

AMENDED



CITY COUNCIL REGULAR MEETING AGENDA

Wednesday, June 10, 2026 at 6:00 PM

City Hall, 850 S. Madera Avenue, Kerman, CA 93630

LEVINE ACT CONTRIBUTION PROHIBITIONS AND MANDATORY DISCLOSURE. The Political Reform Act in Govt Code Section 84308 restricts campaign contributions over \$500 to a decision-making public official from a party or participant or their agent in a proceeding involving a contract, license, permit or entitlement for use. The Act requires disclosure of the contribution and recusal where a decision-maker has received \$500 or more from a party or participant to a proceeding in the prior 12 months. Participants and agents are required to make this disclosure as well.

A Council Member's disclosure should be made when the agenda item is called and must include the name of the party, participant, or agent, and any other person making the contribution, the name of the recipient, the amount of the contribution, and the date the contribution was made.

CONFLICT OF INTEREST DISCLOSURES AND RECUSAL. City Council Members with a conflict of interest under the Political Reform Act are required to make disclosure when the item is called and recuse themselves.

1. OPENING CEREMONIES

- A. Call to Order
- B. Roll Call
- C. Invocation
- D. Flag Salute

2. AGENDA APPROVAL/ADDITIONS/DELETIONS

To accommodate members of the public or convenience in the order of presentation, items on the agenda may not be presented or acted upon in the order listed.

3. PRESENTATIONS/CEREMONIAL MATTERS

4. PUBLIC FORUM (for matters not on agenda)

This portion of the meeting is reserved for members of the public to address the Council on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Council. Speakers shall be limited to three minutes. It is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Council on items on the Agenda should notify the Mayor when that Agenda item is called, and the Mayor will recognize your discussion at that time. It should be noted that the Council is prohibited by law from taking any

action on matters discussed that are not on the Agenda. Speakers are asked to please use the microphone, and provide their name and address.

5. **CONSENT CALENDAR**

Matters listed under the Consent Calendar are considered routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, a member of the audience or a Council Member may request an item be removed from the Consent Calendar and it will be considered separately.

A. **SUBJECT:** Minutes - May 27, 2026

RECOMMENDATION: Council approve minutes as presented.

B. **SUBJECT:** Payroll (JA)

5/10/2026 to 5/23/2026: \$264,105.89; Retro Pay & Other: \$667.67; Overtime: \$9,308.24; Holiday: \$0.00; Standby: \$2508.67; Comp Time Earned: 77.75

RECOMMENDATION: Council approve payroll as presented.

C. **SUBJECT:** Resolution Ordering Elections, Requesting County Elections Office of Conduct Election, Requesting Consolidation of Election, and Determining Payment of Actual Elections Statement Charges (DSZ)

RECOMMENDATION: Council adopt resolution calling and giving notice of a General Municipal Election to be held on Tuesday November 3, 2026, for the Election of Certain City Officers and requesting the Board of Supervisors of the County of Fresno to consolidate and canvass the General Municipal Election to be held on November 3, 2026 with the Statewide General Election pursuant to California Elections Code Section 10400 Et Seq.; to permit the County Clerk/Registrar of Voters to render specified services to the City relating to the conduct of said General Municipal Election pursuant to California Elections Code Section 10002; and authorizing reimbursement funds to pay for said services.

D. **SUBJECT:** Approve Annual Renewal of Workforce Connection Agreement for the City of Kerman to continue as a Worksite Placement for the Young Adult Services Work Experience Program (TJ)

RECOMMENDATION: Council adopt resolution approving the renewal of the Workforce Connection Young Adult Services Agreement with Fresno Regional Workforce Development Board and authorizing the City Manager to execute the contract.

E. **SUBJECT:** Lease Extension with Valley Health Team for 942 S. Madera Avenue (JAJ)

RECOMMENDATION: Council adopt a resolution acknowledging a lease extension by and between the City of Kerman and Valley Health Team for the period of September 2026 through August 2031 for 942 S. Madera Avenue.

- F. **SUBJECT:** Amendment to City Safety Policies and Procedures including the Illness and Injury Prevention Plan (IIPP) (JAJ)

RECOMMENDATION: Council adopt a resolution approving amendment of the City's Safety Policies and Procedures, including the Illness and Injury Prevention Plan (IIPP), to remove reimbursement cap for work safety boots due to inflation.

- G. **SUBJECT:** Resolution Initiating Proceedings for the Annual Levy of Assessments for Landscape and Lighting District No. 1 (JG)

RECOMMENDATION: Council by motion adopt the resolution to initiate proceedings for the annual levy of assessments for Landscape and Lighting District No. 1.

- H. **SUBJECT:** Resolution Initiating Proceedings to Review Improvements and Establish Assessments, Pursuant to the Landscaping and Lighting Act of 1972, for the Annexation of Tract 6572 into Landscape and Lighting District No. 1, to Review the Improvements and Establish Assessments for Fiscal Year 2025-26 and to Set a Public Hearing (JG)

RECOMMENDATION: Council by motion adopt the resolution to Initiate Proceedings pursuant to the Landscaping and Lighting Act of 1972 for the Annexation of Tract 6572 into Landscape and Lighting District No. 1, to review the improvements and establish assessments for Fiscal Year 2025-2026 (FY25-26), and to set a public hearing for a future date.

6. **PUBLIC HEARINGS**

These hearings are scheduled at the time stated and will be heard by the Council as close to the time stated as possible.

- A. **SUBJECT:** Public Hearing on Status of City's Personnel Vacancies, Recruitment, and Retention Efforts as Required by AB 2561 pursuant to Government Code Section 3502.3 (JAJ)

RECOMMENDATION: Conduct Public Hearing on status of City's personnel vacancies, recruitment, and retention efforts and provide direction to staff.

7. **DEPARTMENT REPORTS**

- A. **SUBJECT:** Adoption of Fiscal Year 2026/2027 Budget, Amending Fiscal Year 2025/2026 Budget, Establishing Appropriations Limit for Fiscal Year 2026/2027, and Authorizing Number of Employee Positions and Titles (JA)

RECOMMENDATION: Council by motion adopt the following:

1. Resolution Approving the City of Kerman Fiscal Year 2026/2027 Operating and Capital Budgets and amending the Fiscal Year 2025/2026 budget; and
2. Resolution Establishing the Appropriations Limit for Fiscal year 2026/2027; and

3. Resolution Authorizing Number of Employee Positions and Titles

- B. **SUBJECT:** Resolution Initiating Proceedings to Review Improvements and Establish Assessments, Pursuant to the Landscaping and Lighting Act of 1972, for the Annexation of Tract 6473 into Landscape and Lighting District No. 1, to Review the Improvements and Establish Assessments for Fiscal Year 2025-26 and to Set a Public Hearing (JG)

RECOMMENDATION: Council by motion adopt the resolution to initiate proceedings pursuant to the Landscaping and Lighting Act of 1972 for the annexation of Tract 6473 into Landscape and Lighting District No. 1, to review the improvements and establish assessments for Fiscal Year 2025-2026 (FY25-26), and to set a public hearing for a future date.

- C. **SUBJECT:** Authorization of Submission of Application for 2027 Cycle 8 Active Transportation Program Grant Funds (JG)

RECOMMENDATION: Council adopt the resolution authorizing the submission of an application for 2027 Cycle 8 Active Transportation Program (ATP) funds.

- D. **SUBJECT:** Award of Contract for Water Tank Painting Project (MB)

RECOMMENDATION: Council adopt resolution to award contract to Horizons Construction Company Int'l Inc. in the amount of \$164,299.66 and authorize the City Manager to sign the contract.

- E. **SUBJECT:** Adoption of Council Policy for Disruption of Telephonic or Internet Service During Public Meetings Pursuant to Senate Bill 707 (JAJ & DSZ)

RECOMMENDATION: Council adopt a resolution approving the Council Policy for Disruption of Telephonic or Internet Service During Public Meetings to incorporate new Brown Act amendments regarding meeting disruption procedures for two-way remote access pursuant to Senate Bill 707.

- F. **SUBJECT:** Public Posting of Agendas Policy (JAJ & DSZ)

RECOMMENDATION: Council review and consider adoption of resolution establishing policy for translations and public posting of agendas.

- G. **SUBJECT:** Adjustments to 2026 Council Meeting Calendar (JAJ)

RECOMMENDATION: Council approve two changes to the Regular 2026 Council Meeting Calendar:

1. Cancel the Regular City Council of July 22, 2026, and

2. Reschedule the Wednesday October 28, 2026, meeting to Thursday October 29, 2026.

8. CITY MANAGER/STAFF COMMUNICATIONS

9. MAYOR/COUNCIL REPORTS/ANNOUNCEMENTS/FUTURE AGENDA ITEMS

(This portion of the meeting is reserved for the Mayor and Council Members (i) to make brief reports on boards, committees, and other public agencies, and at public events, (ii) to request updates, (iii) to initiate future agenda items at the request of a Council Member, and (iv) to take action on matters initiated under this section of the agenda items. Under this section the Council may take action only on items specifically agendaized and which meet other requirements for action.)

10. CLOSED SESSION – None.

11. ADJOURNMENT

NOTICE OF AVAILABILITY OF AGENDA MATERIALS: Any writings or documents provided to a majority of the City Council within 72 hours of the meeting regarding any item on this agenda will be made available for public inspection at the City Clerk's Office located at 850 S. Madera Ave., Kerman, CA 93630 and on the City website at www.cityofkerman.gov.

ADA Compliance and Reasonable Accommodation. The Council has adopted a Reasonable Accommodation Policy, which is available on the City website at www.cityofkerman.gov or upon request by emailing the City Clerk at publicmeeting@cityofkerman.gov or calling (559) 550-1510. The Policy provides a procedure for receiving and resolving requests for accommodation to participate in this meeting. If you need assistance in order to attend this Council meeting or require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the Council, please contact the City Clerk at (559) 550-1510 or email at publicmeeting@cityofkerman.gov so such aids or services can be arranged. Accommodations should be requested as early as possible as additional time may be required in order to provide the requested accommodation. The meeting room is accessible to persons with physical disabilities.

AGENDA POSTING CERTIFICATION

I, Dalia Santana-Zamudio, City Clerk for the City of Kerman, do hereby declare under penalty of perjury that I caused the above agenda to be posted at City of Kerman Council Chambers at 850 S. Madera Ave., Kerman, CA 93630 and on the City website at www.cityofkerman.gov.

Date: June 5, 2026 /s/ Dalia Santana-Zamudio, City Clerk



CITY COUNCIL REGULAR MEETING MINUTES

Wednesday, May 27, 2026 at 6:00 PM

City Hall, 850 S. Madera Avenue, Kerman, CA 93630

1. OPENING CEREMONIES

- A. Call to Order - **6:02 p.m.**
- B. Roll Call - **All members present.**
- C. Invocation - **Prayer performed by Eimear O'Brien.**
- D. Flag Salute - **Performed.**

2. AGENDA APPROVAL/ADDITIONS/DELETIONS

Motion made by Councilmember Hall, Seconded by Mayor Pro Tem Yep.

Ayes: Hall, Yep, Dhaliwal, Herrera, Pacheco

Noes: None

Abstain: None

Absent: None

Motion passes 5-0-0-0.

3. PRESENTATIONS/CEREMONIAL MATTERS

- A. Presentation by Brad Kilger, Senior Advisor with the International City and County Management Association (ICMA).

Presented City Manager, John Jansons, with the ICMA Credentialed Manager credential. Brief comments from City Manager.

4. PUBLIC FORUM *(for matters not on agenda)*

Public comments made by Amanda Flores, Eimear O'Brien, Fresno County Superintendent Candidate, and Jose Verduzco, PG&E representative.

5. CONSENT CALENDAR

- A. **SUBJECT:** Minutes - May 13, 2026

RECOMMENDATION: Council approve minutes as presented.

B. **SUBJECT:** Warrants (JA)

1. Nos. 34717-34824 \$479,709.84 ACH \$0.00.

RECOMMENDATION: Council approve warrants and electronic bank transfers as presented.
(Pursuant to Government Code 37208)

C. **SUBJECT:** Payroll (JA)

04/26/2026 to 05/09/2026: \$266,415.20; Retro Pay & Other: \$4,163.88; Overtime: \$8,008.25;
Holiday: \$0.00; Standby: \$1,574.02; Comp Time Earned: 78.57

RECOMMENDATION: Council approve payroll as presented.

Motion made by Mayor Pro Tem Yep, Seconded by Councilmember Herrera.

Ayes: Yep, Herrera, Dhaliwal, Hall, Pacheco

Noes: None

Abstain: None

Absent: None

Motion passes 5-0-0-0.

6. PUBLIC HEARINGS

7. DEPARTMENT REPORTS

- A. **SUBJECT:** Award of Contract for the Siskiyou Avenue Rehabilitation - Kearney Boulevard to California Avenue, Federal Project No. STPL-5291(039) to Dave Christian Construction Co., Inc. (JG)

RECOMMENDATION: Council by motion adopt the resolution:

1. Awarding the Siskiyou Avenue Rehabilitation - Kearney Boulevard to California Avenue, Federal Project No. STPL-5291(039) to Dave Christian Construction Co., Inc. in the amount of \$666,837.00; and
2. Authorizing a 10% construction contingency in the amount of \$66,680.00; and
3. Authorizing the City Manager to sign the construction contract on behalf of the City; and
4. Authorizing the City Manager to sign change orders, up to the additional contingency amount, on behalf of the City. – **Res. 26-27**

Motion made by Councilmember Herrera, Seconded by Councilmember Hall.

Ayes: Herrera, Hall, Dhaliwal, Yep, Pacheco

Noes: None

Abstain: None

Absent: None

Motion passes 5-0-0-0.

B. **SUBJECT:** Budget Workshop Fiscal Year 2026/2027 (JA)

RECOMMENDATION: Council to review and consider proposed draft of City of Kerman Fiscal Year 2026/2027 Operating and Capital Budgets and provide comments.

Council discussion, no action taken. Request from Councilmember Herrera for an update on the annual streetlight installation progress, specifically he would like a map of previous accomplished installations and what the next phase will look like.

8. CITY MANAGER/STAFF COMMUNICATIONS

9. MAYOR/COUNCIL REPORTS/ANNOUNCEMENTS/FUTURE AGENDA ITEMS

Discussion to bring back future agenda item to possibly cancel the July 22nd meeting. Mayor Pacheco requests a future agenda item for June 24th to discuss an issue that was brought to her attention regarding the renaming of a street. City Manager directed to provide Council with a memo discussing the situation.

10. CLOSED SESSION – None.

11. ADJOURNMENT - 7:45 p.m.

MINUTES CERTIFICATION

I, Dalia Santana-Zamudio, City Clerk for the City of Kerman, do hereby declare under penalty of perjury that the above minutes are a true depiction of all actions taken at the City Council meeting held on the first date above written at City Hall, 850 S. Madera Ave, Kerman, CA.

Date: May 28, 2026 /s/ Dalia Santana-Zamudio, City Clerk

PAY PERIOD: May 10, 2026 - May 23, 2026

	Salary	RETRO PAY & OTHER	<u>OVERTIME</u>		<u>HOLIDAY at 1/2 TIME</u>		<u>STANDBY</u>		GROSS SALARY	COMPTIME EARNED
			Hours	Amount	Hours	Amount	Hours	Amount		
Grand Total	\$ 264,105.89	\$ 667.67	168.16	\$ 9,308.24	-	\$ -	113.50	\$ 2,508.67	\$ 276,590.47	77.75



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: Dalia Santana-Zamudio, City Clerk

SUBJECT: Resolution Ordering Elections, Requesting County Elections Office of Conduct Election, Requesting Consolidation of Election, and Determining Payment of Actual Elections Statement Charges (DSZ)

RECOMMENDATION: Council adopt resolution calling and giving notice of a General Municipal Election to be held on Tuesday November 3, 2026, for the Election of Certain City Officers and requesting the Board of Supervisors of the County of Fresno to consolidate and canvass the General Municipal Election to be held on November 3, 2026 with the Statewide General Election pursuant to California Elections Code Section 10400 Et Seq.; to permit the County Clerk/Registrar of Voters to render specified services to the City relating to the conduct of said General Municipal Election pursuant to California Elections Code Section 10002; and authorizing reimbursement funds to pay for said services.

EXECUTIVE SUMMARY:

The City of Kerman consolidates elections with the County of Fresno and has the County Clerk/Registrar of Voters conduct City elections. The County Elections Office has requested that the City adopt a resolution ordering the election, requesting the County to conduct and consolidate the election, and determining the payment for candidate statements and for the election in general.

This resolution will formally call the city elections for Mayor and Council Members for Districts 1 and 3, and requests the Fresno County Clerk/Elections Official to consolidate and conduct the city elections along with the Statewide General Election scheduled for November 3, 2026.

The resolution also will satisfy the Elections Code requirement that the City agrees to pay the County Clerk for services in consolidating and conducting the city elections. With adoption of this resolution, candidates for Mayor and the two Council Member seats are able to pick up and file their candidacy papers at City Hall, but otherwise the elections will be conducted completely by the County Clerk.

The following resolution will meet those requirements.

In addition, Elections Code Section 10229 provides that if the number of persons nominated for office is equal to or does not exceed the number of vacancies, the governing body may appoint candidates or qualified electors to office without conducting an election.

FISCAL IMPACT:

This has been budgeted for in the 26/27 Fiscal Year Budget.

ATTACHMENTS:

A. Resolution

Attachment 'A'

RESOLUTION NO. 26-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD IN SAID CITY ON TUESDAY NOVEMBER 3, 2026, FOR THE ELECTION OF CERTAIN OFFICERS OF SAID CITY AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF FRESNO TO CONSOLIDATE AND CANVASS THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2026 WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO CALIFORNIA ELECTIONS CODE SECTION 10400 ET SEQ.; TO PERMIT THE COUNTY CLERK/REGISTRAR OF VOTERS OF THE COUNTY OF FRESNO TO RENDER SPECIFIED SERVICES TO THE CITY OF KERMAN RELATING TO THE CONDUCT OF SAID GENERAL MUNICIPAL ELECTION PURSUANT TO CALIFORNIA ELECTIONS CODE SECTION 10002; AND AUTHORIZING REIMBURSEMENT FUNDS TO PAY FOR SAID SERVICES

WHEREAS, the next Statewide General Election to be held in the County of Fresno will take place on November 3, 2026; and

WHEREAS, the City of Kerman, intends to call and order a General Municipal Election on Tuesday, November 3, 2026, for the election of a Mayor for a two-year term and two Councilmembers each for four-year terms; and

WHEREAS, it is the desire of the City Council of the City of Kerman to adopt a Resolution requesting the Board of Supervisors of the County of Fresno to consolidate said election with the Statewide General Election pursuant to Part 3 of Division 10 of the Elections Code of the State of California (commencing with Section 10400) to be held on the same date and that, within the City of Kerman, the precincts, vote center locations, ballot drop box locations, and election officers of the two (2) elections be the same; the County Clerk/Registrar of Voters canvass the returns of the General Municipal Election; and the election be held in all respects as if there were only one (1) election; and

WHEREAS, it is the desire of the City Council of the City of Kerman to adopt a Resolution requesting the Board of Supervisors of the County of Fresno to render specified services to the City of Kerman relating to the conduct of a General Municipal Election pursuant to Section 10002 of the Elections Code of the State of California; and

WHEREAS, Section 10002 of the Elections Code of the State of California requires the City of Kerman to reimburse the County of Fresno in full for the services performed upon presentation of a bill to the City of Kerman.

WHEREAS, The City Council of the City of Kerman has determined that each candidate for elective office who submits a statement to be sent to the voters with the sample ballot shall be charged a sum not greater than the actual prorated cost of printing, handling and translating the candidate's statement, if any incurred by the agency as a result of providing this service.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERMAN as follows:

SECTION 1. A General Municipal Election is called and ordered for the City of Kerman to be held on November 3, 2026, for the purpose of the election of the following:

Mayor	2-year term	expires 12/2026
District 1	4-year term	expires 12/2026
District 3	4-year term	expires 12/2026

SECTION 2. Pursuant to the requirements of Section 10403 of the Elections Code of the State of California, the Board of Supervisors of the County of Fresno is hereby requested to consent and agree to the consolidation of the General Municipal Election and the Statewide General Election on November 3, 2026.

SECTION 3. In accordance with the provisions of Section 10403 of the Elections Code of the State of California, the City Council of the City of Kerman acknowledges that the consolidated election will be held and conducted in accordance with the provisions of law regulating the Statewide General Election pursuant to Section 10418 of the Elections Code of the State of California.

SECTION 4. The Board of Supervisors of the County of Fresno is requested to direct the County Clerk/Registrar of Voters to take any and all steps necessary for and related to the holding of the consolidated election in a manner consistent with law, including, without limitation: the provision of all election materials and equipment; publication of notices; the hiring, training and supervision of election officers and other election personnel; the printing and distribution of ballot materials; the translation of ballot materials; the collection of submitted ballots; the tallying and canvassing of votes; and the certification of election results.

SECTION 5. Pursuant to Section 10002 of the Elections Code of the State of California, the City Council of the City of Kerman authorizes reimbursement to the County of Fresno in full for the services to be performed as herein requested and that said sum be paid to the County of Fresno upon demand and presentation of a bill to the City of Kerman.

SECTION 6. The candidate shall, if he/she elects to submit a statement, of no more than 200 words, to be included with the sample ballot and sent to the registered voters, pay all costs associated with said election statement; Pursuant to California Elections Code Section 13307, the candidate is required to make an estimated pre-payment to the County at the time the candidate files the nomination papers.

The foregoing resolution was adopted by the City Council of the City of Kerman at the regularly scheduled meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: Theresa Johnson, Community Services Director

SUBJECT: Approve Annual Renewal of Workforce Connection Agreement for the City of Kerman to continue as a Worksite Placement for the Young Adult Services Work Experience Program (TJ)

RECOMMENDATION: Council adopt resolution approving the renewal of the Workforce Connection Young Adult Services Agreement with Fresno Regional Workforce Development Board and authorizing the City Manager to execute the contract.

EXECUTIVE SUMMARY:

On June 14, 2024, the City Council approved the Workforce Connection agreement for the City of Kerman to become a Worksite Placement for the Young Adult Services Work Experience Program. The agreement was first renewed in 2025 and is now in its second renewal in 2026. Since executing the agreement, Workforce Connection has successfully placed eight young adults at the Kerman Senior Center, providing hands-on work experience while supporting daily operations and services for local seniors.

While at the Senior Center, participants have received training and work experience in an office environment. Some duties have included facilitating senior activities such as bingo, assisting with program registrations, answering phones, data entry, room set-ups, and participating in Serve Safe training to support the daily lunch program.

The Workforce Connection will continue to screen all placements and review them with City staff for acceptance. In addition, the Workforce Connection would continue to reimburse the City for uniform expenses, with no financial obligation to the City. An evaluation of the placement would take place at the midpoint and upon completion.

This renewal will extend the terms of the existing Workforce Connection Agreement for one year, commencing on June 2, 2026. City staff have reviewed the current agreement, agree with the renewal, and would like to proceed with Council approval.

FISCAL IMPACT:

No Impact.

ATTACHMENTS:

A. Resolution w/Exhibit

RESOLUTION NO. 26-__

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN
APPROVING RENEWAL OF WORKFORCE CONNECTION YOUNG ADULT SERVICES
AGREEMENT WITH THE FRESNO REGIONAL WORKFORCE DEVELOPMENT
BOARD**

WHEREAS, the Fresno Regional Workforce Development Board (FRWDB) has a federally-funded program that helps youth gain valuable life experience; and

WHEREAS, as part of that experience, they facilitate and manage a program by which the participating youth can work at different job sites within or close to their community; and

WHEREAS, the City of Kerman conducted a review of the Workforce Connection Young Adult Services Work Experience Renewal Agreement, **Exhibit 'A'**; and

WHEREAS, the City of Kerman and FRWDB entered into an agreement on June 1, 2025; and

WHEREAS, the parties wish to renew the agreement for one year.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Kerman, hereby resolves as follows:

1. The foregoing recitals are true and correct and incorporated by reference.
2. The City Council authorizes the completion by designated staff of the renewed agreement form for submittal to FRWDB for participating sites for the purpose of participating as a host site for the program
3. The City Council authorizes the City Manager to execute the renewal agreement and all necessary supporting documents.
4. This resolution is effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at the regularly scheduled meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk

**WORKFORCE CONNECTION YOUNG ADULT SERVICES
WORK EXPERIENCE AGREEMENT**

Between

**FRESNO REGIONAL WORKFORCE DEVELOPMENT BOARD
YOUNG ADULT PROVIDER OF SERVICE**

And

Kerman Senior Center **(WORKSITE)**

THIS WORKFORCE CONNECTION YOUNG ADULT SERVICES WORK EXPERIENCE AGREEMENT ("AGREEMENT") describes the terms and conditions between the Fresno Regional Workforce Development Board (FRWDB) YOUNG ADULT PROVIDER OF SERVICE ("PROVDER"), and the Kerman Senior Center ("WORKSITE"). In relationship to the placement of WIOA Young Adult Participants ("PARTICIPANT") placed at the WORKSITE. PARTICIPANTS are employees of the FRWDB's Young Adult Provider of Service. The FRWDB Young Adult Provider of Service will act as the EMPLOYER OF RECORD for the PARTICIPANT and provide all payroll and associated costs (i.e. workers' compensation, taxes, etc.) Should the PROVIDER stop being the EMPLOYER OF RECORD for the PARTICIPANT during the term of this AGREEMENT, the AGREEMENT shall automatically terminate and the PROVIDER will immediately notify the WORKSITE of such termination. The term of this AGREEMENT is from 6/2/26 to 6/1/27 unless terminated sooner.

The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Work Experience Training Plan

Exhibit B – Verification of Safety Training

General Contract Provisions

The Worksite/Worksite Supervisor agrees to:

1. The Provider of Services will compensate the youth directly on the basis of actual on-site training hours. The Worksite Supervisor will provide the Provider of Services with an accurately completed and approved timesheet, signed in ink by both the youth and the designated supervisor. The Provider of Services will provide Worker's Compensation insurance, and will pay all applicable payroll taxes. No overtime hours will be allowed; however, if overtime compensation becomes due to a youth participant, the worksite employer agrees to reimburse the Provider of Services for the overtime compensation costs incurred.
2. **Work Assignment:** Provide productive work assignments, as agreed upon in the Work Experience Training Plan by the Provider of Services and worksite employer, and assure that adequate work is available to keep youth participants busy during working hours. If the Worksite Employer determines that a change of job duties is necessary, the Work Experience Training Plan must be revised with the new/additional job duties and the Provider of Services must provide its prior written approval.
3. These provisions do not establish an employer/employee relationship between the employer and the youth participant. The Provider of Services will be the employer of record, and the relationship between the employer and the youth participant is one of trainer/youth.
4. **Safety Training:** Provide safety instructions necessary to reasonably protect the youth against injury, and provide them with necessary equipment to carry out training responsibilities and duties. The worksite supervisor will not allow the youth to use any tools, equipment, or machinery until such time as the Verification of Safety Training has been completed, and understands and agrees that the youth participants are prohibited from beginning work assignments until they have been adequately trained and qualified to perform such work assignments.
5. **Work Schedule:** Each Participant's dates of placement, maximum number of allowable hours, and work schedule will be outlined in his or her Work Experience Training Plan. The worksite employer is responsible for paying any hours

worked over the maximum hours allowed or after the last day of work outlined in the Training Plan, unless the end date is requested and approved by the Provider of Service.

The Participant's schedule, which is determined by the Worksite Supervisor, based on staffing needs and the Participant's age and availability, must be approved by the Provider of Service.

An onsite Supervisor must be available during all scheduled work hours, including weekend hours, if any, and the Provider must have staff available on-call to respond to any emergencies or concerns.

Any change from the originally agreed upon schedule, job duties or placement dates must be pre-approved by provider staff.

6. **Time Sheet Responsibilities:** Require that Participants accurately and completely record all hours worked on paper or electronic time sheets provided by the Provider and verified by the Worksite Supervisor. Worksite Supervisors are encouraged to review each Participant's time sheet, whether paper or electronic, at the end of each week to ensure that time records accurately report the actual hours worked and do not record any hours for unexcused absences, lunch breaks, hours not worked or recreational activities not approved by the Provider.
7. **Supervision:** Provide adequate full-time adult supervision of each Participant by paid staff members (non-volunteer) and timely, constructive feedback, with a maximum ratio of one (1) adult Worksite Supervisor to two (2) Participants. The Provider will consider the number of on-site supervisors and a facility's physical size in placement decisions; more than two (2) youth may be placed at one (1) site **only if** the youth are separated physically - in different departments or on different floors. When the Worksite Supervisor assigned to each Participant is unavailable, ensure an alternate supervisor is designated. The Worksite should, whenever possible, inform the Provider if a new supervisor is assigned to the Participants. Assure that sufficient training, materials and equipment are available to carry out work assignments.
8. **Performance Reviews:** Prepare and submit youth mid-point and post evaluations as required by Fresno Regional Workforce Development Board (FRWDB) policy and per the guidelines of the Supervisor's Handbook. The Mid-point performance review should include recommendations to improve the performance of the youth or should document the basis for a decision to terminate further worksite training, if necessary. The final performance review should indicate whether the youth will be retained as a full-time employee.
9. **Worksite Monitoring:** Allow Provider of Services, FRWDB, State of California, and/or Department of Labor representatives to monitor all conditions and activities involved in performing this agreement. The Worksite Supervisor must assure the following:
 - a. No currently employed worker will be displaced by a youth. This includes partial displacement such as reduction in hours of non-overtime work, wages, or employment benefits.
 - b. No training assignment will infringe upon the promotional opportunities of currently employed individuals.
 - c. No youth shall be placed in a position substantially equivalent to positions for which employees have been laid off.
 - d. Ensure that Participants do not engage in political, labor organizing, religious, or non-work-related fundraising activities during work hours.
 - e. The youth will not assist in the operation or maintenance of that part of any facility that is used for religious instruction or worship.
 - f. Appropriate standards of health and safety and a drug free workplace will be maintained.
 - g. Adequate insurance will be in effect at all times.
 - h. Comply and cooperate with audit surveys, audits, and any request by the State of California Department of Labor, Comptroller General, or FRWDB to secure an audit or audit waiver in compliance with Public Law 97-300 Section 164 or the Single Audit Act.
10. **Nepotism.** Not provide a training assignment under this program for a member of the owner of the Worksite's immediate family.
11. **Subcontract.** Not subcontract the services of the youth provided under this agreement.

12. **Transportation.** Ensure that the Participant does not operate a motor vehicle and is not transported offsite to attend meetings or work at different sites during the work day without the express written approval of provider staff in advance.
13. **Insurance.** Certify that there will be in effect, throughout the term(s) of training, proper personal and property liability insurance, and if required, appropriate bonding. The worksite shall provide proof of said coverage prior to the youth commencing training.
14. **Collective Bargaining.** Obtain the concurrence of the appropriate bargaining entity, when a collective bargaining agreement exists, in order to ensure compliance of the prescribed training with the terms of said agreement.
15. **Confidentiality.** Ensure youth are aware of any Worksite policies and procedures with respect to protecting confidential information from disclosure, except to authorized persons.
16. **Discipline.** Not initiate discipline on the youth without the written concurrence of the Provider of Services.
17. **Youth File Folder onsite.** Maintain a list of Participants, their work assignments, schedules, and emergency card at each worksite as well as a valid work permit for Participants under the age of 18.
18. **Hot and Inclement Weather and Drinking Water.** Provide adequate indoor work to occupy Participants during inclement weather and periods when the temperature reaches 105 degrees Fahrenheit, when the regular Worksite is designated as out-of-doors.

Provide adequate cool water, access to shade and extra rest periods for Participants when the temperature exceeds 95 degrees Fahrenheit. Ensure Participants know how to recognize the symptoms of heat stroke and heat exhaustion and what to do.

Provide access to an on-site source of heat, extra rest periods, and thermal insulating materials on equipment handles for Participants when the temperature drops below 30 degrees Fahrenheit.

19. Comply with all applicable federal, state, and local laws and regulations relating to a safe and accessible work environment, including but not limited to, federal and state Occupational Safety and Health Administration ("OSHA") laws and regulations, Americans with Disabilities Act (the "ADA") and its regulations, and the Fair Employment and Housing Act (the "FEHA") and its regulations.
20. **Compliance with OSHA.** Worksite Supervisor, Service Provider, and FRWDB shall, consistent with the manner described in this section, comply with all federal and state OSHA regulations, which apply to the youth assigned to Worksite Supervisor's location. The following describes the general obligations of worksite employer with regard to OSHA compliance:
 - a. FRWDB and/or Service Provider shall provide that its employees are trained in general safe work practices prior to commencement of services for Worksite Supervisor. Worksite supervisor shall provide that the youth are trained with regard to the specific hazards of and safe work practices before commencing such work and/or training.
 - b. FRWDB and/or Service Provider may inspect Worksite Supervisor's worksite before assigning youth to work there. Fresno Area Workforce Investment Corporation and/or Service Provider may do so thereafter on a periodic basis, with prior notification.
 - c. Upon request by FRWDB and/or Service Provider the Worksite Supervisor will provide documentation of the completion of their OSHA obligations under this section. Worksite Supervisor will include training in its exposure monitoring and sampling programs for the purpose of quantifying employee exposures to chemical, physical, and biological hazards in the youths' assigned tasks. Worksite Supervisor will inform youth of the results of such monitoring and sampling in accordance with OSHA

requirements. FRWDB, Service Provider, and any youth will be informed of any suspected or known employee exposure in excess of OSHA permissible exposure limits, immediately following Worksite Supervisor's first knowledge of such overexposure.

21. The Worksite Supervisor is to notify the Provider within 24 hours of any accidents, special situations, or unusual occurrences. If a Participant is injured or becomes ill, provide first aid or medical attention and notify the Provider

immediately, no matter how minor the injury. No more than 24 hours after notice of the injury or illness, the Worksite Supervisor shall file all forms required by the Provider. Furthermore, the Worksite shall cooperate with any injury or illness-related reporting requirements deemed necessary by Provider.

22. **Compliance with Equal Employment Opportunity (EEO) laws:** Worksite Employer and Provider of Services shall, consistent with the manner described in this section, comply with all federal, state, and local laws requiring equal employment opportunity, and prohibiting discrimination, harassment, and retaliation in the workplace. The following describes the general obligations of the parties with regard to compliance with EEO and nondiscrimination obligations:
- a. Provider of Service will provide Worksite Supervisor and all youth with Provider of Service's policies against harassment, discrimination, and retaliation in the workplace upon assignment of any youth to Worksite Supervisor's location, and Service Provider will ensure that all youth are trained on the application of said policies against harassment, discrimination, and retaliation.
 - b. Worksite Supervisor will ensure that Provider of Service's policies against harassment, discrimination, and retaliation are effectively implemented and followed in all respects.
 - c. Worksite Supervisor will report immediately to Provider of Service and to the FRWDB, any information that might constitute a violation of **EEO** policies against harassment, discrimination, or retaliation, whether such information is a formal complaint or any other information giving notice of a potential violation of FRWDB's policies.
 - d. Worksite Supervisor will cooperate with Provider of Service and FRWDB with respect to investigating promptly any complaint of harassment, discrimination, or retaliation, and with respect to implementing any corrective action that is reasonable or necessary to ensure that FRWDB's policies against harassment, discrimination, and retaliation are fully and effectively enforced. Upon the written request of FRWDB, either Worksite Supervisor or Service Provider will be given the primary responsibility to investigate any complaints of noncompliance with the FRWDB's EEO and nondiscrimination policies and to take any corrective action. Worksite Supervisor and Service Provider will provide FRWDB with copies of all documents relating to the investigation and any corrective action taken.

The parties each represent and warrant that the signatories below are authorized to sign this AGREEMENT on behalf of themselves or the party on whose behalf they execute this AGREEMENT.

THE PARTIES HEREBY EXECUTE THIS AGREEMENT with their signature below.

As an authorized agent of the work experience WORKSITE, I hereby acknowledge that the WORKSITE understands and agrees to the requirements set forth in this agreement, the general provisions and the Work Experience Training Plan.

WORKSITE NAME: Kerman Senior Center

_____ Authorized Agent Name	_____ Authorized Agent Signature	_____ Date
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I hereby acknowledge and accept all conditions as set forth in this agreement, the general provisions and the Work Experience Training Plan.

FRWDB PROVIDER OF SERVICE NAME: America Works of California

_____ Authorized Staff Name	_____ Authorized Staff Signature	_____ Date
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WORK EXPERIENCE TRAINING PLAN

Participant Name:		Participant Job Title:	Office Clerks, General
State ID Number:		Department (if any):	
Work Schedule: Monday: Tuesday: Wednesday: Thursday: Friday:		Participant may work a maximum of _____ hours per week and a maximum of _____ total hours during Work Experience placement. Start Date: _____ End Date: _____	
		The Participant shall be compensated for actual hours at the rate of 100% of the hourly wage, not to exceed four (4) hours per day on school days and eight (8) hours per day on non-school days, total per week not to exceed 40 hours.	
Provider of Service Name:		Worksite Name:	Kerman Senior Center
Provider of Service Address:		Worksite Address:	720 S. 8th Street Kerman, CA 93630
Primary Staff Name:		Worksite Supervisor Name:	Theresa Johnson
Primary Staff Phone:		Worksite Supervisor Phone:	559-681-2750
Primary Staff Email:		Worksite Supervisor Email:	tjohnson@cityofkerman.org
Alternate Manager/Staff Name:		Alternate Worksite Staff Name:	Arlene Villarreal
Alternate Manager/Staff Phone:		Alternate Worksite Staff Phone:	559-550-0962

WORKSITE TRAINING PLAN

Primary Tasks / Job Duties (Mandatory) – Clearly describe the work this Participant will perform. Include all tasks that the participant will be performing at the worksite. Attach additional sheet if necessary.

- I. Operate office machines, such as photocopies and scanners, facsimile machines, voice mail systems, and personal computers.
- II. Answer telephones, direct calls, and take messages.
- III. Communicate with customer, employees, and other individuals to answer questions, disseminate or explain information.
- IV. Maintain and update filing, inventory, mailing, and database systems, either manually or using a computer.
- V. Aid in food service system, daily activities with senior, and social media creation of advertisement.
- VI. Other duties as assigned with supervision adhering to any additional safety percussions.

List any equipment, tools, machinery or chemicals this Participant will use on the job, i.e., gardening tools, cleaning supplies, computer:

Computer	Phone		
Utensils			
Office supplies			

SPECIAL EMPLOYMENT NEEDS

Describe any special equipment or clothing this Participant will need to have, i.e., uniforms, safety glasses, work boots, etc.

Describe the Worksite's dress code expectations for the Participant:

Business casual

Participant's Transportation Issues, if any:

Participant Name:		
OCCUPATIONAL EDUCATIONAL PLAN		
Clearly describe the Occupational Education component the participant will complete during the Work Experience:	Start Date	End Date
I. Office Clerks, General: Career one stop video		
II. Food Handler: Knowing how to properly distribute food with safety precautions and receive food handler certificate		
III. Advertisement: Knowing how to promote to populations for certain items, events, and community interest.		

ACADEMIC EDUCATIONAL PLAN		
Clearly describe the Academic Education component the participant will complete during the Work Experience:	Start Date	End Date
I. Mathematics: Use counting skills to keep tract of items.		
II. Communication: Speaking Spanish and English to communicate properly.		

We have reviewed the Participant Survival Guide, which sets forth the rules and expectations about acceptable workplace behavior. We have reviewed the Occupational and Academic Educational Plan and agree to comply with the requirements therein. I understand that I am solely responsible for my actions and agree to comply with all rules. I will contact my assigned staff if I have any questions or concerns.

_____ Participant Name	_____ Participant Signature	_____ Date
_____ Provider Staff Name	_____ Provider Staff Signature	_____ Date

I have reviewed the attached Work Experience Training Agreement and the General Contract Provisions and agree to comply with the requirements therein. I have also reviewed the Supervisor's Manual, which sets forth the expectations and requirements for the Fresno Regional Workforce Development Board Work Experience in more detail. I understand that compliance with these provisions will be monitored.

I understand that any change to the originally agreed upon schedule, job duties or placement dates must be pre-approved by provider Employer of Record staff.

_____ Worksite Supervisor Name	_____ Worksite Supervisor Signature	_____ Date
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VERIFICATION OF SAFETY TRAINING

PARTICIPANT NAME: _____

WORKSITE NAME: Kerman Senior Center

This worksite shall prohibit this Participant from using any tools, equipment, and machinery for which training has not been provided. Worksite Supervisor/Authorized Worksite Staff must provide Safety Training and complete this form with the participant prior to allowing the participant the use any tools, equipment and machinery.

My signatures below attest that:

1. The facility has a written safety policy that applies to this worksite.
2. A qualified staff has provided this Participant:
 - a. Training on the worksite's safety rules and regulations.
 - b. Detailed instructions in the use of all the tools, equipment, and machinery listed in Section A. which this Participant will utilize in the performance of their job.
 - c. Training in emergency procedures.
 - d. Training in the Worksite Supervisor's Injury and Illness Prevention Program (IIPP), emergency action and fire prevention plans, and all other site-specific safety rules and safety and health programs pertinent to this Participant's work assignments.
3. This worksite shall abide by all applicable ADA and CalOSHA safety regulations.
4. The following is a complete list of all tools, equipment, and machinery this Participant will utilize in the performance of their job:

☐ Knowledge of First Aid Kit	☐ _____
☐ Knowledge of Emergency Exit	☐ _____
☐ Knowledge of Fire Extinguisher Location	☐ _____

I have provided training on the worksite's safety policies, rules and regulations to the participant.

Authorized Staff Name_____
Authorized Staff Signature_____
Date

I have received an orientation on the worksite's safety policies, rules and regulations, I understand and agree to abide by this Worksite's safety policies, rules, and regulations. My Worksite Supervisor/Authorized Staff has provided me with safety training on the use of all tools, equipment, and machinery listed above, and I agree to use only those tools, equipment, and machinery on which I have been trained.

Participant Name_____
Participant Signature_____
Date



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: John Jansons, City Manager

SUBJECT: Lease Extension with Valley Health Team for 942 S. Madera Avenue (JAJ)

RECOMMENDATION: Council adopt a resolution acknowledging a lease extension by and between the City of Kerman and Valley Health Team for the period of September 2026 through August 2031 for 942 S. Madera Avenue.

DISCUSSION:

The City of Kerman (City) and Valley Health Team (VHT) are parties to an existing lease for a City-owned building / property located at 942 S. Madera Avenue which is used for health care services.

The current lease, **Exhibit 'A'** to the Resolution (**Attachment 'A'**) was entered into in 2010 and the initial term ends on August 31, 2026. Section 37 of the Lease provides for an extension of an additional five years if desired by Lessee. VHT wishes to exercise the extension provision to extend their tenancy to August 31, 3031.

The existing lease includes rent increase of two percent (2%) every two years with the current rent being \$3,446.06 per month. The next rent increase goes into effect in June of 2027 which will increase the monthly rent to \$3,514.98. Kerman market research confirms that the rent rate is comparable to market rate rents for office space in Kerman.

ATTACHMENT:

A. Resolution w/Exhibit

Attachment 'A'

RESOLUTION NO. 26-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ACKNOWLEDGING A LEASE
EXTENSION BY AND BETWEEN THE CITY OF KERMAN AND VALLEY HEALTH TEAM FOR THE
PERIOD SEPTEMBER 2026 THROUGH AUGUST 2031 FOR 942 S. MADERA AVENUE.**

WHEREAS, in 2010 the City of Kerman and Valley Health Team (VHT) entered into a Lease for City-owned real property located at 942 S Madera Avenue for health care services; and

WHEREAS, Section 37 of the Lease allows VHT to exercise an option to extend the lease for a period of five years effective September 1, 2026, through August 31, 3031; and

WHEREAS, the City agrees that VHT has the right to exercise the extension; and

WHEREAS, the City has no current reason(s) to oppose the extension; and

WHEREAS, the City acknowledges that VHT has been a good and faithful tenant.

NOW, THEREFORE, the City Council of the City of Kerman resolves as follows:

- Section 1. The above recitals are true and correct and incorporated herein by reference.
- Section 2. The City acknowledges that Section 37 of the current Lease (**Exhibit 'A'**) , provides for an extension of five years if requested by the Lessee (Valley Health Team).
- Section 3. The City Council authorizes the City Manage to notify Valley Health Team that the extension is approved.
- Section 4. This resolution is effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at a regular meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk

ORIGINAL
CITY OF Kerman

Section 5, Item E.

LEASE AGREEMENT

1. **PARTIES AND BASIC LEASE PROVISIONS.** This lease, dated for reference purposes only October 1, 2010, is made by and between City of Kerman (herein called "Landlord") and Valley Health Team, Inc. (herein called "Tenant"), pursuant to the terms of which Landlord hereby leases the Premises described in Article 2 of this Lease to Tenant on the following Basic Lease Terms and the additional terms and provisions set forth in Articles 2 through 37 hereof.

- (a) Address: 942 S. Madera Avenue, Kerman, CA 93630;
- (b) Tenant's total net rentable area of Premises: approximately 3,375 square feet.
- (c) Base year: the calendar year 2011
- (d) Operating expense and utility percentage adjustment: 100%
- (e) Expense stop (if applicable): \$ N/A per annum
- (f) Base Rent: \$3,000 per month for the first 24 months, as provided in Article 5, and shall be increased every two (2) years by an increase of 2%
- (g) The term of this lease shall be for 183 months, commencing on the 1st day of June, 2011 and ending on the 31st day of August, 2026.
- (h) Projected commencement date: June 1, 2011.
- (i) Security Deposit: \$ 0
- (j) Permitted use: Professional offices (medical, dental and optometric services) *Behavioral health*
- (k) Tenant's public liability insurance shall have liability limits of not less than \$3,000,000 combined single limits per occurrence.
- (l) Broker(s): Fortune Associates
- (m) Space plan approval date: Not submitted, 20 10/24/10
- (n) Address for notices:

TENANT:

Valley Health Team, Inc.
21890 Colorado Avenue
San Joaquin, CA 93660
Phone: (559) 693-2462

LANDLORD:

City of Kerman
850 S. Madera
Kerman, CA 93630
Phone: (559) 846-9387

The foregoing Basic Lease Provisions are supplemented in Articles 2 through 38 inclusive of this lease. IN WITNESS WHEREOF, the parties hereto have executed this lease, consisting of the foregoing provisions and Articles 2 through 38 which follow, together with the Exhibit(s) and Addendum(s) listed below (unless lined out) are incorporated herein by this reference, as of the date first above written. In the event of any discrepancy between the terms of this Lease Agreement and the provisions or terms of any Exhibit or Addendum, the provisions of this Lease Agreement shall control.

- a) Exhibit "A" - Site Plan of Project
- b) Exhibit "B" - Commencement of Term Notice
- d) Exhibit "C" - Rules and Regulations

TENANT: Valley Health Team, Inc.

By [Signature]

By _____

Date of execution: 10/24/10

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LANDLORD: City of Kerman

By [Signature]

By _____

Date of execution: 10/24/10

2. PREMISES

- (a) Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord that certain office space (herein called "Premises") indicated on Exhibit "A" attached hereto and here by reference thereto made a part hereof. For the purpose of this Lease, it is agreed that this Premises has approximately 3,375 square feet of net rentable area being situated at that certain building known as 942 S. Madera Avenue, Kerman, CA 93630.
- (b) The term "net rentable area" as used in this Lease shall mean (i) in the case of a full floor (single-tenant floor) all floor area measured from the outside surface of the outer wall of the building to the outside surface of the opposite outer wall, excluding only the areas ("service areas") within the outside walls used for building stairs, and (ii) in the case of a partial floor (multi-tenant floor), all floor areas within the outside surface of the outer wall enclosing the Premises and measured to the mid-point devoted to corridors, restrooms, mechanical rooms, janitorial closets, vending areas and other similar facilities (herein called the "common areas") of the floor on which the Premises are located, and also including the proportionate part of the common areas located on such floor based upon the ratio which the rentable area of the Premises, (other than the Tenant's pro rata portion of the common area) bears to the aggregate net rentable area (other than common area) on such floor. No deductions from the net rentable area are made for columns or projections necessary to the Building. The "net rentable area" of the Premises shall not be adjusted for minor variations resulting from actual construction and completion of the Premises so long as such work is done in accordance with terms and provision of this lease and the variations are not material.
- (c) Said Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of said performance.

3. TERM.

The term of this Lease shall be for the period of months set forth in paragraph (g) of the Basic Lease Provisions measured from the first day of the first full calendar month following the commencement of the term.

4. POSSESSION.

- (a) If the Landlord cannot deliver possession of the said Premises to the Tenant within 120 days from execution of this lease, this Lease shall be voidable at Tenant's discretion. All rent shall be abated during the period between Landlord's delivery of possession and the commencement of said term of this lease. Said commencement shall be upon the earlier of Tenant's completion of the Tenant Improvements or 120 days after Landlord's delivery of possession of the Premises.
- (b) In the event that Landlord shall permit Tenant to occupy the Premises prior to the commencement date of the term, such occupancy shall be subject to all the provisions of this Lease.
- (c) In the event of early and/or late possession of the Premises, Tenant shall, at Landlord's sole discretion, execute Exhibit B attached hereto and made a part hereof and in accordance with paragraph (a) and (b) of this Article 4.
- (d) In no event shall the commencement of this Lease commence later than the 1st day of the first full calendar month following completion of the Tenant Improvements to be constructed by Tenant in the Premises or 120 days from the City of Kerman delivering possession to Valley Health Team, Inc.

5. BASE RENT.

- (a) **Time and Manner of Payment.** Tenant agrees to pay Landlord as Base Rent without prior notice or demand, the amount as specified in paragraph (f) of the Basic Lease Provisions on or before the first day of the first full calendar month of the term hereof and a like sum on or before

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the first day of each and every successive calendar month thereafter during the term hereof, except that the first month's rent shall be paid upon the execution hereof. Rent for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein, based upon a thirty (30) day month. Said rental shall be paid to Landlord, without deduction or offset, in lawful money of the United States of America, which shall be legal tender at the time of payment, in accordance with Article 31 (c) hereof. Provided Tenant has complied with the provisions of this lease, Tenant to receive Base Rent credit for months 13, 25 and 37 of the lease.

6. CONSTRUCTION OF TENANT IMPROVEMENTS.

Tenant shall complete the construction of Tenant's interior improvements to the Premises in accordance with the mutually approved set of plans. Tenant shall obtain appropriate plan check review and building permits for all improvements. City to waive internal City Building permits fees (Plan Check costs will be paid by tenant). Permits must be pulled. If Tenant elects to remodel the façade of the building, the City will reimburse Tenant in the form of free rent for the cost of the façade in an amount not to exceed 3 months rent. If such rent credit is provided, it will be equally divided between the 2nd, 3rd and 4th years of the lease.

7. SECURITY DEPOSIT.

No security deposit will be required of Tenant.

8. OPERATING EXPENSE ADJUSTMENTS.

(a) For the purpose of this Article, the following terms are defined as follows:

Base Year: The calendar years as specified in paragraph (c) of the Basic Lease

Provisions. Comparison Year: Each calendar year of the term after the Base Year.

Direct Expenses: All direct costs of operation and maintenance, as determined by generally accepted accounting principles, and shall include the following costs by way of illustration, but not be limited to: real property taxes and assessments; insurance premiums; labor; costs incurred in the management of the Building, if any; air conditioning and heating; supplies; materials; equipment and tools; including maintenance, landscaping and upkeep of all parking and common areas. ("Direct Expenses" shall not include depreciation of the Building of which the Premises are a part or equipment therein, executive salaries, real estate commissions, and the like.)

If the Direct Expenses paid or incurred by the Landlord for the Comparison Year on account of the operation or maintenance of the Building of which the premises are a part are in excess of the Direct and Interest Expenses paid or incurred for the Base Year, then the Tenant shall pay the percentage amount of the increase set forth in paragraph (d) of the Basic Lease Provisions. This percentage is that portion of the total rentable area of the Building occupied by the Tenant hereunder. Landlord shall endeavor to give to Tenant on or before the first day of March of each year following the respective Comparison Year a statement of the increase in rent payable by Tenant hereunder, but failure by Landlord to give such statement by said date shall not constitute a waiver by Landlord of its right to require an increase in rent. Upon receipt of the statement for the first Comparison Year, Tenant shall pay in full the total amount of increase due for the first Comparison Year, and in addition for the then current year, the amount of any such increase shall be used as an estimate for said current year and this amount shall be divided into twelve (12) equal monthly installments and Tenant shall pay to Landlord, concurrently with the regular monthly rent payment next due following the receipt of such statement, an amount equal to one (1) monthly installment multiplied by the number of months from January in the calendar year in which said statement is submitted to the month of such payment, both months inclusive. Subsequent installments shall be payable concurrently with the regular monthly rent payments for the balance of that calendar year and shall continue until the next Comparison Year's statement is rendered. If the next or any succeeding Comparison Year results in a greater increase in Direct

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and Interest Expenses, then upon receipt of a statement from Landlord, Tenant shall pay a lump sum equal to such total increase in Direct Expenses over the Base Year, less the total of the monthly installments of estimated increases paid in the previous calendar year for which comparison is then being made to the Base Year; and the estimated monthly installments to be paid for the next year, following said Comparison Year, shall be adjusted to reflect such increase. If in any Comparison Year the Tenant's share of Direct Expenses be less than the preceding year, then upon receipt of Landlord's statement, any overpayment made by Tenant on the monthly installment basis provided above shall be credited towards the next monthly rent falling due and the estimated monthly installments of Direct Expenses to be paid shall be adjusted to reflect such lower Direct Expenses for the most current Comparison Year.

Even though the term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's share of Direct and Interest Expenses for the year in which this lease terminates, Tenant shall immediately pay any increase due over the estimated expenses paid and conversely any overpayment made in the event said expenses decrease shall be immediately rebated by Landlord to Tenant.

Notwithstanding anything contained in this Article, the rental payable by Tenant shall in no event be less than the rent specified in Paragraph (f) of the Basic Lease Provisions.

9. UTILITY AND JANITORIAL SERVICES.

- (a) Tenant shall be solely responsible for and promptly pay all charges for heat, water, sewer, gas, electricity and any other utility used, consumed or provided in, or furnished, or attributable to the leased premises as specified in Paragraph (b), Article 19 of this lease.
- (b) Tenant shall be solely responsible for and promptly pay all charges for janitorial services and any other special services related to the leased premises.

10. USE.

Tenant shall use the Premises for the purposes as specified in Paragraph (j) in the Basic Lease Provisions and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

Tenant shall not do or permit anything to be done in or about the Premises, not bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Building or any of its contents, or cause cancellation of any insurance policy covering said Building or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

11. COMPLIANCE WITH LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvement or acts.

12. ALTERATIONS AND ADDITIONS.

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Tenant shall not make or suffer to be made any alterations, additions or improvements to or of the Premises or any part thereof without the written consent of Landlord first had and obtained and any alterations, additions or improvements to or of said Premises including, but not limited to, wall covering, paneling, and built-in cabinet work, but excepting movable furniture and trade fixtures, shall on the expiration of the term become a part of the realty and belong to the Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense, and any contractor or person selected by Tenant to make the same must first be approved by the Landlord. Notwithstanding the foregoing, Landlord has consented to the tenant improvements being constructed which are resulting in the execution of this lease, subject to the necessary permits and approvals required by the Landlord.

13. REPAIRS.

- (a) By taking possession of the Premises, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair, damage thereto from causes beyond the reasonable control of Tenant and ordinary wear and tear excepted. Tenant shall, upon the expiration or sooner termination of this Lease hereof, surrender the Premises to the Landlord in as good of condition as it was when the Lease was executed, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted. Except as set forth in this Lease or specifically provided in an addendum, if any, to this lease, Landlord shall have no obligation whatsoever to alter, remodel, improve, repair, decorate, or paint the Premises or any part thereof and the parties hereto affirm that Landlord has made no representations to Tenant respecting this condition of the Premises or the Building except as specifically herein set forth.
- (b) Notwithstanding the provision of Article 13(a) hereinabove, Landlord shall repair and maintain the structural portions of the Building, including the basic plumbing, air conditioning, heating, and electrical systems, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by the Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs. Except as provided in Article 24 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

14. LIENS.

Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. Landlord may require, at Landlord's sole option, that Tenant shall provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1-1/2) times any and all estimated cost of any improvements, additions, or alterations in the Premises, to insure Landlord against any liability for mechanics and materialmen's liens and to insure completion of the work. Tenant shall give Landlord no less than twenty (20) days prior written notice before commencing construction of any kind on the Premises so that Landlord may post notice of non-responsibility within ten (10) days thereafter in accordance with Section 3094 of the California Civil Code.

15. ASSIGNMENT AND SUBLETTING.

Tenant shall not, either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or suffer any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without the written consent of Landlord first had and obtained, which consent shall not be unreasonably withheld, and a consent to

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one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Any such assignment or subletting without such consent shall be void and shall, at the option of the Landlord, constitute a default under this Lease.

- (a) If Tenant is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning 51% or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment.
- (b) If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant or the sale or other transfer of a control-percentage of the capital stock of Tenant, or the sale of 51% of the value of the assets of Tenant, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of and the right to vote, stock possessing at least 51% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding and entitled to vote for the election of directors. This paragraph shall not apply to corporations, the stock of which is traded through an exchange or over the counter.

16. HOLD HARMLESS.

Tenant shall indemnify and hold Landlord harmless against and from any and all claims arising from Tenant's use of the Premises for the conduct of its business or from any activity, work, or other thing done, permitted or suffered by the Tenant in or about the Building, and shall further indemnify and hold Landlord harmless against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest or invitee of Tenant, and from all and against all costs, attorney's fees, expenses and liabilities incurred in or about any such claim or any action or proceeding brought thereon. In any such case, action or proceeding brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel. Tenant, as a material part of the consideration to Landlord hereby, assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause other than Landlord's negligence, and Tenant hereby waives all claims in respect thereof against Landlord.

Landlord or its agent shall not be liable for any damage to property entrusted to employees of the Building, nor for loss or damage to any property by theft or otherwise, nor for any injury to or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein or from the roof, street, or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the negligence of Landlord, its agents, servants or employees. Landlord or its agents shall not be liable for interference with or loss of business by Tenant. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or in the Building or of defects therein or in the fixtures or equipment.

17. SUBROGATION.

As long as their respective insurers so permit, Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties. Each party shall obtain any special endorsements, if required by their insurer, to evidence compliance with the aforementioned waiver.

18. LIABILITY INSURANCE.

Tenant shall, at Tenant's expense, obtain and keep in force during the term of the Lease a policy of Broad Form Comprehensive Public Liability Insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. The limit of said insurance shall not, however, limit the liability of the Tenant

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hereunder. Tenant may carry said insurance under a blanket policy providing, however, said insurance by Tenant shall have a Landlord's protective liability attached thereto. If Tenant shall fail to procure and maintain said insurance, Landlord may, but shall not be required to, procure and maintain same, but at the expense of Tenant. Insurance required hereunder shall be in companies rated A + AAA or better in "Best's Insurance Guide".

Tenant shall deliver to the Landlord prior to occupancy of Premise copies of policies of liability insurance required hereunder or certificate evidencing the existence and the amounts of such insurance with loss payable clauses satisfactory to Landlord. Certificates of renewals thereof evidencing the continued existence of such insurance shall be delivered to the Landlord at least thirty (30) days prior to the expiration date of any such insurance. No policy shall be cancellable or subject to reduction of coverage except after thirty (30) days prior written notice to Landlord.

The Public Liability Insurance required of Tenant hereunder shall have liability limits as set forth in Paragraph (k) of the Basic Lease Provisions. Such coverage shall be increased periodically to those limits then currently recommended by the Building Owners and Management Association, or if such organization ceases to exist, then by a comparable organization. Tenant shall also carry such other insurance as Landlord may reasonably require, including Worker's Compensation insurance, or plate glass insurance if the Premises are located on the first floor of the building. Landlord shall replace, at the expense of Tenant, any and all plate and other glass damaged or broken from any cause in and about the Lease Premises.

19. SERVICE AND UTILITIES.

(a) Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises Monday through Sunday, 24 hours a day, and subject to the rules and regulations of the Building of which the Premises are a part. Landlord shall not be liable for, and Tenant shall not be entitled to, any reduction of rental by reason of Landlord's failure to furnish any of the foregoing when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character, or by any other cause, similar or dissimilar, beyond the reasonable control of Landlord. Landlord shall not be liable under any circumstances for a loss of or injury to property, however occurring, through or in connection with or incidental to failure to furnish any of the foregoing, unless caused by or due to the negligence or intentional misconduct of Landlord, its agents, servants or employees.

20. ADDITIONAL PROPERTY TAXES.

Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and personal property located in the Premises; except that which has been paid for by Landlord and is the standard of the Building. In the event any or all of Tenant's leasehold improvements, equipment, furniture, fixtures and personal property shall be assessed and taxed with the Building, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of taxes applicable to Tenant's property.

Tenant acknowledges that the Landlord's Premises is a publicly-owned property, and Tenant's lease of publicly-owned property may result in the assessment of possessory interest tax on Tenant's Leasehold interest in accordance with Section 107 and other provisions of the California Revenue and Taxation Code, and Tenant will be responsible to pay such tax if assessed.

21. RULES AND REGULATIONS.

Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate, so long as such rules continue to permit the Tenant to operate the premises as a health clinic that is authorized to provide medical, dental, optometric and other ancillary health

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services.. Landlord reserves the right from time to time to make all reasonable modifications to said rules. The additions and modifications to those rules shall be binding upon Tenant upon delivery of a copy of them to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any said rules by any other tenants or occupants.

22. HOLDING OVER.

If Tenant holds over with the consent of the Landlord, the rent, which shall be payable in advance, shall be 110% applicable at the date of expiration. However, if Tenant holds over without the consent of Landlord, it is agreed that the rental value of the Premises during such period of unlawful holding over shall be 150% applicable at the date of expiration. If Tenant unlawfully holds over, Tenant shall indemnify and hold Landlord harmless from all loss or liability, including any claim made by any successor Tenant founded upon Tenant's failure to timely surrender the Premises.

23. ENTRY BY LANDLORD.

Landlord reserves and shall have the right to enter the Premises with 24 hours notice, inspect the same and supply any service to be provided by Landlord to Tenant hereunder, to submit said Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve or repair the Premises and any portion of the Building of which the Premises are a part that Landlord may deem necessary or desirable without abatement of rent and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be blocked thereby, and further providing that the business of the Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby, unless caused by or due to the negligence or intentional misconduct of Landlord, its agents, servants or employees. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency in order to obtain entry to the Premises without liability to Tenant, except for any failure to exercise due care for Tenant's property. Any entry to the premises obtained by Landlord by any of said means or otherwise shall not under any circumstance be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction of Tenant from the Premises or any portion thereof.

24. RECONSTRUCTION.

In the event the Premises of the Building of which the Premises are a part are damaged by fire or other perils covered by extended coverage insurance, Landlord agrees to forthwith repair the same; and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the rent while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs shall materially interfere with the business carried on by Tenant in the Premises. If the damage is due to the fault or neglect of Tenant or its employees, there shall be no abatement of rent. In the event the Premises or the Building of which the Premises are a part are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance, then Landlord shall forthwith repair the same, provided the extent of the destruction be less than ten (10%) percent of the then full replacement cost of the Premises or the Building of which the Premises are a part. In the event the destruction of the Premises or the Building is to an extent greater than ten (10%) percent of the full replacement cost, then Landlord shall have the option: (1) to repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately reduced as hereinabove in this Article provided; or (2) give notice to Tenant at any time within sixty (60) days after such damage terminating this Lease as of the date specified in such notice, which date shall be not less than thirty (30) and no more than sixty (60) days after the giving of such notice. In the event of giving such notice, this Lease shall expire and all interest of the Tenant in the Premises shall terminate on the date

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or specified in such notice and the Rent, reduced by a proportionate amount, based upon the extent, if any, to which such damage materially interfered with the business carried on or by the Tenant in the Premises, shall be paid up to the date of said such termination.

25. DEFAULT.

The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- (a) The vacating or abandonment of the Premises by Tenant.
- (b) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder as and when due where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant.
- (c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, other than described in Article 25(b) above, where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.
- (d) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition of reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days.

26. REMEDIES IN DEFAULT.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without notice, demand, and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

- (a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Premises (expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorney's fees, any real estate commission actually paid,) the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided; that portion of the leasing commission paid by Landlord (if any) and applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of ten (10%) percent per annum. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of (a) taking possession of the Premises and recovering from Tenant the amount specified in this paragraph, or (b) proceeding under the provisions of the following Article 26(b).
- (b) Landlord can continue this Lease in full force and effect, and the Lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this Lease. Tenant shall pay to Landlord the rent due under this Lease on the dates the rent is due,

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less the rent the Landlord receives from any reletting. No act by Landlord allowed by this paragraph shall terminate this Lease unless Landlord notifies Tenant that Landlord elects to terminate this Lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent, Tenant shall have the right to assign or sublet its interest in this Lease, but Tenant shall not be released from liability. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of ten (10%) percent per annum.

- (c) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decision of the state in which the Premises are located.

27. EMINENT DOMAIN.

If more than twenty-five (25%) percent of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto shall have the right, at its option, to terminate this Lease, and Landlord shall be entitled to any and all income, rent, award, or any interest therein whatsoever which may be paid or made in connection with such public or quasi-public use or purpose, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease. If either less than or more than twenty-five (25%) percent of the Premises is taken, and neither party elects to terminate as herein provided, the rental thereafter to be paid shall be equitably reduced. If any part of the Building other than the Premises may be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease and shall be entitled to the entire award as above provided.

28. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying, (a) that this Lease is unmodified and in full force and effect, or is in full force and effect as modified in a form substantially similar to the form of Exhibit "F" attached hereto and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall, at Landlord's election, be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim or deduction against rent; (3) not more than one month's rent has been paid in advance.

29. PARKING.

Tenant shall have the exclusive right to use the parking facilities of the Building, subject to the rules and regulations of Landlord for such parking facility.

30. AUTHORITY OF PARTIES.

- (a) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the board of directors of said corporation or in accordance with the by-laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms.
- (b) Limited Partnerships. If the Landlord herein is a limited partnership, it is understood and agreed that any claims by Tenant or Landlord shall be limited to the assets of the limited partnership, and furthermore, Tenant expressly waives any and all rights to proceed against the individual

partners or the officers, directors or shareholders of any corporate partner, except to the extent of their interest in said limited partnership.

31. GENERAL PROVISIONS.

All rents and other sums payable by Tenant to Landlord shall be paid to Landlord at his business office as specified in paragraph (n) of the Basic Lease Provisions or any other place as Landlord may hereafter designate in writing.

- (a) **Plats and Riders.** Clauses, plats and riders, if any, signed by the Landlord and the Tenant and endorsed on or affixed to this Lease are a part hereof.
- (b) **Waiver.** The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of the acceptance of such rent.
- (c) **Notices.** All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands by the Landlord to the Tenant shall be sent by United States Mail, postage prepaid, addressed to the Tenant as specified in Paragraph (n), Article I of the Basic Lease Provisions, or to such other place as Tenant may from time to time designate in a notice to the Landlord. All notices and demands by the Tenant to the Landlord shall be sent by United States Mail, postage prepaid, addressed to the Landlord as specified in Paragraph (n), Article I of the Basic Lease Provisions or to such other person or place as the Landlord may from time to time designate in a notice to the Tenant.
- (d) **Joint Obligation.** If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several.
- (e) **Marginal Headings.** The marginal headings and Article titles to the Articles of this Lease are not part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.
- (f) **Time.** Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.
- (g) **Successors and Assigns.** The covenant and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.
- (h) **Recordation.** Neither Landlord nor Tenant shall record this Lease or a short form memorandum hereof without the prior written consent of the other party.
- (i) **Quiet Possession.** Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof, subject to all the provisions of this Lease.
- (j) **Late Charges.** In the event that Tenant shall fail to pay to Landlord within ten (10) days of the date when due any payment owing to Landlord pursuant to the terms of this Lease, said late payment shall bear interest at the rate of ten (10%) percent per annum from the date due and payable until the same shall have been fully paid and in addition.
- (k) **Prior Agreements.** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding upon any party until fully executed by both parties hereto.
- (l) **Inability to Perform.** This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because the Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of the Landlord.

- (m) Attorney's Fees. In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover all costs and expenses including the fees of its attorneys in such action or proceeding in such amount as the court may adjudge reasonable attorney's fees.
- (n) Sale of Premises by Landlord. In the event of any sale of the Building, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises, shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the Landlord under this lease.
- (o) Subordination, Attornment. Upon request of the Landlord, Tenant will, in writing, subordinate its rights hereunder to the lien of any first mortgage or first deed of trust to any bank, insurance company or other lending institution, now or hereafter in force against the land and Building of which the Premises are a part, and upon any buildings hereafter placed upon the land which the Premises are a part, and to all advances made or hereafter to be made upon the security thereof.

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

The provisions of this Article to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term hereof.

- (p) Name. Tenant shall not use the name of the Building or the development in which the Building is situated for any purpose other than as an address of the business to be conducted by the Tenant in the Premises.
- (q) Separability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.
- (r) 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.
- (s) Choice of Law. This Lease shall be governed by the laws of the state in which the Premises are located.
- (t) Signs and Auctions. Tenant shall not place any sign upon the Premises or Building or conduct any auction thereon without Landlord's prior written consent.

32. BROKERS.

Tenant warrants that it has had no dealing with any real estate broker or agents in connection with the negotiation of this Lease, excepting only as specified in Paragraph (l) of the Basic Lease Provisions, and it knows of no other real estate broker or agent who is entitled to a commission in connection with this Lease.

33. BROKER'S COMMISSION.

Tenant specifically agrees to pay FORTUNE ASSOCIATES, as licensed real estate brokers, a commission for its services as a Broker in effecting this Lease. The amount of and payment schedule for the commission shall be:

- (a) If there is no written agreement, Tenant shall pay to FORTUNE ASSOCIATES a commission of nineteen thousand two hundred forty six dollars (\$19,246.00) for services rendered to Landlord by Landlord's Broker in this transaction. FORTUNE ASSOCIATES is an express third party beneficiary of the provisions of this Article.

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34. MODIFICATION FOR LENDER.

If in connection with obtaining financing for the building the Lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay, or defer its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder or materially adverse affect the leasehold interest hereby created.

35. PERSONAL PROPERTY.

Upon the expiration of its term, or upon any earlier termination of its Lease, Tenant shall quit and surrender possession of said Premises to Landlord in the same condition as upon commencement of rent, reasonable wear and tear and damage by acts of God, the elements and unavoidable casualty excepted. Before surrendering possession of said Premises, Tenant shall, without expense to Landlord, remove or cause to be removed from said Premises all signs, furnishings, equipment, trade fixtures, merchandise and other personal property installed or placed therein, and all debris and rubbish, and Tenant shall repair all damage to said Premises resulting from such removal. If Tenant fails to remove any of its signs, furnishings, equipment, etc., within ten (10) days after the expiration or termination of this Lease, then Landlord may, at its sole option (1) treat Tenant as a holdover, in which event the paragraph of this Lease regarding Holding Over shall apply, (2) deem any or all of such items abandoned and the sole property of Landlord, and (3) remove any and all such items and dispose of same in any manner.

36. WAIVER OF CODE SECTIONS.

Tenant waives the provisions of Sections 1932(2) and 1933(4) of the California Civil Code with respect to any destruction of the Premises. The parties hereto have executed this Lease at the place and on the dates specified on Page 1, Article 1 of the Basic Lease Provisions and as executed hereinbelow.

If this Lease has been filled in, it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Lease or the transactions relating thereto.

37. OPTION TO EXTEND

Tenant shall have the Option to Extend the lease with one hundred eighty (180) written notice for one (1) additional term of FIVE (5) years. Base rental rate shall be increased by 5% for first 24 months then increased 2.5% for the remainder of the extension period.

38. FIRST RIGHT OF REFUSAL

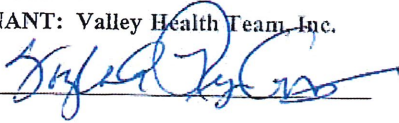
Tenant shall have the First Right of Refusal to purchase the building in the event the City of Kerman decides to sell the building. Landlord to give Tenant's written notice of its intent to sell the building and Tenant shall have thirty (30) days from receiving written notice to make an offer to purchase the building

Additionally, at any time during the term of the Lease Agreement or any extensions thereof, upon Landlord's receipt of a bona fide offer to purchase ("Offer") the Premises from an individual or entity ("Third Party") which Offer Landlord is willing to accept, Landlord shall give notice to Tenant ("Notice") that Landlord intends to accept the Offer, and concurrently therewith provide Tenant with a copy of the Offer executed between Landlord and the Third Party. If Tenant elects to exercise its right of first refusal, it shall do so by delivering to Landlord within 15 calendar days of receipt of the Notice a written notice of its election to purchase the Premises on the same terms and conditions as those set forth in the Offer, except with regard to the Closing Date of Escrow, which shall be 60 days from the date of Tenant's written notice of election to purchase the premises, unless some other escrow period is agreed {04709/0000/224418.DOC}

upon between Landlord and Tenant. If the Tenant does not so notify Landlord of its election to purchase the Premises within said ten business days, Tenant shall be deemed to have rejected the Offer and Landlord may proceed to sell the Premises free and clear of this right of first refusal to the Third Party on the terms and conditions set forth in the Offer, or on terms which are better for Landlord, but not worse for Landlord.

TENANT: Valley Health Team, Inc.

By

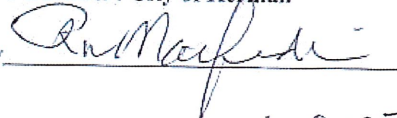


Telephone: () _____

Date of execution _____, 2010

LANDLORD: City of Kerman

By



Telephone: 659 840-9387

Date of execution 10/24/2010

SEE YOUR ATTORNEY

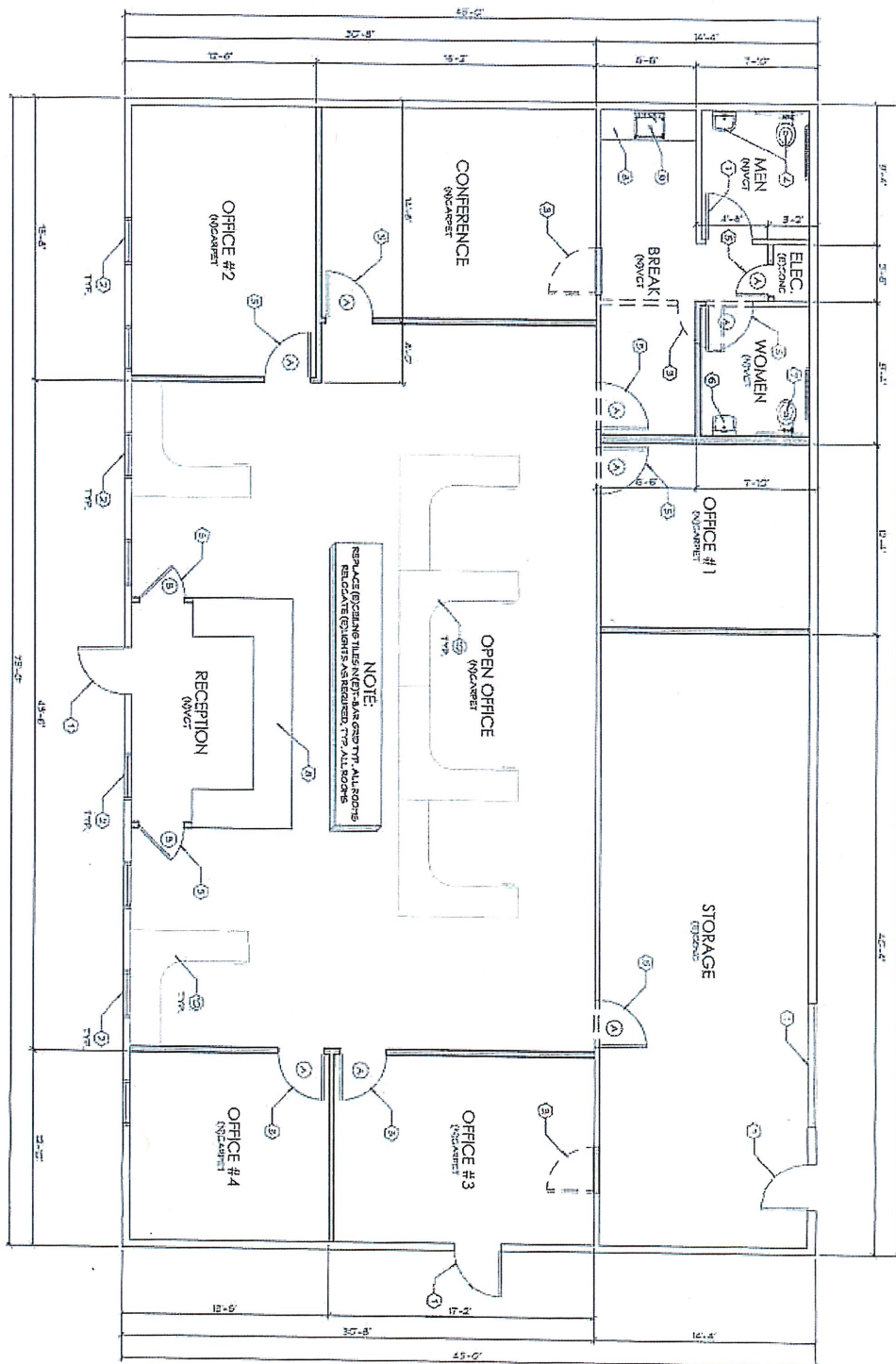
This Lease should be given to your attorney for review and approval before you sign it.

Fortune Associates makes no representation or recommendation concerning the legal effect, legal sufficiency, or tax consequences of this Lease.

These are questions for your attorney.

EXHIBIT 'A'

Existing Floor Plan



DM

EXHIBIT B
COMMENCEMENT OF TERM NOTICE

Date:

Re: Lease dated _____ between _____
(Landlord), and _____ (Tenant), concerning 942 S.
Madera Avenue, Kerman, CA

Gentlemen:

In accordance with the subject addendums, we wish to advise and/or confirm as follows:

1. That the Tenant has possession of the subject Premises and acknowledges that under the provisions of the subject Leases, The Lease shall commence as of _____ and continue thru the term of the existing Lease.
2. That in accordance with the subject Lease, rental commenced to accrue on _____.
3. If the commencement date of the subject Lease is other than the first day of the month, the first billing will contain a prorata adjustment. Each billing thereafter shall be for the full amount of the monthly installment as provided for in said Lease.
4. Rent is due and payable in accordance with the subject Lease.

AGREED AND ACCEPTED

TENANT:

LANDLORD:

By _____

By _____

Date _____

Date _____

EXHIBIT 'C'**RULES AND REGULATIONS**

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside of the building without the written consent of Landlord first had and obtained, and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises; provided, however, that Landlord may furnish and install a Building standard window covering at all exterior windows. Tenant shall not, without prior consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
- 3.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
5. Tenant shall have the right to install in or upon the Premises any and all equipment related to Tenant's normal use of the Premises, provided, however, that Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
- 6.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animal or bird be brought in or kept in or about the Premises or Building.
8. No cooking shall be done or permitted by any Tenant on the Premises, other than for consumption by Tenant, its agents, employees, and invitees, nor shall the Premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone, cable, DSL or other wires are to be introduced. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord, which shall not be unreasonably withheld.

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- 11.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
- 13.
14. Landlord shall have the right, without liability to Tenant, to change the name and street address to the Building of which Premises are a part.
15. Tenant shall not disturb, solicit, or canvass any occupant of the building and shall cooperate to prevent same.
16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17. Landlord shall have the right to control and operate the public portions of the building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

INITIAL
[Signature]
HERE

{04709/0000//224418.DOC}



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: John Jansons, City Manager

SUBJECT: Amendment to City Safety Policies and Procedures including the Illness and Injury Prevention Plan (IIPP) (JAJ)

RECOMMENDATION: Council adopt a resolution approving amendment of the City's Safety Policies and Procedures, including the Illness and Injury Prevention Plan (IIPP), to remove reimbursement cap for work safety boots due to inflation.

DISCUSSION:

The City of Kerman (City) updated its Safety Policies and Procedures Plan, including the Illness and Injury Prevention Plan (IIPP), in November 2024, which includes a reimbursement provision for employee purchase of safety boots.

The City currently pays the full cost of uniforms and safety equipment for employees. Prior to updating our uniform provision, the City had an evolving program of safety boot/footwear reimbursement. More recently, the boot allowance of \$250.00 was adequate to provide for these purchases and if the employee wanted to upgrade their safety boots, the policy requires they pay the difference.

The current boot allowance is now inadequate to cover the cost of the recommended safety boots typically purchased due to continually rising prices. With the typical cost exceeding reimbursement, employees have had to pay out of pocket for the difference for standard safety boots, which conflicts with the spirit and purpose of providing City-paid safety and uniform wear to employees.

It is recommended that the Safety Policies and Procedures Plan, which includes the IIPP, be amended to remove the \$250.00 cap and that the City pay the full cost of appropriate, approved safety footwear at the discretion of the Department Director in concurrence with the Finance Director. Employees may purchase safety footwear from City-approved vendor Red Wing Business Advantage or specialty vendor with City pre-approval.

ATTACHMENT:

A. Resolution w/Exhibit

RESOLUTION NO. 26-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN AMENDING THE SAFETY POLICIES AND PROCEDURES INCLUDING ILLNESS AND INJURY PREVENTION PLAN (IIPP) TO PROVIDE APPROVED SAFETY BOOTS/FOOTWEAR.

WHEREAS, in 2024, the City of Kerman updated its Safety Policies and Procedures (Policy), including the Illness and Injury Prevention Plan (IIPP) to among other updates, to raise the reimbursement rate eligible to employees for safety boots/footwear; and

WHEREAS, inflation and rising costs of suitable footwear now exceeds the reimbursement amount included in the policy; and

WHEREAS, it is in the best interest of the City to provide employees with appropriate, approved safety equipment at the City’s cost; and

WHEREAS, the City Council agrees to remove the reimbursement cap of \$250.00 from the Policy and pay for the full cost of safety footwear approved for employees which have been purchased from Red Wing Business Advantage, the City-approved vendor, or a specialty vendor with City pre-approval.

NOW, THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF KERMAN THAT:

- Section 1.

The above recitals are true and correct and incorporated herein by reference.
- Section 2.

The City Council approves removing the reimbursement cap of \$250.00 (**Exhibit ‘A’**) and paying the full cost of appropriate, approved for safety boots/footwear.
- Section 3.

The City Council authorizes the City Manage to make or direct updates to the City Safety Policies and Procedures and Illness and Injury Prevention Plan (IIPP), to effect this change consistent with the text in **Exhibit ‘A’** attached to this resolution.
- Section 4.

This resolution is effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at a regular meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk

Exhibit 'A'

Excerpt from:**City of Kerman Safety Policies and Procedures as updated and Adopted 11-13-24.**

Section 5 (V) Procedures

A. Protective Devices:

All personal protective clothing and equipment shall be of safe design and construction for the work to be performed and shall be maintained in a sanitary, safe and reliable condition. Only those items that meet NIOSH (National Institute for Occupational Safety and Health) or ANSI (American National Standards Institute), ISEA (International Safety Equipment Association) and the ASTM (American Society for Testing Material) standards will be procured or accepted for use. Newly purchased PPE must conform to the updated ANSI, ISEA and ASTM standards which have been incorporated into the CalOSHA PPE regulations, as follows: <http://www.safetysupply.com/c/stdz891-2009.cfm>

1. Eye and Face Protection ANSI/ISEA Z87.1-2020
2. Head Protection ANSI/ISEA Z89.1-2014
3. Foot Protection ASTM F2413-18
4. Hand Protection ANSI/ISEA 1341 - 2019
5. Body Protection - Cal/OSHA Standard 3383

H. Foot Protection (Revised 05-17-17)¹

All safety footwear shall comply with ASTM F2413-18, "American Society for Testing Materials." Safety shoes or boots with impact protection are required to be worn in work areas when carrying or handling materials such as packages, objects, parts and/or heavy tools, which could be dropped; and for other activities where objects might fall onto the feet. Safety shoes or boots with compression protection are required for work activities in which materials could potentially roll over an employee's feet. Safety shoes or boots with puncture protection are required where sharp objects such as nails, wire, tacks, screws, large staples, scrap metal, etc., could be stepped on by employees causing a foot injury.

It is the responsibility of the employee, either full time or part-time status, to purchase and wear safety shoes or boots when required by their position. Procedure to complete the reimbursement for the purchase of safety shoes will be in accordance with the following terms and conditions:

- a. Employees are required to wear safety shoes/boots at work. If proper shoes/boots are not worn, the employee will be reassigned to other duties or sent home to don the proper shoes/boots.
- b. Reimbursement Limit – The City of Kerman will reimburse employees for appropriate, approved protective footwear (see Section d.) for permanent part time and full-time

¹ PERSONAL PROTECTIVE EQUIPMENT POLICY - ADOPTED 08-07-2013 by Resolution 13-48

employees no sooner than within a 12-month period, unless Section C below, applies. Employees are required to purchase the protective footwear from City-approved vendor Red Wing Business Advantage, or specialty vendor with City pre-approval.

~~reimburse up to a maximum of \$250.00 within a 12-month period for the purchase or replacement of protective footwear for permanent part time and full time employees.~~

c. Frequency of Reimbursement – Reimbursement for protective footwear will be provided as needed (based on the condition of existing protective footwear) but no more frequently than once in a twelvemonth period of time. If an employee wears out his or her footwear in less than 12 months, he or she will be expected to show their Department Head so that the Department Head can determine if the boots will be replaced and notify Human Resources to notify Red Wing Shoes.

d. To qualify for reimbursement, protective footwear must be deemed appropriate by the respective Department Head for the work environment and functions of the respective employee. The basic requirement for protective footwear will be that it must meet or exceed an ASTM F2413-18 rating.

e. Employees will be trained on the proper cleaning and maintenance procedures for their protective footwear and will be expected to follow those procedures on a regular basis, to ensure safety and to prolong the life of the footwear.

f. Employees will take their personal protective footwear home with them and will wear them to work as appropriate.

g. In the event of an on-the-job incident where an employee damages his or her footwear, the City may reimburse the replacement of the boots even if it has been less than 12 months since the last purchase.

The decision as to whether or not the City will replace the damaged boots will be made by the *respective Department Head and the Finance Director* and will depend on the circumstances of the incident and whether or not the employee was following city policies and procedures.



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: Jesus A. Gonzalez, City Engineer

SUBJECT: Resolution Initiating Proceedings for the Annual Levy of Assessments for Landscape and Lighting District No. 1 (JG)

RECOMMENDATION: Council by motion adopt the resolution to initiate proceedings for the annual levy of assessments for Landscape and Lighting District No. 1.

EXECUTIVE SUMMARY:

The Landscape and Lighting District (LLD) No. 1 maintains public landscaping in median islands and landscape strips along major streets. The revenue from the LLD also pays for street lighting costs for areas within it. All new developments are annexed into the LLD and charged an annual assessment that is collected with property taxes. There are currently 16 sub-areas within the LLD.

This is the first of three actions by Council required by State law for the levy of the annual assessments. Following this action, the City Engineer will prepare a report, detailing the proposed assessments, which will be submitted to the Council for review and approval. The next action required by Council will be the approval of the resolution of intention to levy and collect the annual assessments, which will set the date for the public hearing required prior to the confirmation of assessments. The final step in the process is for Council to conduct the required public hearing, receive any testimony, and confirm the annual assessments. The assessment roll is then submitted to the County Assessor for inclusion on the property owner's tax bill. Two new annexations took place this past year.

FISCAL IMPACT:

The annual assessments from the LLD are used for maintenance of public landscaping and street lighting. Last year the total assessments were \$437,525.12.

ATTACHMENTS:

A. Resolution

RESOLUTION NO. 26-__**A RESOLUTION OF THE COUNCIL OF THE CITY OF KERMAN,
CALIFORNIA INITIATING PROCEEDINGS FOR THE ANNUAL LEVY OF ASSESSMENTS FOR
ASSESSMENT DISTRICT NO. 1 OF THE
CITY OF KERMAN**

WHEREAS, Assessment District No. 1 was formed on September 7, 1993 by Council Resolution under the Landscaping and Lighting Act of 1972 (Streets and Highways Code Sections 22500-22679); and

WHEREAS, proceedings for the annual assessment for the District for the fiscal year 2026-2027 need to be initiated, which will start the process for consideration of assessing the annual levy for the assessment district.

NOW, THEREFORE, the City Council of the City of Kerman resolves as follows:

1. The foregoing recitals are true and correct and incorporated by reference.
2. That proceedings are hereby initiated for the levy of the annual assessment of the Assessment District No. 1 under Part 2 of Division 15 of the Streets and Highways Code of the State of California (Section 22500 et seq.) generally known as the Landscaping and Lighting Act of 1972 (herein the "Act").
3. The City Engineer is directed to prepare and file a report in accordance with Article 4 (commencing with Section 22565) of the Act.
4. This resolution is effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at the regularly scheduled meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: Jesus A. Gonzalez, City Engineer

SUBJECT: Resolution Initiating Proceedings to Review Improvements and Establish Assessments, Pursuant to the Landscaping and Lighting Act of 1972, for the Annexation of Tract 6572 into Landscape and Lighting District No. 1, to Review the Improvements and Establish Assessments for Fiscal Year 2025-26 and to Set a Public Hearing (JG)

RECOMMENDATION: Council by motion adopt the resolution to Initiate Proceedings pursuant to the Landscaping and Lighting Act of 1972 for the Annexation of Tract 6572 into Landscape and Lighting District No. 1, to review the improvements and establish assessments for Fiscal Year 2025-2026 (FY25-26), and to set a public hearing for a future date.

EXECUTIVE SUMMARY:

The Landscape and Lighting District (LLD) No. 1 maintains public landscaping in median islands and landscape strips along major streets. The revenue from the LLD also pays for street lighting costs for areas within it. All new developments are annexed into the LLD and charged an annual assessment that is collected with property taxes. There are currently 16 sub-areas within the LLD.

Century Communities of California, LLC ("Applicant") is currently seeking to develop a 102-lot subdivision located on the west side of Del Norte Avenue, approximately 500 feet north of Whitesbridge Road. The Applicant is in the process of submitting a final map for Tract 6572, for approval by the City Council, which will be considered as a separate Agenda item at a future meeting. A condition of approval for Tract 6572 requires that Applicant request annexation to the City 's LLD. Consistent with that requirement, the Applicant has submitted a petition and waiver to the City, requesting annexation into LLD No. 1 and agreeing to the initial assessment to be established for FY25-26. Thereafter, the property would be subject to the annual levy amounts approved by Council for LLD No. 1 for each fiscal year.

The Applicant has also (i) waived certain resolutions, report, notices of hearing, and right of majority protest, and consented to a public hearing and adoption of a Resolution by the City Council ordering annexation and levy of the Property; and (ii) expressly waived any requirement to have a ballot and majority protest proceeding per Government Code Section 53753 or as may be permitted by the Act. As a result of this waiver, the annexation process can be expedited as no report by the City Engineer is required to be prepared and filed with the City Clerk, nor is a ballot and majority protest required.

This is the first of two actions by Council. Approving the Resolution does not annex the Property or implement the assessment; it only starts the process and allows for further discussion. The Council will make a final decision on this matter at the public hearing set by the Council.

FISCAL IMPACT:

Each lot that is annexed will pay the assessment rate to be established. Thereafter, the City Council will approve assessment amounts for Area 17 of the LLD No. 1, which may be adjusted to reflect increases based on the consumer price index.

ATTACHMENTS:

- A. Resolution w/Exhibits
- B. Petition and Waiver

Attachment 'A'

RESOLUTION NO. 26-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN,
CALIFORNIA INITIATING PROCEEDINGS PURSUANT TO THE LANDSCAPING AND LIGHTING ACT
OF 1972 FOR THE ANNEXATION OF TRACT 6572 INTO LANDSCAPING AND LIGHTING DISTRICT
NO. 1, AREA 17, TO REVIEW THE IMPROVEMENTS AND ESTABLISH ASSESSMENTS AND TO SET
A PUBLIC HEARING.**

WHEREAS, the Landscaping and Lighting Act of 1972 ("Act") provides and establishes procedures for annexing properties to an existing Landscaping and Lighting Assessment District; and

WHEREAS, on September 7, 1993 the Kerman City Council established the "Kerman Landscape and Lighting District No. 1" ("LLD No. 1") to levy and collect assessments to cover the cost of maintaining landscaping, irrigation systems and streetlights within the LLD No. 1 public right-of-way; and

WHEREAS, the City Council has determined that, to finance the installation, operation, and maintenance of landscaping, irrigation and lighting improvements which benefit the aforementioned tract and public lands, it should be annexed into the District; and

WHEREAS, not only will annexing this new development into the existing district ensure that all benefitting parcels share equally in the costs to maintain the improvements, but consolidating the benefitting developments into a single assessment district will facilitate their management by the City; and

WHEREAS, the proceedings for the annexation of the aforementioned tract and public lands to the District are authorized by and will be conducted pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 (commencing with Section 22500) of Division 15 of the California Streets and Highways Code; and

WHEREAS, pursuant to Streets and Highways Code section 22608, resolutions, reports, notices of hearing, and the right of majority protest may be waived with the written consent of all landowners of the territory to be annexed; and

WHEREAS, Century Communities of California, LLC, is the landowner of the property proposed for annexation and generally located on the westside of Del Norte Avenue, approximately 500' north of Whitesbridge Road, and which is also known as Tract 6572 whose final map is being concurrently considered by the City Council, as further described or depicted on **Exhibit 'A'** ("Subject Property"); and

WHEREAS, Century Communities of California, LLC, has provided a petition for annexation and written consent to waiver of resolutions, reports, notices of hearing, and the right of majority

protest regarding the Subject Property, as well as consenting to the amount of the proposed levy for the 2025-26 fiscal year; and

WHEREAS, as a result, no report by the City Engineer is required to be prepared and filed with the City Clerk which outlines the land to be annexed, etc.; and

WHEREAS, this City Council now desires to proceed to adopt this Resolution of Intention to declare its intent to annex the Subject Property into LLD No. 1, and to set and specify the levy and collection of assessments, and to set a time and place for a public hearing relating to the annexation of the subject property into LLD No. 1, Area 17.

NOW, THEREFORE, the City Council of the City of Kerman resolves as follows:

1. The City Council proposes to annex the property into Area 17 of Kerman Landscaping And Lighting District No. 1 pursuant to the Landscaping and Lighting Act of 1972 (Section 22500 and following, Streets and Highways Code). The property proposed to be annexed is identified on **Exhibit 'A'**.
2. The property proposed to be annexed and to be specifically charged for the improvements shall include all of the land identified on **Exhibits 'A' and 'B'** (excluding Outlots "C" and "D" of Tract 6572) and shall be designated "Kerman Landscaping & Lighting District No. 1, Area 17."
3. The improvements which are provided for the properties within Kerman Landscaping & Lighting District No. 1, and which shall be provided for the property within Kerman Landscaping & Lighting District No. 1, Area 17, and through the assessments levied annually thereon shall include the following:
 - (a) The installation or planting of landscaping, including, but not limited to, street trees, parkways, and median islands;
 - (b) The installation or construction of irrigation systems;
 - (c) The installation or construction of public lighting, facilities, including, but not limited to, street lights;
 - (d) The maintenance and servicing of any of the foregoing.
4. The City Engineer of the City of Kerman is hereby designated the engineer for the annexation proceedings. The City Council finds that the landowner has presented a written consent, and that the engineer is not required to prepare and file with the City Clerk a report in accordance with Article 4 of Chapter 1 of the Landscaping and Lighting Act of 1972 for the annexation proceedings, consistent with the Landscaping and Lighting Act of 1972.
5. NOTICE IS HEREBY GIVEN that a public hearing is set for the regular meeting of the City Council on July 8, 2026 at 6:00 p.m., in the Council Chamber of City Hall, 850 S. Madera Avenue, Kerman, California 93630, All interested persons shall be heard on the question of the levy and collection of the proposed assessments. Written protests

may be filed with the City Clerk at any time prior to the conclusion of the hearing. A written protest shall state all grounds of objection and shall contain a description sufficient to identify the property owned by the protesting person or persons.

6. This resolution shall be effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at the regularly scheduled meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk

Exhibit 'A'

Legal Description

Real property in the City of Kerman, County of Fresno, State of California, described as follows:

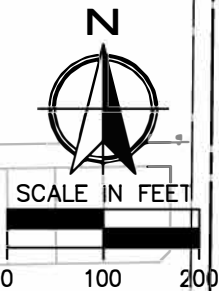
Beginning at the Southeast corner of Tract No. 6236, according to the map thereof recorded in Volume 91 of Plats at Pages 41 through 44, Fresno County Records; thence along the East line of said Tract No. 6236, North $00^{\circ}40'48''$ East, a distance of 924.53 feet; thence leaving said East line South $89^{\circ}19'12''$ East, a distance of 112.64 feet to the beginning of a non-tangent curve, concave to the Southeast, having a radius of 2028.00 feet, a radial line to said point bears North $83^{\circ}48'10''$ West, thence, Northerly along said curve through a central angle (delta) of $00^{\circ}12'53''$, an arc length of 7.60 feet to the beginning of a reverse curve concave to the Northwest and having a radius of 1972.00 feet; thence, Northerly along said curve, through a central angle of $00^{\circ}59'45''$, an arc distance of 34.28 feet; thence South $84^{\circ}35'02''$ East a distance of 56.00 feet; thence, South $89^{\circ}19'12''$ East, a distance of 203.92 feet; thence, North $00^{\circ}40'48''$ East, a distance of 38.20 feet; thence, South $89^{\circ}19'12''$ East, a distance of 312.00 feet; thence, South $00^{\circ}40'48''$ West, a distance of 13.45 feet; thence, North $89^{\circ}59'46''$ East, a distance of 426.36' feet; thence, South $00^{\circ}38'17''$ West, a distance of 37.92 feet; thence South $89^{\circ}21'43''$ East, a distance of 206.11 feet; thence South $00^{\circ}38'03''$ West, a distance of 486.80 feet; thence South $89^{\circ}59'46''$ West, a distance of 606.41 feet, to the beginning of a tangent curve concave to the Northeast and having a radius of 50.00 feet; thence Northwesterly along said curve, through a central angle of $18^{\circ}14'15''$, an arc distance of 15.92 feet, to the beginning of a reverse curve having a radius of 50.00 feet; thence Southwesterly along said curve, though a central angle (delta) of $90^{\circ}48'28''$, an arc distance of 79.24 feet; thence, South $89^{\circ}59'46''$ West a distance of 376.87 feet; thence, South $0^{\circ}40'48''$ West a distance of 417.58 feet; thence, South $89^{\circ}13'11''$ West a distance of 259.33 feet to the true Point of Beginning.

ALSO EXCEPTING THEREFROM all OIL, GAS AND OTHER HYDROCARBON SUBSTANCES in and under said premises, together with the full right and privilege to the grantor, its successors and assigns, to develop and remove the same, as reserved by WM. G. Kerckhoff Company, a corporation, in Grant Deed recorded May 27, 1942 in Book 2007, Page 206 of Official Records.

ALSO EXCEPTING THEREFROM all OIL, GAS AND OTHER HYDROCARBON SUBSTANCES in and under said premises, together with the full right and privilege to the grantor, its successors and assigns, to develop and remove the same, as reserved by

WM. G. Kerckhoff company, a corporation, in Grant Deed recorded October 27, 1942 in Book 2146, Page 416 of Official Records.

Exhibit 'B'



TSM NO. 2023-04
PHASE 3

DEL NORTE AVENUE



WHITESBRIDGE ROAD



**RE: Petition (Including Consent And Waiver) Requesting Annexation To
Kerman Landscape and Lighting Maintenance District No. 1 (Final Map No.
6572)**

Dear City Council of the City of Kerman:

The undersigned landowner does hereby certify under penalty of perjury that the following statements are all true and correct:

1. The undersigned is the landowner identified below and requests and petitions the City Council (the "Council") of the City of Kerman (the "City") for annexation to Kerman Landscape and Lighting Maintenance District No. 1 ("District No. 1") pursuant to the provisions of Landscaping and Lighting Act of 1972 ("Act"), commencing at California Streets and Highways Code section 22500 et seq., and to authorize certain other consents and waivers contained herein. The boundaries of the territory to be annexed are described on Exhibit "A" hereto and by this reference incorporated herein.

2. The landowner hereby certifies that as of the date indicated opposite of the undersigned's signature, the landowner listed herein is the owner of the property within the proposed annexation boundary of District No. 1, (the "Property"), which Property's boundary is further described in Exhibit "A" hereto.

3. The landowner, pursuant to Sections 22607 and 22585 *et seq.* of the Act, hereby requests that proceedings be commenced:

(a) To annex the Property to District No. 1 for the purposes including the following:

- The installation or construction of public lighting, facilities, including, but not limited to, street lights;
- The installation or planting of landscaping, including, but not limited to, street trees, parkways, and median islands;
- The installation or construction of irrigation systems;
- The maintenance and servicing of any of the foregoing.

(b) To authorize the levy of assessments on the Property in accordance with the rate and method of apportionment of District No. 1 to finance the above-mentioned services, incidental expenses and fees; and

(c) To authorize the issuance of bonds for District No. 1 if applicable.

4. In accordance with the provisions of the Act, and specifically Section 22608 for annexation proceedings, resolutions, report, notices of hearing, and right of majority protest shall be waived with written consent of the owners of property within the territory to be annexed, the landowner (i) expressly waives the resolutions, report, notices of hearing, and right of majority protest, and consents to a public hearing and adoption of a Resolution by the City Council ordering annexation and levy of the Property; and (ii) expressly waives any requirement to have a ballot and majority protest proceeding per Government Code Section 53753 or as may be permitted by the Act.

5. The landowner expressly waives all applicable waiting periods for the election and waives the requirement for analysis, engineer's report, etc., and consents to not having such materials provided to the landowner, and expressly waives any requirements as to the form of the ballot.

6. The landowner acknowledges and agrees that the initial annual levy for the District No. 1, Area 17, is currently \$370.71 per parcel, and that the levy may be adjusted by the City in the future consistent with the Act.

7. The undersigned warrants it is the owner of one hundred percent (100%) of the Property. The undersigned warrants that there are no liens or encumbrances on the Property in the favor of any lender, including but not limited to any deeds of trust, mortgages, leases, or liens of a similar nature.

8. The undersigned agrees to execute such additional or supplemental agreements as may be required by the City to provide for any actions and conditions under this petition, including any amount of cash deposit required to pay for the City's costs related to annexing into District No. 1.

9. The undersigned agrees to cooperate with the City, its attorneys and consultants and provide all information and disclosures required by the City regarding the assessment to purchasers of the Property or any part of it.

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IN WITNESS WHEREOF, I hereunto set my hand this 20th day of May, 2026.

OWNER:

CENTURY COMMUNITIES OF
CALIFORNIA, LLC

By: 

W. Allen Bennett, Vice President

The address of the above owner for receiving notices is:

To: CENTURY COMMUNITIES OF
CALIFORNIA, LLC
7330 N. Palm Avenue, Suite 106
Fresno, CA 93711
W. Allen Bennett
(559) 439-4464
allen.bennett@centurycommunities.com

4 FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF Kerman THIS
DAY OF June, 2026.


Dalia Santana-Zamudio, City Clerk

EXHIBIT A

Legal Description

Real property in the City of Kerman, County of Fresno, State of California, described as follows:

Beginning at the Southeast corner of Tract No. 6236, according to the map thereof recorded in Volume 91 of Plats at Pages 41 through 44, Fresno County Records; thence along the East line of said Tract No. 6236, North $00^{\circ}40'48''$ East, a distance of 924.53 feet; thence leaving said East line South $89^{\circ}19'12''$ East, a distance of 112.64 feet to the beginning of a non-tangent curve, concave to the Southeast, having a radius of 2028.00 feet, a radial line to said point bears North $83^{\circ}48'10''$ West, thence, Northerly along said curve through a central angle (delta) of $00^{\circ}12'53''$, an arc length of 7.60 feet to the beginning of a reverse curve concave to the Northwest and having a radius of 1972.00 feet; thence, Northerly along said curve, through a central angle of $00^{\circ}59'45''$, an arc distance of 34.28 feet; thence South $84^{\circ}35'02''$ East a distance of 56.00 feet; thence, South $89^{\circ}19'12''$ East, a distance of 203.92 feet; thence, North $00^{\circ}40'48''$ East, a distance of 38.20 feet; thence, South $89^{\circ}19'12''$ East, a distance of 312.00 feet; thence, South $00^{\circ}40'48''$ West, a distance of 13.45 feet; thence, North $89^{\circ}59'46''$ East, a distance of 426.36 feet; thence, South $00^{\circ}38'17''$ West, a distance of 37.92 feet; thence South $89^{\circ}21'43''$ East, a distance of 206.11 feet; thence South $00^{\circ}38'03''$ West, a distance of 486.80 feet; thence South $89^{\circ}59'46''$ West, a distance of 606.41 feet, to the beginning of a tangent curve concave to the Northeast and having a radius of 50.00 feet; thence Northwesterly along said curve, through a central angle of $18^{\circ}14'15''$, an arc distance of 15.92 feet, to the beginning of a reverse curve having a radius of 50.00 feet; thence Southwesterly along said curve, through a central angle (delta) of $90^{\circ}48'28''$, an arc distance of 79.24 feet; thence, South $89^{\circ}59'46''$ West a distance of 376.87 feet; thence, South $0^{\circ}40'48''$ West a distance of 417.58 feet; thence, South $89^{\circ}13'11''$ West a distance of 259.33 feet to the true Point of Beginning.

ALSO EXCEPTING THEREFROM all OIL, GAS AND OTHER HYDROCARBON SUBSTANCES in and under said premises, together with the full right and privilege to the grantor, its successors and assigns, to develop and remove the same, as reserved by WM. G. Kerckhoff Company, a corporation, in Grant Deed recorded May 27, 1942 in Book 2007, Page 206 of Official Records.

ALSO EXCEPTING THEREFROM all OIL, GAS AND OTHER HYDROCARBON SUBSTANCES in and under said premises, together with the full right and privilege to the grantor, its successors and assigns, to develop and remove the same, as reserved by WM. G. Kerckhoff company, a corporation, in Grant Deed recorded October 27, 1942 in Book 2146, Page 416 of Official Records.



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: John Jansons, City Manager

SUBJECT: Public Hearing on Status of City’s Personnel Vacancies, Recruitment, and Retention Efforts as Required by AB 2561 pursuant to Government Code Section 3502.3 (JAJ)

RECOMMENDATION: Conduct Public Hearing on status of City’s personnel vacancies, recruitment, and retention efforts and provide direction to staff.

EXECUTIVE SUMMARY:

Assembly Bill 2561 (AB 2561) requires cities to conduct a Public Hearing on the status of staff personnel vacancies and recruitment and retention efforts as required by AB 2561 pursuant to Government Code Section 3502.3. The table below summarizes vacancies for each bargaining unit as of May 21, 2026.

Bargaining Unit	Vacancy Rate as of 5/21/2026
Kerman Miscellaneous Employee Association	6.00%
Kerman Peace Officers Association	5.88%

Kerman Municipal Employees Association

There are three current vacancies for the Kerman Municipal Employees Association. The positions are Water Distribution & Wastewater Manager, Water and Wastewater Operator II and Human Resource Specialist. These are not entry level positions.

The Water Distribution & Wastewater Manager (WWTP Manager) has been vacant since January 15, 2021; the Water and Wastewater Operator II has been vacant since May 04, 2026; and the Human Resource (HR) Specialist has been vacant since May 11, 2026.

The Water and Wastewater Operator II and the HR Specialist positions have only been vacant for less than thirty days and recruitment is to begin shortly.

The WWTP Manager position requires the candidate to be in possession of an active Grade III Water Distribution and Grade III Wastewater Treatment Plant Operations Certificate issued by the California State Water Resources Control Board. The following reflects the City’s efforts to fill the position:

- The City has engaged in multiple recruitments
- One application was received in 2022; the candidate did not have the required certificates.

- Two applications were received in 2024; one candidate did not have any of the required certificates; one candidate was offered the position; however, that candidate declined a few days prior to the start date.
- Eleven applications were received in 2025 and 2026; nine candidates did not have any of the required certificates; two candidates were interviewed and were not offered the position.
- The job is periodically advertised on industry specific job boards such as:
 - California Water Jobs
 - American Public Works Association
 - California City News
 - Western City Magazine
 - Brown and Caldwell Water Jobs
- An approximate \$6000.00 has been spent on recruitment advertisements.
- Since COVID, industries have been impacted by early retirements. Within the Fresno region, the wastewater industry has impacted locally, making it very difficult hard to find candidates with the knowledge, experience and certifications required for the position.

Given these challenges, the Public Works Director and the City Manager are exploring whether, without compromising plant management, the responsibilities of this position can be revised and updated to make the position easier to fill.

Kerman Peace Officers Association

There are two current vacancies for KPOA. The vacant positions are Police Officers. There are currently two candidates in Step 2 of the background process. It is commonplace for Police Departments through the Central Valley to struggle to fill all their authorized positions, yet Kerman maintains a low vacancy rate among its peer agencies.

BACKGROUND:

This is the second annual report required by AB 2561 which requires public agencies, including the City, to hold at least one (1) public hearing per fiscal year to discuss vacancies and recruitment and retention efforts.

AB 2561 was adopted by the state legislature to address the issue of job vacancies in local government, which adversely affects the delivery of public services and employee workload. Among other requirements, the bill mandates that public agencies present the status of vacancies and recruitment and retention efforts during a public hearing before the agency's governing body at least once per fiscal year. The bill was enacted into law and is codified at Government Code section 3502.3.

In compliance with the requirements of AB 2561, the City is required to do the following:

Public Hearing: At least once each fiscal year, at a public hearing before the City Council, the City shall present information regarding the status of vacancies and recruitment and retention efforts (Gov. Code § 3502.3(a)(1)) and identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process (Gov. Code § 3502.3(a)(3)). This presentation must occur prior to the Council's adoption of the final budget. (Gov. Code § 3502.3(a)(2).)

1. Employee Organization Participation: Allow the recognized employee organization for each bargaining unit at the City to present questions during the public hearing concerning vacancies and recruitment and retention efforts. The City of Kerman has two (2) bargaining units: KMEA and KPOA. (Gov. Code § 3502.3(b).)
2. Additional Reporting for High Vacancy Rates: If vacancies within a single bargaining unit meet or exceed (twenty percent (20%)) of authorized full-time positions in that bargaining unit, upon request of the recognized employee organization for that bargaining unit, the City must provide additional information during the public hearing, including the following: (1) the total number of vacancies; (2) the number of applicants; (3) the average time to fill positions; and (4) opportunities to improve compensation and working conditions for employees in the bargaining unit. (Gov. Code § 3502.3(c).)

The City provided a final draft of this report to both bargaining units, KMEA and KPOA, in advance of the Public Hearing to receive and address any of their respective comments or questions on this report.

FISCAL IMPACT:

There is no direct fiscal impact associated with conducting the Public Hearing required under AB 2561 and Government Code Section 3205.3. However, addressing recruitment and retention issues may involve future budget and bargaining considerations, which will be presented to the City Council as necessary.

ATTACHMENTS:

None.



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: Josefina Alvarez, Finance Director

SUBJECT: Adoption of Fiscal Year 2026/2027 Budget, Amending Fiscal Year 2025/2026 Budget, Establishing Appropriations Limit for Fiscal Year 2026/2027, and Authorizing Number of Employee Positions and Titles (JA)

RECOMMENDATION: Council by motion adopt the following:

1. Resolution Approving the City of Kerman Fiscal Year 2026/2027 Operating and Capital Budgets and amending the Fiscal Year 2025/2026 budget; and
2. Resolution Establishing the Appropriations Limit for Fiscal year 2026/2027; and
3. Resolution Authorizing Number of Employee Positions and Titles

EXECUTIVE SUMMARY:

The preliminary City of Kerman budget was presented to the City Council on May 27, 2026 at the budget workshop. The budget showed an estimated deficit of \$2,817,392 with revenues at \$12,963,588 and expenditures at 15,780,980. Both revenues and expenditures remained the same for the General Fund since the budget workshop. It is noted that the City still has a healthy reserve in the amount of \$16,276,654 as of FY 2024/2025 (which has been audited), which is 17.3% of the general fund.

The Enterprise Fund revenues and expenditures remained the same with a total overall surplus of \$582,035. The Internal Service Fund expenditures also remained the same at a surplus of \$7,674.

Thus, the proposed Fiscal Year 2026/2027 budget and amended 2025/2026 budget is presented herein for final adoption.

The total City-wide expenditures proposed for Fiscal Year 2026/2027 are about \$51.3 million and include the following:

Description	Budget 2026/2027
General Fund	\$15,780,980
Enterprise Funds	\$8,164,477
Internal Service Funds	\$1,428,329
Special Revenue Funds	\$3,326,969
Capital Projects	\$22,653,002

Total	\$51,353,757
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The total Citywide revenues proposed for Fiscal Year 2026/2027 include the following:

Description	Budget 2026/2027
General Fund	\$12,963,588
Enterprise Funds	\$8,746,513
Internal Service Funds	\$1,436,003
Special Revenue Funds	\$18,588,812
Total	\$41,734,916

General Fund

The General Fund is the largest individual fund and accounts for most services associated with municipal government including parks, recreation, police, administration, and community development services. The General Fund is primarily funded by general tax revenues, such as sales and property tax revenues and vehicle license fees.

The proposed General Fund budget expenditures are \$15.7 million, with projected revenues at \$12.9 million and an estimated deficit of \$2,817,392. It is important to note that \$2,700,000 is allocated under Measure M for the construction of Hart Ranch Park. Reserves will be used to fund this much-anticipated project which is expected to be completed December 2026 or soon thereafter.

Enterprise Funds

The Enterprise Funds include Water, Wastewater, Solid Waste, and Storm Drain funds. These funds are funded primarily from user fees and other charges. The City has conducted a Water, Wastewater, and Storm Drain Rate Study to adopt new rates through December 2028. The Water, Wastewater, and Storm Drain rates will increase in January 2027, and the Solid Waste rates will increase in July 2026.

The proposed Enterprise Fund budget revenues of \$8.74 million are approximately \$582,835 more than projected expenses of \$8.16 million.

The proposed revenues for the Enterprise Funds are as follows:

Description	Budget 2026/2027
Water Fund	\$3,494,315
Sewer Fund	\$2,540,465
Solid Waste Fund	\$2,596,818
Storm Drain Fund	\$114,915
Total	\$8,746,513

The proposed expenditures for the Enterprise Funds are as follows:

Description	Budget 2026/2027
Water Fund	\$3,042,753
Sewer Fund	\$2,379,563
Solid Waste Fund	\$2,453,642
Storm Drain Fund	\$288,519
Total	\$8,164,477

Capital Projects

The Capital Project funds include local, state, and federal revenues to fund infrastructure projects throughout the City. The capital projects reflect the City's ongoing commitment to maintaining, improving, and expanding City facilities, parks, streets, and other major infrastructure throughout the City. A summary of City-wide capital projects is detailed in **Attachment 'C'**.

Fiscal Year 2025/2026 Amendments

The resolution approving the Fiscal Year 2026/2027 budget includes some adjustments that were made to the Fiscal Year 2025/2026 budget, which are reflected on all of the budgets under the "Estimated Year-End" column. These budget amendments were deemed necessary due to unforeseen operational and capital outlay expenditures that were made throughout the year and were presented in the Mid-Year Budget Presentation.

An overview of the General Fund budget can be found on **Attachment 'A'** and a complete summary of City-wide expenditures is shown in **Exhibit 'B'** under the resolution enclosed herein as **Attachment 'D'**.

FISCAL IMPACT: The adoption of the proposed City of Kerman Fiscal Year 2026/2027 budget sets forth the appropriations for the delivery of municipal services.

ATTACHMENTS:

- A. General Fund Summary
- B. Enterprise Fund Summary
- C. City-wide Capital Projects
- D. Resolution Adopting the City of Kerman Fiscal Year 2026/2027 Budget and Approving Adjustments to the Fiscal Year 2025/2026 Budget w/Exhibits
- E. Resolution Establishing the Appropriations Limit for Fiscal Year 2026/2027 (GANN Limit) w/Exhibit
- F. Resolution Authorizing Number of Employee Positions and Titles

Attachment 'A'

General Fund Summary

Activity Description	Audited 2023-2024	Audited 2024-2025	Adopted 2025-2026	Estimated Year- End 2025-2026	Budget 2026-2027	Estimated vs. Proposed		Exp % of Total GF Revenue	Incr.Dec (-) 25/26 vs. 26/27 Budget
						\$	- Change		
LEGISLATIVE & GEN. GOVT.									
6001 City Council	\$34,802	\$52,704	\$63,753	\$63,753	\$75,211	\$11,459			18.0%
6003 City Legal Services	117,613	223,830	200,000	200,000	175,000	(25,000)			-12.5%
1002 General Administration	795,424	527,384	653,880	657,380	614,385	(42,995)			-6.5%
5005 Administrative Services	153,127	142,198	156,327	158,008	165,111	7,103			4.5%
5006 Debt Service (Gateway Villa DIF)	95,339	95,339	0	0	0	0			0.0%
6004 City Clerk	128,193	136,726	176,479	183,989	168,860	(15,129)			-8.2%
7001 Measure M	1,455,209	1,914,503	6,247,575	5,882,951	4,747,241	(1,135,711)			-19.3%
TOTAL LEGISLATIVE & GEN. GOVT.	2,779,707	3,092,684	7,498,013	7,146,080	5,945,808	(1,200,272)		45.9%	-16.8%
COMMUNITY DEVELOPMENT									
1008 Planning	270,142	313,276	499,789	459,889	462,603	2,714			0.6%
1009 Code Compliance	165,543	202,164	212,559	215,692	248,139	32,446			15.0%
1009 Transfer from Measure M (Code Compliance)	(165,665)	(202,164)	(212,559)	(212,559)	(248,139)	(35,579)			16.7%
1010 Engineering	309,796	325,751	350,000	350,000	320,000	(30,000)			-8.6%
1042 Building	284,727	306,469	441,357	399,500	371,895	(27,604)			-6.9%
TOTAL PLANNING & DEVELOPMENT	864,543	945,496	1,291,146	1,212,522	1,154,498	(58,024)		8.9%	-4.8%
RECREATION/COMMUNITY SERVICES									
2002 Recreation Administration	407,955	468,894	556,852	558,745	595,677	36,932			6.6%
2010 Building Maintenance	629,749	867,326	828,670	847,413	864,238	16,825			2.0%
2044 Senior Center Services	147,619	163,046	216,249	216,294	226,445	10,151			4.7%
2047 Aquatics Program	48,893	69,553	86,750	88,050	86,967	(1,083)			-1.2%
2062 Planned Recreation	0	0	0	0	0	0			0.0%
2065 Youth and Teen Services	0	0	0	0	0	0			0.0%
2069 Community Teen Center	164,603	183,495	222,679	252,536	239,353	(13,182)			-5.2%
TOTAL RECREATION/SOCIAL SERVICES	1,398,818	1,752,312	1,911,199	1,963,038	2,012,680	49,643		15.5%	2.5%
POLICE OPERATIONS									
3011 Police Operations (Including ACT & SRO)	4,292,889	5,384,242	6,004,855	6,069,954	6,538,495	468,541			7.7%
3011 Transfer From Measure M	(247,568)	(388,422)	(390,099)	(390,099)	(400,387)	(10,288)			2.6%
3041 Animal Control	161,730	128,146	161,296	170,936	192,174	21,237			12.4%
TOTAL POLICE OPERATIONS	4,207,051	5,123,965	5,776,051	5,850,790	6,330,281	479,490		48.8%	8.2%
PUBLIC WORKS									
4010 Parks Landscape Maintenance	236,221	246,331	290,802	293,441	337,713	44,272			15.1%
TOTAL PUBLIC WORKS	236,221	246,331	290,802	293,441	337,713	44,272		2.6%	15.1%
TOTAL GENERAL FUND OPERATION EXPENSES									
	9,486,339	11,160,790	16,767,210	16,465,871	15,780,980	(684,891)			-4.2%
TOTAL GENERAL FUND REVENUE									
	11,306,860	12,085,314	11,865,997	12,218,096	12,963,588	745,492			6.1%
EXCESS (DEFICIT) REVENUE OVER EXPENDITURES									
	1,820,522	924,524	(4,901,214)	(4,247,775)	(2,817,392)				
EXCESS (DEFICIT) PERCENTAGE OF TOTAL G/F REVENUE									
	16.10%	7.65%	-41.30%	-34.77%	-21.73%				

GENERAL FUND CAPITAL IMPROVEMENTS ARE DETAILED SEPARATELY UNDER THE CAPITAL IMPROVEMENT PROJECT BUDGET

Attachment 'B'

Enterprise Fund Summary

ACTIVITY	Description	Audited 2023-2024	Audited 2024-2025	Adopted 2025-2026	Estimated Year- End	Budget 2026-2027	Adopted vs. Proposed % Change	Adopted vs. Proposed \$ Change
WATER FUND (410)								
	Total Water Fund Revenues	\$3,125,754	\$3,444,778	\$3,262,751	\$3,268,093	\$3,494,315	6.9%	226,222
5005	Water Administration & Accounting	541,718	600,288	666,552	679,973	681,558	0.2%	1,586
5006	Water - Debt Service	165,000	165,000	165,000	165,000	165,000	0.0%	0
4041	Water Operations	1,654,048	1,883,224	2,532,138	2,545,217	2,196,195	-13.7%	(349,023)
	Total Water Fund Operations	2,360,765	2,648,512	3,363,689	3,390,190	3,042,753		
	Revenue in Excess of Expenditures	764,988	796,266	(100,939)	(122,097)	451,562		
SEWER FUND (420)								
	Total Sewer Fund Revenues	2,231,785	2,525,216	2,369,774	2,398,673	2,540,465	5.9%	141,791
5005	Sewer Administration & Accounting	440,546	477,985	549,822	557,169	550,882	-1.1%	(6,287)
5006	Sewer - Debt Service	151,743	151,743	151,743	151,743	151,743	0.0%	0
4042	Sewer Operations	1,352,865	1,262,544	1,919,117	1,961,417	1,676,939	-14.5%	(284,478)
	Total Sewer Fund Operations	1,945,153	1,892,272	2,620,682	2,670,329	2,379,563		
	Revenue in Excess of Expenditures	286,631	632,943	(250,907)	(271,656)	160,901		
SOLID WASTE (430)								
	Total Solid Waste Fund Revenues	2,420,424	2,496,397	2,536,535	2,541,662	2,596,818	2.2%	55,156
5005	Solid Waste Administration & Accounting	2,126,577	2,257,068	2,407,308	2,415,701	2,453,642	1.6%	37,942
	Total Solid Waste Fund Operations	2,126,577	2,257,068	2,407,308	2,415,701	2,453,642		
	Revenue & Transfer in Excess of Expenditures	293,847	239,329	129,228	125,961	143,176		
STORM DRAIN OPERATIONS FUND (470)								
	Total Storm Drain Operation Revenues	97,694	117,491	107,009	107,009	114,915	7.4%	7,906
4047	Storm Drain Maintenance & Operations	122,117	132,986	211,241	209,969	288,519	37.4%	78,550
	Total Storm Drain Fund Operations	122,117	132,986	211,241	209,969	288,519		
	Revenue in Excess of Expenditures	(24,423)	(15,496)	(104,232)	(102,960)	(173,604)		
	TOTAL ENTERPRISE FUND REVENUE	7,875,657	8,583,882	8,276,069	8,315,437	8,746,513	5.2%	431,076
	TOTAL ENTERPRISE FUND EXPENDITURES	6,554,613	6,930,839	8,602,920	8,686,188	8,164,477	-6.0%	(521,711)
	EXCESS (DEFICIT) REVENUE	\$1,321,044	1,653,043	(\$326,850)	(\$370,751)	582,035		

CAPITAL IMPROVEMENTS ARE DETAILED SEPARATELY UNDER THE (CIP) BUDGET

Attachment 'C'

Fiscal Year 2026/2027		
Project	Funding Source	Estimated Cost
Streets		
FY25/26 Street Rehabilitation Project - Various Streets	Local Street Funds	1,412,814
High Visibility Crosswalk Striping	Local Street Funds	90,000
Concrete Repair Project	Local Street Funds	40,000
FY25/26 Street Sealing Project - Various Streets	Local Street Funds	457,000
FY26/27 Streets Sealing Project - Various Streets	Local Street Funds	457,000
Annual Streets Lights Installation (1st Phase)	Local Street Funds	21,000
Vineland Ave Rehab Sunset/San Joaquin	Local Street Funds	55,000
RSTP - Vineland Ave Widening (North) (025)	Local Street Funds/Grants	485,100
CMAQ - California Ave Sidewalk 9th to Vineland	Local Street Funds/Grants	242,600
HSIP Kearney Blvd Ped Crossing Improvements	Local Street Funds/Grants	247,156
Siskiyou Rehab - Kearney to California	Local Street Funds/Grants	1,120,800
Kearney Rehab - 16th to Goldenrod	Local Street Funds/Grants	541,000
Goldenrod Rehab - Stanislaus to Kearney	Local Street Funds/Grants	718,439
HSIP Cycle 12 Pedestrian Crossing Improvements	Local Street Funds/Grants	72,500
Del Norte Ave Rehab Kearney/180	Local Street Funds/Grants	98,000
FY26/27 Street Rehabilitation Project - Various Streets	Local Street Funds	1,200,000
Total Street Capital Projects		7,258,409
Water		
Fixed Network Metering	Water Fund	50,000
Pipeline /Service Replacement	Water Fund	50,000
Well No 33	Water Fund	315,680
Water Meter Installation Project (City Facilities/Commercial)	Water Fund	983,000
Well No 18	Water Fund/Grant	2,000,000
Basin C Groundwater Recharge Project	DIF	80,000
Total Water Capital Projects		3,478,680
Sewer		
Seepex Progressive Cavity Pump	Sewer Fund	64,200
7x14 Pump Trailer (for sludge hauling WWTP)	Sewer Fund	15,300
Fixed Network Metering	Sewer Fund	50,000
Pipeline /Service Replacement	Sewer Fund	50,000
WWTP Office Expansion	Sewer Fund	50,000
WWTP Animal Shelter Demo/Shop Expansion	Sewer Fund	50,000
Goldenrod Lift Station Rehabilitation	Sewer Fund	43,000
Total Sewer Capital Projects		322,500
Solid Waste		
Capital Outlay-Carts-New Residential Development	Solid Waste	28,000
Total Solid Waste Capital Projects		28,000
Storm Drain		
Regrade B Street Basin	Sewer Fund	75,000
Basin J Expansion	Sewer Fund	237,000
Total Storm Drain Capital Projects		312,000

Fiscal Year 2026/2027

Project	Funding Source	Estimated Cost
Landscape and Lighting District		
Sidewalk Repairs - Lighting & Landscaping Districts	Solid Waste	15,000
Reconstruct/Renovate Mow Strips	Solid Waste	35,000
Public Works Office Remodel	Solid Waste	30,000
Total L&L Capital Projects		80,000
Parks & Facilities		
Multigenerational Center (Resiliency Center)	GF- Measure M/Grant	7,260,000
Police Station	GF- Measure M/Grant	51,993
Eastside Community Park (25 Acres-Hart Ranch)	GF- Measure M/Grant	5,250,000
Downtown Revitalization Program	GF- Measure M/Grant	50,000
Coleman Grand Stand Replacement & Paint	General Fund	65,000
Philip Gallegos Play Park Lighting	General Fund	45,000
Rain Gutter Replacement 942 S Madera Ave	General Fund	25,000
Lions Park Playground Equipment	General Fund	120,000
Contingency Kerman Veteran Plaza Park Restrooms Remodel	General Fund/Grant	192,060
Rotary Park Playground Equipment	General Fund	80,000
Annual Streets Lights Installation (1st Phase)	General Fund /Grant	187,200
Kerckhoff Park Improvements	Grant	266,725
Total Parks & Other Facilities		13,592,978
Vehicle/Equipment Replacement		
PD Fleet Vehicles	Vehicle and Equipment Fund	57,000
PW, Parks & Rec Fleet Vehicles	Vehicle and Equipment Fund	101,800
96" Lazer Diesel 37HP Mower	Vehicle and Equipment Fund	49,535
Total Vehicles & Equipment		208,335
Total Major Capital Expenditures		25,280,902
Total Minor Capital Expenditures		640,151
Total Capital Expenditures		\$25,921,054

Attachment ‘D’

RESOLUTION NO. 26-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ADOPTING THE FISCAL YEAR 2026/2027 BUDGET AND APPROVING ADJUSTMENTS TO THE FISCAL YEAR 2025/2026 BUDGET

WHEREAS, the City Council has reviewed the proposed City of Kerman Fiscal Year 2026/2027 Budget (‘Proposed Budget’) attached hereto as **Exhibit ‘A’** at a duly noticed public meeting; and

WHEREAS, the Proposed Budget is based upon appropriate estimates and financial planning for the City’s operations, services and capital improvements, including adjustments to the Fiscal Year 2025/2026 Budget; and

WHEREAS, the Proposed Budget provides continued services at current levels to the community; and

WHEREAS, all procedural requirements for adopting the City’s Budget were fulfilled and the City Council was fully informed regarding the City’s current finances, projected revenue and financial obligations; and

WHEREAS, it is in the public interest for the City Council to adopt the Budget as proposed by the City Manager.

NOW THEREFORE, the City Council of the City of Kerman resolves as follows:

- SECTION 1: ADOPTION. The Fiscal Year 2026/2027 Budget as presented and set forth in **Exhibit ‘A’** is approved and adopted subject only to the authorizations set forth below. Such approval and adoption includes, without limitation, adjustments to the Fiscal Year 2025/2026 Budget.
- SECTION 2: BUDGET APPROPRIATIONS. The Fiscal Year 2026/2027 Budget appropriation totals \$51,353,757 as shown in **Exhibit ‘B’**. The City Manager, or designee, is authorized to implement the appropriations as detailed in the Budget for City Departments.
- SECTION 3: BUDGET ADJUSTMENTS. The Budget may be subsequently adjusted as follows:
- A. By majority vote of the City Council;
 - B. By the City Manager, or designee, for all appropriation transfers between departments and activities and line items within a City fund;

C. By Department Directors for appropriation transfers between activities and line items within a department;

D. Line-item expenditures within activities and departments are not restricted so long as funding is available in the City fund as a whole.

The Fiscal Year 2025/2026 City of Kerman Budget is hereby adjusted and those adjustments become a part of the 2025/2026 City of Kerman Amended Budget.

SECTION 4: This resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

The foregoing resolution was adopted by the City Council of the City of Kerman at a regular meeting, held on the 10th day of June 2026 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana Zamudio
City Clerk

Exhibit 'A' to Resolution

<https://ca-kerman.civicplus.com/182/City-Budget>

Exhibit 'B' to Resolution

CITY WIDE EXPENDITURES SUMMARY (INCLUDING CAPITAL PROJECTS)

					Sub-Total	Debt Service/	
Fund	Activity	Description	Personnel	M & O	Operations	Capital	Total
General Fund							
100	6001	City Council	\$39,055	\$36,156	\$75,211	\$0	\$75,211
100	6003	Legal Services	0	175,000	175,000	0	175,000
100	1002	City Manager	142,940	471,445	614,385	0	614,385
100	5005	Administrative Services	53,897	111,215	165,111	0	165,111
100	5006	Debt Service to DIF	0	0	0	0	0
100	6004	City Clerk	101,277	67,583	168,860	0	168,860
100	7001	Measure M	20,026	753,526	773,552	3,973,689	4,747,241
100	1008	Planning	345,896	109,207	455,103	7,500	462,603
100	1009	Code Compliance	208,745	39,394	248,139	0	248,139
100	1009	Transfer from Measure M (Code Compliance)	(208,745)	(39,394)	(248,139)	0	(248,139)
100	1010	Engineering	0	320,000	320,000	0	320,000
100	1042	Building	185,793	178,603	364,395	7,500	371,895
100	2002	Recreation & Comm Services Admin.	460,374	134,803	595,177	500	595,677
100	2010	Building Maintenance	654,079	203,959	858,038	6,200	864,238
100	2044	Senior Center Services	160,865	65,580	226,445	0	226,445
100	2047	Aquatics Program	68,771	18,196	86,967	0	86,967
100	2062	Planned Recreation	0	0	0	0	0
100	2065	Youth Service Bureau	0	0	0	0	0
100	2069	Community Teen Center	153,631	82,023	235,653	3,700	239,353
100	3011	Police Operations	4,926,819	1,595,426	6,522,245	16,250	6,538,495
100	3011	Transfer from Measure M (New Police Office)	(400,387)	0	(400,387)	0	(400,387)
100	3041	Animal Control	111,401	80,773	192,174	0	192,174
100	4010	Park Landscape Maintenance	215,798	121,915	337,713	0	337,713
Sub-Total General Fund			7,240,232	4,525,409	11,765,641	4,015,339	15,780,980
Enterprise Funds							
410	5005	Water	299,249	382,309	681,558	0	681,558
410	5006	Water	0	0	0	165,000	165,000
410	4041	Water Operations	818,314	1,363,881	2,182,195	14,000	2,196,195
420	5005	Sewer	220,495	330,387	550,882	0	550,882
420	5006	Sewer	0	0	0	151,743	151,743
420	4042	Sewer Collection & Operations	741,752	810,686	1,552,439	124,500	1,676,939
430	5005	Solid Waste (Refuse)	328,176	2,125,466	2,453,642	0	2,453,642
470	4047	Storm Drain Maintenance & Operations	116,325	83,194	199,519	89,000	288,519
Sub-Total Enterprise Funds			2,524,311	5,095,924	7,620,234	544,243	8,164,477
Internal Service Funds							
500	4050	Vehicle/Equipment Mtnc & Replacement	335,369	719,024	1,054,393	238,835	1,293,228
510	5051	Technology Maintenance & Replacement	45,202	69,899	115,102	20,000	135,102
Sub-Total Internal Service Funds			380,571	788,923	1,169,494	258,835	1,428,329
Special Revenue Funds							
100	3050	SLESF Grant	223,686	0	223,686	0	223,686
100	3999	Safety Grants, Contracts and Projects	75,537	36,418	111,955	5,000	116,955
110	1011	CIP Administration	0	50,000	50,000	0	50,000
170	1007	General Plan Updates	0	0	0	0	0
730	2046	Senior Nutrition Site Management	46,857	3,550	50,407	0	50,407
740	2045	National Rec. & Park Assoc.(NRPA)	1,747	500	2,247	0	2,247
750	4075	Lighting & Landscaping District 1	525,954	144,727	670,681	80,000	750,681
780	8000	Grants-Planning & Development				0	0
800-850, 870	408x	Street Maintenance, TDA and Other	223,708	491,653	715,360	281,938	997,298
880	4088	Measure C - Flex	372,599	141,253	513,853	10,000	523,853
881	4088	Measure C - ADA	0	0	0	10,107	10,107
882	4088	Measure C - Streets	294,500	51,296	345,796	255,938	601,734
Sub-Total Special Revenue Funds			1,764,589	919,396	2,683,986	642,983	3,326,969
Capital Project Funds							
100	8000	Parks, Facilities & Equipment	0	0	0	482,443	482,443
120	8000	CDBG Construction	0	0	0	604,042	604,042
140	8000	Facilities Construction	0	0	0	50,054	50,054
410, 520-540	8000	Water Construction	0	0	0	3,693,680	3,693,680
420, 550-570	8000	Sewer Facilities Construction	0	0	0	368,000	368,000
480, 490	8000	Storm Drain	0	0	0	279,854	279,854
580, 590	8000	Parks Construction	0	0	0	46,365	46,365
780	8000	Parks Construction	0	0	0	9,291,993	9,291,993
800, 830, 880-920, 95	8000	Street Construction	0	0	0	7,836,571	7,836,571
Sub-Total Capital Project Funds			0	0	0	22,653,002	22,653,002
Grand Total All Funds			\$11,909,703	\$11,329,652	\$23,239,355	\$28,114,402	\$51,353,757

Attachment ‘E’

RESOLUTION NO. 26-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE 2026/2027 FISCAL YEAR PURSUANT TO ARTICLE XIII B OF THE CONSTITUTION OF CALIFORNIA

WHEREAS, Article XIII B of the California Constitution requires the City to set its appropriations limit on an annual basis; and

WHEREAS, the City’s appropriations limit is to be adjusted annually, based upon inflation and population growth; and

WHEREAS, the City Council may choose the method of calculating adjustments to the City’s appropriations limit on annual basis. For inflation, pursuant to Article XII B, section 8(e)(2), adjustments to the appropriations limit may be calculated using the percentage change in per capita personal income from the preceding year because of local nonresidential new construction. For population growth, pursuant to Government Code section 7901 (b), the City may use the percentage growth in its jurisdiction; and

WHEREAS, pursuant to Article XIII B of the California Constitution, and those Government Code sections adopted pursuant to Article XIII B, section 8(f), the City Council chooses to adjust the City’s appropriation limit by calculating inflation using the percentage change in per capita personal income from the preceding year and calculating population growth by using the percentage change in population in the City of Kerman; and

WHEREAS, as a result of the adjustments made to the City’s appropriation limit as shown in **Exhibit ‘A’**, the City Council sets the appropriations limit for Fiscal Year 2026/2027 at \$27,533,155.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERMAN that the appropriations limit for the 2026/2027 Fiscal Year for the City of Kerman is established at \$27,533,155, as set forth on **Exhibit ‘A’** attached hereto and made a part hereof by this reference.

The foregoing resolution was adopted by the City Council of the City of Kerman at a regular meeting, held on the 10th day of June 2026 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana Zamudio
City Clerk

Exhibit 'A' GANN REVENUE LIMIT

The original Article XIII and its implementing legislation Chapter 1205/80 were modified by proposition III and SB 88 (Chapter 60/90). Beginning with the 1990/91 Appropriations Limit, the annual adjustment Factors were changed. Instead of using the lesser of California Per Capita Income or U.S.C.P.I to measure Inflation, each City may choose:

The growth in California Per Capita Income or

The growth in the non-residential assessed valuation due to new construction within the City

2025/2026 REVENUE LIMIT - \$ 26,209,057

Per City of Kerman, City Council Resolution No.25-34

2026/2027 REVENUE LIMIT FACTORS

POPULATION:*

January 1, 2026 17,498

January 1, 2025 17,481

0.10% increase

LOCAL ASSESSMENT ROLL***

2024/2025 Gross Assessed Value

Secured

1,203,408,406

Unsecured

52,428,897

CHANGE IN PER CAPITA PERSONAL INCOME*

2026/2027

4.95%

CHANGE FACTOR

Population Change x Change in Per Capita Personal Income

1.0495 x 1.0010 = 1.0505

TOTAL 2026/2027 ESTIMATED REVENUE

PROCEEDS OF TAXES

15,146,410

NON-PROCEED OF TAXES

23,983,173

TOTAL APPROPRIATIONS 2026/2027

\$ 39,129,584

TOTAL 2026/2027 ESTIMATED REVENUE

EXEMPT FROM LIMIT

15,146,410

2026/2027 REVENUE LIMIT

\$ 27,533,155

2026/2027 REVENUE SUBJECT TO LIMIT

15,146,410

AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS

\$ 12,386,745

* Data provided by State of California, Department of Finance

***Data provided by Fresno County Assessor's Office

Attachment 'F'

RESOLUTION NO. 26-__**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN AUTHORIZING NUMBER OF
EMPLOYEE POSITIONS AND TITLES**

WHEREAS, a change in the number of employee positions and titles may only be made by Council resolution and as authorized in the City budget; and

WHEREAS, for purposes of efficiency and organization, there is a need to amend the number of positions.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KERMAN hereby resolves as follows:

Section 1. The following titles and number of positions for each title are hereby authorized:

Permanent Full-Time	
City Manager	1
City Clerk	1
Executive Assistant	1
Human Resource Officer	1
Human Resource Specialist	1
*Human Resource Technician	0
*Administrative Assistant	0
Total for Management Services	5
Finance Director	1
Senior Accountant	1
*Junior Accountant	0
Payroll Specialist	1
Utility Clerk I	1
Account Clerk II	1
Account Clerk I	2
Administrative Analyst	1
Total for Administrative Services	8
Community Services Director	1
Assistant Director	1
Community Services Lead Supervisor	1
Parks Maintenance Worker II	2
Parks Maintenance Worker I	3
*Recreation Supervisor	0
Recreation Coordinator	2
Senior Services Coordinator	1
Administrative Assistant	1
Total for Community Services	12

Community Development Director	1
Code Enforcement Official	1
Associate Planner	1
*Assistant Planner	0
*Building Official	0
*Building Inspector	0
*Permit Tech II	0
Permit Tech I	1
*Community Development Coordinator	0
Administrative Assistant	1
Total for Community Development	5
Chief of Police	1
Lieutenant	1
*Corporal	0
Sergeant	5
Police Officer	20
Community Service Officer	4
Animal Control	1
*Animal Shelter Attendant	0
Administrative Assistant	1
Records Manager	1
Records Clerk	2
Total for Police Department	36
Director of Public Works	1
PW Operations Coordinator	1
Administrative Assistant	1
Fleet Services Supervisor	1
Fleet Mechanic II	1
*Fleet Mechanic I	0
PW Lead Supervisor	2
PW Maintenance Worker III-Specialist	5
PW Maintenance Worker II	1
PW Maintenance Worker I	7
*Water Distribution/Waste Water Manager	0
WWTP Lead Supervisor	1
WWTP Water Operator Grade I	2
WWTP Water Operator Grade II	1
*WWTP Maintenance Worker III-Specialist	0
WWTP Maintenance Worker I	2
*WWTP Maintenance Worker II	0
*Water Conservation Specialist	0
Admin Analyst	1
Total for Public Works	27
Grand Total	93

**Positions are vacant and not included in the current budget*

Section 2. The City Manager may adjust the number of permanent full-time positions allocated by class provided that the total number of permanent positions authorized does not change and that there are sufficient unspent appropriations as verified by the Finance Director available to provide funds for the adjustment.

The foregoing resolution was adopted by the City Council of the City of Kerman at a regular meeting, held on the 10th day of June 2026 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana Zamudio
City Clerk



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: Jesus A. Gonzalez, City Engineer

SUBJECT: Resolution Initiating Proceedings to Review Improvements and Establish Assessments, Pursuant to the Landscaping and Lighting Act of 1972, for the Annexation of Tract 6473 into Landscape and Lighting District No. 1, to Review the Improvements and Establish Assessments for Fiscal Year 2025-26 and to Set a Public Hearing (JG)

RECOMMENDATION: Council by motion adopt the resolution to initiate proceedings pursuant to the Landscaping and Lighting Act of 1972 for the annexation of Tract 6473 into Landscape and Lighting District No. 1, to review the improvements and establish assessments for Fiscal Year 2025-2026 (FY25-26), and to set a public hearing for a future date.

EXECUTIVE SUMMARY:

The Landscape and Lighting District (LLD) No. 1 maintains public landscaping in median islands and landscape strips along major streets. The revenue from the LLD also pays for street lighting costs for areas within it. All new developments are annexed into the LLD and charged an annual assessment that is collected with property taxes. There are currently 16 sub-areas within the LLD.

H&T Investments, LP (“Applicant”) is currently seeking to develop a 5-parcel multi-family residential and commercial subdivision located at the northwest corner of the Whitesbridge Road and Del Norte Avenue intersection. The Applicant is in the process of submitting a final map for Tract 6473, for approval by the City Council, which will be considered as a separate Agenda item at a future meeting. A condition of approval for Tract 6473 requires that Applicant request annexation to the City’s LLD. Consistent with that requirement, the Applicant has submitted a petition and waiver to the City, requesting annexation into LLD No. 1 and agreeing to the initial assessment to be established for FY25-26. Thereafter, the property would be subject to the annual levy amounts approved by Council for LLD No. 1 for each fiscal year.

The Applicant has also (i) waived certain resolutions, report, notices of hearing, and right of majority protest, and consented to a public hearing and adoption of a resolution by the City Council ordering annexation and levy of the property; and (ii) expressly waived any requirement to have a ballot and majority protest proceeding per Government Code Section 53753 or as may be permitted by the Act. As a result of this waiver, the annexation process can be expedited as no report by the City Engineer is required to be prepared and filed with the City Clerk, nor is a ballot and majority protest required.

This is the first of two actions by Council. Approving the resolution does not annex the property or implement the assessment; it only starts the process and allows for further discussion. The Council will make a final decision on this matter at the public hearing set by the Council.

FISCAL IMPACT:

Each parcel that is annexed will pay the assessment rate to be established. Thereafter, the City Council will approve assessment amounts for Area 18 of the LLD No. 1, which may be adjusted to reflect increases based on the consumer price index.

ATTACHMENTS:

- A. Resolution w/Exhibits
- B. Petition and Waiver

Attachment 'A'

RESOLUTION NO. 26-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN,
CALIFORNIA INITIATING PROCEEDINGS PURSUANT TO THE LANDSCAPING AND LIGHTING ACT
OF 1972 FOR THE ANNEXATION OF TRACT 6473 INTO LANDSCAPING AND LIGHTING DISTRICT
NO. 1, AREA 18, TO REVIEW THE IMPROVEMENTS AND ESTABLISH ASSESSMENTS AND TO SET
A PUBLIC HEARING.**

WHEREAS, the Landscaping and Lighting Act of 1972 ("Act") provides and establishes procedures for annexing properties to an existing Landscaping and Lighting Assessment District; and

WHEREAS, on September 7, 1993 the Kerman City Council established the "Kerman Landscape and Lighting District No. 1" ("LLD No. 1") to levy and collect assessments to cover the cost of maintaining landscaping, irrigation systems and streetlights within the LLD No. 1 public right-of-way; and

WHEREAS, the City Council has determined that, to finance the installation, operation, and maintenance of landscaping, irrigation and lighting improvements which benefit the aforementioned tract and public lands, it should be annexed into the District; and

WHEREAS, not only will annexing this new development into the existing district ensure that all benefiting parcels share in the costs to maintain the improvements, but consolidating the benefiting developments into a single assessment district will facilitate their management by the City; and

WHEREAS, the proceedings for the annexation of the aforementioned tract and public lands to the District are authorized by and will be conducted pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 (commencing with Section 22500) of Division 15 of the California Streets and Highways Code; and

WHEREAS, pursuant to Streets and Highways Code section 22608, resolutions, reports, notices of hearing, and the right of majority protest may be waived with the written consent of all landowners of the territory to be annexed; and

WHEREAS, H&T Investments, LP, is the landowner of the property proposed for annexation and generally located at the northwest corner of the Whitesbridge Road and Del Norte Avenue intersection, and which is also known as Tract 6473 whose final map is being concurrently considered by the City Council, as further described or depicted on **Exhibit 'A'** ("Subject Property"); and

WHEREAS, H&T Investments, LP, has provided a petition for annexation and written consent to waiver of resolutions, reports, notices of hearing, and the right of majority protest

regarding the Subject Property, as well as consenting to the amount of the proposed levy for the 2025-26 fiscal year; and

WHEREAS, as a result, no report by the City Engineer is required to be prepared and filed with the City Clerk which outlines the land to be annexed, etc.; and

WHEREAS, this City Council now desires to proceed to adopt this Resolution of Intention to declare its intent to annex the Subject Property into LLD No. 1, and to set and specify the levy and collection of assessments, and to set a time and place for a public hearing relating to the annexation of the subject property into LLD No. 1, Area 18.

NOW, THEREFORE, the City Council of the City of Kerman resolves as follows:

1. The City Council proposes to annex the property into Area 18 of Kerman Landscaping and Lighting District No. 1 pursuant to the Landscaping and Lighting Act of 1972 (Section 22500 and following, Streets and Highways Code). The property proposed to be annexed is identified on **Exhibit 'A'**.
2. The property proposed to be annexed and to be specifically charged for the improvements shall include all of the land identified on **Exhibits 'A' and 'B'** (excluding Outlot "A" of Tract 6473) and shall be designated "Kerman Landscaping & Lighting District No. 1, Area 18."
3. The improvements which are provided for the properties within Kerman Landscaping & Lighting District No. 1, and which shall be provided for the property within Kerman Landscaping & Lighting District No. 1, Area 18, and through the assessments levied annually thereon shall include the following:
 - (a) The installation or planting of landscaping, including, but not limited to, street trees, parkways, and median islands;
 - (b) The installation or construction of irrigation systems;
 - (c) The installation or construction of public lighting, facilities, including, but not limited to, street lights;
 - (d) The maintenance and servicing of any of the foregoing.
4. The City Engineer of the City of Kerman is hereby designated the engineer for the annexation proceedings. The City Council finds that the landowner has presented a written consent, and that the engineer is not required to prepare and file with the City Clerk a report in accordance with Article 4 of Chapter 1 of the Landscaping and Lighting Act of 1972 for the annexation proceedings, consistent with the Landscaping and Lighting Act of 1972.
5. NOTICE IS HEREBY GIVEN that a public hearing is set for the regular meeting of the City Council on July 8, 2026 at 6:00 p.m., in the Council Chamber of City Hall, 850 S. Madera Avenue, Kerman, California 93630, All interested persons shall be heard on the question of the levy and collection of the proposed assessments. Written protests may be filed

with the City Clerk at any time prior to the conclusion of the hearing. A written protest shall state all grounds of objection and shall contain a description sufficient to identify the property owned by the protesting person or persons.

6. This resolution shall be effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at the regularly scheduled meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk

Exhibit 'A'
Legal Description

ADJUSTED PARCEL B OF LOT LINE ADJUSTMENT NO. 2025-01, FURTHER DESCRIBED AS FOLLOWS:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE CITY OF KERMAN, COUNTY OF FRESNO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOTS 17, 18, 19 AND 20 OF FRESNO IRRIGATED FARMS CO. TRACT,
ACCORDING TO THE MAP THEREOF RECORDED JUNE 24, 1912 IN BOOK 8, PAGE 1 OF RECORD OF SURVEYS, FRESNO COUNTY RECORDS BEING SITUATED IN THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 14 SOUTH, RANGE 17 EAST, MOUNT DIABLO BASE AND MERIDIAN, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE PROPERTY GRANTED TO THE STATE OF CALIFORNIA BY GRANT DEEDS RECORDED AUGUST 14, 1998, AS DOCUMENT NO. 1998-98113742 AND 1998-98113744 OF OFFICIAL RECORDS FRESNO COUNTY, THENCE ALONG THE NORTH LINE OF SAID GRANT DEEDS, NORTH 89°21'57" WEST A DISTANCE OF 20.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE ALONG THE NORTHERLY LINE OF SAID GRANT DEEDS, SOUTH 69°46'18" WEST A

DISTANCE OF 125.74 FEET; THENCE ALONG SAID NORTHERLY LINE SOUTH 89°13'10" WEST A DISTANCE OF 533.41 FEET TO A POINT ON THE EAST LINE OF SAID LOT 19; THENCE SOUTH 89°13'10" WEST ALONG THE NORTHERLY LINE OF THE PROPERTY GRANTED TO THE STATE OF CALIFORNIA BY GRANT DEED RECORDED AUGUST 14, 1998, AS DOCUMENT NO. 1998-98113741 A DISTANCE OF 650.94 FEET TO A POINT ON THE WEST LINE OF SAID LOT 20; THENCE ALONG THE SAID WEST LINE, NORTH 0°40'48" EAST A DISTANCE OF 20.08 FEET; THENCE LEAVING SAID WEST LINE, PARALLEL WITH AND 20.00 FEET NORTHERLY OF SAID NORTH LINE, NORTH 89°13'11" EAST A DISTANCE OF 259.33 FEET; THENCE NORTH 0°40'48" EAST A DISTANCE OF 417.58; THENCE, NORTH 89°59'46" EAST A DISTANCE OF 376.87 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIAL BEARING OF SOUTH 72°34'27" EAST, AND HAVING A RADIUS OF 50.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, THOUGH A CENTRAL ANGLE (DELTA) OF 90°48'28", AN ARC DISTANCE OF 79.24 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 50.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 18°14'15", AN ARC DISTANCE OF 15.92 FEET; THENCE NORTH 89°59'46" EAST TO THE EAST LINE OF

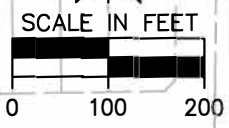
SAID LOT 17, A DISTANCE OF 586.41 FEET; THENCE SOUTH 0°38'03" WEST ALONG THE EAST LINE OF SAID LOT 17, A DISTANCE OF 411.64 TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID PREMISES, TOGETHER WITH THE FULL RIGHT AND PRIVEGE TO THE GRANTOR, ITS SUCCESSORS AND ASSIGNS, TO DEVELOP AND REMOVE THE SAME, AS RESERVED BY WM. G. KERCKHOFF COMPANY, A CORPORATION, IN GRANT DEED RECORDED MAY 27, 1942 IN BOOK 2007, PAGE 206 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID PREMISES, TOGETHER WITH THE FULL RIGHT AND PRIVEGE TO THE GRANTOR, ITS SUCCESSORS AND ASSIGNS, TO DEVELOP AND REMOVE THE SAME, AS RESERVED BY WM. G. KERCKHOFF COMPANY, A CORPORATION, IN GRANT DEED RECORDED OCTOBER 27, 1942 IN BOOK 2146, PAGE 416 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ANY HOUSE TRAILER, MODULAR HOME, MOBILE HOME OR MOBILE DWELLING, IF ANY, ON SAID LAND.

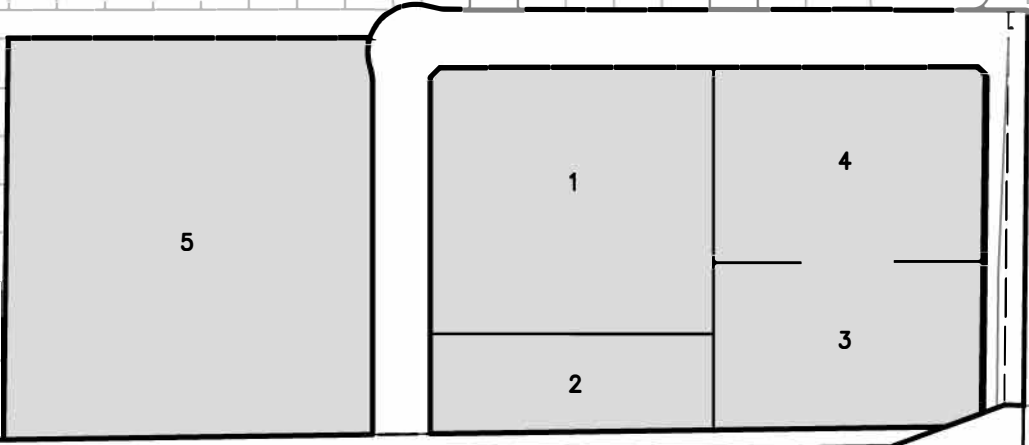
Exhibit 'B'



DEL NORTE AVENUE

TSM No. 2023-04
PHASE 3

TSM No. 2023-04
PHASE 2



WHITESBRIDGE ROAD

Attachment 'B'

[DEVELOPER LETTERHEAD]

RE: Petition (Including Consent And Waiver) Requesting Annexation To Kerman Landscape and Lighting Maintenance District No. 1 (Final Map No. 6473)

Dear City Council of the City of Kerman:

The undersigned landowner does hereby certify under penalty of perjury that the following statements are all true and correct:

1. The undersigned is the landowner identified below and requests and petitions the City Council (the “Council”) of the City of Kerman (the “City”) for annexation to Kerman Landscape and Lighting Maintenance District No. 1 (“District No. 1”) pursuant to the provisions of Landscaping and Lighting Act of 1972 (“Act”), commencing at California Streets and Highways Code section 22500 *et seq.*, and to authorize certain other consents and waivers contained herein. The boundaries of the territory to be annexed are described on Exhibit “A” hereto and by this reference incorporated herein.

2. The landowner hereby certifies that as of the date indicated opposite of the undersigned’s signature, the landowner listed herein is the owner of the property within the proposed annexation boundary of District No. 1, (the “Property”), which Property’s boundary is further described in Exhibit “A” hereto.

3. The landowner, pursuant to Sections 22607 and 22585 *et seq.* of the Act, hereby requests that proceedings be commenced:

(a) To annex the Property to District No. 1 for the purposes including the following:

- The installation or construction of public lighting, facilities, including, but not limited to, street lights;
- The installation or planting of landscaping, including, but not limited to, street trees, parkways, and median islands;
- The installation or construction of irrigation systems;
- The maintenance and servicing of any of the foregoing.

(b) To authorize the levy of assessments on the Property in accordance with the rate and method of apportionment of District No. 1 to finance the above-mentioned services, incidental expenses and fees; and

(c) To authorize the issuance of bonds for District No. 1 if applicable.

4. In accordance with the provisions of the Act, and specifically Section 22608 for annexation proceedings, resolutions, report, notices of hearing, and right of majority protest shall be waived with written consent of the owners of property within the territory to be annexed, the landowner (i) expressly waives the resolutions, report, notices of hearing, and right of majority protest, and consents to a public hearing and adoption of a Resolution by the City Council ordering annexation and levy of the Property; and (ii) expressly waives any requirement to have a ballot and majority protest proceeding per Government Code Section 53753 or as may be permitted by the Act.

5. The landowner expressly waives all applicable waiting periods for the election and waives the requirement for analysis, engineer’s report, etc., and consents to not having such materials provided to the landowner, and expressly waives any requirements as to the form of the ballot.

6. The landowner acknowledges and agrees that the initial annual levy for the District No. 1, Area 18, is currently as follows:

- Lot 1 - \$4,912.76
- Lot 2 - \$1,809.65
- Lot 3 - \$2,915.91
- Lot 4 - \$3,447.36
- Lot 5 - \$9,512.07

and that the levy may be adjusted by the City in the future consistent with the Act.

7. The undersigned warrants it is the owner of one hundred percent (100%) of the Property. The undersigned warrants that there are no liens or encumbrances on the Property in the favor of any lender, including but not limited to any deeds of trust, mortgages, leases, or liens of a similar nature.

8. The undersigned agrees to execute such additional or supplemental agreements as may be required by the City to provide for any actions and conditions under this petition, including any amount of cash deposit required to pay for the City’s costs related to annexing into District No. 1.

9. The undersigned agrees to cooperate with the City, its attorneys and consultants and provide all information and disclosures required by the City regarding the assessment to purchasers of the Property or any part of it.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, I hereunto set my hand this ____ day of _____ 2026.

OWNER:

H&T INVESTMENTS, LP
a California limited partnership

By: HoCo, LLC, its general partner

By: _____
George Holland, III, Manager

By: _____
Dana Holland, Manager

The address of the above owner for receiving notices is:

To: H&T INVESTMENTS, LP
7585 N. Colonial Avenue, Ste. 101
Fresno, CA 93711
Attention:
Phone:
E-mail:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF Kerman THIS
____ DAY OF _____, 2026.

Dalia Santana-Zamudio, City Clerk

EXHIBIT A

Legal Description

ADJUSTED PARCEL B OF LOT LINE ADJUSTMENT NO. 2025-01, FURTHER DESCRIBED AS FOLLOWS:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE CITY OF KERMAN, COUNTY OF FRESNO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOTS 17, 18, 19 AND 20 OF FRESNO IRRIGATED FARMS CO. TRACT, ACCORDING TO THE MAP THEREOF RECORDED JUNE 24, 1912 IN BOOK 8, PAGE 1 OF RECORD OF SURVEYS, FRESNO COUNTY RECORDS BEING SITUATED IN THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 14 SOUTH, RANGE 17 EAST, MOUNT DIABLO BASE AND MERIDIAN, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE PROPERTY GRANTED TO THE STATE OF CALIFORNIA BY GRANT DEEDS RECORDED AUGUST 14, 1998, AS DOCUMENT NO. 1998-98113742 AND 1998-98113744 OF OFFICIAL RECORDS FRESNO COUNTY, THENCE ALONG THE NORTH LINE OF SAID GRANT DEEDS, NORTH 89°21'57" WEST A DISTANCE OF 20.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE ALONG THE NORTHERLY LINE OF SAID GRANT DEEDS, SOUTH 69°46'18" WEST A DISTANCE OF 125.74 FEET; THENCE ALONG SAID NORTHERLY LINE SOUTH 89°13'10" WEST A DISTANCE OF 533.41 FEET TO A POINT ON THE EAST LINE OF SAID LOT 19; THENCE SOUTH 89°13'10" WEST ALONG THE NORTHERLY LINE OF THE PROPERTY GRANTED TO THE STATE OF CALIFORNIA BY GRANT DEED RECORDED AUGUST 14, 1998, AS DOCUMENT NO. 1998-98113741 A DISTANCE OF 650.94 FEET TO A POINT ON THE WEST LINE OF SAID LOT 20; THENCE ALONG THE SAID WEST LINE, NORTH 0°40'48" EAST A DISTANCE OF 20.08 FEET; THENCE LEAVING SAID WEST LINE, PARALLEL WITH AND 20.00 FEET NORTHERLY OF SAID NORTH LINE, NORTH 89°13'11" EAST A DISTANCE OF 259.33 FEET; THENCE NORTH 0°40'48" EAST A DISTANCE OF 417.58; THENCE, NORTH 89°59'46" EAST A DISTANCE OF 376.87 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIAL BEARING OF SOUTH 72°34'27" EAST, AND HAVING A RADIUS OF 50.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE (DELTA) OF 90°48'28", AN ARC DISTANCE OF 79.24 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 50.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 18°14'15", AN ARC DISTANCE OF 15.92 FEET; THENCE NORTH 89°59'46" EAST TO THE EAST LINE OF SAID LOT 17, A DISTANCE OF 586.41 FEET; THENCE SOUTH 0°38'03" WEST ALONG THE EAST LINE OF SAID LOT 17, A DISTANCE OF 411.64 TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID PREMISES, TOGETHER WITH THE FULL RIGHT AND PRIVEGE TO THE GRANTOR, ITS SUCCESSORS AND ASSIGNS, TO DEVELOP AND REMOVE THE SAME, AS RESERVED BY WM. G. KERCKHOFF COMPANY, A CORPORATION, IN GRANT DEED RECORDED MAY 27, 1942 IN BOOK 2007, PAGE 206 OF OFFICIAL RECORDS.

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ALSO EXCEPTING THEREFROM ANY HOUSE TRAILER, MODULAR HOME, MOBILE HOME OR MOBILE DWELLING, IF ANY, ON SAID LAND.



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: Jesus A. Gonzalez, City Engineer

SUBJECT: Authorization of Submission of Application for 2027 Cycle 8 Active Transportation Program Grant Funds (JG)

RECOMMENDATION: Council adopt the resolution authorizing the submission of an application for 2027 Cycle 8 Active Transportation Program (ATP) funds.

EXECUTIVE SUMMARY:

The Active Transportation Program (ATP) is a competitive statewide grant program administered by the California Transportation Commission (CTC) and Caltrans that funds projects to encourage increased use of active modes of transportation — primarily walking and bicycling. The 2027 Cycle 8 ATP makes funding available for capital infrastructure projects that improve safety, expand access, and reduce greenhouse gas emissions, with a strong emphasis on serving Disadvantaged Communities. Projects must demonstrate a clear safety or access need, benefit a Disadvantaged Community, and align with regionally adopted active transportation plans.

Staff have identified the South Goldenrod Avenue Pedestrian and Bike Pathway Project as meeting these criteria, making it a strong candidate for grant funding. The project will construct improvements along the west side of Goldenrod Avenue and the north side of California Avenue to provide a pedestrian and bicycle connection between residential neighborhoods and the new Hart Ranch Community Park, currently under construction approximately 155 feet east of Goldenrod Avenue. The area currently lacks continuous sidewalks, dedicated bicycle facilities, lighting, and pedestrian crossings, limiting access to the park by foot or bicycle.

The project includes installation of asphalt concrete pavement, curb and gutter, sidewalks, ADA-compliant curb ramps, a Class II bicycle lane, a high-visibility crosswalk with rectangular rapid flashing beacons (RRFBs), streetlights, and pedestrian improvements at the Union Railroad tracks.

FISCAL IMPACT:

The total project estimated cost is \$640,000. There is no requirement for local match.

ATTACHMENTS:

- A. Resolution
- B. Proposed Improvement

Attachment 'A'

RESOLUTION NO. 26 - ____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN AUTHORIZING SUBMISSION OF APPLICATION FOR 2027 CYCLE 8 ACTIVE TRANSPORTATION PROGRAM (ATP) FUNDS

WHEREAS, staff has identified the South Goldenrod Avenue Pedestrian and Bike Pathway Project as meeting the criteria for ATP funding; and

WHEREAS, the Project will provide connectivity for pedestrians and bicyclists to Hart Ranch Community Park; and

WHEREAS, the City Council received a report from the City Engineer identifying the need for the Project.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KERMAN RESOLVES AS FOLLOWS:

1. The foregoing recitals are true and correct and incorporated by reference.
2. Submission of an application for 2027 Cycle 8 ATP funds is hereby authorized.
3. The City Manager is authorized to sign all application documents and funding agreements pertaining to said project.
4. This resolution is effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at a regularly scheduled meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

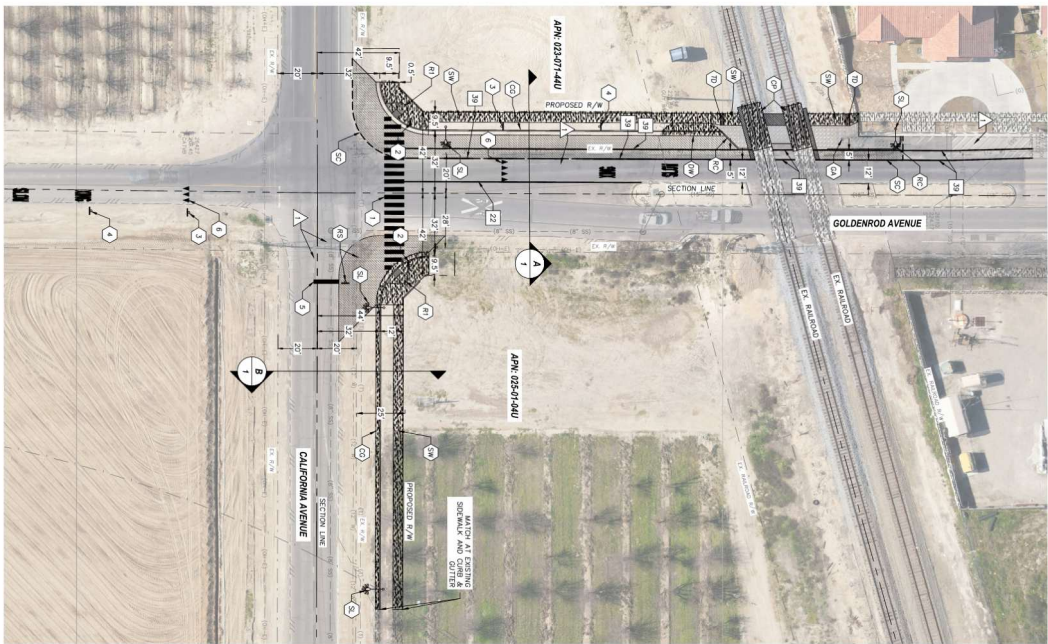
ABSENT:

The foregoing resolution is hereby approved.

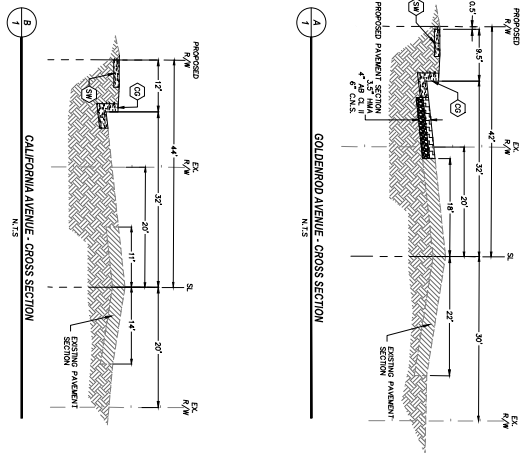
Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk



- KEYNOTES:**
- 1. PROPOSED CURB & GUTTER PER CITY STD.
 - 2. PROPOSED CONCRETE PARALLEL CROSSING PANELS.
 - 3. PROPOSED CONCRETE DRIVEWAY APPROACH PER CITY STD.
 - 4. EXISTING VEHICLE DEVICE WITH GATE AWAY TO REPAIR AND BE PROTECTED IN PLACE.
 - 5. PROPOSED 6" NON-MOUNTABLE FIXED CURB.
 - 6. RELOCATE EXISTING SIGN.
 - 7. PROPOSED CONCRETE CURB PAIR TYPE 'Y' PER CITY STD.
 - 8. PROPOSED STREETLIGHT PER CITY STD.
 - 9. PROPOSED SIDEWALK PER CITY STD.
 - 10. PROPOSED DETAIL/PAVE WARNING PER CITY STD.
 - 11. PROPOSED 10' WIDE HIGH VISIBILITY CROSS WALK.
 - 12. PROPOSED RECTANGULAR RAMP FLASHING BEACONS AND SIGNALS.
 - 13. PROPOSED R-1-S SIGN PER CITY STD.
 - 14. PROPOSED SIGN-3 SIGN PER CITY STD.
 - 15. PROPOSED 12" WIDE WHITE STOP BAR.
 - 16. PROPOSED YIELD LINE.
 - 17. REMOVE EXISTING STRIPING.
 - 18. PROPOSED STRIPING, CALLING DETAIL NUMBER AND LENGTH AS NOTED.
- LEGEND:**
- PROPOSED GRANULAR ASPHALT TOTAL AREA = 0.1322
 - PROPOSED 2" ASPHALT CONCRETE TOTAL AREA = 0.0000
 - PROPOSED DRIVEWAY AT 15' MAX TYPE 'Y' CROWN 4" TOTAL AREA = 0.0000
 - PROPOSED WHITE "SLOW" PAVEMENT WARNING TOTAL AREA = 0.0000
 - PROPOSED WHITE "STOP" PAVEMENT WARNING TOTAL AREA = 0.0000





STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: Michael Barajas, Public Works Director

SUBJECT: Award of Contract for Water Tank Painting Project (MB)

RECOMMENDATION: Council adopt resolution to award contract to Horizons Construction Company Int'l Inc. in the amount of \$164,299.66 and authorize the City Manager to sign the contract.

EXECUTIVE SUMMARY:

The City of Kerman operates and maintains two water storage tanks within their distribution system. The two water storage tanks are approximately 64 feet in diameter and 32 feet tall with storage capacity of approximately 750,000 gallons. Water storage tank No.1 was constructed in 2003, and Water storage tank No.2 was constructed in 2007. Exterior coatings and exterior insulation are original. This funding has been specifically allocated and pre-approved for the purchase.

This project was included in the Capital Projects 2025/2026 Fiscal Year Budget adopted by City Council on June 11, 2025. The final contracted amount of \$164,299.66 does not exceed the adopted budget amount of \$200,000.00 that had been allocated.

The City participates in Cooperative Purchasing Agreement through the Master Intergovernmental Cooperative Purchasing Agreement (MICPA) with Sourcewell. Under this agreement, Sourcewell conducts a competitive procurement process on behalf of participating agencies. This approach-commonly referred to as "piggybacking" – maximizes cost savings and staff efficiency by leveraging cooperative purchasing and volume-based pricing. Through this competitive process, Horizons Construction Company Int'l Inc. was identified as the qualified contractor for Water Tank Painting.

FISCAL IMPACT:

The total cost is \$164,299.66. The 2025/2026 Fiscal Year Budget includes \$200,000.00 for this project within the Capital Projects Budget.

ATTACHMENTS:

A. Resolution w/Exhibits

Attachment 'A'

RESOLUTION NO. 26-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN AWARDED CONTRACT TO HORIZONS CONSTRUCTION COMPANY INT'L INC. IN THE AMOUNT OF \$164,299.66 AND AUTHORIZING THE CITY MANAGER TO SIGN THE CONTRACT

WHEREAS, the City of Kerman operates and maintains two water storage tanks within their distribution system; and the two water storage tank painting consists of exterior surface preparation and recoating with an approved exterior coating system; and

WHEREAS, the City requested bids, per the City's Purchasing System, through a Master Intergovernmental Cooperative Purchasing Agreement with Sourcewell; and

WHEREAS, through the cooperative procurement process, Horizon Construction Company Int'l Inc. was identified as the contractor for Water Tank Painting Project; and

WHEREAS, the City Council approved the Fiscal Year 2025-2026 Budget by Resolution 25-33 dated June 11, 2025; and

WHEREAS, the Fiscal Year 2025-2026 Budget included a line item for the Water Tank Painting Project.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Kerman, hereby resolves as follows:

- Section 1. The above recitals are true and correct and incorporated herein by reference.
- Section 2. The City Council approves expenditures for the Fiscal Year 2025-2026 budget in the Water Fund Capital Budget for the Water Tank Painting Project funds allocated for Water Tank Painting Project \$164,299.66.
- Section 3. Upon the recommendation of staff, the Council awards the Water Tank Painting Project contract to Horizons Construction Company Int'l Inc. in the amount of One Hundred Sixty-Four Thousand Two Hundred and Ninety-Nine Dollars and Sixty-Six Cents (\$164,299.66). A copy of the Agreement is attached and incorporated herein by reference as **Exhibit 'A'** and a copy of the Sourcewell Contract is attached as **Exhibit 'B'**.
- Section 4. The City Manager is authorized to sign the agreement with Horizons Construction Company Int'l Inc. on behalf of the City of Kerman.
- Section 5. This resolution is effective upon its adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at the regularly scheduled meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk



Work Order Signature Document

EZIQC Contract No.: CA-R8-GB-101723-HRZ

☒

New Work Order



Modify an Existing Work Order

Work Order Number.: 156162.00

Work Order Date: 05/26/2026

Work Order Title: Water Storage Tank Exterior demo and Painting

Owner Name: City of Kerman

Contractor Name: Horizons Construction Co. Int'l, Inc.

Contact: Michael Barajas

Contact: Kinan Kotrash

Phone: (559) 550-0875

Phone: (714) 626-0000

Work to be Performed

Work to be performed as per the Final Detailed Scope of Work Attached and as per the terms and conditions of Sourcewell EZIQC Contract No CA-R8-GB-101723-HRZ.

Brief Work Order Description:

Water Storage Tank Exterior demo and Painting

Time of Performance

Estimated Start Date:

Estimated Completion Date:

Liquidated Damages

Will apply:



Will not apply:



Work Order Firm Fixed Price: \$164,299.66

Owner Purchase Order Number:

Approvals

City of Kerman

Date

Horizons Construction Co. Int'l, Inc.

Date



Detailed Scope of Work

To: Kinan Kotrash Horizons Construction Co. Int'l, Inc. 432 W. Meats Ave. Orange, CA 92865 (714) 626-0000	From: Michael Barajas City of Kerman 15201 W. California Ave. (A. Street) Kerman, CA 93630 (559) 550-0875
Date Printed: May 26, 2026	
Work Order Number: 156162.00	
Work Order Title: Water Storage Tank Exterior demo and Painting	
Brief Scope: Water Storage Tank Exterior demo and Painting	

☐ Preliminary	☐ Revised	☒ Final
--------------------------------------	----------------------------------	---

The following items detail the scope of work as discussed at the site. All requirements necessary to accomplish the items set forth below shall be considered part of this scope of work.

156162.00 - Water Storage Tank Exterior Demo and Painting.

Detailed Scope of Work

- Preparation of Walls, including general preparation work, standard sanding & masking of surfaces not intended for painting.
- Pressure Wash for surface preparation
- One Coat of Primer with Industrial Metal Primer.
- One Coat of Finish Metal Coat with pro industrial water-base alkyd urthane.
- Scope painting of the (2) two exterior metal tanks with ladders and manifold.

Subject to the terms and conditions of ezIQC Contract **CA-R8-GB-101723-HRZ**.

_____	_____
Horizons Construction Co. Int'l, Inc.	Date

_____	_____
City of Kerman	Date

Contractor's Price Proposal - Summary

Date:

May 26, 2026

Re:

IQC Master Contract #:

CA-R8-GB-101723-HRZ

Work Order #:

156162.00

Owner PO #:

Title:

Water Storage Tank Exterior demo and Painting

Contractor:

Horizons Construction Co. Int'l, Inc.

Proposal Value:

\$164,299.66

Section - 01	\$35,828.79
Section - 09	\$128,470.87
Proposal Total	\$164,299.66

This total represents the correct total for the proposal. Any discrepancy between line totals, sub-totals and the proposal total is due to rounding.

Contractor's Price Proposal - Detail

Date: May 26, 2026

Re: IQC Master Contract #: CA-R8-GB-101723-HRZ
 Work Order #: 156162.00
 Owner PO #:
 Title: Water Storage Tank Exterior demo and Painting
 Contractor: Horizons Construction Co. Int'l, Inc.
 Proposal Value: \$164,299.66

Sect.	Item	Mod.	UOM	Description	Line Total
Labor	Equip.	Material	(Excludes)		
Section - 01					
1	01 22 16 00 0002		EA	Reimbursable FeesReimbursable Fees will be paid to the contractor for eligible costs as directed by Owner. Insert the appropriate quantity to adjust the base cost to the actual Reimbursable Fee. If there are multiple Reimbursable Fees, list each one separately and add a comment in the "note" block to identify the Reimbursable Fee (e.g. sidewalk closure, road cut, various permits, extended warranty, expedited shipping costs, etc.). A copy of each receipt, invoice, or proof of payment shall be submitted with the Price Proposal.	\$3,536.79
			Installation	Quantity 3,215.26 x Unit Price 1.00 x Factor 1.1000 = Total 3,536.79	
				Bond and Insurance 2%	
				\$160,762.87 x 0.02 = \$3,215.26	
2	01 22 23 00 0032		WK	80' Engine Powered, Articulating (Up/Over) Boom Man Lift With Platform	\$6,434.86
			Installation	Quantity 2.00 x Unit Price 3,123.72 x Factor 1.0300 = Total 6,434.86	
				2 Boom Lifts for Painting of Water Tanks for 1 Week.	
3	01 22 23 00 0916		WK	4,000 PSI Pressure Washer With Full-Time Operator	\$9,447.55
			Installation	Quantity 2.00 x Unit Price 4,586.19 x Factor 1.0300 = Total 9,447.55	
				Pressure Washer for 2 Weeks to Prep Water tank to receive new primer and paint.	
4	01 22 23 00 0916 0037		MOD	For Equipment Without Operator, Deduct	-\$3,213.91
			Installation	Quantity 0.75 x Unit Price -4,160.40 x Factor 1.0300 = Total -3,213.91	
5	01 56 16 00 0008		SF	6 Mil, Plastic Sheeting, Applied To FloorsIncludes removal after use.	\$8,134.94
			Installation	Quantity 17,950.00 x Unit Price 0.44 x Factor 1.0300 = Total 8,134.94	
				Apply Plastic Sheeting to Floors to protect existing from overspray and masking and taping of non painted items.	
6	01 56 16 00 0009		SF	6 Mil, Plastic Sheeting, Applied To WallsIncludes removal after use.	\$8,336.82
			Installation	Quantity 14,200.00 x Unit Price 0.57 x Factor 1.0300 = Total 8,336.82	
				Apply Plastic Sheeting to Walls to protect existing from overspray and masking and taping of non painted items.	
7	01 71 13 00 0004		EA	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' BedIncludes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy-duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom man lifts with >40' boom lengths, etc.	\$3,151.74
			Installation	Quantity 2.00 x Unit Price 1,529.97 x Factor 1.0300 = Total 3,151.74	
				Pick up and Delivery of 2 boom Lifts	

Contractor's Price Proposal - Detail Continues..

Section 7, Item D.

Work Order Number: 156162.00
Work Order Title: Water Storage Tank Exterior demo and Painting

Subtotal for Section - 01										\$35,828.79
Section - 09										
8	09	01	90	52	0018	SF	Chemical Clean, Brush And Wash, Metal Surfaces, Surface Preparation			\$20,847.20
						Installation	Quantity	Unit Price	Factor	Total
							25,300.00	x 0.80	x 1.0300	= 20,847.20
Chemical Cleaning of (2) Existing Water Tanks for new Primer and Paint.										
9	09	01	90	52	0019	SF	Hand Scraping And Sanding, Metal Surfaces, Surface Preparation			\$25,798.41
						Installation	Quantity	Unit Price	Factor	Total
							25,300.00	x 0.99	x 1.0300	= 25,798.41
Metal Surface Preparation for (2) Water Tank										
10	09	91	13	00	0493	SF	1 Coat Alkyd Anticorrosive Metal Primer, Brush/Roller Work, Paint Exterior Miscellaneous Metal Surfaces			\$37,785.55
						Installation	Quantity	Unit Price	Factor	Total
							25,300.00	x 1.45	x 1.0300	= 37,785.55
Apply (1) Coat of Metal Primer for (2) 12,650 SF Water Tanks, Ladders and Manifolds.										
11	09	91	13	00	0493 0245	MOD	For Electrostatic Painting, Add			\$5,211.80
						Installation	Quantity	Unit Price	Factor	Total
							25,300.00	x 0.20	x 1.0300	= 5,211.80
12	09	91	13	00	0494	SF	1 Coat Alkyd Enamel Paint, Brush/Roller Work, Paint Exterior Miscellaneous Metal Surfaces			\$34,397.88
						Installation	Quantity	Unit Price	Factor	Total
							25,300.00	x 1.32	x 1.0300	= 34,397.88
Apply (1) Paint of Metal Primer for (2) 12,650 SF Water Tanks, Ladders and Manifolds.										
13	09	91	13	00	0494 0245	MOD	For Electrostatic Painting, Add			\$4,430.03
						Installation	Quantity	Unit Price	Factor	Total
							25,300.00	x 0.17	x 1.0300	= 4,430.03

Subtotal for Section - 09 **\$128,470.87**

Proposal Total **\$164,299.66**

This total represents the correct total for the proposal. Any discrepancy between line totals, sub-totals and the proposal total is due to rounding.

Exhibit 'B'



**Indefinite Delivery-Indefinite Quantity Construction Contract
General Terms and Conditions
for
Solicitation: IFB #CA-101723**

I. DEFINITIONS

The following definitions apply to all articles of the Contract and General Terms and Conditions.

A. ADJUSTMENT FACTORS. The Contractor's competitively bid price adjustment to the Unit Prices that are published in the Construction Task Catalog. Adjustment Factors are expressed as an increase to or decrease from the Construction Task Catalog's published prices and may be modified periodically during the term of this Contract, through written amendment.

B. BID SAFE. A proprietary software product of Gordian that offers a secure, online construction procurement process. This software may not be applicable in a particular region or project.

C. CONSTRUCTION TASK CATALOG (CTC). The CTC is Gordian's proprietary comprehensive listing of specific construction-related tasks created and customized for the solicitation under which this Contract was awarded. Each task has an assigned specific unit of measurement and Unit Price using current local labor, material, and equipment costs. The CTC, which is incorporated by reference into this Contract, and may be amended periodically during the term of this Contract, upon mutual agreement of the parties.

D. CONTRACT DOCUMENTS. The following documents comprise the Contract Documents in the following order of precedence:

1. Participating Entity's Purchase Order which may include plans, drawings, and supplemental technical specifications
2. Standard specifications of the Participating Entity (if any)¹
3. This Contract, which also includes the General Terms and Conditions
4. Construction Task Catalog
5. Technical Specifications

¹ San Diego Housing Commission provisions, contract terms and conditions, and forms have been provided as a downloadable document in the documents section of this IFB's Bid Details page. These documents apply to all work being performed for the San Diego Housing Commission.

- E. DAYS. Calendar days, unless specifically stated otherwise.
- F. DETAILED SCOPE OF WORK. A document created by the Participating Entity, in conjunction with the Gordian and the Contractor, following a Joint Scope Meeting that details the work the Contractor will perform for a particular Purchase Order.
- G. THE GORDIAN GROUP, INC. OR GORDIAN. Sourcewell's designated representative and contract administrator for this Contract. Gordian's support includes preparing Construct Task Catalogs and related technical specifications, providing information management systems, training to contractors, administering fee collection, and assisting with proposal or work order development.
- H. HOLIDAYS. Specific days designated as legal holidays of Participating Entity, including those designated holidays under its Project Labor Agreement, and those days that Sourcewell designates as Holidays: New Year's Day (January 1), Memorial Day, Independence Day (July 4), Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve Day (December 24), and Christmas Day (December 25); when a holiday falls on a Saturday, the preceding Friday will be observed as a holiday and when it falls on a Sunday, the following Monday will be observed as a holiday.
- I. JOINT SCOPE MEETING. The Contractor, Participating Entity representative, and Gordian representative assemble at the Site to discuss the Project and Scope of Work. The Participating Entity will present the Project in detail, with a job site visit by the Contractor, prior to preparing and submitting a Detailed Scope of Work.
- J. NON-PRE-PRICED TASK (NPP). A task not included in the Construction Task Catalog, but that is within the general scope and intent of this Contract.
- K. PARTICIPATING ENTITY. An entity accessing this Contract in order to accomplish the work with the Contractor. Participating entities include state and local government, education, nonprofit, tribal government, and other public agencies located within the Region described in the Contract.
- L. PRICE PROPOSAL. The proposed pricing document prepared for the Participating Entity by the Contractor using the Construction Task Catalog, Adjustment Factors, and appropriate quantities.
- M. PROJECT. The work to be accomplished by the Contractor in satisfaction of a requirement or group of related requirements pursuant to one or more Purchase Orders.
- N. PROJECT MANAGER. The person or firm designated by a Participating Entity and authorized to represent the Participating Entity in connection with a signed Purchase Order.
- O. PROPOSAL PACKAGE. A group of documents and files consisting of the: Price Proposal; incidental drawings, sketches, or specification information; quantity take-offs supporting all material quantities; catalog cuts providing information on materials or products, as specifically

requested; list of known Subcontractors; construction schedule; back-up for any Non Pre-Priced Tasks; warranty information on special equipment or materials; and or other such documentation as the Participating Entity may require.

P. PURCHASE ORDER. The document establishing the engagement by the Participating Entity to the Contractor to complete a Detailed Scope of Work for the Purchase Order Price within the Purchase Order Completion Time. The Purchase Order may consist of a notice to proceed, signed work order, or other Participating Entity required documentation.

Q. PURCHASE ORDER COMPLETION TIME. The period of time set forth in the Purchase Order by which the Contractor must complete the Detailed Scope of Work.

R. PURCHASE ORDER PRICE. The value of the approved Price Proposal and not to exceed price to be paid to the Contractor by the Participating Entity for completing the Detailed Scope of Work within the Purchase Order Completion Time.

S. REQUEST FOR PROPOSAL. The Participating Entity's written request for a contractor to prepare and submit a Proposal Package for a specific Detailed Scope of Work. A request for proposal is not a guarantee of work.

T. SITE. The area upon or in which the Contractor performs the Detailed Scope of Work and such other areas adjacent thereto as may be designated by the Participating Entity.

U. SUBCONTRACTOR. Any person, firm, or corporation, other than employees of the Contractor, that contracts with the Contractor or its subcontractors to furnish, or actually furnishes labor, or labor and materials, or labor and equipment, at the Site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor.

V. SUPPLEMENTAL PURCHASE ORDER. A purchase order issued to add, delete, or change work from an existing related Purchase Order.

W. TECHNICAL SPECIFICATIONS. The comprehensive listing of standards for quality of workmanship and materials, and the standard for the required quality of the work. The Technical Specifications are numbered and organized in the Construction Specification Institute's (CSI) master format. All specifications are filed in divisions per CSI guidelines. Except when substitutions are clearly impermissible, all references in the Technical Specifications or the CTC to a specific manufacturer, trade name, or catalog is intended to be descriptive but not restrictive and only to indicate to the Contractor those items that will be satisfactory.

X. UNIT PRICE. The price published in the Construction Task Catalog for a task.

Y. WORK. The labor, material, equipment, and services necessary or convenient to the completion of Purchase Order(s).

II. PARTICIPATING ENTITY CONTRACT ACCESS

The benefits of this Contract should be available to all Participating Entities that can legally access the Scope of Work of this Contract. Any entity accessing the benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. The Contractor understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and that each Participating Entity reserves the right to obtain construction services from any other source.

III. GENERAL CONDITIONS FOR PERFORMING WORK

A. COMPLIANCE.

1. *Legal and Contractual.* The work will be conducted by the Contractor in strict compliance with this Contract and all applicable federal, state, and local laws, regulations, codes, directives, standards, and specifications; this includes, but is not limited to city building codes, the specific Detailed Scope of Work, and Technical Specifications of a Purchase Order. If the Purchase Order specifies a standard that is different or more stringent than a particular law, code, or regulation, the standard set forth in the Purchase Order will control.
2. *Licenses.* The Contractor must maintain valid and current federal, state, and local licenses, bonds, and permits required for the operation of the business that the Contractor conducts with Sourcewell and Participating Entities. The Contractor will keep these documents properly posted at the Site at all times during the performance of the work.
3. *Permits and Filings.* The Contractor will make the necessary arrangements for and obtain all filings and permits required for the work, including the preparation of all drawings, sketches, calculations and other documents and information that may be required therefor. If the Contractor is required to pay an application fee for filing a project, a fee to obtain a building permit, or any other permit fee to the city, state or some other governmental or regulatory agency, then the amount of such fee paid by the Contractor will be treated as a reimbursable task to be paid a mark-up of 10%. The Contractor will submit a copy of the receipt for payment of such fees. The 10% mark-up will cover all costs over and above the filing and permit fees, including expeditor fees.

B. PUBLIC FACILITIES, IDENTIFICATION, AND SECURITY REQUIREMENTS. The Contractor's employees may be required to perform work at government-owned facilities, including schools. The Contractor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with the applicable Participating Entity's policies and procedures, and all applicable laws. The Contractor will comply with all identification and security requirements that the Participating Entity may establish.

In the event the Contractor is required to work within a secured facility where labor, material, and equipment must be inspected to pass through a secured perimeter, and all work must be constantly monitored by facility personnel (such as a department of corrections prison) the Contractor will be paid for the labor time lost as a result of such perimeter inspection, as well as any loss of time resulting from a temporary shut down of the work site required by the facility (such as a temporary shut down to move prisoners).

C. **CONTRACTOR RECORDS AND REPORTS.** The Contractor will maintain accurate and complete records, files and libraries of documents to demonstrate compliance with federal, state, and local regulations, codes, applicable laws listed herein; including manufacturers' instructions and recommendations which are necessary and related to the work to be performed.

The Contractor will prepare and submit required reports, maintain current record drawings, and submit required information to Gordian and/or the Participating Entity, as applicable. The Contractor will provide: materials lists that include trade names and brand names, and model materials lists that include trade names, brand names, model number, and ratings (if appropriate) for all materials necessary to complete the Purchase Order. Upon full payment for the Project, the documents created by Contractor for the Participating Entity that are specific to the Project will become the property of the Participating Entity; including all applicable intellectual property rights.

D. **GORDIAN IQCC SYSTEM.** Gordian's proprietary IQCC system includes Gordian's proprietary JOC software applications (JOC Applications) and construction cost data (Construction Task Catalog®), which shall be used by the Contractor solely for the purpose of fulfilling its obligations under this Contract, including the preparation and submission of Price Proposals, subcontractor lists, and other requirements specified by the Owner. Contractor's use, in whole or in part, of Gordian's JOC Applications, Construction Task Catalog® and other proprietary materials provided by Gordian for any purpose other than to execute work under this Contract for the Owner is strictly prohibited unless otherwise approved in writing by Gordian. The Contractor hereby agrees to abide by the terms of the following IQCC System License:

IQCC System License

Gordian hereby grants to the Contractor for the term of this Contract, a non-exclusive right, non-transferable, privilege, and license to Gordian's proprietary IQCC System (comprised of the JOC software applications and support documentation, the CTC, construction cost data, Technical Specifications, training materials, marketing materials and any other proprietary materials provided to Contractor by Gordian (collectively referred to as "Proprietary Information"). The Proprietary Information will be used for the sole purpose of executing Contractor's responsibilities to Sourcewell and the Participating Entities under this Contract ("Limited Purpose"). In the event this Contract expires or terminates as provided herein, or the Gordian's contract with Sourcewell expires or terminates, this IQCC System License will terminate and the Contractor will return all Proprietary Information in its possession to Gordian.

Contractor acknowledges that Gordian will retain exclusive ownership of all proprietary rights to the Proprietary Information, including all U.S. and international intellectual property and other rights such as patents, trademarks, copyrights and trade secrets. Contractor will have no right or interest in any portion of the Proprietary Information except the right to use the Proprietary Information for the Limited Purpose set forth herein. Except in furtherance of the Limited Purpose, Contractor must not distribute, disclose, copy, reproduce, display, publish, transmit, assign, sublicense, transfer, provide access to, use or sell, directly or indirectly (including in electronic form), any portion of the Proprietary Information.

Contractor acknowledges and agrees to respect the copyrights, trademarks, trade secrets, and other proprietary rights of Gordian in the Proprietary Information during and after the term of this Contract, and must at all times maintain complete confidentiality with regard to the Proprietary Information provided to Contractor, subject to federal, state and local laws related to public disclosure. Contractor further acknowledges that a breach of any of the terms of this Contract by Contractor will result in irreparable harm to Gordian for which monetary damages would be an inadequate remedy, and Gordian will be entitled to injunctive relief (without the necessity of posting a bond) as well as all other monetary remedies available at law or in equity. In the event that it becomes necessary for either party to this IQCC System License to enforce the provisions of this Contract or to obtain redress for the breach or violation of any of its provisions, whether by litigation, arbitration or other proceedings, the prevailing party will be entitled to recover from the other party all costs and expenses associated with such proceedings, including reasonable attorney's fees.

In the event of a conflict in terms and conditions between this IQCC System License and any other terms and conditions of this Contract or any Order, Purchase Order or similar purchasing document (Purchase Order) issued by Sourcewell or a Participating Entity, this IQCC System License will take precedence.

E. REVIEW OF FIELD CONDITIONS. Before submitting a Price Proposal, the Contractor must: carefully study the Detailed Scope of Work, as well as the information furnished by the Participating Entity; take field measurements of any existing conditions related to the work; and observe any conditions at the Site affecting the Price Proposal. Any design errors or omissions, other errors, inconsistencies, or omissions discovered by the Contractor must be reported promptly to the Project Manager. It is recognized that the Contractor's review is made in the Contractor's capacity as a Contractor and not as a licensed design professional. The Contractor is not required to ascertain that the Detailed Scope of Work is in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations. However, any nonconformity discovered by or made known to the Contractor must be reported promptly to the Project Manager.

F. PERSONNEL. The Contractor will employ competent personnel for the development of the Project's Detailed Scope of Work, the preparation of the Price Proposal and the execution of the work. During the performance of the work, the superintendent assigned to the Project will represent the Contractor, and communications given to the superintendent will be as binding as if given to the Contractor. Important communications must be confirmed in writing. Other communications will be similarly confirmed on written request in each case.

G. SUPERVISION. The Contractor must enforce strict discipline and good order among the Contractor's employees and other persons carrying out the work. The Contractor will supervise and direct the performance of the Detailed Scope of Work, using the Contractor's best skill and attention. The Contractor will be solely responsible for and have control over construction means, methods, techniques, sequences and procedures and for coordinating all portions of the work. If the Detailed Scope of Work gives specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor will evaluate the Site safety thereof and, except as stated below, will be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that

such means, methods, techniques, sequences or procedures may not be safe, the Contractor will give timely written notice to the Project Manager and will not proceed with that portion of the work without further written instructions from the Project Manager.

The Contractor will be responsible to the Participating Entity for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the work for or on behalf of the Contractor or any of its Subcontractors.

The Contractor will be responsible for inspection of portions of work already performed to determine that such portions are in proper condition to receive subsequent work.

H. WORKMANSHIP AND QUALITY. The Contractor may make substitutions only with the written consent of the Project Manager. The Contractor will not permit employment of unfit persons or persons not skilled in the portions of the work assigned to them.

I. SHOP DRAWINGS, PRODUCT DATA, AND SAMPLES.

1. Shop drawings, product data, samples, and similar submittals are not considered as Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Detailed Scope of Work for which submittals are required by the Contract Documents the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Detailed Scope of Work. Submittals that are not required by the Contract Documents may be returned by the Project Manager without action.
2. The Contractor must review for compliance with the Contract Documents, approve and submit to the Project Manager shop drawings, product data, samples and similar submittals required with reasonable promptness and in such sequence as to cause no delay in the work or in the activities of the Participating Entity or of separate contractors. Submittals that are not marked as reviewed for compliance with the Contract Documents and approved by the Contractor may be returned by the Project Manager without action.
3. By approving and submitting shop drawings, product data, samples and similar submittals, the Contractor represents that it has determined and verified materials, field measurements, and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Detailed Scope of Work and of the Contract Documents.
4. The Contractor must perform no portion of the work for which the Contract Documents require submittal and review of shop drawings, product data, samples, or similar submittals until the respective submittal has been approved by the Project Manager.
5. The work will be performed in accordance with approved submittals except that the Contractor will not be relieved of responsibility for deviations from requirements of the Contract Documents by the Project Manager's approval of shop drawings, product data, samples or similar submittals unless the Contractor has specifically informed the Project Manager in writing of such deviation at the time of submittal and a) the Project

Manager has given written approval to the specific deviation as a minor change in the work, or b) a Supplemental Purchase Order or written notice has been issued authorizing the deviation. The Contractor will not be relieved of responsibility for errors or omissions in shop drawings, product data, samples or similar submittals by the Project Manager's approval thereof.

6. The Contractor will direct specific attention, in writing or on resubmitted in shop drawings, product data, samples or similar submittals, to revisions other than those requested by the Project Manager on previous submittals. In the absence of such written notice the Project Manager's approval of a resubmission will not apply to such revisions.
7. All costs for normal submittal information (shop drawings, cut sheets, performance information, installation or erection drawings, etc.) are included in the CTC line item costs.
8. The Contractor will not be required to provide professional services which constitute the practice of architecture or engineering unless such services are specifically requested by the Participating Entity and required by the Detailed Scope of Work; or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures, and such services are approved by the Participating Entity. The Contractor will not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Detailed Scope of Work, the Participating Entity will specify all performance and design criteria that such services must satisfy, and the costs associated with such services will be represented by including the appropriate tasks from the CTC. The Contractor will cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal must appear on all drawings, calculations, specifications, certifications, shop drawings and other submittals prepared by such professional. Shop drawings and other submittals related to the work designed or certified by such professional, if prepared by others, will bear such professional's written approval when submitted to the Project Manager. The Participating Entity will be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided the Participating Entity has specified to the Contractor all performance and design criteria that such services must satisfy. The Project Manager will review, approve, or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Detailed Scope of Work. The Contractor will not be responsible for the adequacy of the performance or design criteria required by the Detailed Scope of Work. The Participating Entity will have the right to provide, or designate a representative to provide, any architectural or engineering services necessary for completion of the Work.

J. CUTTING AND PATCHING.

1. The Contractor will be responsible for cutting, fitting, or patching required to complete the Detailed Scope of Work or to make its parts fit together properly.
2. The Contractor will not damage or endanger a portion of the work, or fully or partially completed construction of the Participating Entity or separate contractors, by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor will not cut or otherwise alter such construction by the Participating Entity or a separate contractor except with written consent of the Participating Entity and of such separate contractor. The Contractor will not unreasonably withhold from the Participating Entity or a separate contractor the Contractor's consent to cutting or otherwise altering the work.

K. CLEAN UP.

1. The Contractor will keep the Site and surrounding areas free from accumulation of waste materials or rubbish caused by operations under the Purchase Order. At completion of the work, the Contractor will remove from and about the Site all waste materials, rubbish, Contractor's tools, construction equipment, machinery, and surplus materials.
2. If the Contractor fails to clean up, the Participating Entity may do so, and the cost thereof will be charged to the Contractor.

L. ACCESS TO THE WORK. The Contractor will provide the Project Manager access to the work at all times.

M. SUBCONTRACTORS.

1. The Contractor, as soon as practicable after award of the Purchase Order, will furnish in writing to the Project Manager the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each portion of the work. The Project Manager will promptly reply to the Contractor in writing stating whether or not, after due investigation, the Contractor has reasonable objection to any such proposed person or entity. Failure of the Project Manager to reply promptly will constitute notice of no reasonable objection.
2. The Contractor will not subcontract with a proposed person or entity with whom the Participating Entity or Project Manager has made reasonable and timely objection. Similarly, the Contractor will not be required to subcontract with anyone with whom the Contractor has made reasonable objection.
3. If the Participating Entity or Project Manager has reasonable objection to a subcontractor proposed by the Contractor, the Contractor will propose another to whom the Participating Entity or Project Manager has no reasonable objection.

N. COORDINATION WITH OTHER CONTRACTORS.

1. The Participating Entity reserves the right to perform construction or operations related to the Purchase Order with the Participating Entity's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the Site.
2. The Participating Entity will provide for coordination of the activities of the Participating Entity's own forces and of each separate contractor with the work of the Contractor, who will cooperate with them. The Contractor will participate with other separate contractors and the Participating Entity in reviewing their construction schedules when directed to do so. The Contractor will make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules will then constitute the schedules to be used by the Contractor, separate contractors, and the Participating Entity until subsequently revised.

O. PROPRIETARY RIGHTS, PATENT AND COPYRIGHT INFRINGEMENT.

1. Contractor will defend any action or proceeding brought against Sourcewell or any Participating Entity based on any assertion or claim that the Work, or any part thereof, or the operation thereof or use of the Work or any part thereof, constitutes infringement of any third party proprietary rights, trademark, patent or copyright, now or hereafter issued "Proprietary Rights." Contractor will defend, indemnify and hold harmless Sourcewell or any Participating Entity from and against all damages and costs, including attorney's fees, awarded against Sourcewell or Participating Entity or Contractor in any such action or proceeding. Contractor further agrees to keep Sourcewell and any Participating Entity informed of all developments in the defense of such actions or proceedings.
2. In the event a Participating Entity is enjoined from the completion of the Work, or any part thereof in connection with any claim of infringed proprietary rights, Contractor will at its sole expense take reasonable steps to procure the right or license to operate or use the Work. If Contractor cannot so procure the aforesaid right within a reasonable time, Contractor will then, promptly at Contractor's option and Contractor's expense and in consultation with the Participating Entity, (a) modify the Work so to avoid infringement of any Proprietary Rights; or (b) replace said Work with Work that does not infringe or violate any such Proprietary Rights.
3. Sections 1 and 2 above will not be applicable to any action or proceeding based on infringement or violation of a Proprietary Right (a) relating solely to a particular process or the product of a particular manufacturer specified by the Participating Entity and such processes or products are something other than that which has been offered or recommended by Contractor to the Participating Entity; or (b) arising from modifications to the Work by the Participating Entity or its agents after acceptance of the Work.

P. REQUESTS OF EXTENSION OF TIME.

1. The Purchase Order Completion Time will be extended for such reasonable time as the Project Manager may determine, if the Contractor is delayed at any time in the commencement or progress of the Detailed Scope of Work by:

- An act or neglect of the Participating Entity or its Project Manager, their employees, or agents
 - A separate contractor employed by the Participating Entity
 - Changes ordered in the work by the Participating Entity
 - Labor disputes or civil unrest
 - Fire
 - Unusual delay in deliveries
 - Unavoidable casualties or other causes beyond the Contractor's control
 - Other causes for which the Project Manager may determine justify a delay
2. The Contractor will not make any claim for damages for the delay in the performance of any Purchase Order occasioned by any act or omission of the Participating Entity, Project Manager, or any of their representatives; and agrees that any such claim will be fully compensated for by an extension of time as provided herein.

Q. PARTIAL OCCUPANCY OF TIME.

1. The Participating Entity may occupy or use any completed or partially completed portion of the work at any stage when it is consented to by the authorized public authorities having jurisdiction over the work. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Participating Entity and the Contractor agree in writing to the conditions of such use, including payment and any other required terms. Consent of the Contractor to partial occupancy or use will not be unreasonably withheld.
2. Immediately prior to such partial occupancy or use, the Participating Entity, the Contractor and Project Manager will jointly inspect the area to be occupied or portion of the work to be used in order to determine and record the condition of the work.
3. Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the work will not constitute acceptance of work that does not comply with the requirements of the Contract Documents.

R. PROTECTION OF PERSONS AND PROPERTY. The Contractor must take reasonable precautions for safety of, and will provide reasonable protection to prevent damage, injury, or loss to:

1. Employees on the work and other persons who may be affected thereby;
2. The work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or sub-subcontractors; and
3. Other property at the Site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

The Contractor will give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

The Contractor will erect and maintain, as required by existing conditions and performance of the Detailed Scope of Work, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying Participating Entity and users of adjacent sites and utilities.

When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the work, the Contractor will exercise utmost care and carry on such activities under supervision of properly qualified personnel.

The Contractor will promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property caused in whole or in part by the Contractor, a Subcontractor, a sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible, except damage or loss attributable to acts or omissions of the Participating Entity or Project Manager or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's other obligations included herein.

The Contractor will designate a responsible member of the Contractor's organization at the Site whose duty will be the prevention of accidents. This person will be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Project Manager.

The Contractor will not permit any part of the construction or Site to be loaded in a manner that endangers safety.

S. HAZARDOUS MATERIALS.

1. If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to lead based paint, asbestos or polychlorinated biphenyl (PCB), encountered on the Site by the Contractor, the Contractor will, upon recognizing the condition, immediately stop the work in the affected area and report the condition to the Project Manager in writing.
2. The Participating Entity will obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to verify that it has been rendered harmless. Unless otherwise required by the Contract Documents, the Participating Entity will furnish in writing to the Contractor and Project Manager the

names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the Task of removal or safe containment of such material or substance. The Contractor and the Project Manager will promptly reply to the Participating Entity in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Participating Entity. If either the Contractor or Project Manager has an objection to a person or entity proposed by the Participating Entity, the Participating Entity will propose another to whom the Contractor and the Project Manager have no reasonable objection. When the material or substance has been rendered harmless, the work in the affected area will resume upon written agreement of the Participating Entity and Contractor. The Purchase Order Completion Time will be extended appropriately.

3. The Participating Entity will not be responsible for materials and substances brought to the Site by the Contractor unless such materials or substances were required by the Detailed Scope of Work.

T. TESTS AND INSPECTIONS.

1. Tests, inspections and approvals of portions of the work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction will be made at an appropriate time. Unless otherwise provided, the Contractor will make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Participating Entity, or with the appropriate public authority. The Contractor will give the Project Manager timely notice of when and where tests and inspections are to be made so that the Project Manager may be present for such procedures.
2. If the Project Manager, Participating Entity, or public authorities having jurisdiction determine that portions of the work require, through no fault of the Contractor, additional testing, inspection or approval, the Project Manager will instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Participating Entity, and the Contractor will give timely notice to the Project Manager of when and where tests and inspections are to be made so that the Project Manager may be present for such procedures. Such costs will be at the Participating Entity's expense.
3. If such procedures for testing, inspection or approval reveal failure of the portions of the work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Project Manager's services and expenses will be at the Contractor's expense.
4. Required certificates of testing, inspection or approval will, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Project Manager.

5. If the Project Manager is to observe tests, inspections or approvals required by the Contract Documents, the Project Manager will do so promptly and, where practicable, at the normal place of testing.
6. Tests or inspections conducted pursuant to the Contract Documents will be made promptly to avoid unreasonable delay in the work.

U. PARTICIPATING ENTITY'S RIGHT TO STOP WORK AND COMPLETE WORK. A Participating Entity may order the Contractor to stop the work on any Purchase Order, or any portion thereof, at any time for any reason. If the Contractor has been ordered to stop the work, the Participating Entity may, without prejudice to other remedies, have the work completed by any available means.

V. SURVIVAL OF WORK. Any Purchase Order issued prior to the expiration of this Contract may survive after the expiration of this Contract. This means work may continue to be performed, payments may be made, and the guarantee period may continue.

W. WARRANTY. All work furnished under this Contract will be guaranteed against defective materials and workmanship, improper performance, and non-compliance with the Contract Documents for a period of one year after final acceptance of the work (Warranty Period); except as otherwise specified in other parts of the Contract Documents, or within such longer period of time as may be prescribed by law or provided by the manufacturer.

During the Warranty Period, the Contractor will repair and replace at Contractor's own expense, all work that may develop defects whether such defects may be inherent in the equipment or materials, in the functioning of the piece of equipment, or in the functioning and operation of pieces of equipment operating together as a functional unit. Any equipment or material that is repaired or replaced will have the Warranty period extended for a period of one year from the date of the last repair or replacement.

If the Contractor fails to repair, replace, rebuild, or restore such defective or damaged work promptly after receiving such notice, the Participating Entity will have the right to have the work done by others and to deduct the cost thereof from the monies owed to the Contractor. If the amount owed is insufficient to cover such costs, the Contractor will be liable to pay such deficiency on demand. The Project Manager's certificate setting forth the fair and reasonable cost of repairing, replacing, rebuilding or restoring any damaged or defective work when performed by one other than the Contractor will be binding and conclusive as the amount thereof upon the Contractor.

The Contractor must obtain all manufacturer's warranties and guarantees of all equipment and materials required by this Contract in the name of the Participating Entity.

IV. SCOPE AND PROCEDURE FOR ORDERING WORK

A. REGION. The Contractor will primarily perform work in the Region designated at the top of this Contract. However, if the parties agree, the Contractor may work in another area using its awarded Adjustment Factors and appropriate Construction Task Catalog. If a contractor does not have a contract for the area work in which the work is to be performed, but maintains more

than one contract with Sourcewell, it will use the contract that results in the lowest price for the Participating Entity.

B. SCOPE. Work will be offered to the Contractor only through an authorized Purchase Order issued in accordance with this Contract. Purchase Orders will contain the Detailed Scope of Work required for the Contractor to complete the Project for a Participating Entity. The Contractor will provide all pricing, management, incidental drawings, shop drawings, samples, documents, work, materials, supplies, parts (to include system components), transportation, plant, supervision, labor, and equipment needed to complete each Purchase Order. The Contractor will also be responsible for Site safety as well as Site preparation and cleanup during and after construction.

The Contractor is not guaranteed to receive a Purchase Order under this Contract.

C. CONTRACTOR SELECTION METHODOLOGY. After the Participating Entity has developed a draft Scope of Work, it will select a contractor using one of the following methods:

1. *Directly Selecting a Contractor*. Depending upon the procurement requirements of the Participating Entity, it may choose to directly select an available Sourcewell-contracted contractor, or
2. *Use of BidSafe to Select Contractor*. When p available for the Project, the Participating Entity may use Gordian's BidSafe to issue a Request for Quotation to two or more contractors in order to determine the award of a Purchase Order. The use of BidSafe will be subject to Gordian's BidSafe requirements.

D. PURCHASE ORDER COMPLETION PROCESS. Upon selection of a contractor as described in Section C. above, the Participating Entity and Gordian will work with the Contractor to complete the following:

1. JOINT SCOPING MEETING. The Contractor will attend the Joint Scope Meeting with the Participating Entity and Gordian to discuss, at a minimum:
 - a. The general Scope of Work
 - b. Alternatives for performing the work and value engineering
 - c. Access to the Site and protocol for admission
 - d. Hours of operation
 - e. Staging area
 - f. Requirements for professional services, sketches, drawings, and specifications
 - g. Construction schedule
 - h. Requirement for bonding
 - i. The presence of hazardous materials
 - j. Date on which the Proposal Package is due
2. DETAILED SCOPE OF WORK. Upon completion of the joint scoping meeting, Gordian, the Participating Entity, and the Contractor will work together to create a Detailed Scope of Work referencing any sketches, drawings, photographs, and specifications required to document accurately the work to be accomplished. The Detailed Scope of Work will be the basis on which the Contractor will develop its Proposal Package. The Contractor

does not have the right to refuse to perform any task or any work in connection with a particular Project.

3. REQUEST FOR PROPOSALS. Upon completion of the Detailed Scope of Work, the Participating Entity will issue a Request for Proposal to the Contractor. The Contractor will use Gordian's IQCC System to prepare its Price Proposal.
4. PROPOSAL PACKAGE CONTENTS. Upon issuance of the Participating Entity's Request for Proposal, the Contractor will create a Proposal Package that includes:
 - a. Price Proposal: The Price Proposal will be based on the following:
 - 1) *Pre-Priced Tasks*: Pre-Priced tasks described, and for which a Unit Price is set forth, in the CTC. The Contractor will identify the Task and the quantities required.
 - 2) *Non-Pre-Priced Tasks*: A Non Pre-priced Task is a task that is not in the CTC.
 - a) For Non Pre-Priced Work Performed with the Contractor's Own Forces: The Contractor will submit three independent quotes for all materials to be installed and will provide a breakdown of the labor and equipment costs.

The final price submitted for Non Pre-Priced Tasks will be according to the following formula, and each Non Pre-Priced Task must be supported with the necessary back-up documents including the calculation below:

- i. The hourly rate for each trade classification not in the CTC multiplied by the quantity.
- ii. The rate for each piece of Equipment not in the CTC multiplied by the quantity.
- iii. Lowest of three independent quotes for all materials.

Total Cost for Non-Pre-Priced Tasks performed by contractor's own forces = (i + ii + iii) x Non-Pre-Priced Adjustment Factor.

b) For Non-Pre-Priced Work performed through a Subcontractor: The Contractor must submit three independent bids from Subcontractors. The Contractor may not submit a quote or bid from any supplier or Subcontractor that the Contractor is not prepared to use during the Project. The Participating Entity may require additional quotes and bids if the suppliers or Subcontractors are not acceptable or if the prices are not determined to be reasonable. If the Contractor cannot obtain three quotes or bids, the Contractor will provide this information in writing to the Sourcewell Participating Entity for review and approval.

The final price submitted for Non Pre-Priced Work performed through a Subcontractor will be the lowest of three Subcontractor quotes.

The Total Cost for Non-Pre-priced Tasks performed by Subcontractors = Lowest of Three Subcontractor Quotes X Non-Pre-Priced Task Adjustment Factor.

At the discretion of Gordian, Non-Pre-Priced Tasks, as well as other Tasks, may be added to the CTC during the course of the Contract. Unit prices will be established based on actual quotes from material suppliers and installers and fixed as a permanent Pre-priced Task in the CTC.

Gordian's determination as to whether an item is a Pre-Priced Task or a Non-Pre-Priced Task will be final, binding and conclusive as to the Contractor.

The means and methods of construction will be such as the Contractor may choose; subject however, to the Participating Entity's right to reject means and methods proposed by the Contractor that: Will not produce finished work in accordance with the terms of the Contract; or Unnecessarily increases the price of the Purchase Order when alternative means and methods are available.

- 3) *Additional Costs.* In the event the Contractor is required to work within a secured facility where labor, material, and equipment must be inspected to pass through a secured perimeter, and all work must be constantly monitored by facility personnel, such as a prison, the Contractor will be paid for the labor time lost as a result of such perimeter inspection, as well as any loss of time resulting from a temporary shut down of the work site required by the facility, such as a temporary shut down to move prisoners.

The value of the Price Proposal will be calculated by summing the total of the calculations for each Pre-Priced Tasks (Unit Price x quantity x Adjustment Factor) plus the value of all Non-Pre-Priced Tasks.

- b. Incidental drawings, sketches, or specification information,
- c. Quantity take-offs supporting all material quantities,
- d. Catalog cuts providing information on materials or products, as specifically requested,
- e. The list of known Subcontractors,
- f. Construction schedule,
- g. Back-up data for any Non-Pre-Priced Tasks (identified above),
- h. Warranty information on special equipment or materials, and
- i. Other such documentation as the Participating Entity may require.

By submitting a Price Proposal to the Participating Entity, the Contractor agrees to accomplish the Detailed Scope of Work in accordance with the Request for Proposal at the price it submits. It is the Contractor's responsibility to include the necessary tasks and quantities in the Price Proposal and apply the appropriate Adjustment Factor(s) prior to delivering it to the Participating Entity. However, when trade jurisdiction rules or small quantities, the cost of a minor task in the Price Proposal is less than the cost of the actual labor and material to perform such task, the Participating Entity may permit the Contractor to be paid for such task as a Non-Prepriced Task, or use Prepriced labor tasks and material component pricing to cover the actual costs incurred. Provided that there is no other work for that trade on the Project or other work

for that trade cannot be scheduled at the same time and the final charge does not exceed \$5,000.

E. WAGE RATES AND GOALS REQUIRED BY LAW. If other wage rates are required by law (such as prevailing wage), the Contractor must pay such wages to all workers in accordance with the applicable laws. If the Work is performed in whole or in part using federal funding, then the Davis Bacon Wages for that area will apply.

The wage rates used in the CTC were the prevailing wage rates, if any, in effect at the time the IFB was issued. If prevailing wage rates are revised prior to completion of the Project, the revised rate will apply to this Contract from the effective date of such revision; however, such revision will not entitle Contractor to any increased compensation under the terms of the Contract.

The Contractor must meet any goals or requirements established by the Participating Entity ordering the work, and/or satisfy the intent of said goals or requirements, with regard to small, local, minority, women, veteran or disadvantaged business enterprises. Additional participation goals may be incorporated into the detailed scope of work.

F. TIME FOR SUBMITTAL OF THE PROPOSAL PACKAGE.

1. The Proposal Package will be submitted by the date indicated on the Request for Proposal. All incomplete Proposal Packages will be rejected. The time allowed for preparation of the Proposal Package will depend on the complexity and urgency of the Project but should average between seven and fourteen days. On complex Projects, such as those requiring incidental engineering/architectural drawings and approvals and permits, allowance will be made to provide adequate time for preparation and submittal of the necessary documents.
2. In emergency situations and for Projects requiring immediate completion, the Proposal Package may be required quickly and the due date will be so indicated on the Request for Proposal or, the Contractor may begin work immediately, with the paperwork to follow.
3. If the Contractor fails to meet the deadline for submittal of the Proposal Package, this may be reason to suspend issuance of this particular Purchase Order.
4. If the Contractor requires clarifications or additional information regarding the Detailed Scope of Work in order to prepare the Proposal Package, the request must be submitted so that the submittal of the Proposal Package is not delayed.

G. REVIEW OF THE PROPOSAL PACKAGE.

1. Gordian and/or the Participating Entity will evaluate the Price Proposal by evaluating the nature and number of Tasks proposed against the agreed upon Detail Scope of Work and will determine the reasonableness of approach. Furthermore Gordian or the Participating Entity may compare the Price Proposal to the cost estimate for the Detailed Scope of Work. Gordian or the Participating Entity reserves the right to reject a

Price Proposal based on unjustifiable/unsupported (with take off details) quantities and/or Tasks, schedule, inadequate documentation, or for any other reason.

2. If Gordian and/or the Participating Entity finds any part of the Price Proposal unacceptable, Gordian or the Participating Entity may request the Contractor to re-submit its Price Proposal or cancel the Project. The Contractor is expected to submit correct Price Proposals the first time. Adjustments to the Price Proposal may occasionally need to be made after review by Gordian and the Participating Entity. In that event, Gordian may permit the Contractor to submit the first Price Proposal and a second Price Proposal for each Purchase Order.
3. Additionally, Gordian and/or the Sourcewell Participating Entity will evaluate all other components of the Proposal Package and may request revisions thereto.
4. Requested revisions to any and all of the Proposal Package components should be made by the Contractor and resubmitted in no more than three working days. If after the second review by Gordian and/or the Participating Entity, Gordian and/or the Participating Entity finds requested revisions to the Proposal Package that were not made, this may be reason to suspend that particular Purchase Order.
5. Failure by the Contractor to submit Proposal Packages, and revisions thereto, in a timely manner (within time frames described above) is grounds for suspension of all future Purchase Orders.
6. The Participating Entity reserves the right to obtain Price Proposals from any or all of the contractors awarded an IQC contract.
7. If the Contractor continues to submit Price Proposals that are rejected by Gordian, Sourcewell may declare the Contractor in default and initiate termination of the Contract.

H. DELIVERY OF THE PROPOSAL PACKAGE. After Gordian reaches an agreement with the Contractor on the Proposal Package and any requested revision thereto, if applicable, Gordian will assemble and deliver the Proposal Package for the Participating Entity's consideration.

If the Contractor submits a Proposal Package with inaccurate Adjustment Factors, the Contractor waives all rights to any further compensation above the Purchase Order Price submitted in the Proposal Package.

The Contractor cannot delay submission of the Proposal Package past the due date to take advantage of a scheduled update of the Adjustment Factors. In that event, the Contractor must use the Adjustment Factors that would have been in effect without the delay.

I. REVIEW OF THE PROPOSAL PACKAGE BY THE PARTICIPATING ENTITY AND ISSUANCE OF PURCHASE ORDER.

1. The Participating Entity will evaluate the entire Proposal Package.

2. The Participating Entity may reject a Proposal Package for any reason.
3. The Participating Entity may request changes to or clarifications of any part of the Proposal Package. A Participating Entity may also require a certificate of insurance or labor, material payment, or performance bonds. The Contractor and Gordian will work together to make any requested revisions in a timely manner and resubmit a revised Proposal Package.
4. Upon approval of the Proposal Package by the Participating Entity, the Participating Entity may issue a signed Purchase Order, Notice of Award, or similar document accepting the Contractor's offer. The document will include:
 - a) Reference to the Detail Scope of Work
 - b) The Purchase Order Price
 - c) Start date, Purchase Order Completion Time (duration) and completion date
 - d) Whether liquidated damages will apply
5. Once the Contractor accepts the Purchase Order, the Contractor may not refuse to perform the work. Such actions may be grounds for termination of this Contract or other disciplinary action at the option of Sourcewell.
6. If performance and payment bonding is required, or if a separate and/or special insurance certificate is required, the Contractor will deliver such requirement to the Participating Entity within 10 days of notification of the requirement.
7. Within two business days of receipt of a Purchase Order from an Agency, the Contractor must provide notification to Gordian by forwarding a copy of the Purchase Order to Gordian.
8. Within two business days of receiving initial payment from an Agency, the Contractor must provide notification to Gordian of the initial payment by forwarding a copy of the submitted invoice to Gordian.

J. CHANGES TO THE SCOPE OF WORK.

1. The Participating Entity reserves the right to make, in writing, at any time during the work, changes in the Detailed Scope of Work as are necessary to satisfactorily complete the Project, and to delete in whole or in part, or to add to, the Detailed Scope of Work. Such changes, deletions, or additions will not invalidate the Contract or the Purchase Order nor release the surety, if any, and the Contractor agrees to perform the work as altered.
2. All changes, deletions, and additions to the Detailed Scope of Work will be reflected in a Supplemental Purchase Order developed and priced in accordance with the procedure for developing and approving all Price Proposals.

K. PUNCH LIST COMPLETION.

1. The Contractor understands and agrees that time is of the essence in closing out the work of each Purchase Order under this Contract. Upon Substantial Completion of the work, the Punch List will be transmitted to the Contractor from the Participating Entity. The Contractor agrees to begin performance of Punch List Work immediately after receipt of the Punch List.
2. Failure of the Contractor or its Subcontractors to begin the Punch List Work within three business days after receipt of the Punch List will be construed as failure to prosecute the work of the Contract.
3. Punch List Work will be continuously prosecuted once begun and completed within 30 Days from the receipt of the Punch List. Should the Contractor fail to complete the Punch List within this period of time, the liquidated damages as identified in by the Participating Entity's Purchase Order will apply.

L. BONDS: PAYMENT AND PERFORMANCE OR MATERIAL AND WORKMANSHIP. If required by the Participating Entity for a particular Purchase Order, the Contractor will deliver a Labor and Material Payment Bond and a Performance Bond in the amount of such Purchase Order. If required by the Participating Entity for a particular Purchase Order, the Contractor will deliver Material and Workmanship Bonds in the amount required by the Participating Entity. The bonds must be in a form, and executed by a surety, acceptable to the Participating Entity. The bonds must be received before the Notice to Proceed will be issued. The Contractor will be compensated for the cost of the bonds up to 2% of the Work Order Price through the Reimbursable Fee work task in the Construction Task Catalog. The Contractor will apply a 1.1000 Adjustment Factor to the Reimbursable Fee work task rather than applying the Contractor's competitively bid Adjustment Factor.

M. TERMINATION OF ORDERS. Participating Entities may terminate a Purchase Order, in whole or in part, immediately upon notice to the Contractor in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the work
2. Federal or state laws or regulations prohibit the work
3. The Contractor commits any material breach of this Contract or Purchase Order

N. PURCHASE ORDER GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's Purchase Order will be determined by the Participating Entity.

V. ADJUSTMENT FACTORS AND PAYMENTS

A. PREVAILING WAGE RATES AND PARTICIPATION REQUIREMENTS. When applicable, the Contractor will be responsible for paying prevailing wages to all workers in accordance with the applicable laws; and the wage rates in the CTC will be the prevailing wage rates. If the state in which the work is located revises its prevailing rate of hourly wages prior to completion of the

Project, the revised rates will apply to this Contract from the effective date of the revision; however, any such revision will not entitle the Contractor to any increased compensation under the terms of this Contract.

If other wage rates are required by law, the Contractor must pay those wages to all workers in accordance with the applicable laws. If the Purchase Order is performed in whole or in part using federal funding, then the Davis Bacon Wages for that area will apply.

B. CONSTRUCTION TASK CATALOG (CTC) UPDATE. The CTC issued with this Solicitation will be in effect for the first year of the Contract. On the anniversary of the Contract award date, a new CTC will be furnished. The new CTC will be effective for the following twelve (12) month extension period. The new CTC will only apply to Work Orders issued after the effective date of the applicable contract extension and shall have no impact on Work Orders issued prior to the effective date of the applicable contract extension.

C. ECONOMIC PRICE ADJUSTMENT. Upon request by the Contractor, or upon the initiative of Gordian, the Contractor's Adjustment Factors may be updated at the time of the periodic extension of this Contract.

1. The Contractor's Adjustment Factors will be calculated according to the following:
 - a. A Base Year Index will be calculated by averaging the 12 month Construction Cost Indices for the average of the 20 cities published in the *Engineering News Record* for the 12 months immediately prior to the month of the Solicitation (e.g., for an April solicitation, the Base Year Index will be April of the prior year to March of the Solicitation year).
 - b. A Current Year Index will be calculated by averaging the 12 month Construction Cost Indices for the average of the twenty cities published in the *Engineering News Record* for the 12 months beginning with the month of anniversary of the Solicitation (e.g., for an April solicitation, the Current Year Index will be April of the prior year to March of the current year).
 - c. The Economic Price Adjustment will be calculated by dividing the Current Year Index by the Base Year Index.
 - d. The Contractor's original Adjustment Factors will be multiplied by the Economic Price Adjustment to obtain the Contractor's new Adjustment Factors effective for the next 12 months.
 - e. Averages will be obtained by summing the 12-month indices and dividing by 12.
 - f. All calculations in this article will be carried to the fifth decimal place and founded to the fourth decimal place. The following rules will be used for rounding:
 - The fourth decimal place will be rounded up when the fifth decimal place is five or greater.

- The fourth decimal place will remain unchanged when the fifth decimal place is less than five.
2. *Engineering News Record* occasionally revises indices. *Engineering News Record's* Construction Cost Indices used in the calculations described above will be those currently published at the time the Economic Price Adjustment calculation is performed. No retroactive adjustments will be made as a result of an *Engineering News Record* revision. Revised Construction Cost Indices, if any, will be used in subsequent calculations.

D. PARTIAL PAYMENTS.

1. The Contractor may submit a monthly Application for Payment for Work completed to date. The Contractor will submit Certified Payroll Records, and such other supporting documentation as may be required by the Project Manager. The Contractor may be required to submit Certified Payroll Records online. The Project Manager will inspect the work within a reasonable time and the Participating Entity will make partial payments to the Contractor based on the approved value of completed work.
2. As permitted by the law or policy of the Participating Entity, the Participating Entity may withhold retainage per purchase order until completion of the Project.
3. The Contractor must promptly pay each Subcontractor, upon receipt of payment from the Participating Entity, out of the amount paid to the Contractor on account of such Subcontractor's portion of the work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the work. The Contractor will, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to its sub-Subcontractors in a similar manner.

E. FINAL PAYMENTS.

1. The Contractor will notify the Project Manager when the Detailed Scope of Work is complete and ready for final inspection. The Project Manager will promptly make such inspection. If the Project Manager finds the Detailed Scope of Work complete and all final documentation submitted, the Project Manager will notify the Contractor that a final Application for Payment may be submitted.
2. The Contractor may then submit a final Application for Payment. The Contractor will submit Certified Payroll Records and such supporting documentation as may be required by the Project Manager. The Participating Entity will make final payment to the Contractor.
3. Acceptance of final payment by the Contractor, a Subcontractor or material supplier will constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

VI. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. The Contractor will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell and Gordian if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell, Gordian, and Participating Entity inquiries; and
- Business reviews with Sourcewell, Gordian, and Participating Entities, if applicable.

B. BUSINESS REVIEWS. The Contractor must perform a minimum of one business review with Sourcewell and Gordian per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

VII. CONTRACT ACTIVITY REPORT AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT ACTIVITY REPORT. The Contractor must report contract activity within eGordian and complete all required fields.

The Report must contain the following fields related to Purchase Orders received from Participating Entities:

- Participating Entity Name,
- Participating Entity's Complete Address,
- Sourcewell Assigned Participating Entity Number,
- Brief Description of the work,
- Transaction Date,
- Total Sales Amount, and
- Applicable Sourcewell Contract Number.

B. ADMINISTRATIVE FEE. The Contractor must pay an administrative fee in exchange for the administration of the contracts by Sourcewell and Sourcewell's contract administrator, Gordian.

If the Contract is utilized by Entities, the Contractor agrees to pay Gordian a 7.50% administrative fee. Unless otherwise agreed with Gordian, Contractor shall make progress payments for the administrative fee in proportion to the percentage of construction completed to be invoiced at milestones reasonably established by Gordian. Contractor shall pay all Gordian invoices within thirty (30) days of date of invoice and payment will be sent as specified by Gordian. Administrative Fees not paid by the specified deadline shall bear an interest rate of 1.5% per month until paid. The Contractor shall keep Gordian reasonably informed of the construction status of each active construction project, which shall include responding to Gordian inquiries regarding construction status within 5 days. Additionally, the Contractor shall:

- Within two business days of receipt of a Purchase Order from an Agency, the Contractor must provide notification to Gordian by forwarding a copy of the Purchase Order to Gordian.
- Within two business days of receiving initial payment from an Agency, the Contractor must provide notification to Gordian of the initial payment by forwarding a copy of the submitted invoice to Gordian.

Sourcewell designates Gordian as its contract administrator. The Administrative Fee payments must be made payable to The Gordian Group and sent to the following address:

The Gordian Group, Inc.
PO Box 74008498
Chicago, IL 60674-8498

In order to audit this section, Sourcewell or Gordian may request records from the Contractor for all work performed under this Contract. If a discrepancy exists between the actual activity and the Administrative Fees paid, Gordian will provide written notification to the Contractor of the discrepancy and allow the Contractor 10 days from the date of notification to resolve the discrepancy. In the event the Contractor does not resolve the discrepancy to the satisfaction of Sourcewell or Gordian, Sourcewell or Gordian reserve the right to engage a third party to conduct an independent audit of the Contractor's records. In the event the Contractor is found not to be in compliance with this Contract, the Contractor will reimburse Sourcewell or Gordian for the cost and expense related to such audit.

In the event the Contractor is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any bid or proposal submitted by the Contractor to a Sourcewell or a Participating Entity. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

C. TAXES. The Contractor will pay all sales, consumer, use and other similar taxes required by law for which a valid exemption does not exist. If the Contractor is required to pay sales tax on non-exempt material, equipment, services, or other items purchased in connection with a Purchase Order, the Member will reimburse the Contractor for such tax, without mark-up, provided the Contractor submits the appropriate documentation therefor

VIII. ADDITIONAL TERMS

A. SURVIVAL OF TERMS. The following Articles of these General Terms and Conditions survive the expiration or cancellation of this Contract: III. A, C, O, V, and W; IX; XIII; and XV.

B. ASSIGNMENT. Neither the Contractor nor Sourcewell may assign or transfer any rights, interest, or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement.

C. AMENDMENTS. Any amendment of, including extension to, this Contract must be in writing and will not be effective until it has been fully executed by the parties.

D. WAIVER. If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.

E. CONTRACT COMPLETE. This Contract contains all negotiations and agreements between Sourcewell and the Contractor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

G. **SEVERABILITY.** If the Contract Documents contains any unlawful provision not an essential part of the Contract Documents and which will not appear to have been a controlling or material inducement to the making thereof, the same will be deemed of no effect and will, upon notice by either party, be deemed stricken without affecting the binding force of the remainder.

H. **GRATUITIES.** As it relates to this Contract, or any of the Contractor's efforts to secure this Contract or any of the work that may be offered or assigned hereunder, the Contractor is prohibited from offering or giving gratuities or favors, of any form, to Sourcewell, Gordian, or Participating Entities, including any of their representatives or agents.

Sourcewell may immediately cancel this Contract and notify proper authorities in the event Sourcewell determines that the Contractor or any of its agents offered or gave gratuities or favors of any form, including but not limited to: entertainment, gifts, cash, promise or forgiveness, or any other form of gratuity or favor to any employee or agent of Sourcewell, Gordian, or the Participating Entity.

IX. LIABILITY

The Contractor must indemnify, save, and hold Sourcewell, Gordian, and Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of the performance of this Contract by the Contractor or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the work performed and any products provided under this Contract to the extent the work has been used according to its specifications and Project.

X. AUDITS

Sourcewell reserves the right to review the books, records, documents, and accounting procedures and practices of the Contractor relevant to this Contract for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract. The Contractor must provide verifiable documentation and tracking in a timely manner.

XI. GOVERNMENT DATA PRACTICES

The Contractor and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell or Gordian under this Contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Contractor under this Contract.

XII. MARKETING

A. **MARKETING.** The Contractor must adhere to the following when preparing marketing materials and web sites, and in the use of trademarks and service marks:

1. The Contractor will include the Sourcewell logo and website address on all marketing materials and web sites that mention this Contract or have any relation to this Contract.
2. The Contractor will include Gordian's eziQC logo, website address (www.eziQC.com), and eziQC® telephone number (888-993-9472) on all marketing materials and web sites that mention this Contract.
3. The Contractor is authorized to use Sourcewell's and Gordian's names, logos, trademarks, service marks and other provided materials solely for the presentation and promotion of the availability and use of this Contract to Participating Entities.
4. All publicity and marketing materials must be coordinated with and approved by Sourcewell.
5. The Contractor must not claim that Sourcewell or Gordian endorses its work or services.
6. The Contractor must avoid all conflicts of interest with the promotion of this Contract to any Participating Entity.

XIII. GOVERNING LAW, JURISDICTION, AND VENUE

This Contract, between the Contractor and Sourcewell, will be governed by Minnesota substantive and procedural law. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

For any action or claim between the Participating Entity and the Contractor, the governing law and venue will be determined by the Participating Entity accessing this Contract.

XIV. FORCE MAJEURE

Neither party will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party delaying or defaulting under this provision must provide the other party prompt written notice of the delay or default.

XV. SEVERABILITY

If any provision of this Contract is found to be illegal, unenforceable, or void then the parties will be relieved of all obligations arising under such provisions. If the remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

XVI. PERFORMANCE, DEFAULT AND REMEDIES, AND LIQUIDATED DAMAGES

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues. The resolution process is as follows:

1. *Notification.* The Parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, the Parties will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of the Parties.
2. *Escalation.* If Parties are unable to resolve the issue in a timely manner, as specified above, the Parties may escalate the resolution of the issue to a higher level of management within their organization. The Contractor will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Contractor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Contractor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed will be borne by the Contractor.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity Purchase Order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a reasonable opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate this Contract or any portion thereof, including any orders issued against the Contract.

C. **LIQUIDATED DAMAGES.** The Participating Entity may assess liquidated damages for each day after the Purchase Order Completion Time in the Detailed Scope of Work is not complete. It is understood and agreed by and between the Contractor, Sourcewell, and the Participating Entity, that time is of the essence in all matters relating to Liquidated Damages.

The liquidated damages will be determined on a Purchase Order by Purchase Order basis.

XVII. INSURANCE

A. **REQUIREMENTS.** At its own expense, the Contractor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State where the Project is located. Participating Entities must follow their own laws and practices regarding insurance requirements; and may require

additional coverage or limits. Each policy must have an “AM BEST” rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers’ Compensation and Employer’s Liability.* Workers’ Compensation: As required by any applicable law or regulation in the state in which the Project is located.
Employer's Liability Insurance must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident
\$500,000 policy limit for bodily injury by disease
\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* The Contractor will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office (ISO) Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage
\$1,000,000 Personal and Advertising Injury
\$2,000,000 aggregate for Products-Completed operations
\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, the Contractor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must comply with the motor vehicle laws of the state in which the Project is located and apply to the use in connection with the work in the Contract Documents. The terms must be no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$2,000,000 each accident, combined single limit

4. *Umbrella Insurance.* During the term of this Contract, the Contractor will maintain umbrella coverage over Workers’ Compensation, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *All Risk Builders Risk Insurance.* Where specifically required in the Detailed Scope of Work, the Contractor will provide, before the Purchase Order is issued, Builders’ Risk

Insurance in an amount at least equal to the Purchase Order Price in a form and by a carrier acceptable to the Participating Entity. The cost of such Builders Risk Policy will be reimbursed to the Contractor as a reimbursable task.

6. *Pollution Liability Insurance.* If a Project involves asbestos abatement encapsulation or other activities involving hazardous materials, the Contractor, Subcontractor or other party responsible for such work will procure and maintain a liability insurance policy issued to and covering the liability, of the Contractor, Subcontractor or other party engaged in the removal, or handling of hazardous materials, for bodily injury, illness, sickness or property damage caused by exposure.

Minimum Limits:

\$2,000,000 per occurrence
\$2,000,000 aggregate.

The cost of Pollution Liability Insurance is included in the Unit Prices and will not be reimbursed separately.

Failure of the Contractor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default, or the Participating Entity cancel the Purchase Order for default.

If at any time any of the above-required insurance policies should be cancelled, terminated, or modified so that insurance is not in effect as above required, then, if Sourcewell will so direct, the Contractor will suspend performance of the work. If the work is suspended, no extension of time to complete the work will be due. If the work is not suspended, then Sourcewell or the Participating Entity may, at its option, obtain insurance affording coverage equal to that above required, the cost of such insurance to be payable by the Contractor.

Should the awarded Contractor retain a Subcontractor to perform any of the services mentioned herein, it is the Contractor's responsibility to ensure that the Subcontractor(s) maintains the same types of insurance coverage in accordance with the requirements and amounts indicated herein.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, the Contractor must furnish to Sourcewell a certificate of insurance, as evidence of the Workers' Compensation, General Liability, Commercial Automobile, and Umbrella insurance required under this Contract. A Participating Entity may require a Certificate of Insurance as evidence of additional coverages it requires. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or emailed to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. All policies must include there will be no cancellation, suspension, non-renewal, or reduction of coverage without 30 days' prior written notice to the Contractor.

Failure to request certificates of insurance by Sourcewell, or failure of the Contractor to provide certificates of insurance, in no way limits or relieves the Contractor of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY

INSURANCE CLAUSE. The Contractor agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Contractor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of the Contractor, and products and completed operations of the Contractor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. The Contractor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Contractor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Contractor or its subcontractors. Where permitted by law, the Contractor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

XVIII. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

The Contractor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract, Contractor declares bankruptcy, the Contractor must immediately notify Sourcewell in writing.

The Contractor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government; or any Participating Entity. The Contractor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. The Contractor further warrants that it will provide immediate written notice to Sourcewell if there is a threat of change to any of these certifications.

XIX. UNITED STATES FEDERAL REQUIREMENTS

From time to time, Participating Entities may use United States federal grant or FEMA funds for work under this Contract and may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may also require additional requirements based on specific funding specifications.

The following list only applies when a Participating Entity intends to fully or partially fund the Project with United States federal money; and the Contractor will comply with all United States

federal laws and regulations when working on or completing a Project, including, but not limited to, the following.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby

incorporated by reference into this Master Agreement. Supplier certifies that during the term of an award for all agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Master Agreement will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after

grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Master Agreement for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier is not to use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

XX. **CONTRACT SUSPENSION OR TERMINATION**

A. Sourcewell may, in Sourcewell's discretion:

1. Terminate this Contract for any reason upon 60 days' prior written notice to the Contractor;
2. Suspend the Contractor for violation of the terms of this Contract, and prohibit the Contractor during such suspension from submitting Price Proposals with respect to the Projects of Sourcewell and the Projects of any one or more Sourcewell member; or
3. May immediately terminate the Contract, if the Contractor:
 - a. Persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
 - b. Fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
 - c. Persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
 - d. Otherwise is guilty of material breach of a provision of the Contract Documents.

B. In the event of Contract termination, if an unpaid balance of one or more Purchase Orders exceeds the costs of finishing the work, such excess will be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor will pay the difference to Sourcewell.

C. A Participating Entity has no authority to unilaterally terminate this Contract between Sourcewell and the Contractor.

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STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: John Jansons, City Manager
Dalia Santana-Zamudio, City Clerk

SUBJECT: Adoption of Council Policy for Disruption of Telephonic or Internet Service During Public Meetings Pursuant to Senate Bill 707 (JAJ & DSZ)

RECOMMENDATION: Council adopt a resolution approving the Council Policy for Disruption of Telephonic or Internet Service During Public Meetings to incorporate new Brown Act amendments regarding meeting disruption procedures for two-way remote access pursuant to Senate Bill 707.

EXECUTIVE SUMMARY:

The Council has been previously advised as to Senate Bill 707 which made important amendments to the Brown Act and became effective on January 1, 2026. SB 707 requires the City to offer participation and attendance through a two-way phone or video platform. On or before July 1, 2026, the City Council must also adopt a policy governing disruption of telephone and internet services for remote participants. Such a policy must be adopted by separate majority vote and not on a consent calendar.

DISCUSSION:

Staff prepared the attached draft Council Policy to satisfy this new State requirement. The policy mirrors the meeting disruption guidelines that are outlined in SB 707:

- If telephonic or internet service drops, the city must immediately recess for at least one hour while attempting to restore it and may not reconvene open sessions until service is back or the hour has passed.
- Mandatory Recess: If a two-way telephonic or internet connection fails and prevents the public from attending or observing, the body must recess the open session for at least one hour.
- Good Faith Efforts: Staff must make a good faith attempt to restore service (e.g., troubleshooting, resetting equipment, or contacting service providers) during the recess.
- Resuming the Meeting: The open session cannot resume until the earlier of either the one-hour mark passing or the connection being restored.

- Voting to Continue: If service is still down after the hour, the City Council can only reconvene if it makes a finding (typically by roll call vote) that reasonable troubleshooting efforts were made and that the public interest in continuing the meeting outweighs providing remote access.
- Disruptive Individuals: The current City Council Rules of Procedure include rules regarding disruptions by individuals. Such disruptions will continue to be addressed under Rule 5 of the City Council Rules of Procedure.

The full text of SB 707 can be found here:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB707

FISCAL IMPACT:

None.

ATTACHMENTS:

A. Resolution w/Exhibit

Attachment 'A'

RESOLUTION NO. 26-__**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ADOPTING COUNCIL POLICY REGARDING DISRUPTION OF TELEPHONIC OR INTERNET SERVICE DURING PUBLIC MEETINGS PURSUANT TO SENATE BILL 707**

WHEREAS, the Ralph M. Brown Act (Government Code § 54950 et seq.) establishes requirements for open and public meetings of local legislative bodies; and

WHEREAS, Senate Bill 707 (2025) amended the Brown Act to update teleconferencing and accessibility requirements, including provisions related to remote participation in public meetings; and

WHEREAS, Government Code § 54953.4(b)(1)(A) requires eligible legislative bodies, on or before July 1, 2026, to adopt at a noticed public meeting in open session, and not on the consent calendar, a policy addressing disruption of telephonic or internet service during meetings conducted with remote participation; and

WHEREAS, the required policy must address procedures for recessing and reconvening a meeting in the event of a disruption and the efforts the legislative body will make to attempt to restore service; and

WHEREAS, Government Code § 54953.4 further requires that, in the event of a disruption preventing members of the public from observing or participating in the meeting through a two-way telephonic or audiovisual platform, the legislative body shall recess the open session for at least one hour and make a good faith effort to restore service, and may not reconvene open session until at least one hour has passed or service has been restored, whichever occurs first; and

WHEREAS, if telephonic or internet service has not been restored upon reconvening, the legislative body must make findings by roll call vote that good faith efforts to restore service have been made and that the public interest in continuing the meeting outweighs the public interest in remote public access; and

WHEREAS, adoption of a technology disruption policy is required to ensure compliance with state law and to promote transparency and continuity of public meetings; and

WHEREAS, the proposed policy addressing disruption of telephonic or internet service during meetings of the City Council has been prepared in accordance with Government Code § 54953.4 and is attached hereto as **Exhibit 'A'**; and

WHEREAS, potential disruptive behavior by individuals will continue to be addressed under Rule 5 "Rules of Order and Decorum" Section E of the City of Kerman Rules of Procedure for the Conduct of City Council Meetings ("Council Meeting Rules of Procedure").

NOW, THEREFORE, the City Council of the City of Kerman resolves as follows:

- Section 1. Recitals. The foregoing recitals are true and correct and incorporated by reference.
- Section 2. Adoption of Policy. The City Council hereby adopts the policy entitled “Policy Regarding Disruption of Telephonic or Internet Service During Public Meetings,” substantially in the form attached hereto as **Exhibit ‘A’** which is incorporated by reference.
- Section 3. Implementation. The City Clerk is authorized and directed to implement the policy in coordination with city staff, city attorney, and technology support staff, as appropriate.
- Section 4. Minor Modifications. The City Attorney may approve minor, non-substantive modifications to the policy as necessary to conform to applicable law, City practices, or formatting requirements, provided such modifications do not materially alter the intent of the policy.
- Section 5. Effective Date. This resolution is effective upon adoption

The foregoing resolution was adopted by the City Council of the City of Kerman at the regularly scheduled meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk

Exhibit 'A'



COUNCIL POLICY REGARDING DISRUPTION OF TELEPHONIC OR INTERNET SERVICE DURING PUBLIC MEETINGS PURSUANT TO SENATE BILL 707

1. Background

Senate Bill 707 (2025) amended the Brown Act to require eligible legislative bodies to adopt, on or before July 1, 2026, a policy addressing how the agency will respond to disruptions in telephonic or internet service that prevent members of the public from attending or observing a meeting remotely. This policy is adopted to comply with that requirement and to ensure continuity of public participation during technical disruptions.

2. Purpose

This policy establishes procedures for responding to a disruption in the telephonic or internet services that provide two-way remote public access to meetings of the **City of Kerman City Council**, as required by the Brown Act (Gov. Code § 54953.4). The policy ensures transparency, public participation, and continuity of government during technology disruptions.

3. Definitions

For purposes of this policy:

- “Disruption” means any failure, outage, or other interruption that prevents members of the public from attending or observing the meeting via these remote access services.
- “Remote access services” means the two-way telephonic service and/or two-way audiovisual platform used to provide real-time remote public attendance and observation of meetings.

4. Applicability

This policy applies to all open and public meetings of the City Council at which remote public participation is offered or required under the Brown Act.

5. Procedures un the Event of a Service Disruption

5.1. Response to Service Disruption

If the Presiding Officer or Clerk becomes aware of a disruption to the agency's remote access services that prevents members of the public from attending or observing the meeting remotely:

1. The Presiding Officer or Clerk shall immediately announce the disruption to the public.
2. The Presiding Officer may then call for a recess of the open session or convene the legislative body in closed session, consistent with the Brown Act.
3. Staff shall begin efforts to diagnose and restore the disrupted service.
4. The meeting shall remain in recess for at least one hour or until service is restored, whichever is sooner. The recess period may be extended if restoration efforts are ongoing.

5.2. Efforts to Restore Service

The agency shall make good faith efforts to restore remote access services, which may include:

- Troubleshooting platform or teleconferencing software
- Resetting or replacing audiovisual equipment
- Attempting alternative connection methods
- Contacting necessary support staff or service providers
- Switching to back-up equipment or platforms, if available

City staff shall document the restoration efforts undertaken.

6. Reconvening the Open Session

6.1. Timing

The open session may be reconvened after at least one hour has elapsed from the time of disruption or as soon as service is restored, whichever occurs earlier.

6.2. If Service is Restored

If the remote access service is restored before or at the time the meeting reconvenes, the meeting shall continue as normal.

6.3. If Service is *Not* Restored

If service has not been restored after one hour, the City Council may reconvene and:

1. Adjourn the meeting; or
2. Continue the meeting in open session by adopting, by roll call vote, the following, or a substantially similar, finding:

“The City of Kerman has made good faith efforts to restore telephonic or internet service in accordance with its adopted policy, and the public interest in continuing the meeting outweighs the public interest in remote public access.”

Upon adoption of the finding, the legislative body may continue the open session despite the fact that remote access services have not been restored.

7. Recordkeeping

The Clerk shall enter a brief statement into the meeting minutes, including the following:

- The nature and time of the disruption
- The restoration efforts undertaken
- The time the meeting was reconvened (*if applicable*)
- Any finding adopted pursuant to Section 6.3

8. Review and Updates

This policy may be amended by the City Council at a noticed public meeting in open session, not on the consent calendar.



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: John Jansons, City Manager
Dalia Santana-Zamudio, City Clerk

SUBJECT: Public Posting of Agendas Policy (JAJ & DSZ)

RECOMMENDATION: Council review and consider adoption of resolution establishing policy for translations and public posting of agendas.

BACKGROUND:

Senate Bill 707 (2025) amended the Brown Act to require eligible legislative bodies to post agendas translated into other languages in certain circumstances and to “make available a physical location that is freely accessible to the public in reasonable proximity to the [location where the] translations are posted [for] members of the public to post additional translations of the agenda.” Government Code 54953.4 (c)(3).

The Kerman City Council is an eligible legislative body pursuant to Government Code section 54953.4(e)(2). Under the Brown Act, the City must translate agendas beginning July 2026 into any “applicable language.” An “applicable language” is defined as a language spoken by 20% or more of the local population, provided that 20% or more of those speakers also speak English less than “very well,” as determined by the American Community Survey. Based on the most recent U.S. Census data, the City of Kerman is required to translate agendas into Spanish.

The proposed City of Kerman Policy Establishing Policy for Posting Translations and Public Posting of Agendas and establishes procedures for the public posting of additional translated agendas provided by members of the public at a designated public posting board, consistent with Government Code section 54953.4(c)(3)-(4).

DISCUSSION:

The proposed resolution establishes a policy establishes procedures for the public posting of additional translated agendas provided by members of the public at a designated public posting board in close proximity to the location where official City agendas are posted.

Under the policy, members of the public may post translated agendas after the official agenda has been posted by City staff. To maintain accessibility, the posting board will remain unlocked at all times.

The City's role is limited to providing the physical posting space. The policy establishes limitations regarding acceptable materials on the posting board. Only translated agendas for Kerman City Council meetings may be posted. Any materials unrelated to translated agendas, noncompliant postings, or outdated materials may be removed by City staff.

FISCAL IMPACT:

None.

ATTACHMENTS:

- A. Resolution
- B. Draft Policy

RESOLUTION NO. 26-__

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ESTABLISHING POLICY
FOR TRANSLATIONS AND PUBLIC POSTING OF AGENDAS**

WHEREAS, Senate Bill 707 (2025) amended the Brown Act to require eligible legislative bodies to post agendas translated into other languages in certain circumstances and to “make available a physical location that is freely accessible to the public in reasonable proximity to the [location where the] translations are posted [for] members of the public to post additional translations of the agenda.” Government Code 54953.4 (c)(3); and

WHEREAS, the Kerman City Council is an eligible legislative body pursuant to Government Code section 54953.4(e)(2); and

WHEREAS, under the Brown Act, the City must translate agendas beginning July 2026 into any “applicable language.” which is defined as a language spoken by 20% or more of the local population; and

WHEREAS, based on the most recent U.S. Census data, the City of Kerman is required to translate agendas into Spanish; and

WHEREAS, the City is required to post translations on its website at a specific physical location and allow for posting of additional translations by members of the public on a posting board, consistent with Government Code section 54953.4(c)(3)-(4).

NOW, THEREFORE, the City Council of the City of Kerman hereby resolves as follows:

1. The foregoing recitals are true and correct and are incorporated by reference.
2. Pursuant to SB 707, the City Council approves the Policy for Translations and Public Posting of Agendas.
3. This resolution is effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at a regularly scheduled meeting held on the 10th day of June 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Dalia Santana-Zamudio
City Clerk

Attachment 'B'

**Policy For Posting Translations and Public Posting of Agendas****1. Purpose**

This policy establishes the City of Kerman's procedures and standards for agendas posted pursuant to Government Code 54953.4 (c)(3)-(4) on a Public Posting Board. The Public Posting Board is for publicly translated agendas only. The City of Kerman is not responsible for the content, or accuracy of the content, of the posted agendas on the Posting Board.

2. Background

Senate Bill 707 (2025) amended the Brown Act to require eligible legislative bodies to post agendas translated into other languages in certain circumstances and to "make available a physical location that is freely accessible to the public in reasonable proximity to the [location where the] translations are posted [for] members of the public to post additional translations of the agenda." Government Code 54953.4 (c)(3).

The Kerman City Council is an eligible legislative body pursuant to Government Code section 54953.4(e)(2). Under the Brown Act, the City must translate agendas into any "applicable language." An "applicable language" is defined as a language spoken by 20% or more of the local population, provided that 20% or more of those speakers also speak English less than "very well," as determined by the American Community Survey.

Based on the most recent U.S. Census data, the City of Kerman is required to translate agendas into Spanish. This policy addresses additional agenda translations that may be posted by members of the public.

3. Posting Process for the Public

A member of the public may post a translated agenda once the official agenda has been posted by Kerman staff. For regular meetings agendas are posted at least 72 hours prior to the meeting. The Posting Board will not be locked to allow for public accessibility pursuant to Government Code 54953.4 (c)(3)-(4).

The City will provide a designated public posting board area for translated meeting agendas in close proximity to the location that City staff post agendas. To help ensure the board does not contain outdated information, staff will remove posted agendas after the applicable meeting date. Staff have no control over whether a translated agenda is removed prior to a meeting taking place.

The City's role is limited to providing the posting space.

4. Limitations

The Posting Board is for translated agendas for the Kerman City Council meetings only. City staff may remove posted agendas for other boards, commissions, and committees.

Any documents other than translated agendas for the City Council are not permitted and may be removed by City staff.

5. Disclaimer Notice

The Brown Act does not provide for City review of agenda translations posted by third parties. City staff will display a disclaimer and remove outdated or noncompliant materials. The City does not control whether agendas are removed prior to a meeting or become damaged. Any materials posted that are not translated meeting agendas will be removed.

For members of the public who may rely on such translations, the Posting Board will include the following notice in English and Spanish:

***NOTICE REGARDING TRANSLATED AGENDAS – SENATE BILL 707
(Gov. Code § 54953.4, Senate Bill 707)***

Pursuant to California Government Code section 54953.4, this bulletin board is designated solely for the public posting of translated versions of City meeting agendas.

Translations posted in this space are provided by members of the public. The City does not verify, review, endorse, certify, or otherwise sanction the accuracy or completeness of any translation posted. The official and legally controlling agenda is the English-language agenda prepared and posted by the City in accordance with the Ralph M. Brown Act.

This bulletin board may be used only for translated agendas. Any materials that are not agenda translations or that do not comply with this purpose will be removed immediately. For official agendas, meeting notices, and participation information, please visit the City's website at www.cityofkerman.gov or contact the City Clerk's Office at (559) 550-1510.



STAFF REPORT

MEETING DATE: June 10, 2026

PRESENTER: John Jansons, City Manager

SUBJECT: Adjustments to 2026 Council Meeting Calendar (JAJ)

RECOMMENDATION: Council approve two changes to the Regular 2026 Council Meeting Calendar:

1. Cancel the Regular City Council of July 22, 2026, and
2. Reschedule the Wednesday October 28, 2026, meeting to Thursday October 29, 2026.

DISCUSSION:

1. At the May 27, 2026, City Council meeting, the City Manager requested Council approval for canceling the regular July 22, 2026 City Council meeting to allow City Staff a summer break with their families before the school year resumes in early August.

City Staff believe that by carefully coordinating workflow, this meeting could be canceled without creating any issues for the City. If the requested cancellation is approved, Staff and Council will resume their regular meeting schedule on Wednesday August 12, 2026.

2. Staff have learned that the Kannami delegation, including the Kannami Mayor Kiyoshi Nishina, will be in Kerman in October and wishes to have a more formal meeting with the City Council to celebrate the 40th Anniversary of the Sister City relationship since October 12, 1985. This recognition also aligns nicely with recognition events and celebration activities associated with Kerman's 80-year anniversary of Cityhood.

To accommodate the Kannami delegation's schedule shown below, moving the Kerman City Council meeting from Wednesday, October 28th to Thursday, October 29th, would allow for a Special Meeting commemorating this milestone in the relationship between Kerman and Kannami.

Tentative Delegation Schedule:

- Thursday, October 29 – Arrive at SFO tentatively around Noon, drive to Kerman, *Attend City Council Meeting?*, meet host families.
- Friday, October 30 – City Tour Day and Celebration Dinner at the Community Center.
- Saturday, October 31 – a.m. shopping trip, p.m. time with host family.
- Sunday, November 1 – Leave for SF and midday tour of SF.
- Monday, November 2 – Depart SFO.

FISCAL IMPACT:

None.

ATTACHMENT:

A. City Council Meeting Calendar



Amended 2026 City Council Meetings

**REGULAR COUNCIL MEETINGS ARE SCHEDULED EVERY SECOND AND FOURTH
WEDNESDAY OF THE MONTH AT 6:00 PM AT
CITY HALL 850 S. MADERA AVE., KERMAN, CA 93630**

January 14, 2026	January 28, 2026
February 11, 2026	February 25, 2026
March 11, 2026	March 25, 2026
April 8, 2026	April 22, 2026
May 13, 2026	May 27, 2026
June 10, 2026	June 24, 2026 - Cancel
July 8, 2026	July 22, 2026
August 12, 2026	August 26, 2026
September 9, 2026	September 23, 2026
October 14, 2026	October 29, 2026
Veteran's Day - November 11, 2026	November 25, 2026 - Cancel
December 9, 2026	December 23, 2026 - Cancel