

Pyrotechnic Proposal for



May 27, 2015

City of Orange Cove Samuel Escobar P.O. Box 8 Orange Cove, CA 93646

Dear Mr. Escobar,

Pyro Spectaculars, Inc. is happy to provide our pyrotechnic proposal for your July 3, 2015 event. The following proposal outlines your custom designed Program "A" for the amount of \$11,500.00. The various fireworks elements provided are prepared to shoot from Orange Cove High School for 20 minutes.

Our full service program includes the services of a licensed pyrotechnic operator, specialized crew and safety equipment used for support and protection. The price also includes insurance coverage, sales tax and delivery. To help ensure public safety, we work directly with the local fire authority while we apply for all the necessary fire department and other fireworks related permits. Our winning combination of products, people and production capabilities help produce the safest fireworks entertainment package possible.

Your organization will be responsible for payment of all Orange Cove Fire Department permit fees and/or standby firemen fees, if any. The Fire Department may bill you directly for any additional standby fees for inspections. Your organization will also be responsible for providing the display location and all necessary security for the display site.

Enclosed you will find a Product Synopsis, Production Agreement for signature and Scope of Work. Please have one copy of this fully executed agreement returned to our office by June 5, 2015. Your deposit and applicable fire department fees are due June 19, 2015.

Please take the time to review this proposal in detail. If you wish to discuss any changes in your program or need more information, please call either myself or your Customer Service Representative Melonee Mares at (909) 355-8120.

Sincerely,

PYRO SPECTACULARS, INC.

Mark Silveira

PYRO Show Producer

MS/bv

Enclosures

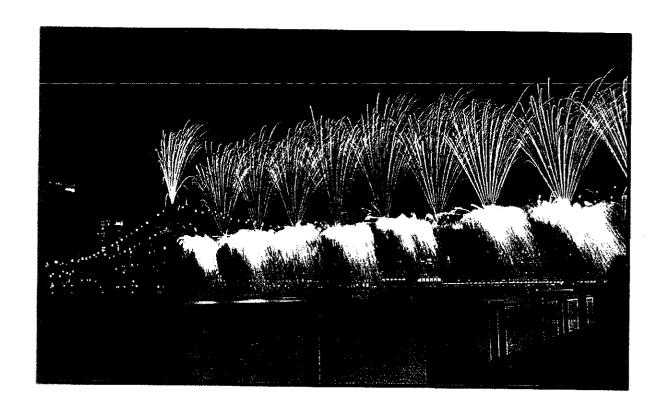
Proposal Outline

Product Synopsis

The World of Pyro Spectaculars, Inc. at your Service

Commitment from the President

Production Agreement and Scope of Work



Product Synopsis • Pyrotechnic Proposal City of Orange Cove PROGRAM A – July 3, 2015 \$11,500.00

Opening	
<u>Description</u>	Quantity
♦ 2.5" Souza Designer Opening Salutes	25
Total of Opening	25
Main Body - Aerial Shells	
Description	Quantity
♦ 3" Souza Designer Selections	180
♦ 4" Souza Designer Selections	60
Total of Main Body - Aerial Shells	240
Pyrotechnic Devices	
<u>Description</u>	Quantity
 Sousa Gold Line Custom Multishot Device 	400 Shots
 Sousa Diamond Line Custom Multishot Device 	300 Shots
 Sousa Emerald Line Custom Multishot Device 	310 Shots
Total of Pyrotechnic Devices	1,010
Custom Drightwork and Set Pieces	
Custom Brightwork and Set Pieces Description	Quantity
Description ♦ American Flag (5x10)	Quantity 1
<u>Description</u> ♦ American Flag (5x10)	<u>Quantity</u> 1 1
<u>Description</u>	1
Description ◆ American Flag (5x10) Total of Custom Brightwork and Set Pieces	1 1
Description ◆ American Flag (5x10) Total of Custom Brightwork and Set Pieces Grand Finale Description	1 1 Quantity
Description ◆ American Flag (5x10) Total of Custom Brightwork and Set Pieces Grand Finale Description ◆ 2" Souza Designer Bombardment Shells	1 1
Description ◆ American Flag (5x10) Total of Custom Brightwork and Set Pieces Grand Finale Description ◆ 2" Souza Designer Bombardment Shells ◆ 2.5" Souza Designer Bombardment Shells	1 1 Quantity 100 36
Description ◆ American Flag (5x10) Total of Custom Brightwork and Set Pieces Grand Finale Description ◆ 2" Souza Designer Bombardment Shells	1 1 Quantity 100
Description ◆ American Flag (5x10) Total of Custom Brightwork and Set Pieces Grand Finale Description ◆ 2" Souza Designer Bombardment Shells ◆ 2.5" Souza Designer Bombardment Shells ◆ 3" Souza Designer Bombardment Shells	1 1 Quantity 100 36 80



The World of Pyro Spectaculars at your Service!



Explosive Entertainment For all types of events

Full Service Productions

Creative Show Design

Music and Theme Selection

Permit Applications

Insurance and Licensing

Set up and delivery

Products & Effects

Sky Concerts™

SOUSA™ Fireworks Brand

Indoor Stage /Close Proximity Pyro

Custom Logos

Propane Effects

Cryogenics

Confetti and Streamers

Value Added Services

In-House
Digital Recording Studio

State of the Art Equipment

24 hour Support Staff

Pyro University Safety and Training Courses

Fire Department Liaison

Consultation Services

Pyro-Program Development

Display Site Surveys

Innovative Product Development

Safety Analysis

FROM THE DESK OF

Vames Souza

PRESIDENT AND CEO

At the heart of every Pyro Spectaculars, Inc. show there is a five generation heritage of the Souza Family. We have been committed to the highest standards of safety, showmanship, and satisfaction for each of our customers.

Your audience expects the best from you... and I am pleased to offer my personal commitment to ensure that they will be thrilled with your fireworks show... and that you will never have to "worry" about any aspect of our business, professional, pyrotechnic, or performance relationship.

Along with the finest fireworks team in the industry, I pledge to you my personal support. Pyro Spectaculars is local, safe, cost-effective, creative, resourceful... the right choice for your fireworks show.

I am personally committed to ensuring that our local experience of excellence for over one hundred years will give you the finest show possible at any price. You deserve the "Pyro Spec Experience!"

Thank you. We look forward to serving you... with Pride!

James R. Souga

Pyro Spectaculars, Inc. P.O. Box 2329 Rialto, CA 92377

Tel: 909-355-8120 :::: Fax: 909-355-9813

City of Orange Cove Program #A July 3, 2015 Page 1 of 4

PRODUCTION AGREEMENT

This agreement ("Agreement") is made this	day of	2015 by and between Pyro Spectaculars, Inc., a California
corporation, hereinafter referred to as ("PYRO"), and	City of Orange Cove	, hereinafter referred to as ("CLIENT"). PYRO and CLIENT are sometimes referred
to as "Party" or collectively as "Parties" herein.		, , , , , , , , , , , , , , , , , , , ,

- Lugagement CLIENT hereby engages PYRO to provide to CLIENT one fireworks production ("Production"), and PYRO accepts such engagement upon all of the promises, terms and conditions hereinafter set forth. The Production shall be substantially as outlined in Program "A", attached hereto and incorporated herein by this reference.
 - PYRO Duties PYRO shall provide all pyrotechnic equipment, trained pyrotechnicians, shipping, pyrotechnic products, application for specific pyrotechnic permits (the cost of which, including standby fees, shall be paid by CLIENT) relating to the Production, insurance covering the Production and the other things on its part to be performed as more specifically set forth below in this Agreement and in the Scope of Work ("Scope of Work"), attached hereto, incorporated herein by this reference, and made a part of this Agreement as though set forth fully herein.
 - CLIENT Duttes—CLIENT shall provide to PYRO a suitable site ("Site") for the Production, security for the Site as set forth in Paragraph 6 hereof, access to the Site, any permission necessary to utilize the Site for the Production, and the other things on its part to be performed as more specifically set forth below in this Agreement and in the Scope of Work. All Site arrangements are subject to PYRO's reasonable approval as to pyrotechnic safety, suitability, and security. All other conditions of the Site shall be the responsibility of CLIENT, including, but not limited to, access, use, control, parking and general safety with respect to the public, CLIENT personnel and other contractors.
 - 2 Time and Place The Production shall take place on July 3, 2015, at approximately 9:00 p.m., at Orange Cove High School; 1700 Auchor Ave, Orange Cove, CA, Site.

3 Fees, Interest, and Expenses -

- Fee CLIENT agrees to pay PYRO a fee of \$11,500.00 USD (FIEVEN THOUSAND FIVE HUNDRED DOLLARS) ("Fee") for the Production. CLIENT shall pay to PYRO \$5,750.00 USD (FIVE THOUSAND SEVEN HUNDRED FIFTY DOLLARS) of the Fee plus estimated permit and standby fees, specified production costs, and other regulatory costs approximated at \$25.00 OR an amount to be determined, for a total of \$5,775.00, as a deposit ("Deposit") upon the execution of this Agreement by both parties but no later than June 19. 2015. The balance of the Fee shall be paid no later than July 6. 2015. CLIENT authorizes PYRO to receive and verify credit and financial information concerning CLIENT from any agency, person or entity including but not limited to credit reporting agencies. The "PRICE FIRM" date, the date by which the executed Agreement must be delivered to Pyro, is set forth in paragraph 20.
- 3.2 Interest.- In the event that the Fee is not paid in a timely manner, CLIENT will be responsible for the payment of 1.5% interest per month or 18% annually on the unpaid balance. If liftgation arises out of this Agreement, the prevailing party shall be entitled to reasonable costs incurred in connection with the litigation, including, but not limited to attorneys' fees.
- 3.3 Expenses PYRO shall pay all normal expenses directly related to the Production including freight, insurance as outlined, pyrotechnic products, pyrotechnic equipment, experienced pyrotechnic personnel to set up and discharge the pyrotechnics and those additional items as outlined as PYRO's responsibility in the Scope of Work. CLIENT shall pay all costs related to the Production not supplied by PYRO including, but not limited to, those items outlined as CLIENT's responsibility in this Agreement and Scope of Work.
- 4. Proprietary Rights PYRO represents and warrants that it owns all copyrights, including performance rights, to this Production, except that PYRO does not own CLIENT-owned material or third-party-owned material that has been included in the Production, and as to such CLIENT-owned and third-party-owned material, CLIENT assumes full responsibility therefore. CLIENT agrees that PYRO shall retain ownership of, and all copyrights and other rights to, the Production, except that PYRO shall not acquire or retain any ownership or other rights in or to CLIENT-owned material and third-party-owned material and shall not be responsible in any way for such material. If applicable, CLIENT consents to the use of CLIENT-owned material and represents that it has or will obtain any permission from appropriate third parties sufficient to authorize public exhibition of any such material in connection with this Production. PYRO reserves the ownership rights in its trade names that are used in or are a product of the Production. Any reproduction by sound, video or other duplication or recording process without the express written permission of PYRO is prohibited.
- 5. <u>Safety</u> PYRO and CLIENT shall each comply with applicable federal, state and local laws and regulations and employ safety programs and measures consistent with recognized applicable industry standards and practices. At all times before and during the Production, it shall be within PYRO's sole discretion to determine whether or not the Production may be safely discharged or continued. It shall not constitute a breach of this Agreement by PYRO for fireworks to fail or malfunction, or for PYRO to determine that the Production cannot be discharged or continued as a result of any conditions or circumstances affecting safety beyond the reasonable control of PYRO.
- 6. <u>Security</u> CLIENT shall provide adequate security personnel, barricades, and Police Department services as may be necessary to preclude individuals other than those authorized by PYRO from entering an area to be designated by PYRO as the area for the set-up and discharge of the Production, including a fallout area satisfactory to PYRO where the pyrotechnics may safely rise and any debris may safely fall. PYRO shall have no responsibility for monitoring or controlling CLIENT's other contractors, providers or volunteers; the public; areas to which the public or contractors have access; or any other public or contractor facilities associated with the Production.
- 7. <u>Cleanup</u> PYRO shall be responsible for the removal of all equipment provided by PYRO and clean up of any live pyrotechnic debris made necessary by PYRO. CLIENT shall be responsible for any other clean up which may be required of the Production or set-up, discharge and fallout areas including any environmental clean-up.

Pyro Spectaculars, Inc. P.O. Box 2329 Rialto, CA 92377

Tel: 909-355-8120 :::: Fax: 909-355-9813

City of Orange Cove Program #A July 3, 2015

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- 8. Permits PYRO agrees to apply for permits for the firing of pyrotechnics only from the ORANGE COVE FIRE DEPARTMENT, FAA, and USCG, if required CLIENT shall be responsible for any fees associated with these permits including standby fees. CLIENT shall be responsible for obtaining any other necessary permits, paying associated fees, and making other appropriate arrangements for Police Departments, other Pire Departments, road closures, event/activity or land use permits or any permission or permit required by any Local, Regional, State or Federal Government.
- Insurance PYRO shall at all times during the performance of services herein ensure that the following insurance is maintained in connection with PYRO's performance of this Agreement; (1) commercial general liability insurance, including products, completed operations, and contractual liability under this Agreement; (2) automobile liability insurance, (3) workers' compensation insurance and employer liability insurance. Such insurance is to protect CLIENT from claims for bodily injury, including death, personal injury, and from claims of property damage, which may arise from PYRO's performance of this Agreement, only The types and amounts of coverage shall be as set forth in the Scope of Work. Such insurance shall not include claims which arise from CLIENT's negligence or willful conduct or from failure of CLIENT to perform its obligations under this Agreement, coverage for which shall be provided by CLIENT.

The coverage of these policies shall be subject to reasonable inspection by CLIENT. Certificates of Insurance evidencing the required general liability coverage shall be furnished to CLIENT prior to the rendering of services hereunder and shall include that the following are named as additionally insured: CLIENT; Sponsors, Landowners, Barge Owners, if any; and Permitting Authorities, with respect to the operations of PYRO at the Production. Pyrotechnic subcontractors or providers, if any, not covered under policies of insurance required hereby, shall secure, maintain and provide their own insurance coverage with respect to their respective operations and services.

- 10. Indemnification PYRO represents and warrants that it is capable of furnishing the necessary experience, personnel, equipment, materials, providers, and expertise to produce the Production in a safe and professional manner. Notwithstanding anything in this Agreement to the contrary, PYRO shall indemnify, hold harmless, and defend CLIENT and the additional insureds from and against any and all claims, actions, damages, liabilities and expenses, including but not limited to, attorney and other professional fees and court costs, in connection with the loss of life, personal injury, and/or damage to property, arising from or out of the Production and the presentation thereof to the extent such are occasioned by any act or omission of PYRO, their officers, agents, contractors, providers, or employees. CLIENT shall indemnify, hold harmless, and defend PYRO from and against any and all claims, actions, damages, liability and expenses, including but not limited to, attorney and other professional fees and court costs in connection with the loss of life, personal injury, and/or damage to property, arising from or out of the Production and the presentation thereof to the extent such are occasioned by any act or omission of CLIENT, its officers, agents, contractors, providers, or employees. In no event shall either party be liable for the consequential damages of the other party.
- 11. <u>Limitation of Damages for Ordinary Breach</u> Except in the case of bodily injury and property damage as provided in the insurance and indemnification provisions of Paragraphs 9 and 10, above, in the event CLIENT claims that PYRO has breached this Agreement or was otherwise negligent in performing the Production provided for herein, CLIENT shall not be entitled to claim or recover monetary damages from PYRO beyond the amount CLIENT has paid to PYRO under this Agreement, and shall not be entitled to claim or recover any consequential damages from PYRO including, without limitation, damages for loss of income, business or profits.
- 12. Force Majeure CLIENT agrees to assume the risks of weather, strike, civil unrest, terrorism, military action, governmental action, and any other causes beyond the control of PYRO which may prevent the Production from being safely discharged on the scheduled date, which may cause the cancellation of any event for which CLIENT has purchased the Production, or which may affect or damage such portion of the exhibits as must be placed and exposed a necessary time before the Production. If, for any such reason, PYRO is not reasonably able to safely discharge the Production on the scheduled date, or at the scheduled time, or should any event for which CLIENT has purchased the Production be canceled as a result of such causes, CLIENT may (i) reschedule the Production and pay PYRO such sums as provided in Paragraph 13, or (ii) cancel the Production and pay PYRO such sums as provided in Paragraph 14, based upon when the Production is canceled.
- 13. Rescheduling Of Event If CLIENT elects to reschedule the Production, PYRO shall be paid the original Fee plus all additional expenses made necessary by rescheduling plus a 15% service fee on such additional expenses. Said expenses will be invoiced separately and payment will be due in full within 5 days of receipt. CLIENT and PYRO shall agree upon the rescheduled date taking into consideration availability of permits, materials, equipment, transportation and labor. The Production shall be rescheduled for a date not more than 90 Days subsequent to the date first set for the Production. The Production shall not be rescheduled to a date, or for an event, that historically has involved a fireworks production. The Production shall not be rescheduled between June 15th and July 15th unless the original date was July 4th of that same year, or between December 15th and January 15th unless the original date was December 31st of the earlier year unless PYRO agrees that such rescheduling will not adversely affect normal business operations during those periods.
- 14. Right To Cancel CLIENT shall have the option to unitaterally cancel the Production prior to the scheduled date. If CLIENT exercises this option, CLIENT agrees to pay to PYRO, as liquidated damages, the following percentages of the Fee as set forth in Paragraph 3.1. 1) 50% if cancellation occurs 30 to 90 days prior to the scheduled date, 2) 75% if cancellation occurs 15 to 29 days prior to the scheduled date, 3) 100% thereafter. In the event CLIENT cancels the Production, it will be impractical or extremely difficult to fix actual amount of PYRO's damages. The foregoing represents a reasonable estimate of the damages PYRO will suffer if CLIENT cancels the Production.
- 15. No Joint Venture It is agreed, nothing in this Agreement or in PYRO's performance of the Production shall be construed as forming a partnership or joint venture between CLIENT and PYRO. PYRO shall be and is an independent contractor with CLIENT and not an employee of CLIENT. The Parties hereto shall be severally responsible for their own separate debts and obligations and neither Party shall be held responsible for any agreements or obligations not expressly provided for herein.
- 16. <u>Applicable Law</u> This Agreement and the rights and obligations of the Parties hereunder shall be construed in accordance with the laws of California. It is further agreed that the Central Judicial District of San Bernardino County, California, shall be proper venue for any such action. In the event that the scope of the Production is reduced by authorities having jurisdiction or by either Party for safety concerns, the full dollar amounts outlined in this Agreement are enforceable.
- 17. Notices Any Notice to the Parties permitted or required under this Agreement may be given by mailing such Notice in the United States Mail, postage prepaid, first class, addressed as follows: PYRO Pyro Spectaculars, Inc., P.O. Box 2329, Rialto, California, 92377, or for overnight delivery to 3196 N. Locust Avenue, Rialto, California 92377. CLIENT —City of Orange Cove; P.O. Box 8. Orange Cove, CA 93646.

Pyro Spectaculars, Inc. P.O. Box 2329 Rialto, CA 92377

Tel: 909-355-8120 :::: Fax: 909-355-9813

EXECUTED as of the date first written above:

SHOW PRODUCER: Mark Silveira

City of Orange Cove Program #A July 3, 2015 Page 3 of 4

- 18. Modification of Terms All terms of the Agreement are in writing and may only be modified by written agreement of both Parties hereto. Both Parties acknowledge they have received a copy of said written Agreement and agree to be bound by said terms of written Agreement only.
- Severability—If there is more than one CLIENT, they shall be jointly and severally responsible to perform CLIENT's obligations under this Agreement This Agreement shall become effective after it is executed and accepted by CLIENT and after it is executed and accepted by PYRO at PYRO's offices in Rialto, California. This Agreement may be executed in several counterparts, including faxed and emailed copies, each one of which shall be deemed an original against the Party executing same. This Agreement shall be binding upon the Parties hereto and upon their heirs, successors, executors, administrators and assigns
- 20 Price Firm If any changes or alterations are made by CLIENT to this Agreement or if this Agreement is not executed by CLIENT and delivered to PYRO on or before the PRICE FIRM date shown below, then the price, date, and scope of the Production are subject to review and acceptance by PYRO for a period of 15 days following delivery to PYRO of the executed Agreement. In the event it is not accepted by PYRO, PYRO shall give CLIENT written notice, and this Agreement shall be void

PRICE FIRM through June 5, 2015
EXECUTED AGREEMENT MUST BE DELIVERED TO PYRO BY THIS DATE.
See PRICE FIRM conditions, paragraph 20, above.

PYRO SPECTACULARS, INC.

By By:

Its: President

Print Name

Tel: 909-355-8120 :::: Fax: 909-355-9813

City of Orange Cove Program #A July 3, 2015 Page 4 of 4

SCOPE OF WORK PYRO SPECTACULARS, INC. ("PYRO") and City of Orange Cove ("CLIENT")

Pyro shall provide the following goods and services to CLIENT:

- One Pyro Spectaculars, Inc., Production on <u>July 3, 2015</u>, at approximately <u>9:00 p.m.</u> at <u>Orange Cove High School; 1700 Anchor Ave. Orange Cove, CA.</u>
- All pyrotechnic equipment, trained pyrotechnicians, shipping, and pyrotechnic product.
- Application for specific pyrotechnic permits relating to the Production.
- Insurance covering the Production as set forth in the Agreement with the following limits:

Insurance Requirements	<u>Limits</u>	
Commercial General Liability	\$1,000,000.00	Combined Single Limit- Each Occurrence (Bodily Injury & Property Damage)
Business Auto Liability- Owned, Non-Owned and Hired Autos	\$5,000,000.00	Combined Single Limit- Each Occurrence (Bodily Injury & Property Damage)
Workers' Compensation	Statutory	
Employer Liability	\$1,000,000	Per Occurrence

CLIENT shall provide to PYRO the following goods and services:

- All on-site labor costs, if any, not provided or performed by PYRO personnel including, but not limited to, local union requirements, all Site security, Police and Fire Dept. standby personnel, stagehands, electricians, audio and fire control monitors, carpenters, plumbers, clean-up crew. All these additional personnel and services shall be fully insured and the sole responsibility of CLIENT.
- Coordination and any applicable non-pyrotechnic permitting with the local, state or federal government that may hold authority within the Production.
- Costs of all permits required for the presentation of the Production and the event as a whole.
- Provision of a Safety Zone in accordance with applicable standards and all requirements of the authorities having jurisdiction throughout the entire time that the pyrotechnics are at the Site or the load site (if different) on the date of the Production and all set-up and load-out dates, including water security to keep unauthorized people, boats, etc. from entering the Safety Zone.
- General Services including, but not limited to, Site and audience security, fencing, adequate work light, dumpster accessibility, a secure office for PYRO personnel within the venue, secure parking for PYRO vehicles, access to washrooms, tents, equipment storage, hazmat storage, electrical power, fire suppression equipment, access to worksites, necessary credentialing, etc., will be required as necessary.

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PROCLAMATION OF A LOCAL EMERGENCY BY THE ORANGE COVE CITY COUNCIL COUNTY OF FRESNO, STATE OF CALIFORNIA

IN THE MATTER OF THE)

2015 DROUGHT CONDITIONS)

WHEREAS, a local emergency presently exists in the City of Orange Cove ("City") which has resulted in a crippling disaster, which severely impaired public health and public safety, has created conditions of extreme peril to the safety of persons and property, and which has arisen within said City as a result of the statewide drought commencing in 2012; and

WHEREAS, on January 17, 2014, the Governor proclaimed a statewide emergency due to unprecedented drought conditions in the State of California; and

WHEREAS, on this 10th day of June, 2015, the Orange Cove City Council of the County of Fresno, hereby proclaims the existence of a local emergency and requests the Governor of California make available any and all State assistance programs and seek additional Federal assistance to provide relief to the individuals, growers, businesses, public agencies and private agencies that were harmed by this disaster, as local resources are inadequate to cope with the effects of said emergency; and

WHEREAS, on the 19th day of September, 2014, the Governor issued Executive Order (EO) B-26-14 authorizing the Governor's Office of Emergency Services (Cal OES) to provide California Disaster Assistance Act funding, as deemed appropriate, for local government assistance to provide emergency water supplies to households without water for drinking and sanitation purposes; and

WHEREAS, on the 27th day of March, 2015, the Governor signed emergency legislation -AB 91 and AB 92 - that fast-tracks more than \$1 billion in funding for drought relief and critical water infrastructure projects; and

WHEREAS, this Council appreciates the Governor's efforts to address this statewide emergency and crisis; and

WHEREAS, said emergency has continued and escalated and has caused cumulative impacts on the City; and

WHEREAS, local and statewide resources continue to be inadequate to cope with the effects of said emergency; and

WHEREAS, of California's total developed water supply of 82.5 million acre-feet, 47.8% is being made available for environmental purposes, 41.5% is designated for agricultural uses and 10.8% is allocated to urban uses; and

WHEREAS, all beneficial uses and users within California have been curtailed – in part or in whole – by the State Water Board or local and regional allocation and entitlement decisions in response to the drought; and

WHEREAS, on average, agricultural water supplies between Redding and Bakersfield have been reduced by 70%, with 31% of California's irrigated farmland, or 2,831,000 acres, receiving zero water supply allocations; and 52.8% of the state's irrigated farmland receiving 20% or less of normal surface water supplies; and

WHEREAS, water made available by the State of California for environmental purposes has remained unregulated and, in many cases, has resulted in urban and agricultural users losing potential water supplies to keep environmental uses "whole"; and

WHEREAS, 2015 is the second consecutive year in which Central Valley Project contractors within Fresno County have endured zero water supply allocations, with agricultural contractors and users being most negatively affected; and

WHEREAS, these circumstances compel the City to request the Governor to take even more stringent actions to reduce the state's water consumption by imposing curtailments on water

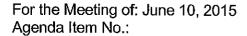
supplies currently dedicated to the environment and fishery habitat that are comparable to those now being mandated and burdening urban and agricultural contractors and users.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ORANGE COVE DOES HEREBY RESOLVE AS FOLLOWS:

- That the Governor be requested to direct the State Water Board to take action
 making changes in Delta water operations necessary to provide additional water supplies for urban
 and agricultural users; and
- 2. That the Governor be requested to meet and confer with the U.S. Department of the Interior and U.S. Department of Commerce, and request that the Departments exercise the greatest possible flexibility in biological opinions regulating operations affecting endangered species under the federal Endangered Species Act; and
- 3. That the Governor support Congressional legislative efforts being undertaken by Senator Feinstein to enact federal drought legislation that would benefit water supply availability in the City and the San Joaquin Valley; and 4. That the Governor notify this Council of any and all actions, orders, negotiations and discussions undertaken on behalf of advancing the points enumerated above; and 5. That the Governor continue to make available any and all State assistance programs and seek additional Federal assistance to provide relief to the individuals, growers, businesses, public agencies, and private agencies that were harmed by this disaster; and
- 6. That a copy of this resolution be forwarded to the Governor of the State of California, the State Water Resources Control Board and the Director of the State Office of Emergency Services.

NOW THEREFORE, IT IS HEREBY PROCLAIMED by the Orange Cove City Council,
County of Fresno, State of California, that said local emergency continues to exist in the City of
Orange Cove, County of Fresno and that this County remains at "Ground Zero" for the state's most
serious economic and social water supply reduction impacts.

1	This Proclamation was adopted at a Regular M	leeting of the City Council of the City of Orange
2	Cove held on June 10, 2015, by the following v	rote:
3	AYES:	
4	NOES:	
5	ABSENT:	
6	ABSTAIN:	
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9	Victor P. Lopez, Mayor	
10	ATTEST:	APPROVED AS TO FORM
11		
12	June Bracamontes, City Clerk	Bianca Sparks, City Attorney
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CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To:

Orange Cove City Council

From:

Gary D. Horn, City Engineer

Subject:

Award of Bid for Anchor Avenue Reconstruction

Attachments:

Resolution

RECOMMENDATION:

Council award the bid to AJ Excavation, Inc. for the Anchor Avenue Reconstruction Project for the Base Bid only and authorize the City Manager to sign the standard construction agreement.

EXECUTIVE SUMMARY:

Bids were received from 6 contractors for the Anchor Avenue Reconstruction Project on Thursday May 28, 2015. This project will reconstruct Anchor Avenue from Park Boulevard to Adams Avenue. The lowest Base Bid was submitted by AJ Excavation, Inc. in the amount of \$908,883.40, with an Additive Alternate Bid of \$30,960.00. The Engineer's Estimate was \$1,073,786 for the Base Bid and \$16,725.00 for the Add. Alternate.

BACKGROUND:

The project will reconstruct the existing deteriorated paving with new asphalt and base rock and install new ADA handicap ramps at the street corners. In addition new curb, gutter, sidewalk and street lights will be installed along the east side of Anchor Avenue from the end of the existing improvements to East Railroad Avenue. The intersections of both East and West Railroad Avenues will be redesigned to make perpendicular intersections with Anchor Avenue.

The bid was designed with a Base Bid and an Additive Alternate. The majority of the work was the Base Bid with and Additive Alternate Bid was to replace 350 feet of the existing curb along the frontage of Booth Ranches Packing plant. That portion of curb and gutter has been deteriorated

Prepared by:	GH	Approved I	by:
REVIEW: City Manager: _	Fi	nance:	City Attorney:
TYPE OF ITEM:	COUNCIL ACTION:	APPROVED D	DENIED NO ACTION
Consent Info Item Action Item Department Report Redevelopment Age		M-	Public Hearing Matter Initiated by a Council ember Other Continued to:

along the gutter pan. The Specifications stated that the award of the bid would be determined by the lowest Base Bid.

We recommend that the Council award the Base Bid only to AJ Excavation due to the high cost for their additive alternate.

The bids received are as follows:

<u>Contractor</u>	Base Bid	Add. Alternate
A J Excavation, Inc.	\$908,883.40	\$30,960.00
Yarbs Construction	\$916,352.01	\$9,772.00
AS Dezign	\$1,001,595.22	\$12,439.08
Avison	\$1,049,953.00	\$16,415.00
Don Berry Construction, Inc.	\$1,108,486.80	\$13,376.00
Lee's Paving	\$1,476,372.30	\$18,182.00
The Engineer's Estimate	\$1,073,786.00	\$16,725.00

REASON FOR RECOMMENDATION:

A J Excavation, Inc. submitted the lowest responsive bid and they are a responsible contractor.

FISCAL IMPACT:

This project has received an allocation of \$501,600 in Federal Highway Funds through the Regional Surface Transportation Program. The City match of \$695,000 will come from local transportation funds.

ALTERNATIVES:

An alternate would be to reject all bids and not proceed with the project.

ACTIONS FOLLOWING APPROVAL:

If the Council awards the bid, the construction agreement will be signed and construction should start shortly.

CONFLICT OF INTEREST:

None.

RESOLUTION NO. 2015-26

A RESOLUTION OF THE COUNCIL OF THE CITY OF ORANGE COVE, CALIFORNIA, AWARDING THE CONTRACT TO AJ EXCAVATION, INC. FOR THE ANCHOR AVENUE RECONSTRUCITON PROJECT

WHEREAS, the Invitation to Bid for the Anchor Avenue Reconstruction Project was advertised in the Reedley Exponent on April 30, 2015; and

WHEREAS, the project will consist of the installation of curb, gutter, sidewalks, street lights and new asphalt paving in Anchor Avenue from Park Boulevard to Adams Avenue in the City of Orange Cove; and

WHEREAS, the following bids for the project were publicly opened and read aloud at the Orange Cove City Hall on May 28, 2015 at 2 pm:

Contractor	Base Bid	Additive Alternate
A J Excavation, Inc.	\$908,883.40	\$30,960.00
Yarbs Construction	\$916,352.01	\$9,772.00
AS Dezign	\$1,001,595.22	\$12,439.08
Avison	\$1,049,953.00	\$16,415.00
Don Berry Construction, Inc.	\$1,108,486.80	\$13,376.00
Lee's Paving	\$1,476,372.30	\$18,182.00

WHEREAS, the City Engineer's estimate was \$1,073,786.00 for the Base Bid and \$16,725.00 for the Additive Alternative Bid for the Project.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Orange Cove, California, as follows:

- 1. The above recitals are true and correct and are adopted as the findings of the City Council.
 - 2. AJ Excavation, Inc. is the lowest responsible bidder for the project.
- 3. Upon the recommendation of the City Engineer, the Base Bid only for the Anchor Avenue Reconstruction Project is hereby awarded to AJ Excavation, Inc. in the amount of Nine Hundred Eight Thousand Eight Hundred Eighty-three Dollars and Forty Cents (\$908,883.40) and

14-102

the City Manager is hereby authorized to execute the agreement with AJ Excavation, Inc. to perform the project.

- 3. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.
- 4. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

This resolution was adopted at a Regular Meeting of the City Council of the City of Orange Cove held on June 10, 2015, by the following vote:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
Victor P. Lopez, Mayor	<u> </u>
ATTEST:	APPROVED AS TO FORM
June Bracamontes, City Clerk	Bianca Sparks, City Attorney

2

14-102

For the Meeting of: Agenda Item No.:

June 10, 2015



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To:

Orange Cove City Council

From:

Gary D. Horn, City Engineer

Subject:

Memorandum of Understanding

Groundwater Sustainability Agency

Attachments:

Resolution and MOU

RECOMMENDATION:

Council adopt the attached resolution approving the revises Memorandum of Understanding (MOU) regarding the formation of a Groundwater Sustainability Agency (GSA) with other interested parties.

EXECUTIVE SUMMARY:

The Governor signed legislation that requires that each hydrologic basin address groundwater sustainability by creating a local agency to implement: Conservation, Water recycling, Expanded storage, Safe Drinking Water, Wetlands and Watershed protection.

This MOU expresses the City's interest in forming a GSA sub-basin lying east of the Kings River.

BACKGROUND:

Last year the Governor signed SB 1319, SB 1168 and AB 1739 collectively called the "Sustainable Groundwater Management Act. The law requires the formation of GSA for each hydrologic basin. The City of Orange Cove lies within the Kings River Basin that covers a large part of Fresno County and northern sections of Kings and Tulare Counties.

A group of cities, irrigation districts and other interested parties would like to form a smaller GSA that can address the unique groundwater conditions for the area lying east of the Kings River. Those entities include: Alta Irrigation District, Orange Cove Irrigation District, Hills Valley Irrigation

Prepared by: <u>Gary Horn</u>	Approved	by:
REVIEW: City Manager:	Finance:	City Attorney:
TYPE OF ITEM: CO	OUNCIL ACTION: APPROVED I	DENIED NO ACTION
Consent Info Item Action Item Department Report Redevelopment Agence	<u>"</u>	Public Hearing Matter Initiated by a Council lember Other Continued to:

District, Tri Valley Water District, Kings River Water District, Fresno County, Tulare County, Fresno and Tulare Farm Bureaus, City of Reedley, City of Dinuba and CA Citrus Mutual.

If a local agency is not formed by June 2017 then the State will take control. The local GSA will start with a MOU and may move to a form a special district. If no local GSA is formed, then the County of Fresno will be the default GSA.

The State has listed the following powers and authority of a GSA:

- Develop a groundwater sustainability plan
- Fee authority
- Registration of extraction facility (discretionary)
- Water measurement device paid for by user of groundwater (discretionary)
- Annual statement of diversion (discretionary)
- Extractions as a basis for fees
- Service fees based on extraction of groundwater are to be used to implement the plan shall be based on subdivision (a) and (b) of Section 6 of Article XIII D of the California Constitution. (Prop. 218)
- Authorized to impose regulatory fees, i.e., permit fees, extractions, or as regulated activities, to fund preparation and enforcement of the plan following public hearings. (Prop. 26)
- Monitor, Compliance and Enforcement
- Excess unauthorized extraction subject to a civil penalty not to exceed \$500/AF
- Any rule, regulation, ordinance or resolution violation subject to civil penalty not to exceed \$1,000 plus \$100 per day
- Appropriate and acquire surface water or groundwater
- Water exchanges
- Transport, reclaim, purify, treat or otherwise manage polluted water, wastewater
- Impose spacing requirements on new groundwater well construction
- Control groundwater extractions
- Request that the county forward permit requests for new well construction prior to action being taken.

Your council approved a MOU on January 28, 2015 stating the City's interest and willingness to cooperate with other agencies to form a GSA for the area lying east of the King's River. This revision of the MOU contains two changes:

- 1. The boundaries of the GSA are more defined as being the area covered by Alta Irrigation District, Orange Cove Irrigation District, Hills Valley Irrigation District and Tri-Valley Irrigation District.
- 2. The parties of this MOU, Alta Irrigation District, Tulare County and Fresno County, may join other GSAs and represent other members. For example, Fresno County will be a member of another GSA that would include the Cities of Fresno, Clovis and Kerman, Fresno Irrigation District and other districts west of the Kings River.

Since the previous MOU, Assemblyman Henry T. Perea has introduced AB 1376 to allow the formation of the Kings River East Groundwater Sustainability Agency. This legislation provides for the governance and powers of the agency. The bill is making its way through the legislature.

REASON FOR RECOMMENDATION:

Even though the City does not now have any groundwater wells I think it is important for us to be part of this group. I can imagine that future state funding for water projects would require that the city be part of a GSA. The GSA will also allow us to work more closely with neighboring groups for mutually beneficial water projects.

FISCAL IMPACT:

Staff time will be required for meetings

ALTERNATIVES:

The Council may wish to not pursue belonging to the proposed GSA for the area lying east of the Kings River.

ACTIONS FOLLOWING APPROVAL:

Staff will forward the approved resolution to the Alta Irrigation District.

CONFLICT OF INTEREST: None

RESOLUTION NO. 15-

A RESOLUTION OF THE COUNCIL OF THE CITY OF ORANGE COVE, CALIFORNIA, APPROVING MEMORANDUM OF UNDERSTANDING BETWEEN INTERESTED PARTIES DESIRING TO FORM A GROUNDWATER SUSTANIABILITY AGENCY AND ESTABLISH A NEW SUB-BASIN

WHEREAS, Senate Bills 1319 and 1168, and Assembly Bill 1739, collectively, the "Sustainable Groundwater Management Act" (GSMA) were signed by Governor Brown on September 16, 2014; and

WHEREAS, there are statutory deadlines for compliance with the GSMA in regards to the evaluating and implementing a Groundwater Sustainability Plan (GSP) and Groundwater Sustainability Agencies (GSAs) need to be identified and established for each basin and sub basin, among other requirements; and

WHEREAS, the City Council adopted Resolution 2015-03 on January 28, 2015 approving a MOU for the purposes of forming a Groundwater Sustainability Agency; and

WHEREAS, the parties desire to revise the previously adopted MOU to better define the boundaries of the GSA and to allow interested parties to inter into additional MOUs and to coordinate agreements with other public agencies and to coordinate efforts to implement the GSMA; and

WHEREAS, the City Council has received a report from the City Engineer recommending the adoption of a Memorandum of Understanding as shown in Exhibit A stating the desire of the City of Orange Cove to join with other neighboring Interested Parties to form a GSA.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Orange Cove, California, as follows:

- 1. The above recitals are true and correct and are adopted as the findings of the City Council.
- 2. The Memorandum of Understanding as shown in Exhibit A is hereby approved and the City Manager is authorized to sign the Memorandum on behalf of the City of Orange Cove.
- 3. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall

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not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

4. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

This resolution was adopted at a Regula	r Meeting of the City Council of the City of Orange
Cove held on June 10, 2015, by the follows:	owing vote:
AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
Victor P. Lopez, Mayor	
ATTEST:	APPROVED AS TO FORM

2

Bianca Sparks, City Attorney

June Bracamontes, City Clerk

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN
INTERESTED PARTIES DESIRING TO CONSIDER FORMING
A GROUNDWATER SUSTAINABILITY AGENCY

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is made and entered into on this _____ day of _____, 201__ (the "Effective Date"), by and between Interested Parties desiring to consider forming a groundwater sustainability agency ("GSA"). The parties whose names and authorized signatures appear below are each an "Interested Party," and may be collectively referred to herein as "Interested Parties."

RECITALS

- A. WHEREAS, Senate Bills 1319 and 1168, and Assembly Bill 1739, collectively, the "Sustainable Groundwater Management Act" were signed by Governor Brown on September 16, 2014; and
- B. WHEREAS, the Sustainable Groundwater Management Act ("SGMA") sets statutory deadlines for compliance with the SGMA as follows: by January 31, 2015, the Department of Water Resources ("DWR") shall declare the initial priority for each basin or sub basin; by January 1, 2016, DWR shall adopt regulations to revise basin boundaries; by June 1, 2016, DWR shall develop rules for evaluating and implementing a groundwater sustainability plan ("GSP"); by June 30, 2017, GSAs need to be identified and established for each basin and sub basin; and by January 1, 2020, the GSAs covering high and medium priority basins and sub basins need to manage those basins through a GSP; and
- C. WHEREAS, the Interested Parties desire to formalize their intent to meet, review, analyze and determine the willingness among the Interested Parties to form a GSA to administer and implement a GSP.

NOW, THEREFORE, in consideration of the recitals set forth above, which are incorporated herein by this reference, and the mutual covenants and undertakings set forth herein, the mutual receipt and sufficiency of which is hereby acknowledged, the Interested Parties agree as follows:

- 1. <u>Purpose.</u> The purpose of this MOU is to document the willingness of the Interested Parties to work together to comply with the SGMA and its statutory timeline(s). This MOU is further intended to promote and provide a means to establish an orderly process by which the Interested Parties may share information, develop a course of action, and resolve any misunderstandings or differences that may arise.
- 2. <u>Coordination</u>. There shall be coordinating meetings between the Interested Parties held on a monthly basis, or as needed.
- 3. <u>Obligations; Costs.</u> It is agreed between the Interested Parties that information pertaining to groundwater management, depth to groundwater, and groundwater quality information from that area covered by each Interested Party, be shared and that all such data coordinated between the Interested Parties, to the extent such information is not considered

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confidential. Each Interested Party shall bear the cost of its individual participation in this MOU, unless otherwise agreed to among the Interested Parties in writing.

- 4. <u>Withdrawal</u>. Any Interested Party may withdraw from this MOU by providing thirty (30) days written notice to the other Interested Parties.
- 5. <u>Boundaries</u>. It is the intent among the Interested Parties that this MOU addresses the area immediately east of the Kings River that is within the presently designated Kings Sub Basin and the boundaries of the agency shall include all land located within the exterior perimeter boundaries of Alta Irrigation District within Fresno and Tulare Counties, Orange Cove Irrigation District, Hills Valley Irrigation District, and Tri-Valley Water District overlying the San Joaquin Valley Basin, Kings Subbasin, as described in "California's Groundwater: Bulletin 118," updated in 2003.
- 6. <u>Term.</u> The term of this MOU shall commence on the Effective Date and shall continue unless rescinded in writing by all Interested Parties.
- 7. Other Agreements To Coordinate. The Interested Parties agree that it is acceptable, and not contrary to this MOU nor the formation of a Kings River East GSA, for Alta Irrigation District, Tulare County and Fresno County to enter into and/or participate in additional memoranda of understanding or coordination agreements with other public agencies overlying the Kings Subbasin, to coordinate efforts to implement SGMA. Representatives from Alta Irrigation District, Tulare County and Fresno County shall act as representatives for all of the Interested Parties and share information obtained through these coordination efforts with the other Interested Parties.

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8. This MOU may be executed in counterparts and all separately executed copies of this MOU shall be read and interpreted as one document. Signatures may be provided by PDF for facsimile.

IN WITNESS WHEREOF the Interested Parties have executed this MOU as of the date first above written.

INTERESTED PARTY	INTERESTED PARTY
Name:	Name:
Ву:	Ву:
Title:	Title:
Date:	Date:



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To:

Orange Cove City Council

From:

Gary D. Horn, City Engineer

Subject:

Setting Public Hearing for Establishing Orange Cove

Underground Utility District No. 1

Attachments:

Project Map and Resolution

RECOMMENDATION:

That the City Council approve the attached Resolution setting a Public Hearing for Establishing Underground Utility District No. 1 for June 24, 2015.

EXECUTIVE SUMMARY:

On March 13, 2013, City Council approved Anchor Ave. from Park Blvd. to Martinez St, as the preferred location for Underground Utility District No. 1 (UUD).

Staff met with PG&E staff to begin the process for formation of the UUD in compliance with California Public Utilities Commission (PUC) rules and regulations.

BACKGROUND:

In 1967, the California Public Utilities Commission established an Undergrounding Program in which the electric utility (PG&E) is required to budget funds annually for use by communities they serve to convert utility overhead distribution lines to underground. PG&E's program is referred to as the Rule 20A Program. PG&E will perform all work on design and construction of underground utilities.

The City of Orange Cove currently has about \$900,000 in accumulated credits from PG&E under the Rule 20A Program.

Prepared by:GH		Approved by: _	
REVIEW: City Manager:	Fina	ance:	City Attorney:
TYPE OF ITEM:	COUNCIL ACTION:	APPROVED DEN	IED NO ACTION
Consent Info Item Action Item Department Report		X Memb	Public Hearing Matter Initiated by a Council er Other
Redevelopment Ager	ncy		Continued to:

The current estimated cost for the Anchor Avenue UUD is \$1.3 million and may take 3 to 5 years to complete.

The City will request that the County of Fresno Board of Supervisors approve the transfer of Fresno County's PG&E Rule 20A that they have allocated for undergrounding along West Railroad Avenue south of Park Blvd., in the amount of \$140,000, plus an additional \$260,000, for a total of \$400,000, to the Anchor Ave. UUD No. 1.

The undergrounding will also include the service lines to homes and businesses. There will be no cost to property owners for any of the service line work.

PUC regulations and City ordinance require that a public hearing be held for the purpose of receiving feedback from the public and for the City Council to determine whether the public health, safety or welfare requires the necessity of removing poles, wires, and associated overhead structure, communication, or similar or associated services along the district boundaries. All of the property owners within the proposed district and all of the utility companies serving the area will be notified of this public hearing.

REASON FOR RECOMMENDATION:

On March 13, 2013, the City Council approved Anchor Ave. from Park Blvd. to Martinez St. as the preferred location for UUD No. 1. A Public Hearing to consider the formation of the district by the City Council is required for PG & E to complete the project.

FISCAL IMPACT:

None at this time as no project has been programmed by PG&E as a Rule 20A Project.

As the project moves forward, the City is required to provide, at their expense, PG&E with a topographic and boundary survey of the UUD area, estimated to cost about \$10,000.

ALTERNATIVES:

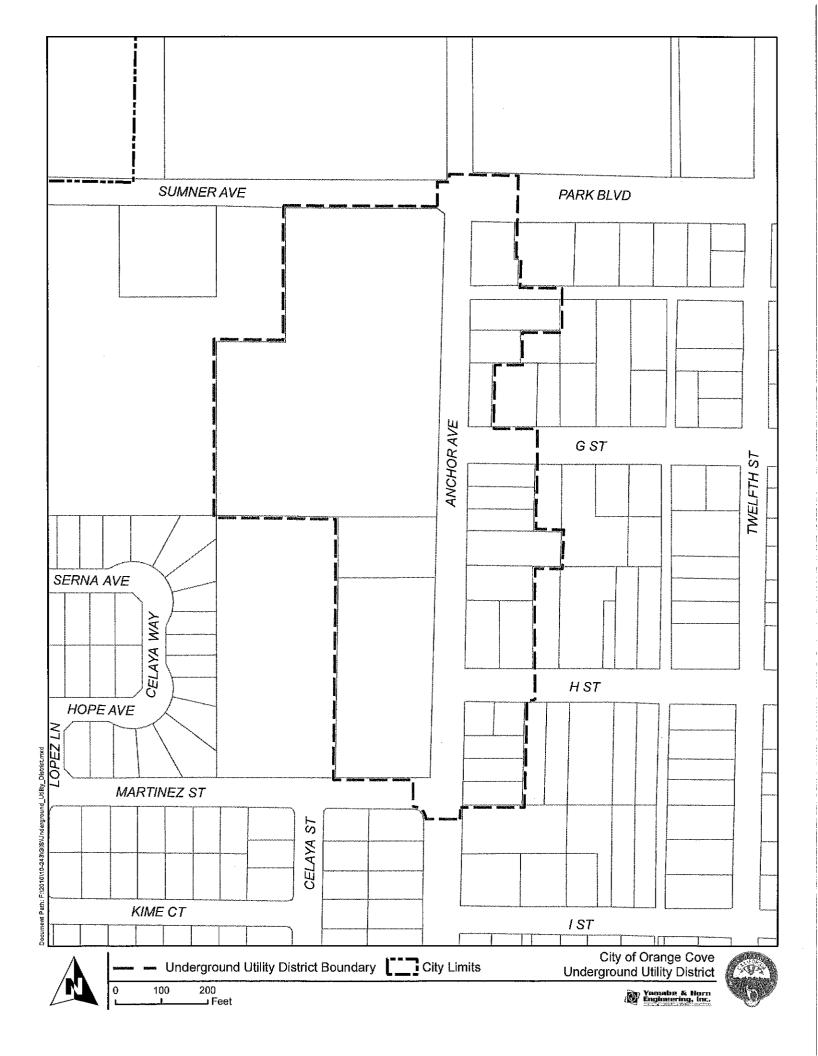
The City Council can select another project location or elect to not move forward with a UUD at this time.

ACTIONS FOLLOWING APPROVAL:

A public hearing will be scheduled and staff will notify the property owners and utility companies of the time and date for the hearing.

CONFLICT OF INTEREST:

None



RESOLUTION NO. 2015-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE SETTING A PUBLIC HEARING FOR ESTABLISHING UNDERGROUND UTILITY DISTRICT NO. 1

WHEREAS, pursuant to Orange Cove Municipal Code Section 13.16.070, the City Council may call public hearings to consider whether the public health, safety or welfare requires the necessity of removing poles, wires and associated overhead structures, and the underground installation of wires and facilities for supplying electric, communication, or similar or associated services; and the underground installation of wires and facilities for supplying electric, communications, or similar or associated services; and

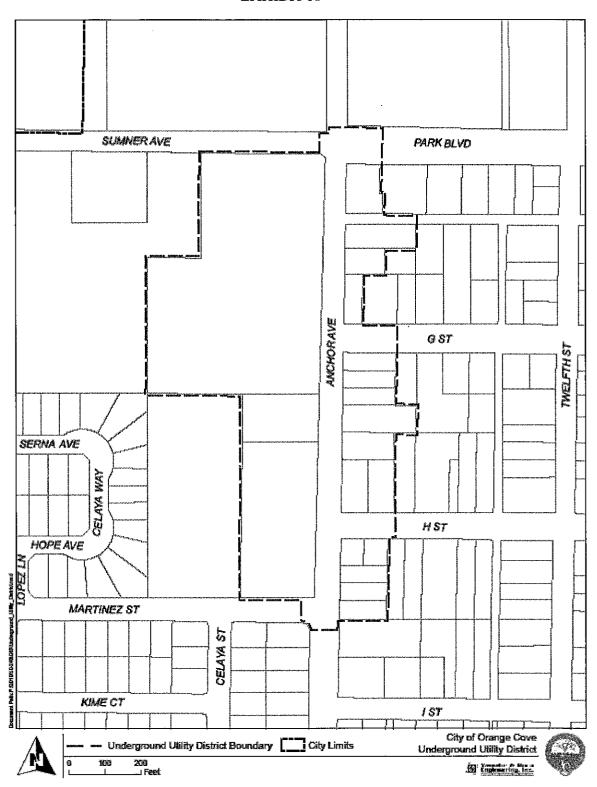
WHEREAS, the City Council has heard a report from the City Staff regarding a proposal to establish an Underground Utility District along Anchor Avenue from Martinez Avenue to Park Boulevard, and desires to call a public hearing to consider same.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Orange Cove, California, as follows:

- 1. The above recitals are true and correct and are adopted as the findings of the City Council.
- 2. That the City Council hereby orders a public hearing to be held at the regular City Council meeting on June 24, 2015 at 6:30 p.m., or as soon thereafter as possible.
- 3. That the area designated on the map attached as Exhibit A, being all or a portion of each property within proximity to Anchor Avenue from Park Boulevard to Martinez Street shall be considered at a Public Hearing for the establishment of Underground Utility District No. 1.
- 4. That the City Clerk is hereby instructed to notify all affected utilities and all persons owning real property within the proposed boundaries of Underground Utility District No. 1, of the Public Hearing and invite them to be present and offer testimony.
- 5. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

6.	That the City Clerk shall cert same shall be in full force and	ify to the adoption of this Resolution and that the d effect.
This re	solution was adopted at a Reg	gular Meeting of the City Council of the City of
Orange	e Cove held on June 10, 2015,	by the following vote:
	AYES:	
	NOES:	
Al	BSENT:	
AB	STAIN:	
Victor	P. Lopez, Mayor	
ATTE	ST:	APPROVED AS TO FORM
June B	racamontes, City Clerk	Bianca Sparks, City Attorney

EXHIBIT A



City of Orange Cove

Memo

To:

June Bracamontes, City Clerk; Clara Camarena, Deputy City Clerk

From:

Lan Bui, Finance Director

cc:

Sam Escobar, City Manager; Phyllis Mendez, Senior Accountant

Date:

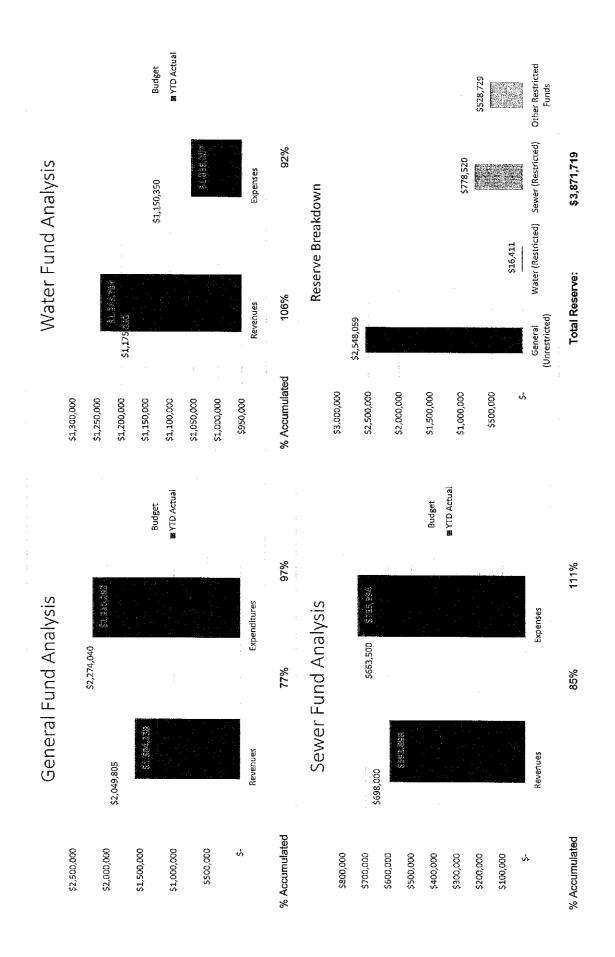
June 2, 2015

Re:

Monthly Financials for April 30, 2015

Please put the following items on the agenda for the upcoming Wednesday night Council Meeting on June 10, 2015 as information item only:

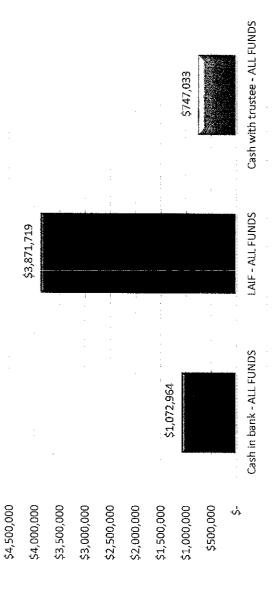
Presentation of the City's monthly cash and investments summary and fund financials for the month ended April 30, 2015



CITY OF ORANGE COVE CASH SUMMARY (UNAUDITED) April 30, 2015

Cash in bank - ALL FUNDS LAIF - ALL FUNDS Cash with trustee - ALL FUNDS	~ ~ ~ ~ 	1,072,964 3,871,719 747,033 5,691,716	19% Cash account used for our day-to-day operations 68% City's only investment account 13% Cash with fiscal agent used for restricted purposes 100%
Restricted	\$	\$ 3,384,132	29%
Jnrestricted	❖	2,307,584	41%
	\$	\$ 5,691,716	100%

Summary of Cash & Investments



CITY OF ORANGE COVE SUMMARY OF CASH AND INVESTMENTS

(UNAUDITED) April 30, 2015

			Per GL		Per Bank	(Short)/Over	
	ă.	Restricted	Unrestricted	Total			
Accounts:							
Operating Cash Account (Pooled)	ふ	1,261,052	1,261,052 \$ (275,525) \$ 985,527	\$ 985,527 1	\$ 1,058,745	\$ (275,525)	
Investment Account -LAIF (Pooled)		1,323,660	2,548,059	3,871,719 ²	3,871,719	- \$	
USDA		52,387	1	52,387	52,387	· ·	
Money Market Account (General Fund)		ı	35,050	35,050	35,050	· \$	
Total Cash and Investments		2,637,099	2,307,584	4,944,683	5,017,901		
Accounts held with trustee:							
1995 Water Bonds (Water Fund)		24,623	ı	24,623 4	24,623	- \$	
2004 Tax Allocation Bond (Successor Agency)		722,410	1	722,410 3	722,410	· \$	
Total cash with fiscal agent		747,033	•	747,033	747,033		
GRAND TOTAL	δ.	3,384,132	\$ 2,307,584	- \$ 5,691,716	\$ 5,764,934		

 $^{^{\}rm 1}$ See page 3 for breakdown of cash by major funds

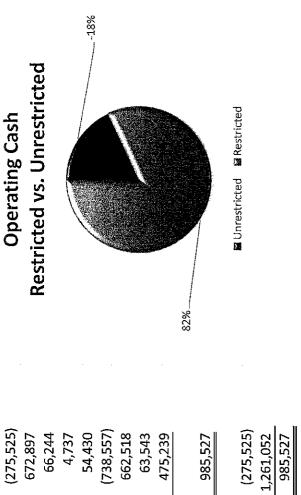
² See page 4 for the breakdown of pooled investments by major fund

³ Unspent bond proceeds

⁴ Restricted for debt service payments on 1995 Bonds

CITY OF ORANGE COVE BREAKDOWN OF OPERATING ACCOUNT (UNAUDITED)

April 30, 2015 672,897 66,244 54,430 63,543 475,239 (275,525)4,737 (738,557) 662,518 985,527 Operating Cash Account (Pooled): Other governmental funds Local Transportation Low Mod Housing General Daycare Disposal Water Sewer Total



Unrestricted

Restricted

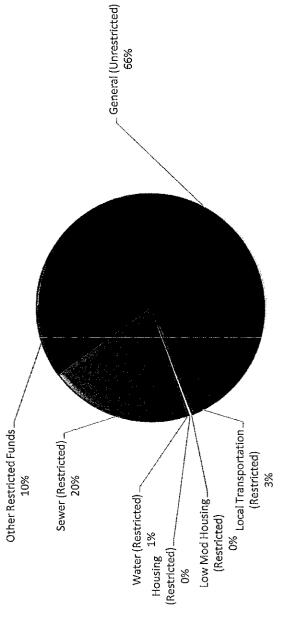
CITY OF ORANGE COVE BREAKDOWN OF LAIF ACCOUNT (UNAUDITED) April 30, 2015

General (Unrestricted) Local Transportation (Restricted) Low Mod Housing (Restricted)	2,548,059 127,287 4,695	98% 3% 0%
Water (Restricted) Sewer (Restricted) Other Restricted Funds	388,029	0% 20% 10%

LAIF Breakdown by Fund

100%

\$ 3,871,719



BALANCE SHEET - GOVERNMENTAL FUNDS APRIL 30, 2015

				Low	Low-Moderate				Other		Total
	General	Tra	Local Transportation	-1-	Housing Asset	Housing Grant	Day Care	Gove	Governmental Funds	Ĝ	Governmental Funds
ASSETS											
Cash and investments	\$ 2,309,055	⊹∿	800,185	↔	70,939	\$ (40,265)	\$ 54,460	❖	835,168	❖	4,029,541
Accounts receivable	(33)		ı		ī	ı	1		•		(33)
Interest receivable	ı		•		136,487	39,600	ı		•		176,087
Due from other governments	1		1		t	ı	1		324,741		324,741
Due from other funds	•		•		1	1	1		•		ı
Notes receivable	ı		t		275,000	1,582,677	1		27,593		1,885,270
Land held for resale	376,000		1		1	ı	ı		599,986		922,386
Total assets	\$ 2,685,022	ş	800,185	ķ	482,426	\$ 1,582,012	\$ 54,460	ፉ	1,787,487	∿	7,391,592
LIABILITIES											
Accounts payable and accrued expenses	\$ 2,260	\$	463	ب	ı	· ·	' \$	Ŷ	5,358	↔	8,081
Due to other funds	1		1		1	ı	ı		•		ı
Unearned revenues	1		1		t	•	47,189		1		47,189
Total liabilities	2,260		463		1	ı	47,189		5,358		55,269
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenues	-		1		411,487	1,622,277	•		1		2,033,764
Total deferred inflows of resources	1		•		411,487	1,622,277					2,033,764
FUND BALANCE											
Nonspendable:											
Notes receivables	ı		1		ı	1	I		27,593		27,593
Land held for resale	376,000		ı		•	•	ı		599,986		975,986
Restricted:											
Low-income housing activities	1		•		70,939	(40,265)	1		ı		30,674
Circulation improvements	ı		799,722		1	1	ı		456,750		1,256,472
Capital improvement projects	1		I		1	l	1		433,194		433,194
Debt service	ı		ı		ı	•	ı		351,674		351,674
Unassigned	2,306,762		١		1	ı	7,271		(87,067)		2,226,966
Total fund balance	2,682,762		799,722		70,939	(40,265)	7,271		1,782,129		5,302,558
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,685,022	ѵ	800,185	٠	482,426	\$1,582,012	\$ 54,459	چ	1,787,487	٠	7,391,591

CITY OF ORANGE COVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FIND BALANCE- GOVERNMENTAL FUNDS FOR THE MONTH ENDED APRIL 30, 2015

					Low-Moderate	a.			Other	Total
			ı	Local	Housing	Housing	g.	:	Governmental	Governmental
		General	Tran	Transportation	Asset	Grant	ا پ	Daycare	Funds	Funds
Revenues					-		•			
Taxes	S	880,817	ς	1	· S	ۍ	·	Ī	\$ 135,215	\$ 1,016,032
Intergovernmental		211,431		204,321	•	. 45	45,932	888,475	1,070,256	2,420,415
Charges for service		95,020		1	·			1	ı	95,020
Licenses, permits and impact fees		126,095		1	·			•	24,008	150,103
Interest and rent		52,666		248	6		4,717	œ	2,297	59,966
Other		131,111		•				1	•	131,111
Total revenues		1,497,141		204,569	6		50,649	888,505	1,231,776	3,872,648
Expenditures										
. Current:										
General government		316,079		1	·		1	Ī	ŧ	316,079
Public safety		1,490,548		1	•		•	•	ı	1,490,548
Public works		125,241		•	·		,	ı	l	125,241
Streets		ı		61,190	•		ı	ı	1,031,808	1,092,998
Planning and development		75,640		•	18,504		93,462	•	34,286	221,892
Parks and recreation		196,024		•	•		ı	ı	1	196,024
Day care		1		1	•		ı	881,234	ı	881,234
Capital outlay		12,750		•	•		·	1	1	12,750
Debt service:										
Principal		1		•	•		ı	ı	58,363	58,363
Interest and other charges		. !		١	•		٠	1	72,008	72,008
Total expenditures		2,216,282		61,190	18,504		93,462	881,234	1,196,465	4,467,137
Revenue over/(under) expenditures		(719,141)		143,378	(18,495)		(42,813)	7,271	35,311	(594,489)
Other Financing Sources/(Uses) Transfers in/(out) - net		87,097		ı	·	(3	(3,766)	1	ı	83,331
Total other financing sources/(uses)		87,097				- (3	(3,766)	t	1	83,331
Change in Fund Balance		(632,044)		143,378	(18,495)		(46,579)	7,271	35,311	(511,158)
Fund Balance Beginning of year		3,314,806		656,344	89,433		6,314	1	1,725,580	5,792,478
End of year	Ş		₩	799,722	\$ 70,939	-	(40,265) \$	7,271	\$ 1,760,891	\$ 5,281,320

CITY OF ORANGE COVE STATEMENT OF NET POSITION- PROPRIETARY FUNDS APRIL 30, 2015

		Busine	ess-Type Activitie	s - En	terprise Fu	nds	
	Water		Sewer	D	isposal		Total Business-Type Funds
ASSETS	 ·				-		
Current assets							
Cash and investments	\$ (645,136)	\$	1,441,038	\$	63,543	\$	859,446
Accounts receivable	129,866		586,039		59,169		775,073
Interest receivable			-		-		-
Total current assets	 (515,270)		2,027,077		122,712		1,634,518
Non-current assets							
Property, plant and equipment							
(net of allowances for depreciation)	6,000,141		10,705,760		-		16,705,901
Total noncurrent assets	 6,000,141		10,705,760		-		16,705,901
Total assets	 5,484,870		12,732,837		122,712		18,340,419
LIABILITIES							
Current liabilities							
Accounts payable and accrued expenses	2,007		3,636		-		5,643
Accrued interest	15,326		=		-		15,326
Deposits	35,933		-		-		35,933
Compensated absences	38,392		34,026		-		72,417
Due to other funds	-		-		-		-
Current portion of long-term debt	 <u> </u>				-		-
Total current liabilities	 91,658		37,661				129,319
Non-current liabilities							
Long -term debt	1,465,253		128,378		_		1,593,631
Total liabilities	 1,556,911		166,040				1,722,950
NET POSITION							
Net investment in capital assets	4,534,888		10,577,381		-		15,112,270
Restricted for debt services	24,623		-		-		24,623
Unrestricted	(631,551)		1,989,416		122,712		1,480,577
Total net position	\$ 3,927,960	\$	12,566,797	\$	122,712	\$	16,617,469

CITY OF ORANGE COVE STATEMENT OF REVENUE, EXPRESS, AND CHANGES IN FUND NET POSITION PROPRIETY FUNDS FOR THE MONTH ENDED APRIL 30, 2015

	 Busir	ness-Ty	pe Activities	- Enterprise Fu	unds	
	 			.	Bu	Total siness-Type
Out and the a Barrers	 Water		Sewer	Disposal		Funds
Operating Revenue	005 540			4 4		
Charges for service	\$ 985,542	\$	586,039	\$ 475,494	\$	2,047,075
Connection fees	 1,230					1,230
Total operating revenue	 986,773		586,039	475,494		2,048,305
Operating Expense						
Contractual service and utilities	449,185		360,167	366 <i>,</i> 527		1,175,879
Personnel	399,706		344,789	-		744,495
Supplies and materials	161,244		30,437	-		191,681
Depreciation expense	-			<u> </u>		
Total operating expense	 1,010,135		735,394	366,527		2,112,055
Operating income/(loss)	 (23,362)		(149,355)	108,967		(63,750)
Nonoperating Revenue/(Expense)						
Intergovernmental	252,387		-	5,000		257,387
Development impact fees	3,988		6,344	-		10,332
Interest income	646		1 , 515	-		2,161
Interest expense	(45,872)					(45,872)
Total nonoperating revenue/(expense)	 211,148		7,859	5,000		224,008
Net income/(loss) before transfers	187,786		(141,496)	113,967		160,257
Operating Transfers In/(Out)	 		-	(49,918)		(49,918)
Changes in Net Position	187,786		(141,496)	64,049		110,339
Net Position						
Beginning of year	3,740,174		12,708,293	58,663		16,507,130
End of the year	\$ 3,927,960	\$	12,566,797	\$ 122,712	\$	16,617,469

CITY OF ORANGE COVE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
APRIL 30, 2015

	General Debt Service	Gas Tax	Streets Project	Cor	Community Development	Dev	Development Impact Fees	Measure C	Tota Go	Total Non-major Governmental Funds
ASSETS Cash and investments	\$ 351,674	\$ 256,911	\$ (87,067)	٠	(84,927)	↔	193,379	\$ 205,198	⋄	835,168
Interest receivable Due from other governments					324,741		1 1	1 1		324.741
Notes receivable	I	I	,		27,593		,	•		27,593
Land held for resale	1				599,986		1	1		599,986
Total assets	\$ 351,674	\$ 256,911	\$ (87,067)	ş	867,393	٠	193,379	\$ 205,198	·Λ	1,787,487
LIABILITIES AND FUND BALANCE Liabilities:										
Accounts payable and accrued expenses	ا ب	0 \$	· ·	↔	ı	↔	ı	\$ 5,358	❖	5,358
Due to other funds	,	•	•		•		•	,		•
Total liabilities	1	0	'		1		1	5,358		5,358
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenues	1	1	1		,		1	1		•
Total deferred inflows of resources	1	1	1		1		1	1		'
Fund Balance										
Nonspendable:										
Notes receivable	ı	1	ı		27,593		ı	ı		27,593
Land held for resale	İ	ı	ı		599,986		ı	(599,986
Restricted:										
Circulation improvements	ı	256,910	1				1	199,840		456,750
Capital improvement projects	1	•	ı		239,814		193,379	ı		433,194
Debt service	351,674	ı	l		1		1	ı		351,674
Unassigned	1	•	(87,067)		1		•	•		(87,067)
Total fund balance	351,674	256,910	(87,067)		867,393		193,379	199,840		1,782,129
Total liabilities, deferred inflows of resources, and fund balance	\$ 351,674	\$ 256,910	\$ (87,067)	↔	867,393	·›	193,379	\$ 205,198	₩	1,787,487
		Ш								

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CITY OF ORANGE COVE
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENT FUNDS
FOR THE MONTH ENDED APRIL 30, 2015

	<u>a</u>	General Debt				Community	Development Impact		10 to	Total Non-major Governmental
		Service	Gas Tax	Stre	Streets Project	Development	Fees	Measure C	}	Funds
Revenues					•					
Taxes	Ş	135,215	\$	₩	1	· \$	- ⋄	· \$	↔	135,215
Intergovernmental		•	200,971		622,669	•	1	243,615		1,070,256
Licenses, permits and impact fees		1	1			•	24,008	1		24,008
Interest and rent		302	17		ı	1,798	10	170		2,297
Total revenues		135,517	200,988		625,669	1,798	24,018	243,786		1,231,776
Expenditures										
Streets		•	268,027		695,000	•	1	68,781		1,031,808
Planning and development		•	•		1	•	34,286	1		34,286
Capital outlay Debt service:		1	ţ		•	•	•	•		1
Principal		58,000	363		,	1	i	t		58,363
Interest and other charges		72,008	1		1	1	•	1		72,008
Total expenditures		130,008	268,390		695,000	1	34,286	68,781		1,196,465
Revenue over/(under) expenditures		5,509	(67,402)		(69,331)	1,798	(10,268)	175,005		35,311
Other financing sources/(uses)		ı	22 22 22		ı	,				24 720
Operating transfers in/(out) - net		ı	0 1		•	•	1			
Total other financing sources/(uses)		1	21,238					1		21,238
Change in Fund Balance		5,509	(46,164)		(69,331)	1,798	(10,268)	175,005		56,549
Fund Balance Beginning of year End of year	ν.	346,165	303,073	ς.	(17,736)	865,595	203,647	24,835	v	1,725,580
				IJ				ŀ		

RESOLUTION NO. 2015-28 CITY OF ORANGE COVE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE AUTHORIZING EXECUTION OF CONTRACT DOCUMENTS WITH THE DEPARTMENT OF EDUCATION OF THE STATE OF CALIFORNIA FOR THE PURPOSE OF PROVIDING CHILD CARE AND DEVELOPMENT SERVICES IN THE FISCAL YEAR 2015-2016

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE COVE AS FOLLOWS:

- 1. The City Council authorizes entering into Contract Number CSPP-5059 for California State Pre School Program for Project Number 10-2188-00-5 with the California Department of Education for the funding of a Child Development Program in the City of Orange Cove during the fiscal year, July 1, 2015 through June 30, 2016.
- 2. The City Manager is authorized to sign the Agreement of behalf of the City of Orange Cove, or, should he be unavailable or disallowed for any reason, then the Mayor is authorized to sign the Agreement on behalf of the City of Orange Cove, and the City Clerk is authorized to attest to the signature of individual who signs on behalf of the City of Orange Cove.

CLERKS CERTIFCATION

I, HEREBY CERTIFY, that the foregoing Resolution was passed and adopted by

the City Council of the City of Orange June, 2015 by the following vote:	e Cove at a meeting thereof held on the 10th of
AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
	APPROVED AS TO FORM
Victor P. Lopez, Mayor	Bianca Sparks, City Attorney
ATTEST:	
June V. Bracamontes, City Clerk	

City of Orange Cove

DIRECTIONS FOR CHILD CARE AND DEVELOPMENT CONTRACTS

This attachment contains:

- Directions for child care and development contracts (pages 1-2)
- Supporting Documentation for child care and development contracts (page 3)
- Sample resolution (page 4)
- Whom to contact with questions (page 5)
- Contract Documentation Checklist (page 6)
- Contractor Certification Clauses (CCC-307)
- Federal Certifications (CO.8)
- 1. Review the General Terms and Conditions (GTC 610). For Interagency Agreements, review the General Interagency Agreement (GIA 610).
 - http://www.cde.ca.gov/fg/aa/cd/ftc2015.asp
- 2. Print this document beginning with page 6 (Checklist); **single-sided only**. Do not alter documents in any way.
- Print 2 (two) copies of the contract and encumbrance page. You will only have an encumbrance page if there are multiple funding sources. If only one contract is submitted, you will receive a copy of the executed contract instead of an original.
- 4. Ensure the contract text is legible. If the contract language is cut off after printing, follow these directions to fix the problem:
 - http://helpx.adobe.com/acrobat/kb/scale-or-resize-printed-pages.html
- 5. Have <u>both</u> copies of the contract and all required documents filled out completely and signed by the authorized official. (see page 3, Supporting Documentation)
 - Sign documents in blue ink only;
 - Contracts signed in black ink, stamped signatures, or copies will NOT be accepted.
 - Print name, title, and address where requested.
- 6. **Public agencies only** Attach a copy of a resolution by the local governing body authorizing the execution of **each** contract. (for a sample see page 4, Resolution)
 - Contracts will not be executed prior to board approval.

Council Memo

TO:

Honorable Mayor and City Council of Orange Cove

FROM:

Lan Bui, Finance Director

DATE:

June 10, 2015

SUBJECT: CDBG Program Income

BACKGROUND:

On July 1, 2014 the Housing and Community Development Department released a significant regulation determination that effectively changes the way that non-entitlement communities can expend and utilize Community Development Block Grant (CDBG) Program Income (PI). PI are those funds that have been received by CDBG typically in the form of a grant to the City, and in turn is loaned out to qualifying households or businesses in the community for an eligible activity. When these funds become due and are paid back to the City, they are referred to as Program Income. The City is required to comply with federal regulations and statutes that govern the use in which this Pl is used.

The two most significant changes are as follows:

- 1.) Program Income funds on-hand at the City must be expended prior to drawing down any grant funds when the City has an open grant with CDBG (which the City does).
- 2.) All State RLA's (Revolving Loan Accounts) are cancelled since HUD (Housing and Urban Development) has determined that the State RLA's do not meet the Federal RLF (Revolving Loan Fund) statues. This means that until a grantee follows the steps to create an eligible RLF and receives approval from CDBG; all funds on hand and within the grantee's loan portfolio are considered PI and, therefore, must be used prior to drawing down grant funds from any CDBG contracts.

In 2008, the City entered into a contract with Valley Small Business (VSB) to administer the City's Business Assistance RLA which was funded through the City's CDBG PI funds. The contract called for VSB to utilize these funds to loan out to qualifying businesses in the City for the purpose of creating/retaining jobs in the City. These funds could be used for starting a business or expanding an existing business. Based on a review of these files, there are currently 3 active files that are making monthly payments back to VSB for their existing loan.

Requested Action:

Due to the recent regulation changes, the City now does not have an "approved" RLA any longer that CDBG recognizes, thus these funds are now considered PI. In an effort to expend these funds and ensure the current grant (12-CDBG-8403) is accessible, City staff is recommending that the current contract with VSB be terminated to allow for these PI funds to be returned to the City for expenditure. Staff has prepared a letter to be submitted to VSB who have been working with staff to audit the PI funds and are aware of the current recommendation. Staff and VSB have both chosen to terminate the contract as of July 1, 2015 to allow for a smoother transition based on the fiscal year calendar.

Fiscal Impact:

Based on a recent audit of funds with staff and VSB, it has been determined that the City will be "taking back" approximately \$185,000 in Program Income. Staff will be allocating these funds towards the backwash improvement project which is a part of the City's open CDBG grant. Based on the revised engineers estimate, the project had a funding "gap", thus these funds will be utilized to ensure the project is completed to entirely and all grant funds are accessed. The backwash project is slated to begin design work this month.

Staff is prepared to add these existing loans to their loan portfolio and is very confident they can assume the responsibility of this administration. In addition, it should be noted that City staff has submitted and completed all PI reports that were due to CDBG (2007 to current) and is now in good standing with the Department.

Attachment:

Draft Termination Letter

Mayor: Victor P. Lopez

Mayor Pro Tem: Diana Guerra Silva

City Council Members: Josie Cervantes Gilbert Garcia Minerva Pineda



Incorporated January 20, 1948

City Manager: Samuel A. Escobar (559) 626-4488 x-215

Finance Director: Lan Bui (559)626-4488 x-216

City Clerk: June V. Bracamontes (559) 626-4488 x-214

May 7, 2015

Valley Small Business Attn: Debbie Raven, President 7035 N. Fruit Avenue Fresno, CA 93711

RE:

City of Orange Cove Agreement

Ms. Raven,

Please accept this letter as a formal request to terminate the non-profit development organization contract for administration of the City of Orange Cove's ("City") CDBG business assistance loan program, between the City and Valley Small Business Development Corporation ("VSB"). The original contract was formally approved by the City on July 9, 2008. Due to recent regulation changes implemented by CDBG, the City believes it is in its best interest to administrate these funds "in-house".

While Section V.B of the contract requires six months notice of termination to terminate the contract without cause, and a 30 day notice to terminate the contract for cause, based on our recent conversations, it is the City's understanding that VSB has agreed to officially terminate the contract on June 30, 2015, which coincides with the end of both the City's and VSB's fiscal years. Please contact me immediately, if this is not VSB's understanding.

By this letter, the contract will terminate as of June 30, 2015, and the City respectfully requests that VSB transfer any remaining City CDBG funds and all files related to the contract by July 1, 2015. Pursuant to the terms of the contract, all de-federalized CDBG loans originated by the VSB (NDO) will remain the sole and exclusive property of VSB.

The City would like to thank VSB for its work and efforts in promoting economic development in the City. Please do not hesitate to contact me should you have any questions.

Sincerely.

Samuel A. Escobar City Manager

June Bracamontes

From:

Lan Bui <lan.bui@cityoforangecove.com>

Sent:

Tuesday, May 26, 2015 4:55 PM

To:

same scobar@cityofor angecove.com; jb@cityofor angecove.com

Cc:

'Paul Ashby'

Subject:

CDBG and Valley Small Business

Attachments:

VSB Termination Letter.docx

June,

Please put this on the next council meeting agenda for approval. It's an action item. Termination of agreement between City and VSB.

Lan