



AGENDA

Victor P. Lopez, Mayor

Diana Guerra Silva, Mayor Pro Tem

Roy Rodriguez, Council Member

Josie Cervantes, Council Member

Esperanza Rodriguez, Council Member

WEDNESDAY, May 12, 2021 - 6:30 P.M.

Orange Cove Council Chambers

633 6th Street, Orange Cove, California 93646

LIVE MEETING

(TELECONFERENCE - CALL 888-204-5987 - ACCESS CODE 8166599#)

A. Call to Order/Welcome

Roll Call

Invocation

Flag Salute

B. Confirmation of Agenda

C. Consent Calendar

1. City Council Minutes April 28, 2021

D. Administration

City Engineer

2. **SUBJECT:** Monthly update report on City Projects Presented by City Engineer Alfonso Manrique.

RECOMMENDATION: Informational item Only

Chief of Police:

3. **SUBJECT:** Monthly Activity Report by Police Chief Marty Rivera

RECOMMENDATION: Informational Item Only

Public Works Department

4. **SUBJECT:** Monthly update report on Public Works Department by Interim Public Works Superintendent Andy Valencia

Recommendation: Informational Item Only

Planning Department

5. **SUBJECT:** Monthly update report on City Planning Items Presented by Planner Shun Patlan

Recommendation: Informational Item Only

Interim City Manager:

6. **SUBJECT:** Water and Wastewater Rate Study Report

Recommendation: City Council to review and discuss the Water/Wastewater Rate Study and proceed with the Proposition 218 process to adjust the Water/Sewer Rates

7. **SUBJECT:** Request for Qualifications for Engineering Services

Recommendation: Council to discuss the City Engineer's Contract which is due to expire less than two (2) months and provide staff with direction

8. **SUBJECT:** Financial Updates

Recommendation: Informational Item Only

9. **SUBJECT:** Review and Discuss the Vehicle Use Policy

Recommendation: Informational Item Only

E. Public Forum

Members of the public wishing to address the City Council on an item that is not on the agenda may do so now. No action will be taken by the City Council this evening. But items presented may be referred to the City Manager for follow up and a report. In order to allow time for all comments, each individual is limited to three minutes. When addressing the Council, you are requested to come forward to the speaker's microphone, state your name and address, and then proceed with your comments.

F. City Manager's Report

G. City Attorney's Report

H. City Council Communications

I. Closed Session:

10. Conference with Labor Negotiators (Government Code Section 54957.6)

- a. City Negotiator: Interim City Manager, Rudy Hernandez
Employee Organization: International Union of Operating Engineers, Stationary Engineers, Local 39
- b. City Negotiator: Interim City Manager, Rudy Hernandez
Employee Organization: Orange Cove Police Officers Association

J. Reconvene City Council Meeting:

K. Adjournment

ADA Notice: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (559) 626-4488 ext. 214. Notification 48 hours prior to the meeting will enable the City to make arrangements to ensure accessibility to this meeting.

Documents: Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at front counter at City Hall and at the Orange Cove Library located at 815 Park Blvd., Orange Cove, CA during normal business hours. In addition, most documents are posted on City's website at cityoforangecove.com.

STATEMENT ON RULES OF DECORUM AND ENFORCEMENT

The Brown Act provides that members of the public have a right to attend public meetings, to provide public comment on action items and under the public forum section of the agenda, and to criticize the policies, procedures, or services of the city or of the acts or omissions of the city council. The Brown Act also provides that the City Council has the right to exclude all persons who willfully cause a disruption of a meeting so that it cannot be conducted in an orderly fashion.

During a meeting of the Orange Cove City Council, there is a need for civility and expedition in the carrying out of public business in order to ensure that the public has a full opportunity to be heard and that the Council has an opportunity to conduct business in an orderly manner. The following is provided to place everyone on notice of the rules of decorum and enforcement.

GENERAL RULES OF DECORUM

While any meeting of the City Council is in session, the following rules of decorum shall be observed:

1. All remarks shall be addressed to the City Council as a whole and not to any single member, unless in response to a question from a member of the City Council.
2. A person who addresses the City Council under public comment for a specific agenda item or under the Public Forum section of the agenda may not engage in speech or conduct (i) which is likely to provoke others to violent or riotous behavior, (ii) which disturbs the peace of the meeting by loud and unreasonable noise, (iii) which is irrelevant or repetitive, or (iv) which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.
3. A person, other than members of the Council and the person, who has the floor, shall not be permitted to enter into the discussion unless requested by the Mayor to speak.
4. Members of the City Council may not interrupt a person who has the floor and is making public comments. Members of the City Council shall wait until a person completes his or her public comments before asking questions or commenting. The Mayor shall then ask Councilmembers if they have comments or questions.
5. No person in the audience at a Council meeting shall engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, whistling, stamping of feet or other acts which disturb, disrupt or otherwise impede the orderly conduct of any Council meeting.

ENFORCEMENT OF DECORUM RULES

(Resolution No. 2012-16)

While the City Council is in session, all persons must preserve order and decorum. A person who addresses the City council under public comment for a specific agenda item or under the Public Forum section of the agenda may not engage in speech or conduct which is likely to provoke others to violent or riotous behavior, which disturbs the peace of the meeting by loud and unreasonable noise, which is irrelevant or repetitive, or which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.

The Mayor or other presiding officer shall request that a person who is breaching the rules of decorum cease such conduct. If after receiving such a warning, the person persists in breaching the rules of decorum, the Mayor or other presiding officer may order the person to leave the City Council meeting. If such person does not leave, the Mayor or presiding officer may request any law enforcement officer who is on duty at the meeting as sergeant-at-arms to remove the person from the Council Chambers. In

the event there is no one from law enforcement present, the Mayor or presiding officer may direct the City Manager to contact law enforcement.

In accordance with the Point of Order Rule 4.6, the majority of the Council may overrule the Mayor if the majority of the Council believes the Mayor or other presiding officer is not applying the rules of decorum appropriately.



MINUTES

Victor P. Lopez, Mayor

Diana Guerra Silva, Mayor Pro Tem

Roy Rodriguez, Council Member

Josie Cervantes, Council Member

Esperanza Rodriguez, Council Member

WEDNESDAY, APRIL 28, 2021 - 6:30 P.M.

TELECONFERENCE

(CALL 888-204-5987 ACCESS CODE 8166599#)

A. Call to Order/Welcome

COUNCIL PRESENT: Mayor Victor P. Lopez
Mayor Pro Tem Diana Guerra Silva
Councilmember Roy Rodriguez
Councilmember Josie Cervantes
Councilmember Esperanza Rodriguez

STAFF PRESENT: Financial Consultant/Interim City Manager Rudy Hernandez
City Attorney Dan McCloskey
Chief of Police, Marty Rivera
City Clerk June V. Bracamontes

B. Confirmation of Agenda

Interim City Manager Rudy Hernandez requested under Administration that the City Engineer provide an update report on the annexation.

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Rodriguez, to place the update report on the annexation presented by the City Engineer

Yes: Lopez, Silva, Rodriguez, Cervantes, Rodriguez
No: None
Abstain: None
Absent: None

C. Consent Calendar

1. City Warrants for March 2021
2. City Council Minutes of April 14, 2021

Upon the motion by Mayor Pro Tem Silva and seconded by Councilman Rodriguez, Council approved the Consent Calendar as presented

Yes: Lopez, Silva, Rodriguez, Cervantes, Rodriguez
No: None
Abstain: None
Absent: None

D. Administration

Update on the Annexation:

City Engineer Alfonso Manrique presented the following to Council:

-All documents have been submitted to LAFCO. LAFCO waiting for approval from State Water Control Board.

-The State Board will be meeting with LAFCO in the month of June.

Mayor would like to be informed so that Mayor can work with the legislatures.

Events Committee

3. **SUBJECT:** Independence Day Celebration

Recommendation: Staff recommends Council to provide direction

David Lopez of the Events Committee presented to Council about the Independence Day Celebration scheduled on July 2, 2021 as follows:

- Honoring Veterans
- Social Distancing
- Wear a mask and take temperature
- Vendors
- No bounce houses

Mayor Pro Tem would like to know how the Social Distancing will be monitored and what is the budget for this event.

Councilwoman Rodriguez concern about parents allowing their children running around.

Upon the motion by Mayor Pro Tem Silva and seconded by Councilman Rodriguez, Council approved the Independence Day Celebration scheduled on July 2, 2021 as presented.

Yes: Lopez, Silva, Rodriguez, Cervantes, Rodriguez
No: None
Abstain: None
Absent: None

Interim Public Works Superintendent

4. **SUBJECT:** Approval of Bio Barge Boat for the Wastewater Operating Fund.

Recommendation: For the City Council to approve the purchase of the Bio Barge Boat for \$15,000 from the FY 2020-21 adopted budget.

Andy Valencia presented to Council issue is safety and maintenance.

Upon the motion by Councilman Rodriguez and seconded by Councilwoman Rodriguez, Council approve the purchase of the Bio Barge Boat for \$15,000 from the FY 2020-21 adopted budget.

Yes: Lopez, Silva, Rodriguez, Cervantes, Rodriguez
No: None
Abstain: None
Absent: None

Interim City Manager:

5. **SUBJECT:** Letter of Agreement – Energy Conservation Services to be provided by Site Logic

Recommendation: For the City Council to review and discuss the letter of agreement with Site Logic for Energy Conservation Services and provide staff with direction.

Jessica Ritter, from Site Logic presented to Council about energy savings and how to provide relief to the city's General Fund. Requesting to allow Site Logic to review the city's energy bill.

Council had a concern about the cost and per Jessica Ritter there will be no cost for the site visit or review of the city's energy bill. No commitment or No contract.

Mayor Pro Tem Silva would like to take this opportunity.

Mayor Pro Tem Silva and seconded by Councilwoman Rodriguez, Council approved for Site Logic to do a site visit and review the city's energy bill at no cost.

Yes: Lopez, Silva, Rodriguez, Cervantes, Rodriguez
No: None
Abstain: None
Absent: None

6. SUBJECT: Newsletter

Recommendation: For the City Council to review and discuss the proposed newsletter and provide staff with direction.

Interim City Manager, Rudy Hernandez, presented to Council the possibility of developing a newsletter for the City Council and City Resident in order to enhance communications with Council/Residents.

Informational item only

7. SUBJECT: President Biden's proposed \$2 trillion Infrastructure Plan.

Recommendation: For the City Council to review and discuss the proposed \$2 trillion Infrastructure Plan and provide staff with direction.

Interim City Manager, Rudy Hernandez, presented to Council the President Biden's proposed \$2 Trillion Infrastructure Plan.

Informational item only

8. SUBJECT: Financial Updates

Recommendation: Information Only

Interim City Manager, Rudy Hernandez, presented to Council the following items

-American Rescue Plan – Aid to Cities, Counties and State Governments

Staff recommends that the City Council develop a spending plan that can be submitted to the US Treasury Department for approval which may include the following:

Utility, Consumer, and Housing

Emergency rent relief

Homelessness

Homeowner Assistance Fund

Public Safety

Consider hiring a full-time police officer for 3 years (100%) grant funded

Administrative Support

Consider hiring an Administrative Person (Account Clerk, 100% grant funded) for 2.5 years

Upon the motion by Mayor Pro Tem Silva and seconded by Mayor Lopez, Council approved the American Rescue Plan as presented above.

Yes: Lopez, Silva, Rodriguez, Cervantes, Rodriguez
No: None
Abstain: None
Absent: None

E. Public Forum

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None

F. City Manager's Report

Interim City Manager, Rudy Hernandez continued to present the following item to Council

- Award of CDBG Grant for the following Programs;
1. Business Assistance Program - \$218,065
 2. Subsistence Program (Rent, Mortgage, & Utilities Assistance - \$200,001
 3. General Administration - \$62,469

G. City Attorney's Report

None

H. City Council Communications

Mayor thanked staff for the food distribution and volunteers.

I. Adjournment

Mayor Lopez adjourned the City Council Meeting at 8:20 p.m.

RESPECTFULLY SUBMITTED:

June V. Bracamontes, City Clerk
City of Orange Cove

PRESENTED TO COUNCIL:

DATE: _____

ACTION: _____

ENGINEER'S REPORT

TO: CITY MANAGER
FROM: ALFONSO MANRIQUE, PE
AM CONSULTING ENGINEERS, INC.
SUBJECT: PROJECT PROGRESS UPDATE
DATE: MAY 12, 2021

This Engineer's Report provides an update on the progress made on the various projects since April 14, 2021 that we are currently working on:

1. FHWA Projects

a. CMAQ Alley Paving Project

The design plans for this project are 60 percent complete. Staff is currently waiting to receive a utility plan from PG&E so that existing power lines can be incorporated in the plan set.

2. Water Enterprise

a. Friant Kern Canal Shut Down -- Temporary Cofferdam, Pump Station & Piping

Staff still needs to complete the final site walkthrough to confirm that the pipeline and modulating valve operating correctly. Following the site walkthrough, Staff will be preparing the Notice of Completion for City Council's approval. Construction of this project is complete and Staff will be conducting a final walkthrough of the site to confirm that the complete project meets the requirements set forth in the technical specifications. Staff will be recommending that City Council approve the Notice of Completion for this project at the next City Council meeting.

b. Raw Water Traveling Water Screen

The pre-construction meeting was conducted on April 30th and the Notice to Proceed was issued to Dawson-Mauldin on May 5th. The time for completion for this project is 90 working days.

3. EDA Off-site Improvements at Northwest Corner of Park Blvd and Anchor Ave

The design plans for this project are 60 percent complete. Staff will be providing a copy of the plans to the Public Works Department this week for their review. It is estimated that the plans and technical specifications will be 100 percent complete by the end of June, and the project will be ready to go out to bid on this project by July and start construction by September.

4. Police Station Parking Lot Improvements Project

This Project is currently out to bid. A pre-bid meeting was conducted on May 4th at the project site. The bid opening has been scheduled for May 18th. Staff estimates that the bid results and award recommendation will be presented to City Council at the May 26th meeting. Construction will likely begin by the end of June or early July.

5. Library Rapid Flashing Beacon Project

Staff will proceed with preparing the plans and contract documents and will provide the plans to public works to review before going out to bid.

6. Eaton Park Playground

Staff has conducted a site visit to confirm the findings of the inspection report for the Little Tykes playground structure. Staff is recommending that a site plan and technical specifications that address the issues in the inspection report be prepared and put out to bid for a contractor to complete the work.

7. 2020 CDBG Application

On September 29, 2020, California Consulting submitted an “over the counter” CDBG application for the Community Center Renovation Project. According to HCD, they received \$73,810,399 in funding requests for community development, but only have \$23,000,000 available to be awarded under the 2020 NOFA. Currently, the City’s application is waitlisted and there are a significant number of applicants in front of the City’s request. Since the amount of request has exceeded the available funding amount, HCD is currently in the process of discussing whether they will continue to fund projects on this list or if they will issue a new NOFA for community development in 2022.

8. Amaya Village Apartment Complex

On April 30th, staff meet with the contractor of the Amaya Village Apartment Complex regarding an issue with the storm water basin to the north of the Sequoia View Shopping Center. Due to the on-site drainage pipelines within the apartment complex being clogged with sand and debris, the contractor has requested authorization from the City to pump water from the storm basin to the adjacent vacant land owned by the City to flush the pipelines. The Contractor has been directed by the City that in order to pump water from the storm basin to the adjacent land the Contractor must follow the following conditions:

- To build a berm around the areas where the water is being pumped to;
- The depth of the water in the temporary bermed area shall not exceed 6-inches;
- Contractor must submit a certificate of liability insurance with the City listed as a certificate holder prior to commencing work;
- Contractor must obtain a business license prior to commencing work;
- Contractor must notify the City at least 24-hours in advance of the work being performed and a staff member from the City must be present prior to commencing work;



Marty Rivera
Chief of Police

ORANGE COVE ANIMAL CONTROL STATISTICAL ACTIVITY REPORT

MONTH: April

OFFICER: R. DIAZ

BITE REPORTS	
PRIOR MONTH STRAYS	1 From prior month
STRAY DOGS	9 Picked up in April
EUTHANIZED DOGS	2 Euthanized dogs
ADOPTED DOGS	
RESCUED DOGS	5 In April
INJURED STRAY DOGS	
ANIMAL CRUELTY INVESTIGATIONS	None
RELEASED DOGS TO OWNER	0
CITATIONS ISSUED	
QUARANTINED DOGS	
OTHER ANIMAL	1-1144 Opossum
MISC	
DOGS IN SHELTER	3 Dogs in shelter



ORANGE COVE POLICE DEPARTMENT

APRIL 2021 MONTHLY STATISTICS

CHIEF OF POLICE - MARTY RIVERA



PART 1 CRIMES

	MARCH	APRIL	%	YTD	YTD
	2021	2021	Change	2020	2021
Homicide	0	0	0%	0	0
Rape	0	0	0%	0	0
Attempted Murder	0	0	0%	0	1
Robbery	0	0	0%	2	0
Assault	0	0	0%	4	3
Burglary	1	1	0%	4	7
Grand Theft Auto	1	0	-100%	8	3
Total Part 1 Crimes	2	1	-50%	18	14

	MARCH	APRIL	%	YTD	YTD
	2021	2021	Change	2020	2021
Sex Crimes	0	1	100%	4	4
Narcotics	2	1	-50%	10	10
Child Abuse	0	0	0%	1	1
Total Part 2 Crimes	2		-100%	15	15

	MARCH	APRIL	%	YTD	YTD
	2021	2021	Change	2020	2021
Total Traffic Collisions	6	1	-83%	12	13
Fatalities	0	0	0%	0	0
Injury	0	0	0%	0	0
Non Injury	3	0	-100%	4	7
Hit & Run	3	1	-67%	8	6

ENFORCEMENT STATISTICS

	MARCH	APRIL	%	YTD	YTD
	2021	2021	Change	2020	2021
Total Traffic Citations	18	19	6%	109	80
Total Vehicle Stops	87	96	10%	386	341
Seatbelt Violations	0	3	300%	3	4
Unsafe Speed Violations	1	1	0%	5	5
Fail To Obey Stop Sign/Light	4	5	25%	20	18
Driving Under the Influence	3	2	-33%	2	7
Gang Arrests - Felony	0	0	0%	0	0
Gang Arrests - Misdemeanor	0	0	0%	0	0
Gang Field Interview Cards	5	3	-40%	9	14
Juvenile Detentions/Arrests	1	0	-100%	5	1
Adult Arrests	12	18	50%	36	43

	MARCH	APRIL	%	YTD	YTD
	2021	2021	Change	2020	2021
5150	7	4	-43%	16	16
Agency Assist	10	12	20%	29	30
Battery	2	1	-50%	3	5
Evading/Obstructing Officer	1	0	-100%	5	3
Fraud	1	0	-100%	4	1
Identity Theft	1	1	0%	1	2
Spousal Abuse	2	6	200%	27	13
Graffiti/Vandalism	1	3	200%	20	10
Veh. Burglaries	0	0	0%	1	1
General Incidents	16	22	38%	59	60
Weapons Confiscated	0	0	0%	2	1
Petty Theft	2	4	100%	23	11
Public Intoxication	1	1	0%	4	2
Suspended License	1	2	100%	9	6
Unlicensed Drivers	7	10	43%	33	28
Vehicles Towed	15	17	13%	26	45
Vehicles Released	8	10	25%	14	25
Case Number Drawn	119	113	-5%	549	418

POLICE DEPARTMENT MONTHLY REPORT

May 12, 2021

Staff levels.....Officer Urrea left the PD and went to Tulare Sheriff's Department. Officer Hernandez is a level 2 reserve so he can't work alone. Officer Ngo is still off with an injured shoulder. One applicant has started the background process.

Lt. Pena attended a week of management training. He has two more sessions that will occur in May and June.

Officers are being sent to interview and interrogation training as well as other investigative courses.

Animal Shelter.....Is running very well. See attached report.

Requesting a replacement vehicle on the new budget.

Events: A group from Cross City Church came to town and repaired bicycles for our citizens at no cost. 23 bicycles were repaired. They also gave 2 bicycles to children whose bikes were in terrible condition.

The original 15 bicycles they had given us were given to elementary students from our 3 schools. School staff picked the students.

An additional 7 used bicycles were given to the PD. On April 24th. We are going to try to have them painted.

Grants:

Tobacco Grant . The quarterly report was submitted.

Homeland Security Grant We are submitting invoices for the 2018 grant that will give us a ballistic shield and helmets. Keep in mind that they put restrictions on what equipment can be purchased.

Still waiting for approval for a second HSG that we submitted for one MDT and stand.

Vehicles .

The two new SUVs ordered should be here in a late June or early July. The MDTs for them have arrived.

Covid 19: Stats will be given at the council meeting. The County stats are getting better every week. We are currently in the Orange Tier. The state may do away with the Tier system soon and then just give guidelines.

Vaccinations are available to anyone over the age of 16. They will be approved for children over the age of 12 soon.

Deaths identified as being COVID Related may get \$ 9,000 funeral expense from FEMA if cause is listed on death certificate.

Mayor:
Victor P. Lopez

Mayor Pro Tem:
Diana Guerra Silva

City Council Members:
Roy Rodriguez
Josie Cervantes
Esperanza Rodriguez



Rudy Hernandez
Interim City Manager:
(559) 626-4488 ext. 216

Rudy Hernandez:
Financial Consultant
(559) 626-4488 ext. 216

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

Incorporated January 20, 1948

BUILDING AND PLANNING DEPARTMENT

To: Rudy Hernandez, Interim City Manager
From: Shun Patlan, Planning Department
Subject: Project Progress Report
Date: May 5, 2021

- 1) **Booth Cold Storage Expansion** – A site plan review was submitted for a proposed construction of a new 17,000 square foot cold storage building at 440 Anchor Avenue. The application is complete and staff is preparing the engineering and environmental review/comments on the project. Once completed this application will be presented for City Council consideration approval.
- 2) **Tentative Tract Map No. 5381** – Piro Enterprises/Blossom Estates has filed a Tract map application for a proposed 156 lot subdivision in the R-1-6 zone district. The project is located on South Avenue between Anchor and Orange Street. The application is complete and staff is preparing the engineering and environmental review/comments on the Tract Map. Once completed this application will be presented for City Council consideration/approval.
- 3) **Tentative Tract Map No. 6365/Martinez** – Yanez Construction has filed an application for a Tentative Tract map for a proposed 20-lot subdivision in the R-1-6 zone district. The project is proposed at the northwest intersection of Martinez and Anchor Avenue. This application is now complete and staff is preparing the engineering/environmental review
On the Tract Map. Once completed this application will be presented for City Council consideration/approval.
- 4) **Orange Blossom Heights** – Mr. Brian Young has submitted a rezone/general plan amendment and a site plan review application to rezone property located at the northeast corner of Adams Avenue Jacobs Avenue. The project name is Orange Blossom Heights and the proposes the construction of a 44-unit multifamily affordable housing. Application is not currently complete. Awaiting further submittal(s).

Mayor:
Victor P. Lopez

Mayor Pro Team:
Diana Guerra Silva

City Council Members:
Roy Rodriguez
Josie Cervantes
Esperanza Rodriguez



Incorporated January 20, 1948

Rudy Hernandez
Interim City Manager
(559) 626-4488 ext. 216

Rudy Hernandez
Financial Consultant
(559) 626-4488 ext. 216

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

633 Sixth Street, Orange Cove, CA 93646 | Phone: (559) 626-4488 | FAX: (559) 626-4653

Date: May 12, 2021
To: The Honorable Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Review and Discuss Water and Wastewater Rate Study Report and proceed with the Proposition 218 process to adjust Water and Wastewater Rates.
Attachments: Report on Water and Wastewater Rate Study

BACKGROUND

In May 2019, the City of Orange Cove retained Tuckfield & Associates to conduct a comprehensive Water and Wastewater Rate Study. The objectives of the study included determining water and wastewater rates for FY 2019-20 to FY 2024-25 (the "Study Period") through projections of revenues and revenue requirements for each system and from analysis to determine the cost of providing service.

The Water and Wastewater Rate study was completed in May 2020. However, due to COVID 19, the Water and Wastewater Rate Study Report was put on hold until COVID-19 was somewhat better under control.

These water and wastewater rate adjustments (increases) will address the following:

- Operating Reserves
- Capital Reserves
- Emergency Capital Reserve
- Debt Service Coverage Ratios
- New Debt Service for \$1,900,000 loan to fund Tertiary Treatment Plant

Please note these rate adjustments (Increases) do not fund Depreciation expense.

Mr. Clayton Tuckfield will be at the meeting to present the Water and Wastewater Rate Study Report. In addition, Mr. Tuckfield will also be discussing the proposed water and wastewater billing rate structure.

RECOMMENDATION

For the City Council to review and discuss the Water and Wastewater Rate Study Report and proceed with the proposition 218 process to adjust (Increase) water and wastewater rates.

FISCAL IMPACT

None.

Prepared by: _____ Approved by:  _____
REVIEW: City Manager: ☒ Finance:  City Attorney: _____

TYPE OF ITEM:	COUNCIL ACTION:	APPROVED	DENIED	NO ACTION
<input type="checkbox"/> Consent	<input type="checkbox"/> Public Hearing			
<input type="checkbox"/> Info Item	<input type="checkbox"/> Matter Initiated by Council Member			
<input checked="" type="checkbox"/> Action Item	<input type="checkbox"/> Other			
<input type="checkbox"/> Department Report	<input type="checkbox"/> Continued to: _____			
<input type="checkbox"/> Redevelopment Agency	_____			

Report For:
City of Orange Cove

633 E 6th Street
Orange Cove, CA 93646
(559) 626-4480

Report on Water and Wastewater Rate Study

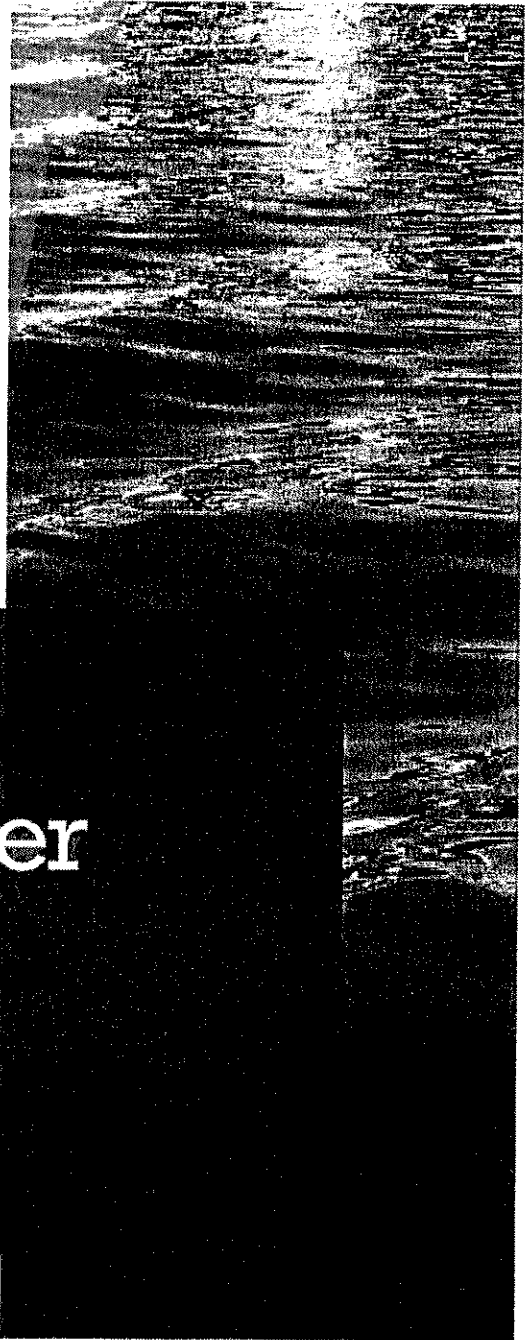
Submitted By:

Tuckfield & Associates

Contact: Mr. Clayton Tuckfield
2549 Eastbluff Dr, #450B
Newport Beach, CA 92660
(949) 760-9454
www.tuckfieldassociates.com

FINANCIAL CONSULTING
**TUCKFIELD &
ASSOCIATES**
MANAGEMENT CONSULTING

May 2020



Tuckfield & Associates

2549 Eastbluff Drive, Suite 450B, Newport Beach, CA 92660
Phone (949) 760-9454 Fax (949) 760-2725
Email ctuckfield@tuckfieldassociates.com

May 6, 2020

Mr. Rudy Hernandez
Interim City Manager
City of Orange Cove
633 E 6th Street
Orange Cove, CA 93646

Dear Mr. Hernandez:

I am pleased to present this Water and Wastewater Rate Study (Study) report for the City of Orange Cove (City). The water and wastewater rates presented in this report have been developed based on cost of service principles and industry methods that result in fair and equitable rates for the users of the systems.

This study included a review and analysis of the water and wastewater revenue and revenue requirements, number of customers, volumes, and current rate structures. The major objectives of the Study include the following.

- Generate positive levels of income in the Study period
- Maintain operating and capital reserves at or greater than target levels
- Maintain debt service coverage ratios at or greater than the minimum required
- Meet annual capital replacement spending from the water and wastewater rates and charges

This report presents the findings and recommendations for the financial plans and rates for the City's water and wastewater systems. Tables and figures throughout the report are provided to demonstrate the calculations.

It has been a pleasure to work with City staff during the performance of this study. If there are any questions, please contact me at (949) 760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
President/Project Consultant

Water and Wastewater Rate Study

CITY OF ORANGE COVE

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Water and Wastewater Rate Study

CITY OF ORANGE COVE

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Executive Summary

In May of 2019, the City of Orange Cove (City) retained Tuckfield & Associates to conduct a comprehensive Water and Wastewater Rate Study (Study). The objectives of the Study included determining water and wastewater rates for FY 2019-20 to FY 2024-25 (the "Study Period") through projections of revenues and revenue requirements for each system and from analyses to determine the costs of providing service.

Enterprise Financial Plans

Forward-looking financial plans were developed for the water and wastewater enterprises that projected revenue requirements (costs) of each system. The amount of revenue needed to meet the revenue requirements of each system was first determined for FY 2020-21. The revenue was then increased annually by various percentages to create financially sustainable enterprises for each system. The revenue increases are necessary to maintain the financial health of each system while funding the operation and maintenance (O&M) expenses, capital funding needs, debt service, and reserve requirements. Table 11 and 28 provide the financial plans for the water and wastewater systems respectively.

Proposed Water Rate Structure and Rates

The City's current water rate structure was reviewed in relation to current industry practice, trends, and state of California guidelines. It is recommended that the current tiered rate structure be revised as discussed below.

For the Single-family Residential (SFR) classification, it is recommended that the tier break points be modified to reflect the current classification consumption patterns. It is proposed that Tier 1 be revised from zero to 10 thousand gallons (KGAL) to zero to 8 KGAL, reflecting current indoor water consumption as follows.

$$\text{Tier 1} = 4.8 \text{ pph} * 55 \text{ gpcd} * \frac{365 \text{ days}}{\text{year}} * \frac{1}{1,000 \text{ gal}} * \frac{1 \text{ year}}{12 \text{ bills}} = \sim 8 \text{ KGAL/month}$$

pph = persons per household
gpcd = gallons per capita per day

In addition, it is proposed that the Tier 2 break point be established as the summer peak average consumption for the SFR classification. Therefore, it is recommended that the Tier 2 break point be revised from Over 10 KGAL to 9 to 21 KGAL. A new Tier 3 is proposed for all use over Tier 2. The recommended SFR Tier restructuring is provided in Table ES-1.

For Commercial and Irrigation, it is recommended that these classifications have a uniform volume rate structure, meaning there are no tiers and all consumption is charged at the same rate in dollars per thousand gallons (\$/KGAL). Outdoor consumption for Commercial customers should be captured in separate landscape irrigation meters.

Water Bill Impacts

Table ES-3 presents the impacts to SFR water bills from the implementation of the proposed September 1, 2020 water rates. For a SFR customer with a 5/8-inch meter using the average consumption of 15 KGAL monthly, the bill will decrease from \$59.58 to \$53.32, a decrease of \$6.26, or -10.5 percent. Water bills for other customer classes, meter sizes, and consumption levels are provided in Appendix A-2 through A-6.

Table ES-3

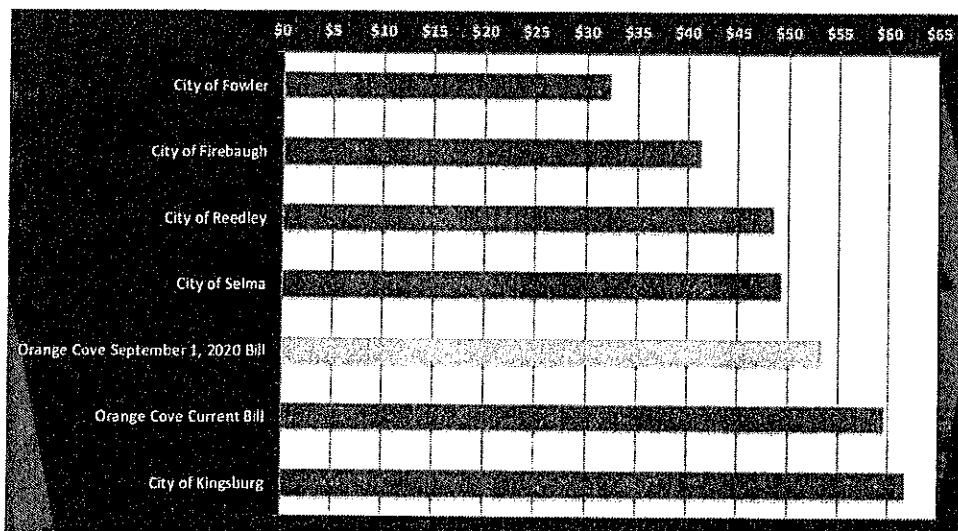
Comparison of Current Single-family Residential Monthly Water Bill with 5/8-inch Meter with Proposed Bill Using September 2020 Water Rates

Description	Use (HCF)	Current Bill			Proposed FY 20-21 Bill				
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	Change	Percent Change
	0	\$48.53	\$0.00	\$48.53	\$16.43	\$0.00	\$16.43	(\$32.10)	-66.1%
Very Low	5	\$48.53	\$0.00	\$48.53	\$16.43	\$11.55	\$27.98	(\$20.55)	-42.3%
Low	10	\$48.53	\$0.00	\$48.53	\$16.43	\$23.74	\$40.17	(\$8.36)	-17.2%
Median	11	\$48.53	\$2.21	\$50.74	\$16.43	\$26.37	\$42.80	(\$7.94)	-15.6%
Average	15	\$48.53	\$11.05	\$59.58	\$16.43	\$36.89	\$53.32	(\$6.26)	-10.5%
High	20	\$48.53	\$22.10	\$70.63	\$16.43	\$50.04	\$66.47	(\$4.18)	-5.9%
Very High	30	\$48.53	\$44.20	\$92.73	\$16.43	\$102.26	\$118.69	\$25.96	28.0%
	50	\$48.53	\$88.40	\$136.93	\$16.43	\$212.46	\$228.89	\$228.34	67.2%

Chart ES-1 has been prepared to compare the City's average SFR water bill with those of other communities at the same consumption. The chart indicates that with the September 1, 2020 rates, a SFR customer with a 5/8-inch meter using the average monthly consumption of 15 KGAL will experience a bill that is in the upper range of the communities listed.

Chart ES-1

Single-family Residential Monthly Water Bills with 5/8-inch Meter Using 15 KGAL



Note: Above table uses water rates in effect March 2020. City of Orange Cove September 2020 bill is based on the rate structure and rates in Table ES-3.

Table ES-5

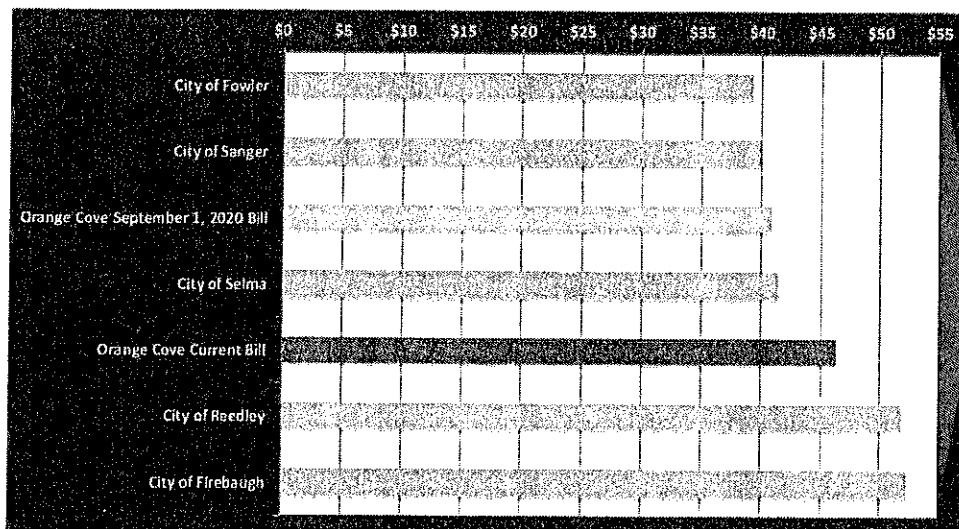
Comparison of Current Single-family Residential Monthly Wastewater Bill with 5/8-inch Meter with Proposed Bill Using September 2020 Wastewater Rates

Description	Use (HCF)	Current Bill			Proposed FY 20-21 Bill			Percent Change
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	
	0	\$39.60	\$0.00	\$39.60	\$22.90	\$0.00	\$22.90	(\$16.70) -42.2%
Very Low	5	\$39.60	\$0.00	\$39.60	\$22.90	\$6.00	\$28.90	(\$10.70) -27.0%
Low	10	\$39.60	\$0.00	\$39.60	\$22.90	\$12.00	\$34.90	(\$4.70) -11.9%
Median	11	\$39.60	\$1.32	\$40.92	\$22.90	\$13.20	\$36.10	(\$4.82) -11.8%
Average	15	\$39.60	\$6.60	\$46.20	\$22.90	\$18.00	\$40.90	(\$5.30) -11.5%
High	20	\$39.60	\$13.20	\$52.80	\$22.90	\$24.00	\$46.90	(\$5.90) -11.2%
Very High	30	\$39.60	\$26.40	\$66.00	\$22.90	\$36.00	\$58.90	(\$7.10) -10.8%
	50	\$39.60	\$52.80	\$92.40	\$22.90	\$60.00	\$82.90	\$83.11 -10.3%

Chart ES-2 has been prepared to compare the City's average SFR wastewater bill with a 5/8-inch meter using 15 KGAL per month bill with those of other communities at the same consumption. The chart indicates that the City's SFR wastewater bill is in the mid-range of the communities listed.

Chart ES-2

Single-family Residential Monthly Wastewater Bills with 5/8-inch Meter Using 15 KGAL



Note: Above table uses wastewater rates in effect March 2020. City of Orange Cove September 2020 bill is based on the rate structure and rates in Table ES-7.

The financial plan and rates developed herein are based on funding of the CIP and estimates of O&M expenses provided by the City. Deviation from the financial plans, construction cost estimates and funding requirements, major operational changes, or other financial policy changes that were not foreseen, may result in the need for lower or higher revenue than anticipated. It is suggested that the City conduct an update to the rate study at least every three years for prudent rate planning.

Assumptions

Several assumptions were used to conduct the Study for the period FY 2019-20 to FY 2024-25. The assumptions included growth rates in customer accounts and related consumption, expense inflation factors, financing and other assumptions used for projecting revenue and expense and estimating debt service payments. The financial planning assumptions are provided in Table 1.

Table 1
Assumptions and Planning Factors

Description	Value
Annual Account & Demand growth [1]	
Residential	0.0%
All Other	0.0%
Interest earnings on fund reserves (annual)	0.25%
Cost Escalation	
Personnel Services [2]	2.0%
Benefits	2.0%
Electrical Power	3.0%
Chemicals	3.0%
Purchased Water	4.0%
All Other Operations & Maintenance	2.0%
Capital	3.0%
New Revenue Bond Debt	
Interest Rate	2.5%
Repayment Period (Term) - years	30

[1] Annualized growth in water accounts is based on historical information provided by staff.

[2] Personnel Services growth in staffing, promotions, and inflation is 2.0% annually.

Reserve Policy

The City has reserve policy goals that include maintaining the level of reserves for the water and wastewater systems. The reserve goals provide a means to meet unanticipated reductions in revenues, meet changes in the costs of providing services, provide for fixed asset repair and replacement, natural disaster needs, and other issues. The reserves also provide guidelines to maintain the financial health and stability of the enterprise funds. The reserve types and the amount of reserves used in this Study are discussed below.

Water Financial Planning

Financial planning for the water system includes identifying and projecting revenues and revenue requirements for a five-year planning period. This section discusses current water rates, current user classifications, projected revenues and revenue requirements, capital improvement expenditures and financing sources, and proposed revenue adjustments.

Current Water Rates

Table 3 provides the current water rates of the water system. The current rate structure was established with the City's last rate study. The water rates consist of monthly fixed and variable charges to residential and non-residential customers. Residential customers are charged the same fixed charge monthly while Commercial customers are charged a monthly fixed charge that increases with their meter size.

All customers are charged for consumption using a monthly two-tier variable rate structure. Tier 1 has a break point of 10 KGAL whereas Tier 2 is for usage all over 10 KGAL.

Table 3
Current Water Rates

Meter Size	Residential Charge (\$/month)	Commercial Charge (\$/month)
5/8"	\$40.51	\$73.66
3/4"	\$40.51	\$77.69
1"	\$40.51	\$85.76
1.5"	\$40.51	\$110.99
2"	\$40.51	\$151.35
3"	\$40.51	\$242.15
4"	\$40.51	\$343.05
6"	\$40.51	\$423.77

Customer Class	Variable Rate (\$/1,000 gal)
All Customers	
Tier 1 - 0 to 10 units	\$0.00
Tier 2 - Over 10 units	\$2.21

Water User Classifications

Number of Customers

The City classifies water customers as Residential, Commercial, and Irrigation. Residential customers account for over 91 percent of the total customers served by the water system. No growth is projected except for the addition of 80 new multifamily dwelling units occurring over two years beginning with FY 21-22. Table 4 provides the historical and projected average number of customers by classification.

Water Financial Plan

The financial plan provides the means of analyzing the revenue and revenue requirements of the water system and its impact on reserves as well as the ability to fund on-going operation and maintenance (O&M) expense and capital infrastructure requirements. Below is a discussion of the projection of revenue, O&M expense, capital improvement needs of the water system and its financing, debt service requirements, and revenue adjustments needed to maintain a sustainable water enterprise.

Revenues

The Water Fund receives revenue from rates and charges for water service and miscellaneous sources. Revenue from water rates is projected by applying the current water rates to the projected number of accounts and consumption volume. Table 7 presents the projected revenue from current water rates of the water system.

Table 7
Projected Rate-based Water Revenue Using Existing Rates

Description	Projected					
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Water Service Revenues						
Fixed Charges ^[1]	\$1,011,792	\$1,080,225	\$1,103,519	\$1,126,814	\$1,126,814	\$1,126,814
Variable Charges ^[2]	401,416	401,416	409,821	416,228	416,228	416,228
Total Revenues From Current Rates	\$1,413,208	\$1,481,641	\$1,513,340	\$1,545,042	\$1,545,042	\$1,545,042

[1] FY 19-20 and forecast revenue calculated by multiplying current water service rate by the number of projected meters.

[2] FY 19-20 and forecast revenue calculated by multiplying projected water sales by the current variable rates.

Miscellaneous Revenue

Miscellaneous revenues are received from several sources including connection fees, penalties and interest, backflow fees, insufficient funds, and other sources. Table 8 below provides sources of miscellaneous revenue.

Table 8
Projected Water Miscellaneous Revenue

Description	Budget	Projected				
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Connection Fees	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Penalties and Interest	45,750	40,000	40,000	40,000	40,000	40,000
Backflow Fee	3,500	3,500	3,500	3,500	3,500	3,500
Non-Sufficient Funds	550	1,000	1,000	1,000	1,000	1,000
Miscellaneous Revenue	1,000	1,000	1,000	1,000	1,000	1,000
Total Miscellaneous Revenues	\$52,800	\$47,500	\$47,500	\$47,500	\$47,500	\$47,500

in FY 2022-23 in an amount of about \$2,500,000. The new loan is estimated to have payments of \$119,800 with an interest rate of 2.5 percent and 30-year term.

Debt Service Reserve Payments

A reserve is required for each of the debt issues discussed above. The 2005 COPs requirement has already been fully funded. The 1995 COPs and the 1996 DWR loan reserve have not been funded, however the City will begin funding these reserves annually. The 1995 COPs require that a reserve may be funded over 20 years with a debt service coverage requirement of 125 percent whereas the 1996 DWR loan may be funded over 10 years with a debt service coverage of 100 percent. The combined payments to reserve funds for each of these debt issues total about \$11,000 annually. With the new loan, it is expected that the annual payment to reserves will increase in FY 2022-23 by \$11,980 to \$22,780 to fund a reserve for the new loan over 10 years.

Water Capital Improvement Program

The City has developed a CIP shown in Table 10 that lists capital expenditures for FY 2019-20 through FY 2024-25. Over this period the City projects that it would spend about \$7.5 million for the water treatment expansion project and about \$2.15 million for the Cofferdam and Basin Lining Project. The CIP is planned to be funded from grants and the new loan as shown in Table 10.

Table 10
Water Capital Improvement Program With Sources and Uses of Funds

Description	Budget		Projected			
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Current Capital Improvement Program (CIP) Projects [1]						
Cofferdam and Basin Lining Project	\$1,074,500	\$1,074,500	\$0	\$0	\$0	\$0
Water Treatment Plant Expansion	-	-	3,753,500	3,753,500	-	-
Total Water CIP	\$1,074,500	\$1,074,500	\$3,753,500	\$3,753,500	\$0	\$0
Sources and Uses of Capital Funds						
Beginning Year Balance	\$0	\$0	\$0	\$0	\$0	\$0
New Bond Proceeds (net of issuance costs)	-	-	-	2,507,000	-	-
Grants	1,074,500	1,074,500	3,753,500	1,246,500	-	-
Capital Improvement Replacement Projects (CIP)	(1,074,500)	(1,074,500)	(3,753,500)	(3,753,500)	-	-
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0

[1] CIP Source: FY 19-20 City CIP document.

Water Financial Plan

A financial plan has been prepared that includes the revenues and revenue requirements that were identified for the water system. The financial plan, presented in Table 11, incorporates specific financial planning goals to provide guidance to maintain the health of the water utility on an on-going basis. The goals included the following.

- Generate positive levels of income in each year of the Study period
- Fund the capital improvement program requirements
- Maintain the operating and capital reserves at or greater than target levels
- Fund the required debt service reserves
- Maintain debt service coverage ratios at or greater than the minimum required

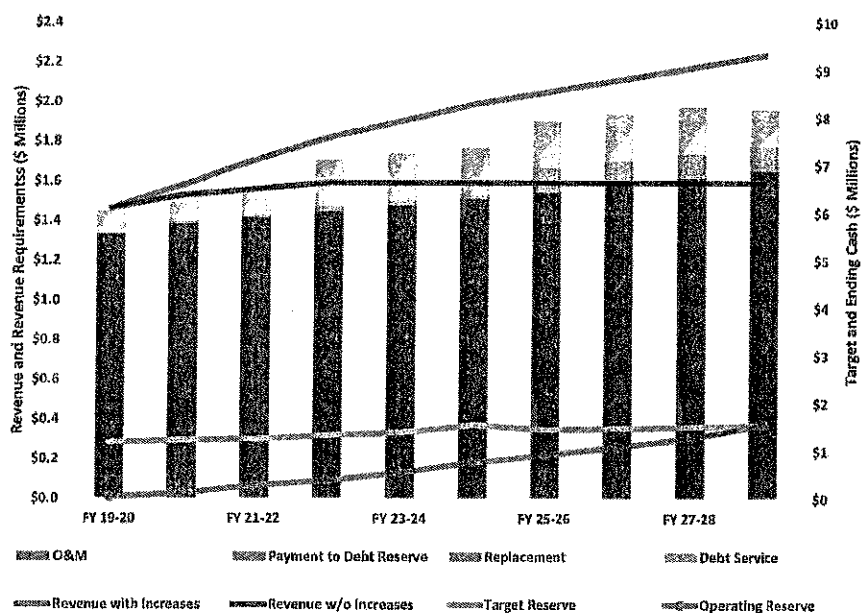
Proposed Revenue Adjustments

Table 11 provides the annual revenue increases recommended to meet the financial planning criteria for the five-year Study Period. The financial plan indicates that 4.7 percent annual revenue increases are recommended beginning on September 1, 2020 and then on each July 1 for the remainder of the Study Period.

A graphical depiction of the revenue and revenue requirements from Table 11 are presented in Figure 1. Revenue using the current rates is shown as the black line while revenue with revenue adjustments is shown as the red line. The purple line represents the cash reserve balance at the end of year (which includes operating and capital reserves) while the green line indicates the Target Reserve level for these reserves.

Figure 1 shows that the revenue increases will allow the Water Fund to meet annual O&M expense and capital requirements while replenishing the cash reserves to the Target reserve maintenance level. The figure shows that the reserve balance (purple line) increases to meet the Target reserve level in later years assuming 3 percent annual increases beginning in FY 2025-26.

Figure 1
Water Financial Plan
Comparison of Revenue with Annual Obligations



Water Cost of Service

This section of the report discusses the allocation of the water system's operating and capital costs for use in designing water rates. The agency responsible for imposing property-related fees in California is required to establish rates that create a nexus between the cost of providing service and the rates to be imposed.

describes how water rates and charges are designed and includes the proposed schedule of water rates for implementation.

Proposed Water Rate Structure

The recommended water rate structure includes modifying the fixed charge structure as well as the variable rate structure. The design of the water fixed and variable charges is discussed below.

Proposed Fixed Charges

Currently, Residential customers are charged the same fixed charge per month whereas Commercial customers are charged a fixed charge that increases with the meter size. It is proposed that the fixed charges be modified such that all customers are charged by the meter size. The proposed fixed charges recover Customer and Meters and Services costs identified from Table 12. Customer costs are recovered based on the number of bills issued. Meters and Services costs are recovered based on meter and service ratios provided by AWWA.

Tables 13 below presents the design of the proposed monthly fixed charges for customers for FY 2020-21 for a 5/8-inch meter. The current fixed charges generate about 72 percent of revenue from water rates. The proposed fixed charges generate approximately 26 percent of the revenue from water rates.

Table 13
Design of Fixed Charges

Customer Service Cost		FY 20-21
Customer Cost		\$81,987
Number of Bills		20,532
Customer Cost per Unit		\$3.99
Meters and Services Cost		FY 20-21
Meters and Services Cost		\$337,858
Number of Equivalent Meters & Services		27,164
Meters and Services Cost per Unit		\$12.44
Monthly 5/8" Fixed Charge		\$16.43

Fixed charges for meter sizes greater than 5/8-inch are increased as shown below in Table 14 for FY 2020-21. The Meter and Services charge increase with meter and service ratios while the Customer charge does not increase with meter size.

For Residential customers, Tier 1 is defined as consumption to provide basic indoor water use. It is based on 4.8 persons per household (pph) from California Department of Finance (DOF) information, using 55 gallons per capita per day (gpcpd) resulting in a Tier 1 breakpoint of 8 KGAL (4.8 pph x 55 gpcpd x 365 days per year ÷ 1,000 gal ÷ 12 billing periods per year). Tier 2 is defined as consumption related to outdoor water use up to the average SFR summer peak demand which was determined from billing information to be 21 KGAL. Tier 3 is defined as water use above Tier 2.

Table 15 provides a summary of the variable rate components applicable to the Residential classification consisting of Water Supply, Delivery, and Peaking costs. Water Supply and Delivery costs are allocated to tiers based on water consumption in each tier. Peaking costs are allocated to the defined tiers based on the peaking factors that occur from customers within the tiers based on the tier break points discussed above. Tier 1 is considered to have a peaking factor of 1.0, Tier 2 and Tier 3 have peaking factors that reflect the average use per customer within these tiers as a ratio to Tier 1.

Table 15
Design of Residential Tiered Rate Structure
FY 20-21

CVP Water Supply					
Tier	Tier Range	Consumption	% Share	CVP Water Costs	Unit Rate
Tier 1	0 - 8	117,731	41.2%	\$69,178	\$0.59
Tier 2	9 - 21	62,573	21.9%	\$36,767	\$0.59
Tier 3	Over 21	105,711	37.0%	\$62,115	\$0.59
		286,016	100.0%	\$168,060	

Delivery Component of Volume Charge					
Tier	Tier Range	Consumption	% Share	Delivery Costs	Unit Rate
Tier 1	0 - 8	117,731	41.2%	\$158,665	\$1.35
Tier 2	9 - 21	62,573	21.9%	\$84,329	\$1.35
Tier 3	Over 21	105,711	37.0%	\$142,466	\$1.35
		286,016	100.0%	\$385,460	

Peaking Component of Volume Charge					
Tier	Tier Range	Peaking Factor	Weighted Consumption	Peaking Costs	Unit Rate
Tier 1	0 - 8	1.00	117,731	\$43,932	\$0.37
Tier 2	9 - 21	1.84	115,364	\$43,049	\$0.69
Tier 3	Over 21	9.56	1,010,749	\$377,166	\$3.57
			1,243,844	\$464,146	

The sum of the three component's unit rates equals the water rates in the tiers for the Residential classification. Table 16 provides the resulting water rate by tier from summing the Water Supply, Delivery, and Peaking unit

Table 18
Current and Proposed Water Fixed and Variable Charges

	Current Rate	September 1, FY 20-21	July 1, FY 21-22	July 1, FY 22-23	July 1, FY 23-24	July 1, FY 24-25
Fixed Charge (\$ per month)						
Residential						
	\$48.53					
Meter Size	Commercial	All Customers				
5/8"	\$73.66	\$16.43	\$17.20	\$18.01	\$18.86	\$19.75
3/4"	\$77.69	\$17.67	\$18.50	\$19.37	\$20.28	\$21.23
1"	\$85.76	\$21.41	\$22.42	\$23.47	\$24.67	\$25.72
1.5"	\$110.99	\$26.38	\$27.62	\$28.92	\$30.28	\$31.70
2"	\$151.35	\$40.07	\$41.95	\$43.92	\$45.98	\$48.14
3"	\$242.15	\$140.83	\$147.45	\$154.38	\$161.64	\$169.24
4"	\$343.05	\$178.15	\$186.52	\$195.29	\$204.47	\$214.08
6"	\$423.77	\$265.23	\$277.70	\$290.75	\$304.42	\$318.73
Variable Charge (\$ per 1,000 gal)						
Residential						
Tier 1 - 0 to 10 units	\$0.00					
Tier 2 - Over 10 units	\$2.21					
Tier 1 - 0 to 8 units		\$2.31	\$2.42	\$2.53	\$2.65	\$2.77
Tier 2 - 8 to 21 units		\$2.63	\$2.75	\$2.88	\$3.02	\$3.16
Tier 3 - 21 and Over		\$5.51	\$5.77	\$6.04	\$6.32	\$6.62
Commercial/Industrial						
Tier 1 - 0 to 10 units	\$0.00					
Tier 2 - Over 10 units	\$2.21					
All Consumption		\$3.06	\$3.20	\$3.35	\$3.51	\$3.67
Irrigation						
Tier 1 - 0 to 10 units	\$0.00					
Tier 2 - Over 10 units	\$2.21					
All Consumption		\$3.70	\$3.87	\$4.05	\$4.24	\$4.44

Water Bill Impact Analysis

An impact analysis was performed to evaluate the change in SFR customer water bills that would occur from the implementation of the proposed water rates for the September 1, 2020 rate structure implementation. As shown in Table 19, a SFR customer with a 5/8-inch meter using the average consumption of 15 KGAL monthly will experience a bill that will decrease from \$59.58 to \$53.32 a decrease of \$6.26 or -10.5 percent. Water bills for other classifications, meter sizes, and consumption levels are provided in Appendix A-2 through A-6.

Wastewater Financial Planning

Financial planning for the wastewater enterprise includes identifying and projecting revenues and revenue requirements of the wastewater system for a five-year planning period. Estimates of revenue from various sources are compared with the projected revenue requirements. This comparison allows the review of the adequacy of existing revenue to meet annual obligations and provide the basis for revenue adjustments. New wastewater rates and charges are created to recover the City's annual operating and capital costs associated with the wastewater system.

This section discusses the current wastewater rates, user classifications, revenues and revenue requirements, planned CIP projects and financing sources, and proposed revenue adjustments.

Current Wastewater Rates

The current wastewater rates consist of fixed and variable charges to residential and non-residential customers. All Residential customers are charged the same monthly fixed charge whereas Commercial customers are charged a fixed charge by the meter size. Residential and Commercial customers are charged the same variable rates. The current rates are presented in Table 20.

Table 20
Current Wastewater Rates

Meter Size	Residential Charge (\$/month)	Commercial Charge (\$/month)
5/8"	\$39.60	\$81.33
3/4"	\$39.60	\$85.45
1"	\$39.60	\$93.70
1.5"	\$39.60	\$119.48
2"	\$39.60	\$160.73
3"	\$39.60	\$253.54
4"	\$39.60	\$356.66
6"	\$39.60	\$439.15

Customer Class	Variable Rate (\$/1,000 gal)
All Customers	
Tier 1 - 0 to 10 units	\$0.00
Tier 2 - Over 10 units	\$1.32

Wastewater User Classifications

Number of Customers

The City currently classifies wastewater customers as Residential and Commercial classifications. No growth is projected except for the addition of 80 new multifamily dwelling units occurring over two years beginning with FY 21-22. Residential customers account for about 92 percent of the total accounts served by the wastewater

The water sales volumes of wastewater customers are used to calculate projected wastewater revenue and estimate wastewater discharge volumes. The wastewater discharge volumes are used for cost allocation purposes to assign cost responsibility based on wastewater flow of each class.

Table 23
Historical and Projected Water Consumption of Wastewater Customers (in 1,000 gal)

Description	Historical	Projected ⁽¹⁾					
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Residential	286,016	286,016	286,016	289,081	292,147	292,147	292,147
Commercial	33,539	33,539	33,539	33,539	33,539	33,539	33,539
Total Projected Consumption	319,554	319,555	319,555	322,620	325,686	325,686	325,686

[1] Forecast assumes that the use per customer from FY 18-19 and applied to the number of customers.

Wastewater Financial Plan

The financial plan provides the means of analyzing the revenue and revenue requirements of the wastewater system and its impact on reserves as well as the ability to fund on-going O&M expense and capital infrastructure requirements. Discussed below are the projection of revenue, O&M expense, CIP needs of the wastewater system and its financing, and revenue adjustments needed to maintain a sustainable wastewater enterprise.

Revenues

The Sewer Fund receives revenue from charges for wastewater service and miscellaneous sources. Wastewater service revenue is received from rates and charges for wastewater service. Table 24 presents the projected fixed and variable rate revenue from current wastewater rates of the wastewater system. The revenue is projected by applying the current wastewater rates from Table 23 to the projected number of accounts and consumption volume.

Table 24
Projected Rate-based Wastewater Revenue Using Existing Rates

Description	Projected					
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Wastewater Service Revenues						
Fixed Charges ⁽¹⁾	\$683,005	\$823,099	\$924,661	\$932,740	\$932,740	\$932,740
Variable Charges ⁽²⁾	312,804	312,804	315,800	318,798	318,798	318,798
Total Revenues From Current Rates	\$995,809	\$1,135,903	\$1,240,461	\$1,251,538	\$1,251,538	\$1,251,538

[1] FY 19-20 and forecast revenue calculated by multiplying current water service rate by the number of projected meters.

[2] FY 19-20 and forecast revenue calculated by multiplying projected water sales by the current variable rates.

Miscellaneous Revenue

Miscellaneous revenues are received from connection fees. Table 25 below provides sources of wastewater miscellaneous revenue. The amount shown reflects a budgeted amount though no customer growth is expected.

New Debt Service

New debt is proposed to fund the wastewater Tertiary Treatment Upgrade project described in the Wastewater Capital Improvement Program section. The new debt of \$1,900,000 is proposed to be issued in FY 2022-23 with loan terms of 2.5 percent and a 30-year term. The loan is expected to have a reserve requirement where 10 percent of the annual payment is accumulated into a reserve fund over a 10-year period.

Wastewater Capital Improvement Program

The City has developed a CIP that lists wastewater capital expenditures for FY 2019-20 through FY 2024-25, presented in Table 29. The only project identified by the City is the Tertiary Treatment Upgrade Project. The City projects that it would expend approximately \$7.9 million over this period. The CIP is funded through a \$6 million grant and \$1.9 million loan as shown in Table 27.

Table 27
Wastewater Capital Improvement Program With Sources and Uses of Funds

Description	Budget		Projected			
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Current Capital Improvement Program (CIP) Projects [1]						
Tertiary Treatment Upgrade	\$0	\$0	\$3,950,000	\$3,950,000	\$0	\$0
Total Water CIP	\$0	\$0	\$3,950,000	\$3,950,000	\$0	\$0
Sources and Uses of Capital Funds						
Beginning Year Balance	\$0	\$0	\$0	\$0	\$0	\$0
New Bond Proceeds (net of issuance costs)	-	-	-	1,900,000	-	-
Grants	-	-	3,950,000	2,050,000	-	-
Capital Improvement Replacement Projects (CIP)	-	-	(3,950,000)	(3,950,000)	-	-
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0

[1] CIP Source: FY 19-20 City CIP document.

Wastewater Financial Plan

A financial plan has been prepared for the wastewater utility that includes the revenues and revenue requirements that were identified for the wastewater system. The plan is presented in Table 28 and incorporates specific financial planning goals to provide guidance to maintain the health of the wastewater utility on an on-going basis. The goals included the following items.

- Generate positive levels of income in each year of the Study period
- Fund capital improvement program requirements
- Maintain the operating and capital reserves at or greater than target levels
- Fund the required debt service reserve
- Maintain debt service coverage ratios at or greater than the minimum required

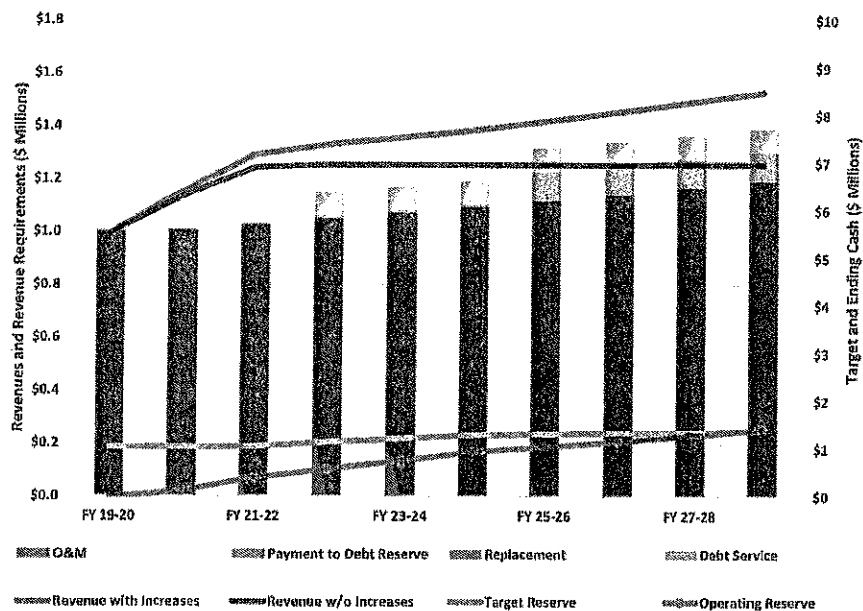
Proposed Revenue Adjustments

Table 28 provides the annual revenue increases recommended to meet the financial planning goals for the five-year Study period. The financial plan indicates that 2.0 percent revenue increases are recommended on September 1, 2020 and on each July 1 through FY 2024-25. The increases are necessary to meet the planning goals discussed above.

A graphical depiction of the revenue and revenue requirements from Table 28 are presented in Figure 2. Revenue using the current rates is shown as the black line while revenue with increases is shown as the red line. The purple line represents the cash reserve balance at the end of year while the green line indicates the Target Reserve level.

The figure shows that the revenue received from the current rates need to be increased to meet annual obligations, capital requirements, and increase reserves to Target levels. The figure shows that the operating and capital fund reserve balance (purple line) is below the Target Reserve (green line) in the initial years of the Study Period, however, returns to meet the target reserve in the latter years of the Study.

Figure 2
Wastewater Financial Plan
Comparison of Revenue with Annual Obligations



Wastewater Cost of Service

This section of the report discusses how the wastewater system's operating and capital costs are allocated for use in designing rates. Establishing rates in California requires that the agency responsible for imposing property-related fees create a nexus between the cost of providing service and the rates to be imposed.

A wastewater mass balance was performed that reconciled estimated wastewater flow from City customers to the influent flow received at the wastewater treatment plant. The units of service for wastewater flow, BOD, and SS by customer classification were identified from an analysis of the estimated influent flow received into the wastewater treatment plant for FY 2018-19.

Table 30 presents the unit costs of providing service for the wastewater system. Unit costs are determined by dividing the costs by parameter from Table 29 by the units of service provided in Appendix B-2.

Table 30
FY 20-21 Development of Unit Costs

Description	FY 20-21 Total Costs	Flow	Strength		Customer		
			BOD	SS	Capacity	Customer	Collection
Total Costs of Service	\$1,158,621	\$241,287	\$86,217	\$86,217	\$557,421	\$127,815	\$59,664
Units of Service		319,585	439,156	385,976	40,500	20,508	20,508
Unit Costs of Service		\$0.7551	\$0.1963	\$0.2234	\$13.7835	\$6.2324	\$2.9093
Units of Measure		1,000 gal	lb	lb	Eg. Mlr	Bills	Bills

User Class Costs

The unit costs from Table 30 are applied to each customer classifications' flow, BOD, SS, capacity, and customer units of service to establish user class costs. The cost of service responsibility of each class is provided in Table 31.

Table 31
Distribution of Costs to Customer Classes FY 20-21

Description	Allocated Total Cost	Flow	Strength		Customer		
			BOD	SS	Capacity	Customer	Collection
Unit Costs of Service		\$0.7551	\$0.1963	\$0.2234	\$13.7835	\$6.2324	\$2.9093
Units of Measure		1,000 gal	lb	lb	Eg. Mlr	Bills	Bills
Residential							
Units of Service		286,016	306,205	306,205	35,052	19,032	19,032
Allocated Cost of Service	\$1,000,900	\$215,963	\$60,116	\$68,398	\$482,438	\$118,616	\$55,370
Commercial							
Units of Service		33,539	132,951	79,770	5,448	1,476	1,476
Allocated Cost of Service	\$157,721	\$25,324	\$26,101	\$17,819	\$74,983	\$9,199	\$4,294
Total Costs of Service	\$1,158,621	\$241,287	\$86,217	\$86,217	\$557,421	\$127,815	\$59,664

Wastewater Rates

The goal of the rate design is to achieve fairness while ensuring that each customer class pays its fair share of costs. Rates should be simple to administer, easy to understand, and comply with regulatory requirements. This section describes how wastewater rates and charges are designed and includes the proposed schedule of wastewater rates for implementation.

Table 33
Design of Fixed Charges by Meter Size
 FY 20-21

Meter Size	Meter Capacity Ratio	Capacity Charge	Collection Charge	Customer Charge	Total Monthly Charge
inches					
5/8"	1.00	\$13.76	\$2.91	\$6.23	\$22.90
3/4"	1.50	\$20.64	\$2.91	\$6.23	\$29.78
1"	2.50	\$34.40	\$2.91	\$6.23	\$43.54
1.5"	5.00	\$68.80	\$2.91	\$6.23	\$77.94
2"	8.00	\$110.08	\$2.91	\$6.23	\$119.22
3"	16.00	\$220.16	\$2.91	\$6.23	\$229.30
4"	25.00	\$344.00	\$2.91	\$6.23	\$353.14
6"	60.00	\$825.60	\$2.91	\$6.23	\$834.74

Proposed Variable Charges

Variable charges are designed as individual volume rates for each customer classification. The Flow, BOD, and SS costs of service for each classification is totaled then divided by the metered water consumption of the individual class to establish the variable rate. Table 34 provides the calculations to establish the variable rates.

Table 34
Design of Variable Rates
 FY 20-21

Customer Classification	Flow Cost	Strength		Total Cost	Metered Consumption	Variable Rate
		BOD Cost	SS Cost			
Residential	\$215,963	\$60,116	\$68,398	\$344,477	286,016	\$1.20
Commercial	\$25,324	\$26,101	\$17,819	\$69,244	33,539	\$2.06
Total	\$241,287	\$86,217	\$86,217	\$413,721	319,555	

Proposed Wastewater Rates

Table 35 presents the proposed fixed charges and variable charges for the wastewater system for the next five years. The current fixed and variable rates are provided in the table as well as the future water rates for implementation beginning on September 1, 2020 with the new rate structure. Wastewater fixed and variable charges increase beginning July 1, 2021 with the percentage increases identified in Table 28.

Table 36

Comparison of Current Single-family Residential Monthly Wastewater Bill with 5/8-inch Meter with Proposed Bill Using September 2020 Wastewater Rates

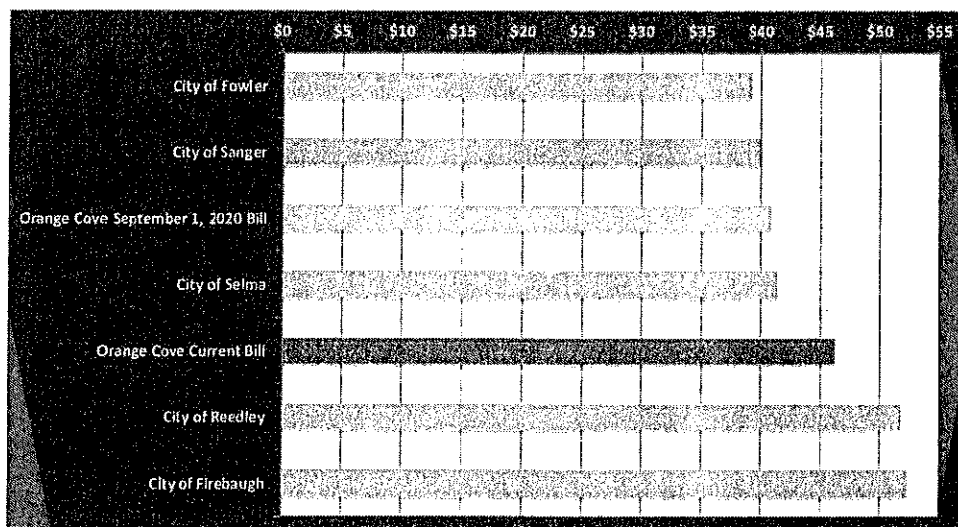
Description	Use (HCF)	Current Bill			Proposed FY 2020-21 Bill			Percent Change
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	
	0	\$39.60	\$0.00	\$39.60	\$22.90	\$0.00	\$22.90	(\$16.70) -42.2%
Very Low	5	\$39.60	\$0.00	\$39.60	\$22.90	\$6.00	\$28.90	(\$10.70) -27.0%
Low	10	\$39.60	\$0.00	\$39.60	\$22.90	\$12.00	\$34.90	(\$4.70) -11.9%
Median	15	\$39.60	\$1.32	\$40.92	\$22.90	\$13.20	\$36.10	(\$4.82) -11.8%
Average	15	\$39.60	\$6.60	\$46.20	\$22.90	\$18.00	\$40.90	(\$5.30) -11.5%
High	20	\$39.60	\$13.20	\$52.80	\$22.90	\$24.00	\$46.90	(\$5.90) -11.2%
Very High	30	\$39.60	\$26.40	\$66.00	\$22.90	\$36.00	\$58.90	(\$7.10) -10.8%
	50	\$39.60	\$52.80	\$92.40	\$22.90	\$60.00	\$82.90	\$83.11 -10.3%

Wastewater Rate Survey

A wastewater rate survey was conducted for neighboring communities to the City of Orange Cove. Chart 2 compares the City's SFR monthly wastewater bill using 15 KGAL with those of neighboring communities at the same consumption level. The rate survey includes rate schedules in effect March 2020. Wastewater bills for the City are shown using the current rates and the proposed rates for implementation September 1, 2020. The chart indicates that a City SFR customer will experience a bill that is in the mid-range of the communities listed.

Chart 2

Single-family Residential Monthly Wastewater Bills with 5/8-inch Meter Using 15 KGAL



Note: Above table uses wastewater rates in effect March 2020. City of Orange Cove September 2020 bill is based on the rate structure and rates in Table 36.

Appendix A-1

Allocation of Revenue Requirements to Cost Component

Description	Total	CVP Water	Delivery	Peaking		Customer	
	FY 20-21		Fixed	Max Month	Max Hour	Meters/Serv	Customer
Operation and Maintenance Expense							
Personnel Services							
Salaries and Benefits	\$577,258	\$0	\$178,002	\$124,347	\$78,858	\$138,325	\$57,726
Total Personnel Services	\$577,258	\$0	\$178,002	\$124,347	\$78,858	\$138,325	\$57,726
Water Operations and Maintenance							
Operational Expense	\$183,906	\$0	\$63,010	\$44,017	\$27,914	\$48,965	\$0
Utilities	104,597	94,137	-	10,460	-	-	-
Water Purchase	95,420	95,420	-	-	-	-	-
Equipment Maintenance	45,900	-	15,726	10,986	6,967	12,221	-
Professional Services	193,800	-	66,400	46,385	29,416	51,599	-
Professional Services - Legal	20,400	-	6,989	4,883	3,096	5,432	-
Insurance and Bonding	42,024	-	14,398	10,058	6,379	11,189	-
Bad Debt Expense	20,400	-	-	-	-	-	-
All Other	35,695	-	11,721	8,191	5,195	9,111	21,777
Total Water Operations and Maintenance	742,042	189,557	178,244	134,980	78,967	138,517	21,777
Capital Outlay							
Capital Outlay/Machinery and Equip	\$65,000	\$0	\$22,271	\$15,557	\$9,866	\$17,306	\$0
Total Capital Outlay	\$65,000	\$0	\$22,271	\$15,557	\$9,866	\$17,306	\$0
Capital Costs							
Capital Replacement Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1995 Certificates of Participation	48,856	-	16,739	11,693	7,416	13,008	-
1996 Department of Water Resources Loan	48,314	-	16,553	11,564	7,333	12,864	-
2005 Certificates of Participation	21,570	-	7,424	5,187	3,289	5,770	-
Payment to Debt Reserve (5)	10,900	-	3,700	2,585	1,639	2,876	-
Total Capital Costs	\$129,640	\$0	\$44,416	\$31,029	\$19,677	\$34,518	\$0
Adjustments							
Revenue Offsets	(\$47,686)	\$0	(\$15,107)	(\$10,972)	(\$6,893)	(\$11,741)	(\$3,173)
Adjustments for Annual Cash Balance	67,615	-	21,422	15,557	9,490	16,647	4,499
Adjustments to Annualize Rate Increase	17,409	-	5,517	4,005	2,443	4,286	1,158
Total Adjustments	\$37,338	\$0	\$11,832	\$8,590	\$5,240	\$9,182	\$2,484
Total Cost of Service	\$1,551,278	\$189,557	\$434,765	\$314,503	\$192,608	\$337,858	\$81,987

City of Orange Cove

Water Utility

Comparison of Monthly Water Bills Using Current Rates To Proposed Bills Using September 1, 2020 Water Rates

Customer Classification	Meter Size Inches	Service Charge				Consumption Charge				Total Bill-Monthly Bill			
		Current Rates	Proposed Rates	Difference	Bimonthly Consumption	Current Rates	Proposed Rates	Difference	Current Rates	Proposed Rates	Difference	Percentage Difference	
													September 1, 2020
Residential	1"	\$48.53	\$21.41	(\$27.12)	0	\$0.00	\$0.00	\$0.00	\$48.53	\$21.41	(\$27.12)	-55.9%	
		\$48.53	\$21.41	(\$27.12)	5	\$0.00	\$11.55	\$11.55	\$48.53	\$32.96	(\$15.57)	-32.1%	
		\$48.53	\$21.41	(\$27.12)	10	\$0.00	\$23.74	\$23.74	\$48.53	\$45.15	(\$3.38)	-7.0%	
		\$48.53	\$21.41	(\$27.12)	15	\$11.05	\$36.89	\$25.84	\$59.58	\$58.30	(\$1.28)	-2.1%	
		\$48.53	\$21.41	(\$27.12)	20	\$22.10	\$50.04	\$27.94	\$70.63	\$71.45	\$0.82	1.2%	
		\$48.53	\$21.41	(\$27.12)	25	\$33.15	\$74.71	\$41.56	\$81.68	\$96.12	\$14.44	17.7%	
		\$48.53	\$21.41	(\$27.12)	30	\$44.20	\$102.26	\$58.06	\$92.73	\$123.67	\$30.94	33.4%	
		\$48.53	\$21.41	(\$27.12)	35	\$55.25	\$129.81	\$74.56	\$103.78	\$151.22	\$47.44	45.7%	
		\$48.53	\$21.41	(\$27.12)	50	\$88.40	\$212.46	\$124.06	\$136.93	\$233.87	\$96.94	70.8%	
		\$48.53	\$21.41	(\$27.12)	60	\$110.50	\$267.56	\$157.06	\$159.03	\$288.97	\$129.94	81.7%	
Residential	2"	\$48.53	\$21.41	(\$27.12)	70	\$132.60	\$322.66	\$190.06	\$181.13	\$344.07	\$162.94	90.0%	
		\$48.53	\$21.41	(\$27.12)	80	\$154.70	\$377.76	\$223.06	\$203.23	\$399.17	\$195.94	96.4%	
		\$48.53	\$21.41	(\$27.12)	90	\$176.80	\$432.86	\$256.06	\$225.33	\$454.27	\$228.94	101.6%	
		\$48.53	\$21.41	(\$27.12)	100	\$198.90	\$487.96	\$289.06	\$247.43	\$509.37	\$261.94	105.9%	
		\$48.53	\$40.07	(\$8.46)	0	\$0.00	\$0.00	\$0.00	\$48.53	\$40.07	(\$8.46)	-17.4%	
		\$48.53	\$40.07	(\$8.46)	5	\$0.00	\$11.55	\$11.55	\$48.53	\$51.62	\$3.09	6.4%	
		\$48.53	\$40.07	(\$8.46)	10	\$0.00	\$23.74	\$23.74	\$48.53	\$63.81	\$15.28	31.5%	
		\$48.53	\$40.07	(\$8.46)	15	\$11.05	\$36.89	\$25.84	\$59.58	\$76.96	\$17.38	29.2%	
		\$48.53	\$40.07	(\$8.46)	20	\$22.10	\$50.04	\$27.94	\$70.63	\$90.11	\$19.48	27.6%	
		\$48.53	\$40.07	(\$8.46)	25	\$33.15	\$74.71	\$41.56	\$81.68	\$114.78	\$33.10	40.5%	
Residential	2"	\$48.53	\$40.07	(\$8.46)	30	\$44.20	\$102.26	\$58.06	\$92.73	\$142.33	\$49.60	53.5%	
		\$48.53	\$40.07	(\$8.46)	35	\$55.25	\$129.81	\$74.56	\$103.78	\$169.88	\$66.10	63.7%	
		\$48.53	\$40.07	(\$8.46)	50	\$88.40	\$212.46	\$124.06	\$136.93	\$252.53	\$115.60	84.4%	
		\$48.53	\$40.07	(\$8.46)	60	\$110.50	\$267.56	\$157.06	\$159.03	\$307.63	\$148.60	93.4%	
		\$48.53	\$40.07	(\$8.46)	70	\$132.60	\$322.66	\$190.06	\$181.13	\$362.73	\$181.60	100.3%	
		\$48.53	\$40.07	(\$8.46)	80	\$154.70	\$377.76	\$223.06	\$203.23	\$417.83	\$214.60	105.6%	
		\$48.53	\$40.07	(\$8.46)	90	\$176.80	\$432.86	\$256.06	\$225.33	\$472.93	\$247.60	109.9%	
		\$48.53	\$40.07	(\$8.46)	100	\$198.90	\$487.96	\$289.06	\$247.43	\$528.03	\$280.60	113.4%	

Appendix A-5
City of Orange Cove
Water Utility

Comparison of Monthly Water Bills Using Current Rates To Proposed Bills Using September 1, 2020 Water Rates

Tiered Rate Structure

Customer Classification	Meter Size Inches	Service Charge				Bt-monthly Consumption 1,000 gal	Consumption Charge				Total Bt-monthly Bill			
		Current Rates	Proposed Rates	September 1, 2020	Difference		Current Rates	Proposed Rates	September 1, 2020	Difference	Current Rates	Proposed Rates	September 1, 2020	Difference
Commercial/Industrial	1"	\$85.76	\$21.41	(\$64.35)	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00	\$85.76	\$21.41	(\$64.35)	-75.0%
		\$85.76	\$21.41	(\$64.35)	\$15.30	5	\$0.00	\$15.30	\$15.30	\$15.30	\$85.76	\$36.71	(\$49.05)	-57.2%
		\$85.76	\$21.41	(\$64.35)	\$30.60	10	\$0.00	\$30.60	\$30.60	\$30.60	\$85.76	\$52.01	(\$33.75)	-39.4%
		\$85.76	\$21.41	(\$64.35)	\$45.90	15	\$11.05	\$45.90	\$34.85	\$34.85	\$96.81	\$67.31	(\$29.50)	-30.5%
		\$85.76	\$21.41	(\$64.35)	\$61.20	20	\$22.10	\$61.20	\$39.10	\$39.10	\$107.86	\$82.61	(\$25.25)	-23.4%
		\$85.76	\$21.41	(\$64.35)	\$76.50	25	\$33.15	\$76.50	\$43.35	\$43.35	\$118.91	\$97.91	(\$21.00)	-17.7%
		\$85.76	\$21.41	(\$64.35)	\$91.80	30	\$44.20	\$91.80	\$47.60	\$47.60	\$129.96	\$113.21	(\$16.75)	-12.9%
		\$85.76	\$21.41	(\$64.35)	\$107.10	35	\$55.25	\$107.10	\$51.85	\$51.85	\$141.01	\$128.51	(\$12.50)	-8.9%
		\$85.76	\$21.41	(\$64.35)	\$122.40	40	\$66.40	\$122.40	\$64.60	\$64.60	\$174.16	\$174.41	\$0.25	0.1%
		\$85.76	\$21.41	(\$64.35)	\$137.70	45	\$77.65	\$137.70	\$73.10	\$73.10	\$196.26	\$205.01	\$8.75	4.5%
		\$85.76	\$21.41	(\$64.35)	\$153.00	50	\$88.80	\$153.00	\$81.60	\$81.60	\$218.36	\$235.61	\$17.25	7.9%
		\$85.76	\$21.41	(\$64.35)	\$168.30	55	\$99.95	\$168.30	\$90.10	\$90.10	\$240.46	\$266.21	\$25.75	10.7%
		\$85.76	\$21.41	(\$64.35)	\$183.60	60	\$111.10	\$183.60	\$98.60	\$98.60	\$262.56	\$296.81	\$34.25	13.0%
Commercial/Industrial	2"	\$85.76	\$21.41	(\$64.35)	\$198.90	65	\$122.25	\$198.90	\$107.10	\$107.10	\$284.66	\$327.41	\$42.75	15.0%
		\$151.35	\$40.07	(\$111.28)	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00	\$151.35	\$40.07	(\$111.28)	-73.5%
		\$151.35	\$40.07	(\$111.28)	\$15.30	5	\$0.00	\$15.30	\$15.30	\$15.30	\$151.35	\$55.37	(\$95.98)	-63.4%
		\$151.35	\$40.07	(\$111.28)	\$30.60	10	\$0.00	\$30.60	\$30.60	\$30.60	\$151.35	\$70.67	(\$80.68)	-53.3%
		\$151.35	\$40.07	(\$111.28)	\$45.90	15	\$11.05	\$45.90	\$34.85	\$34.85	\$162.40	\$85.97	(\$76.43)	-47.1%
		\$151.35	\$40.07	(\$111.28)	\$61.20	20	\$22.10	\$61.20	\$39.10	\$39.10	\$173.45	\$101.27	(\$72.18)	-41.6%
		\$151.35	\$40.07	(\$111.28)	\$76.50	25	\$33.15	\$76.50	\$43.35	\$43.35	\$184.50	\$116.57	(\$67.93)	-36.8%
		\$151.35	\$40.07	(\$111.28)	\$91.80	30	\$44.20	\$91.80	\$47.60	\$47.60	\$195.55	\$131.87	(\$63.68)	-32.6%
		\$151.35	\$40.07	(\$111.28)	\$107.10	35	\$55.25	\$107.10	\$51.85	\$51.85	\$206.60	\$147.17	(\$59.43)	-28.8%
		\$151.35	\$40.07	(\$111.28)	\$122.40	40	\$66.40	\$122.40	\$64.60	\$64.60	\$239.75	\$193.07	(\$46.68)	-19.5%
		\$151.35	\$40.07	(\$111.28)	\$137.70	45	\$77.65	\$137.70	\$73.10	\$73.10	\$261.95	\$223.67	(\$38.18)	-14.6%
		\$151.35	\$40.07	(\$111.28)	\$153.00	50	\$88.80	\$153.00	\$81.60	\$81.60	\$283.95	\$254.27	(\$29.68)	-10.5%
		\$151.35	\$40.07	(\$111.28)	\$168.30	55	\$99.95	\$168.30	\$90.10	\$90.10	\$306.05	\$284.87	(\$21.18)	-6.9%
		\$151.35	\$40.07	(\$111.28)	\$183.60	60	\$111.10	\$183.60	\$98.60	\$98.60	\$328.15	\$315.47	(\$12.68)	-3.9%
		\$151.35	\$40.07	(\$111.28)	\$198.90	65	\$122.25	\$198.90	\$107.10	\$107.10	\$350.25	\$346.07	(\$4.18)	-1.2%

Appendix B

Wastewater System Cost of Service Allocation, Units of Service, and Example Wastewater Bills are provided in Appendix B.

Appendix B-3
City of Orange Cove
Wastewater Utility

Comparison of Monthly Wastewater Bills Using Current Rates To Proposed Bills Using September 1, 2020 Wastewater Rates

Customer Classification	Meter Size Inches	Service Charge				Consumption Charge				Total Monthly Bill					
		Current Rates	Proposed Rates	September 1, 2020	Difference	Bi-monthly Consumption 3,000 gal	Current Rates	Proposed Rates	September 1, 2020	Difference	Current Rates	Proposed Rates	September 1, 2020	Difference	Percent Difference
Residential	5/8"	\$39.60	\$22.90	(\$16.70)	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$39.60	\$22.90	(\$16.70)	-42.2%	
		\$39.60	\$22.90	(\$16.70)	5	5	\$0.00	\$6.00	\$6.00	\$6.00	\$39.60	\$28.90	(\$10.70)	-27.0%	
		\$39.60	\$22.90	(\$16.70)	10	10	\$0.00	\$12.00	\$12.00	\$12.00	\$39.60	\$34.90	(\$4.70)	-11.9%	
		\$39.60	\$22.90	(\$16.70)	15	15	\$6.60	\$18.00	\$18.00	\$11.40	\$46.20	\$40.90	(\$5.30)	-11.5%	
		\$39.60	\$22.90	(\$16.70)	20	20	\$13.20	\$24.00	\$24.00	\$10.80	\$52.80	\$46.90	(\$5.90)	-11.2%	
		\$39.60	\$22.90	(\$16.70)	25	25	\$19.80	\$30.00	\$30.00	\$10.20	\$59.40	\$52.90	(\$6.50)	-10.9%	
		\$39.60	\$22.90	(\$16.70)	30	30	\$26.40	\$36.00	\$36.00	\$9.60	\$66.00	\$58.90	(\$7.10)	-10.8%	
		\$39.60	\$22.90	(\$16.70)	35	35	\$33.00	\$42.00	\$42.00	\$9.00	\$72.60	\$64.90	(\$7.70)	-10.6%	
		\$39.60	\$22.90	(\$16.70)	50	50	\$52.80	\$60.00	\$60.00	\$7.20	\$92.40	\$82.90	(\$9.50)	-10.3%	
		\$39.60	\$22.90	(\$16.70)	60	60	\$66.00	\$72.00	\$72.00	\$6.00	\$105.60	\$94.90	(\$10.70)	-10.1%	
		\$39.60	\$22.90	(\$16.70)	70	70	\$79.20	\$84.00	\$84.00	\$4.80	\$118.80	\$106.90	(\$11.90)	-10.0%	
		\$39.60	\$22.90	(\$16.70)	80	80	\$92.40	\$96.00	\$96.00	\$3.60	\$132.00	\$118.90	(\$13.10)	-9.9%	
\$39.60	\$22.90	(\$16.70)	90	90	\$105.60	\$108.00	\$108.00	\$2.40	\$145.20	\$130.90	(\$14.30)	-9.8%			
\$39.60	\$22.90	(\$16.70)	100	100	\$118.80	\$120.00	\$120.00	\$1.20	\$158.40	\$142.90	(\$15.50)	-9.8%			
Residential	3/4"	\$39.60	\$29.78	(\$9.82)	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$39.60	\$29.78	(\$9.82)	-24.8%	
		\$39.60	\$29.78	(\$9.82)	5	5	\$0.00	\$6.00	\$6.00	\$6.00	\$39.60	\$35.78	(\$3.82)	-9.6%	
		\$39.60	\$29.78	(\$9.82)	10	10	\$0.00	\$12.00	\$12.00	\$12.00	\$39.60	\$41.78	\$2.18	5.5%	
		\$39.60	\$29.78	(\$9.82)	15	15	\$6.60	\$18.00	\$18.00	\$11.40	\$46.20	\$47.78	\$1.58	3.4%	
		\$39.60	\$29.78	(\$9.82)	20	20	\$13.20	\$24.00	\$24.00	\$10.80	\$52.80	\$53.78	\$0.98	1.9%	
		\$39.60	\$29.78	(\$9.82)	25	25	\$19.80	\$30.00	\$30.00	\$10.20	\$59.40	\$59.78	\$0.38	0.6%	
		\$39.60	\$29.78	(\$9.82)	30	30	\$26.40	\$36.00	\$36.00	\$9.60	\$66.00	\$65.78	(\$0.22)	-0.3%	
		\$39.60	\$29.78	(\$9.82)	35	35	\$33.00	\$42.00	\$42.00	\$9.00	\$72.60	\$71.78	(\$0.82)	-1.1%	
		\$39.60	\$29.78	(\$9.82)	50	50	\$52.80	\$60.00	\$60.00	\$7.20	\$92.40	\$89.78	(\$2.62)	-2.8%	
		\$39.60	\$29.78	(\$9.82)	60	60	\$66.00	\$72.00	\$72.00	\$6.00	\$105.60	\$101.78	(\$3.82)	-3.6%	
		\$39.60	\$29.78	(\$9.82)	70	70	\$79.20	\$84.00	\$84.00	\$4.80	\$118.80	\$113.78	(\$5.02)	-4.2%	
		\$39.60	\$29.78	(\$9.82)	80	80	\$92.40	\$96.00	\$96.00	\$3.60	\$132.00	\$125.78	(\$6.22)	-4.7%	
\$39.60	\$29.78	(\$9.82)	90	90	\$105.60	\$108.00	\$108.00	\$2.40	\$145.20	\$137.78	(\$7.42)	-5.1%			
\$39.60	\$29.78	(\$9.82)	100	100	\$118.80	\$120.00	\$120.00	\$1.20	\$158.40	\$149.78	(\$8.62)	-5.4%			

Appendix B-5 City of Orange Cove Wastewater Utility Comparison of Monthly Wastewater Bills Using Current Rates To Proposed Bills Using September 1, 2020 Wastewater Rates														
Uniform Volume Rate Structure By Class														
Customer Classification	Meter Size inches	Service Charge				Bi-monthly Consumption 1,000 gal	Consumption Charge				Total Monthly Bill			
		Current Rates	Proposed Rates		Difference		Current Rates	Proposed Rates		Difference	Current Rates	Proposed Rates		Difference
			September 1, 2020	September 1, 2020				September 1, 2020	September 1, 2020			September 1, 2020	September 1, 2020	

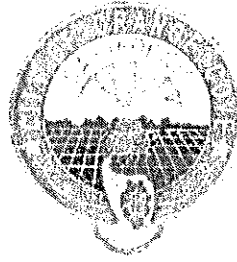
Commercial/Industrial	5/8"	\$81.33	\$22.90	(\$58.43)	0	\$0.00	\$0.00	\$0.00	\$81.33	\$22.90	(\$58.43)
		\$81.33	\$22.90	(\$58.43)	5	\$0.00	\$10.30	\$10.30	\$81.33	\$33.20	(\$48.13)
		\$81.33	\$22.90	(\$58.43)	10	\$0.00	\$20.60	\$20.60	\$81.33	\$43.50	(\$37.83)
		\$81.33	\$22.90	(\$58.43)	15	\$6.60	\$30.90	\$24.30	\$87.93	\$53.80	(\$34.13)
		\$81.33	\$22.90	(\$58.43)	20	\$13.20	\$41.20	\$28.00	\$94.53	\$64.10	(\$30.43)
		\$81.33	\$22.90	(\$58.43)	25	\$19.80	\$51.50	\$31.70	\$101.13	\$74.40	(\$26.73)
		\$81.33	\$22.90	(\$58.43)	30	\$26.40	\$61.80	\$35.40	\$107.73	\$84.70	(\$23.03)
		\$81.33	\$22.90	(\$58.43)	35	\$33.00	\$72.10	\$39.10	\$114.33	\$95.00	(\$19.33)
		\$81.33	\$22.90	(\$58.43)	50	\$52.80	\$103.00	\$50.20	\$134.13	\$125.90	(\$8.23)
		\$81.33	\$22.90	(\$58.43)	60	\$66.00	\$123.60	\$57.60	\$147.33	\$146.50	(\$0.83)
		\$81.33	\$22.90	(\$58.43)	70	\$79.20	\$144.20	\$65.00	\$160.53	\$167.10	\$6.57
		\$81.33	\$22.90	(\$58.43)	80	\$92.40	\$164.80	\$72.40	\$173.73	\$187.70	\$13.97
		\$81.33	\$22.90	(\$58.43)	90	\$105.60	\$185.40	\$79.80	\$186.93	\$208.30	\$21.37
		\$81.33	\$22.90	(\$58.43)	100	\$118.80	\$206.00	\$87.20	\$200.13	\$228.90	\$28.77

Commercial/Industrial	3/4"	\$85.45	\$29.78	(\$55.67)	0	\$0.00	\$0.00	\$0.00	\$85.45	\$29.78	(\$55.67)
		\$85.45	\$29.78	(\$55.67)	5	\$0.00	\$10.30	\$10.30	\$85.45	\$40.08	(\$45.37)
		\$85.45	\$29.78	(\$55.67)	10	\$0.00	\$20.60	\$20.60	\$85.45	\$50.38	(\$35.07)
		\$85.45	\$29.78	(\$55.67)	15	\$6.60	\$30.90	\$24.30	\$92.05	\$60.68	(\$31.37)
		\$85.45	\$29.78	(\$55.67)	20	\$13.20	\$41.20	\$28.00	\$98.65	\$70.98	(\$27.67)
		\$85.45	\$29.78	(\$55.67)	25	\$19.80	\$51.50	\$31.70	\$105.25	\$81.28	(\$23.97)
		\$85.45	\$29.78	(\$55.67)	30	\$26.40	\$61.80	\$35.40	\$111.85	\$91.58	(\$20.27)
		\$85.45	\$29.78	(\$55.67)	35	\$33.00	\$72.10	\$39.10	\$118.45	\$101.88	(\$16.57)
		\$85.45	\$29.78	(\$55.67)	50	\$52.80	\$103.00	\$50.20	\$138.25	\$132.78	(\$5.47)
		\$85.45	\$29.78	(\$55.67)	60	\$66.00	\$123.60	\$57.60	\$151.45	\$153.38	\$1.93
		\$85.45	\$29.78	(\$55.67)	70	\$79.20	\$144.20	\$65.00	\$164.65	\$173.98	\$9.33
		\$85.45	\$29.78	(\$55.67)	80	\$92.40	\$164.80	\$72.40	\$177.85	\$194.58	\$16.73
		\$85.45	\$29.78	(\$55.67)	90	\$105.60	\$185.40	\$79.80	\$191.05	\$215.18	\$24.13
		\$85.45	\$29.78	(\$55.67)	100	\$118.80	\$206.00	\$87.20	\$204.25	\$235.78	\$31.53

Mayor:
Victor P. Lopez

Mayor Pro Team:
Diana Guerra Silva

City Council Members:
Roy Rodriguez
Josie Cervantes
Esperanza Rodriguez



Incorporated January 20, 1948

Rudy Hernandez
Interim City Manager
(559) 626-4488 ext. 216

Rudy Hernandez
Financial Consultant
(559) 626-4488 ext. 216

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

633 Sixth Street, Orange Cove, CA 93646 | Phone: (559) 626-4488 | FAX: (559) 626-4653

Date: May 12, 2021
To: The Honorable Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Request for Qualifications for Engineering Services.
Attachments: Staff Report (July 11, 2018) Award of City Engineering Contract to AM Engineers and Previous Request for Qualifications for Engineering Services (May 2018).

BACKGROUND

On July 11, 2018, the City Council approved a three (3) year contract with AM Consulting Engineers, Inc. to provide city engineering services. The term of the agreement is July 1, 2018 thru July 1, 2021. With less than 2 months left on the contract, staff is requesting direction from Council on what course of action to take. I have provided you with a few options:

1. Issue another Request for Qualifications for Engineering Services. Our Current City Engineer may also respond to the Request for Qualifications for Engineering Services.
2. Consider extending the term of agreement for our current City Engineer.

Listed below are the scope of services as stated in City Engineer's Contract:

EXHIBIT "A"

SCOPE OF SERVICES

1. Attend City Council or Planning Commission meetings when requested by CITY.
2. Render advisory consultation to City Manager, City Finance Director, Building Official, Planning Director and/or Public Works Department as requested by City. Alfonso Manrique shall serve as designated City Engineer; Mario Gouveia shall serve as

alternate City Engineer and Nick Sahota shall serve as City Surveyor. It is understood that Mr. Manrique will be assisted by other members of his firm.

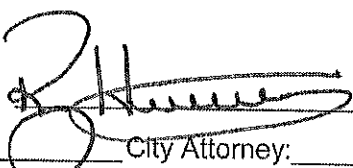
3. Process and review all tentative and final maps, dedications, easements, and improvement plans submitted by developers for projects within City Limits. Such review shall be to ensure that all documents are in conformance with the provisions of the Subdivision Map Act and that all proposed improvements meet the requirements of the City's Standards.
4. Provide inspection services for all off-site public works improvements constructed by developers within the City Limits when requested by CITY.
5. Render such other engineering services as is customary in the field of municipal engineering, including the preparation of engineering reports, master plans, construction plans, specifications, and contract documents. Conduct surveys, inspections, provide construction supervision and other related duties.
6. Provide engineering services as requested by CITY for projects funded by Federal or State monies, including but not limited to funds received by the CITY from the Federal Highway Administration, Caltrans, Housing and Community Development Department, U.S. Department of Agriculture, Environmental Protection Agency, Department of Public Health and State Water Board.

RECOMMENDATION

For the City Council to discuss the City Engineer's Contract which is due to expire in less than 2 months and provide staff with direction.

FISCAL IMPACT

None.

Prepared by: _____ Approved by: 
REVIEW: City Manager: ✓ Finance: _____ City Attorney: _____

TYPE OF ITEM:	COUNCIL ACTION:	APPROVED	DENIED	NO ACTION
_____ Consent	_____ Public Hearing			
_____ Info Item	_____ Matter Initiated by Council Member			
<u>✓</u> Action Item	_____ Other			
_____ Department Report	_____ Continued to: _____			
_____ Redevelopment Agency	_____			

CITY OF ORANGE COVE

REQUEST FOR QUALIFICATIONS

For

ENGINEERING SERVICES

The City of Orange Cove is requesting qualified engineering firms to perform the design including CEQA and NEPA compliance, bidding, construction review/inspection and federal aid administration services required to complete the federally funded projects during this three year period including the projects listed below in conformance with requirements and subject to State and Federal regulations and law. The City intends to select one firm to provide contract services for a maximum period of three years. Services are to include securing all necessary permits including CEQA and NEPA compliance, surveying, testing, preparation of plans and specifications, description of construction phasing plan, estimate of probable construction costs, preparation of bid documents, review of construction contract bids, recommendation for award, construction inspection and review and construction administration.

The selected Engineering Firm must comply with Government Code Section 8355 in matters relating to providing a drug-free work place.

The Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31 et. Seq., are the governing factors regarding allowable elements of cost. Also, the Agreement will include the administrative requirements set forth in 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

The selected Engineering Firm shall comply with CFR Title 49, Part 29, Debarment and Suspension Certificate, refer to Exhibit 12-E "Debarment and Suspension Certificate" in Chapter 12 of the Caltrans Local Assistance Manual.

The selected Engineering Firm shall verify and meet all requirements for California State Prevailing Wage Section 1720 of the State Labor Code. Wage guidelines entitled, Consultant Guidelines for Prevailing Wage and Labor Compliance on Architectural and Engineering (A&E) Contracts is used to administer Caltrans Consultant contracts. Wage information is available through the Caltrans Division of Labor Assistance website. The selected Engineering Firm shall meet and conform to Exhibit 10-N "Accounting and Auditing Guidelines for Contracts with Caltrans" in Chapter 10 of the Local Assistance Procedures Manual.

This solicitation is subject to Title 49, Code of Federal Regulations, Part 26 (49 CFR 26) entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs." Disadvantaged Business Enterprise (DBE) and Underutilized DBE (UDBE) participation goals have been waived for this solicitation. Although DBE goals have been waived for this solicitation, The City of Orange Cove and Caltrans encourages the participation of DBEs and UDBEs, as defined in 49 CFR 26, in performing contracts financed in whole or in part with federal funds. Information about the Federal DBE Program is available at: <http://osdbu.dot.gov/DBEProgram/dbeprogram.cfm> or <http://www.dot.ca.gov/hq/bep/>.

The selected Engineering Firm shall verify and meet all requirements of the Federal Lobbying Restrictions, Title 31, U.S.C. Section 1352.

The selected Engineering Firm shall verify and meet all requirements of:

- Notice to Proposers – Disadvantaged Business Enterprise Information (Exhibit 10-01)
- Standard Agreement for Subcontractors/DBE Participation (Exhibit 10-J)
- Nonlobbying Certification for Federal-aid Contracts (Exhibit 10-P)

These documents are available in Chapter 10 of the Caltrans Local Assistance Procedures Manual. By submitting a Qualification the submitting Firm agrees to abide by the rules and regulations set forth in these documents.

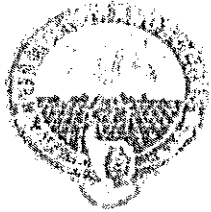
The following documents available in the Caltrans Local Assistance Procedures Manual must be completed and included in the RFP submittal:

- Local Agency Proposer UDBE Commitment (Exhibit 10-01)
- Local Agency Proposer DBE Information (Exhibit 10-02)
- Disclosure of Lobbying Activities (Exhibit 10-Q)

Qualifications will be evaluated based on the qualifications and experience of the engineering firm. Qualifications are to include:

- Firm name, contact person, address, telephone and fax numbers and email address.
- Type of organization (individual, partnership, or corporation).
- Firm principal(s) who will be responsible for the contract, their education, credentials and experience.
- Present staff – number and classification.
- List of relevant project experience in the past five years, including location and type of project. Provide the name and telephone number of a reference for each project listed.
- List any previous relevant experience with the City of Orange Cove.
- Indicate familiarity with Caltrans and FHWA funding procedures.

Provide Five (5) copies of the Qualifications and deliver to the City of Orange Cove, 633 Sixth Street Orange Cove, CA 93646, Attn: City Manager, no later than 4:00 PM on May 4, 2018. Late responses will not be accepted or considered.



For the Meeting of: July 11, 2018

CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council
From: Anthony Lopez, Interim City Manager
Subject: Agreement for City Engineer
Attachments: Resolution approving Agreement with AM Consulting Engineers, Inc. to provide city engineering services.

RECOMMENDATION:

Approve the attached resolution approving an Agreement with AM Consulting Engineers, Inc to provide City Engineering services for the City of Orange Cove, with Alfonso Manrique as the designated City Engineer effective July 1, 2018.

EXECUTIVE SUMMARY:

Two engineering firms submitted proposals to the City of Orange Cove to provide city engineering services. The selection committee evaluated the proposals and recommends AM Consulting Engineers, Inc. as new city engineer. Alfonso Manrique will be the designated City Engineer, Mario Gouveia will be the Alternate City Engineer and Nick Sahota will be the City Surveyor.

BACKGROUND:

Requests for proposal for city engineer were sent to five engineering firms who provide such services. Two engineering firms submitted proposals and they were evaluated by a committee composed of Mayor Lopez, Councilmember Guerra Silva, Interim City Manager, Anthony Lopez, Wastewater Treatment Plant Operator Joe Estrada and Reedley City Engineer John Robertson.

Since the City receives Federal funding for projects, their guidelines are specific that the selection of engineers must be based on qualifications. The committee members individually scored each

Prepared by: _____ Approved by: _____

REVIEW: City Manager: ALB Finance: _____ City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

<input type="checkbox"/> Consent	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> Info Item	<input type="checkbox"/> Matter Initiated by a Council
<input type="checkbox"/> Action Item	<input type="checkbox"/> Member
<input type="checkbox"/> Department Report	<input type="checkbox"/> Other
<input type="checkbox"/> Redevelopment Agency	<input type="checkbox"/> Continued to: _____

firm based on their written proposal and oral interview. The committee members were unanimous in their recommendation of AM Consulting. Alfonso Manrique will be the designated City Engineer and appear before the Council for engineering related items. Marlo Gouveia will be the alternate City Engineer if Mr. Manrique is not available. Proposed fee schedules were submitted in separate envelopes that are not used in the ranking. The City Manager negotiated the proposed fee schedule with Mr. Manrique.

State law does not allow civil engineers licensed after 1983 to sign survey maps or conduct boundary surveys. Nick Sahota, a Licensed Land Surveyor, will be the City Surveyor.

Mr. Manrique is also city engineer for the City of Huron. His special area of expertise is water and wastewater treatment. He has provided engineering services for the City of Orange Cove for both the Water Treatment Plant and Wastewater Treatment Plant. Mr. Gouveia is city engineer for the cities of San Joaquin, Firebaugh, Livingston, Newman and Gustine. He specializes in street improvements and federally funded projects.

The Agreement for Engineering Services for Council approval is attached. The agreement is for three years, but allows for termination by either party with 30-day's notice. An hourly fee schedule is attached to the agreement and contains a split fee schedule: lower rates for General Fund projects and slightly higher rates for projects funded by all other funds, such as sewer, water, street funds and grant funding.

REASON FOR RECOMMENDATION:

Proposals from two engineering companies were evaluated and the selection committee recommends that the City Council approve the agreement with AM Consulting, Inc. to provide city engineering services.

FISCAL IMPACT:

Costs to the City may change depending upon the fee schedule of the new city engineer.

ALTERNATIVES:

Council may choose to give alternate direction to staff.

ACTIONS FOLLOWING APPROVAL:

The Mayor will sign the agreement and AM Consulting, Inc. will become the new City Engineer on July 1, 2018.

CONFLICT OF INTEREST:

None.

RESOLUTION NO. 2018-23

A RESOLUTION OF THE COUNCIL OF THE CITY OF ORANGE COVE, CALIFORNIA,
APPROVING AGREEMENT FOR CITY ENGINEERING SERVICES
WITH AM CONSULTING ENGINEERS, INC.

WHEREAS, the City issued a Request for Qualifications/Proposal to engineering firms who have experience performing the city engineering services; and

WHEREAS, Gateway Engineering, Inc. and AM Consulting, Inc. submitted proposals to perform the work and have the necessary experience to complete the requirements of the Request for Qualifications/Proposals; and

WHEREAS, a selection committee appointed by the City Council reviewed the proposals and interviewed representatives of the two firms; and

WHEREAS, the selection committee recommends to the City Council that it select AM Consulting Engineers, Inc. to provide city engineering services, with Alfonso Manrique designated as the City Engineer; and

WHEREAS, the Interim City Manager has negotiated an Agreement for Engineering Services with AM Consulting Engineers, Inc. as shown in attached Exhibit A.

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 Council selects AM Consulting Engineers, Inc. as the firm to provide city engineering services with Alfonso Manrique as the designated City Engineer.
3. The Mayor is authorized to sign the Agreement as shown in attached Exhibit A on behalf of the City.
4. 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.
5. 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 27, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

June Bracamontes, City Clerk

**AGREEMENT
CITY OF ORANGE COVE, CALIFORNIA
CITY ENGINEERING SERVICES**

THIS AGREEMENT is made and entered into effective the ____ day of _____, 2018, by and between the CITY OF ORANGE COVE, a California municipal corporation (hereinafter referred to as "CITY") and AM CONSULTING ENGINEERS, Inc. a California Corporation, (hereinafter referred to as "ENGINEER").

RECITALS

WHEREAS, CITY desires to obtain Professional Engineering services for the "City Engineer"; and

WHEREAS, ENGINEER is a firm consisting of registered Professional Engineers and hereby represents that it desires to and is professionally and legally capable of performing the services called for by this Agreement; and

WHEREAS, the position of City Engineer is not a management position within the City staff, and the City Engineer may not direct city personnel, sign contracts on behalf of the City, nor have final authority for payments by City for services, materials or equipment; and

WHEREAS, this Agreement will be administered for CITY by City Manager or his designee.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions hereinafter contained to be kept and performed by the respective parties, it is mutually agreed as follows:

1. Scope of Services. ENGINEER shall perform to the satisfaction of CITY the services described in Exhibit "A."
2. Term of Agreement. This Agreement shall be effective from the date first set forth above ("Effective Date") and shall continue in full force and effect for a period of three years from the Effective Date, subject to termination in accordance with this Agreement.
3. Payment for Services.

(a) Compensation. ENGINEER'S sole compensation for satisfactory performance of all services required or rendered pursuant to this Agreement shall be time and materials as shown in Exhibit "A" upon receipt of invoice. At the request of the CITY, ENGINEER shall negotiate the scope of work and compensation for services provided for any specific project or assignment.

4. Termination.

(a) Termination for Convenience. Either party may terminate this Agreement at any time by giving notice of such termination (including the effective termination date) at least

thirty (30) calendar days before the effective date of such termination. In the event of termination for convenience, following payment by CITY for all services performed before termination, CITY shall be provided copies of all finished or unfinished documents and other materials as described in the Scope of Work.

(b) Termination for Cause. If for any cause either party fails to fulfill in a timely and proper manner its obligations under this Agreement (the "breaching party"), the other party (the "terminating party") shall have the right to terminate the Agreement by giving not less than five (5) working days' written notice to the breaching party of the intent to terminate and specifying the effective date thereof. The terminating party shall, however, provide the breaching party with a detailed statement of the grounds for termination. This statement shall include, as appropriate, references to specific provisions of this Agreement, dates, dollar amounts and other information relevant to the decision to terminate for cause.

(c) In the event of termination, all finished or unfinished documents, reports, or other materials prepared by ENGINEER under this Agreement shall remain ENGINEER'S property. CITY shall be entitled to copies of all such materials. ENGINEER shall be entitled to receive compensation for all satisfactory work completed prior to the effective date of termination.

5. Confidential Information, Ownership of Documents.

(a) Any reports, information, or other data prepared or assembled by ENGINEER pursuant to this Agreement shall not be made available to any individual or organization by ENGINEER without the prior written approval of the City Manager. During the term of this Agreement, and thereafter, ENGINEER shall not, without the prior written consent of CITY, disclose to anyone any Confidential Information. The term Confidential Information for the purposes of this Agreement shall include all proprietary and confidential information of CITY, including but not limited to business plans, marketing plans, financial information, materials, compilations, documents, instruments, models, source or object codes and other information disclosed or submitted, orally, in writing, or by any other medium or media. All Confidential Information shall be and remain confidential and proprietary to CITY.

(b) Any and all writings and documents prepared or provided by ENGINEER pursuant to this Agreement are instruments of professional service and shall remain the property of ENGINEER. CITY shall have the right to the documents and materials prepared by ENGINEER under this Agreement, but shall only use them for purposes expressly contemplated therein. ENGINEER shall not permit the reproduction or use thereof by any other person except as otherwise expressly provided herein.

6. Professional Skill.

(a) Standard of Care. It is further mutually understood and agreed by and between the parties hereto that inasmuch as ENGINEER represents to CITY that ENGINEER is skilled in the profession and shall perform in accordance with the standards of said profession necessary to perform the services agreed to be done by it under this Agreement, CITY relies upon the skill of ENGINEER to do and perform such services in a skillful manner and ENGINEER agrees to thus perform the services. Therefore, any acceptance of such services by CITY shall not operate as a release of ENGINEER from said professional standards.

(b) Opinions of Cost. ENGINEER's opinions of probable construction costs are to be made on the basis of ENGINEER's experience and qualifications and represent ENGINEER's best judgment as an experienced and qualified professional generally familiar with

the construction industry. However, since ENGINEER has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive bidding or market conditions, ENGINEER cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from opinions of probable construction costs prepared by ENGINEER.

7. Indemnification.

a) To the furthest extent allowed by law, ENGINEER shall indemnify, hold harmless, and defend CITY and each of its officers, officials, employees, agents, and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs, and damages (whether in contract, tort, or strict liability, including but not limited to personal injury, death at any time, and property damage), and from any and all claims, demands, and actions in law or equity (including reasonable attorney's fees and litigation expense) that arise out of, pertain to, or related to the negligence, recklessness, or willful misconduct of ENGINEER, its principals, officers, employees, agents, or volunteers in the performance of this Agreement. The obligation under this paragraph is in addition to and is not limited by any insurance which ENGINEER is otherwise required to maintain under this Agreement.

b) ENGINEER agrees to reimburse CITY for any expenditures, including reasonable attorney fees, incurred in the defense against claims ultimately determined to be due to ENGINEER's negligent, or deliberately wrongful, acts, errors, or omissions in connection with the performance of this Agreement. Likewise, CITY agrees to reimburse ENGINEER for any expenditures, including reasonable attorney fees, incurred in the defense against claims ultimately determined to be due to CITY's negligent, or deliberately wrongful, acts, errors, or omissions in connection with the performance of this Agreement.

c) If ENGINEER should subcontract all or any portion of the services to be performed under this Agreement, ENGINEER shall require each subcontractor to indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

d) This section shall survive termination or expiration of this Agreement.

8. Insurance Throughout the life of this Agreement, ENGINEER shall pay for and maintain in full force and effect all insurance as required in Exhibit "B".

9. Conflict of Interest and Non-Solicitation

(a) ENGINEER shall comply, and require its subcontractors to comply, with all applicable (i) professional canons and requirements governing avoidance of impermissible client conflicts; and (ii) federal, state, and local conflict of interest laws and regulations including, without limitation, California Government Code Section 1090 *et. seq.*, the California Political Reform Act (California Government Code Section 87100 *et. seq.*) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations Section 18700 *et. seq.*). ENGINEER shall take, and require its subcontractors to take, reasonable steps to avoid any appearance of a conflict of interest. Upon discovery of any facts giving rise to the appearance of a conflict of interest, ENGINEER shall immediately notify CITY of these facts in writing.

(b) In performing the work or services to be provided hereunder, ENGINEER shall not employ or retain the services of any person while such person either is employed by CITY or is a member of any CITY council, commission, or similar CITY body.

(c) ENGINEER represents and warrants that it has not paid or agreed to pay any compensation, contingent or otherwise, direct or indirect, to solicit or procure this Agreement or any rights/benefit hereunder.

(d) ENGINEER has the potential for conflicts of interest in providing professional services to property owners or developers for projects within the city limits or sphere of influence for the City. In order to avoid such conflicts, without the consent of the CITY, ENGINEER shall not bid for or perform any services pursuant to any contract in connection with any private development project located within the city limits or sphere of influence for the CITY during the term of this Agreement.

(e) If ENGINEER should subcontract all or any portion of the work to be performed or services to be provided under this Agreement, ENGINEER shall include the provisions of this Section 9 in each subcontract and require its subcontractors to comply therewith.

10. Nondiscrimination. To the extent required by controlling federal, state, and local law, ENGINEER shall not employ discriminatory practices in the provision of services, employment of personnel, or in any other respect on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran, or veteran of the Vietnam era. Subject to the foregoing and during the performance of this Agreement, ENGINEER agrees as follows:

(a) ENGINEER will comply with all applicable laws and regulations providing that no person shall, on the grounds of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement.

(b) ENGINEER will not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. ENGINEER will ensure that applicants are employed, and the employees are treated during employment, without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Such requirement shall apply to ENGINEER'S employment practices including, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. ENGINEER agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause.

11. Independent Contractor.

(a) In the furnishing of the services provided for herein, ENGINEER is acting solely as an independent contractor. Neither ENGINEER, nor any of its officer, agents, or employees shall be deemed an officer, agent, employee, joint venture, partner, or associate of CITY for any purpose. CITY shall have no right to control or supervise or direct the manner or method by which ENGINEER shall perform its work and functions. However, CITY shall retain the right to administer this Agreement so as to verify that ENGINEER is performing its obligations in accordance with the terms and conditions thereof.

(b) This Agreement does not evidence a partnership or joint venture between ENGINEER and CITY. ENGINEER shall have no authority to bind CITY absent CITY'S express written consent. Except to the extent otherwise provided in this Agreement, ENGINEER shall bear its own costs and expenses in pursuit thereof.

(c) Because of its status as an independent contractor, ENGINEER and its officers, agents, and employees shall have absolutely no right to employment rights and benefits available to CITY employees. ENGINEER shall be solely liable and responsible for all payroll and tax withholding and for providing to, or on behalf of, its employees all employee benefits including, without limitation, health, welfare, and retirement benefits. In addition, together with its other obligations under this Agreement, ENGINEER shall be solely responsible, indemnify, defend, and save CITY harmless from all matters relating to employment and tax withholding for and payment of ENGINEER'S employees, including, without limitation, (i) compliance with Social Security and unemployment insurance withholding, payment of workers compensation benefits, and all other laws and regulations governing matters of employee withholding, taxes and payment; and (ii) any claim of right or interest in CITY employment benefits, entitlements, programs and/or funds offered employees of CITY whether arising by reason of any common law, de facto, leased, or co-employee rights or other theory. It is acknowledged that during the term of this Agreement, ENGINEER may be providing services to others unrelated to CITY or to this Agreement.

12. Notices. Any notice required or intended to be given to either party under the terms of this Agreement shall be in writing and shall be deemed to be duly given if delivered personally, transmitted by facsimile followed by telephone confirmation of receipt, or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the party which notice is to be given at the party's address set forth on the signature page of this Agreement or at such other address as the parties may from time to time designate by written notice. Notices served by United States mail in the manner above described shall be deemed sufficiently served or given at the time of mailing thereof.

13. Assignment.

(a) This Agreement is personal to ENGINEER and there shall be no assignment by ENGINEER of its rights or obligations under this Agreement without the prior written approval of the City Manager or his designee. Any attempted assignment by ENGINEER, its successors or assigns, shall be null and void unless approved in writing by the CITY Manager or his designee.

(b) ENGINEER hereby agrees not to assign the payment of any monies due ENGINEER from CITY under the terms of this Agreement to any other individual(s), corporation(s), or entity(ies). CITY retains the right to pay any and all monies due ENGINEER directly to ENGINEER.

14. Compliance with Law. In providing the services required under this Agreement, ENGINEER shall at all times comply with all applicable laws of the United States, the State of California, and CITY, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement.

15. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

16. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Fresno County, California.

17. Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify, or add to the interpretation or meaning of the provisions of this Agreement.

18. Severability. The provisions of this Agreement are severable. The invalidity or unenforceability of any one provision in this Agreement shall not affect the other provisions.

19. Interpretation. The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but rather by construing the terms in accordance with their generally accepted meaning.

20. Attorneys' Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant, or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorneys' fees and legal expenses.

21. Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, incorporated into and made a part of this Agreement.

22. Precedence of Documents. In the event of any conflict between the body of this Agreement and any Exhibit or Attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the Exhibit or Attachment. Furthermore, any terms or conditions contained within any Exhibit or Attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, and shall be null and void.

23. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

24. No Third Party Beneficiaries. The rights, interests, duties and obligations defined within this Agreement are intended for the specific parties hereto as identified in the preamble of

this Agreement. Notwithstanding anything stated to the contrary in this Agreement, it is not intended that any rights or interests in this Agreement benefit or flow to the interest of any third parties.

25. Extent of Agreement. Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be modified only by written instrument duly authorized and executed by both CITY and ENGINEER.

FEDERAL HIGHWAY ADMINISTRATION CONTRACT REQUIREMENTS

26. The following provisions shall apply to work funded by the California Department of Transportation and/or the Federal Highway Administration:

A. This contract shall go into effect on the effective date written above, contingent upon approval by CITY, and ENGINEER shall commence work after notification to proceed by CITY'S Contract Administrator. The contract shall end on three years following the effective date, unless extended by contract amendment, or terminated. ENGINEER is advised that any recommendation for contract award is not binding on CITY until the contract is fully executed and approved by CITY.

B. ALLOWABLE COSTS AND PAYMENTS

a. The method of payment for work on this Federally or State funded project will be based on lump sum. The total lump sum price paid to ENGINEER will include compensation for all work and deliverables, including travel and equipment. No additional compensation will be paid to ENGINEER, unless there is a change in the scope of the work or the scope of the project. In the instance of a change in the scope of work or scope of the project, adjustment to the total lump sum compensation will be negotiated between ENGINEER and CITY. Adjustment in the total lump sum compensation will not be effective until authorized by contract amendment and approved by CITY.

b. Progress payments may be made monthly in arrears based on the percentage of work completed by ENGINEER. If ENGINEER fails to submit the required deliverable items according to the schedule set forth in the Statement of Work, CITY shall have the right to delay payment or terminate this Contract in accordance with the provisions of Article U. Termination

c. ENGINEER shall not commence performance of work or services until this contract has been approved by CITY and notification to proceed has been issued by CITY'S Contract Administrator. No payment will be made prior to approval of any work, or for any work performed prior to approval of this contract.

d. ENGINEER will be reimbursed, as promptly as fiscal procedures will permit, upon receipt by CITY'S Contract Administrator of itemized invoices in triplicate. Invoices shall be submitted no later than 45 calendar days after the performance of work for which ENGINEER is billing. Invoices shall detail the work performed on each milestone, on each project as applicable. Invoices shall follow the format stipulated for the Cost Proposal and shall reference this contract number and project title. Final invoice must contain the final cost and all credits due CITY that include any equipment purchased under the provisions of Article Z. Equipment Purchase of this contract. The final invoice should be submitted within 60-calendar days after completion of ENGINEER's work. Invoices shall be mailed to CITY'S Contract Administrator at the following address:

City of Orange Cove
City Manager

633 Sixth Street
Orange Cove, CA 93646

e. The total amount payable by CITY to ENGINEER shall not exceed \$250,000 for projects funded by the Federal Highway Administration or Caltrans.

C. COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS

a. ENGINEER agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allow ability of individual items.

b. ENGINEER also agrees to comply with federal procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

c. Any costs for which payment has been made to ENGINEER that are determined by subsequent audit to be unallowable under 49 CFR, Part 18 and 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., are subject to repayment by ENGINEER to CITY

D. RETENTION OF RECORDS /AUDIT

For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the contract pursuant to Government Code 8546.7; ENGINEER, subconsultants, and CITY shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the contract, including but not limited to, the costs of administering the contract. All parties shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under the contract. The state, State Auditor, CITY, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of ENGINEER and its certified public accountants (CPA) work papers that are pertinent to the contract and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested.

E. AUDIT REVIEW PROCEDURES

a. Any dispute concerning a question of fact arising under an interim or post audit of this contract that is not disposed of by agreement, shall be reviewed by CITY'S Chief Financial Officer.

b. Not later than 30 days after issuance of the final audit report, ENGINEER may request a review by CITY'S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.

c. Neither the pendency of a dispute nor its consideration by CITY will excuse ENGINEER from full and timely performance, in accordance with the terms of this contract.

F. SUBCONTRACTING

a. Nothing contained in this contract or otherwise, shall create any contractual relation between CITY and any subconsultant(s), and no subcontract shall relieve ENGINEER of its responsibilities and obligations hereunder. ENGINEER agrees to be as fully responsible to CITY for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by ENGINEER. ENGINEER's obligation to pay its subconsultant(s) is an independent obligation from CITY'S obligation to make payments to the ENGINEER.

b. ENGINEER shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this contract shall be subcontracted without written authorization by CITY's Contract Administrator, except that, which is expressly identified in the approved Cost Proposal.

c. ENGINEER shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to ENGINEER by CITY.

d. All subcontracts entered into as a result of this contract shall contain all the provisions stipulated in this contract to be applicable to subconsultants.

e. Any substitution of subconsultant(s) must be approved in writing by CITY's Contract Administrator prior to the start of work by the subconsultant(s).

G. EQUIPMENT PURCHASE

a. Prior authorization in writing, by CITY's Contract Administrator shall be required before ENGINEER enters into any unbudgeted purchase order, or subcontract exceeding \$5,000 for supplies, equipment, or ENGINEER services. ENGINEER shall provide an evaluation of the necessity or desirability of incurring such costs.

b. For purchase of any item, service or consulting work not covered in ENGINEER's Cost Proposal and exceeding \$5,000 prior authorization by CITY's Contract Administrator; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.

c. Any equipment purchased as a result of this contract is subject to the following: "ENGINEER shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of \$5,000 or more. If the purchased equipment needs replacement and is sold or traded in, CITY shall receive a proper refund or credit at the conclusion of the contract, or if the contract is terminated, ENGINEER may either keep the equipment and credit CITY in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established CITY procedures; and credit CITY in an amount equal to the sales price. If ENGINEER elects to keep the equipment, fair market value shall be determined at ENGINEER's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by CITY and ENGINEER, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by CITY." 49 CFR, Part 18 requires a credit to Federal funds when participating equipment with a fair market value greater than \$5,000 is credited to the project.

H. STATE PREVAILING WAGES

a. ENGINEER shall comply with the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work.

b. Any subcontract entered into as a result of this contract, if for more than \$25,000 for public works construction or more than \$15,000 for the alteration, demolition, repair, or maintenance of public works, shall contain all of the provisions of this Article, unless the awarding agency has an approved labor compliance program by the Director of Industrial Relations.

I. REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATIONS

ENGINEER warrants that this contract was not obtained or secured through rebates kickbacks or other unlawful consideration, either promised or paid to any CITY employee. For breach or violation of this warranty, CITY shall have the right in its discretion; to terminate the contract without liability;

to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

J. PROHIBITION OF EXPENDING CITY, STATE OR FEDERAL FUNDS FOR LOBBYING

a. ENGINEER certifies to the best of his or her knowledge and belief that:

i. No state, federal or CITY appropriated funds have been paid, or will be paid by or on behalf of ENGINEER to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any state or federal contract; the making of any state or federal grant; the making of any state or federal loan; the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state or federal contract, grant, loan, or cooperative agreement.

ii. 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 federal 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; ENGINEER shall complete and submit Standard Form-L.L.L., "Disclosure Form to Report Lobbying", in accordance with its instructions.

b. 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 Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

c. ENGINEER also agrees by signing this document that he or she shall require that the language of this certification be included in all lower-tier subcontracts, which exceed \$100,000 and that all such sub recipients shall certify and disclose accordingly.

K. STATEMENT OF COMPLIANCE

a. ENGINEER's signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that ENGINEER has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.

b. During the performance of this Contract, Engineer and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Engineer and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Engineer and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. Engineer and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

c. The Engineer shall comply with regulations relative to Title VI (nondiscrimination in federally-assisted programs of the Department of Transportation -- Title 49 Code of Federal Regulations, Part 21 - Effectuation of Title VI of the 1964 Civil Rights Act). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the state of California shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.

d. The Engineer, with regard to the work performed by it during the Agreement shall act in accordance with Title VI. Specifically, the Engineer shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of Subconsultants, including procurement of materials and leases of equipment. The Engineer shall not participate either directly or indirectly in the discrimination prohibited by Section 21.6 of the U.S. DOT's Regulations, including employment practices when the Agreement covers a program whose goal is employment.

L. DEBARMENT AND SUSPENSION CERTIFICATION

a. It is mutually understood between the parties that this contract may have been written before ascertaining the availability of funds or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.

b. This contract is valid and enforceable only, if sufficient funds are made available to CITY for the purpose of this contract. In addition, this contract is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State Legislature, or CITY governing board that may affect the provisions, terms, or funding of this contract in any manner.

c. It is mutually agreed that if sufficient funds are not appropriated, this contract may be amended to reflect any reduction in funds.

d. CITY has the option to void the contract under the 30-day termination clause pursuant to Article Z. Termination, or by mutual agreement to amend the contract to reflect any reduction of funds.

IN WITNESS WHEREOF, the parties have executed this Agreement at Orange Cove, California, the day and year first written above.

CITY OF ORANGE COVE
a California Municipal Corporation

AM CONSULTING ENGINEERS, Inc.
a California Corporation

By: _____
Victor P. Lopez
Mayor

Alfonso Manrique
President

ATTEST:

By: _____

June Bracamontes
City Clerk

Any Applicable Professional License:
C 63673

Addresses:

CITY:

City Manager
City of Orange Cove
633 Sixth Street
Orange Cove, CA 93646

ENGINEER:

Alfonso Manrique
AM Consulting Engineers, Inc.
5150 N. Sixth Street
Fresno, CA 93710

Attachments:

Exhibit "A" – Scope of Services
Exhibit "B" – Insurance Requirements
Exhibit "C" – Fee Schedule

EXHIBIT "A"

SCOPE OF SERVICES

1. Attend City Council or Planning Commission meetings when requested by CITY.
2. Render advisory consultation to City Manager, City Finance Director, Building Official, Planning Director and/or Public Works Department as requested by City. Alfonso Manrique shall serve as designated City Engineer, Mario Gouveia shall serve as Alternate City Engineer and Nick Sahota shall serve as City Surveyor. It is understood that Mr. Manrique will be assisted by other members of his firm.
3. Process and review all tentative and final maps, dedications, easements and improvement plans submitted by developers for projects within City Limits. Such review shall be to insure that all documents are in conformance with the provisions of the Subdivision Map Act and that all proposed improvements meet the requirements of the City's Standards.
4. Provide inspection services for all off-site public works improvements constructed by developers within the City Limits when requested by CITY.
5. Render such other engineering services as is customary in the field of municipal engineering, including the preparation of engineering reports, master plans, construction plans, specifications and contract documents. Conduct surveys, inspections, provide construction supervision and other related duties.
6. Provide engineering services as requested by CITY for projects funded by Federal or State monies, including but not limited to funds received by the CITY from the Federal Highway Administration, Caltrans, Housing and Community Development Department, U. S. Department of Agriculture, Environmental Protection Agency, Department of Public Health and State Water Board.

EXHIBIT "B"

INSURANCE REQUIREMENTS Engineer Service Agreement between City of Orange Cove and (Engineer)

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, which shall include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations, products and completed operations, and contractual liability.
2. The most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, which shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 - Any Auto).
3. Workers' Compensation insurance as required by the California Labor Code and Employer's Liability Insurance.
4. Professional Liability (Errors and Omissions) insurance appropriate to ENGINEER'S profession. Architect's and engineer's coverage is to be endorsed to include contractual liability.

Minimum Limits of Insurance

ENGINEER shall maintain limits of liability not less than"

1. General Liability:
\$1,000,000 per occurrence for bodily injury and property damage
2. Automobile Liability
\$1,000,000 per accident for bodily injury and property damage
3. Employer's Liability
\$1,000,000 each accident for bodily injury
4. Professional Liability (Errors and Omissions)
\$1,000,000 per claim/occurrence



Fees for Professional Services
Proposed 2018-19 Hourly Rate Schedule

Classification	General Fund	All Other Funds
Engineering		
Principal Engineer	\$100.00	\$130.00
Senior Engineer	\$95.00	\$110.00
Engineer-In-Training	\$80.00	\$95.00
Engineering Designer	\$75.00	\$85.00
Engineering Technician	\$70.00	\$75.00
Professional Land Surveyor	\$100.00	\$100.00
Survey Technician	\$75.00	\$75.00
Survey Crew – One Person	\$120.00	\$120.00
Survey Crew- Two Persons	\$170.00	\$170.00
CAD Manager	\$65.00	\$80.00
CAD Technician	\$55.00	\$75.00
Clerical	\$45.00	\$65.00
Inspector (non-prevailing)	\$50.00	\$65.00
Inspector (prevailing)	\$115.00	\$115.00
Miscellaneous Charges		
Travel Mileage (beyond 110 miles)	\$0.55	
Reimbursable Expenses	Cost	
General Project Expenses	5% of Labor	
Attend Council Meetings	No charge	

Notes:

- Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.
- It is understood and agreed that these rates and charges include normal equipment and materials used in connection with the production of the required engineering and/or architectural services. If authorized by the client, an overtime premium multiplier of 1.5 will be applied to the direct wage cost of hourly personnel who work overtime in order to meet a deadline which cannot be met during normal hours. Applicable sales taxes, if any, will be added to these rates.
- Fee schedule is subject to general revision. New equipment categories and charges may be added or revised from time to time.



Date: May 12, 2021
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Update on Financial Issues
Attachments: None.

Background

- Status on FY 2021-22 Budget
- American Rescue Plan Act Financial Grant - \$1,933,967
- Newsletter (Update)

RECOMMENDATION:

For Information Only.

Prepared by: _____

Approved by:  _____

REVIEW: City Manager: ☒ _____

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

☒ Consent
☒ Info Item
☐ Action Item
☐ Department Report
☐ Redevelopment Agency

☐ Public Hearing
☐ Matter Initiated by a Council
Member
☐ Other
☐ Continued to: _____