

**AGENDA**  
**REGULAR MEETING OF THE HOLTVILLE CITY COUNCIL**  
**121 WEST FIFTH STREET, HOLTVILLE, CALIFORNIA**

**September 26, 2016**

**OPEN SESSION**

**6:00 PM**

**Jim Predmore, Mayor**  
**Mike Goodsell, Mayor Pro Tem**  
**Ginger Ward, Council Member**  
**David Bradshaw, Council Member**  
**Richard Layton, Council Member**

**Steve Walker, City Attorney**  
**Denise Garcia, City Clerk**  
**Nick Wells, City Manager**  
**George Morris, City Treasurer**

**THIS IS A PUBLIC MEETING**

*If there is an item on the agenda on which you wish to be heard, please come forward to the microphone at the time the item is being addressed. State your name for the record. All other items can be addressed during the Public Comments portion of the agenda. The Mayor reserves the right to place a time limit on each person asking to be heard.*

**CITY COUNCIL**

**CLOSED SESSION 5:30 PM**

**CONFERENCE WITH LABOR NEGOTIATORS:**

*(Government Code Section 54957.6)*

Agency Negotiator: City Manager/City Attorney  
Classified Employees

**PUBLIC EMPLOYMENT:**

*(Government Code Section 54957.6)*

City Manager Evaluation  
Evaluation Criteria

**CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION:**

*(Government Code Section 54956.9(a))*

City of Holtville vs. Willowbend Mobile Home Park  
Charles Simpson vs. City of Holtville

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

*(Government Code Section 54956.9(b))*

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**

*(Government Code Section 54956.9)*

Property: Segment of Ralph Samaha Field 045-211-001  
Agency Negotiators: City Manager and City Attorney  
Under Negotiation: Price and Terms of Lease with Clear Talk Wireless

**CITY COUNCIL:** Meeting Called To Order

**PLEDGE OF ALLEGIANCE:**

**INVOCATION:**

**CITY CLERK RE:** Verification of Posting of the Agenda

**EXECUTIVE SESSION ANNOUNCEMENTS:** Steve Walker, City Attorney

**PUBLIC COMMENTS:** This is time for the public to address the City Council on any item not appearing on the agenda that is within the subject matter jurisdiction of the City Council. The Mayor reserves the right to limit the speaker's time. The Mayor will recognize you and when you come to the microphone, please state your name and address for the record. You are not allowed to make personal attacks on individuals or make comments which are slanderous or which may invade an individual's personal privacy.

**CONSENT AGENDA:**

*The items on the Consent Agenda are to be approved without comment. Should any Council Member or member of the public wish to discuss any item, they may request that the item be removed from the Consent Agenda and placed on the New Business Agenda.*

1. Approval of the Minutes from the Special Meeting of September 12, 2016.
2. Current Demands #36543 thru #36588.

**REPORTS OF OFFICERS, COMMISSIONS, COMMITTEES AND COMMUNIQUE:**

**UNFINISHED BUSINESS:**

None

**NEW BUSINESS:**

3. **Discussion/Related Action to Adopt RESOLUTION #16-36** Approving the Community Development Block Grant (CDBG) Program Income (PI) Reuse Agreement – Hector Orozco, Finance Supervisor
4. **Discussion/Related Action to Adopt RESOLUTION #16-37** Approving the Procurement Finance Policy, #100-03 – Hector Orozco, Finance Supervisor
5. **Discussion/Related Action to appoint Mary Camacho to Represent the City of Holtville on the Imperial Valley Housing Authority Board for 2016** – Denise Garcia, City Clerk

**INFORMATION ONLY:**

6. **Information Only:** Preliminary Information Regarding the Purchase of New Fire Apparatus – Alex Silva, Fire Chief
7. **City Manager Report – Nick Wells**
  - a. Water/Wastewater Supervisor – Frank Cornejo
  - b. Public Works Foreman – Alex Chavez
8. **Items for future meetings**

**ADJOURNMENT:**

I, Denise Garcia, City Clerk of the City of Holtville, California, **DO HEREBY CERTIFY** that the foregoing agenda was duly posted at Holtville City Hall on September 23, 2016.

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MEETING DATE:	9/26/16
APPROVED FOR AGENDA	
CITY MANAGER	_____
FINANCE MANAGER	_____
CITY ATTORNEY	_____

**THE MINUTES OF THE REGULAR MEETING OF  
THE HOLTVILLE CITY COUNCIL**

**September 12, 2016**

The Regular Meeting of the Holtville City Council was held on Monday September 12, 2016 at 5:30 p.m. in the Civic Center. Council Members present were Richard Layton, David Bradshaw, Mike Goodsell, Jim Predmore and Ginger Ward. Staff members present were Nick Wells, Denise Garcia, Alex Silva, and Hector Orozco. City Treasurer George Morris, Attorney Steve Walker, and City Planner Justina Arce were also present.

**CITY COUNCIL CLOSED SESSION MEETING CALLED TO ORDER:**

Mayor Predmore called the Closed Session meeting to order at 5:29 p.m.

**CITY COUNCIL OPEN SESSION MEETING CALLED TO ORDER:**

Mayor Predmore called the meeting to order at 6:12 p.m.

**PLEDGE OF ALLEGIANCE:**

The Pledge of Allegiance was led by David Bradshaw.

**INVOCATION:**

The invocation was led by Mike Goodsell.

**CITY CLERK RE: VERIFICATION OF POSTING OF AGENDA:**

City Clerk verified that the agenda was duly posted on Friday, September 9, 2016.

**EXECUTIVE SESSION ANNOUNCEMENTS:**

No action was taken

**CONFERENCE WITH LABOR NEGOTIATORS:**

*(Government Code Section 54957.6)*

Agency Negotiator: City Manager/City Attorney

Classified Employees

No Reportable Action Taken.

**PUBLIC EMPLOYMENT:**

*(Government Code Section 54957.6)*

City Manager Evaluation

Evaluation Criteria

No Reportable Action Taken.

**CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION:**

*(Government Code Section 54956.9(a))*

City of Holtville vs. Willowbend Mobile Home Park

Charles Simpson vs. City of Holtville

No Reportable Action Taken.

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

*(Government Code Section 54956.9(b))*

Claim against the City by Jimenez

No Reportable Action Taken.

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**

*(Government Code Section 54956.9)*

Property: Segment of Ralph Samaha Field 045-211-001

Agency Negotiators: City Manager and City Attorney

Under Negotiation: Price and Terms of Lease with Clear Talk Wireless

No Reportable Action Taken.

**PROCLAMATION:**

A Proclamation declaring the month of September as "Childhood Cancer Awareness Month" was read by Mayor James Predmore.

**PUBLIC COMMENTS:**

After the reading of the Proclamation, Robin Iten, Founder of Halos & Tiaras and the Caelynn Andrea Iten Foundation thanked the Council for the Proclamation and encouraged everyone to wear gold to support Childhood Cancer Awareness.

Marcy Bingham told Council that she appreciated Council's Support and stated that cancer affects the entire community.

Lourdes Fusi introduced her daughter Bella and said that support from the Council and the Community is overwhelming and appreciated.

**CONSENT AGENDA:**

**1. Approval of the Special Minutes of the City Council Meeting of August 25, 2016.**

**2. Approval of Demands #35458 thru #36542.**

A motion was made by Ms. Ward and seconded by Mr. Goodsell to approve items 1 and 2 of the Consent Agenda. The motion carried in the form of a roll call vote.

AYES: Goodsell, Ward, Predmore, Layton, Bradshaw

NOES: None

ABSENT: None

ABSTAIN: None

**REPORTS OF OFFICERS, COMMISSIONS, COMMITTEES AND COMMUNIQUES:**

Fire Chief Alex Silva reported that he returned from Strike Team where he and the Team were assigned to protect Hearst Cabin and later Hearst Castle. He also reported that he and Police Chief Benavidez were invited to participate in the 9/11 Ceremony at Finley School. He reminded council that the Walk to School Day event would be held October 3-5.

Ms. Ward reported that she attended the Pete Mellinger Trail Dedication Ribbon Cutting Ceremony.

Mr. Predmore reported that he attended the Pete Mellinger Trail Dedication Ribbon Cutting Ceremony and a SCAG meeting on September 1<sup>st</sup> and would also attend another SCAG meeting on September 29. He informed Council that there would be a dedication for the Dogwood Overpass on October 5<sup>th</sup>.

Mr. Goodsell reported that he announced the winning High School Football game on Friday.

Mr. Bradshaw reported that he attended the Pete Mellinger Trail Dedication and Ribbon Cutting Ceremony

Steve Walker announced that he was a grandfather for the third time. He also invited Council to attend a Brown Act Refresher Course he would be presenting for the Imperial County.

Mr. Wells thanked Alex Chavez and the Sheriff's Department for their effort for cleaning graffiti around the City. He also thanked office staff and Public Works staff for pulling off the Ribbon Cutting Ceremony for the Pete Mellinger Trail Dedication and making it nice for the family.

Justina Arce reported that the Osborne Property documents are moving forward in the process.

### **NEW BUSINESS:**

**3. Discussion/Related Action to Adopt RESOLUTION #16-33 Urging Governor Brown to Veto California Senate Bill Number 1289 Proposing to Prohibit Local Governments Contracts with Private Entities to Detain Immigrants for Profit on Behalf of the Department of Homeland Security – Nick Wells, City Manager**

A motion was made by Mr. Goodsell and seconded by Mr. Layton to adopt Resolution #16-33 urging Governor Brown to veto California Senate Bill Number 1289 proposing to prohibit local government contracts with private entities to detain immigrants for profit on behalf of the Department of Homeland Security. The motion carried in the form of a roll call vote.

AYES: Goodsell, Ward, Predmore, Layton, Bradshaw

NOES: None

ABSENT: None

ABSTAIN: None

**4. Discussion/Related Action to Adopt RESOLUTION #16-34 Approving the Job Description for Waste Water Treatment Plant Operator I-Environmental Compliance Inspector and Adding the Position to the Salary Schedule – Nick Wells, City Manager**

A motion was made by Mr. Bradshaw and seconded by Ms. Ward to adopt Resolution #16-34 approving the job description for Waste Water Treatment Plant Operator I-Environmental Compliance Inspector and adding the position to the Salary Schedule. The motion carried in the form of a roll call vote.

AYES: Goodsell, Ward, Predmore, Layton, Bradshaw

NOES: None

ABSENT: None

ABSTAIN: None

**5. Discussion/Related Action to Adopt RESOLUTION #16-35 Awarding Contract for Design Engineering Services for the Sixth Street Holt to Melon Improvements Project – Nick Wells, City Manager**

A motion was made by Mr. Goodsell and seconded by Ms. Ward to adopt Resolution #16-35 awarding contract for Design Engineering Services for the Sixth Street Holt to Melon Improvements Project. The motion carried in the form of a roll call vote.

AYES: Goodsell, Ward, Predmore, Layton, Bradshaw

NOES: None

ABSENT: None

ABSTAIN: None

**6. Discussion/Related Action Regarding Proposed Remodeling of the Holtville Chamber of Commerce Building – Nick Wells, City Manager**

A motion was made by Mr. Layton and seconded by Ms. Ward to approve a 50% contribution in the amount of \$3,820.37 for the cost of the proposed remodeling of the Holtville Chamber of Commerce Building. The motion carried in the form of a roll call vote.

AYES: Goodsell, Ward, Predmore, Layton, Bradshaw

NOES: None

ABSENT: None

ABSTAIN: None

**INFORMATION ONLY:**

7. *This item was moved up to the beginning of New Business.*

**Public Hearing: Community Input on the Service Area Plan and General Plan Currently Being Prepared Under the Sustainable Communities General Planning Grant.**

A Public Hearing was opened at 6:35 p.m. and with no comments from the public, was closed at 7:04 p.m.

**8. City Manager Report – Nick Wells**

a. Police Chief – Bobby Benavidez

aa. Fire Chief – Alex Silva

b. Water/Wastewater Supervisor – Frank Cornejo

c. Public Works Foreman – Alex Chavez

d. Finance Supervisor – Hector Orozco

**9. Items for Future Meetings**

There being no further business to come before Council, Mayor Predmore adjourned the meeting at 7:26 p.m.

\_\_\_\_\_  
James Predmore, Mayor

\_\_\_\_\_  
Denise Garcia, City Clerk

**CITY OF HOLTVILLE**  
**Monthly Check Register**

MEETING DATE:	09/26/16
ITEM NUMBER	2
Approvals	CITY MANAGER 
	FINANCE MANAGER
	CITY ATTORNEY

Date : 9/22/2016 2:31:27 PM

User Name : Lee Ann

Calendar Month/Year : <ALL> <ALL>

Fund	Transaction	Due Date	Invoice Number	Description		
<b>Check Number : 36543      Check Date : 9/15/2016</b>						
<b>Vendor : 1065 ACME SAFETY &amp; SUPPLY CO.</b>						
10	74574	9/8/2016	105564	PAINT FOR STREETS	PW	194.40
10	74575	9/8/2016	105578	STREET PAINT		75.60
<b>Invoice Amount : 270.00</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 270.00</b>		
<b>Check Number : 36544      Check Date : 9/15/2016</b>						
<b>Vendor : 8041 AFLAC</b>						
10	74732	9/13/2016	921581	INSURANCE PREMIUM	ADMIN	122.81
<b>Invoice Amount : 122.81</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 122.81</b>		
<b>Check Number : 36545      Check Date : 9/15/2016</b>						
<b>Vendor : 1796 ARAMARK SERVICES, INC.</b>						
10	74729	9/15/2016	AUG. 2016	UNIFORMS PW	PW	802.13
11	74729	9/15/2016	AUG. 2016	UNIFORMS PW		788.92
12	74729	9/15/2016	AUG. 2016	UNIFORMS PW		1,040.77
<b>Invoice Amount : 2,631.82</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 2,631.82</b>		
<b>Check Number : 36546      Check Date : 9/15/2016</b>						
<b>Vendor : 8016 AT&amp;T MOBILITY</b>						
10	74711	9/14/2016	SEPT. 2016	CELL PHONE	ADMIN	99.30
<b>Invoice Amount : 99.30</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 99.30</b>		
<b>Check Number : 36547      Check Date : 9/15/2016</b>						
<b>Vendor : 4617 BAJA DESERT TIRE</b>						
10	74563	9/8/2016	35649	TIRES FOR PW PARKS VEHICLE		990.23
11	74565	9/8/2016	35469	REPAIR FLAT TIRE ON BACKHOE		42.00
12	74565	9/8/2016	35469	REPAIR FLAT TIRE ON BACKHOE		42.00
11	74567	9/8/2016	35425	TIRES FOR PUBLIC WORKS VEHICLE	PW	501.11
12	74567	9/8/2016	35425	TIRES FOR PUBLIC WORKS VEHICLE		501.12
10	74568	9/8/2016	35715	TIRES FOR GOLF CART		165.37
10	74569	9/8/2016	35661	TIRE FOR GOLF CART		55.12
11	74612	9/12/2016	35506	REPLACE TIRES ON PW VEHICLE		495.11
12	74612	9/12/2016	35506	REPLACE TIRES ON PW VEHICLE		495.12
10	74713	9/14/2016	35812	NEW IPMS SENSOR FOR TAHOE		138.24
10	74714	9/14/2016	26279	NEW TIRE FOR 3601		234.98
10	74726	9/15/2016	35892	REPAIR TO TIRE ON GATOR	FD	10.00
11	74727	9/15/2016	35814	REPAIR TIRE ON VEHICLE		10.00
11	74728	9/15/2016	35939	REPAIRS TO TIRE ON VEHICLE		28.70
12	74728	9/15/2016	35939	REPAIRS TO TIRE ON VEHICLE		28.71
<b>Invoice Amount : 3,737.81</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 3,737.81</b>		
<b>Check Number : 36548      Check Date : 9/15/2016</b>						
<b>Vendor : 8166 BOUNDTREE</b>						
10	74691	9/13/2016	82248358	GLOVES		308.31
10	74692	9/13/2016	82248359	MEDICAL SUPPLIES		309.38
10	74697	9/13/2016	82248357	MEDICAL SUPPLIES	FD	268.98
10	74704	9/13/2016	82255044	RESPONDER BAG BLS 2000 ALERT B		215.99
<b>Invoice Amount : 1,102.66</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 1,102.66</b>		
<b>Check Number : 36549      Check Date : 9/15/2016</b>						
<b>Vendor : 1750 CARROT TOP INDUSTRIES</b>						
10	74722	9/15/2016	31794200	US FLAG	PW	553.10
<b>Invoice Amount : 553.10</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 553.10</b>		
<b>Check Number : 36550      Check Date : 9/15/2016</b>						
<b>Vendor : 8739 CLAUDIA RAMIREZ</b>						
11	74677	9/13/2016	611 CEDAR	REFUND OF DEPOSIT	ADMIN	77.90

**CITY OF HOLTVILLE**  
**Monthly Check Register**

Date : 9/22/2016 2:31:27 PM

User Name : Lee Ann

Calendar Month/Year : <ALL> <ALL>

Fund	Transaction	Due Date	Invoice Number	Description	PO Number	Amount
<b>Invoice Amount</b> : 77.90		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 77.90		
<b>Check Number</b> : 36551 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 2320 COUNTY MOTOR PARTS						
10	74616	9/12/2016	209284	FITTINGS FOR FLATBED		18.45
10	74628	9/12/2016	210333	DEXRON	PW	9.05
10	74687	9/13/2016	211150	OIL; ANTIFREEZE		28.79
10	74696	9/13/2016	210915	ANTIFREEZE		18.35
<b>Invoice Amount</b> : 74.64		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 74.64		
<b>Check Number</b> : 36552 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 1907 COUNTY OF SAN DIEGO, RCS						
10	74706	9/13/2016	17HOLTFDN02	800 MHZ RADIOS	PW	760.83
11	74706	9/13/2016	17HOLTFDN02	800 MHZ RADIOS	FD	73.33
12	74706	9/13/2016	17HOLTFDN02	800 MHZ RADIOS		73.34
<b>Invoice Amount</b> : 907.50		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 907.50		
<b>Check Number</b> : 36553 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 7932 CR&R INCORPORATED						
10	74682	9/13/2016	AUGUST 2016	TRASH SERVICE FOR AUGUST 2016	TRASH	(3,166.84)
13	74682	9/13/2016	AUGUST 2016	TRASH SERVICE FOR AUGUST 2016		17,510.75
<b>Invoice Amount</b> : 14,343.91		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 14,343.91		
<b>Check Number</b> : 36554 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 7699 CWEA						
11	74720	9/15/2016	ALJEANDRO CHAVE	MEMBERSHIP	PW	164.00
<b>Invoice Amount</b> : 164.00		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 164.00		
<b>Check Number</b> : 36555 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 1435 DEL SOL MARKET						
10	74686	9/13/2016	3642	BOTTLED WATER		16.23
10	74695	9/13/2016	3629	GATORADE FOR STRIKE TEAM	FD	4.95
<b>Invoice Amount</b> : 21.18		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 21.18		
<b>Check Number</b> : 36556 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 1879 DELL COMPUTER CORP.						
10	74668	9/13/2016	XK1D2R2N3	COMPUTER EQUIPMENT - MONITORS	PW	230.79
11	74668	9/13/2016	XK1D2R2N3	COMPUTER EQUIPMENT - MONITORS	ADMIN	230.79
10	74671	9/13/2016	XK1DKPKW5	COMPUTER REPLACEMENT		1,203.17
12	74671	9/13/2016	XK1DKPKW5	COMPUTER REPLACEMENT		1,203.17
<b>Invoice Amount</b> : 2,867.92		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 2,867.92		
<b>Check Number</b> : 36557 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 1658 DENISE GARCIA						
10	74678	9/13/2016	9/2/16	REFRESHMENTS FOR PETE MELLINGER	COUNCIL	29.48
<b>Invoice Amount</b> : 29.48		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 29.48		
<b>Check Number</b> : 36558 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 4572 EMPIRE SOUTHWEST						
11	74561	9/8/2016	392523	REPAIRS TO GENERATOR AT WTP		3,320.95
11	74613	9/12/2016	3942221	REPAIRS TO BACKHOE	PW	180.02
12	74613	9/12/2016	3942221	REPAIRS TO BACKHOE		180.02
<b>Invoice Amount</b> : 3,680.99		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 3,680.99		
<b>Check Number</b> : 36559 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 1073 FIRE, ETC.						
10	74707	9/13/2016	93503	STEEL TOE STATION WORK BOOT	FD	184.57
<b>Invoice Amount</b> : 184.57		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> : 184.57		
<b>Check Number</b> : 36560 <b>Check Date</b> : 9/15/2016						
<b>Vendor</b> : 8079 FRANK CORNEJO						

## CITY OF HOLTVILLE

### Monthly Check Register

Date : 9/22/2016 2:31:27 PM

User Name : Lee Ann

Calendar Month/Year : &lt;ALL&gt; &lt;ALL&gt;

Fund	Transaction	Due Date	Invoice Number	Description	PO Number	Amount
11	74730	9/13/2016	9/14/16	ACCOMODATIONS FOR PW EMPLOYEES		
12	74730	9/13/2016	9/14/16	ACCOMODATIONS FOR PW EMPLOYEES	PW	61.24
<b>Invoice Amount</b> : 122.48		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> :		122.48
<b>Check Number</b> : 36561		<b>Check Date</b> : 9/15/2016				
<b>Vendor</b> : 1015 HOLT GROUP, THE						
10	74632	9/12/2016	16-07-028	(454) CLEAR TALK CEQA REVIEW		
11	74633	9/12/2016	16-07-027	(450) WTP TANK SRF GRANT		3,402.50
22	74634	9/12/2016	16-07-026	(446) 6TH STREET RSTP		266.25
10	74635	9/12/2016	16-07-024	(428) SGC GP/SAP GRANT ADMIN		1,193.53
22	74636	9/12/2016	16-07-023	(423) 5TH STREET PHASE 2		172.50
10	74637	9/12/2016	16-07-022	(422) TRAIL LINK TO WETLANDS		145.00
12	74638	9/12/2016	16-07-021	(408) NAD BANK LOAN AGREEMENT		6,461.25
10	74639	9/12/2016	16-07-020	(403) MELON LLC ANNEXATION		1,941.00
22	74640	9/12/2016	16-07-019	(391) ALAMO RIVER HCF GRANT ADM		346.25
22	74641	9/12/2016	16-07-018	(383) RSTP WALNUT IMPROVEMENT		86.25
22	74642	9/12/2016	16-07-017	(335) ICTC & MISC. TRANSPORTATIO		464.34
12	74643	9/12/2016	16-07-016	(327) WWTP SCWG GRANT APPLICAT		130.00
12	74644	9/12/2016	16-07-015	(323) 2010 WASTEWATER PLANT APP		1,238.43
10	74645	9/12/2016	16-07-014	(233) HOLTVILLE WETLANDS		258.75
10	74646	9/12/2016	16-07-013	(207) REVIEW BLDG. PERMITS		1,462.50
10	74647	9/12/2016	16-07-012	(047) MISC. PLANNING SERVICES		1,520.21
11	74648	9/12/2016	16-07-005	(455) ENG. SERVICES FOR WWTP IM		2,613.60
12	74649	9/12/2016	16-07-004	(435) WASTEWATER TREATMENT PL		5,337.00
22	74650	9/12/2016	16-07-003	(000) 9TH STREET IMPROVEMENTS		870.00
12	74651	9/12/2016	16-07-003-1	(000) PRETREATMENT PROGRAM		1,755.00
22	74652	9/12/2016	16-07-003-2	(000) WALNUT AVE. IMPROVEMENTS		375.00
22	74653	9/12/2016	16-07-025	(442) 9TH STREET PHASE 3		1,120.00
<b>Invoice Amount</b> : 34,000.60		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> :		34,000.60
<b>Check Number</b> : 36562		<b>Check Date</b> : 9/15/2016				
<b>Vendor</b> : 4642 I.C. PUBLIC HEALTH DEPT. LAB.						
11	74681	9/13/2016	17882	PRE EMPLOYMENT PHYSICAL WTP	PW	140.00
<b>Invoice Amount</b> : 140.00		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> :		140.00
<b>Check Number</b> : 36563		<b>Check Date</b> : 9/15/2016				
<b>Vendor</b> : 1153 I.V. REGIONAL OCCUPATIONAL PROGRAM						
12	74667	9/13/2016	AUGUST 2016	FINGERPRINT FEES FOR NEW EMPLOY		25.00
<b>Invoice Amount</b> : 25.00		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> :		PW 25.00
<b>Check Number</b> : 36564		<b>Check Date</b> : 9/15/2016				
<b>Vendor</b> : 2297 IMPERIAL COUNTY SHERIFF'S DEPT.						
10	74684	9/13/2016	8312016-1	SHERIFF SERVICES FOR AUGUST 201	SHERIFF	80,825.12
<b>Invoice Amount</b> : 80,825.12		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> :		80,825.12
<b>Check Number</b> : 36565		<b>Check Date</b> : 9/15/2016				
<b>Vendor</b> : 1026 IMPERIAL IRRIGATION DISTRICT						
10	74665	9/13/2016	SEPT. PARKS 201	ELECTRICITY PARKS		1,662.02
10	74666	9/13/2016	SEPT. 2016	ELECTRICITY	PARKS	5,778.22
11	74666	9/13/2016	SEPT. 2016	ELECTRICITY	ADMIN	8,138.51
12	74666	9/13/2016	SEPT. 2016	ELECTRICITY		3,925.23
<b>Invoice Amount</b> : 19,503.98		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> :		19,503.98
<b>Check Number</b> : 36566		<b>Check Date</b> : 9/15/2016				
<b>Vendor</b> : 1027 IMPERIAL STORES						
10	74570	9/8/2016	578366	POLYBAG; EXTENSION		4.04
10	74571	9/8/2016	578368	PLASTIC		1.66

**CITY OF HOLTVILLE**  
**Monthly Check Register**

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Fund	Transaction	Due Date	Invoice Number	Description	PO Number	Amount
10	74572	9/8/2016	578339	PAINT; SCRAPER FOR GRAFHITI		
10	74573	9/8/2016	578373	PLUMBING REPAIRS AT CITY HALL		26.19
10	74577	9/8/2016	577222	KEYS		12.48
10	74578	9/8/2016	578402	PAINT FOR GRAFHITI		2.72
10	74579	9/8/2016	579051	BOTTLED WATER		6.47
10	74580	9/8/2016	578926	SEALER ; FOAM SEALANT		7.04
10	74581	9/8/2016	578644	CARPET CLEANER; DISH SOAP		14.50
10	74582	9/8/2016	578636	UPHOLSTERY CLEANER; SPOT CLEAN		17.00
10	74583	9/8/2016	578511	EXT. CORD		52.07
10	74584	9/8/2016	578416	HAND SANITIZER		20.93
10	74585	9/8/2016	578411	STORAGE CONTAINER; CLEANING SU		4.55
10	74586	9/8/2016	578407	CABLE TIES		47.46
10	74587	9/8/2016	578406	STORAGE CONTAINERS		1.38
10	74588	9/8/2016	578404	MINI CLAMP; MICRO CLAMP		44.74
10	74589	9/8/2016	578296	AIR FILTERS		2.38
10	74590	9/8/2016	578258	GLUE; CLEANING SUPPLIES		1.97
10	74591	9/8/2016	578184	TOWELS		17.56
10	74592	9/8/2016	578076	HOSE END		15.11
10	74593	9/8/2016	577997	WORK GLOVES; MULTI TOOL; POCKET		3.42
10	74594	9/8/2016	577874	SHOVEL; FLAT FILE		110.27
10	74595	9/8/2016	577800	GLOVES		37.31
10	74596	9/8/2016	577795	TIDE; LAUNDRY BAG		30.66
10	74597	9/8/2016	577786	YELLOW PAINT		27.14
10	74598	9/8/2016	577783	EXT. CORD; TRI TAP CORD		4.55
10	74599	9/8/2016	577739	SOAKER HOSE		35.64
10	74600	9/8/2016	577736	SOAKER HOSE		10.92
10	74601	9/8/2016	16.14	LIGHTER; LEATHER CLEANER		10.92
10	74602	9/8/2016	578516	PAINT FOR GRAFHITI		16.14
10	74603	9/8/2016	578508	PAINT FOR GRAFHITI		4.55
10	74614	9/12/2016	578990	PRUNER; OIL		12.94
10	74615	9/12/2016	578755	CONCRETE PATCH; TROWEL; ;MIXING		73.40
11	74618	9/12/2016	578691	PVC COUPLING; ADAPTER		41.04
10	74619	9/12/2016	578189	SPRAY PAINT		8.59
10	74620	9/12/2016	578186	SPRAY PAINT		4.55
10	74622	9/12/2016	578648	BATTERIES FOR REPAIRS TO LIBRAR		4.55
10	74624	9/12/2016	578308	HOSE NOZZLE; WATERING CAN		14.03
10	74625	9/12/2016	578007	HOSE O RING WASHERS; HOSE WAS		24.69
10	74626	9/12/2016	578000	HOSE BIBB; NOZZLE; ADAPTER		5.17
10	74629	9/12/2016	848062	LEATHER CLEANER; UTILITY LIGHTER		47.80
11	74630	9/12/2016	578989	LETTERING		16.14
11	74631	9/12/2016	578982	HACKSAW; BIT; TAPE ACID		14.86
10	74688	9/13/2016	579549	KITCHEN BAGS; DISINFECTING WIPES		103.05
10	74689	9/13/2016	579518	CLEANING SUPPLIES		22.31
10	74690	9/13/2016	579530	HOSE; HOSE WASHERS		8.48
10	74693	9/13/2016	579524	HOSE NOZZLES; CABLE TIES		18.91
10	74698	9/13/2016	579104	VEHICLE WASH; AIR FILTERS		50.71
10	74699	9/13/2016	579122	COOLER		8.62
12	74708	9/13/2016	577873	MAIL BOX, BUG KILLER		43.19
10	74709	9/13/2016	577526	WIRE BRUSH; STAPLES AND PAINT S		83.11
<b>Invoice Amount</b>	: 1,210.21		<b>Discount Amount</b>	: 0.00		<b>Check Amount</b> : 1,210.21

**CITY OF HOLTVILLE**  
**Monthly Check Register**

Date : 9/22/2016 2:31:27 PM

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Calendar Month/Year : <ALL> <ALL>

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<b>Check Number : 36567      Check Date : 9/15/2016</b>						
<b>Vendor : 1148 IMPERIAL VALLEY PRESS</b>						
10	74202	8/12/2016	222552 2016	SUBSCRIPTION RENEWAL	ADMIN	149.04
12	74211	8/15/2016	10950309	WWTP JOB AD	PW	780.96
<b>Invoice Amount : 930.00</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 930.00</b>		
<b>Check Number : 36568      Check Date : 9/15/2016</b>						
<b>Vendor : 8740 JADE SECURITY SYSTEMS, INC.</b>						
10	74683	9/13/2016	124847	BURGLARY SYSTEM INSTALLED AT	PW	8,413.25
11	74683	9/13/2016	124847	BURGLARY SYSTEM INSTALLED AT		
<b>Invoice Amount : 11,875.25</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 11,875.25</b>		
<b>Check Number : 36569      Check Date : 9/15/2016</b>						
<b>Vendor : 1262 L.N. CURTIS &amp; SONS</b>						
10	74694	9/13/2016	49569	WILDFIRE HELMET HAT	FD	184.70
10	74703	9/13/2016	292549	TURNOUT GEAR BAG		
<b>Invoice Amount : 371.92</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 371.92</b>		
<b>Check Number : 36570      Check Date : 9/15/2016</b>						
<b>Vendor : 2278 LA BRUCHERIE IRRIGATION SUPPLY</b>						
10	74576	9/8/2016	123363c	SPRINKER CONTROLLER	PW	359.49
10	74621	9/12/2016	124741	SPRINKLERS AT THE PD		
<b>Invoice Amount : 544.01</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 544.01</b>		
<b>Check Number : 36571      Check Date : 9/15/2016</b>						
<b>Vendor : 1564 LESLIE'S POOL SUPPLIES</b>						
10	74617	9/12/2016	652-127656	SHOCK; TEST STRIPS AND ACID FOR	PW	389.34
<b>Invoice Amount : 389.34</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 389.34</b>		
<b>Check Number : 36572      Check Date : 9/15/2016</b>						
<b>Vendor : 8738 MARGARITA BERNABE</b>						
11	74676	9/13/2016	522 TAMARACK	REFUND OF DEPOSIT	ADMIN	36.47
<b>Invoice Amount : 36.47</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 36.47</b>		
<b>Check Number : 36573      Check Date : 9/15/2016</b>						
<b>Vendor : 7768 MARIA LOPEZ</b>						
11	74734	9/13/2016	557	DEPOSIT REFUND	ADMIN	183.90
<b>Invoice Amount : 183.90</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 183.90</b>		
<b>Check Number : 36574      Check Date : 9/15/2016</b>						
<b>Vendor : 1450 PITNEY BOWES GLOBAL FINANCE SERVICES LLC</b>						
10	74680	9/13/2016	3100436283	POSTAGE AND INSERT EQUIPMENT L	ADMIN	93.92
11	74680	9/13/2016	3100436283	POSTAGE AND INSERT EQUIPMENT L		
12	74680	9/13/2016	3100436283	POSTAGE AND INSERT EQUIPMENT L		
<b>Invoice Amount : 281.76</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 281.76</b>		
<b>Check Number : 36575      Check Date : 9/15/2016</b>						
<b>Vendor : 1127 PREDMORE, ROBERT</b>						
10	74718	9/15/2016	9/15/16	WORK BOOT REIMB.	PW	31.70
<b>Invoice Amount : 31.70</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 31.70</b>		
<b>Check Number : 36576      Check Date : 9/15/2016</b>						
<b>Vendor : 1176 QUILL CORPORATION</b>						
10	74669	9/13/2016	8659551	OFFICE SUPPLIES	ADMIN	47.09
11	74669	9/13/2016	8659551	OFFICE SUPPLIES		
<b>Invoice Amount : 116.25</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 116.25</b>		
<b>Check Number : 36577      Check Date : 9/15/2016</b>						
<b>Vendor : 1746 RDO EQUIPMENT CO.</b>						
10	74627	9/12/2016	W32754	REPAIRS TO RIDING MOWER	PW	1,416.47
<b>Invoice Amount : 1,416.47</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount : 1,416.47</b>		

**CITY OF HOLTVILLE**  
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<b>Check Number : 36578      Check Date : 9/15/2016</b>						
<b>Vendor : 8737 RIVON NELSON</b>						
11	74675	9/13/2016	965 FIGUEROA	OVERPAYMENT REFUNDED	ADMIN	23.99
<b>Invoice Amount : 23.99</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount :</b>		<b>23.99</b>
<b>Check Number : 36579      Check Date : 9/15/2016</b>						
<b>Vendor : 1555 ROBERT S. NELSON AUTOMOTIVE</b>						
11	74623	9/12/2016	11677	REPAIRS TO VEHICLE PW		781.62
12	74623	9/12/2016	11677	REPAIRS TO VEHICLE PW		390.82
10	74721	9/15/2016	11683	VEHICLE REPAIRS	PW	44.83
11	74721	9/15/2016	11683	VEHICLE REPAIRS		44.83
12	74721	9/15/2016	11683	VEHICLE REPAIRS		44.83
<b>Invoice Amount : 1,306.93</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount :</b>		<b>1,306.93</b>
<b>Check Number : 36580      Check Date : 9/15/2016</b>						
<b>Vendor : 1043 SELLERS PETROLEUM</b>						
10	74701	9/13/2016	CL84556	FUEL (FD)	FD	584.62
10	74717	9/15/2016	CL84557	FUEL (PW)	PW	659.05
11	74717	9/15/2016	CL84557	FUEL (PW)		781.85
12	74717	9/15/2016	CL84557	FUEL (PW)		413.12
<b>Invoice Amount : 2,438.64</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount :</b>		<b>2,438.64</b>
<b>Check Number : 36581      Check Date : 9/15/2016</b>						
<b>Vendor : 1632 SHELL FLEET</b>						
10	74700	9/13/2016	AUGUST 2016	FUEL FD	FD	247.09
<b>Invoice Amount : 247.09</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount :</b>		<b>247.09</b>
<b>Check Number : 36582      Check Date : 9/15/2016</b>						
<b>Vendor : 7841 SPARKLETT'S</b>						
10	74715	9/14/2016	9439337 090116	DRINKING WATER	FD	57.46
10	74725	9/15/2016	9431538090116	DRINKING WATER	PW	67.92
<b>Invoice Amount : 125.38</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount :</b>		<b>125.38</b>
<b>Check Number : 36583      Check Date : 9/15/2016</b>						
<b>Vendor : 1633 TACO SHOP</b>						
10	74719	9/15/2016	828633	FOOD FOR PW DURING ASPHALT WO		10.94
11	74719	9/15/2016	828633	FOOD FOR PW DURING ASPHALT WO	PW	10.94
12	74719	9/15/2016	828633	FOOD FOR PW DURING ASPHALT WO		10.96
<b>Invoice Amount : 32.84</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount :</b>		<b>32.84</b>
<b>Check Number : 36584      Check Date : 9/15/2016</b>						
<b>Vendor : 2524 VALLEY TESTING</b>						
12	74679	9/13/2016	27240	DRUG TESTING FOR NEW EMPLOYEE	PW	52.45
<b>Invoice Amount : 52.45</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount :</b>		<b>52.45</b>
<b>Check Number : 36585      Check Date : 9/15/2016</b>						
<b>Vendor : 8116 VANTAGE POINT TRANSFER AGENTS - 108793</b>						
10	74663	9/13/2016	PP# 17 8/26/16	PP# 17 EE RETIREMENT; PENSION R		2,452.61
10	74731	9/13/2016	PP# 18 9/9/16	PP# 18 RETIREMENT; PENSION REPA	ADMIN	3,633.23
11	74731	9/13/2016	PP# 18 9/9/16	PP# 18 RETIREMENT; PENSION REPA		761.46
12	74731	9/13/2016	PP# 18 9/9/16	PP# 18 RETIREMENT; PENSION REPA		904.37
<b>Invoice Amount : 7,751.67</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount :</b>		<b>7,751.67</b>
<b>Check Number : 36586      Check Date : 9/15/2016</b>						
<b>Vendor : 1783 VIC'S A/C</b>						
10	74562	9/8/2016	57313	REPAIRS TO ICE MACHINE	PW'	75.00
10	74723	9/15/2016	57924	REPAIRS TO A/C AT FIRE STATION	FD	391.19
10	74724	9/15/2016	57758	REPAIRS TO A/C AT CHAMBER	PW	153.54
<b>Invoice Amount : 619.73</b>		<b>Discount Amount : 0.00</b>		<b>Check Amount :</b>		<b>619.73</b>

**CITY OF HOLTVILLE**  
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Fund	Transaction	Due Date	Invoice Number	Description	PO Number	Amount
<b>Check Number</b> : 36587		<b>Check Date</b> : 9/15/2016				
<b>Vendor</b> : 1231 WALKER & DRISKILL						
10	74672	9/13/2016	7525	ATTORNEY FEES		2,406.47
10	74673	9/13/2016	7563	ATTORNEY FEES WILLOW BEND	ADMIN	87.50
<b>Invoice Amount</b> : 2,493.97		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> :		2,493.97
<b>Check Number</b> : 36588		<b>Check Date</b> : 9/15/2016				
<b>Vendor</b> : 1058 XEROX CORPORATION						
10	74670	9/13/2016	86054106	COPIER LEASE AND USAGE	ADMIN	244.47
11	74670	9/13/2016	86054106	COPIER LEASE AND USAGE		94.47
12	74670	9/13/2016	86054106	COPIER LEASE AND USAGE		94.49
10	74705	9/13/2016	86054105	COPIER LEASE AND USAGE	FD	129.48
<b>Invoice Amount</b> : 562.91		<b>Discount Amount</b> : 0.00		<b>Check Amount</b> :		562.91

<b>Total Number of Vendors</b>	:	46	:	0.00
<b>Total Number of Checks Printed</b>	:	46	:	
<b>Total Number of Voided Checks</b>	:	0	:	
<b>Largest Check Amount</b>	:	80,825.12	:	
<b>Total for all Checks Printed</b>	:	198,529.65	:	
<b>Total for Voided Checks</b>	:	0.00	:	
<b>Net Amount of Checks Printed</b>	:	198,529.65	:	

**Summary**

Fund	Amount
10 GENERAL FUND	131,828.67
11 WATER	26,326.94
12 SEWER	15,127.93
13 TRASH	17,510.75
22 LOCAL TRANSPORTATION FUND - TDA	7,735.36

**City of Holtville**  
**REPORT TO COUNCIL**

**DATE ISSUED:** September 23, 2016  
**FROM:** Hector Orozco, Finance Supervisor  
**SUBJECT:** Resolution Nos. 16-36 CDBG PI Reuse Agreement

Meeting Date	<u>09/26/16</u>
Item Number	<u>3</u>
Approvals	City Manager 
	Finance 
	City Attorney _____

**ISSUE**

There is an expired Program Income reuse agreement between the City of Holtville and the California State Department of Housing and Community Development Department

**RECOMMENDATION FROM FINANCE**

It is recommended that the City Council adopt the program income reuse agreement

**FISCAL IMPACT**

There is no fiscal impact.

**DISCUSSION**

The City receives payments from borrowers of CDBG grant funds. Those payment become program income that can be used for new loans, or for public services. In order to expend those funds there must be an executed program income reuse agreements every 5 years.

**CONCLUSION**

An executed Program Income reuse agreement provides official notification of the Department's approval for the City of Holtville to expend PI funds under the State's administration of the Federal Community Development Block Grant Program (CDBG).

**ALTERNATIVES**

Not to approve



**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
(CDBG)  
PROGRAM INCOME (PI) REUSE AGREEMENT**

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*Execution of the this PI Reuse Agreement by both the Jurisdiction and the California, State Department of Housing and Community Development (Department) provides official notification of the Department's approval for the Jurisdiction to expend PI funds under the State's administration of the federal Community Development Block Grant Program (CDBG) for (1) state non-entitlement jurisdictions; and (2) former state non-entitlement jurisdictions that are now entitlement jurisdictions; pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. CDBG funding is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program. The Agreement also includes asset repayments from activities administered under DRI contracts.*

*By completing this PI Reuse Agreement and signing the end of this document, the Authorized Representative certifies the Jurisdiction has read, understands and will adhere to the Program Income (PI) Reuse Overview and Process discussed in the first section of this document, the Jurisdictional Certifications in the second section of this document, and Department of Housing and Community Development (hereinafter Department) terms and conditions in the third section of this document.*

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**SECTION ONE: OVERVIEW AND PROCESS**

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**JURISDICTION: City of Holtville**

**GOVERNING BODY ADOPTED ON: September 26, 2016**

This PI Reuse Agreement establishes policies and procedures for the administration and utilization of PI received as a direct result of eligible activities funded under CDBG and DRI contracts with the Department. *For payments generated under DRI contracts, while the funding was loaned under DRI, when a payment is received, per DRI regulation, the payment becomes CDBG program income.*

Applicability of this Agreement:

This PI Reuse Agreement between the Jurisdiction and Department is required by CDBG federal regulation. This Agreement allows Jurisdictions receiving repayments from CDBG and DRI assets to spend those PI funds in the absence of an active Department CDBG grant contract. This Agreement applies to all current Department-eligible Non-Entitlement Jurisdictions and HUD Entitlement Jurisdictions that are still receiving Non-Entitlement PI revenue from previous State grants (CDBG and/or DRI).

## **RECEIPT OF PROGRAM INCOME**

Pursuant to the definition of program income found at 24 CFR 570.489(e)(2), repayments of assets generated from use of CDBG funds received by the Jurisdiction from the Department are PI. These repayments of loans, lease payments, and proceeds of asset sales will be deposited into one of three separate local PI accounts depending on what activity generated the PI. It is possible that the Jurisdiction may have up to three separate accounts with which to manage PI.

1. If the Jurisdiction has a Department approved Revolving Loan Fund (RLF) for Housing and/or ED, any PI from Housing or ED activities must be deposited into the RLF associated with the activity that generated the PI.

This means:

- a. Housing PI must be deposited into the Housing RLF.
- b. ED PI must be deposited into the ED RLF.

**Note:** *The accounts for each RLF must be separate accounts, however they both must be interest bearing.*

2. If RLF(s) are not approved for use, the Jurisdiction must deposit all CDBG repayments into a single regular PI account which must be separate from either of the RLF accounts, but it must also be interest bearing.
3. If repayment comes from a loan or asset that was originally paid with CDBG and non-CDBG funds, the PI accounting and reporting must reflect the correct amounts and proportions of CDBG PI and non-CDBG funds invested in the asset. Only the CDBG portion of the repayment is deposited into one of the three PI accounts.

## **OVERVIEW OF WAYS TO USE PROGRAM INCOME**

*There are five (5) ways to manage PI under the Agreement.*

*They are:*

1. *Expend PI and RLF monies first on active grant contract activities;*
2. *Expend PI General Administration (PI GA) for GA Activities (up to allowable limits)*
3. *Expend through an approved PI Revolving Loan Fund (RLF)*
4. *Expend PI on an approved waiver activity when no active contract is in force;*
5. *Return PI annually to the Department.*

The undersigned Jurisdiction certifies that PI will be expended first when there is an active grant contract with the Department. PI being received when there is no active grant contract will be deposited into separate accounts for approved activities under this Agreement (via GA, PI Waiver or RLF) and only be distributed and expended, as follows:

1. **Expend PI and RLF Monies First on Active Grant Contract Activities:**

If the undersigned Jurisdiction has an active grant contract with the Department, all PI on hand must be expended on open grant activities, prior to requesting grant funds from the Department.

If the undersigned Jurisdiction has a Department approved PI Revolving Loan Fund (RLF) per this Agreement, and has an active grant contract which includes the same eligible CDBG activity as the RLF, the RLF monies must be expended first before requesting any contract funds from the Department. PI must always be expended first on active contract activities, prior to requesting grant contract funds.

See the Chapter on Program Income and Revolving Loan Funds in the Department's CDBG Grant Management Manual for additional information regarding use of PI to pay costs for activities under an active grant contract in the Department.

2. **Expend PI General Administration (PI GA) for GA Activities (up to allowable limits)**

The undersigned Jurisdiction must track a calculation of up to seventeen percent (17%) of PI received annually for eligible GA costs. However, the seventeen percent (17%) PI GA only applies to PI received that is **not** generated by a RLF activity.

Since all PI must be expended first, GA funds cannot be held and used only as PI GA costs are incurred. All PI must be spent on the next funds request submitted. Thus, the Jurisdiction can choose to keep an accounting of the total amount of PI GA available for use based on all regular PI received.

PI GA funds cannot be used for planning studies or technical assistance activities, these activities can only be funded under awarded grant contracts. See the Program Income Chapter for further details on eligible PI GA activities under this Agreement.

3. **Expend PI through an approved PI Revolving Loan Fund (RLF):**

To establish one or both of the RLFs discussed below, the undersigned Jurisdiction must submit formal written request for Department approval using the required process included with this Agreement.

The undersigned Jurisdiction agrees to all the Department's RLF requirements as stated in this Agreement and detailed in the GMM Chapter.

**The two RLFs and their corresponding definitions, as permitted by this agreement, are:**

1) **Housing Revolving Loan Fund (RLF)**

Eligible housing activities under this RLF include:

- I. Housing Rehabilitation - Single Unit Residence program for **owner and/or tenant occupied** properties. Matrix code **14A**.
- II. Housing Rehabilitation - 2-4 Units program for **tenant occupied** properties. Matrix code **14B**.
- III. Housing Acquisition - Single Family program for homebuyer assistance. Matrix code **13**.

2) **Economic Development (ED) Revolving Loan Funds (RLF)**

Eligible ED activities under this RLF include:

- i. Business Assistance program (direct financial assistance to a for-profit business). Matrix code **18A**; and
- ii. Microenterprise Financial Assistance (loans). Matrix code **18C**.

The undersigned Jurisdiction will provide program guidelines for all eligible RLF activities as part of the approval process when obtaining Department approval of a RLF. Department written approval must be received before incurring any activity or activity delivery costs associated with implementing any activities under the approved RLF. All approved RLF projects, will be required to be reported to the Department via the applicable CDBG Set-up/Completion reports.

4. **Expend PI on an Approved PI Waiver Activity when no active contract is in force.**

The undersigned Jurisdiction may only utilize the Department's PI Waiver process when it has no active grant contracts with the Department. Once there are no active contracts with the Department, the undersigned Jurisdiction can have up to two active eligible CDBG activities approved by the Department, for which PI may be expended. Waivers will consist of a single program, service or single project activity. If it is a single program activity, it cannot be the same program activity as funded under an approved RLF.

The undersigned Jurisdiction will follow all PI Waiver procedural requirements as stated in the Program Income Chapter of the Grant Management Manual (GMM).

Written Department approval is required before expending any PI funds on a Waiver activity. Each Waiver activity must clear the activity General and any Special Conditions which include federal overlays as posted on Department's webpage.

A PI Waiver project can only be approved if the total project / program cost for

the proposed activity is on hand in the Jurisdiction's PI account. Future PI may not be committed for PI Waivers.

The undersigned Jurisdiction understands that PI Waiver activities are limited to two active projects, services and/or programs, and will remain active until close out has been completed and approved by the Department. Each approved Waiver activity will be set up with the Department using current Set-Up Report.

The undersigned Jurisdiction understands if they receive a subsequent award of CDBG funds, upon execution of the new grant contract all waiver activities are to be completed first, after which, PI must be expended first on the active grant contract activities. PI Waivers will not be included in the grant, because Supplemental activities will be included in contracts.

**5. Return PI to the Department**

The undersigned Jurisdiction has the option to return PI back to the Department. However, semi-annual and annual reports are still required to confirm PI being returned.

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## SECTION TWO: CERTIFICATION FOR PROCESS AND USE OF PROGRAM INCOME

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*Since CDBG is a federal funding source, Citizen Participation is required when utilizing any of the five (5) ways to use PI listed above. Those requirements are incorporated below.*

The **City of Holtville** certifies that:

1. **Resolution:**

The PI Reuse Agreement was formally adopted via resolution on **September 26, 2016** by the Jurisdiction's Governing Body, executed by the Authorized Representative and submitted to Department with certified copy of the approving resolution attached for full execution.

2. **Citizen Participation:**

Each of the processes discussed in this Agreement will be carried out in compliance with the CDBG Citizen Participation process as specified in federal regulations at 24 CFR 570.486, and Jurisdiction's public hearing requirements.

3. **Governing Compliance:**

The undersigned Jurisdiction certifies the administration of all CDBG eligible activities conducted under the above described Ways to Spend PI, will be conducted in compliance with all current State and federal regulations and policies, including all applicable Grant Management Manual (GMM) chapters and Department Management Memos.

4. **Ineligible Activities and Costs:**

The undersigned Jurisdiction acknowledges that if ineligible activities or costs are paid for with CDBG PI, those funds must be returned to the Jurisdiction's PI or RLF account (whichever account expended ineligible funds) using local Jurisdiction funds.

The undersigned Jurisdiction acknowledges that ineligible activities or costs paid for with PI under an active grant contract must be repaid to the Department using local non-federal funds.

5. **Jurisdictions Leaving the State Non-Entitlement Program and Jurisdictions Entering the State Non-Entitlement Program:**

The undersigned Jurisdiction certifies that it will follow these procedures when leaving or entering the State CDBG Program:

A. 24 CFR 570.489(e)(3)(iii) Transfer of program income to Entitlement program.

Jurisdictions that are entitlement communities or part of an urban agreement, or grantees that at a later date become an entitlement community or join a urban agreement, have the following options for PI and RLFs:

PI not associated with a RLF, the jurisdiction must:

- 1) Complete the process to certify they will be reporting the State PI into the Entitlement Programs process, including receipting the CDBG proceeds into IDIS, or,
- 2) Return all State CDBG Program Income to the Department, the amounts on hand once the HUD agreement is signed and as it is received until all PI generated by State CDBG funding has been returned.

PI in an approved RLF:

Entitlement jurisdictions and those who are part of an urban agreement may keep their RLF(s) and monies within an RLF as long as the following is met:

- 1) They have a State Reuse Plan (Agreement) signed by the Department and the City/County Authorized Representative.
- 2) Agree to operate the RLF under the Department's RLF rules going forward
- 3) Report all expenditure, and accounting of RLF(s) as required by the Department.
- 4) The Jurisdiction shall be required to have loan servicing policies and asset management policies and procedures, pursuant to the Department's Grant Management Manual Chapter on Asset and Real Property Management

B. 24 CFR 570.489(e)(3) (iv) Transfer of program income of grantees losing Entitlement status.

Upon entry into the State CDBG program, a unit of general local

government that has lost or relinquished its Entitlement status must submit a letter to the department, signed by the Authorized Representative stating which of the following options the jurisdiction will be implementing. Keep in mind, that retaining Entitlement PI while participating in the State CDBG program will require PI reporting for both sets of funding. Entitlement PI and any PI generated by State CDBG fund cannot be comingled.

Within 90 days of leaving the Entitlement Program to join the State CDBG program, the jurisdiction must certify that it will either:

- 1) Retain program income generated under Entitlement grants and continue to comply with Entitlement program requirements for program income, including reporting it into IDIS or the urban county; or
- 2) Retain the program income and transfer it to the State CDBG program, in which case the jurisdiction must comply with the State's rules for PI and RLF address within this Memo, the Reuse Plan and Chapter 14 of the Grant Management Memo.

## **6. Requirements of Program Income**

This PI Reuse Agreement is intended to satisfy the requirements specified in federal statute and regulation at Section 104(j) of the Housing and Community Development Act ("the Act"), as amended in 1992 and 24 CFR 570.489(e) and (f). These statutory and regulatory sections permit a unit of local government to retain PI for CDBG-eligible activities, with Department approval. Under federal guidelines adopted by the State of California's CDBG Program, local governments are permitted to retain PI as long as the local government has received advance approval from the State of a local Agreement that will govern the expenditure of the PI. This Agreement has been developed to meet that requirement when an active contract between the Department and the undersigned Jurisdiction is not in force.

The undersigned Jurisdiction certifies their PI will be used to fund eligible CDBG activities that meet a National Objective and any public benefit requirements. Eligible activities, National Objective and public benefit requirements are specified in Federal Statute at Sections 104(b), 105(a) of The Housing and Community Development Act of 1974, and in Federal Regulations at 24 CFR 570.482 and 24 CFR 570.483. The Jurisdiction understands, if it is determined that an activity/project funded with PI that does not meet a National Objective and/or meet the public benefit requirement, the Jurisdiction will be required to use its own local funds to repay the PI Account.

## **7. Definition of Program Income**

"Program Income" means gross income earned by the Jurisdiction from grant-funded activities and is subject to CDBG regulatory requirements pursuant to

24 CFR, Part 570.489(e) - Program Administrative Requirements as amended in the CDBG Final Rule, 24 CFR, Part 570.504 - Program Income, 24 CFR Part 85 – Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments, and OMB Circulars A-87 and A-122 as applicable. These regulations include the requirement that the Jurisdiction record the receipt and expenditure of PI as part of the financial transactions of the grant activity(ies).

For activities generating PI that are only partially funded with CDBG funds, such income is prorated to reflect the actual percentage of CDBG participation. Examples of PI include but are not limited to: payments of principal and interest on housing rehabilitation or business loans made using CDBG funds; interest earned on PI pending its disposition; interest earned on funds that have been placed in a revolving loan account; net proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds; and, income (net of costs that are incidental to the generation of the income) from the use or rental of real property that has been acquired, constructed or improved with CDBG funds and that is owned (in whole or in part) by the participating Jurisdiction or Sub-recipient.

**8. Fiscal Reporting of Program Income Receipts, Deposits and Disbursements**

The undersigned Jurisdiction certifies that CDBG PI will be accounted for using the Department's fiscal year timeframe (July 1 to June 30). All receipts of PI or RLF revenue (and the depositing of those funds into separate account(s)) and expenditures of PI in accordance with this PI Reuse Agreement will be monitored and reported per the Department's fiscal year cycle. The undersigned Jurisdiction certifies that they will report using the Department's reports/forms and will submit them in a timely manner.

**9. Duration of This Program Income Reuse Agreement**

The undersigned Jurisdiction certifies that it and its Governing Body understand that this document is effective for five (5) years from the execution date by the authorized CDBG Representative listed in this Agreement. At that time unless here are no further CDBG PI assets generating repayments, or the Jurisdiction has become a HUD entitlement Jurisdiction and uses these funds for entitlement activities, a new PI Reuse Agreement will be submitted to the Department. The Department has the Authority to void the Agreement with notice for cause.

**10. Program Income General Administration (PI GA)**

- A. After the PI Reuse Agreement is executed, the Jurisdiction reserves the right to calculate and track up to seventeen percent (17%) of PI received pursuant to Section 1, item 2 above, for payment of eligible PI GA costs. PI GA will not

be calculated for any RLF deposits. PI GA funds will not be used until General Conditions for PI GA are cleared and Departmental written approval is received. As noted above, these funds cannot be set aside since all PI must be expended first on whatever CDBG cost must be paid next, however tracking the amount of PI GA generated by the Jurisdiction's PI revenue permits the Jurisdiction to use that amount on eligible CDBG costs that don't have to meet a national objective, and ensures the Department is not exceeding the administrative funding cap of twenty percent (20%), as set by federal statute.

- B. If more funds are expended than what is available under PI GA calculation, the Jurisdiction will be required to return the over-expended PI GA amount back into their PI Account.
- C. Ineligible PI GA costs will be required to be returned to their PI Account.
- D. PI GA funds, once approved for use, may be used to pay for costs associated with receiving Department approval of PI activities funded under this agreement. Before submitting any proposed PI activities (Waivers or RLF) for Department approval, the Jurisdiction must hold at least one formal public hearing to discuss eligible activities and proposed PI activities. Department recommends that this public hearing be conducted to review current fiscal year PI activities and proposed and possible activities for future Department applications.

#### **11. Revolving Loan Funds (RLFs)**

- A. Pursuant to the criteria noted below, the undersigned Jurisdiction may be eligible to apply for the Housing RLF and/or the ED RLF.
- B. RLFs listed under the Agreement will only be utilized after the Jurisdiction submits written certification as well as the required guideline documents, and receives written Departmental approval certifying that the proposed RLF meets the Department's definition as follows:
  - 1) There are existing loans and assets from past RLF eligible activities that can be reasonable expected to generate repayments.
  - 2) The existing loans and assets have generated at least one loan repayment in the current fiscal year.
- C. The two RLFs and their respective CDBG eligible activities listed in this Agreement will be administered under the guidance and requirements provided in this Agreement and in the Department's current GMM Chapter on Program Income, and any subsequent policy, regulation, or statutory guidance, from the Department.
- D. Pursuant to Management Memorandum 14-05, the undersigned Jurisdiction

certifies acknowledgement that the Department reserves the right to cancel the grantee's RLF and require the funds to be returned to the Department as a corrective action for significant, ongoing non-compliance with RLF rules.

- E. The two (2) RLFs listed below each have a multiple eligible CDBG program activities. All CDBG rules pertaining to eligible RLF program activities will be followed.

1) **Housing Revolving Loan Fund**

There are three (3) housing programs that must be made available under this RLF. The Jurisdiction will get written Department approval for all three programs as part of Housing RLF approval.

Eligible housing activities under this RLF include:

- i. Housing Rehabilitation - Single Unit Residence program for owner and/or tenant occupied properties. Matrix code **14A**.
- ii. Housing Rehabilitation - 2-4 Units program for owner and/or tenant occupied properties. Matrix code **14B**.
- iii. Housing Acquisition - Single Family program for homebuyer assistance. Matrix code **13**.

2) **Economic Development (ED) Revolving Loan Funds (RLF)**

Eligible ED activities under this RLF include:

- i. Business Assistance program (direct financial assistance to a for-profit business). Matrix code **18A**; and
- ii. Microenterprise Financial Assistance. Matrix code **18C**.

- F. Each approved RLF will offer all eligible activities under the RLF definition.
- G. Separate and formally adopted program guidelines for each eligible activity will be provided to the Department as part of General Conditions for all eligible RLF activities when obtaining Department approval of a RLF.
- H. The undersigned Jurisdiction acknowledges that although all eligible activities under each approved RLF must be available, the Jurisdiction has the discretion to fund RLF loans for the activity or activities they deem to address the greatest need in their community.
- I. RLF receipts on deposit may be used for one or both single family housing program activities. Although both activities are required to be approved by the Department for use under the RLF, the Jurisdiction may choose to only operate one program at time or both simultaneously.
- J. In addition, each approved RLF will meet the following criteria:

- 1) RLFs will operate on a fiscal year of July 1 to June 30 for accounting and performance reporting.
- 2) Jurisdictions will set up RLFs as separate accounts (Housing and ED RLF accounts must be separate) with separate fund and transaction numbers. All other CDBG funds received as PI must be accounted for in a separate account.
- 3) All accounts set up pursuant to 2.G.2 will be interest bearing.
- 4) RLF monies will be expended first when the same RLF activity is funded under an awarded active grant contract.
- 5) RLF projects may be funded with both RLF monies and an active grant contract.
- 6) RLFs will be expended primarily on loans since RLFs must revolve. Thus, activities under an active contract that are funded using only grants rather than loans, will use contract funds not RLF monies to pay for the activity. Microenterprise grants, home repair grants and closing cost grants, that do not have loans associated with them, will not become RLF assets and therefore will not require RLF funds to be spent first on the active grant activities.
- 7) The RLFs will primarily provide financing instruments that will revolve, (i.e. loans), RLFs cannot fund projects primarily or solely with grants or forgivable loans.
- 8) RLF receipts from loans or assets generated from the same program activity, (i.e. single family housing rehabilitation loan repayments will only be deposited into a Housing RLF). Thus, repayments from the same program activities that go into an RLF must be used for originating loans for the same program activities.
- 9) RLF PI balances will not be moved to another approved RLF account or to the Jurisdiction's regular PI account. The Department may use a state or federal disaster declaration to formally allow for re-purposing of PI funds by the Jurisdiction. Funds approved by the Department for re-purposing to meet an urgent need are considered PI and must be expended first under active grant contracts or under approved waivers if there is no active contract.
- 10) RLFs that become depleted of funds and do not have additional asset repayments to sustain revolving activities, such that no longer meeting the Departments RLF definition, will be canceled by the Department.
- 11) RLF PI received and deposited is not allowable for PI GA expenses thus, seventeen percent (17%) cannot be set aside as with Jurisdictions with separate PI accounts.
- 12) RLFs with no annual revolving activities, (i.e. approved loans), are not able to be used by the Jurisdiction for reimbursement of non-revolving

costs therefore, activity delivery (AD) costs are not eligible. **AD costs are only eligible if one or more projects are funded and accomplishment data (i.e. beneficiaries), for those activity(ies), on an annual basis, are reported.**

- 13) RLF projects must be documented as meeting a national objective. If a project does not meet a national objective, then all expenses associated with the project (activity and activity delivery funds) must be repaid to the RLF with non-federal funds.
- 14) Given that RLF revenue cannot be "banked", to remain eligible, a RLF must revolve. To meet the definition of revolving, the undersigned Jurisdiction will not have more than \$100,000 on deposit in an RLF within a fiscal year without making at least one loan. Nor will the undersigned Jurisdiction have more than \$500,000 on hand even if making loans, each fiscal year.
- 15) The undersigned Jurisdiction certifies they are aware that the Department will address excess funds and revolving compliance by issuing finding letters to the grantee which could result in the Department cancelling the grantee's RLF, which immediately converts the funds to PI; and, therefore, must be used prior to drawing down grant funds.
- 16) RLF activity delivery funds (AD) may be used to pay for loan servicing costs.
- 17) Citizens of the Jurisdiction must be the primary beneficiaries of all RLF program activities.
- 18) Financial and performance reporting, on RLF projects will be done using current eligible activity set up, performance and completion reports for National Objective data and beneficiary demographics as HUD required accomplishment information.
- 19) Additional financial reports for RLF PI deposits and expenditures will be done twice a year using the Department's current PI fiscal reporting forms.
- 20) The Jurisdiction will be required to repay the RLF account for ineligible costs or activities with local non-federal funds.
- 21) RLF programs will meet the CDBG National Objective of benefit to Low/Moderate-income (Low/Mod) households. per 24 CFR Part 5, and in accordance with the Department's Income Manual.
- 22) Loan servicing costs under the RLFs are not eligible as PI GA costs but are eligible AD costs. As such, loan servicing costs are only eligible if one or more loans are made fiscally.

K. Activity Specific Requirements:

1) **Housing RLF:**

- a. All Housing Rehabilitation and Homeownership Assistance programs will only fund projects that meet a National Objective and comply with other State and federal requirements, including Department Management Memorandums and GMM Chapters on Housing Rehabilitation, Multi-Family Rehabilitation (2-4 units), and Homeownership Assistance.
- b. No more than nineteen percent (19%) of funds expended for **Housing Rehabilitation** in the RLF will be used for AD costs on an annual fiscal basis.
- c. No more than eight percent (8%) of funds expended in a fiscal year for **Homeownership Assistance** will be used to reimburse eligible AD costs.
- d. AD costs are not eligible until one loan is approved, closed and project beneficiary information is submitted.
- e. Projects cannot be solely funded as a grant.

2) **ED RLF:**

- a. Both ED programs will only fund projects that meet a National Objective and comply with other State and federal requirements, including Department Management Memorandums and GMM Chapters on Microenterprise and BA program.
- b. Income eligibility must be met per 24 CFR Part 5 and in accordance with the Department's Income Manual.
- c. No more than 15 percent (15%) of the total funds expended for **BA or Microenterprise financial assistance** activities shall be used to reimburse Jurisdiction for eligible activity delivery (AD) costs on an annual fiscal basis.
- d. Annual AD costs are not eligible until one loan is approved, closed and project beneficiary information is submitted.
- e. For **Business Assistance (BA)**, local review and underwriting of business assistance projects requesting a CDBG loan under this RLF shall be conducted under the Business Assistance Program Guidelines that have been adopted by the Governing Body of the undersigned Jurisdiction and approved in writing by the Department, as part of RLF approval.
- f. For **Microenterprise Assistance (ME)** The CDBG eligible activity

of direct financial assistance to eligible Microenterprise businesses will be conducted under this RLF. Local review and approval of microenterprise business assistance projects requesting a CDBG loan under this RLF shall be conducted under the Microenterprise Financial Assistance Program Guidelines that have been adopted by the Governing Body of the undersigned Jurisdiction and approved in writing by the Department as part of the General Conditions clearance. *Note: this subsection applies to ME loans only, not ME grants. Financial Assistance that is solely a grant cannot be made through an RLF.*

## **12. Loan Portfolio and Asset Management Policies and Costs**

- A. The undersigned Jurisdiction certifies that it has asset management policies and loan portfolio servicing policies that are in compliance with HUD standards per 24 CFR Part 570, OMB Circulars A-87, A-122 A-133, and 24 CFR Part 85.
- B. The use of CDBG funds creates public financial assets. The public financial assets created can be in the form of loans or other repayment instruments which result in PI. Financial assets may also be in the form of real property or chattel (equipment and fixtures). All assets created from the use of CDBG funds must be administered in compliance with OMB Circulars A-87, A-122 A-133, 24 CFR Part 85. These policies will be used for managing all CDBG assets, including those which generate PI and RLF PI.
- C. General Administration PI funds may be used to reimburse the Jurisdiction for loan servicing and asset management costs. If the Jurisdiction has no PI GA available, GA funds from active grant contracts may be used to pay for eligible loan servicing costs.

## **13. Program Income Waivers**

- A. The PI Waiver Submission Process will only be conducted when the undersigned Jurisdiction has no active grant contract(s) with the Department.
- B. The process below will be followed if a PI Waiver is to be requested:
  - 1) All PI Waiver requests will be submitted on approved Departmental forms for the Department's written approval.
  - 2) After the Department's review of the activity for eligibility and national objective compliance, the PI Waiver will be formally adopted via public hearing and resolution of the Jurisdiction's Governing Body, as part of the PI Waiver General (and Special Conditions if applicable) Clearance process.
  - 3) Expenditure of PI Waiver funds will not commence until clearance of all

required General and Special Conditions have been met, and written Departmental approval has been issued to the Jurisdiction.

- 4) Possible Waiver activities will be discussed at a properly noticed public hearing, held in front of the Jurisdiction's Governing Body, prior to submission of a Certified Resolution as part of a PI Waiver Request to the Department.
  - 5) The PI Waiver request must be submitted in accordance with current Department policy, and any subsequent policy, regulation, or statutory guidance.
  - 6) PI Waiver activity reporting will be submitted per current Departmental policies and includes financial accounting of all PI received and expended, including PI Waivers and PI Waiver activity performance.
  - 7) PI Waiver activities must be fully funded with program income already on hand.
  - 8) Only two (2) PI Waivers may be open and active at any one time.
  - 9) RLF funds will not be used for PI Waivers, since RLF monies must be expended on the activity that generated the payments.
  - 10) PI Waivers will not be approved for the same program activities for approved RLFs.
- C. PI GA and PI Waiver financial and performance reporting will be done using current eligible activity set up and completion reports which will collect national objective data and beneficiary demographics for HUD required accomplishment information.
- D. Additional financial reports for PI GA, PI Waivers, PI deposits and expenditures will be done semi-annually using the Department's current PI fiscal reporting forms.
- E. Ineligible costs will be required to be repaid to the PI Account. In some cases with ongoing significant compliance issues, the Department reserves the right to require the jurisdiction return all PI to the Department until it is satisfied that the jurisdiction has resolved all compliance issues.

#### **14. Program Income Not Associated with an RLF**

- A. Provided the undersigned Jurisdiction has made the Department aware at the beginning of the fiscal year they intend to exercise the \$35,000 rule, PI which is received annually that has a cumulative amount up to \$35,000 (RLF receipts are not included in the \$35,000 calculation) may be "re-categorized" as non-CDBG funds. In electing to exercise the \$35,000 rule, the Jurisdiction agrees not to expend CDBG revenue until either the fiscal year ends or the amount received goes above \$35,000, at which point the jurisdiction must consider the revenue as CDBG PI and must use it, first prior to drawing CDBG contract funds.

- B. The undersigned Jurisdiction certifies that it acknowledges if it has PI on hand and has not applied for or been awarded CDBG funds with the past three NOFAs, the Jurisdiction will be required to submit a PI Expenditure Plan for its PI on hand. The plan must be submitted via the CDBG PI Waiver process. If the Jurisdiction does not initiate the request, the Department will send the Jurisdiction a letter requiring submission of the plan within a set time frame. If the Jurisdiction does not respond to the Department's letter, the Jurisdiction will be required to return all PI on hand to the Department, regardless of the amount of PI.

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## **SECTION THREE: DEPARTMENT TERMS, CONDITIONS AND AUTHORIZATION**

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**TERMS AND CONDITIONS:** The undersigned Jurisdiction certifies that all terms and conditions listed below have been read and understood, and will be implemented and followed:

**1. Authority & Purpose**

This Agreement provides official notification of the Jurisdiction's PI Reuse Agreement's approval under the State's administration of the Federal CDBG for Non-entitlement Jurisdictions pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program.

In accepting the PI Reuse Agreement approval, the Jurisdiction agrees to comply with the terms and conditions of this Agreement, all exhibits hereto and the representations contained in the Jurisdiction's PI Reuse Agreement. Any changes made to the PI Reuse Agreement after this Agreement is accepted must receive prior written approval from the Department.

**2. Distribution for Reuse of PI**

- A. The Jurisdiction shall perform PI funded activities as described in the Distribution for Reuse in the PI Reuse Agreement. All written materials or alterations submitted as addenda to the original PI Reuse Agreement and which are approved in writing by the Department are hereby incorporated as part of the PI Reuse Agreement.

The Department reserves the right to require the Jurisdiction to modify any or all parts of the PI Reuse Agreement in order to comply with CDBG requirements. The Department reserves the right to review and approve all work to be performed by the Jurisdiction in relation to this Agreement. Any proposed revision to the work must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made in writing by the Department.

- B. The PI funded activities shall principally benefit Low/Mod-income persons or households residing in the Jurisdiction. HUD defines Low/Mod as having an annual income that is no more than 80 percent (80%) of the

county median area income, adjusted for household size.

**3. Sufficiency of Funds and Termination**

The Department may terminate this Agreement at any time for cause. . The Jurisdiction will have at least 14 days upon receipt of the Departments written notice. Termination shall consist of violations of any terms and/or conditions of this Agreement, upon the request of HUD, or withdrawal of the Department's expenditure authority.

The Department reserves the right, for any significant on-going non-compliance with RLF or Program Income rules, to cancel any RLF and require, all RLF and PI funds, to be returned to the Department.

**4. Meeting National Objectives**

All activities performed under this Agreement must meet one of the National Objectives determined by the HUD regulations as included in the Application authorized under Title I of the Housing and Community Development Act of 1974, as amended.

- A. Benefit to HUD defined Low/Mod-income person or household (LMI). The term Low/Mod-income is defined under CDBG as no more than 80 percent (80%) of the median area income, as determined by HUD, per Federal Regulation 24 CFR, Part 570.483(b); and/or;
- B. Prevention or elimination of slums or blight. In order for an activity to meet the National Objective of elimination of slums and blight, the activity must take place in an area that meets the definition of a blighted area and the project must be shown to eliminate blight or prevent further blight per Federal Regulation 24 CFR, Part 570.483(c).
- C. For Microenterprise Assistance activities, the Jurisdiction must only meet the benefit to Low/Mod-income person or household (LMI) National Objective.

**5. Inspections of Activities**

- A. The Department reserves the right to inspect any activity(ies) performed hereunder to verify that the activity(ies) is in accordance with the applicable federal, State and/or local requirements and this Agreement.
- B. The Jurisdiction shall inspect any activity performed by contractors and subrecipients hereunder to ensure that the activity(ies) is in accordance with the applicable federal, State and/or local requirements and this Agreement.

The Jurisdiction agrees to require that all activity(ies) found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor or subcontractor, respectively, until it is so corrected.

**6. Insurance**

The Jurisdiction shall have and maintain in full force and effect during the term of this Agreement such forms of insurance, at such levels as may be determined by the Jurisdiction and the Department to be necessary for specific components of the activity(ies) described in this Reuse Agreement.

**7. Contractors and Subrecipients**

A. The Jurisdiction shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

- 1) Contractors are defined as program operators or construction contractors who are procured competitively.
- 2) Subrecipients are defined as public or private non-profit agencies or organizations and certain (limited) private for-profit entities who receive CDBG funds from an awarded Jurisdiction to undertake eligible activities.

B. An agreement between the Jurisdiction and any contractor or subrecipient shall require:

- 1) Compliance with the applicable State and federal requirements of this Agreement, which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace; and, Compliance with the applicable provisions relating to Labor Standards/Prevailing Wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
- 2) Maintenance of, at minimum, the State-required Workers' Compensation Insurance for those employees who will perform the activity(ies) or any part of it.
- 3) Maintenance of, if so required by law, unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm, or corporation, who may be injured

or damaged by the contractor, or any subcontractor in performing the activity(ies) or any part of it.

- 4) Compliance with the applicable Equal Opportunity Requirements described in this Agreement.

C. Contractors shall:

- 1) Perform the activity(ies) in accordance with federal, State and local housing and building codes, as are applicable.
- 2) Provide security to assure completion of the project by furnishing the borrower and construction lenders with Performance and Payment Bonds, or other security approved in advance in writing by the Department.

D. Subrecipients shall:

- 1) Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from date of termination of this Agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement, and any amendments, whichever is later.
- 2) Permit the State, federal government, the Bureau of State Audits, the Department and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to the agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

8. **Obligations of the Jurisdiction with Respect to Certain Third Party Relationships**

The Jurisdiction shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Activities funded under this agreement with respect to which assistance is being provided under this Agreement to the Jurisdiction.

The Jurisdiction shall comply with all lawful requirements of the Department necessary to ensure that the Program, with respect to which assistance is being provided under this Agreement to the Jurisdiction, is carried out in accordance with the Department's Assurance and Certifications, including those with respect

to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974.

**9. Periodic Reporting Requirements**

During the term of this Agreement, the Jurisdiction must submit the following reports by the dates identified, respectively, or as otherwise required at the discretion of the Department. The Jurisdiction's performance under this Agreement will be based, in part, on whether it has submitted the reports on a timely basis.

- A. Semi-Annual PI Expenditure/Performance Report: Submit by January 31 and July 31 of each year regardless of whether or not the Jurisdiction has any unexpended PI. PI Waivers or open Grants with no accomplishment are not excluded to the reporting requirement.
- B. Annual Federal Overlay Reporting: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State Fiscal Year. Annual Reporting includes but is not limited to: Section 3, and Minority Owned Business/Women Owned Business (MBE/WBE).
- C. Wage Compliance Reports: Semi-annual Wage Compliance Reports are to be submitted by October 7 and April 7 during the entire construction period. The final Wage Compliance Report is to be submitted thirty (30) days after construction is completed.
- D. Any other reports that may be required as a Special Condition of this Agreement.

**10. Monitoring Requirements**

The Department shall perform a program and/or fiscal monitoring of the activity(ies). The Jurisdiction shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. If findings are not adequately resolved in a timely manner, the Department may deduct points from the Jurisdiction's performance score on future applications.

Additionally, the Department reserve the right to suspend a Jurisdiction's authority to expend PI (Waiver, RLF and/or PI attached to an open grant) based on significant compliance issues, reporting concerns or serious lack of cooperation in clearing PI monitoring findings.

**11. Signs**

If the Jurisdiction places signs stating that the Department is providing financing, it shall indicate in a typeface and size commensurate with the Department's

funding portion of the project that the Department is a source of financing through the CDBG Program.

**12. Audit/Retention and Inspection of Records**

- A. The Jurisdiction must have intact, auditable fiscal records at all times. If the Jurisdiction is found to have missing audit reports from the SCO during the term of this Agreement, the Jurisdiction will be required to submit a Agreement to the State, with task deadlines, for submitting the audit to the SCO. If the deadlines are not met, the Jurisdiction will be subject to termination of this Agreement and disencumbrance of the funds awarded. The Jurisdiction's audit completion Agreement is subject to prior review and approval by the Department.
- B. The Jurisdiction agrees that the Department or its designee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Jurisdiction agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115 et seq., Government Code (GC) Section 8546.7 and 2 CCR 1896.60 et seq. The Jurisdiction further agrees to maintain such records for a period of five (5) years after final payment under this Agreement. The Jurisdiction shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC 10115.10.
- C. An expenditure which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee by the Jurisdiction.
- D. Absent fraud or mistake on the part of the Department, the determination by the Department of allowable expenditures shall be final.
- E. For the purposes of annual audits under OMB Circular A-133 (The United States Office of Management and Budget Circular for Audits of States and Local Governments), Jurisdiction shall use the Federal Catalog Number 14.228 for the State CDBG Program.
- F. Notwithstanding the foregoing, the Department will not reimburse the Jurisdiction for any audit cost incurred after the expenditure deadline of this Agreement.

- G. The Jurisdiction understands that the expenditure of PI is covered under the OMB A-133 Single Audit Requirements and will meet all these requirements and report said PI Expenditure along with grant funds each fiscal year.

**13. Conflict of Interest of Members, Officers, or Employees of Contractors, Members of Local Governing Body, or other Public Officials**

Pursuant to 24 CFR 570.611, no member, officer, or employee of the Jurisdiction, or its designees or agents, no member of the Governing Body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. The Jurisdiction shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this Section.

**14. Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Jurisdiction of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

**15. Litigation**

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent Jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Jurisdiction shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

**16. Lead-Based Paint Hazards**

Activity(ies) performed with assistance provided under this Agreement are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR, Part 35 (Lead Disclosure). Any grants or loans made by the Jurisdiction with assistance provided under this Agreement shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these Regulations. The Jurisdiction shall be responsible for the notifications, inspections, and clearance certifications required under these Regulations.

**17. Prevailing Wages**

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Jurisdiction shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.
- B. For the purposes of this requirement “construction work” includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the “construction contract”). Where the construction contract will be between the Jurisdiction and a licensed building contractor, the Jurisdiction shall serve as the “awarding body” as that term is defined in the LC. Where the Jurisdiction will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the “awarding body.” Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

**18. Compliance with State and Federal Laws and Regulations**

- A. The Jurisdiction agrees to comply with all State laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Jurisdiction, its subcontractors, contractors or subcontractors, and the Reuse activity(ies), and any other State provisions as set forth in this Agreement.
- B. The Jurisdiction agrees to comply with all federal laws and regulations applicable to the CDBG Program and to the activity(ies), and with any other federal provisions as set forth in this Agreement.

19. **Anti-Lobbying Certification**

The Jurisdiction shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this activity(ies) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

"The undersigned certifies, to the best of his or her knowledge or belief, that:

- A. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement; and,
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions."

20. **Bonus or Commission. Prohibition Against Payments of**

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of:

- A. Obtaining the Department's approval of the Application for such assistance; or,
- B. The Department's approval of the Applications for additional assistance; or,
- C. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of

1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

**21. Citizen Participation**

The Jurisdiction is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR, Part 570.486, Local Government Requirements, Part 91.105 and 91.115.

**22. Clean Air and Water Acts**

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR, Part 15, as amended from time to time.

**23. Conflict of Interest of Certain Federal Officials**

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same. The Jurisdiction shall report all perceived or actual conflicts of interest cases to the State for review before financial benefits are given.

**24. Environmental Requirements**

The Jurisdiction shall comply with the provisions of the National Environmental Policy Act (NEPA) by following the procedures contained in 24 CFR, Part 58. The Jurisdiction shall not undertake any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives under 24 CFR, Part 58.22 until HUD or the Department has issued an environmental clearance.

**25. Equal Opportunity**

A. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances

During the performance of this agreement, the Jurisdiction assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status, or religious preference, under any activity funded by this Agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the

Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

B. Rehabilitation Act of 1973 and the "504 Coordinator"

The Jurisdiction further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR, Part 8, including, but not limited to, for Jurisdiction's with fifteen (15) or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator."

C. The Training, Employment, and Contracting Opportunities for Business and Lower-Income Persons Assurance of Compliance

- 1) The activity(ies) to be performed under this Agreement are subject to the requirements of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. 1701u. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR, Part 135.34(a)(2).
- 2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- 3) The Jurisdiction will include these Section 3 clauses in every contract and subcontract for Work in connection with the activity(ies) and will, at the direction of the Department, take appropriate action pursuant to the contract or subcontract upon a finding that the Jurisdiction or any contractor or subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR, Part 135 and, will not let any contract unless the Jurisdiction or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- 4) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement shall be a condition of the federal financial assistance provided to the activity(ies), binding upon the Jurisdiction, its successors, and assigns. Failure to fulfill these requirements shall

subject the Jurisdiction, its contractors and subcontractors and its successors, to such sanctions as are specified by 24 CFR, Part 135 and those sanctions specified by this Agreement.

D. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or More

The Jurisdiction hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract Specifications. The Jurisdiction furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

**26. Flood Disaster Protection**

- A. This Agreement is subject to the requirements of the Flood Disaster Protection Act (FDPA) of 1973 (Public Law 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under FDPA, Section 3 (a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to FDPA, Section 102(d) of said Act.
- B. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of FDPA, Section 102(a) of said Act.
- C. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.
- D. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under FDPA, Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

**27. Federal Labor Standards Provisions**

The Jurisdiction shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

- A. Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Federal Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.
- B. "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) prohibits any person from (1) providing, attempting to provide, or offering to provide any kickback; (2) soliciting, accepting, or attempting to accept any kickback; or (3) including directly or indirectly, the amount of any kickback prohibited by clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.
- C. Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that workers receive "overtime" compensation at a rate of one to one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.
- D. Title 29, Code of Federal Regulations CFR, Subtitle A, Parts 1, 3 and 5) are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

The Jurisdiction shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

**28. Procurement**

The Jurisdiction shall comply with the procurement provisions in 24 CFR, Part 85.36: Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

**29. Non-Performance**

The Department shall review the actual National Objective and/or Public Benefit achievements of the Jurisdiction. In the event that the National Objective and/or Public Benefit requirements are not met, the Department will require the recapture of the entire PI expended on that project/activity. Additional remedies

may include suspending the Jurisdiction's authority to use PI funds until the Jurisdiction has developed capacity to ensure future PI funds will be used for eligible activities that will meet a National Objective.

**30. Relocation, Displacement, and Acquisition**

The provisions of the Uniform Relocation Act, as amended, 49 CFR, Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any acquisition of real property is carried out by the Jurisdiction and assisted in whole or in part by funds allocated by CDBG.

**31. Uniform Administrative Requirements**

The Jurisdiction shall comply with applicable Uniform Administrative Requirements as described in 24 CFR, Section 570.502, including cited Sections of 24 CFR, Part 85.

**32. Section 3**

The Jurisdiction will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing Regulations at 24 CFR, Part 135.

**33. Affirmatively Furthering Fair Housing**

The Jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the Jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

**34. General Contract Conditions**

The following conditions apply to all activities, including set aside activities. The Jurisdiction must meet the conditions within ninety (90) days of this Agreement's execution. Failure to meet the following Special Conditions may result in termination of this Agreement.

A. Environmental Compliance

The Jurisdiction shall have satisfied all National Environmental Policy Act (NEPA) requirements and California Environmental Quality Act (CEQA) requirements. CEQA shall be approved by the Jurisdiction. The level of compliance varies by activity. NEPA review must be completed by the Jurisdiction for each activity and approved in writing by Department staff prior to incurring costs on the activity(ies).

B. Acquisition/Relocation Compliance

The Jurisdiction must document its compliance with the Uniform Relocation Act, Section 104(d) before release of funds by the Department. The Jurisdiction must submit a specific relocation assistance Agreement for each activity which may result in temporary or permanent displacement. For projects where there will be temporary or permanent displacement, the Jurisdiction must submit signed General Information Notices (GINs) from each tenant who was residing in the project at the time of Application submittal. If the Jurisdiction believes that there will be no displacement as a result of their activities, they must submit a letter explaining why no displacement or relocation will occur, which will be subject to written approval by the Department.

C. Site Control

The Jurisdiction shall demonstrate site control of the proposed project property by submitting evidence of one or more of the following to the Department:

- 1) Fee title;
- 2) A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all Program requirements;
- 3) An option to purchase or lease;
- 4) A disposition and development agreement with a public agency;
- 5) A land sale contract, or other enforceable agreement for the acquisition of the property; or,
- 6) All easements and right-of-ways (required for completion of the CDBG project) must be obtained.

D. Funding Commitments and Project Cost Estimates

All funding required for project completion must be documented and committed. If all funding is not committed, the Department shall terminate this Agreement. If the Jurisdiction has applied for other funding prior to the execution of this Agreement, the Jurisdiction must notify the Department as soon as that application is approved or denied. If the Jurisdiction must apply for other funding after the execution date of this Agreement, the Jurisdiction must apply at the earliest possible opportunity offered by the

other funding source(s) and notify the Department as soon as that application is approved or denied.

A current third-party cost estimate must be provided by the engineer or architect for the project.

E. Activity Administration Documentation

There are four methods of administering and/or completing RLF activities:

- 1) Use of in-house staff only;
- 2) Subrecipient agreement(s) with qualified non-profit(s);
- 3) Consultants/contractors/others obtained through federal procurement procedures; and,
- 4) Any combination of the above methods.

The Jurisdiction must provide the following documentation demonstrating that one or more of these methods were used for the GA of the RLF and for all activities carried out under this Agreement.

- 1) Use of in-house staff only: If not previously provided in the Application, submit staff resumes and duty statements that clearly identify that Jurisdiction staff has capacity and experience to complete administration of the proposed activities in the Application.
- 2) Subrecipient agreement(s) with qualified non-profit(s): Subrecipients and their respective agreements with the Jurisdiction must adhere to all Program requirements. Submit the subrecipient agreement that was executed between the non-profit and the Jurisdiction. (Submitting draft documents for review prior to execution is recommended.) The scope of work in the subrecipient agreement must match the description of activity in this Agreement. Any parts of the activity description in this Agreement not covered by the subrecipient agreement must have separate procurement information. If the subrecipient is using CDBG funds to hire other consultants or subrecipients to do part or all of the Work then the procurement documentation or additional subrecipient agreements must be provided to the Department for review and approval.
- 3) Consultants: Submit procurement documentation that all third-party consultants are procured in accordance with Federal Procurement Procedures and the Grant Management Manual, as follows:

- a. A copy of the document used to notify prospective consultants, such as a Request for Proposal or similar document.
- b. A list of all bid respondents, showing respondents' contact information and the dollar amount of each proposal.
- c. A brief description of the process used to select the consultant/ contractor/other, including the rationale for the selection.
- d. Additional information may be found in the Grant Management Manual, Program Operators.

F. Compliance With All Loans and/or Grant Agreements

Pursuant to this Agreement, the Jurisdiction must comply with State and Federal Laws and Regulations that pertain to matters applicable to the Jurisdiction. Prior to disbursement of any funds under this Agreement, the Jurisdiction shall be in compliance with all loan and/or grant agreements to which it is a party, which are administered by the Department.

G. Easements and Rights-of-Way

If required for the completion of a CDBG project, the Jurisdiction must obtain all easements and rights-of-ways required for completion of the CDBG project within twelve (12) months of execution of this Agreement. Failure to obtain these may result in termination of this Agreement.

H. Section 504 Accessibility Requirements

- 1) Section 504 Regulations apply when CDBG funds are used on a new construction housing or public facility project or when an existing public facility or housing project with fifteen (15) or more units is being purchased and/or "substantially" rehabilitated. Qualified CDBG assisted housing projects are required to have a certain percentage of the units designed for and accessible to persons with mobility and sensory impairments.
- 2) For a federally assisted new construction housing project, Section 504 requires five percent (5%) of the dwelling units, or at least one unit, whichever is greater, to meet Uniform Federal Accessibility Standards or a standard that is equivalent or stricter, for persons with mobility disabilities. An additional two percent (2%) of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.

- 3) Under Section 504, alterations are substantial (i.e. substantially rehabilitated ) if they are undertaken to a housing project that has 15 or more units and the cost of the alterations is seventy-five percent (75%) or more of the replacement cost of the completed facility; and require that a minimum of five percent (5%) of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with mobility disabilities and an additional two percent (2%) of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with hearing or visual disabilities.
- 4) The Jurisdiction shall provide documentation satisfactory to the Department verifying that the required housing units or public facility described in the project comply with the accessibility standards. CDBG funds will not be released until the necessary documentation is provided. All CDBG funded programs must, to the greatest degree possible, be conducted in buildings which meet Section 504 accessibility standards.

I. Grantee's Data Universal Numbering System (DUNS)

The Jurisdiction shall provide the Department with a DUNS number for any contractor or subcontractor prior to release of any funds under this Agreement.

**35. Community Development Activity Conditions**

A. Homeownership Assistance

If the Work to be performed under this Agreement involves Homeownership Assistance, the following additional special conditions apply:

- 1) Program Guidelines: The Jurisdiction must submit a copy of its Homeownership Assistance Program Guidelines and its PI Re-Use Agreement to the Department for review and approval within ninety (90) days of the execution date of this Agreement.
- 2) If the Jurisdiction proposed to assist homebuyers to purchase newly constructed units in its CDBG application under the Homeownership Assistance activity, the following requirements must be met:
  - a) The units must have been available for sale to the general public;

- b) Development of the new subdivision must not be dependent upon the funding of the homebuyer loan;
- c) CDBG funds shall not be used for construction; and,
- d) Homeownership Assistance loans will not be approved prior to the foundation of the housing being in place.

B. Housing Rehabilitation

If the Work to be performed under this Agreement involves Housing Rehabilitation, the following additional special conditions apply:

- 1) Program Guidelines: The Jurisdiction must submit a copy of its Housing Rehabilitation Program Guidelines and its PI Re-Use Agreement to the Department for review and approval.
- 2) Affordable Rent: If the Jurisdiction's Housing Rehabilitation Program provides for rehabilitating rental properties, the Jurisdiction must submit to the Department its provisions for assuring affordable rent for the LMI occupants. Jurisdiction may include this information as part of the Housing Rehabilitation Program Guidelines.

**36. Economic Development Activity-Specific Conditions**

A. Restrictions on CDBG-Assisted Public Property

CDBG funds can be used by the Jurisdiction to purchase or rehabilitate public property. The change of use of real property provisions contained in 24 CFR 570.489(i) apply to real property within the unit of general local government's control (including activities undertaken by subrecipients), which was acquired or improved in whole or in part using CDBG funds in excess of the threshold for small purchase procurement (currently \$100,000). The restrictions shall apply from the date CDBG funds are first expended for the property until five (5) years after completion of the project. See the Federal Regulations for the full text of this regulation. The Jurisdiction must provide documentation of proper restriction on assisted property.

B. Business Assistance Activity

- 1) Jurisdictions implementing Business Assistance (BA) Loans, shall submit program guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR 570, Appendix

A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements" and with public benefit requirements contained in 24 CFR 570.482(f).

- 2) Jurisdictions implementing a BA loan shall provide a written Employment Agreement required to be executed between the Jurisdiction and the business owner [requirements of the Employment Agreement are described in 24 CFR 570.506 (b), (5), and (6)]. The written Employment Agreement must include a commitment by the business that the jobs are to be created or retained by the termination date of this Agreement and that at least fifty-one percent (51%) of all jobs created or retained (on a FTE basis) will be held by LMI persons. The Employment Agreement shall specify that, prior to receiving assistance, the business shall agree to:
  - a) Provide a listing, by job title, of the permanent jobs projected to be created;
  - b) Identify which jobs, if any, are part-time and the annual hours of work for each position;
  - c) Identify which jobs are projected to be filled by LMI; and,
  - d) Provide periodic reporting (semi-annual) not limited to: listing jobs, by job title, of all the permanent jobs actually filled, and which of those jobs are held by members of the LMI.

C. Microenterprise Assistance Activities

- 1) Jurisdictions implementing a Microenterprise Assistance activity for technical assistance and/or microenterprise loans, shall submit program guidelines that ensure compliance with CDBG requirements. Specifically, guidelines must ensure that all beneficiaries of the program are eligible micro enterprises, per HUD definitions. A microenterprise must:
  - a) Have all owners of the business documented as meeting HUD family income eligibility standards; and,
  - b) Have documentation that the business's owners and employees are five (5) or fewer in number.
- 2) When implementing a Microenterprise Program, the program guidelines shall include the proposed benefits, eligible activities and ongoing evaluation of program services. The guidelines will include

a Beneficiary Tracking Agreement, which defines the goals; identifies the roles and responsibilities of the service providers; identifies the market and focuses the outreach; defines the screening and referral process; and, tracks the beneficiaries through the program's level of service. The Beneficiary Tracking Agreement shall also describe the roles and responsibilities of the Jurisdiction and/or program operator for meeting the reporting requirements of the State CDBG Program.

- 3) When implementing a Microenterprise Program that is part of an integrally-related component of a larger project where non-LMI persons will be extended training and supportive services, shall submit guidelines including the methodology describing how CDBG funds will only be used towards the assistance of LMI to LMI persons under the Jurisdiction's activity.
- 4) Jurisdictions implementing a Microenterprise activity for loans to microenterprises made with Grant funds or PI funds, shall submit guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR, Part 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."
- 5) If under this Agreement, a Microenterprise Façade Improvement activity is being implemented, the Jurisdiction shall submit program guidelines that ensure compliance with CDBG National Objective requirements, as described in 24 CFR 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."

D. Required Agreements for Assisted Businesses

The Jurisdiction shall execute a written agreement between the Jurisdiction and the business receiving CDBG funds (loans or grants) under this Agreement to ensure compliance with CDBG State and federal regulations. The written agreement shall contain language to ensure each business complies with the terms of this Agreement, Exhibit A, as well as each of the criteria as set forth in 24 CFR 570.506 (b)(4) and (c).

- 1) Each agreement between the Jurisdiction and the business(es) shall be submitted to the Department for review and written approval, prior to execution by the business and the Jurisdiction.
- 2) Each agreement shall require the business to report employee information periodically to the Jurisdiction, so that the Jurisdiction can comply with its reporting requirements to the Department. The

report shall list each job position by job title and number of annual hours worked and LMI status. The report shall list all the permanent jobs actually created or retained, and identify which of those job positions are held by members of the LMI. Additionally, the report shall include the demographics of job holders (ethnicity/race, disability, status, gender, and head of household status).

- 3) Each agreement shall require the business(es) submit a Data Universal Numbering System (DUNS) number and be verified as not being on the current federal debarred list, prior to receiving any CDBG financial assistance. The agreement shall require proof of proper insurance for secured collateral and protecting the Jurisdiction. The agreement shall reference this Agreement between the Department and the Jurisdiction. The agreement shall contain all other special conditions as directed by the Department or local loan committee.

**37. Community and Economic Development Agreement Activities**

Non Implementation Activities and Planning activities are not allowed under this agreement using PI.

A. Implementation Activity

Implementation Activities are not permitted under this Agreement using PI GA funds.

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please continue to the next page.**

Certified Approving Resolution Is Attached

*I certify that the foregoing is true and correct and the City of Holtville will follow all requirements of this agreement. I understand that my certification also acknowledges that serious compliance issue with the above requirements could result in the State suspending the authority of the City of Holtville to expend PI or may require City of Holtville to return unused PI to the State until the City of Holtville clears the serious compliance issues.*

\_\_\_\_\_  
Signature of Authorized Representative

**09/26/16**

\_\_\_\_\_  
Date Signed

**Hector Orozco Finance Supervisor**

\_\_\_\_\_  
Name and Title of Authorized Representative

\_\_\_\_\_  
Signature of CDBG Section Chief

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Name of CDBG Section Chief

**RESOLUTION 16-36**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLTVILLE  
APPROVING ADOPTION OF THE COMMUNITY DEVELOPMENT BLOCK  
GRANT (CDBG) PROGRAM INCOME (PI) REUSE AGREEMENT.**

**WHEREAS**, Execution of this Program Income (PI) Reuse Agreement by both the City of Holtville and the California, State Department of Housing and Community Development Department provides official notification of the Department's approval for the City of Holtville to expend PI funds under the State's administration of the Federal Community Development Block Grant Program (CDBG); and

**WHEREAS**, the PI Reuse Agreement establishes policies and procedures for the administration and utilization of PI received as a direct result of eligible activities funded under CDBG and DRI Contract with the Department; and

**WHEREAS**, the PI Reuse Agreement allows the City of Holtville receiving repayments from CDBG Assets to spend those PI Funds in the absence of an active Department CDBG grant Contract; and

**WHEREAS**, the PI Reuse Agreement is effective for five (5) years from the date of execution; and

**WHEREAS**, the City Council of the City of Holtville designates the City Manager and the Finance Supervisor as Authorized Representatives; and

**NOW THEREFORE, IT IS HEREBY RESOLVED** that the City Council of the City of Holtville adopts the CDBG Program Income Reuse Agreement.

**PASSED and APPROVED** this 26<sup>th</sup> day of September 2016.

---

James Predmore, MAYOR

I, Denise Garcia, City Clerk of the City of Holtville, DO HEREBY CERTIFY that the foregoing resolution was duly passed, approved, and adopted by the City Council of said City of Holtville at a regular meeting thereof held on the 26th day of September and that the same was approved by the Mayor of said City of Holtville on said date, and that the same was adopted by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

---

Denise Garcia, City Clerk

4

**City of Holtville**  
**REPORT TO COUNCIL**

Meeting Date	<u>09/26/16</u>
Item Number	_____
City Manager	<u><i>[Signature]</i></u>
Finance	<u><i>[Signature]</i></u>
City Attorney	_____

**DATE ISSUED:** September 23, 2016  
**FROM:** Hector Orozco, Finance Supervisor  
**SUBJECT:** Resolution Nos. 16-37 Policy 100-02 Procurement Policy

**ISSUE**

The City does not have an adopted procurement policy which is required when receiving federal awards.

**Recommendation from Finance**

It is recommended that the City Council adopt Policy 100-02 to ensure that the City does not lose out on federal grant opportunities.

**FISCAL IMPACT**

The City will not be awarded Federal Grants if not adopted.

**DISCUSSION**

In order for the City to receive federal awards it must have an adopted procurement policy that is in line with the requirements in the Omni Circular 2CFR 200.317-326 Procurement Standards.

**ALTERNATIVES**

Not adopt

**RESOLUTION 16-37**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLTVILLE  
APPROVING ADOPTION OF POLICY 100-002 PROCUREMENT POLICY**

**WHEREAS**, the procurement policy establishes the procedures in which all goods and services are to be conducted by the City of Holtville; and

**WHEREAS**, the procurement policy ensures compliance with federal guidelines when receiving federal awards; and

**WHEREAS**, the procurement policy ensures that procurement be conducted in a manner that provides full and open competition; and

**NOW THEREFORE, IT IS HEREBY RESOLVED** that the City Council of the City of Holtville adopts Policy 100-02 Procurement Policy

**PASSED and APPROVED** this 26<sup>th</sup> day of September 2016.

\_\_\_\_\_  
James Predmore, MAYOR

I, Denise Garcia, City Clerk of the City of Holtville, DO HEREBY CERTIFY that the foregoing resolution was duly passed, approved, and adopted by the City Council of said City of Holtville at a regular meeting thereof held on the 26th day of September and that the same was approved by the Mayor of said City of Holtville on said date, and that the same was adopted by the following roll call vote:

AYES:

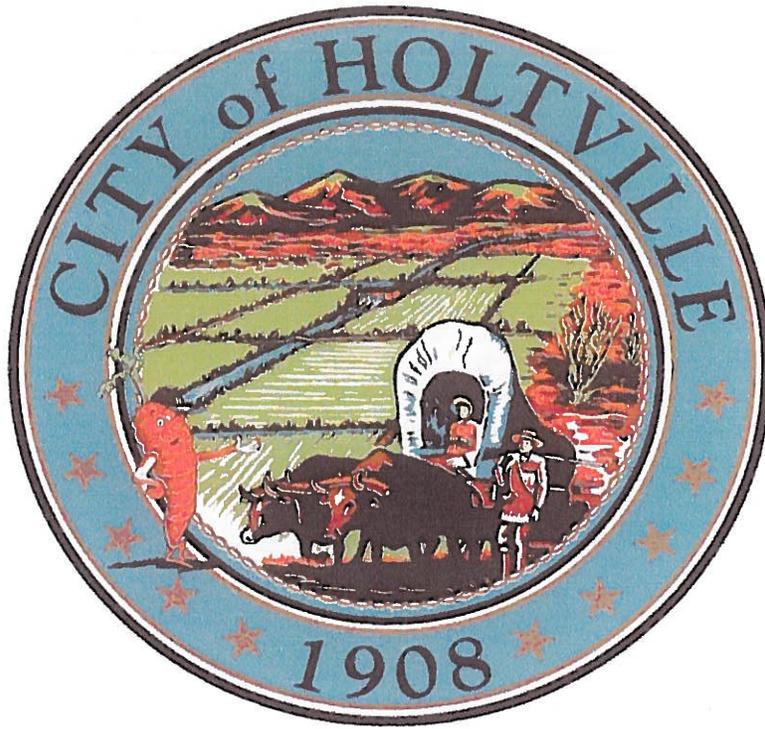
NOES:

ABSTAIN:

ABSENT:

ATTEST:

\_\_\_\_\_  
Denise Garcia, City Clerk



# **City of Holtville Procurement Policy**

Adopted:

## **PURCHASING PROCEDURES**

### **General Policies and Procedures**

Purpose To establish uniform procedures applicable to all forms of purchases for the City.

Policy City procedures must be followed in purchasing goods and services; however, additional requirements may be necessary to conform to contract provisions for specific funding sources. Each program's funding terms and conditions must be reviewed to ensure individual purchases are in compliance with the applicable funding source.

A program's effectiveness depends on good and sound management principles. Recognized purchasing principles can be applied to any purchasing program to make it operate to the best advantage of the City. Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible contractors. Moreover, they must conduct themselves in a manner that fosters public confidence in the City of Holtville. The purpose of the City of Holtville Procurement Manual is to provide a resource of procurement best practices for City of Holtville departments so that they may buy goods and services for the City in accordance with these principles.

The City Council has assigned the City Manager as the "Purchasing Agent" (See Policy Purchasing Agent Designated No. 000-06, Adopted November 22, 2004). The purchasing agent coordinates the purchase of goods and services. The purchasing departments, part of the city Manager's Office, must obtain goods and service which exceed \$5,000.00 through an open and fair bidding process as required by law and may be informally bid by phone, letter or email. The City shall strive for a minimum of three bids in the informal bidding process.

Purchasing dollar limits are per order. This policy specifically prohibits an order to circumvent the specified dollar limits. Departments shall contact the finance department to coordinate volume bids of repetitive requirements (e.g., chemicals, paper goods, etc., which annually exceed the specified limit).

### **CFR Title 2 Subtitle A Chapter II Part 200 Subpart D Procurement Standards for Federal Awards**

When procuring property and services under a Federal award, the City of Holtville, a non-Federal entity and sub-recipients of the state, will follow §§ 200.318 General procurement standards through 200.326 Contract provisions.

#### 200.318 General Procurement Standards Conflict of Interest

No person who exercises or has exercised any functions or responsibilities with respect to awarding a contract, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a contract, accept or solicit gratuities or have a financial interest in any contract, subcontract, or agreement with respect to a awarding contract, or with respect to the proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Violation of this conflict of interest code may lead to disciplinary action and or termination.

### 200.319 Competition

All procurements must be conducted in a manner that provides full and open competition. Situations considered to be restrictive of competition include:

- Placing unreasonable qualifying requirements on firms
- Requiring unnecessary experience and excessive bonding requirements
- Noncompetitive pricing practices between firms or affiliated companies
- Noncompetitive contracts to consultants that are on retainer
- Organization conflicts of interest
- Specifying a “brand name” instead of allowing for an “equal” product consideration
- Arbitrary actions

### 200.320 Methods of Procurement to be followed

- Micro-purchases of \$5,000 or less, do not require competition or a cost/price analysis, but must be distributed equitably among qualified suppliers (to the extent practicable). \$2,000 shall be the limit for construction awards subject to the Davis-Bacon Act
- Micro purchases may be awarded without soliciting competitive quotations IF the non-Federal entity considers the price to be reasonable.

### 200.321 Contracting with Small and Minority business, women’s business enterprises, and labor surplus area firms

The City will take the following steps to ensure these firms are used when possible:

1. Place qualified small, minority, and woman-owned business on solicitation lists;
2. Assure that such business are solicited when they are potential sources;
3. Divide total requirement, when economically feasible, into smaller tasks or quantities to permit maximum participation by such businesses;
4. Establish delivery schedules, where requirements permits, which encourage such business to respond; 5. Use service and assistance from such organization as SBA, Minority Business Development Agency of the Department of Commerce; and 6. Require prime contractors to take the same affirmative steps

### 200.322 Procurement of Recovered Material

The City will comply with §6002 of the Solid Waste Disposal Act, for procuring items designated in the EPA guidelines of 40 CFR 247 requiring

- Procurements must contain the highest percentage of recovered materials practical, consistent with maintaining satisfactory levels of competition, when the purchase price exceed \$10,000 or the value of the quantity procured in preceding fiscal year exceeded \$10,000
- procuring solid waste services in a manner that maximizes energy and resource recovery; and
- Establishing an affirmative procurement program for recovered materials.

### 200.323 Contract and Cost Price

- a) Every procurement in excess of the Simplified Acquisition Threshold (\$150,000) must have a cost or price analysis performed, including contract modifications.

- b) Profit must be negotiated as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed.
- c) Cost or prices based on estimated cost for contracts are allowable to the extent that the costs incurred or estimates included in the negotiated prices would be allowable under the Federal cost negotiated prices would be allowable under the Federal cost principles.
- d) Cost plus a percentage of cost must not be used.

#### 200.324 Procurement Review

The City of Holtville must make available, upon request, technical specifications on proposed procurements to ensure the item or service is the one being proposed for acquisition. Typically this review takes place prior to procurement, but can occur post solicitation.

Organizations must make available for the Federal awarding agency or pass through entity (PTE) procurement documents when:

- Procurement processes or standards fail to comply with 2 CFR 200.
- Procurements are expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or is awarded under sealed bid to entities other than the low bidder, specifies a “brand name”, or is a contract modification that changes the scope or increases the scope by more than the Simplified Acquisition Threshold.

Organizations are exempt from this pre-procurement review if the agency or pass-through entity (PTE) determines the systems meet the standards of 2 CFR 200.

The City of Holtville may request that its procurement system be reviewed by the awarding agency to determine whether its systems meet these standards. Generally, these reviews occur where there is continuous high-dollar funding, and contract are awarded on a regular basis.

Organizations may also self-certify its procurement system, but such certification does not limit awarding agency right to review the system.

#### 200.325 Bonding Requirement

Bonding may be required for construction / facility improvement contracts/subcontracts exceeding the Simplified Acquisition Threshold to ensure that the Federal interest in the procurement is adequately protected. Minimum requirements:

- A bid guarantee equal to 5% of the bid price to ensure that post bid selection that the successful bidder will enter into a binding agreement for the work.
- A performance bond to secure fulfillment of the contractor’s obligations for 100% of the contract price.
- A 100% payment bond to assure payment as required by law of all persons supplying labor and materials in performance of work specified in the contract.

#### 200.326 Contract Provision

The City’s contracts must contain applicable provisions described in Appendix II of Part 200 – Contract Provisions for non-Federal Entity Contracts under Federal Awards. Appendix II covers:

- Contracts in excess of \$150,000 must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for such sanctions and penalties as breach contract terms, and provide for such sanctions and penalties as appropriate.
- Contracts greater than \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

- Equal Employment Opportunity (all federally assisted construction contracts)
- Davis-Bacon Act (prime construction contract >\$2,000)
- Contract Work Hours and Safety Standards Act (>\$100,000 where 22 Version 1 2013.000000.01 y (, mechanics or laborers)
- Rights to Inventions Made Under a Contract or Agreement
- Clean Air Act and Federal Water Pollution Control Act (>\$150,000)
- Byrd Anti-Lobbying Amendment (>\$100,000)
- Debarment and Suspension

#### Vendor Files and Required Documentation

The Finance Department, accounts payable position, shall create a vendor folder for each new vendor from whom the City of Holtville purchases goods or services that will contain a completed and signed IRS W-9 form from each vendor.

#### Ethical Conduct in Purchasing

Ethical conduct in managing the City's purchasing activities is an absolute essential. Staff must always be mindful that they represent the City of Holtville and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.

#### Non-Discrimination Policy

All vendors/contractors who propose to perform any work or furnish any goods under agreements with the City of Holtville shall agree to these important principles.

Vendors/contractors will not discriminate against any employee or applicant for employment because of race, religion, color sexual orientation or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/contractors.

Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

#### Awards to Debarred and Suspended Parties

The City will not make any award or permit any award (sub grant or contract) to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 and 12689 "Debarment and Suspension".

#### Bid Protest Review Procedures

Federal Laws require that the City of Holtville establish and implement a Bid Protest Policy for all solicitation including but not limited for bids, proposal submissions or other solicitation for construction and related goods, equipment and other services by the city.

See City of Holtville's Bid Protest Policy #000-17. This policy was adopted on March 26, 2012.

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City of Holtville

MEETING DATE:	9/26/16
APPROVED FOR AGENDA	<i>[Signature]</i>
CITY MANAGER	_____
FINANCE MANAGER	_____
CITY ATTORNEY	_____

REPORT TO COUNCIL

**DATE ISSUED:** September 23, 2016

**FROM:** Denise Garcia, City Clerk

**SUBJECT:** Appointment of Mary Camacho to Represent the City of Holtville on the Imperial Valley Housing Authority Board for 2016

**ISSUE:** Shall the City Council appoint Mary Camacho to Represent the City of Holtville on the Imperial Valley Housing Authority Board for 2016

**STAFF RECOMMENDATION:**

To appoint Mary Camacho to Represent the City of Holtville on the Imperial Valley Housing Authority Board for 2016

**DISCUSSION:**

The City of Holtville currently has one vacancy on the Imperial Valley Housing Authority Board, (IVHA). The vacant seat left by former board member Betty Predmore has not been filled. Michelle Flores, Administrative Services Coordinator for the IVHA contacted me and has proposed that the City consider appointing Ms. Mary Camacho to fill the vacancy and represent Holtville on the Board. Ms. Camacho was a former Board Member of the IVHA with over 12 years of experience. She has also served as the Superintendent of the IVROP and has many years of experience working in the educational field.

**CONCLUSION:**

According to Ms. Flores, there are no restrictions in the Housing Authorities By-Laws that would prevent a non-City resident to act as a representative on the Board. The suggestion of Ms. Camacho being a candidate for appointment is also supported by Joan Jencks who is currently serving on the Board on behalf of Holtville.

**ALTERNATIVE:**

Do not appoint Mary Camacho to Represent the City of Holtville on the Imperial Valley Housing Authority Board for 2016.

Respectfully Submitted,

*[Signature: Denise Garcia]*

Denise Garcia,  
City Clerk

**City of Holtville**  
**REPORT TO COUNCIL**

MEETING DATE:	09/26/16
ITEM NUMBER	6
Approvals	CITY MANAGER
	FINANCE MANAGER
	CITY ATTORNEY

**DATE ISSUED:** September 22, 2016  
**FROM:** Alex Silva, Fire Chief *AS*  
**SUBJECT:** *Proposed Purchase of Type 3 Wildland Fire Apparatus*

***THIS IS INFORMATION ONLY PROVIDED TO THE CITY COUNCIL FOR DISCUSSION  
NO ACTION IS CURRENTLY REQUIRED***

The City of Holtville's Fire Department fleet has been aging every year, to the point that every vehicle needs at least some level of repair every year. The severity of those repairs varies depending on age, frequency of use, etc. Just as importantly, these repairs must on the vehicles be performed by a specialized mechanic, so they tend to be not only costly, but they tend to take the affected apparatus out of service for several days - even for something as simple as an oil change. The more intense repairs can keep our engines out for weeks. During those down times, the City is dependant on older apparatus and/or reliant on other agencies from whom we must ask assistance.

Cost of a new fire engine can be from \$400,000 to \$600,000 for a Type 1 (structural protection), or \$50,000 to \$75,000 for a rescue truck, both without equipment. Standards for fire apparatus have been increasing to help insure safety for firefighters. I have been applying for grants for new (even used) fire engines periodically, however they have become VERY competitive. There are cities in worse shape than us who also get turned down for grants.

Currently the City of Holtville has two Type 1 engines, one rescue truck, a contracted Type 1 from Imperial County Fire Department and a city owned parade fire engine, one service truck and the command vehicle I drive.

Recently, we have been responding to strike team activations throughout the state. The State of California reimburses the City of Holtville for staff , fire apparatus and admin fees. Currently, the state reimburses the city with a fee of \$80.00 per hour for the fire engine plus 10% admin fees. I recently returned from a 14 day assignment, to which I set out to take our fire engine, but it only made it as far as the City of Brawley before a sensor was bad, making the engine inoperable. Calculating 24 hours per day at \$88/hour for 14 days, that engine problem lost revenue of \$29,568 to the City.

The State of California has been pushing for departments to take Type 3 (wildland equipped) engines to get better access to the fires typically fought on these assignments. The rougher terrain puts a lot of wear and tear on Type 1 (City response unit) engines. The Cities of Brawley and El Centro took Type 1 engines to the Chimney Fires, where both engines sustained damage during the assignment. The cities of Calipatria, Calexico and Imperial County Fire have Type 3 engines that were much better-equipped to access the location we asked to respond to. This is the reason the state is pushing for Type 3 apparatus. The Imperial County strike teams have turned down assignments this year because they want a Type 3 only team. When resources get depleted, the State will take anything available. So far this year, County strike teams have gone to multiple fires, three assignments that lasted 14 days, the Potrero Fire that I took lasted 7 days, plus numerous 4 to 5 day assignments.

I am looking for authorization from Council to look into purchasing a Type 3 engine. Type 3 engines can cost from 320,000.00 to 450,000.00. Dealers typically provide financing for up to 10 year terms for the purchase of a Type 3 engine. The engine I would be looking at for the City would be utilized for more than wild land fires. We want it to be capable of extinguishing a residential structure fire, we can equip it to handle medical aid calls and of course, respond to Strike Team activation.

My goal is to have the Type 3 engine pay for itself within three to four years and will still generate enough money after that to pay for a new Type 1 (City response unit), and other vehicles to replace our aging fleet. It is a gamble to make certain we have the money for the annual payments, but I suggest we put the strike team reimbursement money into a different account on the budget to offset the yearly cost and when the reimbursement money has grown enough to pay for the unit, we would pay it off. The remainder of the money could be left in an account to generate enough to eventually pay for new Type 1 engine.

The State of California hasn't rebounded from the drought as expected, one stat showed 55% to 60% of the trees in California are dead. Multiple continues years of soaking rain will not have much of an effect on the trees. The State is anticipating many more years of wildland fires.

The following is the reimbursement the City of Calexico received in the year 2015 for Strike Team activation.

	<u>Personnel</u>	<u>Engine</u>	<u>Admin</u>	<u>Totals</u>
Willow Fire	\$9,903	\$3,840	\$1,375	<b>\$15,118</b>
Advance	14,960	5,660	2,062	<b>22,682</b>
Walker	20,753	7,680	2,843	<b>31,276</b>
Rough	28,325	10,440	3,876	<b>42,641</b>
Butte	35,022	16,082	5,110	<b>56,214</b>
Valley	40,181	<i>Staff Only</i>		<b>40,181</b>
	<b>\$149,144</b>	<b>\$43,702</b>	<b>\$15,266</b>	<b>\$208,112</b>

**Current City of Holtville Fire Fleet**

<u>Type 1</u>	<u>Type 1</u>	<u>Rescue Squad</u>
3611 (first out engine)	3621 second out engine	3661
2001 HME Westates Engine F450	1990 FMC F800	2300 KME

Our current fleet is getting older. Grants for fire apparatus are getting harder and harder to get each year. The City of Holtville has limited funding for replacement of a new engine. This is a viable option we currently have. If other cities in the valley obtain Type 3 engines, our days of responding to Strike Team fires will be over.

At this point I am looking for direction from Council. Should we:

1. Continue into getting more detailed information.
2. Table the inquiry for later date.
3. Stop looking into options on obtaining Type 3 engines completely.

Cordially submitted

Alex Silva, Fire Chief

# City of Holtville

## REPORT TO COUNCIL

**DATE ISSUED:** September 23, 2016  
**FROM:** Nick Wells, City Manager  
**SUBJECT:** City Manager Update

Meeting Date	<u>09/26/16</u>
Item Number	<u>7</u>
City Manager	<u></u>
Finance	_____
City Attorney	_____

**INFORMATION ONLY – NO ACTION REQUIRED AT THIS TIME**

### WATER ENTERPRISE

**Tank Rehab** – Corrosion has developed inside the 2.4 million gallon water storage tank that was completed in 2010. Staff obtained multiple bids for repairs and ongoing maintenance, as well as potential solutions to our TTHM issue. A general estimate was given to rehab the tank at \$225k-275k for the resurfacing and \$350k-400k for the aeration (TTHM solution) portion. The City recently applied for funding of these repairs with SRF. The Holt Group was engaged to produce specifications so that the project can be considered “designed” for grant purposes. Those specifications have almost been completed and the project will soon be ready to go to RFP. A conference call between staff and the Regional Board took place a few weeks ago to discuss the need for additional time to get a project underway for these repairs.

**System Controls** – Frank Cornejo obtained an updated estimate from TESCO in 2014 of about \$450k to replace the aged system. Frank had hoped that this project might be put off and the controls might “limp along” for another 18 months while we attacked other water issues and staff was able to investigate alternatives and potential funding sources. A recent failure in these controls caused a water break, which has brought this issue back to the “top of the stack” in problems to address. This issue is also addressed on the SRF application. THG subbed out the electrical portion of that work and we have been working with Delta Systems on that portion.

**Rate Study** – As previously reported to City Council, the profitability of the Water Enterprise is becoming problematic. Coupled with the issues listed above and the debt covenant to budget a net revenue of 120% of the annual debt service, we must explore the possibility of a rate adjustment. Through Sean Sterchi of the State Water Resources Control Board - Division of Drinking Water, Rural Community Assistance Corporation worked with the City to produce some preliminary analysis in a no-cost Water Rate Study. Staff is working with them to amend and refine that information. Staff has made changes to the rate study and is awaiting a return call from Rural Water to include new levels in their study.

**Floating Solar** – A contract was signed with Infratech Industries for the installation of a floating solar array on the City Water Ponds for the purpose of producing power for the Water Treatment facility in 2014. After the several rounds of plan checks, the plans passed review, although the project was scaled-back to a first phase that merely includes the Raw Water Pond pumps. Addenda to the contract were negotiated with Infratech regarding reduced consumption and the Performance Period, which has lapsed. At this time, we are awaiting a revised Building Permit application to finalize commencement of the project. Infratech is currently at odds with the Civil Engineer on the plans, which require their signature. This has delayed the project once again.

## SEWER ENTERPRISE

**WWTP Project** – The \$15 million project to rehab the City’s Wastewater Treatment Plant, financed by the State Clean Water Revolving Fund along with BECC and the EPA through NADBank, is under construction by Pacific Hydrotech. Last November, the City’s WWTP Cease & Desist Order (and corresponding deadline for completing this project) were extended to 12/31/16. All of the excavation and base concrete pouring has been completed while outfitting and electrical wiring continues. At present, we are trending for a November completion of the plant operations works, however additional “clean-up” construction activities may stretch into February, 2017. *Recent revisions to that schedule make a November 15 startup likely.* This puts the biologic process startup in a bit of flux due to colder temperatures at that time. There are, however, discussions regarding utilization of portions of the old plant process along with the new Biolac structures to further treat the effluent from the new plant to help reach required effluent quality. A startup “grace period” is also acceptable to the Regional Board after the 12/31/16 deadline, which *we are now making plans to request.*

## TRANSPORTATION PROJECTS

**Fifth Street & Grape Avenue Pedestrian Roadway Improvement Project** – This project essentially adds or improves curb, gutter and sidewalk on the north side of Fifth Street at Grape Avenue, using CMAQ funding coming through ICTC. Development Design & Engineering, Inc. was selected as the RE/CM and Pyramid Construction as the construction contractor. Work has been halted for some time as the construction contractor is at odds with Caltrans over materials submittals. The City recently issued a letter demanding action soon to avoid contracted repercussions on the contractor. A meeting was held at the Caltrans Construction office in Imperial a few months ago to hammer out details and get the project restarted. The problematic quick-setting concrete was sourced and Pyramid has now had their asphalt mix certified. *We have now received approval from Caltrans to proceed, with construction expected to begin this week.*

**Walnut Avenue South Improvements Project** – Proposed improvements consist of installation of AC pavement overlay and widening to 50’ in width along the length of Walnut Avenue from Fourth to First Street. The ICTC scoring process resulted in the project being awarded 82% of the funds requested through RSTP in the total amount of \$498,000. The construction contract was awarded to Hal Hayes Construction of Riverside and the Resident Engineer/Construction Manager contract awarded to Athalye Consulting Engineers. Work has been completed, staff is now addressing final details and paperwork.

**Ninth Street Pear Canal Undergrounding from Palm to Olive Avenue Project** – Over the past several years the Pear Canal dirt ditch along the north side of Ninth Street has all but been eliminated. The last project section from Cedar to Palm left only a small length of a couple hundred feet to Olive Avenue. Beyond that point, the canal is concrete lined. Funding from both the RSTP and CMAQ programs was secured for this project last year through Caltrans. A Design Engineering contract was awarded to DD&E and they have begun work.

**Sixth Street Pavement Improvements Project** – This project involves improving the segment of Sixth Street from Melon Avenue to Holt Avenue by resurfacing and rehabilitating the existing roadway. Construction would include crack sealing the existing surface and overlaying Asphalt Rubber Aggregate Membrane (ARAM), utilizing funding from the Regional Surface Transportation Program (RSTP) awarded last year through Caltrans. A design engineering contract was awarded to Dynamic Consulting Engineers.

## PUBLIC WORKS

### PARKS

**Pete Mellinger Alamo River Trail** - The 4<sup>th</sup> phase of this project, which included trail improvements and bridge installations between the Holtville Skate Park and Earl Walker Park, is now complete. A revision to the planned trail head sign to reflect the name change to the "Pete Mellinger Alamo River Trail" has been installed and looks great. Recent additional funding was made available by State Parks to the project which allowed for the installation of delineators on a large portion of the Trail. City staff also painted the safety rails leading up to the bridges to make them blend in pretty seamlessly to the bridges and delineators. A dedication ceremony was held on Friday, September 2, 2016, at the Fourth Street trailhead. Several members of the Mellinger family, CoH staff and media representatives were present.

**Mac Park** - City staff has been working with Holtville Little League to construct a second baseball diamond to the east of the current field. We recently met with Jimmy Abatti, the recognized baseball field "guru" in the Imperial Valley, about what needs to be done. Funding is being sought both through grants and donations. It is hoped that we can move this project forward soon. A new "point person" – Ben Williams – has been appointed by Little League, so that should help the process as well.

**Holtville Wetlands Project** – A fully executed grant agreement document has finally been received by the City. It is hoped that we can be moving forward and be engaging consultants within the next few months. *Additionally, the City received notification that a \$20,000 grant was awarded by the County for signage and amenities last week.*

## ADMINISTRATION

**BUILDING PERMITS** - The City has issued **83** building permits during 2016.

**Clear Talk Cell Tower** – The City was approached last year by Clear Talk Wireless for the purpose of replacing one of the light poles in Samaha Park with a taller pole that would then contain the lights topped by cellular communications equipment. The project has met with informal approval by both the Council and the Planning Commission and is now in the process of completing the requirements for the California Environmental Quality Act (CEQA). Negotiating the proposed lease agreement is ongoing. *The Planning Commission approved the project in principal with the passage of multiple actions, including a Conditional Use Permit at its meeting last week. A proposed lease agreement will be brought to the City Council at a later date. A faction of area residents has voiced some opposition to the construction and have filed an appeal, so more input and information needs to be collected.*

**Holtville Estates** – The final 2 phases of the project are nearing completion, with all construction expected to be complete by the end of October. At present, only 5 homes remain to be sold in the development, all single story models.

**Holtville Luxury Apartments** – A project has been in the works for some time at the corner of Ninth and Melon, just outside the City limits. As the Service Area Plan has now been adopted, work will once again begin with the City and LAFCO to propose annexation and development. Although we are awaiting formal submission of project plans by the Melon, LLC group, staff recently met with Mr. Hawk and hopefully he/they are aware of the next steps that need to be taken. The group has now officially engaged Development Design & Engineering to assist in shepherding the project along. A meeting of all the parties involved (Mr. Hawk, DD&E, LAFCO and City staff) was held last month at the DD&E offices to discuss moving forward. Mr. Hawk reports that things are moving along very well now that DD&E is onboard.

## OTHER

**Sustainable Communities General Planning Grant** – The consultant selected to complete the Plan, Michael Baker International, has been working on gathering data and are currently scheduling some onsite visits to continue their work. The consultants were onsite for a workshop for the Housing Element portion of the plan. A draft of that section has been submitted and comments have been provided by staff. We will continue to provide information to keep the process moving. We have recently checked in with the consultant to insure that work is continuing and expect additional onsite collaboration soon. *A Public Hearing was held at the previous City Council meeting (9/12), wherein preliminary findings were presented by the Consultant. Suggested revisions were given by Council, with a revised report expected up the road.*

**Blossom Valley Inn** – A Conditional Use Permit Application passed the Planning Commission in May to put the facility into full compliance. It is expected that the facility will soon be under new management and several changes will be forthcoming.

**Farmers Markets** – Discussions with the Chamber of Commerce Board earlier this month stressed the importance of getting on the planning of these events “yesterday.” At the time of that discussion, they were hoping to hold a September event, but failed to draw interest from vendors due to the heat. The October event is scheduled for 10/20 and the November event will be held in conjunction with the Veterans Day Parade. The Chamber also has agreed that it is necessary to move the events into the alley of Holt Park or onto one of the streets to increase attendance.

**3<sup>rd</sup> Annual Veteran’s Day Parade** – After a little uncertainty, the event is slated to be held in Holtville once again on 11/11. Planning has already begun and the expectation is that this year will continue the growth we saw last year.

**MEETINGS & EVENTS RECENTLY ATTENDED:**

- 09/12/16 Management Staff Meeting *City Hall*
- 09/13/16 Meeting w/ S Walker & J Arce re: Willowbend Issues *Offices of Walker & Driskill*
- 09/14/16 ICTC Management Committee & CCMA Meetings *City of El Centro*
- 09/15/16 CA Consulting Discussion of Grant Admin & MLB Grant *Conference Call*
- 09/19/16 Holtville Planning Commission Meeting *City Hall*
- 09/19/16 Management Staff Meeting *City Hall*
- 09/19/16 Grape/115 Project Pre-Construction Meeting *City Hall*
- 09/20/16 WWTP - Monthly Progress Meeting *WWTP Plant*
- 09/22/16 IVECA Board Meeting *EC ED Offices*
- 09/22/16 Caltrans External Imperial Coordination *IID Conference Room*
- 09/23/16 MTC Presentation on IRDF *Imperial Palms Resort*

**UPCOMING EVENTS:**

- 09/26/16 Management Staff Meeting *City Hall*
- 09/26/16 Holtville City Council Meeting *City Hall*
- 09/28/16 WWTP - Monthly Progress Meeting *WWTP Plant*
- 09/29/16 Imperial IRWMP Water Forum *IID Conference Room*
- 10/5-7/16 CA League of Cities 2016 Annual Conference & Expo *Long Beach, CA*
- 10/05/16 Ribbon Cutting *I-8/Dogwood Overpass*
- 10/06/16 Holtville CofC Board Meeting *Casa Blanca (Bornt Home-Holtville)*
- 10/06/16 24 Carrot Gold Awards Banquet *IV Swiss Club*
- 10/08/16 IV Food Bank Harvest Bowl Benefit *IV Swiss Club*
- 10/09/16 ICTC Management Committee & CCMA Meetings *City of Holtville*
- 10/11/16 California Housing Summit *Los Angeles*
- 10/13/16 Imperial-Mexicali Binational Alliance Meeting *SDSU-IV Campus (Calexico)*
- 10/13/16 Imperial-Mexicali Binational Alliance Meeting *Calexico*
- 10/17/16 Holtville Planning Commission Meeting *City Hall*
- 10/19/16 2015-16 General Audit Kickoff *City Hall*
- 10/20/16 Holtville Farmers Market *Holt Park*
- 10/26/16 IVECA Board Meeting *EC ED Offices*
- 11/11/16 3rd Annual Veterans Day Parade *Fifth Street/Holt Park*

If you have any questions about any of the information presented, please feel free to contact me directly.

Respectfully submitted,



Nicholas D. Wells  
(760) 356-4574

**City of Holtville**  
**REPORT TO CITY COUNCIL**

MEETING DATE:	09/26/16
ITEM NUMBER	7 a
Approvals	CITY MANAGER
	FINANCE MANAGER
	CITY ATTORNEY

**DATE ISSUED:** September 16, 2016

**FROM:** Frank Cornejo  
Water/Wastewater Operations Supervisor

**SUBJECT:** Water / Wastewater Plant Operations & Maintenance Summary

***THIS IS INFORMATION PROVIDED TO THE CITY COUNCIL. NO ACTION IS REQUIRED OF THE CITY COUNCIL.***

The purpose of this report is to inform council of all operations, maintenance, and construction activities completed at the City's water & wastewater treatment facilities during the period between 09/06/16 to 09/16/16

Also attached to this report are photos of the current wastewater treatment plant improvements construction work.

**Water Treatment Plant:**

- **Jade Security Systems Inc. completed the installation of entry/motion sensors and (4) video cameras at the water treatment plant. Both buildings (main office/UV) are wired with entry/motion sensors, and a monitoring system with video display and recorder has been stationed inside the UV building. (see attached photos)**
- **Staff completed plumbing repairs to damaged vacuum suction piping on filter vacuum system.**
- **Staff took all routine samples, completed all regulatory reports, and maintained operational records as required.**

**Waste Water Treatment Plant:**

- **WWTP staff took annual biosolids samples to TestAmerica lab facilities in Phoenix, AZ for analysis as required by EPA, ADEQ, and Regional Board.**
- **Staff took all routine samples, completed all regulatory reports, and maintained operational records as required.**

**Waste Water Treatment Construction:**

- Pacific Hydro work began structural framing of new lab-operations building. *(see attached photos)*
- Pacific Hydro work crews completed installation of asphalt and concrete components for new drying beds and sludge storage facilities. *(see attached photos)*

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Frank Cornejo', with a stylized flourish at the end.

Frank Cornejo.  
Water/Wastewater Operations Supervisor  
City of Holtville



## *WTP Security System*



# WWTP Construction



**City of Holtville**  
**REPORT TO CITY COUNCIL**

MEETING DATE:	09/12/16
ITEM NUMBER	7 b
Approvals	CITY MANAGER 
	FINANCE MANAGER
	CITY ATTORNEY

**DATE ISSUED:** September 23, 2016  
**FROM:** Alex Chavez, Public Works Foreman  
**SUBJECT:** Bi Monthly Report - Public Works

**THIS IS INFORMATION PROVIDED TO THE CITY COUNCIL. NO ACTION IS REQUIRED OF THE CITY COUNCIL.**

The purpose of this report is to inform Council of Public Works activities since the last council meeting. Public Works has been actively working on or completed the following:

- Cleared sewer plugs at different locations in town.
- Repaired water service line leaks.
- Worked with the Sheriff's Department to clean up graffiti at park and around town .
- Patch potholes in different locations in town.
- Ran main sewer lines in different locations in town.
- Caught 5 dogs.
- Assisted with the abatement on 829 Holt Ave.
- Continued painting stop bars and stop ahead in different locations around town.
- Ran 6 inch line at JR. High drain from Oak Ave. to Webb Ave.
- Repaired all lighting at the City library.

Respectfully Submitted,



Alejandro Chavez  
Public Works