under its Permits, including but not
452 limited to:

453 (A) Asbestos, including friable materials that can be crumbled with pressure and are therefore likely
454 to emit fibers, being a naturally occurring family of carcinogenic fibrous mineral substances,
455 which may be a Hazardous Waste if it contains more than one percent (1%) asbestos;

456 (B) Ash residue from the incineration of Municipal Solid Wastes, including infectious waste
457 described in item (G) below, wood waste, sludge, and agricultural wastes.;

458 (C) Auto shredder "fluff" consisting of upholstery, paint, plastics, and other non-metallic substances
459 which remains after the shredding of automobiles;

460 (D) Large dead animals;

461 (E) Hazardous Wastes, explosives, ordnance, highly flammable substances and noxious materials;

462 (F) Industrial solid or semi-solid wastes resulting from industrial processes and manufacturing
463 operations, including cement kiln dust, ore process residues and grit or screenings removed
464 from waste water treatment facility;

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- 465 (G) Infectious wastes which have disease transmission potential and are classified as Hazardous
466 Wastes by the State Department of Health Services, including pathological and surgical wastes,
467 medical clinic wastes, wastes from biological laboratories, syringes, needles, blades, tubings,
468 bottles, drugs, patient care items such as linen or personal or food service items from
469 contaminated areas, chemicals, personal hygiene wastes, and carcasses used for medical
470 purposes or with known infectious diseases;
- 471 (H) Liquid wastes which are not spadeable, usually containing less than fifty percent (50%) solids,
472 including cannery and food processing wastes, landfill leachate and gas condensate, boiler
473 blowdown water, grease trap pumpings, oil and geothermal field wastes, septic tank pumpings,
474 rendering plant byproducts, sewage sludge, and those liquid wastes which may be Hazardous
475 Wastes;
- 476 (I) Radioactive wastes as defined in Section 114710 of the California Health and Safety Code and
477 any waste that contains a radioactive material, the storage or Disposal of which is subject to any
478 other State or federal regulation;
- 479 (J) Special wastes designated from time to time by the Department of Resources Recycling and
480 Recovery (CalRecycle), including contaminated soil;
- 481 (K) Bulky items that cannot fit within standard roll-off containers or Mixed Waste/Municipal Solid
482 Waste collection vehicles unless otherwise approved by Service Contractor.
- 483 The Parties shall Promptly conform this definition of "Unacceptable Waste" to the extent necessary to
484 comply with Applicable Law, should a Change in Law or in Permits and Permit requirements necessitate.
- 485 "Uncontrollable Circumstances", means any act, event or condition that is beyond the reasonable
486 control of the Party relying thereon as justification for not performing a County Obligation or a City
487 Obligation as defined in Article 3 and 4 respectively, or complying with any condition required of such
488 Party under this Agreement, and that materially interferes with or materially increases the cost of
489 performing its obligations hereunder (other than payment obligations), to the extent that such act,
490 event or condition is not the result of the willful or negligent act, error or omission, failure to exercise
491 reasonable diligence, or breach of the this Agreement on the part of such Party. The only effect of such
492 Uncontrollable Circumstance is that it allows for a temporary cessation of delivery of materials by the
493 City and/or the provision of service by the County to the extent that the delivery of materials by the City
494 or the provision of service by the County is prevented by the Uncontrollable Circumstance. The
495 occurrence of an Uncontrollable Circumstance expressly does not allow for a cessation of payment of
496 the Monthly Service Payment. Such acts or events may include, but shall not be limited to, the
497 following:
- 498 (A) Naturally occurring events (except weather conditions normal for the Santa Barbara area) such
499 as landslides, underground movement, earthquakes, fires, tornadoes, tidal waves, floods,
500 epidemics, storms, and other acts of God, ionizing radiation, nuclear, radioactive, chemical or
501 biological contamination;
- 502 (B) Explosion, sabotage or similar occurrence, acts of a declared public enemy, extortion, war, civil
503 war, armed conflict, terrorism, blockade, embargo, or insurrection, riot or civil disturbance;

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- 504 (C) Labor disputes, except labor disputes involving employees of the Service Contractor, its
505 affiliates, or subcontractors that affect the performance of the TRRP Services;
- 506 (D) The failure of any subcontractor or supplier (other than the Collection Contractor, Service
507 Contractor, Service Contractor's guarantor, or any affiliate of either) to furnish services,
508 materials, chemicals or equipment on the dates agreed to, but only if such failure is the result of
509 an event which would constitute an Uncontrollable Circumstance if it affected the Collection
510 Contractor, or Service Contractor directly, and the Collection Contractor or the Service
511 Contractor are not able after exercising all Reasonable Business Efforts to timely obtain
512 substitutes;
- 513 (E) The failure of any private utility to provide and maintain utilities to the TRRP which are required
514 for the performance of this Agreement;
- 515 (F) Any failure of title to the Project Site or any enforcement of any encumbrance on the Project
516 Site not consented to in writing by, or arising out of any action or agreement entered into by,
517 the Party adversely affected thereby;
- 518 (G) The preemption of materials or services by a governmental body in connection with a public
519 emergency or any condemnation or other taking by eminent domain of any material portion of
520 the Facility;
- 521 (H) The temporary suspension of operations due to supervening authority of law, such as the
522 designation of all or a portion of the TRRP as a crime scene or as the site of an investigation by
523 law enforcement;
- 524 (I) A Change in Law.
- 525 It is specifically understood that, without limitation, none of the following acts, events or circumstances
526 shall constitute Uncontrollable Circumstances:
- 527 (1) Any act, event or circumstance with respect to which the Service Contractor has assumed the
528 "as-is" risk under the Service Agreement;
- 529 (2) Any act, event or circumstance that would not have occurred if the affected Party had complied
530 with its obligations under the this Agreement;
- 531 (3) Changes in interest rates, inflation rates (other than those provided for in this Agreement), labor
532 costs, insurance costs, commodity prices, currency values, exchange rates or other general
533 economic conditions, with the exception of changes resulting from a Change in Law;
- 534 (4) Changes in the financial condition of the County, the Contractor, the Guarantor, or the City
535 affecting the ability to perform their respective obligations;
- 536 (5) The consequences of error, neglect or omissions by the Service Contractor in the performance
537 of the TRRP Services;
- 538 (6) Union or labor work rules, requirements or demands, which have the effect of increasing the
539 number of employees employed, or overtime hours required, at the Project or otherwise

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- 540 increasing the cost to the Service Contractor for meeting Service Contractor obligations under
541 the Service Agreement, provided that such are not the result of a Change-in-Law;
- 542 (7) Mechanical failure of equipment not itself due to an Uncontrollable Circumstance;
- 543 (8) Power outages not caused by third party utilities;
- 544 (9) Reasonably anticipated weather conditions for the geographic region of Santa Barbara County;
- 545 (10) Any act, event, circumstance or Change-in-Law occurring outside the United States of America,
546 unless it has a clear, direct and measurable impact on the ability of a Party to perform its
547 contractual obligations;
- 548 (11) Failure of the Service Contractor to secure applicable patents, provided that such failure is due
549 to the acts, omissions or negligence of the Service Contractor;
- 550 (12) A Change-in-Law pertaining to taxes, which does not discriminate against Service Contractor; or
- 551 (13) Any Change-in-Law (including the issuance of any governmental approval, the enactment of any
552 statute, or the promulgation of any regulation) the terms and conditions of which do not impose
553 more stringent or burdensome requirements on the Service Contractor than are imposed by the
554 Service Agreement.
- 555 “Unprocessable Waste”, means materials that Service Contractor cannot Process due to size or other
556 characteristics (e.g., oversized, bulky items) and that may be delivered to the Landfill for Disposal.
- 557 “Yard Trimmings”, means those discarded materials that will decompose and/or putrefy, including, but
558 not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree
559 trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of organic waste.
560 Yard Trimmings are Organic Materials.
- 561 “Year”, means a calendar year of January 1 through December 31, *unless* an Agreement Year is explicitly
562 specified.

563 **ARTICLE 2: TERM OF AGREEMENT**

564 **2.1 Effective Date**

565 This Agreement shall be dated as of, and become effective on, the date of its execution by the last of the
566 Parties.

567 **2.2 Agreement Term**

568 This Agreement shall terminate December 31, 2038 (approximately 22 Years from the Effective Date)
569 and shall include the construction periods (allowing for Facility construction and acceptance testing) as
570 well as twenty (20) Years of operation; provided, however in no event shall this Agreement terminate
571 while any Certificates are outstanding.

572 **2.3 Survival of Certain Provisions**

573 The following provisions survive this Agreement’s term:

- 574 (A) Parties’ representations, certifications, warranties and acknowledgements;
- 575 (B) Amounts that the City owes County, and County owes City;
- 576 (C) Any other rights and obligations of the Parties accrued prior to expiration or termination of this
577 Agreement; and,
- 578 (D) Any other rights and obligations of the Parties expressly stated to survive this Agreement’s term.

579 ARTICLE 3: COUNTY'S OBLIGATIONS**580 3.1 Solid Waste Management Services**

581 Commencing on July 1, 2017 (based on the June 2016 schedule attached as Exhibit C of the Service
582 Agreement), the County shall provide or cause the provision of the service of receiving and processing,
583 treating, and/or disposing of Acceptable Materials from the Public Participants at the System (including
584 such other facilities, including transfer stations, as the County may determine to use in the event that
585 the Project or other existing components of the System are unavailable for any reason, as described in
586 Section 3.6). The County, to the maximum extent permitted under Applicable Law, shall use its
587 Reasonable Best Efforts to keep the Project and the existing landfill open for the receipt of waste for
588 processing, transfer or disposal of Acceptable Materials pursuant to this Agreement. The County shall
589 do and perform all acts and things which may be necessary or desirable in connection with its covenants
590 in this subsection, including without limitation all planning, development, administration,
591 implementation, construction, operation, maintenance, management, financing and contract work
592 related thereto or undertaken in connection therewith. The County shall exercise all reasonable efforts
593 to minimize the costs incurred in complying with its obligations and responsibilities under this
594 Agreement, Applicable Law, the Bond Documents, and prudent solid waste management practice and
595 environmental considerations. The County shall enforce the provisions of all agreements with third
596 parties relating to the Project.

597 3.2 Facility Revenues**598 A. Jurisdictional Rate Stabilization Fund**

599 Annually, the County will deposit into the Jurisdictional Rate Stabilization Fund amounts held in the
600 Surplus Fund (as established under the Bond Documents) net of (i) payment of System subordinate
601 obligations; (ii) capital improvements of the System; (iii) any replenishment of the Operating Reserve;
602 and (iv) the payment by or reimbursement of revenue to the County of any non-County Service Costs or
603 revenues that are excluded from this Agreement as described in Exhibit F.

604 County shall continue to contribute, solely from the amounts held in the Surplus Fund established under
605 the Bond Documents, to the Jurisdictional Rate Stabilization Fund with the goal of maintaining a
606 minimum fund balance of three million dollars (\$3,000,000) (Target Value). If at the end of any
607 Agreement Year, the Jurisdictional Rate Stabilization Fund exceeds three million five hundred thousand
608 dollars (\$3,500,000) (Cap Value), the Public Participants will receive a dividend to return the fund to
609 three (3) million dollars (\$3,000,000) based upon the actual amount and type of Tons delivered to the
610 Facilities in the given year as identified in the Service Agreement. The County shall separately account
611 for expenses made from and contributions to the Jurisdictional Rate Stabilization Fund and shall present
612 these to the City during the Annual Settlement Process (as described in Section 4.3.B). Any funds
613 remaining in the Jurisdictional Rate Stabilization Fund at the end of the Agreement Term shall be
614 accounted for during the final Annual Settlement Process. Within ninety (90) days of the end of the
615 Agreement Term, the County shall refund to the City its proportionate share of the entire remaining
616 cumulative balance of the Jurisdictional Rate Stabilization Fund.

617 **B. Materials Revenue Shares**

618 **1. Calculation**

619 Subject to satisfying the requirements of the Bond Documents, in the event that the Jurisdictional Rate
620 Stabilization Fund balance exceeds the Cap Value, the County shall, during the Annual Settlement
621 Process (described in Section 4.3.B), distribute the amount of any additional TRRP Revenues to the
622 Public Participants (in proportion to the amount of annual Tons delivered by waste stream responsible
623 for the material revenues), in an amount calculated as follows, and as further described in Exhibit D:

- 624 a. City's Tons of Acceptable Materials by material type (e.g., Mixed Waste, Source-Separated
625 Recyclable Materials, Source-Separated Organic Materials) actually delivered to the TRRP;
- 626 b. Multiplied by an equivalent tonnage factor based on actual market values of the materials from
627 the previous Agreement Year (e.g. if Source-Separated Recyclable Materials commodity values
628 are twice as high as Mixed Waste commodity values, the Source-Separated Recyclable Materials
629 equivalent tonnage factor would be "2", and Mixed Waste equivalent tonnage factor would be
630 "1");
- 631 c. Summed for all material types, to arrive at a single equivalent tonnage value per City;
- 632 d. Divided by the aggregate Tons of Acceptable Materials actually delivered to the TRRP, and
633 adjusted by the equivalent tonnage factors, to arrive at a percentage;
- 634 e. Multiplied by the total available disbursement amount;
- 635 f. Minus any money that the City owes the County.

636 **2. Example**

637 For example, as applied to Source-Separated Recyclable Materials and as defined in B. 1 a – f above:

638 Assumptions:

- 639 a. **10 Tons:** City's Collection Contractor delivers 10 Tons of Source-Separated Recyclable Material.
- 640 b. **2:** Source-Separated Recyclable Materials equivalent Tonnage factor, assuming Source-Separated
641 Recyclable Materials commodity values were agreed to be twice as high as Mixed Waste
642 commodity values.
- 643 c. **1000 Tons:** Aggregate of 1000 Tons of adjusted equivalent Tonnage from all sources and material
644 types delivered by Public Participants to the Project.
- 645 d. **\$3,500,000:** Jurisdictional Rate Stabilization Fund Balance has reached the Cap Value of
646 \$3,500,000.
- 647 e. **\$500,000:** County's available disbursement amount to return the Jurisdictional Rate Stabilization
648 Fund to the Target Value is \$500,000 (assuming the funds identified in Section 3.2.A are fully
649 funded).
- 650 f. **\$500:** City owes County outstanding balance of Shortfall Charge of \$500.

651 Equation:

652
$$((10 \text{ Tons} * 2) / 1,000 \text{ equivalent Tons}) = 2\%$$

653 (2% * \$500,000) - \$500 = \$9,500 = City's dividend amount

654 **C. Payment Dates**

655 County will distribute any TRRP Revenues that are due to the Public Participants in accordance with the
656 Materials Revenue Share as described in Section 3.2 B and the Annual Settlement Process (described in
657 Section 4.3.B) within thirty (30) Days of receipt of revenues from Service Contractor, subject to
658 confirmation that the City has satisfied the requirements of the Bond Documents and Operating
659 Reserve, and has met preconditions related to any Shortfall Charges, prior to distribution.

660 **D. Limited Obligation**

661 County's obligation with respect to materials revenue sharing is limited to TRRP Revenues that County
662 receives and which are not subsequently recovered from County by a trustee in bankruptcy, creditor of
663 the Service Contractor or other Person. City acknowledges that County may not receive any TRRP
664 Revenues from Service Contractor for multiple reasons, including:

- 665 1. Service Contractor's failure to generate revenues from identified sources, or
666 2. Attachment of those revenues by creditors of Service Contractor who have a secured interest
667 prior to the County's interest.

668 **3.3 Non-monetary Credits or Offsets**

669 The Parties acknowledge that the Project depends upon the waste streams of the participating
670 jurisdictions for feedstock and the revenues from the Minimum Monthly Service Payments of the
671 participating jurisdictions to pay the debt service for the construction of the Project and the Project's
672 operating expenses. In recognition of this partnership, the Parties agree (to the extent such an
673 agreement is not in conflict with any preemptive legal authority) that any future non-monetary credits
674 or offsets that may accrue under any legislative, administrative, or regulatory programs or systems from
675 the reduction of greenhouse gas emissions due to the operation of the Project shall be allocated
676 proportionately amongst the participating jurisdictions based upon the following ratio: the participating
677 jurisdiction's actual tonnage delivered/total tons delivered to the Facility from all Public Participants.
678 This allocation of credits and offsets does not apply to:

- 679
680 1. Renewable energy credits that have been previously allocated to Southern California Edison
681 pursuant to the power purchase agreement between MSB Investors, LLC and Southern California Edison,
682 2. Revenues already included in the Service Contractor's pro-forma or the County's
683 financing or Other County Costs, or
684 3. Revenues generated as a result of changes in law or other regulatory-driven factors
685 occurring after and not otherwise incorporated into the Service Contractor's pro-forma, which are
686 incorporated into the definition of TRRP Revenues.

687 **3.4 Exercise of Contractual Rights**

688 **A. Notification**

689 County will notify City, no later than thirty (30) Days prior, of any upcoming County Board meeting prior
690 to exercising County's rights and obligations under the Service Agreement that the County does not
691 delegate to the County Agreement Representative. The obligation to notify the City does not prevent
692 the County from unilaterally exercising such rights and obligations. Examples include:

- 693 1. Giving Notices to proceed, and full or partial Facility acceptance; and,
694 2. Exercising certain enforcement actions and remedies.

695 **B. City's Individual Rights**

696 County authorizes City to exercise the following rights of the County under the Service Agreement, at
697 City's option:

- 698 1. Entering Facility during normal hours of Facility operation, and/or,
699 2. Accessing Service Contractor's books and records during normal business hours as well as access
700 to electronic records available on-line from the Contractor and County.

701 **C. No Modification Without City Consent**

702 Except for routing change orders necessary for the construction and operation of the Facility as
703 described in the Service Agreement, County will not modify the Service Agreement in any way that
704 changes City's obligations, or City's rights under this Section 3.4, without City consent.

705 **3.5 Annual Facility Review Meeting**

706 County shall hold an annual meeting with City and other Public Participants to review the Service
707 Contractor's Processing efforts, and overall performance under this Agreement. The purpose of such
708 meeting is to provide for a discussion and review of technological, economic, and regulatory changes in
709 collection, source reduction, Processing and Disposal to achieve a continuing, advanced materials
710 Processing and Disposal system; and to ensure services are being provided by County and the Service
711 Contractor with adequate quality, effectiveness and economy, and in full compliance with the terms of
712 this Agreement.

713 County shall notify City of its intent to hold an annual review meeting at least sixty (60) days in advance
714 thereof.

715 In addition, City may request a meeting with County to discuss the issues described herein at any time
716 during the Agreement Term, and County shall arrange such meeting within thirty (30) Days of City
717 request.

718 **3.6 Services During Uncontrollable Events**

719 In the event of an Uncontrollable Circumstance, County shall make Reasonable Business Efforts to
720 receive materials delivered by City's Collection Contractor, and to promptly and cost effectively provide
721 materials processing and disposal services either through facilities within the County's Solid Waste
722 System or using alternative waste management facilities. The County commits to seeking all
723 reimbursable funds from any and all insurance policies providing coverage for loss or damage resulting
724 from such events to return the TRRP and Landfill to operations. If the cost to repair the TRRP and landfill
725 exceed the available insurance proceeds, the County will prepare a plan and budget to return the
726 facilities to operational status and submit this information to the Operating Committee for
727 consideration under Section 4.3.D.3. Moreover, since the type, scope and limits of the required
728 insurance coverage secured by the Contractor and the County for the TRRP was determined after review
729 and consultation by the City of Santa Barbara, any significant changes in the type, scope or limits of
730 insurance coverage for the TRRP will be subject to review by the Operating Committee.
731

732 **A. Disposal Facility Available**

733 In the event an Uncontrollable Circumstance occurs which prevents Processing of materials by the TRRP
734 but does not preclude Disposal in the Landfill, County shall Dispose of the materials and shall make
735 Reasonable Business Efforts to provide alternative material Processing capacity.

736 **B. Disposal Facility Not Available**

737 In the event an Uncontrollable Circumstance occurs which prevents Processing of materials by the TRRP
738 and Disposal in the Landfill, the County, shall not abandon the Solid Waste System and shall continue to
739 provide disposal capacity sufficient to enable it to comply with the terms hereof; provided, that, the
740 County may provide such capacity by making available transfer and/or disposal facilities owned and
741 operated by the County or by making contractual or other arrangements for the use of transfer and/or
742 disposal facilities (either inside or outside the geographic boundaries of the County) owned or operated
743 by persons other than the County. In the event of loss or damage to any material portion of the Solid
744 Waste System or the occurrence of any other event which prevents the County from accepting solid
745 waste at the facilities or the Solid Waste System, the County will use Reasonable Business Efforts to take
746 whatever actions are within its powers to provide other facilities or services necessary to provide the
747 solid waste management services necessary to maintain Net Current Revenues and Net Revenues as
748 required under the Bond Documents. If the efforts necessary to replicate the performance of the TRRP
749 are not economically feasible based on the Current Revenues and any available insurance proceeds, the
750 County shall convene a meeting of the Operating Committee to discuss the options available to provide
751 disposal and processing services that most closely replicate the performances of the TRRP within the
752 limits of the Current Revenues and any available insurance proceeds.

753 **ARTICLE 4: CITY'S OBLIGATIONS**

754 **4.1 Acceptable Materials Delivery Requirement and Monthly Payments**

755 Commencing on July 1, 2017, the Public Participants will deliver or direct their respective Collection
756 Contractor to deliver to the Solid Waste System all Acceptable Materials that the Collection Contractor
757 collects under its contract with City. Public Participants shall also pay or cause their respective
758 Collection Contractor(s) to pay the then-applicable Monthly Service Payment based on the Acceptable
759 Materials Charge established pursuant to this Agreement. The obligations of the Public Participants
760 pursuant to this section shall be referred to here as the "Delivery Covenant."

761 In order to meet the Delivery Covenant, each Public Participant agrees to maintain collection franchises
762 or other contractual arrangements (or utilize municipal collection) to manage collection of all
763 Acceptable Materials generated within its jurisdiction while the Certificates are outstanding.

764 Each such franchise or contract shall require, as a condition of the franchise or contract, that the hauler
765 deliver Acceptable Materials which it collects to the Solid Waste System, or to alternate facilities
766 designated by the County in the event the Solid Waste System is unavailable for any reason as discussed
767 in Section 3.6.

768 **4.2 City's Annual Deliveries**

769 **A. Tonnage**

770 City will deliver (or cause to be delivered) its City's Minimum Annual Delivery Requirement up to its
771 City's Maximum Annual Delivery Allowance (as described in Figure I, below) to the MRF, AD Facility or
772 composting operations area on the Project Site (or other site designated by the County), as Service
773 Contractor directs, by either or both of the following means:

- 774 • Municipal collection: collecting Acceptable Materials itself, using municipal employees; or
- 775 • Contract collection: directing Collection Contractors to deliver Acceptable Materials using
776 Collection Contractors' employees, subcontractors or other third Persons.

777 **1. Contamination**

778 The TRRP Revenues are based on the receipt of Mixed Waste, Source-Separated Recyclable
779 Materials, and Source-Separated Organic Materials. Each of the Source Separated materials have
780 limits of the contamination they may contain as described in the Definitions. Should higher levels of
781 contamination occur, more material will be classified as Mixed Waste and less TRRP Revenue will be
782 received.

783 If County demonstrates a material increase in contamination of Source Separated Recyclable
784 Materials and Source Separated Organic Materials delivered to the TRRP, the County and the Service
785 Contractor shall attempt to determine the source and cause of the increased contamination. If the
786 source of the contamination cannot be identified, the County will propose certain actions (e.g.,
787 targeted public outreach programs, tagging of containers and collection of materials in the tagged
788 containers as solid waste, etc.) to be implemented uniformly by all users of the Facility. The
789 Operating Committee shall consider the Service Contractor's and County's findings and
790 recommendations and either adopt those recommended actions or modify them and adopt the

791 modified actions and all users of the Facility shall uniformly implement such actions within six (6)
792 months.

793 If the County demonstrates by substantial evidence that the increased contamination is attributable
794 to the City, then the County will notify the affected City. If the City does not agree with the County's
795 findings as to the cause of the contamination, a third party that is mutually agreeable to the City and
796 the County will be hired to review the County's evidence and make a determination of the cause of
797 the increased contamination. If the City does not dispute the County's original finding as to the cause
798 of the increased contamination or if the third party attributes the cause of the increased
799 contamination to the City, then the City will have ninety (90) days to prepare a course of action (e.g.,
800 targeted public outreach programs, tagging of containers and collection of materials in the tagged
801 containers as solid waste, etc.) to address the identified contamination including a description of the
802 change(s), the timeline for the change(s), and the anticipated impact(s) of the change(s). Within sixty
803 (60) days of receipt of the City's proposed actions (Proposal) to correct the contamination, County
804 shall prepare and deliver to City a written response to the proposed change (Response). If the City
805 does not agree with the original findings of the County or Service Contractor or the County does not
806 agree to the Proposal prepared by the City to address the contamination issue, a third party that is
807 mutually agreeable to the City and County will be hired to review the County or Service Contractor's
808 findings and the City's Proposal, and make a recommendation to address the issue. The cost for the
809 third party will be split between the County and the City and the third party's decision shall be
810 binding upon the City and the County. The City will implement actions associated with the third
811 party's decision within six (6) months.

812 **2. Quantities**

813 In the event that in any Agreement Year City delivers (or causes to be delivered) Tons in excess of the
814 City's Minimum Annual Delivery Requirement but less than the City's Maximum Annual Delivery
815 Allowance, City shall be charged for each additional Ton at the then current Acceptable Materials
816 Charge, during the Annual Settlement Process, as described in Section 4.3.B.

817 In the event that in any Agreement Year City delivers (or causes to be delivered) Tons in excess of
818 the City's Maximum Annual Delivery Allowance but the facility has received fewer Tons than the
819 Facility Maximum Annual Delivery Allowance, City shall be charged for each additional Ton at the
820 then current Acceptable Materials Charge, during the Annual Settlement Process, as described in
821 Section 4.3.B.

822 In the event that in any Agreement Year City anticipates or is projected by the County or the Service
823 Contractor to deliver (or cause to be delivered) Tons in excess of the Facility Maximum Annual
824 Delivery Allowance, City may be allowed to deliver (or cause to be delivered) the additional Tons at
825 the Acceptable Materials Charge based on the terms determined in accordance with Section 4.3.C.2.

826

827 **Figure I - City's Minimum Annual Delivery Requirement and Maximum Delivery Allowance**

“City’s Minimum Annual Delivery Requirement” means at least the following Total Tons of Acceptable Materials relating to the City. (Specific Tons of Mixed Waste, Source-Separated Recyclable Materials and Source-Separated Organic Materials are listed separately only for the purpose of calculating revenue shares under Section 3.2.B.)*

	Mixed Waste (Tons)	Source-Separated Recyclable Materials (Tons)	Source-Separated Organic Materials (Tons)**: <ul style="list-style-type: none"> • Source-Separated Food Scraps, or • Source-separated Food Scraps and Yard Trimmings (combined) 	Total
City’s Minimum Annual Delivery Requirement Total Tons	3,632	0	0	3,632
City’s Maximum Annual Delivery Allowance Total Tons	4,431	0		4,431

828 * *The Minimum Annual Delivery Requirement(s) shall be increased to reflect City annexation of any*
 829 *property subsequent to the execution of this Agreement.*

830 ** *While Source-Separated yard trimmings may be delivered to the Anaerobic Digestion Facility, such*
 831 *material is not included in the tonnage commitment of each jurisdiction.*

832 **B. Collection Contract Obligations**

833 City *must* include obligations under this Section 4.2 as performance specifications and contractual
 834 obligations in an agreement with its Collection Contractor as well as any Permits, licenses or other
 835 regulatory instruments allowed under law.

836 **1. Delivery of All Acceptable Materials**

837 The City or its Collection Contractor must deliver to the Project Site (or other site designated by the
 838 County) all Acceptable Materials that it collects under its collection contract with the City.

839 **2. Tajiguas Landfill Tip Fee Increase Beginning July 1, 2017**

840 Beginning, July 1, 2017, the City agrees to pay a tipping fee increase for disposal of waste at the Tajiguas
 841 Landfill at a rate of ninety nine (\$99) dollars per ton. The revenue generated by this increase will fund
 842 the Jurisdictional Rate Stabilization Fund. For Fiscal year 2019, beginning July 1, 2018, the City agrees to
 843 pay a tipping fee of one hundred ten (\$110) dollars per ton. For Fiscal Year 2020, beginning July 1, 2019,
 844 the County shall establish the Acceptable Materials Charge pursuant to Section 4.3A and the limitations
 845 in Section 4.3D shall not apply. The limitations on the amount by which the County may adjust the
 846 Acceptable Materials Charge for the upcoming Agreement Year as set forth in Section 4.3D will not take
 847 effect until fiscal year 2021 on July 1, 2020. Notwithstanding the above, the Acceptable Material Charge
 848 will be set as required by the Bond Documents.

849 3. Monthly Service Payment Requirement Upon Commencement of Operations

850 The City or its Collection Contractor shall pay County a Monthly Service Payment as provided in this
851 Section 4.2.B.3.

852 The Monthly Service Payment is calculated and paid monthly based on the City's Minimum Annual
853 Delivery Requirement shown in Section 4.2.A multiplied by the applicable Acceptable Materials Charge
854 shown in Section 4.3.A divided by twelve (12). The Monthly Service Payment shall be the monthly
855 amount represented in the following formula.

856 + Acceptable Material Charge

857 x City's Minimum Annual Delivery Requirement (Total Tons)

858 / 12 months

859 = Monthly Service Payment

860 The Annual Settlement Process, defined in Section 4.3.B, identifies any necessary adjustments to the
861 twelve (12) Monthly Service Payments made for the previous Agreement Year to reflect actual Tonnages
862 delivered and other payments owed to, or by Collection Contractor. Should City's actual Tonnages
863 delivered during the Agreement Year significantly exceed what would be expected based on the City's
864 Minimum Annual Delivery Requirement and should this materially affect the County's cash flow
865 payments to the Service Contractor, or the County's ability to comply with the Bond Documents, then
866 the Parties shall meet and confer to compensate the County for such an impact and/or adjust the future
867 Minimum Annual Delivery Requirement to minimize the cash flow impact on the County in the future.

868 C. City Agreement to Exercise Collection Contract Remedies

869 If the Collection Contractor does not meet any or all contractual requirements in Section 4.2.B and
870 Section 4.3, City shall exercise any or all remedies available at law or equity under its contract with the
871 Collection Contractor to fulfill such requirements.

872 The failure of the City's Collection Contractor to pay County any sums due it in accordance with this
873 Agreement and or Uncontrollable Circumstances do not excuse City from its obligation to pay the
874 Monthly Service Payment and/or Acceptable Material Charges for materials that Collection Contractor
875 delivered above the tonnage assumed in the Monthly Service Payment and Service Contractor accepted
876 at Facilities.

877 D. Consent to Changes

878 The City and County acknowledge that changes to the City's collection contracts or programs may
879 negatively impact the costs and revenues of the County and other Public Participants involved with the
880 TRRP. The City may therefore amend its collection contract(s) or collection programs only if the City
881 mitigates all impacts to the County and other Public Participants (including impacts such as reduced
882 revenues to the County, or reduced Current Revenues available for debt service obligations) which may
883 result from such amendments. General examples of "change" include expiration/termination,
884 extension, re-procurement/replacement and amendments to collection agreements. Specific examples
885 of "change" are stopping collection of Source-Separated Recyclable Materials; or delivering Acceptable
886 Materials in a different configuration such as a "Wet/Dry" collection system. The City Administrator, or

887 his or her designee, is authorized to propose and negotiate changes pursuant to this Subsection D
888 subject to the approval of the City Council prior to implementation.

889

890 **1. Refuse, Recyclable and Organic Materials Other Than Yard Trimmings**

891 If City wishes to propose a change to its collection contract or collection program, concerning materials
892 other than Yard Trimmings, then the City and County shall abide by the following procedures:

893 • City shall send County and other Public Participants a written proposal detailing the proposed
894 change(s) to the collection contract. The proposal shall: describe the change(s), identify the
895 timeline for the change(s), identify the anticipated impact(s) of the change(s), and include the
896 methods by which it proposes to use to cause no new current and future negative financial
897 impacts to the County and other Public Participants. The proposal shall be sent to the County
898 and other Public Participants at least twelve (12) months before the intended effective date of
899 the proposed changes, which shall coincide with an Agreement Year.

900 • Within ninety (90) days of receipt of City's proposal, County (which may consult with the
901 Service Contractor) shall (and other Public Participants may) prepare and deliver to City a
902 written response to the proposed change as it relates to the TRRP (Response) including any
903 additional impacts and possible mitigation measures not considered by City but required of the
904 City or the County, to fully mitigate the impact on the County and the other Public Participants
905 and to generate sufficient revenue for the County to meet the requirements of its Bond
906 Documents.

907 • Thereafter, the City and County (and as appropriate the other Public Participants and Service
908 Contractor) shall meet, for a period not to exceed six (6) months, to negotiate the terms
909 related to the implementation of City's requested change (based upon analysis performed by
910 the City, the County, other Public Participants and the Service Contractor). Should the City and
911 County reach agreement, then the City shall implement the change according to their original
912 schedule but not sooner than thirty (30) days following agreement.

913 • Should the City and County (and as appropriate the other Public Participants and Service
914 Contractor) not reach agreement, within the six-month negotiating period or upon either party
915 declaring an impasse then within thirty (30) days of reaching impasse, the County (and as
916 appropriate, the Operating Committee) shall submit to the City, the terms related to the City's
917 requested change to which the County is unable to agree. Once the City receives the list of
918 terms to which the County is unable to agree, the City may submit the points of disagreement
919 to a third party that is mutually agreed upon by the City and County. The third party shall
920 evaluate the points of disagreement and shall develop a set of proposals that would enable the
921 adoption of the City's requested change while mitigating revenue losses or cost increases
922 related to the proposed change in order to enable the County to continue to meet the
923 requirements of the Bond Documents. The Party submitting the proposal to affect a change
924 shall pay the direct costs for the third party and the City and County will each be responsible
925 for other costs associated with analyzing the proposal.

926 • Following the receipt of the third party's proposals, the City shall have thirty (30) days to elect
927 to proceed with its proposed change in a manner consistent with one of the third party's

928 proposals or to elect to not implement the change. If the City elects to proceed with the
929 change, the consultant's proposal shall be binding upon the City and the County.

930

931 **2. Yard Trimmings**

932 Source-Separated Yard Trimmings are not included in the City's Minimum Annual Delivery Requirement.
933 Therefore, the City is entitled to direct its Source-Separated yard Trimmings wherever it chooses.
934 Notwithstanding the foregoing, the City acknowledges that if it redirects Source Separated Yard
935 Trimmings out of the Solid Waste System, there may be financial impacts that may affect revenues and
936 thus the County's commitments under the Bond Documents. Notwithstanding any provisions of this
937 Subsection D to the contrary, the City shall not be required to mitigate these impacts for a period longer
938 than five (5) years from the date of implementing the change.

939

940 Should City wish to direct its Source-Separated Yard Trimmings (which are not included in the City's
941 Minimum Annual Delivery Requirement) to a facility other than the Tajiguas Landfill, then City and
942 County shall abide by the following procedures:

943

944 • City shall send County a written proposal to direct its Source Separated Yard Trimmings to a
945 facility other than the Tajiguas Landfill. The proposal shall: describe the change, identify the
946 timeline for the change, identify the impact(s) of the change, and include the methods by which
947 it proposes to cause no negative financial impacts to the County or other users of the System for
948 a period not to exceed five (5) years. The proposal shall be sent to the County at least twelve
949 (12) months before the intended effective date of the proposed change, which shall coincide
950 with an Agreement Year.

951 • Within ninety (90) days of receipt of City's proposal, County (which may consult with other
952 Public Participants) shall prepare and deliver to City a written response to the proposed change
953 to the Solid Waste System (Response) that includes a fiscal analysis and any additional impacts
954 (meet and confer with labor organizations regarding layoff's, modification to service contracts,
955 early retirement and sale of equipment, etc.) and possible mitigation measures (e.g., contracting
956 for grinding services) not considered by City but required of the City or the County, to fully
957 mitigate the impact on the County (and other Public Participants) and allow the County to
958 generate sufficient revenue to meet the requirements of the Bond Documents.

959

960 • Thereafter, the City and County shall meet, for a period not to exceed sixty (60) days, to
961 negotiate the terms related to the implementation of City's requested change (based upon the
962 City's proposal and the County's Response). Should the City and County reach agreement on
963 proposed mitigations to be implemented by the County, and, if necessary, a schedule of
964 payments by the City to the County to address fiscal impacts, that shall in no case exceed five (5)
965 years, then the City shall provide written notice to County of its intention to implement the
966 proposed change according to its original schedule but not sooner than the following
967 Agreement Year or to withdraw its proposed change.

968

969 • Should the City and County not reach agreement after sixty (60) days, City and County shall
970 identify and hire a third party that is mutually agreed upon by the City and County to consider
971 the City's Proposal and the County's Response and (1) develop a plan that identifies steps by

972 which the County could decrease costs related to the provision of yard trimming processing and
973 marketing services and a timeline for divestment of equipment, staffing and infrastructure, to
974 which the County shall abide, as well as determining the amount of remaining financial impacts
975 to the County that are not addressed by the plan, and (2) shall provide a schedule of payments
976 that City shall make to County as a condition of the proposed change for up to five (5) years
977 from the date of implementing the change. The Party submitting the proposal to affect a change
978 shall pay the direct costs for the third party.
979

980 • Within sixty (60) days following the completion of the third party's plan, the City shall provide
981 written notice to County of its intention to implement the proposed change which shall coincide
982 with an Agreement Year or to withdraw its proposed change.

983 • If the third party's recommendation requires a change in operations for the County and/or a
984 schedule of payments owed by the City, within three (3) months of receiving City's notice, the
985 County will be required to begin to implement the operational change.

986 • The City will not redirect its yard Trimmings until twelve (12) months have elapsed from the
987 date of Facility Full Operations.

988 **4.3 Compensation and Annual Settlement Process**

989 **A. Acceptable Materials Charge**

990 Notwithstanding anything to the contrary contained in this Agreement, each year the County shall
991 establish, and each Public Participant shall contribute (or cause its Collection Contractor to contribute), a
992 per-ton charge (the Acceptable Materials Charge) based on budgeted projections which, in the
993 aggregate, are sufficient to generate Net Revenues and Net Current Revenues (after taking into account
994 revenues from the sale of Recyclable Materials, the proceeds of insurance and Current Revenues and
995 other receipts) in an amount at least equal to all amounts required to be paid or incurred by the County
996 to provide the services set forth in Section 3.1, to meet the requirements of the Bond Documents, and
997 to replenish any reserves established hereunder.

998 The County may make adjustments from time to time to such charges, fees and rates and may make
999 such classification thereof as it deems necessary, but shall not reduce the charges, fees and rates then in
1000 effect unless the Net Revenues and Net Current Revenues from such reduced charges, fees and rates
1001 will at all times be sufficient to meet the requirements set forth above. The parties acknowledge that
1002 the obligation of the County to require each Public Participant to deliver waste to the System and to
1003 remit the Acceptable Materials Charge calculated annually based on budgeted projections is absolute
1004 and unconditional as long as the County performs its obligations under Section 3.1 to receive and
1005 process, treat or dispose of Acceptable Materials, regardless of whether all or any portion of the Facility
1006 (i) is completed by the scheduled completion date, (ii) operates in accordance with the specifications set
1007 forth in the Service Agreement, (iii) generates the products that are identified in the Service Agreement,
1008 (iv) generates products that in fact have an actual market or market value, or (v) achieves diversion
1009 levels consistent with the projections contained in the proforma of the Service Agreement.

1010 **B. Annual Settlement Process**

1011 The Annual Settlement Process is used to reconcile the Monthly Service Payments paid over a full
1012 Agreement Year with the actual results of operations for the following components:

- 1013 1. Actual tons delivered by the City to the Project
- 1014 2. County's actual results of operations, as described in Exhibit E, for County Service Costs
- 1015 3. Amounts due to, or receivable from, Service Contractor based on actual TRRP Revenues during
1016 the previous Agreement Year.
- 1017 4. All other County obligations, including debt service and capital expenditures

1018 The calculated amount due from the City, or payable to the City, will be subject to the Flow of Funds as
1019 presented in Exhibit F.

1020 Within forty-five (45) Days of the conclusion of each Agreement Year, County shall provide City and
1021 Collection Contractor an "Annual Settlement Process Statement." setting forth the determination of
1022 outstanding payments, amounts due, or financial obligations of the City directly or through its
1023 designated Collection Contractor, with respect to the given Agreement Year. The Annual Settlement
1024 Process Statement shall include a reconciliation of the amount owed, pursuant to Exhibit E, with the
1025 amounts actually paid by City or Collection Contractor with respect to the given Agreement Year
1026 including tonnage of material delivered by type, TRRP revenues from the Contractor and allocated to the
1027 City, and the statement of any necessary contributions to the Jurisdictional Rate Stabilization Fund. The
1028 Annual Settlement Process Statement shall also identify any excess reserves due and payable to the City.

1029 In the event that City desires to review or contest the contents of the Annual Settlement Process
1030 Statement, within thirty (30) days of receipt of the Statement, City may request to meet with County,
1031 and County shall arrange to meet with City within thirty (30) Days of City request. If there continues to
1032 be a difference between the County's and City's calculation of the amounts due, the Parties will meet
1033 and confer to resolve their differences for a period of not more than thirty (30) days. The obligation to
1034 have such a meeting does not confer on the City a right to revise or stop the settlement payment. If
1035 there is not a dispute, the amount due from either Party will be paid within forty five (45) days of
1036 receiving or sending the Statement. If there is a dispute and if the Certificates issued for the Facility
1037 financing are outstanding the Parties shall use the process described in Section 5.2 below; if the
1038 Certificates issued for the Facility financing are not outstanding then the Parties shall use the process
1039 described in Section 5.3 below.

1040 **C. Exceedance of Maximum Annual Delivery Allowance**

- 1041 1. Should the Tonnage attributable to the City that can be delivered to the Facility exceed the
1042 City's Maximum Annual Delivery Allowance but not cause the Facility to exceed its Maximum
1043 Facility Capacity, the County, City, and other Public Participants shall meet to determine,
1044 under what terms the City may deliver the Excess Tonnage.
- 1045 2. Should the Tonnage attributable to the Public Participants that can be delivered to the
1046 Facility exceed the Maximum Facility Capacity, the County, Public Participants, and Service
1047 Contractor shall meet to determine if the Service Contractor can accommodate the Excess
1048 Tonnage, and if so at what adjustment to the Acceptable Materials Charge. County and City
1049 shall meet to determine what other adjustments might be made to the Acceptable Material
1050 Charge (e.g., a reduction to the annual debt service component of the Acceptable Material
1051 Charge). If the County and City agree, then the City may deliver the Excess Tonnage to the
1052 Facility.

1053 D. Adjustments

1054 Each January, the County will distribute a draft Annual Budget for the System. The Annual Budget will
1055 contain an estimate of the Current Revenues and System Costs payable from Current Revenues for the
1056 ensuing Agreement Year, (beginning on the upcoming July 1). The Annual Budget will disaggregate the
1057 cost and revenue components into four categories including 1) Contractor cost, 2) debt service cost
1058 including the debt coverage amount required as defined in the Bond Documents, 3) County Service Cost,
1059 and 4) Other County Costs (that will not be a component of the Acceptable Material Charge for the
1060 Facility). The Annual Budget will also contain an estimate of the amount of Acceptable Materials
1061 expected to be delivered to the System in such Agreement Year, and the resulting Acceptable Materials
1062 Charge required to be imposed in order for the County to meet the requirements of the Bond
1063 Documents.

1064
1065 Beginning in fiscal year 2021, beginning July 1, 2020, in the case of any financial shortfalls (either higher
1066 than projected costs or lower than projected revenues) related to the Facility, the replenishment of
1067 funds by the jurisdictions shall only be included as part of the annual budget process pursuant to the
1068 limitations discussed below.

1069 1. If the proposed change in the Acceptable Materials Charge is equal to or less than seven and
1070 one-half percent (7.5%), the City shall adjust collection rates a commensurate amount and
1071 direct its Collection Contractor to pay the corresponding Monthly Service Payment effective
1072 the following Agreement Year. In no case shall the Acceptable Materials Charge be adjusted
1073 by a negative value. If the calculated adjustment is a negative value, the adjustment shall be
1074 set to "one" (1). For example, if the Acceptable Material Charge is \$116 per ton and the
1075 calculated adjustment was - 0.3 percent, then the \$116 per ton would be multiplied by 1 and
1076 result in \$116 per ton.

1077 2. If the change in the Acceptable Materials Charge is greater than seven and one-half percent
1078 (7.5%), or the cumulative adjustments total fifteen percent (15%) or more in the past three
1079 (3) consecutive years, and if two-thirds of the Public Participants representing at least two-
1080 thirds of the annual amount of Acceptable Materials delivered during the previous year
1081 object to the rates proposed by the County, the Operating Committee shall be convened
1082 (within 30 days of receipt of Annual Budget) and shall be charged with establishing rates
1083 sufficient to generate (after taking into account revenues from the sale of Recyclable
1084 Materials, the proceeds of insurance and other receipts), Net Current Revenues during each
1085 Agreement Year equal to 100% of Debt Service for such Agreement Year, Net Revenues
1086 during each Agreement Year equal to fifty percent (50%) of the Debt Service for such
1087 Agreement Year plus, in each case, all other amounts required to be paid by the County to
1088 provide the services set forth in Section 3.1 and to meet the requirements of the Bond
1089 Documents.

1090 3. If two-thirds of the Operating Committee representing at least two-thirds of the annual
1091 amount of Acceptable Materials delivered during the previous year vote to adopt the rates
1092 proposed by the Operating Committee, such rates shall be utilized. If two-thirds of the
1093 Operating Committee representing at least two-thirds of the annual amount of Acceptable
1094 Materials delivered during the previous year do not approve such alternate rates, or should
1095 the alternate rates not be approved by two-thirds of the Operating Committee within forty
1096 five (45) Days of convening the Operating Committee, then the initial rates proposed by the
1097 County shall be approved. The resolution of the Acceptable Materials Charge must be

1098 complete by April 1 of the preceding Agreement Year before its effective date.

1099

1100

1101 ARTICLE 5: SUSPENSION AND TERMINATION**1102 5.1 Notice of Default**

1103 Should either Party default in the performance of Articles 3 or 4 of this Agreement or materially breach
1104 any of its provisions, except as the result of an uncontrollable circumstance, the Party claiming such
1105 default shall provide the Party a notice of default to the Party claimed to have defaulted. In such Notice,
1106 the Party claiming such default, shall provide a description of the specific incidents giving rise to such
1107 default or breach and identify the requested cure. Upon receipt of notice, the Party claimed to be in
1108 default shall notify the Party claiming such default as to the status of its performance. Thereafter, the
1109 Parties shall meet and confer in an attempt to remedy such incidents.

1110 5.2 Resolution When Facility Financing Certificate(s) Outstanding

1111 While the Certificates for the Facility financing are outstanding, the only remedy for default shall be
1112 specific performance and there shall be no suspension or termination of the Agreement. If the Parties
1113 cannot agree on such remedies and the claimed default or breach occurs while any Certificates issued
1114 for the financing of the Facility are outstanding, the matter shall be submitted to binding arbitration
1115 using an independent arbitrator. If either Party wishes to select an arbitrator, each Party shall prepare a
1116 separate list of five (5) independent arbitrators having experience, as applicable in the Development of,
1117 or operation of similar solid waste-related facilities, in numerical order with the first preference at the
1118 top, and exchange and compare lists. The independent arbitrator ranking highest on the two (2) lists by
1119 having the lowest total rank order position on the two (2) lists shall be the Independent Arbitrator. In
1120 case of a tie in scores, the Independent Arbitrator having the smallest difference between the rankings
1121 of the two (2) Parties shall be selected; other ties shall be determined by a coin toss. If no independent
1122 arbitrator appears on both lists, this procedure shall be repeated. If selection is not completed after the
1123 exchange of three (3) lists or sixty (60) Days, whichever comes first, then each Party shall select one
1124 independent arbitrator having experience described above and the two (2) arbitrators so selected shall
1125 together select an Independent Arbitrator. The Independent Arbitrator shall make its determination
1126 based on the submissions of the Parties, the provisions hereof, and other factual determinations it may
1127 make regarding the matter in dispute, but in any case such determination must not adversely impact the
1128 County's ability to comply with the terms of the Bond Documents. The determination of the
1129 Independent Arbitrator shall be binding. The Parties shall share the costs of the Independent Arbitrator
1130 equally for the first three dispute resolutions brought in any twelve (12) month period commencing on
1131 July 1, and thereafter shall be borne by the loser, as determined by the Independent Arbitrator.

1132 5.3 Resolution When Facility Financing Certificate (s) Not Outstanding

1133 If the Parties cannot agree on such remedies and the claimed default or breach does not occur during
1134 the period when any Certificates issued for the financing of the Facility are outstanding, the Parties may
1135 exercise any legal rights they have under the Agreement and under Applicable Law, including to secure
1136 specific performance.

1137 **ARTICLE 6: RECORDS AND REPORTS**

1138 **6.1 Records**

1139 **A. Contents**

1140 County will keep records of its administration and enforcement of the Service Agreement. An example
1141 is Tonnage of each type of Acceptable Material that the City delivers to the TRRP, as well as aggregate
1142 Tonnage of materials delivered on a Spot-Market Materials basis to the TRRP.

1143 **B. Access**

1144 Upon City request, County shall make operational and business records (including scale house data)
1145 available to City during Landfill hours, and shall provide on-line access or printed copies of records as
1146 described in 3.4.B.

1147 **6.2 Reports**

1148 County will report to City on administration and enforcement of the Service Agreement. An example is a
1149 report on results of the Annual Settlement Process.

1150 ARTICLE 7: ENFORCEMENT**1151 7.1 Enforcement****1152 A. Law and Equity**

1153 If either County or City does not meet its obligations under this Agreement, the other Party may exercise
1154 any and all available remedies under law and equity, including specific performance. Specific
1155 performance is an appropriate remedy to enforce City's obligation to deliver Acceptable Materials to the
1156 TRRP, for the same reasons described under Section 4.2.C above with respect to the Collection
1157 Contractor.

1158 B. Shortfall Charges

1159 If City does not meet its City's Minimum Annual Delivery Requirement it will pay any consequent City's
1160 Shortfall Charge within thirty (30) Days of County request, including payment by its Collection
1161 Contractor. County may do either or both of the following:

- 1162 1. Deduct the Shortfall Charge or any other money that City owes the County from any TRRP
1163 Revenue shares that the County owes City, or
- 1164 2. Exercise any other remedy under Section 7.1.A, above.

1165 7.2 Uncontrollable Circumstances**1166 A. General**

1167 Either Party's failure to meet its contract obligations, other than the payment of money such as the
1168 Shortfall Charge, will *not* be deemed an event of default if all of the following conditions are met:

- 1169 1. The event of default is caused by Uncontrollable Circumstances;
- 1170 2. The event of default is explicitly subject *to* Uncontrollable Circumstances under this Agreement;
1171 and,
- 1172 3. The party relying on the Uncontrollable Circumstance exerted Reasonable Business Efforts to
1173 prevent the occurrence and mitigate the effects of the Uncontrollable Circumstance.

1174 Despite a Party claiming that an Uncontrollable Circumstance prevents it from fulfilling its obligations,
1175 such Party shall remedy the problem and perform its obligations as soon as possible.

1176 B. Notice

1177 The Party experiencing an Uncontrollable Circumstance will give immediate Notice to the other Party,
1178 including all of the following:

- 1179 1. Describing performance under this Agreement for which it seeks to be excused;
- 1180 2. The expected duration of the Uncontrollable Circumstance;
- 1181 3. The extent to which Agreement Services may be curtailed; and,
- 1182 4. Any requests or suggestions to mitigate the adverse effects of the Uncontrollable Circumstance.

1183 **7.3 Jurisdiction, Venue, Service of Process**

1184 **A. Exclusive State Court Jurisdiction**

1185 County and City will bring any lawsuits arising out of this Agreement in State courts, which will have
1186 exclusive jurisdiction over the lawsuits.

1187 **B. Venue**

1188 Venue is made and will be performed in courts sitting in the County of Santa Barbara.

1189 **C. Location**

1190 County and City will conduct any other hearing or action (such as mediation or arbitration), of whatever
1191 nature or kind regarding this Agreement, in the City of Santa Barbara.

1192 **D. Service of Process**

1193 County and City will accept service of process at the address where they receive Notices.

1194 **7.4 Governing Law**

1195 This Agreement is governed by, and construed and enforced under, the laws of the State of California,
1196 without giving effect to the State's principles of conflicts of laws.

1197 **7.5 Costs**

1198 Subsequent to a judicial decision upholding the complaining Party's complaint, the other Party will pay
1199 the complaining Party's Reimbursement Costs reasonably incurred to enforce its rights or exercise its
1200 remedies for the other Party's failure to meet its obligations under this Agreement. This obligation is a
1201 general, not limited or special, obligation of each Party.

1202 **ARTICLE 8: ASSIGNMENT**

1203 **8.1 Assignment**

1204 Neither Party shall Assign its rights nor delegate or otherwise transfer its obligations under this
1205 Agreement to any other Person without the prior written consent of the other Party to the Assignment.

1206 Any such Assignment made without the consent of the other Party shall be void and the attempted
1207 Assignment shall constitute a material breach of this Agreement.

1208 ARTICLE 9: MISCELLANEOUS PROVISIONS**1209 9.1 Entire Agreement**

1210 This Agreement contains the entire agreement between the Parties with respect to their rights and
1211 obligations under this Agreement, including the enforcement and administration of this Agreement.
1212 This Agreement supersedes all prior understandings and agreements between the Parties with respect
1213 to their rights and obligations, including those contained in drafts, memorandums, correspondence,
1214 telephone calls, meetings and their respective County Board and City Council sessions.

1215 However, if words defined in this Agreement conflict with definitions in the Service Agreement, the
1216 definition under the Service Agreement governs.

1217 9.2 Amendments

1218 The Parties may make changes in this Agreement after the Effective Date, effective only upon signing a
1219 written amendment to this Agreement.

1220 9.3 Severability**1221 A. Court Rulings Generally**

1222 If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or
1223 unenforceable in any respect, then such provision or provisions shall be deemed severable from the
1224 remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other
1225 provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable
1226 provision had never been contained herein.

1227 B. Court Rulings: Delivering Materials to TRRP

1228 However, in the ruling of invalidity, illegality, non-binding nature or unenforceability of any Agreement
1229 Provision, under Section 9.3.A, with respect to the City's Minimum Annual Delivery Requirements,
1230 obligations of County, or obligations of City's Collection Contractor to deliver materials to the TRRP; then
1231 the County Board of Supervisors may, in its sole discretion, do any of the following:

- 1232 1. Accept the ruling without deleting or enforcing that Agreement Provision;
- 1233 2. Delete that Agreement Provision and construe and enforce this Agreement under this Section;
1234 or,
- 1235 3. Terminate this Agreement if Service Contractor accedes.

1236 9.4 Interpretation

1237 City acknowledges the following:

- 1238 1. It commented on the form of this Agreement with advice of its attorneys.
- 1239 2. It entered into this Agreement upon its own choice and initiative, in order to meet its goals
1240 described in the Recitals above.
- 1241 3. It agrees that no one can construe any provision in this Agreement against County solely
1242 because County prepared this Agreement in its executed form.

1243 4. It understands that this Agreement is an essential aspect of the Certificate financing process,
1244 and agrees to cooperate in providing information required for the financing process, including
1245 information for the official statement and rating process.

1246 County represents and warrants as follows:

- 1247 a. It has reviewed and commented upon this Agreement with advice of its attorneys.
1248 b. It entered into this Agreement upon its own choice and initiative, in order to meet its goals
1249 described in the Recitals above.

1250 Therefore, this Agreement must be interpreted and construed reasonably and neither for nor against
1251 either Party, regardless of the degree to which had either Party participated in its drafting.

1252 **9.5 Timely Performance**

1253 **A. Specified Days on Weekdays**

1254 **1. Performance**

1255 If a Party must perform an obligation under this Agreement within a specified number of Days, and the
1256 last Day falls on a weekend or holiday, the obligated Party may perform that obligation on the next
1257 weekday following the weekend or holiday. For example, if City must provide documentation to County
1258 within thirty (30) Days of County request and the 30th Day falls on a Sunday, City must give County the
1259 documentation by the next Day, Monday.

1260 **2. Counting**

1261 Each calendar Day is counted when determining the last Day of the specified number of Days. For
1262 example, if County must provide documentation to City within one (1) week of City's request on a
1263 Friday, City must give County the documentation by the next Friday.

1264 **B. Specified Hours on Any Day**

1265 If a Party must perform an obligation under this Agreement at a specified time, in any of the following
1266 events the obligated Party must perform that obligation within the specified time, *even if* the time for
1267 performance falls on a weekend or holiday:

- 1268 1. The specified time is measured in hours;
1269 2. The County specifies the time (for example, on a Saturday even though performance would
1270 otherwise occur on Monday); or,
1271 3. County determines that there is a threat to public health or safety.

1272 **9.6 Notices, Etcetera**

1273 **A. Location**

1274 Parties must give Notices at the addresses that they identify in Exhibit A.

1275 **B. Notice**

1276 Parties may give Notices such as Notice of default, only by any of the following ways:

- 1277 1. Email or facsimile followed as soon as possible (but no more than two (2) Days) by personal or
1278 mailed delivery;
- 1279 2. Personal delivery to County Agreement Representative or City Agreement Representative;
- 1280 3. Deposit in the United States mail first class postage prepaid (certified mail, return receipt
1281 requested); or,
- 1282 4. Commercial delivery service providing delivery verification.

1283 **C. "Notice"**

1284 Parties may give "notice" (not capitalized) by either Party of a routine administrative issue (such as
1285 results of the Annual Settlement Process or date of a County Board meeting) orally (for example, by
1286 telephone or computerized communication); and electronically (for example, by email).

1287 **D. Change of Address**

1288 Parties may change their address for Notice upon giving a Notice to that effect to the other Party.

1289 **9.7 Writing**

1290 Parties must make all of the following in writing unless oral communication is explicitly allowed:

- 1291 • requests, demands, orders, directions,
- 1292 • acceptances, consents, approvals, agreements,
- 1293 • waivers,
- 1294 • exercise of options or rights, selections,
- 1295 • proposals,
- 1296 • reports, and
- 1297 • acknowledgments, certifications, representations and warranties.

1298 Explicit reference to "written" or "writing" with respect to any one communication does not imply that
1299 other communications without explicit reference to writing may be oral. "Writing" includes any means
1300 of printed language, including hard copy and emails.

1301 **9.8 Exercise of Options**

1302 Parties exercise of any approval, disapproval, option, discretion, satisfaction, determination, election,
1303 consent or choice under this Agreement is deemed reasonable, unless this Agreement specifically
1304 provides otherwise, such as in a Party's "independent", "sole", "exclusive" or "absolute" "control",
1305 "judgment", or "discretion".

1306 **9.9 Parties' Agreement Representatives**

1307 **A. County Agreement Representative**

1308 **1. Named**

1309 On the Effective Date, the County Agreement Representative is the Deputy Director of the County Public

1310 Works Department (Resource Recovery and Waste Management Division). The Deputy Director's
1311 address is listed in Exhibit B.

1312 **2. Authority**

1313 County authorizes the County Agreement Representative to act on behalf of County in the
1314 administration of this Agreement, unless it specifically names another individual. By signing this
1315 Agreement, County delegates to County Agreement Representative the authority to exercise County
1316 rights, remedies and options under this Agreement and administer this Agreement, except with respect
1317 to:

- 1318 a. Extending the term;
- 1319 b. Suspending or terminating this Agreement;
- 1320 c. Approving or disapproving Assignment or transfer of this Agreement; and,
- 1321 d. Exercising any delegation of authority contrary to law.

1322 **B. City Agreement Representative**

1323 **1. Named**

1324 City will name its City Agreement Representative by Notice to the County.

1325 **2. Authority**

1326 City authorizes City Agreement Representative to act on behalf of the City under this Agreement.
1327 County may assume that City has delegated its City Agreement Representative to exercise rights,
1328 remedies and options under this Agreement and administer this Agreement.

1329 **9.10 Signing Multiple Copies**

1330 The Parties may sign any number of copies of this Agreement. All signed copies are deemed to be one
1331 Agreement.

1332 **9.11 Authority to Sign**

1333 **A. County**

1334 The County warrants that it duly authorized the officers listed below to sign this Agreement on behalf of
1335 County.

1336 **B. City**

1337 The City warrants that it duly authorized the individuals listed below to sign this Agreement on behalf of
1338 City.

1339

1340 **IN WITNESS WHEREOF**, the Parties have executed this Contract to be effective on the date
1341 executed by COUNTY.

1342

1343 **ATTEST:**
1344 Mona Miyasato
1345 County Executive Officer
1346 Clerk of the Board

COUNTY OF SANTA BARBARA:

1347
1348 By: _____
1349 Deputy Clerk

By: _____
Chair, Board of Supervisors

1350

1351 **RECOMMENDED FOR APPROVAL:**
1352 Santa Barbara County Public Works
1353 Department
1354

Date: _____

1355
1356 By: _____
1357 Scott D. McGolpin
1358 Public Works Director

1359 **APPROVED AS TO FORM:**
1360 Michael C. Ghizzoni
1361 County Counsel
1362

APPROVED AS TO ACCOUNTING FORM:
Theodore A. Fallati, CPA
Auditor-Controller

1363
1364 By: _____
1365 Deputy County Counsel

By: _____
Deputy

1366 **APPROVED AS TO FORM:**
1367 Risk Management
1368
1369

1370
1371 By: _____
1372 Risk Management

1373 **ATTEST:**
1374 CITY CLERK

CITY OF BUELLTON

1375 By: _____
1376 [INSERT NAME]
1377

By: _____
Mayor
[INSERT NAME]

1378 Date: _____

1379 **APPROVED AS TO FORM:**
1380 **CITY ATTORNEY**

1381 By: _____
1382 [INSERT NAME]

1383 **ATTEST:**
1384 CITY CLERK

CITY OF GOLETA

1385 By: _____
1386 [INSERT NAME]
1387

By: _____
Mayor
[INSERT NAME]

1388 Date: _____

1389 **APPROVED AS TO FORM:**
1390 **CITY ATTORNEY**

1391 By: _____
1392 [INSERT NAME]

CITY OF SANTA BARBARA

1393 ATTEST:
1394

1395 By: _____
1396 Sarah Gorman
1397 City Clerk Services Manager

By: _____
Paul Casey
City Administrator

1398
1399
1400

Date: _____

1401
1402
1403

1404 APPROVED AS TO CONTENT:

1405
1406
1407 By: _____
1408 Robert Samario
1409 Finance Director

1410

1411 APPROVED AS TO FORM:

1412 Ariel Pierre Calonne
1413 City Attorney

1414
1415

1416 By: _____

1417

1418

1419

1420 **ATTEST:**
1421 CITY CLERK

CITY OF SOLVANG

1422 By: _____
1423 [INSERT NAME]
1424

By: _____
Mayor
[INSERT NAME]

1425

Date: _____

1426 **APPROVED AS TO FORM:**
1427 **CITY ATTORNEY**

1428 By: _____
1429 [INSERT NAME]

EXHIBIT A: ADDRESSES FOR NOTICES

1430 [to come]

1431 Parties may change their representative following Notice to the other Party.

1432 **Acknowledgment:** City has submitted, and County has received, the attached address for giving
1433 Notice under this Agreement on the later of the following dates:

- 1434 • the Effective Date, as evidenced by each of their signatures on this Agreement, or
1435 • with respect to subsequent changes, the following date, as evidenced by their following
1436 signatures :

1437 Date: _____

1438 County: _____

EXHIBIT B: COMMUNICATIONS

1439

A. County Agreement Representative

Name	Mark Schleich Deputy Director of Public Works (Resource Recovery and Waste Management Division)
telephone number	805 882-3600
e-mail address	Schleich@cosbpw.net
mailing address	County of Santa Barbara Resource Recovery and Waste Management Division 130 East Victoria St., Suite 100 Santa Barbara, CA 93101
County office address	Same as mailing address

1440 County may change its representative following Notice to City.

1441 **Acknowledgment:** County has submitted, and City has received, the attached identification of
1442 County Agreement Representative on the later of the following dates:

- 1443
- the Effective Date, as evidenced by each of their signatures on the Agreement, or
 - with respect to subsequent changes, the following date, as evidenced by their following
1444 signatures :
1445

1446 Date: _____

1447 County: _____

1448 City: _____

EXHIBIT B: COMMUNICATIONS

1449 **B. City Agreement Representative**

Name Brad Vidro City Manager	
Telephone number 805-688-5575	
e-mail address bradv@cityofsolvang.com	
Mailing address 1644 Oak Street	
Solvang, CA 93463	

1450 The City may change any of this information following Notice to County.

1451 **Acknowledgment:** The City named above has submitted, and the County has received, the attached
1452 documentation on the later of the following dates:

- 1453 • the Effective Date, as evidenced each of their signatures on the Agreement, or
1454 • with respect to subsequent changes, the following date, as evidenced by their following
1455 signatures :

1456 Date: _____

1457 City: _____

1458 County: _____

**EXHIBIT C:
COLLECTION FRANCHISE OR OTHER PROOF OF
DELIVERY OBLIGATION**

1459 [to be attached to signed copy of this Agreement]

EXHIBIT D: JURISDICTIONAL RATE STABILIZATION FUND DIVIDEND SAMPLE CALCULATION

Sample Dividend Calculation of Jurisdictional Rate Stability Fund

Assumptions: Surplus funds \$500,000

MSW eq MSW = 1

 CSSR = 2

 SSOW_{fw} = 0.25

Actual Tonnage Received by TRRP	City A	City B	City C	City D	County	Total
MSW	400	150	50	50	350	1,000
CSSR	32	33	6	4	25	100
SSOW _{fw}	15	2	-	-	3	20

Equivalent Tonnage Received	City A	City B	City C	City D	County	Total
MSW	400	150	50	50	350	1,000
CSSR	64	66	12	8	50	200
SSOW _{fw}	4	1	-	-	1	5
Total	468	217	62	58	401	1,205

Dividend Calculation	City A	City B	City C	City D	County	Total
Percent	38.82%	17.97%	5.15%	4.81%	33.26%	100.00%
Amount	\$194,087	\$89,834	\$25,726	\$24,066	\$166,286	\$500,000

1460

EXHIBIT E: EXAMPLE CALCULATION OF COUNTY SERVICE COSTS DUE FROM PROJECT PARTICIPANTS

1461
1462 The purpose of Exhibit E is to set forth a methodology to determine the actual revenues and expenses
1463 incurred by the County for Solid Waste Management Services (Section 3.1) in connection with the
1464 Annual Settlement Process.

1465
1466 Each fiscal year the County will prepare a budget for the Solid Waste Management Services to be
1467 provided to Public Participants by the County and will make it available for review by the City prior to
1468 approval by the County Board of Supervisors. The budget will also include the estimate of overhead to
1469 be allocated to County Service Costs for the fiscal year. The Board of Supervisors will consider the
1470 Department's budget in June as part of their budget deliberations. Once approved, the County Service
1471 Cost will be included as part of the Acceptable Material Charge.

1472
1473 At the end of each fiscal year, the County will calculate the actual revenues and expenses incurred from
1474 the completed fiscal year including the allocation of Department, Divisional and Operational Overhead
1475 for County Service Costs. Closure, post-closure or regulatory fees will be excluded from the basis of
1476 calculation of overhead for County Service Costs. Prior debt obligations and capital improvements as
1477 shown on Exhibit F will not be part of this calculation as they are accounted for after calculating the
1478 Surplus Fund.

1479
1480 A review at the request of the City was performed by MSW Consultants to understand the process and
1481 procedures used by the County for determining the final revenues and expenses attributable to the City
1482 for the Solid Waste Management Services provided by the County. **The calculation below is an example
1483 of the methodology used to determine the County Service Costs; however, the numbers provided in
1484 this Exhibit E have not been verified by the County.** This process shall be as shown below.

1485
1486 The County's Service Cost portion of the overall Solid Waste Management Services will be comprised of
1487 the expenses incurred in, and properly allocated to, the four (4) programs in the Solid Waste Enterprise
1488 Fund budget shown in Table 1.

1489
1490

Table 1 – County Budget Programs Attributable to County Service Cost

Program Number	Name
1101	South Coast Transfer Station
1200	Tajiguas Landfill
1301	Santa Ynez Valley Transfer Station
1850	TRRP Contract Management

1491
1492 The County will only record expenses into these programs that are related to the County Service Costs.
1493 For example, the County will not record any expenses related to greenwaste handling into any of these
1494 programs, but segregate all greenwaste costs into a single program designated for greenwaste.

EXHIBIT E: EXAMPLE CALCULATION OF COUNTY SERVICE COSTS DUE FROM PROJECT PARTICIPANTS

1495 Additionally, the County will record any recycling expenses that were previously booked into Program
1496 1133 (Recycling Operations) into the program to which they are directly related (e.g., SCRTS,
1497 greenwaste, etc.).

1498
1499 The County will allocate its divisional administrative costs pursuant to the method shown further below.

1500
1501
1502

Table 2 – Allocation of Divisional Administrative Costs

Column:	A	B	C	D	E	F	G
Program	Costs Recorded in County's Financial System	Deduct Amounts for Programs to which Overhead is not Allocated	Amounts Upon Which Administrative Overhead is Allocated (1)	Administrative Overhead Allocation Percent (2)	Allocated Administrative Overhead (3)	Add Back Amounts from Programs to which Overhead is not Allocated (4)	Program Costs After Administrative Overhead Allocation (5)
1050 Administration	\$2,658,337	(\$2,658,337)	\$0	0.00%	\$0		\$0
1055 Ballard	0		0	0.00%	0		0
1101 SCRTS	2,445,799		2,445,799	15.77%	419,220		2,865,019
1122 Shop	817,655		817,655	5.27%	140,094		957,749
1133 Recycle	0		0	0.00%	0		0
TBD Greenwaste	960,634		960,634	6.19%	164,551		1,125,185
1200 Tajiguas	2,852,227		2,852,227	18.39%	488,868		3,341,095
1301 SYVRTS	684,217		684,217	4.41%	117,233		801,450
1401 New Cuyama	175,282		175,282	1.13%	30,039		205,321
1650 Operations OH	1,240,709		1,240,709	8.00%	212,667		1,453,376
1700 Closed Landfills	470,885	(470,885)	0	0.00%	0	470,885	470,885
1750 Engineering	0		0	0.00%	0		0
1850 TRRP Contract Mgm	3,117,756		3,117,756	20.10%	534,326		3,652,082
(6) CPC and Reg. Fees	1,113,183	(1,113,183)	0	0.00%	0	1,113,183	1,113,183
1950 CMM	\$3,217,470		\$3,217,470	20.74%	\$551,339		\$3,768,809
Total	\$19,754,154	(\$4,242,405)	\$15,511,749	100.00%	\$2,658,337	\$1,584,068	\$19,754,154

- (1) Column A plus column B.
- (2) Percentages based on amounts in column C.
- (3) Administrative overhead from Program 1100 allocated based on percentages in Column D.
- (4) Add back amounts from Column B.
- (5) Sum of Columns C, E and F.
- (6) Included in Program 1200; segregated for purposes of allocating Administration costs.

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EXHIBIT E: EXAMPLE CALCULATION OF COUNTY SERVICE COSTS DUE FROM PROJECT PARTICIPANTS

1510 The County shall allocate its divisional shop and operational overhead pursuant to the method shown
1511 below in Table 3.

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Table 3 – Allocation of Divisional Shop and Operational Overhead

Column:	A	B	C	D	E	F	G
Program	Program Costs After Administrative Overhead Allocation (1)	Deduct Amounts from Programs to Which Shop or Operational Overhead is not Allocated (2)	Amounts Upon Which Administrative Overhead is Allocated (3)	Shop and Operational Overhead Allocation Percent (4)	Allocated Shop and Operational Overhead Amounts (5)	Add Back Amounts on Which Shop and Operational Overhead is not Calculated (6)	Program Costs After Shop and Operational Overhead Allocation (7)
1050 Administration	\$0			0.00%	0		0
1055 Ballard	0			0.00%	0		0
1101 SCRTS	2,865,019		2,865,019	34.36%	828,479		3,693,498
1122 Shop	957,749	(957,749)	0	0.00%	0		0
1133 Recycle	0		0	0.00%	0		0
TBD Greenwaste	1,125,185		1,125,185	13.49%	325,370		1,450,555
1200 Tajiguas	3,341,095		3,341,095	40.07%	966,147		4,307,242
1301 SYVRTS	801,450		801,450	9.61%	231,756		1,033,206
1401 New Cuyama	205,321		205,321	2.46%	59,373		264,694
1650 Operations OH	1,453,376	(1,453,376)	0	0.00%	0		0
1700 Closed Landfills	470,885	(470,885)	0	0.00%	0	470,885	470,885
1750 Engineering	0	0	0	0.00%	0	0	0
1850 TRRP Contract Mgm	3,652,082	(3,652,082)	0	0.00%	0	3,652,082	3,652,082
(8) CPC and Reg. Fees	1,113,183	(1,113,183)	0	0.00%	0	1,113,183	1,113,183
1950 CMM	\$3,768,809	(\$3,768,809)	\$0	0.00%	0	3,768,809	3,768,809
Total	\$19,754,154	(\$11,416,084)	\$8,338,070	100.00%	\$2,411,125	\$9,004,959	\$19,754,154

- (1) From Column G of Table 2.
- (2) Exclude costs that do not drive Shop or Operational Overhead Costs.
- (3) Column A less Column B. Basis for allocation percentages in Column D.
- (4) Percent of total in Column C.
- (5) Sum of Program 1122 (Shop) and Program 1650 (Operational Overhead) allocated based on percentages in Column D.
- (6) Add back amounts in Column B other than Shop and Operational Overhead.
- (7) Sum of amounts in Columns C, E and F.
- (8) Included in Program 1200; segregated for purposes of allocating Shop and Operational Overhead costs.

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EXHIBIT E: EXAMPLE CALCULATION OF COUNTY SERVICE COSTS DUE FROM PROJECT PARTICIPANTS

1526 After the previously described allocations have been made, the County's Service Cost will be the sum of
1527 the programs shown below in Column C in Table 4.

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Table 4 – Determination of County Service Cost

Column:	A	B	C
Program	Program Costs After Shop and Operational Overhead Allocation (1)	Non-TRRP Related Costs (2)	County Service Cost (3)
1050 Administration	0		
1055 Ballard	0		
1101 SCRTS	3,693,498		3,693,498
1122 Shop	0		
1133 Recycle	0		
TBD Greenwaste	1,450,555	1,450,555	
1200 Tajiguas	4,307,242		4,307,242
1301 SYVRTS	1,033,206		1,033,206
1401 New Cuyama	264,694	264,694	
1650 Operations OH	0		
1700 Closed Landfills	470,885	470,885	
1750 Engineering	0	0	
1850 TRRP Contract Mgmt.	3,652,082		3,652,082
(4) CPC and Reg. Fees	1,113,183		1,113,183
1950 CMM	3,768,809	3,768,809	
Total	\$19,754,154	\$5,954,943	\$13,799,210

(1) From Column G of Table 3.

(2) Programs not related to the Project.

(3) Programs related to the Project.

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(4) Included in Program 1200.

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EXHIBIT E: EXAMPLE CALCULATION OF COUNTY SERVICE COSTS DUE FROM PROJECT PARTICIPANTS

1534 An example of the Revenue from Other Users is shown below in in 5.

1535 **Table 5 – Revenue From Other Users**

Column:	A	B	C	D	E
Facility:	SCRTS	SVVTS	Tajiguas	Resource Recovery Facility	Total
Annual Tons - Other Users					
MarBorg Residuals			53,291		53,291
Self-haul	12,000	6,000			18,000
H2Handle	4,698	5,897			10,595
Divertable C&D	1,263	328			1,591
Metal	145	52			197
Direct to Tajiguas - Unsortable			3,126		3,126
C&D Dirt Tailings for ADC			15,000		15,000
Total - Other Tons	18,106	12,277	71,417	0	101,800
Tip Fees - Other Users					
MarBorg Residuals			\$95.00		
Self-haul	\$93.00	\$93.00	\$93.00	\$93.00	
H2Handle	\$118.00	\$118.00	\$118.00	\$118.00	
Divertable C&D	\$118.00	\$118.00	\$118.00	\$118.00	
Metal	\$10.00	\$10.00	\$10.00	\$10.00	
Direct to Tajiguas - Unsortable	\$118.00	\$118.00	\$118.00	\$118.00	
C&D Dirt Tailings for ADC	\$17.00	\$17.00	\$17.00	\$17.00	
Annual Revenue - Other Users					
MarBorg Residuals	0	0	5,062,645	0	5,062,645
Self-haul	1,116,000	558,000	0	0	1,674,000
H2Handle	554,364	695,846	0	0	1,250,210
Divertable C&D	149,034	38,704	0	0	187,738
Metal	1,450	520	0	0	1,970
Direct to Tajiguas - Unsortable	0	0	368,868	0	368,868
C&D Dirt Tailings for ADC	0	0	255,000	0	255,000
Total - Revenue from Other Users	\$1,820,848	\$1,293,070	\$5,686,513	\$0	\$8,800,431

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EXHIBIT E: EXAMPLE CALCULATION OF COUNTY SERVICE COSTS DUE FROM PROJECT PARTICIPANTS

1537 An example summary of the amount due to the County for Solid Waste Management Services is shown
1538 below in in Table 6.

1539 **Table 6 - Summary of Amount Due to the County for Solid Waste Management Services**

Description	Annual Amount	Disposal and Solid Waste System Costs per Ton
County Service Cost (from Table 4)	\$13,799,210	\$80.36
Debt Service related to 2017 COPs	\$5,113,732	
Payments to Service Contractor	\$2,888,786	
Debt Service for Subordinate Obligations	\$942,215	
Capital Purchases	\$1,637,000	
Total Project Expenditures	\$24,380,943	
Revenue from Other Users (from Table 5)	(\$8,800,431)	(\$51.25)
Revenue from CREB subsidies	(\$1,517,334)	
Less: Project Revenues (Other Than from Project Participants)	(\$10,317,765)	
Amount Due to the County	\$14,063,178	
Revenue to Achieve Debt Service Coverage	\$6,199,428	
Total Revenue from Public Participants	\$20,262,606	
Total Tons from Public Participants	171,717	
Total Disposal and Solid Waste System Costs		\$29.11

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ATTACHMENT 1:

PROJECTED AND MINIMUM ANNUAL DELIVERY REQUIREMENT

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**Table 2-1 (From Material Services Agreement):
Projected Resource Recovery Project Tonnage**

Participating Agency	Mixed Waste (Tons)	Source Separated Recyclable Materials (Tons)	Source Separated Organic Materials (Tons)	Projected Annual Delivery TOTAL TONS
Franchised Waste				
County of Santa Barbara	40,474	9,536	400	50,410
Santa Barbara	59,224	16,073	0	75,297
Goleta	22,074	5,618	600	28,292
Solvang	3,632	0	0	3,632
Buellton	4,064	1,319	0	5,383
<i>Subtotal</i>	<i>126,361</i>	<i>32,546</i>	<i>4,107</i>	<i>163,014</i>
Other Waste				
Other Agency*	6,000	900	803	7,703
County Facility Self-Haul	20,000	0	0	20,000
<i>Subtotal</i>	<i>26,000</i>	<i>900</i>	<i>803</i>	<i>27,703</i>
Total	152,361	33,446	4,910	190,717

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*UCSB, Chumash Reservation, State Parks

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**CITY COUNCIL
STAFF REPORT**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Lisa S. Martin, City Clerk

MEETING DATE: December 12, 2016

DATE PREPARED: December 6, 2016

**SUBJECT: RESOLUTION RECITING THE FACT OF THE GENERAL
MUNICIPAL ELECTION HELD NOVEMBER 8, 2016 AND
DECLARING RESULTS**

I. **RECOMMENDATION:**

Adopt Resolution No. 16-____, a Resolution of the City Council of the City of Solvang reciting the fact of the General Municipal Election held on November 8, 2016.

II. **DISCUSSION:**

The General Municipal Election was held on November 8, 2016 and the certified results, from the County Elections Division, were received on December 6, 2016.

**DECLARATION OF RESULTS OF THE GENERAL MUNICIPAL ELECTION
HELD ON NOVEMBER 8, 2016 BY ADOPTION OF RESOLUTION:**

MAYOR OF SOLVANG

Jim Richardson 2353

COUNCIL MEMBER (2)

Ryan Toussaint	1318
Hans Duus	1273
Karen M. Waite	1268
Brian R. Baca	452

ATTACHMENT:

- Resolution

RESOLUTION NO. 16-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG,
CALIFORNIA, RECITING THE FACT OF THE GENERAL MUNICIPAL
ELECTION HELD ON NOVEMBER 8, 2016 DECLARING THE RESULT AND
SUCH OTHER MATTERS AS PROVIDED BY LAW**

WHEREAS, a General Municipal Election was held and conducted in the City of Solvang, California on Tuesday, November 8, 2016 as required by law; and

WHEREAS, notice of the election was given in time, form and manner as provided by law; that voting precincts were properly established, that election officers were appointed and that in all respects the election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in charter cities; and

WHEREAS, pursuant to Resolution No. 16-989 adopted May 23, 2016, the County Elections Division canvassed the returns of the election and has certified the results to this City Council, the results are received, attached, and made a part hereof as Exhibit "A".

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1: That the whole number of votes cast in the precincts except vote by mail voter and provisional ballots were 1168.

That the whole number of vote by mail voter ballots cast in the City was 3155, making a total of 4323 votes (ballots) cast in the City.

SECTION 2: That the names of the persons voted for at the election for Mayor of the City of Solvang are as follows:

JIM RICHARDSON

That the names of the persons voted for at the election for member of the City Council are as follows:

KAREN M WAITE
HANS DUUS
RYAN TOUSSAINT
BRIAN R BACA

SECTION 3: That the number of votes given at each precinct and the number of votes given in the City to each of the persons above named for the respective offices for which the persons were candidates were as listed in "Exhibit A" attached.

SECTION 4: The City Council does declare and determine that: Jim Richardson was elected as Mayor for the full term of two years; and Ryan Toussaint and Hans Duus were elected as Members of the City Council for the full term of four years.

SECTION 5: The City Clerk shall enter on the records of the City Council of the City, a statement of the result of the election, showing: (1) the whole number of votes (ballots) cast in the City; (2) The names of the persons voted for; (3) The measures voted upon; (4) For what office each person was vote for; (5) The number of votes given at each precinct to each person, and for and against each measure; (6) The total number of votes given to each person, and for and against each measure.

SECTION 6: That the City Clerk shall immediately make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated; that the City Clerk or an appropriate designee shall also have administered to each person elected, the Oath of Office prescribed in the Constitution of the State of California and shall have them subscribe to it and file it in the office of the City Clerk. Each and all of the persons so elected shall then be inducted into the respective office to which they have been elected.

SECTION 7: That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED, AND ADOPTED on December 12, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jim Richardson, Mayor

ATTEST:

Lisa S. Martin, City Clerk

**CERTIFICATION OF
COUNTY CLERK/REGISTRAR OF VOTERS
OF THE RESULTS OF THE CANVASS
OF THE NOVEMBER 8, 2016, GENERAL ELECTION**

STATE OF CALIFORNIA

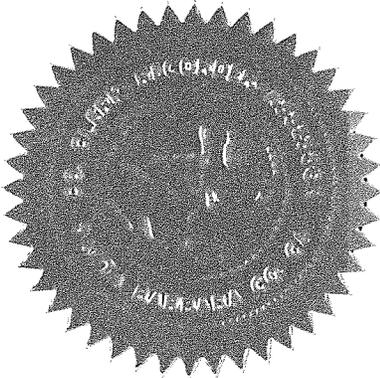
COUNTY OF SANTA BARBARA

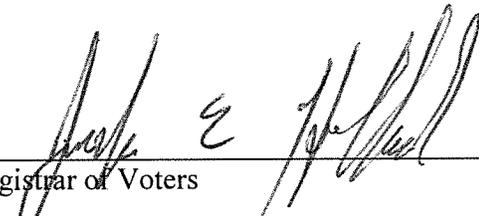
} ss.

I, Joseph E. Holland, County Clerk/Registrar of Voters of said county, do hereby certify that, in pursuance to the provisions of Elections Code Section 15300, et seq., I did canvass the results of the votes cast in the General Election held in said County on November 8, 2016, for measures and contests that were submitted to the vote of the voters, and that the Statement of Votes Cast to which this certificate is attached, is full, true and correct.

I hereby set my hand and official seal this 6th day of December 2016

at the County of Santa Barbara.





Registrar of Voters
County of Santa Barbara
State of California

Santa Barbara County
 Presidential General Election
 November 8, 2016
 Certified Results

Date:12/06/16
 Time:12:18:06
 Page:7 of 15

Registered Voters 222983 - Cards Cast 182264 81.74%

Num. Report Precinct 259 - Num. Reporting 259 100.00%

CITY OF SOLVANG MAYOR			
	Polling	VBM	Total
Number of Precincts	4	0	4
Precincts Reporting	4	0	4 100.0 %
Vote For	1	1	1
Total Votes	661	1781	2442
JIM RICHARDSON	640	1713	2353 96.36%
Write-in Votes	21	68	89 3.64%

CITY OF SOLVANG CITY COUNCIL MEMBER			
	Polling	VBM	Total
Number of Precincts	4	0	4
Precincts Reporting	4	0	4 100.0 %
Vote For	2	2	2
Total Votes	1168	3155	4323
RYAN TOUSSAINT	367	951	1318 30.49%
HANS DUUS	333	940	1273 29.45%
KAREN M. WAITE	352	916	1268 29.33%
BRIAN R. BACA	110	342	452 10.46%
Write-in Votes	6	6	12 0.28%

CARPINTERIA VALLEY WATER DISTRICT			
	Polling	VBM	Total
Number of Precincts	8	0	8
Precincts Reporting	8	0	8 100.0 %
Vote For	2	2	2
Total Votes	2803	6639	9442
CASE VAN WINGERDEN	1360	2828	4188 44.36%
POLLY HOLCOMBE	760	2036	2796 29.61%
STEVE BUNTING	670	1752	2422 25.65%
Write-in Votes	13	23	36 0.38%

EMBARCADERO MUNICIPAL IMPROVEMENT DISTRICT			
	Polling	VBM	Total
Number of Precincts	3	0	3
Precincts Reporting	3	0	3 100.0 %
Vote For	2	2	2
Total Votes	0	493	493
FRED SOLTYSIK	0	184	184 37.32%
JIM DEACON	0	173	173 35.09%
RONALD R. MAROTTO	0	131	131 26.57%
Write-in Votes	0	5	5 1.01%

GOLETA SANITARY DISTRICT			
	Polling	VBM	Total
Number of Precincts	27	0	27
Precincts Reporting	27	0	27 100.0 %
Vote For	3	3	3
Total Votes	9707	25522	35229
SHARON ROSE	2786	7223	10009 28.41%
GEORGE W. EMERSON	2567	6746	9313 26.44%
JOHN R. FOX	1634	4399	6033 17.13%
PHEBE MANSUR	1521	4028	5549 15.75%
DIANE POWERS	1183	3054	4237 12.03%
Write-in Votes	16	72	88 0.25%



Last Resolution No. 16-1001
Last Ordinance No. 16-0324

AGENDA NO. 2
REGULAR MEETING OF THE SOLVANG CITY COUNCIL

COUNCIL CHAMBERS
1644 OAK STREET

December 12, 2016
6:30 p.m.

Please be advised that, pursuant to State Law, any member of the public may address the Council concerning any item on the Agenda. Please be aware that Items on the Consent Calendar are considered to be routine and are normally enacted by one vote of the Council.

Regular City Council meetings are broadcast live on **Channel 23** in the Santa Ynez Valley, and stream live on the City's website at www.cityofsolvang.com/City Council

PRESENTATION OF CERTIFICATE OF ELECTION AND ADMINISTERING OF OATH OF OFFICE TO MAYOR ELECT JIM RICHARDSON AND COUNCIL MEMBERS ELECT RYAN TOUSSAINT AND HANS DUUS BY SANTA BARBARA COUNTY SUPERIOR COURT JUDGE KAY KUNS

INVOCATION BY PASTOR CHRIS BROWN OF BETHANIA LUTHERAN CHURCH

***** RECONVENE MEETING *****

CALL TO ORDER

CITY MANAGER'S REPORT

1. PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL

At this time, please direct comments to the City Council regarding Consent Calendar Items or matters NOT on the agenda but within the jurisdiction of the Council. (Speakers are limited to five (5) minutes).

2. COUNCIL COMMENTS AND REQUESTS

Comments and requests from City Council Members. No action will be taken at this meeting. Council Members may wish to take this opportunity to comment as to their goals for the upcoming year.

3. APPROVAL OF AGENDA AS PRESENTED

REGULAR AGENDA

4. CITY COUNCIL REORGANIZATION

Designation of Mayor Pro Tem and appointments to Council committees.

5. APPOINTMENTS TO BOARDS AND COMMISSIONS

Discuss and make selections for appointments to Boards and Commissions.

6. DISCUSS POTENTIAL REFERRAL OF SIGN CODE, IN REGARDS TO FLAGS, TO PLANNING COMMISSION FOR REVIEW

The City Attorney recommends that the flag code provisions of the Sign Code be referred to the Planning Commission for review only if the City Council wants to consider increasing the number of permissible flags for all flags, not just for American flags.

7. CANCELLATION OF THE SECOND CITY COUNCIL MEETING IN DECEMBER

Discuss cancellation of the December 26, 2016 City Council Meeting.

8. COUNCIL MEMBER REPORTS (Oral reports: Each Council Member will give oral reports on their activities in relation to the following committee or agencies. In addition, each member may report on items that will be included on the agenda for such committee or agency and seek guidance from the Council as a whole on such items, including on what position to take on behalf of the City)

- Santa Barbara County Association of Governments
- Air Pollution Control Board
- Joint Wastewater Committee
- Finance Committee
- Water Committee
- Indian Gaming Benefit Committee
- California Joint Powers Insurance Authority

9. ADVANCE CALENDAR

Informational calendar only – no action.

10. ADJOURNMENT

Copies of staff reports and supporting documentation pertaining to each item on this agenda are available for public viewing and inspection at City Hall, 1644 Oak Street, Solvang, during regular business hours and on the City's website www.cityofsolvang.com, in addition, any writings relating to an open session agenda item provided to a majority of the Council that is distributed within 72 hours of the meeting, after the posting of the agenda, will be identified and available separately at City Hall and may be posted to the website.

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of Administrative Services at 688-5575 or the California Relay Service. Notification 48 hours prior to the meeting would enable the City to make reasonable arrangements to ensure accessibility to this meeting.



**CITY COUNCIL
STAFF REPORT**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Lisa S. Martin, City Clerk

MEETING DATE: December 12, 2016

DATE PREPARED: December 6, 2016

SUBJECT: CITY COUNCIL REORGANIZATION

I. RECOMMENDATION:

1. Designate Mayor Pro Tem for 2017; and
2. Change of Seating Arrangement; and
3. Make Council Member appointments to Boards and Committees

II. DISCUSSION:

Historically, per City Council Protocols, Council reorganization takes place the first meeting in December.

The City Charter does not provide a mechanism for the selection of Mayor Pro Tem, however the City Council protocols adopted June 2005 and revised in January 2011 state, "The first criteria for selection of the Mayor Pro Tem shall be the Council Member who has not previously served as Mayor Pro Tem.

If more than one Council Member has not previously served then the Council Member with the greatest seniority in terms of consecutive years of service shall be selected.

If there is still more than one Council Member eligible, according to seniority, the Council Member who received the highest number of votes from the most recent election shall be selected as Mayor Pro Tem. No Council Member shall serve more than one term as Mayor Pro Tem until all of the Members have served or declined to serve.

Council Member Jamieson served in 2014, Council Member Zimmerman served in 2015, and Council Member Duus served in 2016.

The City Council is free to follow the Protocols or can choose to waive the protocols by a majority of the Council Members and choose some other method for determining the Mayor Pro Tem appointment.

As identified in the City Council Protocols, the seating arrangement is determined in the following manner:

At the time of Council reorganization, the Mayor shall have the prerogative to designate the seating order for the Council dais. Otherwise, the seating order shall be alphabetical beginning to the Mayor's right, with the Mayor seated in the center position and the Mayor Pro Tem to the Mayor's immediate right.

Another "housekeeping" action that occurs the first meeting of December is the designation of representatives to serve on various boards/committees. The list of 2016 Boards and Commission members is attached. A primary and alternate representative should be chosen for each.

III. ATTACHMENTS:

- 2016 Boards and Committees

2016

COUNCIL REPRESENTATION ON BOARDS AND COMMITTEES

S.B. COUNTY ASSOCIATION OF GOVERNMENTS

Jim Richardson
Edwin Skytt - Alternate

S.B. COUNTY AIR POLLUTION CONTROL BOARD

Jim Richardson
Edwin Skytt - Alternate

CALIFORNIA JPIA

Neill Zimmerman
Hans Duus - Alternate

MULTI-JURISDICTIONAL SOLID WASTE TASK GROUP

Hans Duus

JOINT WASTEWATER COMMITTEE

Edwin Skytt
Joan Jamieson

AD HOC FINANCE COMMITTEE –(JULY 1, 2015)

Jim Richardson
Neill Zimmerman

AD HOC SUBCOMMITTEE SANTA YNEZ BAND OF CHUMASH INDIANS

Jim Richardson
Hans Duus

INDIAN GAMING LOCAL BENEFIT COMMITTEE

Joan Jamieson

LEAGUE OF CALIFORNIA CITY REPRESENTATIVE

Edwin Skytt

AD HOC SUBCOMMITTEE CCWA MEMBERSHIP

Neill Zimmerman
Hans Duus



**CITY COUNCIL
STAFF REPORT**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Lisa S. Martin, City Clerk

MEETING DATE: December 12, 2016

DATE PREPARED: December 6, 2016

SUBJECT: APPOINTMENTS TO BOARDS AND COMMISSIONS

I. RECOMMENDATION:

Discuss and make selections for appointments to Boards and Commissions.

II . DISCUSSION:

Terms for members of the City's Planning Commission, Parks and Recreation Commission and Board of Architectural Review expire at the end of the calendar year. Historically new appointments are made at the first City Council meeting in December to allow members to be ready to serve in January. Staff has contacted the current serving members of the Boards and Commissions as to their interest in continuing for another term. Notices have been posted at City Hall, Parks & Recreation Department, the Solvang Library and on our website. All Boards and Commissions serve two-year terms.

New applications are not required for existing Board and Commission members requesting to serve new terms.

PLANNING COMMISSION:

According to the City Council Protocols, the five Planning Commissioners are appointed individually by a Council Member and are ratified by the entire Council.

Applicants interested in serving as a Planning Commissioner were encouraged to contact a Council Member to express their interest. Staff is not aware of any interested applicants for the next term. It is staff's understanding that Council Member Elect Toussaint has decided to re-appoint Robert Clarke. As such, listed below are the current Planning Commissioners and the Council Member who appointed them:

Planning Commissioners

Aaron Petersen
Gay Infanti
Jack Williams
Robert Clarke
Brian Chaney

Council Member

Mayor Richardson
Joan Jamieson
Hans Duus
Ryan Toussaint
Neill Zimmerman

BOARD OF ARCHITECTURAL REVIEW:

Consider appointments for the five Board seats (all current members are amenable to continuing their service, and two new applications were received):

Current Members

Melissa DeLeon
Carla Duus
Karen Waite
Mark Infanti
Elsa Marie Petersen

New Applicants

Susie Harrison*
Jesse Osehan*

PARKS AND RECREATION COMMISSION:

Consider re-appointments for five Commission seats (all current members are amenable to continuing their service, no new applications were received):

Current Members

Deborah Dalo
Gigi Gerritsen
Gretchen Glick
Carol Paaske
Tara Wood

New Applicants

III. **ALTERNATIVES:**

Decline appointments and continue advertising for new applicants.

IV **ATTACHMENTS:**

*Applications



RECEIVED
OCT 24 2016
CITY OF SOLVANG

APPLICATION FOR CITY OF SOLVANG
COMMISSION, BOARD OR COMMITTEE

Please return to:
City Clerk
1644 Oak Street
Solvang, Ca. 93463

1. Applying for (Use specific title)

BOARD OF ARCHITECTURAL REVIEW

2. Today's date:

10/24/16

3. Name:

HARRISON, SUSIE
Last First Middle

4. Telephone:

Home: 805-450-5530

Business: 805-688-0701

Cell: 805-450-5530

Email: SANTAYUEZSUSIE61@GMAIL.COM

5. Address:

1775 MAPLE AVE #315
Number Street

SOLVANG, CA 93463
City Zip Code

6. Occupation:

EX-ASSIST - SOLVANG CHAMBER OF COMMERCE

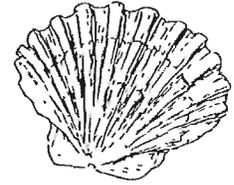
7. Availability for meetings: (Please check) - ANY TIME EXCEPT TUESDAY EVENING
Any time _____ Days Only _____ Evenings Only _____

Any combination - Explain ON TUESDAY EVENINGS I SING WITH THE SYN MASTER CHORALE -

8. Additional information: (Give any information explaining your qualifications, experience, training, education, volunteer activities, community organization memberships, or personal interests which bear on your application (Attach additional sheets as necessary.)

BACHELOR'S DEGREE IN INTERIOR DESIGN - VOLUNTEER ALL OVER THE CITY - LIVED HERE FOR 34 YEARS - LOOKING TO VOLUNTEER FOR THE CITY - SERVED TWO TERMS ON BALLARD SCHOOL BOARD

Susie Harrison
Signature of Applicant



Susie Harrison

December 7, 2016

Solvang City Council
1644 Oak Street
Solvang, CA 93463

RE: Board of Architectural Review

Dear Council Members:

Thank you for considering my application to volunteer for the Solvang Board of Architectural Review. I appreciate you taking the time to read my letter.

As an employee and resident of the City of Solvang, I am always interested in how our town is viewed by both the many visitors who come here and the residents. Solvang is known for being the Danish Capital of America and the current architectural theme reflects this everywhere you look. I would like to think that I can be a part of keeping this theme alive and going.

My education provided me with a Bachelor's in Interior Design and part of that education is architecture and codes. Not sure if this is a help or a hindrance, but nevertheless part of my resume.

I have lived in the valley for 34 years and enjoy volunteering in my community. I hope that this position will provide me a new opportunity for volunteer hours!

Thank you-

Susie Harrison

P.O. Box 732 Solvang, CA 93464 santaynezsusie61@gmail.com 805-450-5530



RECEIVED
NOV 22 2016
CITY OF SOLVANG

APPLICATION FOR CITY OF SOLVANG
COMMISSION, BOARD OR COMMITTEE

Please return to:
City Clerk
1644 Oak Street
Solvang, Ca. 93463

1. Applying for (Use specific title)

Board of Architectural Review

2. Today's date:

11/23/2016

3. Name:

Osehan Jessy
Last First Middle

4. Telephone:

Home: _____

Business: _____

Cell: (805) 350-8488

Email: jessy_osehan@yahoo.com

5. Address:

1532 Mission Drive
Number Street

Solvang 93463
City Zip Code

6. Occupation:

Hotelier

7. Availability for meetings: (Please check)

Any time Days Only _____

Evenings Only _____

w/notice
Any combination - Explain _____

8. Additional information: (Give any information explaining your qualifications, experience, training, education, volunteer activities, community organization memberships, or personal interests which bear on your application (Attach additional sheets as necessary.)

I have been the board president for Visit Santa Ynez Valley for 2 years. I also own an inn and run another inn in Solvang.

I'm very invested in the look and feel of the town - maintaining its charm.

[Signature]
Signature of Applicant



**CITY COUNCIL
STAFF REPORT**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Roy A. Hanley, City Attorney

MEETING DATE: December 12, 2016

DATE PREPARED: December 6, 2016

**SUBJECT: DISCUSS POTENTIAL REFERRAL OF SIGN CODE, IN REGARDS
TO FLAGS, TO PLANNING COMMISSION FOR REVIEW**

I. RECOMMENDATION:

The City Attorney recommends that the flag code provisions of the Sign Code be referred to the Planning Commission for review only if the City Council wants to consider increasing the number of permissible flags for all flags, not just for American flags.

II. DISCUSSION

The City Council recently heard concerns from citizens and business persons regarding the limitation on the number of flags that can be displayed on commercial lots in the Tourist Related Commercial District. A concern was expressed to consider allowing an increased amount of display for American flags, including bunting, or perhaps similar non-flag displays of the red, white and blue of the American flag.

It is important to note that the existing sign ordinance allows for flags without a permit as follows:

Flags: The official flag of a government, governmental agency, public institution, religion, or other similar entity. Flags flown on a temporary basis for purposes of honoring declared national or civic holidays. Two (2) flagpoles with a maximum

height of forty feet (40') which are not attached to the building shall be exempt. Additional flags and flagpoles shall require BAR review and approval.

Summary of Reason for Recommendation: The First Amendment of the Constitution of the United States of America forbids the City from regulating speech in ways that favor some viewpoints or ideas at the expense of others. Therefore, while the City does have the power to amend its Sign Code to allow an increase in the number of flags displayed without otherwise complying with the Sign Code, and may amend its code to allow bunting, pennants and other similar displays, the City may not allow an increase in the display of just American flags, or other similar patriotic displays. The City cannot prefer patriotic displays more than non or even unpatriotic displays.

Reasons for Recommendation Discussion In Chief: Anytime a City adopts regulations as to signage (especially where that regulation may affect expressive speech as opposed to merely commercial speech) the First Amendment to the Constitution of the United States must be considered and followed. The U.S. Supreme Court has made it clear that just because an “ordinance presents a First Amendment issue is not necessarily to say that it constitutes a First Amendment violation... It has been clear since the Court’s earliest decisions concerning the freedom of speech that the state may sometimes curtail speech when necessary to advance a significant and legitimate state interest.” (Members of the City Council of the City of Los Angeles et al. v. Taxpayers for Vincent (1984) 466 U.S. 789.

This referenced case upheld a provision of the Los Angeles municipal code that forbids private persons from placing signs on public property. In this case it was election signs that were placed, and removed by City staff. The court upheld the restriction in the code because the code was content neutral. The code forbade all signs, not just the signs of one candidate or one viewpoint. The case also makes it clear that a sign code that is designed to advance aesthetic interests, as is the Sign Code in Solvang, is a permissible exercise of police power in that it advances a legitimate interest of the City as such. The court did make it clear that the First Amendment forbids the City from regulating speech in ways that favor some viewpoints or ideas at the expense of others.

In the case of Solantic, LLC v. City of Neptune Beach (11th Circuit 2005) 410 F.3d 1250, the court addressed an attempt of that city to regulate an automobile dealership from displaying twenty-three American flags. The City was unable to do so, not because the flags were American flags, but because the sign ordinance in question was not content neutral. The code was not valid because “the display of the American flag or that of the State of Florida would be exempted from the permit process while a flag displaying the Greenpeace logo or a union affiliation would require a permit.” The Solvang code does not suffer from that infirmity. The Solvang code governs the number of flags, and other displays, not the type of flag or similar display. The existing exceptions for intermittent displays are

similarly content neutral and therefore enforceable as reasonable time, place and manner restrictions designed to advance the legitimate City interest in the aesthetics required to preserve the vibrant economic engine that is the Solvang commercial area.

Other cities have indeed tried, unsuccessfully, to regulate flags based upon content. The Village of Schaumburg (in Illinois) attempted to allow official flags and corporate flags (but not American or other) and its ordinance failed the constitutional test described above. In California, post September 11, 2001, the Department of Transportation adopted a policy that allowed the display of American flags on highway overpasses, but required anyone desiring to display other expressive signs or banners to seek and obtain a permit. The 9th Circuit in *Brown v. California Department of Transportation* (2003) 321 F. 3d 1217 held that the policy favoring the display of the American flag over other displays was not constitutional because the policy was not content neutral and the displays were not state sponsored, they were by individual actors.

The City is free to amend its Sign Code. The current limitations are content neutral and serve a legitimate state interest. That being said, if the City Council were to decide that the legitimate interests in aesthetics protected by the Sign Code could be served by allowing more flags, or more displays, the City is free to do so. What the City may not do is allow more flags, but restrict the additional flags to American flags. This does not mean that the City must allow persons to fly other flags on City property. Flags flying on City property are City speech, and the City as such, is free to decide that its speech should be restricted to flying the American flag, and this does not violate the Constitution. The City Council should also bear in mind that what we commonly refer to as the United States Flag Code in fact does not legally apply as force of law to states and cities. It is, in fact, merely advisory. The City cannot dictate to its citizens what flag they must fly, and how they should treat it. The Federal government may not dictate to cities what speech they should engage in or support.

The City has undertaken several comprehensive sign ordinance updates in past years. Sub-committees were formed to review the sign ordinance and develop recommendations for revisions which were subsequently reviewed by the Board of Architectural Review and the Planning Commission prior to adoption by the City Council. Workshops have also been held to obtain public input prior to finalizing the draft ordinances. Review of the sign ordinance in its entirety by each sub-committee took approximately one year to complete. In November of 2006, and in April of 2012, the City Council adopted comprehensive updates to the sign ordinance. Planning staff would recommend that if changes are being considered to the Sign Ordinance that it should be looked at in total and not just the flag portion.

III. ALTERNATIVES:

The City Council may refer any matter within the jurisdiction of the Planning Commission to it for review and recommendation. The City Council may also seek an expert opinion on the issue if it desires. The City Attorney does not recommend this, as the law is clear. The City has previously consulted with an expert on its Sign Code, and the expert opinion is highly likely to cost money, and reach the exact same conclusion.

IV. FISCAL IMPACT:

There is no fiscal impact identified with the City Attorney recommendations. If the City Council directs changes to the Sign Code there will be staff time and City Attorney time involved, and therefore some expense. Such expense would not require any budget adjustments.



**CITY COUNCIL
STAFF REPORT**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Brad Vidro, City Manager

MEETING DATE: December 12, 2016

DATE PREPARED: December 2, 2016

**SUBJECT: CANCELLATION OF THE SECOND CITY COUNCIL MEETING
IN DECEMBER**

I. RECOMMENDATION:

Discuss cancellation of the December 27, 2016 City Council meeting.

II. DISCUSSION:

Historically the City Council has cancelled the second meeting in December due to its proximity to the Christmas Holiday. Because Christmas falls on a Sunday, Monday December 26 is a holiday for City staff and the second meeting would be on Tuesday December 27, 2016. Staff does not anticipate any items needing immediate City Council action on that second meeting date in December. The Council is being asked if they would like to cancel that meeting.

III. ALTERNATIVES:

Council could choose not to cancel this meeting.

IV. FICAL IMPACT:

None

<u>Unscheduled</u>		
	Resolution of Intent re: Installment Sale Water Revenue Bonds	
	Ordinance Amendment- Snowbird Meter Fees	
	Storm Water Resource Plan	
	Sphere of Influence/Annexation Study	
<i>*Public Notice Required</i>	Building Fee revisions, California Code Check Agreement	
	Wireless Telecommunication Facilities Regulations	
	Findings of SYCSD Recycled Water Planning Study	
	Resolution of Support for SBCAG Regional Bike & Ped Plan	
	NPDES Permit Trash Amendment Summary	
	Conflict of Interest Code Review (June 2018)	Discuss
	Hazard Mitigation Plan Update	Approve
	<i>Warrant Register (1st meeting of each month)</i>	<i>Approve</i>
	<i>Sheriff's Department Report (2nd meeting of each month)</i>	<i>Receive</i>
	<i>SCVB Report (2nd meeting of each month & biennial report)</i>	<i>Receive</i>
	<i>Fire Department Report (Quarterly)</i>	<i>Receive</i>
	<i>VisitSYV Report (Quarterly)</i>	<i>Receive</i>