

FRONT COUNTER COPY

Do Not Remove

Upcoming City Council Meetings August 20, September 3

**ADJOURNED REGULAR MEETING
DUNSMUIR CITY COUNCIL
COUNCIL CHAMBERS
5902 DUNSMUIR AVE, DUNSMUIR, CA
JULY 30, 2015
CLOSED SESSION: None
REGULAR SESSION: 6:00 pm**

As a courtesy, please turn off cell phones and electronic devices while the meeting is in session. Thank you.

- 1. CALL TO ORDER: 6:00 pm**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**
- 4. CLOSED SESSION: None**
- 5. REPORT FROM CLOSED SESSION: None**
- 6. FLAG SALUTE**
- 7. APPROVAL OF AGENDA**
- 8. APPROVAL OF MINUTES**
 - A. Regular meeting of July 16, 2015**

- 9. COMMITTEE REPORTS**
 - a. Economic Development/Tourism**
 - b. Finance**
 - c. Public Facilities and Services**
 - d. Public Safety**
 - e. Airport**
 - f. Solid Waste**
 - g. Big Fish/Trophy Trout**
 - h. IRWMP**

10. ANNOUNCEMENTS AND PUBLIC COMMENT

Regular City Council meetings are televised on Channel 15 to keep the City residents informed of City Council actions and deliberations that affect the community (meetings are scheduled to be televised on the 1st and 3rd Thursday of each month. Meetings that take place on dates other than the 1st and 3rd Thursday will not be televised

This time is set aside for citizens to address the City Council on matters listed on the Consent Agenda as well as other items **not** included on the Regular Agenda. If your comments concern an item noted on the Regular Agenda, please address the Council when that item is open for public comment. **Each speaker is allocated three (3) minutes to speak. Speakers may not cede their time.** Comments should be limited to matters

within the jurisdiction of the City. Speaker forms are available from the City Clerk, 5915 Dunsmuir Ave, Dunsmuir, on the City's website, or on the podium. The City Council can only take action on matters that are on the Agenda, but may place matters brought to their attention at this meeting on a future Agenda for consideration. If you have documents to present to members of the City Council, please provide a minimum of seven (7) copies.

11. ANNOUNCEMENTS AND REPORTS FROM COUNCIL AND STAFF:

Members of the Council or staff may ask questions, request reports for a later meeting, or ask that an item be placed on a future agenda on any subject within the Council's jurisdiction.

12. CONSENT AGENDA

The Consent Agenda consists of proposed actions on business matters which are considered routine and for which approval is based on previously approved City policy or practice. The Consent Agenda will be approved by a single motion to "Adopt the Consent Agenda" and Council Members will vote without debate. Council Members may remove a Consent Agenda matter for any reason and request that it be placed on the Agenda for discussion and consideration. Matters removed from the Consent Agenda will be placed on the agenda as an item of "New Business" for discussion and consideration.

A. Authorize Interim City Manager to execute agreement with State Controller's office to prepare Annual Streets report

B. Authorize Mayor to execute agreement with Aiello, Goodrich & Teuscher for audit services for fiscal years 2014, 2015, and 2016

C. Consideration and adoption of Resolution No. adopting CDBG program income reuse agreement with Jurisdictional Certifications

D. Approval of Check Register Report date July 24, 2015

E. Authorize Airport Committee City Council representatives to attend Association of California Airports Annual Conference, September 16-18, South Lake Tahoe

13. PUBLIC HEARING

Public Hearing Protocol:

- a. Mayor will describe the purpose of the Public Hearing
- b. City Staff will provide the Staff Report
- c. City Staff will respond to questions by the City Council
- d. Mayor will open the Public Hearing
- e. Citizens wanting to comment will come to the podium, provide the City Clerk with their name and address and provide their comments.
- f. Mayor will close the Public Hearing

A. Consideration and second reading and adoption of Ordinance No. 548 repealing Ordinance No. 544

B. Consideration and second reading and adoption of Ordinance No. 549 adopting Dunsmuir City Codes

C. Appointment of members to Solid Waste Committee (3 applicants)

14. OLD BUSINESS

15. NEW BUSINESS

- A. Consider and provide direction on billing for sewer and garbage service to undeveloped or unoccupied properties with no water service
- B. Consideration and approval of proposal from Siskiyou Media Council for videography services from July 30, 2015 to December 17, 2015.
- C. Consider, approve, and authorize Mayor to execute letter of support for Roseburg Forest Products to develop Snowman's Hill to Mott Road trail on their lands

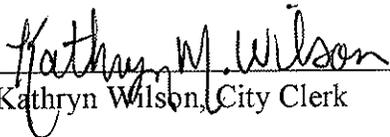
16. ADJOURNMENT:

Copies of this agenda were posted at City Hall, Dunsmuir City Library, Dunsmuir Park and Recreation District Office and at the Post Office on or before 6:00 pm, July 26, 2015.

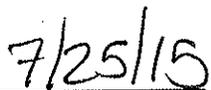
The City of Dunsmuir does not discriminate on the basis of race, color, national origin, religion, age, gender, sexual orientation, disability or any other legally protected classes in employment or provision of services. Persons who need accommodations for a disability at a public meeting may call City Hall at (530) 235-4822 for assistance. Notification 48 hours prior to the meeting will enable the City reasonable arrangements to accommodate participation in the meeting.

CERTIFICATION

This is the official Dunsmuir City Council Agenda created and posted in accordance with the Dunsmuir City Council Protocols.



Kathryn Wilson, City Clerk



Date

**CITY OF DUNSMUIR
CITY COUNCIL MEETING MINUTES
JULY 16, 2015**

CALL TO ORDER:

Meeting was called to order at 6:00pm by Mayor Keisler.

ROLL CALL:

Council members present: Spurlock, Craig, Deutsch, Keisler

Council member absent: Syrrist

City staff present: Johnsen

City official present: Wilson

Flag salute

APPROVAL OF AGENDA:

Council member Craig requested the removal of item 12 C as it was redundant. Motion to approve agenda as amended by Craig, second by Spurlock. Voice vote: 4-0-0-1, motion carried. (Ayes: Craig, Spurlock, Deutsch, Keisler. Absent: Syrrist)

APPROVAL OF MINUTES:

Motion to approve by Deutsch, second by Craig. Voice vote: 4-0-0-1, motion carried. (Ayes: Craig, Spurlock, Deutsch, Keisler. Absent: Syrrist)

COMMITTEE REPORTS:

A) Big Fish/Trophy Trout Committee

Interim City Manager Johnsen reviewed recent committee meeting, stating that the trout have been planted and that \$1,270 in donations have been received for the purchase of additional fish. He stated that advertising and maps are out, and that t-shirts will be available for purchase.

B) Siskiyou County Integrated Solid Waste Management Regional Agency

ICM Johnsen reviewed meeting discussion including recycling, pending legislation, and battery disposal. He stated that the City is currently looking for a place for household paint disposal, and that City Hall is now collecting it's white paper for recycling.

ANNOUNCEMENTS AND PUBLIC COMMENT:

Audience member Linda Gnesa reviewed the date for a community clean-out dead tree limbs and other burnable matter from proposed site for Bent Rail Park.

An audience member who declined to give her name stated that the citizens need to have a council member in town that attends meetings. She stated that it is unusual to represent the town from Lexington, Virginia, and that it seems as if Council Member Syrrist has moved. She stated that the law requires council members to live in the City.

ANNOUNCEMENTS AND REPORTS FROM COUNCIL AND STAFF:

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CITY OF DUNSMUIR MEETING MINUTES
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Council member Craig stated that progress has been made on the Integrated Regional Water Management Plan grant application. He stated that the draft could be up for consideration the following week.

Council member Deutsch stated that the Solid Waste Committee would be sending information to the Finance Committee, and that interviews for applicants would be held at the next meeting. He reviewed the fiber optic initiative, stating that he is working with Kathy Emerson at CSU Chico toward getting something going for Siskiyou County. He stated that he hopes to attend a conference in August. Council member Deutsch stated that the population of Dunsmuir needs to increase, and that he felt that fiber optics would be one way to achieve the goal.

CONSENT AGENDA:

A. Approval of Check Register Report dated 6-26-15

B. Adoption of Resolution No. 2015-26 creating a housing and economic development revolving loan fund as per CDBG management memorandum 14-05 and amending Resolution Nos. 2015-03 and 2015-21.

C. Approval of Check Register Report dated 7-9-15

Motion to approve by Deutsch, second by Spurlock. Voice vote: 4-0-0-1, motion carried. (Ayes: Spurlock, Deutsch, Craig, Keisler. Absent: Syrrist)

PUBLIC HEARING:

A. Consider and appoint Planning Commissioner

Council interviewed applicant Paul Martin regarding his desire to be appointed to the Planning Commission. Mr. Martin appointed to the Planning Commission with no objections. Staff directed to ensure that Mr. Martin receives training regarding the position and the Brown Act.

B. Consider and appoint members to Airport Committee

Council interviewed three applicants: Richard Dinges, Dr. Ed Miller, and Jerry Denham. Applicants reviewed their history with the airport, changes they would like to see, and experience.

Audience member Michael Bush stated that all applicants are very knowledgeable, and that they should all be appointed. He stated that the airport has a lot of issues, and that the committee needs to look at it to determine whether or not it is feasible.

Brief discussion. All three applicants appointed with no objections.

OLD BUSINESS:

A. Accept and approve proposal for engineering services from PACE for South Dunsmuir Water Main replacements and North Dunsmuir Water Main replacements in accordance with IRWMP grant applications

Review by ICM Johnsen, explaining that there are two projects ready to move forward. He explained the request for authorization for engineering now before the grant is received as there would be no way to meet the deadline if the City waits.

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CITY OF DUNSMUIR MEETING MINUTES
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Council member Craig asked about the outcome if the grant was not awarded. ICM Johnsen explained that the City would have the engineering available to apply for other grants. Council member Craig stated that the City would be starting the process of work that has to be done whether the City receives the grant or not.

PACE representative Laurie McCollum stated that PACE is working on the grant application currently. She stated that there is no guarantee that the grant will be awarded to the City, but that she felt comfortable that the City meets the guidelines and is right in line to receive some funding. She stated that the timeline is tight, and that the City has to be ready to begin construction by April 1, 2016.

Discussion.

Motion to accept and approve the proposal by Deutsch, second by Craig. Roll call vote:

Ayes: 4 Deutsch, Craig, Spurlock, Keisler

Noes: 0

Abstain: 0

Absent: 1 Syrrist Motion carried, 4-0-0-1.

B. Consider and provide direction regarding MOU for Siskiyou Sheriff's services for 2015-16 (continued from July 2, 2015 regular meeting)

ICM Johnsen requested that the item be tabled until the Sheriff's Office requests the item return to the agenda. Motion to table by Deutsch, second by Craig. Voice vote: 4-0-0-1, motion carried. (Ayes: Deutsch, Craig, Spurlock, Keisler. Absent: Syrrist)

NEW BUSINESS:

A. Consideration and introduction and first reading of ordinance No. 548 repealing Ordinance No. 544

Review by ICM Johnsen, Ordinance 544 received referendum, Council decision to repeal rather than pay for election.

Motion to read Ordinance 548 by number and title only by Keisler, second by Craig. Roll call vote:

Ayes: 4 Spurlock, Craig, Deutsch, Keisler

Noes: 0

Abstain: 0

Absent: 1 Syrrist Motion carried 4-0-0-1.

Motion to introduce and pass first reading of Ordinance 548, and to set July 30 for public hearing and second reading and adoption thereof by Keisler, second by Craig. Roll call vote:

Ayes: 4 Craig, Spurlock, Deutsch, Keisler

Noes: 0

Abstain: 0

Absent: 1 Syrrist Motion carried 4-0-0-1.

B. Consideration and introduction and first reading of Ordinance No. 549 adopting Dunsmuir City Codes.

Review by ICM Johnsen.

JULY 16, 2015
CITY OF DUNSMUIR MEETING MINUTES
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Motion to read Ordinance 549 by number and title only by Craig, second by Spurlock. Roll call vote:

Ayes: 4 Craig, Spurlock, Deutsch, Keisler

Noes: 0

Abstain: 0

Absent: 1 Syrrist Motion carried: 4-0-0-1.

Motion to introduce and pass first reading of Ordinance 549, and to set July 30 for public hearing and second reading and adoption thereof by Keisler, second by Craig. Roll call vote:

Ayes: 4 Craig, Spurlock, Deutsch, Keisler

Noes: 0

Abstain: 0

Absent: 1 Syrrist Motion carried: 4-0-0-1.

D. Consideration and adoption of Resolutions consenting to inclusion of the City of Dunsmuir properties in the California Home Finance Authority PACE programs and Associate Membership in California Home Finance Authority

ICM Johnsen reviewed the item, explaining that it would be beneficial to property owners in the City, and that the only role the City would play would be to provide the option.

Motion to approve Resolution 2015-27 by Keisler, second by Craig. Roll call vote:

Ayes: 4 Craig, Spurlock, Deutsch, Keisler

Noes: 0

Abstain: 0

Absent: 1 Syrrist Motion carried 4-0-0-1.

Motion to approve Resolution 2015-28 by Keisler, second by Deutsch. Roll call vote:

Ayes: 4 Spurlock, Deutsch, Craig, Keisler

Noes: 0

Abstain: 0

Absent: 1 Syrrist Motion carried, 4-0-0-1.

E. Consideration and adoption of Resolution 2015-29 directing staff to work with FAA and others to provide improvements to Dunsmuir's Mott Airport

ICM Johnsen reviewed history of the airport and explained that the Resolution would authorize staff to work with the FAA.

Council member Deutsch stated that this would be an essential step in moving forward and recommended approval.

Motion to approve by Craig, second by Spurlock. Roll call vote:

Ayes: 4 Spurlock, Craig, Deutsch, Keisler

Noes: 0

Abstain: 0

Absent: 1 Syrrist Motion carried, 4-0-0-1.

F. Consider and approve installation of tile art work on concrete portions of Belnap Fountain

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CITY OF DUNSMUIR MEETING MINUTES
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Helen Cartwright reviewed the project and explained that the funds were raised independent of the City. Motion to approve by Keisler, second by Craig. Roll call vote:

Ayes: 4 Craig, Spurlock, Deutsch, Keisler

Noes: 0

Abstain: 0

Absent: 1 Syrrist Motion carried 4-0-0-1.

G. Request from staff with acceptance from Planning Commission to change date of Planning Commission meetings to the second Wednesday of the month.

Review by ICM Johnsen. Staff directed to change date with no objections.

Council member Craig commended the Sheriff's Office on an excellent response to a recent tragedy south of the City.

Council member Craig requested that staff reach out to Council member Syrrist to determine if he would be able to attend a Council meeting in the near future. He also asked that the City Attorney review the City's code once the adoption process was completed.

Council member Craig asked that staff be directed to begin the process to hire a permanent City Manager. ICM Johnsen stated that he was waiting until the City was further into the budget process so he could let Council know what the City can afford. He stated that he would then give Council members a questionnaire to fill out to determine what qualities they are looking for.

Council member Deutsch recommended that all standing committees give a report at future Council meetings. He also stated that he would be organizing a meeting for anyone interested in technology, and that he would be bringing more information to the Council.

Motion to adjourn meeting to July 30, 2015 by Craig, second by Spurlock.

ADJOURNMENT: 7:35 pm

Mayor Keisler

ATTEST:

City Clerk Wilson

July 30, 2015 12.A.



BETTY T. YEE
California State Controller

June 22, 2015

Ms. Brenda Bains
City Manager/CFO
City of Dunsmuir
5915 Dunsmuir Avenue
Dunsmuir, CA 96025

Dear Ms. Bains:

The State Controller's Office, Division of Audits, is available to assist in preparing your fiscal year 2014-15 Annual Street Report on a cost-recovery basis. The estimated cost for our assistance should not exceed \$2500. This preparation fee may be charged to your Special Gas Tax Street Improvement Fund.

If you would like our office to provide this service, please complete and return:

- The Contract for Services to Prepare the Annual Street Report (three copies); and
- The Contract Information Sheet for scheduling assistance.

Please return the above documents by August 1, 2015, to the attention of Lisa Tam at the State Controller's Office, Division of Audits, Post Office Box 942850, Sacramento, California 94250-5874.

Due to limited staff, scheduling priority will be given to those who respond promptly. If you have any questions, please contact Lisa Tam at (916) 323-5932.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey V. Brownfield".

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/vb

Enclosures



BETTY T. YEE
California State Controller

**CONTRACT FOR SERVICES TO PREPARE
THE ANNUAL STREET REPORT**

This contract is executed in triplicate, between the Office of the State Controller, Division of Audits, and the City of Dunsmuir.

Whereas Section 2151 of the *California Streets and Highways Code* requires the cities to file an Annual Street Report;

Whereas Section 2151 of the *California Streets and Highways Code* requires this Report to be filed with the Controller on or before October 1 of each year; and

Whereas the Controller is able to furnish and the city wishes to receive the services of the Controller to prepare its report; now therefore, in consideration of the following promises and conditions, the parties hereby agree that:

- I. For the fiscal year ended June 30, 2015, the Controller shall assist in the preparation of the city's report.
- II. The report shall be in the form prescribed by the Controller.
- III. The report shall include a statement of all revenues and expenditures concerning city streets, and shall be prepared from the city's records made available to the Controller.
- IV. The report will be prepared from the city's unaudited records, and no determination shall be made at time of preparation regarding the accuracy of the records or the legality of the expenditures reported herein. The city understands that the report is subject to subsequent review by the Controller and exceptions may be taken at the time regarding the legality of expenditures contained in the report or the accuracy of the records from which the report was prepared.
- V. The Controller will furnish sufficient personnel to complete the report on or before October 1, 2015, except that the Controller is excused from such date if the city's accounting records and personnel are not ready for the preparation of the report at the time scheduled by the Controller and the city or if circumstances beyond the control of the parties prevent completion.
- VI. The city will designate a management-level individual to be responsible and accountable for overseeing the non-audit service.
- VII. The city will establish and monitor the performance of the non-audit service to ensure that it meets management's objectives.

- VIII. The city will make any decision that involves management functions related to the non-audit service and accepts full responsibility for such decisions.
- IX. The city will evaluate the adequacy of the services performed and any findings that result.
- X. This contract is subject to the Controller's charges for services rendered, and such charges shall be computed in accordance with Sections 8755 and 8755.1 of the *State Administrative Manual*. Charges shall include both direct and indirect costs, and shall be expressed in dollars per unit time whenever possible.
- XI. Except as provided in paragraph XII, the aggregate cost of services provided under this agreement shall not exceed \$2500.
- XII. If unforeseen circumstances develop during the course of the Controller's preparation of the report and additional time is needed to complete preparation, the parties will confer; and if it is agreed that the preparation of the report is to continue, the Controller is to be compensated for any additional time required. In any case, the Controller shall be compensated for services rendered prior to the development of such unforeseen circumstances.
- XIII. Upon completion of the report, the Controller will furnish one copy to the city and will retain one copy.
- XIV. The city will pay the Controller for services rendered in a timely manner (including additional time pursuant to paragraph XII) and hereby warrants that funds are available from which payment may be made.
- XV. Either party may terminate this contract by giving seven days written notice. Notice may be served in person or by mail on the officer at the following address and is effective upon receipt. During the seven-day period, the Controller may continue with the preparation of the report then in progress.

Mike Spalj, Chief
 Local Government Audits Bureau
 Division of Audits
 Post Office Box 942850
 Sacramento, CA 94250-5874

City of Dunsmuir

BETTY T. YEE
 STATE CONTROLLER

By: _____
 Signature

By: _____
 JEFFREY V. BROWNFIELD
 Chief, Division of Audits

Printed Name: _____

Title: _____

Date: _____

Address: _____

Date: _____

July 30, 2015 12.B.



May 6, 2014

City Council
City of Dunsmuir
5915 Dunsmuir Avenue
Dunsmuir, CA 96025

We are pleased to confirm our understanding of the services we are to provide the City of Dunsmuir, California for the years ended June 30, 2014, 2015 and 2016. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Dunsmuir as of and for the years ended June 30, 2014, 2015 and 2016. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Dunsmuir's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Dunsmuir's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules

Audit Objectives

The objective of our audits is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of City of Dunsmuir and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audits we become aware that City of Dunsmuir is subject to an audit requirement (such as a Single Audit) that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing*

Standards may not satisfy the relevant legal, regulatory, or contractual requirements. Should it be subsequently determined that a Single Audit is required, we will issue a supplemental engagement letter and fee estimate.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audits, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunsmuir and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to present the supplementary information with the audited financial statements.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audits to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audits and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audits, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audits will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audits, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Dunsmuir's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audits will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to you; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Aiello, Goodrich & Teuscher and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to grantors or a designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audits, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Aiello, Goodrich & Teuscher personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the others. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Steven Drageset, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus travel and out-of-pocket costs (such as report reproduction, word processing, postage, copies, telephone, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Interest of 1.5% per month (18% per annum) will be charged if your account is 30 or more days past due. We estimate that our fees will be as follows:

<u>Year ended June 30,</u>	<u>Fee</u>
2014	\$14,100
2015	14,700
2016	15,300

Should it be subsequently determined that a Single Audit is required, we will issue a supplemental engagement letter and fee estimate.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2009 peer review accompanies this letter.

We appreciate the opportunity to be of service to the City of Dunsmuir and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Aiello, Goodrich & Teuscher
 Aiello, Goodrich, & Teuscher
 An Accountancy Corporation

Response:

This letter correctly sets forth the understanding of the City of Dunsmuir

By: _____

Title: _____

Date: _____

July 30, 2015 12.C.

RESOLUTION NO. 2015-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUNSMUIR
ADOPTING CDBG PROGRAM INCOME REUSE AGREEMENT WITH
JURISDICTIONAL CERTIFICATIONS**

BE IT RESOLVED by the City Council of the City of Dunsmuir that the City hereby adopts the Community Development Block Grant (CDBG) Program Income Reuse Agreement which establishes policies and procedures for the administration and utilization of Program Income received as a direct result of eligible activities funded under the California State Department of Housing and Community Development (CDBG Program Department). All revenue received from CDBG funded activities are required to be used per this adopted agreement; and

BE IT FURTHER RESOLVED that the City Council hereby authorizes and directs the Interim City Manager to sign the CDBG Program Income Reuse Agreement.

* * * * *

IT IS HEREBY CERTIFIED that this Resolution was introduced and adopted by the Dunsmuir City Council at an adjourned regular meeting held July 30, 2015 by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Dave Keisler, Mayor

ATTEST:

Kathryn Wilson, City Clerk

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

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

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

SECTION ONE: OVERVIEW AND PROCESS

JURISDICTION:

GOVERNING BODY ADOPTED ON:

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

Applicability of this Agreement:

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

RECEIPT OF PROGRAM INCOME

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

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

This means:

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

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

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

OVERVIEW OF WAYS TO USE PROGRAM INCOME

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

They are:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Eligible housing activities under this RLF include:

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

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

Eligible ED activities under this RLF include:

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

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

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

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

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

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

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

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

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

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

5. **Return PI to the Department**

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

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please continue to the next page.**

SECTION TWO: CERTIFICATION FOR PROCESS AND USE OF PROGRAM INCOME

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

The _____ certifies that:

1. Resolution:

The PI Reuse Agreement was formally adopted via resolution on July 30, 2015 by the Jurisdiction's Governing Body, executed by the Authorized Representative and submitted to Department with certified copy of the approving resolution attached for full execution.

2. Citizen Participation:

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

3. Governing Compliance:

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

4. Ineligible Activities and Costs:

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

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

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

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

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

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

PI not associated with a RLF, the jurisdiction must:

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

PI in an approved RLF:

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

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

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

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

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

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

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

6. Requirements of Program Income

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

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

7. Definition of Program Income

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

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

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

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

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

9. Duration of This Program Income Reuse Agreement

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

10. Program Income General Administration (PI GA)

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

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

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

11. Revolving Loan Funds (RLFs)

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

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

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

1) **Housing Revolving Loan Fund**

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

Eligible housing activities under this RLF include:

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

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

Eligible ED activities under this RLF include:

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

F. Each approved RLF will offer all eligible activities under the RLF definition.

G. Separate and formally adopted program guidelines for each eligible activity will be provided to the Department as part of General Conditions for all eligible RLF activities when obtaining Department approval of a RLF.

H. The undersigned Jurisdiction acknowledges that although all eligible activities under each approved RLF must be available, the Jurisdiction has the discretion to fund RLF loans for the activity or activities they deem to address the greatest need in their community.

I. RLF receipts on deposit may be used for one or both single family housing program activities. Although both activities are required to be approved by the Department for use under the RLF, the Jurisdiction may choose to only operate one program at time or both simultaneously.

J. In addition, each approved RLF will meet the following criteria:

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

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

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

K. Activity Specific Requirements:

1) **Housing RLF:**

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

2) **ED RLF:**

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

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

12. Loan Portfolio and Asset Management Policies and Costs

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

13. Program Income Waivers

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

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

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

14. Program Income Not Associated with an RLF

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

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

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SECTION THREE: DEPARTMENT TERMS, CONDITIONS AND AUTHORIZATION

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

1. Authority & Purpose

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

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

2. Distribution for Reuse of PI

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

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

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

county median area income, adjusted for household size.

3. Sufficiency of Funds and Termination

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

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

4. Meeting National Objectives

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

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

5. Inspections of Activities

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

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

6. **Insurance**

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

7. **Contractors and Subrecipients**

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

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

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

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

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

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

C. Contractors shall:

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

D. Subrecipients shall:

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

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

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

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

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

9. **Periodic Reporting Requirements**

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

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

10. **Monitoring Requirements**

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

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

11. **Signs**

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

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

12. Audit/Retention and Inspection of Records

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

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

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

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

14. **Waivers**

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

15. **Litigation**

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

16. Lead-Based Paint Hazards

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

17. Prevailing Wages

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

18. Compliance with State and Federal Laws and Regulations

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

19. Anti-Lobbying Certification

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

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

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

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

20. Bonus or Commission. Prohibition Against Payments of

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

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

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

21. Citizen Participation

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

22. Clean Air and Water Acts

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

23. Conflict of Interest of Certain Federal Officials

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

24. Environmental Requirements

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

25. Equal Opportunity

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

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

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

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

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

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

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

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

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

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

26. Flood Disaster Protection

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

27. Federal Labor Standards Provisions

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

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

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

28. Procurement

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

29. Non-Performance

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

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

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

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

31. **Uniform Administrative Requirements**

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

32. **Section 3**

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

33. **Affirmatively Furthering Fair Housing**

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

34. **General Contract Conditions**

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

A. **Environmental Compliance**

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

B. Acquisition/Relocation Compliance

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

C. Site Control

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

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

D. Funding Commitments and Project Cost Estimates

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

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

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

E. Activity Administration Documentation

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

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

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

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

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

F. Compliance With All Loans and/or Grant Agreements

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

G. Easements and Rights-of-Way

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

H. Section 504 Accessibility Requirements

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

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

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

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

35. Community Development Activity Conditions

A. Homeownership Assistance

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

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

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

B. Housing Rehabilitation

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

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

36. Economic Development Activity-Specific Conditions

A. Restrictions on CDBG-Assisted Public Property

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

B. Business Assistance Activity

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

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

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

C. Microenterprise Assistance Activities

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

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

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

D. Required Agreements for Assisted Businesses

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

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

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

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

37. Community and Economic Development Agreement Activities

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

A. Implementation Activity

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

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please continue to the next page.**

Certified Approving Resolution Is Attached

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

Signature of Authorized Representative

July 30, 2015

Date Signed

Randy L. Johnsen , Interim City Manager

Name and Title of Authorized Representative

Signature of CDBG Section Chief

Date Signed

Name of CDBG Section Chief

Check Register Report

7-24-15 A/P

Date: 07/24/2015

Time: 10:29 am

Page: 1

City of Dunsmuir

BANK: U.S. BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
U.S. BANK Checks							
47084	07/24/2015	Printed		514	ADVANCE INFOSYSTEMS	PROC DATA, IMG 1ST PG,	408.55
					FORMS	FLDING,	
47085	07/24/2015	Printed		1215	ALSCO	PW&WWTP CVRALL RNTL 7-14-15	53.10
47086	07/24/2015	Printed		9447	AUS SMALL BUSINESS	C.H.MATS, WKLY LNDRY 7-22-15	184.60
47087	07/24/2015	Printed		2635	BASIC LABORATORY, INC.	QUARTERLY EFFLUENT	1,855.60
47088	07/24/2015	Printed		9999999174	BENSON ROOFING	MAINT OF ROOF AT HANGAR	2,275.00
47089	07/24/2015	Printed		3572	BLUE CROSS OF CALIF	8-1-15 TO 9-1-15 LIFE INS	162.90
47090	07/24/2015	Printed		4050	BORGES & MAHONEY	BUFFER SOLUTION PH4 CASE	185.53
47091	07/24/2015	Printed		10076	CHRISTOPHER D. BROWN	APR,MAY,JUNE`15 CALL OUTS	48.50
47092	07/24/2015	Printed		9245	JERRY A BROWN	APR,MAY,JUNE`15 CALL OUTS	9.50
47093	07/24/2015	Printed		5227	CALIFORNIA RURAL WATER	MEMBERSHP DUES 5-15/5-16	658.00
					ASSN		
47094	07/24/2015	Printed		5325	REBECCA CATLETT	CLN SVC 7-12,15,19,25-15	189.75
47095	07/24/2015	Printed		5915	CHEM QUIP, INC.	CLEAR VIEW 26LB PAIL (2)	160.18
47096	07/24/2015	Printed		9820	CITY OF DUNSMUIR	APLY DEP R. STEPHAN #14003	1,238.15
47097	07/24/2015	Printed		6325	CLEMENS WASTE REMOVAL	DMPSTR RNTL	11,360.80
47098	07/24/2015	Printed		6630	ANTHONY CONGI	APR,MAY,JUNE`15 CALL OUTS	334.50
47099	07/24/2015	Printed		7899	JOHN A. DELGADO	APR,MAY,JUNE`15 CALL OUTS	61.50
47100	07/24/2015	Printed		48731	DEPARTMENT OF	APR `15 THRU JUNE `15	245.35
					TRANSPORTATION	SGNLS&LI	
47101	07/24/2015	Printed		8613	DEPT OF PUBLIC HEALTH	R.D.LARUE WA RENWL APP GRD	170.00
						II	
47102	07/24/2015	Printed		10185	ARLENE DINGES	6-1-15/7-10-15 PLN SVCS	425.00
47103	07/24/2015	Printed		10148	DIVERSIFIED ELECTRICAL	ST LIGHT REPR MAY18, 6-9-15	310.00
					SVC,INC		
47104	07/24/2015	Printed		9830	DUNSMUIR VOL. FIREMAN'S	APR,MAY,JUNE`15 DUES	852.00
					ASSOC		
47105	07/24/2015	Printed		11255	ELECSYS INTERNATIONAL	AUG `15 MO MAINT CHRGS	223.50
					CORP		
47106	07/24/2015	Printed		5219	FERGUSON ENTERPRISES	2X300 160 PSI SIDR 9 NSF	296.70
					INC,1423		
47107	07/24/2015	Printed		10096	ANTONIO D. FLORES	APR,MAY,JUNE`15 CALL OUTS	55.00
47108	07/24/2015	Printed		9197	GCS ENVIRONMENTAL EQUIP	STANDRD SCRNR,HOPPERSCRN	1,633.26
					SVCS		
47109	07/24/2015	Printed		9819	GEMPLER'S	2-BEVERAGE COOLER, 2-GAL	95.04
47110	07/24/2015	Printed		9273	RONALD L. GRIFFITH	APR,MAY,JUNE`15 CALL OUTS	55.00
47111	07/24/2015	Printed		18600	JOSEPH HATTEN	APR,MAY,JUNE`15 CALL OUTS	42.00
47112	07/24/2015	Printed		18610	A.C. HEILMAN	APR,MAY,JUNE`15 CALL OUTS	250.00
47113	07/24/2015	Printed		9246	JERRY L HILL	APR,MAY,JUNE`15 CALL OUTS	106.00
47114	07/24/2015	Printed		19590	ED HINES	APR,MAY,JUNE`15 CALL OUTS	7.50
47115	07/24/2015	Printed		19592	MARLENE HINES	APR,MAY,JUNE`15 CALL OUTS	42.00
47116	07/24/2015	Printed		19597	MARTIN HINES	APR,MAY,JUNE`15 CALL OUTS	159.00
47117	07/24/2015	Printed		19595	PATRICK J. HINES	APR,MAY,JUNE`15 CALL OUTS	87.50
47118	07/24/2015	Printed		19500	TOM HONEY	APR,MAY,JUNE`15 CALL OUTS	178.50
47119	07/24/2015	Printed		9331	IRVINE, DAVID S.	APR,MAY,JUNE`15 CALL OUTS	61.50
47120	07/24/2015	Printed		24875	LILLY JONES	JULY `15 CEMETERY MAINT	583.33
47121	07/24/2015	Printed		26425	KEN ELGIN	RPL FLD IN ALL 6 BXS #421	160.00
47122	07/24/2015	Printed		25317	KENNY, SNOWDEN & NORINE	JUNE `15 LEGAL SVCS	1,830.20
47123	07/24/2015	Printed		28650	RON LA RUE	APR,MAY,JUNE`15 CALL OUTS	8.50
47124	07/24/2015	Printed		10174	LP DESIGNS	POSTERS,POSTCARDS BIG FISH	414.26
						T	
47125	07/24/2015	Printed		10214	MEYER FAMILY TRUST	7-22-15THRU8-22-15	1,000.00
						C.M.HOUSING	
47126	07/24/2015	Printed		31605	EUGENE MEYER	APR,MAY,JUNE`15 CALL OUTS	243.50
47127	07/24/2015	Printed		31610	LOU MEYER	APR,MAY,JUNE`15 CALL OUTS	185.00
47128	07/24/2015	Printed		10204	MICROSOFT CORPORATION	PRE-BAL 5-5-15	99.00
47129	07/24/2015	Printed		33151	MT SHASTA RECREATION	JUNE `15 SENIOR NUTRITION	234.00
47130	07/24/2015	Printed		9272	MT. LASSEN TROUT FARMS,	0-799 LBS CATCHABLES TROUT	1,506.78
					INC.		
47131	07/24/2015	Printed		35508	NORTHSTATE ASPHALT	FREIGHT EXPENSE	302.50
47132	07/24/2015	Printed		9274	WILLIAM R. O'CONNOR	APR,MAY,JUNE`14 CALL OUTS	48.50
47133	07/24/2015	Printed		39005	PACE ENGINEERING, INC.	CDBG WA-LINE REPL PROJ	107,837.75
47134	07/24/2015	Printed		39015	PACIFIC POWER & LIGHT	MAR 18 TO APR 16, 2015 ELEC SV	1,854.63
47135	07/24/2015	Printed		39040	DAN PADILLA	APR,MAY,JUNE`15 CALL OUTS	380.00

Check Register Report

7-24-15 A/P

Date: 07/24/2015

Time: 10:29 am

Page: 2

City of Dunsmuir

BANK: U.S. BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
U.S. BANK Checks							
47137	07/24/2015	Printed		39043	PAINT MARTS	SHIP THROAT SEAL	50.44
47138	07/24/2015	Printed		9468	JOSHUA S. PAULUS	APR,MAY,JUNE`15 CALL OUTS	9.50
47139	07/24/2015	Printed		39825	PITNEY BOWES, INC	MAILING SYS RNTL 4-15/6/15	143.61
47140	07/24/2015	Printed		40490	PROTEL ANSWERING SERVICE	EXCESS MSG CHRGS	3.87
47141	07/24/2015	Printed		44240	RAMSHAW'S ACE HARDWARE	RECPT GFCI, EYEBLT W/NUT,SPRNK	113.99
47142	07/24/2015	Printed		10206	PAMELA RUSSELL	JUL 8-17-15 CFO SVCS	1,566.25
47143	07/24/2015	Printed		9999999473	SISKIYOU CO. SHERIFF DEPT	LAWENFRMNTSVCS APR,MAYJUNE15	99,877.90
47144	07/24/2015	Printed		47658	SISKIYOU DAILY NEWS	LEGAL #8038 OR#547	319.50
47145	07/24/2015	Printed		9918	SISKIYOU MEDIA COUNCIL	2 PUB BRDCSTNG7-2,16-15 CC MTG	300.00
47146	07/24/2015	Printed		57228	SOLANO'S HOME IMPROVEMNT CTR	2-20LB FST SET MORTOR	927.58
47147	07/24/2015	Printed		10077	JOSHUA M. SPURLOCK	APR,MAY,JUNE`15 CALL OUTS	523.00
47148	07/24/2015	Printed		48726	ST. WATER RESOURCES	RD LARUE WWTP RENWL APPL GRDII	330.00
47149	07/24/2015	Printed		9497	MATTHEW A. STANFORD	APR,MAY,JUNE`15 CALL OUTS	360.50
47150	07/24/2015	Printed		10234	STEPHAN, RAFE	REFND DEP R STEPHAN #14003	154.00
47151	07/24/2015	Printed		21016	BRIAN A. TAYLOR .	APR,MAY,JUNE`15 CALL OUTS	94.00
47152	07/24/2015	Printed		5050	THOMPSON, DAVE	APR,MAY,JUNE`15 CALL OUTS	256.50
47153	07/24/2015	Printed		53813	U.S. BANK CORP PAYMENT SYSTEMS	NUUD FOR IPAD AIE 2 CS	348.48
47154	07/24/2015	Printed		53800	UNDERGROUND SERVICE ALERT	ANNUAL MEMBERSHIP 15/16	162.65
47155	07/24/2015	Printed		53806	USA BLUE BOOK, INC	3-TWNPk FLSHLIT,6-1ST AID KITS	426.68
47156	07/24/2015	Printed		9298	WESTERN OUTDOORS PUBLICATIONS	WESTERN OUTDOOR NEWS	168.00
47157	07/24/2015	Printed		58075	BRIAN WITHERELL	APR,MAY,JUNE`15 CALL OUTS	6.50
47158	07/24/2015	Printed		2635	BASIC LABORATORY, INC.	MONTHLY TESTING	159.00
47159	07/24/2015	Printed		12122	EMERGENCY MEDICAL PRODUCTS,INC	LA RESCUE 02 TO GO PRO-GRN	247.59
47160	07/24/2015	Printed		35505	NORTHLAND CABLE TELEVISION	AUG `15 HIG SPEED INTERNET	140.15
47161	07/24/2015	Printed		39015	PACIFIC POWER & LIGHT	APR16 TO MAY18, 2015 ELEC SVC	7,084.91
Total Checks: 77						Checks Total (excluding void checks):	254,943.56
Total Payments: 77						Bank Total (excluding void checks):	254,943.56
Total Payments: 77						Grand Total (excluding void checks):	254,943.56

July 30

Item 12.E.

City Manager

From: Mary Hansen <mhansen@syix.com>
Sent: Tuesday, July 07, 2015 3:49 PM
To: mhansen@syix.com
Subject: Association of California Airports Annual Conference - Sept. 16-18, 2015, Inn by the Lake, S. Lake Tahoe, CA
Attachments: 2015 registration form.pdf; ACA_Trifold_Brochure 2015.pdf

The Association of California Airports invites you to attend the ACA Annual Conference to be held on September 16-18, 2015, at Inn by the Lake, South Lake Tahoe, California.

The Association of California Airports or ACA represents both publicly- and privately-owned airports in the state of California and organizations and individuals working to foster, promote, and develop the air transportation system. A membership brochure is attached that will provide more information.

The Annual Conference has evolved into one of the premier workshops for California aviation covering topics from airport compliance to land use planning. Information is presented in an interactive forum with lots of built-in flexibility to allow everyone the opportunity to participate. The conference will not only benefit airport managers, but also administrators, planners, and consultants looking to acquire a better working knowledge of airport operations and issues facing airports today.

The conference rate is \$85 for nonmembers and includes a one year membership to ACA. If you are unable to attend the conference, become a member for \$35 so that you can keep current on aviation issues, including access to the conference presentations.

Please visit www.calairports.com and register today. The conference agenda will be posted soon and will include topics such as:

- Pavement Maintenance and PCN Evaluation
- New FAA Standard Operating Procedures for Planning
- FAA Aviation Fuel Tax Revenue Policy and California Compliance
- 100LL and the Future of Avgas
- Managing an AOPA Fly-In Event
- Non Aeronautical Use of Hangars Update
- Keys to a Successful Construction Project

The conference motel, Inn by the Lake, has rooms available at a 20% discount...just mention ACA
Inn by the Lake (530) 542-0330
www.innbythelake.com

ASSOCIATION OF CALIFORNIA AIRPORTS
"connecting people, planes & public policy"
www.calairports.com



Association of California Airports
2015 FALL CONFERENCE
 September 16-18, 2015 • South Lake Tahoe, California

Hotel reservations—Rooms are being held at Inn by the Lake. Special rates have been reserved for all attendees. To make your hotel reservations, call the hotel directly at 800/877-1466 or 530/542-0330 and identify yourself as part of the ACA group. Other nearby lodging is noted in the conference brochure and on the website. Lodging is limited in the area, so make your reservations early.

NOTE: In the event of conference cancellation, we will notify all registrants and refund the registration fee in full. Any costs incurred by the registrant, such as hotel and/or travel cancellations, is the responsibility of the registrant. Confirmation of registration will be emailed two weeks before conference. You can also check the website for a confirmed attendee list.

Please fully complete the section below to assist us with future correspondence.

Full Name _____

Nickname for Badge _____ Title _____

Airport/Entity _____

Address _____

City _____ State _____ Zip _____

Telephone Number _____ Fax Number _____

E-Mail Address _____

CONFERENCE REGISTRATION

- | | |
|--|-------|
| 1. <input type="checkbox"/> ACA members (conference only/per person)..... | \$50 |
| 2. <input type="checkbox"/> Non-members/per person | \$85* |
| <i>*Non-member registration includes a one-year ACA membership</i> | |
| 3. <input type="checkbox"/> Thursday Evening Event Wrapup Dinner/Bufferet
Advance Reservation (balance hosted by ACA) | \$10 |
| 4. <input type="checkbox"/> ACA Membership 2015-2016 | \$35 |

TOTAL ENCLOSED _____

Please enclose a check made payable to ACA

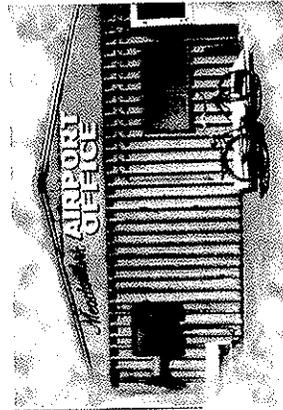
PLEASE RETURN TO:
Association of California Airports
P. O. Box 629, Marysville, CA 95901
 or Fax to (530) 742-7835

Registration is by individual and not organization or airport. The conference fee must be paid for each individual attending the conference. Registrations and cancellations must be submitted in writing. Requests for refunds submitted before August 14, 2015, are subject to a \$15 service fee; there will be no refunds after this date. Substitutions will be accepted without penalties; no shows will be billed for the full conference registration fee.

Register online: www.calairports.com (credit card processing available)

Classes of Membership

- GENERAL** membership shall be open to persons exercising active responsibility for the management, general supervision or administration of a California Airport, and who is engaged in such activity as part of their employment or ownership. A General member may retain this designation through the end of the year for which he or she has paid dues even though he or she discontinued working at the job that qualified them for the General membership status.
- ASSOCIATE** membership shall be open to any person that is interested in and subscribes to the purpose of the Association of California Airports. The Associate Director will represent the Associate members at the Board of Directors' meeting.
- CORPORATE** membership shall be open to both for profit and non-profit corporations who are engaged in activities relating to the use and promotion of airports, aviation or products that are used in airport and aviation activities.
- STUDENT** membership shall be open to any individuals who are engaged in the study of airport development, administration, management, or operation or in any related field of aviation (except those representing a school), or a full-time student as defined by the institution in which they are enrolled.
- HONORARY** membership shall be conferred by action of the membership of ACA at large, to those individuals specifically recognized for their outstanding dedication and achievement in the field of airport development, management, operations or any related field of aviation. The Board of Directors must approve nominations prior to action by the membership.



Association of California Airports
To Educate, Advocate and Assist

ASSOCIATION OF CALIFORNIA AIRPORTS BOARD OF DIRECTORS

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Terry Stover, CAE
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Inland Empire Airport Managers
tstover@airports.sbcounty.gov

Steve Birdsall

Aviation Advisory Council
Associate Member
sbirdsll@gmail.com

Send completed application to:

Association of California Airports

P. O. Box 629

Marysville, CA 95901

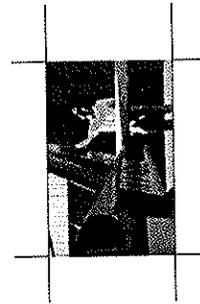
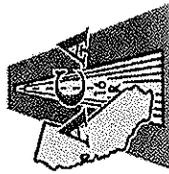
Phone: 530/741-6463

Email: mhansen@syix.com

www.calairports.com

Connecting People,
Planes &
Public Policy

ASSOCIATION OF CALIFORNIA AIRPORTS



ACA Membership Application

Class of Membership:	Dues
<input type="checkbox"/> General	\$35.00
<input type="checkbox"/> Associate	\$35.00
<input type="checkbox"/> Corporate	\$35.00
<input type="checkbox"/> Student	\$15.00

Dues paid now are valid until June 30, 2016

Name _____
 Airport or Company _____
 Address _____

 E-mail Address _____
 Phone/Fax _____

Method of Payment

Check (make payable to ACA)

Bill Me

* PayPal



Signature _____

* Credit Card Payment using PayPal
 You may pay your dues online by credit card at
<http://www.calairports.com>



**Association of
California Airports**

Send completed application to:
 Association of California Airports
 P. O. Box 629
 Marysville, CA 95901

Phone: 530/741-6463
 Email: mhansen@syix.com
www.calairports.com

→ Legislation

Sponsor and support California State Legislation to develop, enhance and safeguard our airports. Aside from being integral components of our nation's air transportation system, our airports are economic engines of considerable and often undervalued magnitude.

→ ACA Website

The ACA is proud to say that its website is a vehicle for keeping the membership connected and up-to-date on issues of importance as well as providing access to a vast library of pertinent information and ready feedback on issues of concern that is invaluable for the day-to-day operation of an airport.

→ Conferences

ACA hosts an annual conference, providing a wide range of information in an interactive forum that allows all attendees to participate. The conference is affordable and conducted in a manner that brings together the diverse membership of ACA and others with an interest in aviation issues. The conference provides an excellent venue to promote the betterment of the California Aviation Transportation System through the cooperative efforts of all participants.



www.calairports.com

Purpose

The purpose of ACA is to bring together all persons who represent both publicly and privately owned airports, and all others working to foster, promote and assist the development of air transportation in the State of California through the dissemination of aeronautical information, the consideration and solution of various airport and aviation problems, and the fostering of public recognition of airports and the airport management profession.

Membership

ACA is devoted to building a diverse membership that includes all airports in the State, taking advantage of the expertise and human resources available from participating airport. Subsequently, membership is not restricted to full time airport management personnel. Membership is open to all levels and degrees of airport management such as City Managers, Public Works Directors, Airport Land Use Commission members, and owners of private airports. ACA represents these individuals and all others involved with airports on issues that are of statewide importance.

Goal

The ACA's goal is to "Educate, Advocate, and Assist" the aviation community. To accomplish this task the ACA actively seeks the participation of airport-related industries in determining issues that need to be addressed for the betterment of all airports, whether large or small and the individuals and companies that rely on them. Airport consultants, engineering firms and airport-based businesses are regarded as an essential part of this association. This unique and diverse "partners in Aviation" approach has already made ACA's position stronger in our dealings with important industry issues.

Strength

Our strength comes from our diverse membership and their active participation. However, to continue with our success we look for new member participation to make ACA an erudite and strong voice for California airports. Here's how working together can build something better:

City Council Agenda Item

Interim City Manager Staff Report

Public Hearing

Item No: 13.A.
Date: July 30, 2015
Subject: Consideration and second reading and adoption of Ordinance No. 548 repealing Ordinance No. 544

Ordinance No. 544 was recently adopted to provide for adoption of Dunsmuir City Codes. A referendum was filed. Proponent of the referendum met with City and agreed that Ordinance No. 544 could be repealed and another Ordinance provide for adoption of City Codes with certain deletions. This would eliminate the need for election and cost of over \$10,000 to city.

Recommendation: Move to read Ordinance No. 548 by number and title only.

Move to pass second reading and adopt Ordinance No. 548, An Ordinance of the City Council of the City of Dunsmuir repealing Ordinance No. 544.

ORDINANCE NO. 548

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DUNSMUIR REPEALING ORDINANCE NO. 544

The City Council makes the following findings:

1. Ordinance No. 544 adopting the Dunsmuir City Code was passed on May 7, 2015;
and
2. During the appeal period thereafter a referendum petition was filed with sufficient signatures; and
3. A meeting was held with the proponent of the referendum and it was agreed that Ordinance No. 544 would be repealed in order to avoid the cost of election thereon.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DUNSMUIR DOES ORDAIN AS FOLLOWS:

Section 1. Ordinance No. 544 is repealed in its entirety.

Section 2. CEQA. This ordinance is not a “project” subject to the California Environmental Quality Act (CEQA). “Project” does not include “general policy and procedure making” or “organization or administrative activities of governments that will not result in direct or indirect physical changes in the environment” pursuant to CEQA Guidelines 15378(b).

Section 3. Severability. If any section, subsection, sentence, clause, phrase or portion of the Ordinance or its application to any person or circumstance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances. The City Council of the City of Dunsmuir hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional and, to that end, the provisions hereof are hereby declared to be severable.

Section 4. Publication. The City Clerk shall cause this Ordinance to be published or posted in accordance with California Government Code section 36933 and shall certify to the adoption of this Ordinance.

Section 5. Effective Date: This Ordinance shall take effect thirty days after its adoption pursuant to California Government Code section 36937.

* * * * *

Introduced and first read at a regular meeting of the City Council held on the 16th day of July, 2015, by the following vote:

AYES: Craig, Deutsch, Spurlock, Keisler
NOES: None
ABSENT: Syrrist
ABSTAIN: None

Final passage and adoption by the Dunsmuir City Council occurred at an adjourned regular Dunsmuir City Council meeting held the 30th day of July, 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Dave Keisler, Mayor

ATTEST:

Kathryn Wilson, City Clerk

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Dunsmuir will hold one public hearing on Thursday, July 30, 2015 at 6:00 p.m. The public hearing will be held at the City of Dunsmuir Council Chambers, 5902 Dunsmuir Ave, Dunsmuir, CA.

The second reading and adoption of Ordinance No. 548, an Ordinance of the City Council of the City of Dunsmuir, California, repealing Ordinance No. 544.

The purpose of the public hearing will be to give citizens an opportunity to make their comments known. If you are unable to attend the public hearing, you may direct written comments to Randy Johnsen, City Manager, City of Dunsmuir, 5915 Dunsmuir Ave, Dunsmuir, CA 96025. In addition, information may be obtained at the above address between the hours of 9:00 a.m. and 4:30 p.m. on weekdays. Verbal and written comments will be accepted at the meeting.

Should any person challenge the proposal in court, that person may be limited to raising only those issues raised at the public hearings or in written correspondence delivered to City Hall prior to the public hearings. The City will not accept facsimile comments, or comments without an original signature. Since the comments are part of the official record please be sure that the comment is legible, including the name of the author or signatory. For further information regarding the above project, please contact Randy Johnsen, Interim City Manager by telephoning 530.235.4822 ext. 103 or emailing citymanager@ci.dunsmuir.ca.us.

City Council Agenda Item Interim City Manager Staff Report Public Hearing

Item No: 13.B.
Date: July 30, 2015
Subject: Consideration and second reading and adoption of Ordinance No. 549 adopting the Dunsmuir City Code

Ordinance No. 544 was recently adopted to provide for adoption of Dunsmuir City Codes. A referendum was filed. Proponent of the referendum met with City and agreed that Ordinance No. 544 could be repealed and another Ordinance provided for adoption of City Codes with certain deletions. This would eliminate the need for election and cost of over \$10,000 to city. Ordinance No. 548 was provided to repeal Ordinance No. 544. Ordinance No. 549 adopts Dunsmuir City Codes deleting Chapter 17.34, Chapter 1.06, and Section 1.08.010(C).

Recommendation: Move to read Ordinance No. 549 by number and title only.

Move to pass second reading and adopt Ordinance No. 549, An Ordinance of the City Council of the City of Dunsmuir adopting the Dunsmuir City Code.

ORDINANCE NO. 549

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DUNSMUIR, CALIFORNIA, ADOPTING THE DUNSMUIR CITY CODE

WHEREAS, this City Council finds and determines that it is in the best interest of the City of Dunsmuir to clarify that all code sections of the Dunsmuir City Code be considered in effect and valid with the exception of Chapter 17.34, Chapter 1.06, and Section 1.08.010(C).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DUNSMUIR DOES ORDAIN AS FOLLOWS:

SECTION 1. Pursuant to the provisions of Government Code Sections 50022.1 through 50022.8 and 50022.10, there is hereby adopted the Code entitled "The Code of the City of Dunsmuir, California" (2015 Edition), also known as the "Dunsmuir City Code" (2015 Edition), originally published in 1995 by LexisNexis Municipal Codes, which also published supplements 1, 2, 3, and 4 to the Dunsmuir City Code, after which Municipal Code Corporation succeeded LexisNexis Municipal Codes and published supplements 5 and 6 to the Dunsmuir City Code, consisting of Titles 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, each inclusive, together with those secondary codes adopted by reference as authorized by the California State Legislature, save and except those portions of the secondary codes as are deleted, modified or amended by the provisions of the Dunsmuir City Code with the exception of Chapter 17.34 and Chapter 1.06 which are deleted, and Section 1.08.010(C) which is amended to read as follows:

Section C – Any person convicted of an infraction for violation of an ordinance of the City is punishable by a penalty of no more than six-hundred and seventy-five dollars (\$675.00).

SECTION 2. All ordinances of a general and permanent nature enacted on or before December 13, 2012, and not included in the Code or recognized and continued in force by reference therein, are repealed.

SECTION 3. The repeal provided for in section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance. Nor does the repeal provision apply to Ordinance No. 548 which shall remain in full force and effect.

SECTION 4. The adoption of the Dunsmuir City Code is intended by the City Council to be a continuation of existing ordinances and nothing is intended to modify or enact any new taxes. To the extent the provisions of the 2015 Edition of the Dunsmuir City Code are substantively the same as existing law, the provisions of the Dunsmuir City Code (2015 Edition) shall be considered a continuation of existing law and not new enactments.

Section 5. The recodification and adoption of the Dunsmuir City Code (2015 Edition) and the repeal provided for in section 2 of this Ordinance shall not affect the following matters or municipal legislation:

- a) Action and proceedings that began before the effective date of this Ordinance.
- b) Civil, criminal and administrative proceedings concerning ordinance violations committed before the effective date of this Ordinance.
- c) The amount of or collection of license, fee, penalty debt, forfeiture or obligation due and unpaid as of the effective date of this Ordinance.
- d) Bonds and cash deposits required to be posted, filed or deposited pursuant to any ordinance, resolution or regulation.
- e) Matters of record that refer to or are connected with a provision of the Code as originally published in 1995 by LexisNexis Municipal Codes, which also published supplements 1, 2, 3, and 4 to the Code, after which Municipal Code Corporation succeeded LexisNexis Municipal Codes and published supplements 5 and 6 to the Dunsmuir City Code, as amended. Such references shall be construed to apply to the corresponding provisions of the Dunsmuir City Code (2015 Edition).
- f) Ordinance No. 543 adopted December 13, 2012.
- g) Ordinance No. 545 adopted May 21, 2015.
- h) Ordinance No. 546 adopted June 18, 2015.
- i) Ordinance No. 547 adopted July 2, 2015.

Section 6. Unless another penalty is expressly provided, every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be punished according to the penalties set forth in the Dunsmuir City Code which are as follows:

- a) Any person violating any of the provisions or failing to comply with any of the mandatory requirements of the ordinances of the city shall be guilty of an infraction unless the violation is made a misdemeanor by ordinance.
- b) Except in cases where a different punishment is prescribed by any ordinance of the city, any person convicted of a misdemeanor for violation of an ordinance of the city is

punishable by a fine of not more than one thousand five hundred dollars (\$1,500.00) or by imprisonment not to exceed six months or by both such fine and imprisonment.

c) Except in cases where a different punishment is prescribed by any ordinance of the city, any person convicted of an infraction for violation of an ordinance of the city is punishable by a penalty of not more than six-hundred and seventy-five dollars (\$675.00).

d) Each such person shall be guilty of a separate offense for each and every day during any portion of which any violation of any provision of the ordinances of the city is committed, continued or permitted by any such person, and he shall be punishable accordingly.

e) Each act of violation and each day upon which any such violation shall continue or occur shall constitute a separate offense. The penalty provided by this section, unless another penalty is expressly provided, shall apply to the amendment of any Code section, whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the City of Dunsmuir may pursue other remedies such as abatement of nuisances, injunctive relief and revocation of licenses or permits.

SECTION 7. Additions or amendments to the Code when passed in such form as to indicate the intention of the City Council of the City of Dunsmuir to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

SECTION 8. Ordinances adopted after Ordinance No. 549 that amend or refer to ordinances that have been codified in the Code, shall be construed as if they amend or refer to like provisions of the Code.

SECTION 9. CEQA. This ordinance is not a "project" subject to the California Environmental Quality Act (CEQA). "Project" does not include "general policy and procedure making" or "organization or administrative activities of governments that will not result in direct or indirect physical changes in the environment" pursuant to CEQA Guidelines 15378(b).

SECTION 10. Severability. If any section, subsection, sentence, clause, phrase or portion of the Ordinance or its application to any person or circumstance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances. The City Council of the City of Dunsmuir hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional and, to that end, the provisions hereof are hereby declared to be severable.

SECTION 11. Publication. The City Clerk shall cause this Ordinance to be published or posted in accordance with California Government Code section 36933 and shall certify to the adoption of this Ordinance.

Section 12. Effective Date. This Ordinance shall take effect thirty days after its adoption pursuant to California Government Code section 36937.

* * * * *

Introduced and first read at a regular meeting of the City Council on the 16th day of July, 2015, by the following vote:

AYES: Craig, Deutsch, Spurlock, Keisler
NOES: None
ABSENT: Syrrist
ABSTAINING: None

FINAL PASSAGE AND ADOPTION by the City Council of the City of Dunsmuir occurred at an adjourned regular meeting thereof held on the 30th day of July, 2015, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Dave Keisler, Mayor

ATTEST:

Kathryn Wilson, City Clerk

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Dunsmuir will hold one public hearing on Thursday, July 30, 2015 at 6:00 p.m. The public hearing will be held at the City of Dunsmuir Council Chambers, 5902 Dunsmuir Ave, Dunsmuir, CA.

The second reading and adoption of Ordinance No. 549, an Ordinance of the City Council of the City of Dunsmuir, California, adopting the Dunsmuir City Code.

The purpose of the public hearing will be to give citizens an opportunity to make their comments known. If you are unable to attend the public hearing, you may direct written comments to Randy Johnsen, City Manager, City of Dunsmuir, 5915 Dunsmuir Ave, Dunsmuir, CA 96025. In addition, information may be obtained at the above address between the hours of 9:00 a.m. and 4:30 p.m. on weekdays. Verbal and written comments will be accepted at the meeting.

Should any person challenge the proposal in court, that person may be limited to raising only those issues raised at the public hearings or in written correspondence delivered to City Hall prior to the public hearings. The City will not accept facsimile comments, or comments without an original signature. Since the comments are part of the official record please be sure that the comment is legible, including the name of the author or signatory. For further information regarding the above project, please contact Randy Johnsen, Interim City Manager by telephoning 530.235.4822 ext. 103 or emailing citymanager@ci.dunsmuir.ca.us.

July 30, 2015

B. C.

RECEIVED
JUN 19 2015
CITY OF DUNSMUIR

June 19, 2015

City of Dunsmuir
Dunsmuir, CA 06025

Dear City Council,

I would like to express my interest in serving on the Solid Waste Committee for the City. When needed I will provide such information about my qualifications, if necessary.

This letter addresses only the one issue, that I would like to be on the Committee.

Thank you for your attention in this matter.

Sincerely,

Ana Mulvaney
4413 Holly Ave
Dunsmuir, CA 96025
530-235-4491 home
Cell; 859-3449



July 30, 2015

13.C.

RECEIVED
JUN 29 2015

CITY OF DUNSMUIR

INTEREST/APPLICATION FORM TO SERVE ON COMMISSIONS OR COMMITTEES

City of Dunsmuir
2015

- 1. Are you at this time over 18 years of age? Yes No
- 2. Are you are resident of the City of Dunsmuir? Yes No

If yes, please provide address where you reside 5304 Dunsmuir Ave

3. Please indicate the commission/committee on which you are willing to serve

Solid Waste Committee

4. Please indicate why you wish to serve on the commission/committee you have indicated above.

I would like to see options for different levels of use and lower fees for small users.

5. Please indicate why you feel qualified to serve on the commission/committee you have indicated above.

I served on the city council for 1 1/2 yrs and have served on several ad hoc committees

Name: Ed Stealy

Signature: [Handwritten Signature]

July 30, 2015 13. RECEIVED
MAY 13 2015

INTEREST/APPLICATION FORM TO SERVE ON COMMISSIONS OR COMMITTEES

CITY OF DUNSMUIR

2:30 pm Ji

City of Dunsmuir 2015

1. Are you at this time over 18 years of age? Yes No

2. Are you are resident of the City of Dunsmuir? Yes No

If yes, please provide address where you reside 6200 Elinore Avenue

3. Please indicate the commission/committee on which you are willing to serve
Solid Waste Committee

4. Please indicate why you wish to serve on the commission/committee you have indicated above.

I have an interest in the issues surrounding solid waste including establishing a revenue generating recycling program, a green waste removal component, and ensuring fees charged to rate payers are based on the cost of service and in compliance with Prop 218.

5. Please indicate why you feel qualified to serve on the commission/committee you have indicated above.

I am qualified because I am a citizen of Dunsmuir and both a residential and commercial solid waste rate payer. Additinally, as a member of the city council in 2014 I showed interest and aptitude for this particular issue.

Name: Leslie T. Wilde

Signature: L. Wilde

City Council Agenda Item

Interim City Manager Staff Report

New Business

Item No: 15.A.
Date: July 30, 2015
Subject: Consider and provide direction on billing for sewer and garbage service to undeveloped or unoccupied properties with no water service

There are two properties in town complaining about receiving monthly billing for sewer and garbage service when both properties have no water service and are unoccupied.

In one case the property was purchased in late 2011 and arrangement made with then city staff for reduced sewer and water and garbage bill to property that previously had over 30 motel units, office, manager's residence, bowling alley, restaurant, and more. The property had been abandoned for some time and was in need of much repair before any units would be livable. Then staff agreed that only one sewer, one water, and one garbage charge would be applied as only one residential unit would be occupied by a caretaker while repairs were being made. This was discussed before the City Council about a year later and then council directed that until an overall policy on utility charges was provided full charges would be applied. Full charges were applied retroactively and are being charged today even though there is no water meter thus no water served, no plumbing fixtures, and no possibility of sewage from the property. The property is unoccupied so no garbage is generated. Some work on the property is being done but a large dumpster is rented for removal of construction debris.

In the second case, fire destroyed buildings on four lots several years ago. No buildings have been built/rebuilt. There is no occupancy on the properties, no plumbing fixtures. Water meters have been removed or locked off. Recent televising of the sewer connection shows that the line caved in at some time and thus no sewage is being transmitted to the City's collection system.

In the first case the monthly sewer and garbage bill, unpaid for several years, is over \$10,000. In the second case the monthly sewer bill, unpaid for several years, is several hundred dollars. Staff believes that this situation does not exist elsewhere in Dunsmuir.

The justification for charging is presented to lie in Resolution No. 2004-26 which in part adopted amendment to Section 8.08.100 of the Dunsmuir City Code to make garbage and refuse service mandatory. Dunsmuir City Code Section 13.08.070 B. provides in part that "Sewage service charge specified shall be charged, collected and enforced in the same manner, at the same time, and by the same person, or persons, as are the charges for garbage service furnished by the city. . . .

Current staff present that there is still no "overall policy to define rates and collections thereof" as requested by then City Council in December 2012. However, staff and City Attorney agree that the above charges are not appropriate. Some cities charge a "stand by" sewer charge which is normally an

amount equal to ½ of single family residential sewer charge as contribution to maintain the system and insure that service will be available when the property is occupied in the future and needs sewer service. Property owners are given the option of not paying that amount and in exchange give up “right” to connect to sewer system in the future without paying new “connection fee”.

Recommendation: Move to authorize staff to reverse past due and current charges for sewer service and garbage service to unoccupied properties at 4221 Siskiyou Avenue and 4115 Cedar Street; and direct staff to prepare comprehensive billing and collection procedures for city utilities and contract services.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUNSMUIR
AMENDING THE SCHEDULE OF CHARGES FOR GARBAGE AND REFUSE
COLLECTION SERVICE**

WHEREAS, Sections 8.08.130 and 13.08.060 of the Dunsmuir Municipal Code provides that the city administrator may submit amendments to the rate schedule set forth in Attachment A, and the council may amend such rate schedule by resolution; and

WHEREAS, the City Refuse Fund has absorbed without commensurate rate increase the average 33 % rise in the combined costs of Staff Salaries & Benefits, Contract Services provided by Clemens Waste Removal (CDWR), and Other Operating & Administrative Costs since July 1, 2001; and

WHEREAS, the City Refuse Fund has absorbed without commensurate rate increase the approved Lease/Rental \$16,000 annual cost of uniform refuse containers provided by CDWR since July 1st, 2003; and

WHEREAS, the City Refuse Fund anticipates the Dump Fees paid to Siskiyou County will more than triple effective January 1st, 2004; and

WHEREAS, after removal of Spring Clean Up Costs, it has been determined that the increase needed to fund these increased operating expenses is 71% for Garbage; and

WHEREAS, Council, at its January 16th, 2004 meeting, adopted rate schedules incorporating a 41% increase taking effect with the February 1, 2004 billing for the February solid waste removal services.

WHEREAS, at this, its March 19th, 2004 meeting, Council amended D.M.C. §8.08.100 to read Persons subject to collection (now include) "A. Every person who maintains a residence within the city shall be subject to garbage and refuse service under this chapter, and is required to subscribe to such service. B. Every person who maintains within the city any place of business or a commercial property shall be subject to service under this chapter and is required to subscribe to such service." taking effect with the May 1, 2004 billing for the May solid waste removal services.

WHEREAS, a 25% increase to rate schedules - in addition to the increased cost sharing achieved by amending (above) the Dunsmuir Municipal Code to include all dwellings and commercial property - will significantly reduce if not eliminate current 2003-04 and projected 2004-05 Solid Waste Fund deficit spending.

Sewer + garbage are the responsibility of the property owner.

13.08.040

8.08.140 Rates and charges—Liability.

A. The owner of every parcel, dwelling unit, motel, or business establishment receiving any service designated in this chapter shall be liable to the city or the contractor rendering such service for the rates determined therefor.

garbage {
B. It shall not be the responsibility of the city to collect any such base charges from nonowner occupants of any such premises. Collection from such persons shall be the responsibility of the owner, whether as a separate charge, additional rent, or otherwise.

C. Every service performed under this chapter shall be presumed to be for the benefit of the premises from which any garbage, refuse, or rubbish is removed, and the charges accruing for such service shall be a lien upon the premises served.

D. Charges for extra garbage, refuse or rubbish at rented premises shall be billed to the tenant after the fact, with the water bill. (Prior code § 15-13)

8.08.150 Rates and charges—Payment—Delinquent charges—Consolidated utilities bills.

A. All rates, fees and charges imposed under the provisions of this chapter are due and payable upon receipt of the notice of charges and may be billed monthly, bimonthly, or quarterly in advance. Unpaid charges shall become delinquent twenty-five (25) days after mailing or delivering the notice of charges. A basic penalty charge of ten (10) percent of the unpaid amount shall be added to any rate, fee or charge that remains delinquent on the first day of the month following mailing or delivery. Interest at the rate of one-half of one percent per month shall accrue on the total of all such delinquent charges and penalty charges.

B. All payments for utility services, including any penalty charges and interest, shall be made at the city hall.

C. All charges for refuse and garbage service, sewer service, water service and any other utility service rendered by the city may be billed upon the same bill and collected along with any delinquent

and council's approval of ordinance amendments. (Res. 2004-26 part, 2004; Ord. 513 (part), 2004; prior code § 15A-5)

13.08.070 Payment of charges and delinquent charges.

A. All rates, fees and charges imposed under the provisions of this chapter are due and payable upon receipt of the notice of charges and may be billed monthly, bimonthly or quarterly in advance. Unpaid charges shall become delinquent twenty-five (25) days after mailing or delivering the notice of charges. A basic penalty charge of ten (10) percent of the unpaid amount shall be added to any fee or charge that remains delinquent on the first day of the month following mailing or delivery. Interest at the rate of one-half of one percent per month shall accrue on the total of all such delinquent charges plus all penalty charges.

B. Sewage service charge specified shall be charged, collected and enforced in the same manner, at the same time, and by the same person, or persons, as are the charges for garbage service furnished by the city, and the amount thereof shall be included in the total amount due for garbage service. All provisions of this code and the city ordinances applicable to the charge, collection and enforcement of rates for garbage service furnished by the city are made applicable to this chapter. Persons subject to this chapter but who are not subject to garbage service, shall be charged and billed separately for sewage services but shall be billed in the same manner and at the same time as persons subject to garbage service. (Ord. 481 § 2, 1993; prior code § 15A-6)

sewer }

13.08.080 Administration.

Except as otherwise provided in this chapter, the city administrator shall administer, implement and enforce the provisions of this chapter. Any powers granted to or duties imposed upon the city administrator may be delegated by the city administrator to persons acting in the beneficial interest of or in the employ of the city. (Ord. 513 (part), 2004; prior code § 15A-9)

July 30, 2015

15. B.

Video Production Contract
The City of Dunsmuir
Public Broadcasting of City Council Meetings
7/22/2015

The Siskiyou Media Council on behalf of the City's public access PEG channel, MCTV15, respectively requests that this contract be approved by the City of Dunsmuir for videography services provider by SMC/MCTV15 that began on April 16, 2015 and will extend through July 31, 2015.

Background

SMC has been providing the City of Dunsmuir with videography services, free of charge, pursuant to city resolution dated 2/19/2015, in order for the city's communication committee to better assess their council meeting public broadcasting requirements going forward. The city's communication committee requires more time to complete their assessment.

What SMC offers to the City of Dunsmuir

MCTV15, the PEG (Public/Education/Government) channel operated by the Siskiyou Media Council on behalf of the community, has videotaped the April 16, 2015 meeting in good faith and proposes to continue the filming and posting of the edited footage to the city's web site for the remainder of 2015.

For this service SMC seeks a fee of \$200.00 per city council meeting. This will include the rental of all equipment, a pre-meeting setup and checkout of the equipment, filming the meeting, and producing, within two business days, a DVD and an edited video file to an internet destination of the city's choosing. This daily rate will apply to any additional meetings that the City of Dunsmuir requests during this time period. The following are the City Council Meetings that are currently within the scope of this agreement:

- 07/30/2015
- 08/20/2015
- 09/03/2015
- 09/17/2015
- 10/01/2015
- 10/15/2015
- 11/05/2015
- 11/19/2015
- 12/03/2015
- 12/17/2015

City Of Dunsmuir Approving Signature Date

SMC Approving Signature Date

Title

Title

July 30, 2015

15. C.

City Manager

From: Joseph Wirth <joe@thewirths.net>
Sent: Tuesday, July 21, 2015 4:09 PM
To: City Manager
Subject: FW: letters
Attachments: cover letteredited.docx; Trail Support Templateedited.docx

Randy,

Here is the template that I mentioned in an earlier email.

Joe Wirth

From: John Harch [mailto:jharch@nctv.com]
Sent: Tuesday, July 21, 2015 1:16 PM
To: John Schuyler
Cc: Barry Price; Debbie Derby; Joseph Wirth; Mike Hupp; Neil Jacobs
Subject: letters

Just to close the loop, here's what I have as final versions, without the edits showing. I've been over and over them in the last hour.

JH

Dear Trail Supporter:

The Mount Shasta Trail Association and BikeShasta are seeking your support for the expansion of trails in southern Siskiyou County. Specifically, our goal is to present evidence of broad-based community support for trails to Allyn Ford, the President/CEO of Roseburg Forest Products, to secure their commitment to the development of the Snowman's Hill to Mott Road trail on their lands.

Please consider sending a letter from your organization or business or self to Mr. Ford. To help you, we're attaching a sample letter template that you can use to get some ideas, or modify to make it yours. The letter does not have to be long or complicated, but we believe each letter will be more effective if put in your own words.

By doing this you are joining other community leaders in stating that we want trails on a variety of land ownerships – both public and private. The letter touches on many of the benefits of trails, including health and economic vitality of our communities.

Please be respectful in tone at all times, since we are asking for access to private lands, and consent is dependent on good will alone.

Please let one of us know when you've sent a support letter and a copy of your letter if possible.

Thanks!

John Schuyler
skyler@cot.net
938-0773

John Harch
jharch@nctv.com
926-1001

Drew Braugh
drewbraugh@gmail.com
440-5921

Date

Allyn Ford, President and CEO
Roseburg Forest Products
10599 Old Highway 99 South
Dillard, OR 97432

Re: Community Support for Trail Development in Siskiyou County

Dear Mr. Ford:

We write you to express our strong support for the continuing development of recreational trails in southern Siskiyou County. These trails will allow our region to redefine itself as a world class center of trail-based recreation for hikers, mountain bikers and other non-motorized trail enthusiasts.

Specifically, we support trails on both public and private lands – including those managed by Roseburg Forest Products.

There are many reasons for our support for developing and expanding trails in our area. Here are the important ones to our organization [INCLUDE THOSE THAT FIT YOUR GROUP AND ADD YOUR OWN POINTS]:

1. The Snowman's Hill to Mott Road (SHMR) trail segment will link the southernmost population center in South Siskiyou County with the trail system in Mount Shasta. Currently, there is no easy trail connection from Mount Shasta to Dunsmuir.
2. Expanding our trail system brings together economic development with fitness and promotion of good health.
3. SHMR is a major component in the effort to add more trails; it is one of the few projects that can be started immediately.
4. Mountain biking and hiking offer recreation for the many "non-snow" months of the year.
5. It is estimated that there are 40 million mountain bikers in the U.S. There are even more hikers.
6. Business (industry) support of recreational trails is viewed favorably by the community at large. It promotes strong relationships between business and local residents.
7. Encouraging tourism through multi-use trail systems is a way to enhance economic activity in small, rural communities.

Trails align perfectly with the region's desire to promote economic viability, healthy lifestyles, safe routes, and conservation of our natural resources. Besides providing enjoyment for the local residents, we are seeking a significant mileage and diversity of trails to attract and support users from outside our area, and for such users to spend multiple days enjoying our trails while obtaining services from our local businesses.

Thank you for your time and consideration.

Sincerely,