City Council
Successor Redevelopment Agency
Financing Authority
Housing Authority

AGENDA

Wednesday

Regular

Closed Session 5:00 p.m.
Regular Session 6:00 p.m.

December 2, 2015

City Hall
100 West California Avenue
Ridgecrest CA 93555

(760) 499-5000

Peggy Breeden, Mayor
James Sanders, Mayor Pro Tempore
Lori Acton, Vice Mayor
Eddie B. Thomas, Council Member
Mike Mower, Council Member

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LAST ORDINANCE NO. 15-03
LAST RESOLUTION NO. 15-109

CITY OF RIDGECREST

CITY COUNCIL
REDEVELOPMENT SUCCESSOR AGENCY
HOUSING AUTHORITY
FINANCING AUTHORITY

AGENDA
Regular Council
Wednesday December 2, 2015

CITY COUNCIL CHAMBERS CITY HALL
100 West California Avenue
Ridgecrest, CA 93555

Closed Session – 5:00 p.m.
Regular Session – 6:00 p.m.

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

In compliance with SB 343. City Council Agenda and corresponding writings of open session items are available for public inspection at the following locations:

1. City of Ridgecrest City Hall, 100 W. California Ave., Ridgecrest, CA 93555
2. Kern County Library – Ridgecrest Branch, 131 E. Las Flores Avenue, Ridgecrest, CA 93555
3. City of Ridgecrest official website at http://ci.ridgecrest.ca.us

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENT – CLOSED SESSION

CLOSED SESSION – 5:00 p.m.

GC54957 Personnel Matter – Public Employee Performance Evaluation – City Manager

GC54956.8 Local Agency Real Property Negotiations – Negotiation For Lease – 131 S. Warner St. – Agency Negotiators Recreation Supervisor Jason Patin And City Manager Dennis Speer

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
- Other

PRESENTATIONS

1. **Presentation Of Employee Service Awards** **Council**

2. **Presentation Of The Youth Advisory Committee Report** **Thomas**

PUBLIC COMMENT

COUNCIL ANNOUNCEMENTS

CONSENT CALENDAR

3. **Adopt A Resolution Authorizing The Award Of A Construction Contract To DBX Inc. For The Construction Of The Traffic Synchronization Project From California Avenue To College Heights Boulevard In The Amount Of $224,385.00 And For The City Manager, Dennis Speer, To Execute The Contract** **Speer**

4. **Adopt A Resolution Of The Ridgecrest City Council Accepting Grant Easement For Roadway Purposes From Southern California Edison For APN 508-020-07-00, In The City Of Ridgecrest, County Of Kern, State Of California And Authorizing The Mayor To Sign The Grant Of Easement And The Certificate Of Acceptance** **Speer**

5. **Adopt A Resolution Of The Ridgecrest City Council Accepting A Grant Of Easement For Roadway Purposes From Southern California Edison From APN 080-020-67, In The City Of Ridgecrest, County Of Kern, State Of California And Authorizing The Mayor To Sign The Grant Of Easement And The Certificate Of Acceptance** **Speer**

6. **Adopt A Resolution Approving Contract Change Order Number Three For The Amount Of Three Thousand Four Hundred Twenty-Two Dollars And Fifty Cents ($3,422.50) With The Contractor, Griffith Company, For The Richmond Road Project And Authorize The City Manager, Dennis Speer To Sign Change Order Number Three** **Speer**

7. **Adopt A Resolution Of The City Council Of The City Of Ridgecrest Authorizing The Application For A Financial Assistance Application With The State Water Resources Control Board And Authorizing The City Manager, Dennis Speer, To Sign And File The Application And Have His Designee To Execute All Documents To Obtain Financial Assistance** **Speer**

8. **Adopt A Resolution To Approve The Release Of Water Blasters, Inc. From Their Existing Lease Agreement** **Patin**

9. **Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated November 18, 2015** **Ford**

DISCUSSION AND OTHER ACTION ITEMS

10. **Presentation And Adopt A Resolution Of The Ridgecrest City Council Accepting For Filing The Other Post-Employment Benefits (OPEB) Actuarial Study As Of June 30, 2015 Prepared By Nyhart Company** **Staheli**

11. **Discussion of Transient Occupancy Tax (TOT) Audit Options, Review, And Proposal** **Staheli**

12. **Review And Discussion Of The Special Consultant Agreement Between City Of Ridgecrest And Justin O'Neill** **Breeden**

13. **Discussion Of Revised Water Conservation And Landscaping Ordinance Amendment** **Lemieux**

ORDINANCES

14. **Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Medical Marijuana Cultivation Facilities** **Strand**

COMMITTEE REPORTS

(Committee Meeting dates are subject to change and will be announced on the City website)

City Organization and Services Committee

Members: Lori Acton; Mike Mower
Meeting: 4th Wednesday each month at 5:00 p.m. as needed
Location: Council Conference Room B

Infrastructure Committee

Members: Jim Sanders; Mike Mower
Meeting: 3rd Thursday each month at 5:00 p.m. as needed
Location: Council Conference Room B

- **Ad Hoc Water Conservation Committee**

  Members: Jim Sanders; Peggy Breeden
  Meeting: 3rd Monday each month at 5:00 p.m. as needed
  Location: Conference Room B

Parks, Recreation, and Quality of Life Committee

Members: Eddie Thomas; Lori Acton
Meeting: 1st Tuesday each month at 12:00 p.m. as needed
Location: Kerr-McGee Center Meeting Rooms

- **Ad Hoc Youth Advisory Council**

  Members: Eddie Thomas
  Meeting: 2nd Wednesday of each month, 12:00 p.m. as needed
  Location: Kerr-McGee Center Meeting Rooms

Activate Community Talents and Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Eddie Thomas; Lori Acton
Meeting: Quarterly on the 3rd Tuesday of the month at 4:00 p.m. as needed
Location: Kerr McGee Center Meeting Rooms

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Lori Acton and Eddie Thomas
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: To Be Announced

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

CITY MANAGER REPORT

MAYOR AND COUNCIL COMMENTS

ADJOURNMENT

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
Service Award Presentations

PRESENTED BY:
Mayor and City Council members

SUMMARY:
Service recognition awards presented by the Ridgecrest City Council to employees who have reached milestones of five (5) or more years of employment during the fourth quarter (October - December) 2015 with the City of Ridgecrest.

15 Years
Jed McLaughlin
Tess Sloan
Elliot Duff

10 Years
Steve Zamarron
Joshua Rutherford

FISCAL IMPACT: NONE
Reviewed by Finance Director

ACTION REQUESTED:
Presentation of certificates to the employees by City Council members.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:
Present Service Awards

Submitted by: Ricca Charlon Action Date: Dec 2, 2015

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REPORT FOR CITY COUNCIL

DECEMBER 2, 2015

Youth Engagement

- Description of Committee
  - The Youth Engagement subcommittee is geared towards the "fun" activities we put on, such as the Welcome Back Party
- Welcome Back Party
  - What the impact was
  - Planning efforts
    - First large scale event
    - We met twice a week for the whole summer
    - Marketing
  - Acknowledgement of High school vs. Middle school activities
- Winter Extravaganza
  - Date TBD
  - Description
    - It will be an event at Freedom Park for middle school students. The event will consist of Dodgeball, pie eating contests, and many other fun activities.

Service Projects

- Description of committee
  - This committee puts all of its efforts towards giving back to the community.
- January 18 is Service Project Day
  - Youth based
  - Basic Layout
    - Central location (Park)
      - Mini service projects
    - Different locations such as Animal Shelter, Women's Shelter, etc.

Career Development

- Description of committee
  - This committee is focused on preparing the youth for their future career in whatever field they choose.
- It is our goal that starting in January we can relaunch our work program that includes informational classes and an internship requirement for middle and high school students.

- In April, we will be collaborating with the schools to put on a career fair. This fair will be complete with booths set up in the morning followed by a special luncheon.

Closing

- The Youth Advisory Committee is working hard to make this year the most successful one we've ever had. We have a strong leadership board as well as enthusiastic members who are willing to do whatever it takes to give the youth of Ridgecrest something to do.

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT: Authorization To Award A Construction Contract to DBX Inc. For The Construction Of The Traffic Synchronization Project From California Avenue To College Heights Boulevard In the Amount of $224,385.00 And For The City Manager, Dennis Speer, To Execute The Contract

PRESENTED BY:
Dennis Speer, Public Works Director

SUMMARY:
On Tuesday, November 17, 2015 bids were opened for the construction of The Traffic Synchronization Project From California Avenue To College Heights Boulevard. The work involves the signal synchronization. A total of three bids were received as follows:

Bidder	Bid Option 1	Bid Option 2
DBX Inc.	$ 396,405.00	$224,385.00
PTM Gen. Eng.	$ 387,087.00	$276,067.00
AC Electric	$ 581,256.00	$376,330.00

The bids were reviewed by the engineering firm of David Evans and the Resident Engineer, Robert Kilpatrick. Based on this review, it is recommended that the contract be awarded for bid option 2 to the lowest responsible and responsive bidder, DBX Inc. with the low bid of $224,385.00. A purchase order will be issued to DBX Inc. in a total amount of $224,385.00 for The Traffic Synchronization Project From California Avenue To College Heights Boulevard. An amount of $22,438.50 or ten percent (10%) is needed for contingencies. The funding for this project will be through Congestion Mitigation Air Quality Program in the amount of $309,000.00. The City needs to provide matching funds in the amount of $72,576.00. The matching funds will be available through Traffic Impact Fees.

The expenditure for this project will be from the line item capital improvement non building 018-4760-430-4601 TS14-02.

ACTION REQUESTED: Authorize The Award of A Construction Contract to DBX Inc. For The Construction Of The Traffic Synchronization Project From California Avenue To College Heights Boulevard In the Amount of $224,385.00 And For The City Manager, Dennis Speer, To Execute The Contract

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Karen Harker Action Date: December 2, 2015

(Rev. 02/13/12)

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RESOLUTION NO. 15-xx

AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO DBX INC. FOR THE CONSTRUCTION OF THE TRAFFIC SYNCHRONIZATION PROJECT FROM CALIFORNIA AVENUE TO COLLEGE HEIGHTS BOULEVARD IN THE AMOUNT OF $224,385.00 AND FOR THE CITY MANAGER, DENNIS SPEER, TO EXECUTE THE CONTRACT

WHEREAS, on Tuesday November 17, 2015, bids were opened for the construction of The Traffic Synchronization Project From California Avenue To College Heights Boulevard; and

WHEREAS, a total of three bids were received and the results are as follows:

Bidder	Bid Option 2
DBX Inc.	$ 224,385.00
PTM Gen. Engineering	$ 276,067.00
AC Electric	$ 376,330.00

WHEREAS, these bids were reviewed by the engineering firm David Evans and Resident Engineer, Robert Kilpatrick for a determination of the lowest responsible and responsive bidder; and

WHEREAS, it was determined that DBX Inc. was the low bidder with the low bid of $224,385.00 for bid option 2; and

WHEREAS, a purchase order will be issued to DBX Inc. in a total amount of $224,385.00 for the construction of The Traffic Synchronization Project from California Avenue to College Heights Boulevard; and

WHEREAS, an amount of $22,438.50 or ten percent (10%) is needed for contingencies; and

WHEREAS, The funding for this project will be through Congestion Mitigation Air Quality Program in the amount of $309,000.00; and

WHEREAS, The City needs to provide matching funds in the amount of $72,576.00; and

WHEREAS, The matching funds for this project will be through Traffic Impact Fees.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest hereby:

1. Awards the contract to DBX Inc. for the construction of The Traffic Synchronization Project Bid Option 2, From California Avenue To College Heights Boulevard described herein to the lowest responsible and responsive contractor from the bids received as determined by David Evans, and
2. Authorizes the Finance Director to amend the budget to reflect all appropriate capital, revenue and transfer accounts.
3. Authorizes the City Manager, Dennis Speer, to execute the contract

APPROVED AND ADOPTED this 2nd day December 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Peggy Breeden, Mayor

ATTEST:

_____
Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
A Resolution Of The Ridgecrest City Council Accepting A Grant of Easement For Roadway Purposes From Southern California Edison for APN 508-020-07-00, In The City Of Ridgecrest, County Of Kern, State Of California And Authorizing The Mayor To Sign The Grant of Easement And The Certificate Of Acceptance

PRESENTED BY:
Dennis Speer, Director of Public Works

SUMMARY:

At the southwest corner of West Ridgecrest Boulevard and Downs Street where the Southern California Edison (SCE) Downs Substation has been expanded, SCE is offering a Grant of Easement for roadway purposes to the City of Ridgecrest. Attached are the Grant of Easement Agreement, Legal Description, Plat Map and Certificate Of Acceptance.

Once City Council has approved the Grant of Easement, the documentation will be forwarded to SCE for them to complete the filing process.

FISCAL IMPACT:
Reviewed by Finance Director

ACTIONS REQUEST:

1. Accept the Grant of Easement for roadway purposes from APN 508-020-07-00.
2. Authorize the Mayor, Peggy Breeden, to execute the Grant of Easement and Certificate of Acceptance.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Loren Culp Action Date: December 2, 2015
(Rev. 02/13/12)

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RESOLUTION NO. 15-xx

A RESOLUTION OF THE RIDGECREST CITY COUNCIL ACCEPTING GRANT EASEMENT FOR ROADWAY PURPOSES FROM SOUTHERN CALIFORNIA EDISON FOR APN 508-020-07-00, IN THE CITY OF RIDGECREST, COUNTY OF KERN, STATE OF CALIFORNIA AND AUTHORIZING THE MAYOR TO SIGN THE GRANT OF EASEMENT AND THE CERTIFICATE OF ACCEPTANCE

WHEREAS, At the southwest corner of West Ridgecrest Boulevard and Downs Street where the Southern California Edison (SCE) Downs Substation has been expanded, and

WHEREAS, SCE is offering a Grant of Easement for roadway purposes to the City of Ridgecrest, and

WHEREAS, Once City Council has approved the Grant of Easement, the documentation will be forwarded to SCE for them to complete the filing process.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest hereby:

1. Accepts the above referenced Grant of Easement.
2. Authorizes the Mayor, Peggy Breeden to Execute the Grant of Easement and Certificate of Acceptance.

APPROVED AND ADOPTED this 2nd day of December 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Peggy Breeden, Mayor

ATTEST:

_____
Rachel J. Ford, CMC
City Clerk

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RECORDING REQUESTED BY
SOUTHERN CALIFORNIA EDISON COMPANY

RECORDING REQUESTED BY
SOUTHERN CALIFORNIA EDISON COMPANY

2131 WALNUT GROVE AVENUE
GO3 – 2ND FLOOR
ROSEMEAD, CA 91770

TITLE & REAL ESTATE SERVICES

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Easement

Location: City of Ridgecrest
APN: 508-020-07-00
RP File No.: GRT202990146
Affects SCE Document(s): 212967

DOCUMENTARY TRANSFER TAX $ _____	Serial 70854A Service Order 801270218
_____ COMPUTED ON FULL VALUE OF PROPERTY CONVEYED _____ OR COMPUTED ON FULL VALUE LESS LIENS AND _____ ENCUMBRANCES REMAINING AT TIME OF SALE SO. CALIF. EDISON CO. SIGNATURE OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME	APPROVED REAL PROPERTIES DEPARTMENT BY KW/gs DATE 10/15/15

SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, hereinafter called "Grantor", does hereby grant to CITY OF RIDGECREST, a political subdivision, hereinafter called "Grantee", an easement for road purposes, in, on, under, over, along and across that certain real property in the City of Ridgecrest, County of Kern, State of California, described as follows:

Portion of the Northeast quarter of Section 5, Township 27 South, Range 40 East, Mount Diablo Base and Meridian, in the County of Kern, State of California, according to the Official Plat of said land approved by the Surveyor General on December 20, 1877.

Said easement is more particularly described on the Exhibit "A" and more particularly depicted on the Exhibit "B", both attached hereto and by this reference made a part hereof.

SUBJECT TO covenants, conditions, restrictions, reservations, exceptions, encumbrances, rights, easements, leases and licenses, affecting the above described real property or any portion thereof, whether of record or not.

The foregoing grant is made subject to the following terms and conditions:

1. The said Easement is granted subject to the right of Grantor to construct, maintain, use, operate, alter, add to, repair, replace, reconstruct, enlarge and/or remove in, on, over, under, through, along and across the above described real property, electric transmission and distribution lines and communication lines, together with supporting structures and appurtenances, for conveying electric energy for light, heat, power and communication purposes, and pipelines and appurtenances for the transportation of oil, petroleum, gas, water, or other substances, and conduits for any and all purposes.

2. Grantor shall not erect or place at any future time any of its facilities so as to unreasonably interfere with the rights of Grantee created by this Easement grant.

3. The said Easement shall be exercised so as not to unreasonably endanger or interfere with the construction, maintenance, use, operation, presence, repair, replacement, relocation, reconstruction or removal of such electric transmission, distribution or communication lines, pipelines, or other conduits.

4. Grantee agrees to hold harmless and indemnify Grantor to the fullest extent to which it can legally do so, from and against all claims, liens, encumbrances, actions, loss, damage, expense and/or liability arising from or growing out of loss or damage to property, including Grantor's own property, or injury to or death of persons, including employees of Grantor, resulting in any manner whatsoever, directly or indirectly, by reason of the exercise of the rights hereby granted; provided, however, that this covenant shall not apply in those instances where such claims, liens, encumbrances, actions, loss, damage, expense and/or liability are caused by the sole active negligence of Grantor.

5. Grantee agrees that in the exercise of its rights hereunder, its contractors, employees and other agents will maintain a minimum clearance of twenty-seven (27.00) feet between their equipment and any and all overhead electric conductors.

6. Grantor shall have full unobstructed access to its facilities at all times and the right to clear, keep clear, and remove any and all obstructions of any kind at all times.

7. Grantor reserves for itself the right to trim any tree or trees which may grow in or on the above described real property and which, in the opinion of Grantor, endanger or interfere with the proper operation or maintenance of said electric transmission, distribution and communication lines, to the extent necessary to prevent any such interference or danger.

8. The above described real property is to be used only for the purposes specified herein and in the event:

    a. said real property is not so used;

    b. said real property shall be vacated as a road and utility right of way; or

    c. the project for which this Easement is being granted is abandoned,

    the Easement shall thereupon, ipso facto, revert to and merge in the interest of Grantor in the above described real property.

9. Upon termination or reversion of the rights herein granted, Grantee shall execute and deliver to Grantor, within thirty (30) days after service of a written demand therefore, a good and sufficient quitclaim deed to the rights herein given. Should Grantee fail or refuse to deliver to Grantor a quitclaim deed, as aforesaid, a written notice by Grantor reciting the failure or refusal of Grantee to execute and deliver said quitclaim deed as herein provided and terminating this Easement shall, after ten (10) days from the date of recordation of said notice, be conclusive evidence against Grantee and all persons claiming under Grantee of the termination or reversion of the rights herein given.

10. Grantee hereby recognizes Grantor's title and interest in and to the above described real property and agrees never to assail or resist Grantor's title or interest therein.

11. Any earth fill placed by Grantee within the boundaries of the above described real property shall have a relative compaction density of ninety percent (90%).

12. The rights hereby granted are not necessary or useful in the performance of the duties of said Grantor to the public.

13. Grantee agrees that all construction equipment, when not in use, shall be parked clear of Edison's right of way and/or rendered immobile.

14. Grantee agrees to maintain the above described real property.

15. Any notice provided herein to be given by either party hereto to the other may be served by depositing in the United States Post Office, postage prepaid, a sealed envelope containing a copy of such notice and addressed to said other party at its principal place of business.

16. Any underground facilities shall be buried in the ground so that the tops thereof shall be not less than thirty-six (36) inches below the surface of the ground, shall be capable of supporting three-axle vehicles weighing up to forty (40) tons, and shall be of such type of construction and material as to be sufficient and safe for the purpose for which they are to be used.

17. Any pipeline shall be constructed to withstand a pressure equal to at least one hundred fifty percent (150%) of its maximum operating pressure.

18. Grantee agrees that it will reimburse Grantor for the full amount of any and all special assessment or assessments levied for curbs, driveways, sidewalks and/or other improvements which may at any time be installed at this location, which special assessment or assessments have been paid by Grantor.

19. Grantee agrees that all fencing and metallic structures installed within the above described real property shall be adequately grounded.

20. Grantee agrees that the construction of the road must be adequately sloped, so as to provide Grantor through access across the above described real property.

21. Grantee agrees not to store flammable materials nor store any vehicle on the above described real property.

22. Any trees or plants within the above described real property shall be maintained by Grantee and shall not exceed a height of fifteen (15) feet.

23. The use of the neuter gender herein will, when appropriate, be construed to mean either the masculine or feminine gender or both. Unless expressly provided elsewhere, herein to the contrary, the terms, covenants and conditions of this Easement shall inure to the benefit of and are binding upon the heirs, successors, representatives and assigns of the parties hereto.

24. Grantee agrees to provide a twenty (20) foot - wide commercial driveway with curb depression(s) capable of supporting forty (40) tons on a three (3) axle truck at the location of the existing gated entrance to the Downs Substation.

25. This grant is not effective unless and until such grant is approved by the California Public Utilities Commission in accordance with Section 851 of the Public Code.

Grant of Easement
S.C.E., a corporation to
City of Ridgecrest, a political subdivision
Serial No. 70854A
RP File No.: GRT202990146
Affects SCE Document(s): 212967

IN WITNESS WHEREOF, said Southern California Edison Company has caused this instrument to be executed this _____ day of _____ , 20____.

SOUTHERN CALIFORNIA EDISON COMPANY,
a corporation

By:_____
Carol Okray
Right of Way Agent
Land Management Division
Real Properties Department

"A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Grant of Easement
S.C.E., a corporation to
City of Ridgecrest, a political subdivision
Serial No. 70854A
RP File No.: GRT202990146
Affects SCE Document(s): 212967

GRANTEE, does hereby accept the above and foregoing Easement upon and subject to all of the terms, covenants and conditions therein contained, and does hereby agree to comply with and perform each and all of said terms, covenants and conditions.

DATED as of this _____ day of _____ , 20____.

CITY OF RIDGECREST, a political subdivision

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

"A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Grant of Easement
S.C.E., a corporation to
City of Ridgecrest, a political subdivision
Serial No. 70854A
RP File No.: GRT202990146
Affects SCE Document(s): 212967

"A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT "A"

SHEET 1 OF 2

Being a portion of the Northeast Quarter (NE ¼) of Section 5, Township 27 South, Range 40 East, Mount Diablo Base and Meridian, situated in the City of Ridgecrest, County of Kern, State of California, more particularly describes as follows:

Beginning at the northeast corner of the parcel of land described in the deed recorded March 20, 1964 in Book 3706, page 267, official records of said County; thence along the east line of said parcel, and the west right-of-way line of North Downs Street, South 00°25'46" West, 208.72 feet to the south line of said parcel of land; thence along said south line, South 89°52'17" West, 25.00 feet to a line 25.00 feet westerly of and parallel with the said east line of said parcel; thence, North 00°25'46" East, 193.72 feet; thence, North 44°50'59" West, 21.11 feet to the north line of said parcel and south right-of-way of West Ridgecrest Boulevard; thence along said line, North 89°52'17" East, 40.00 feet to the **Point of Beginning**.

Containing 5,330 square feet, more or less.

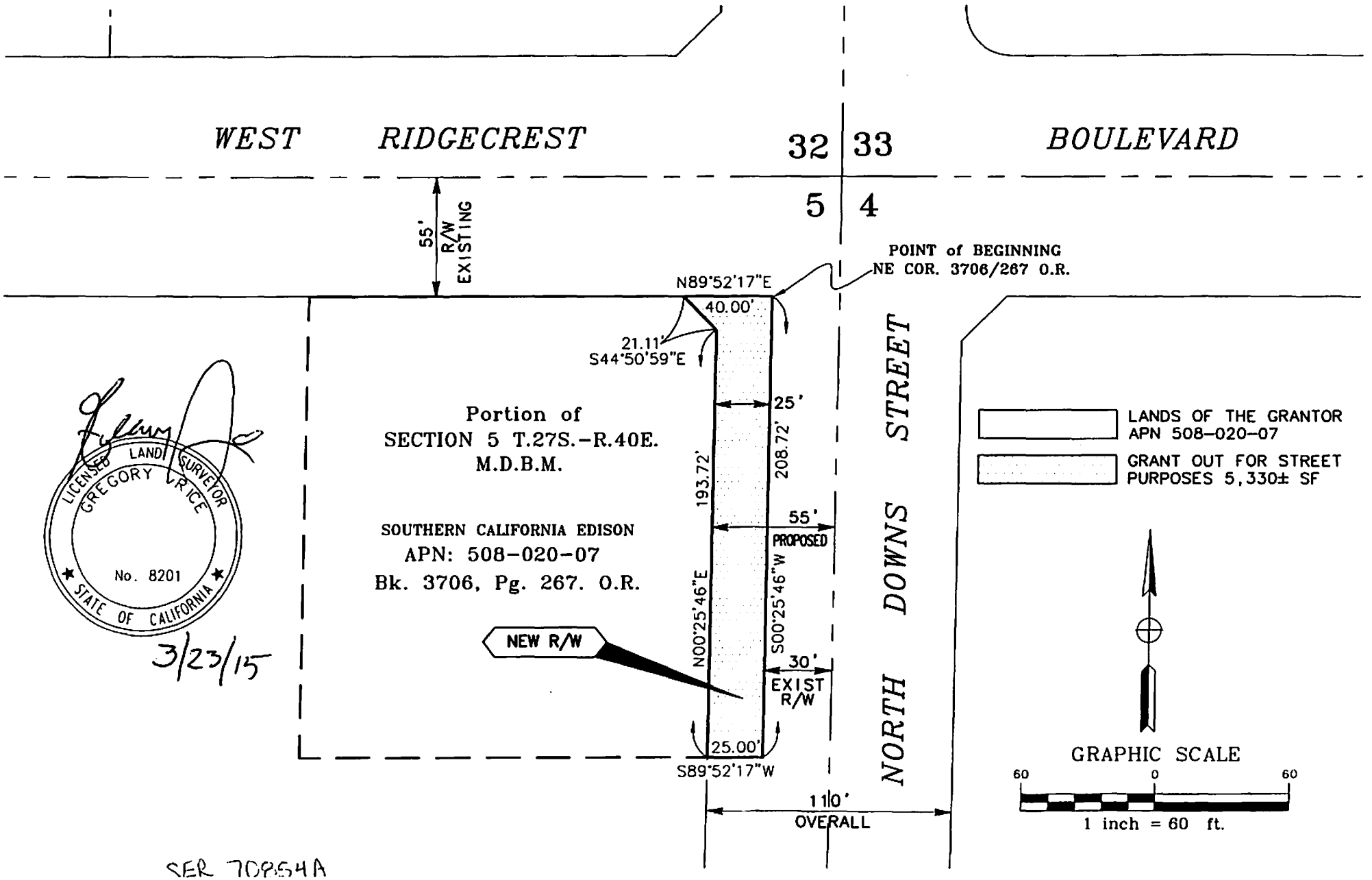
This real property description has been prepared by me, or under my direction in conformance with the Professional Land Surveyors Act.

Gregory L. Rice
Licensed Land Surveyor
California No. 8201

LICENSED LAND SURVEYOR
GREGORY RICE
No. 8201
STATE OF CALIFORNIA

10/21/15
Date

EXHIBIT "B"



LICENSED LAND SURVEYOR
GREGORY VRICE
No. 8201
STATE OF CALIFORNIA

3/23/15

SER 70854A

DRAWING	SCALE			PREPARED BY	DATE
2 OF 2	HORIZONTAL: 1" = 60' VERTICAL: ——	WEST RIDGECREST BLVD RECONSTRUCTION CITY OF RIDGECREST KERN COUNTY, CA	MARK THOMAS & COMPANY, INC. Providing Engineering, Surveying, and Planning Services 7571 N Remington Ave, Suite 102 Fresno, CA 93711 (559) 447-1938	DESIGNED BY: DRAWN BY: KPS CHECKED BY: GLR	 8/21/14 8/21/14

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
A Resolution Of The Ridgecrest City Council Accepting A Grant of Easement For Roadway Purposes From Southern California Edison for APN 080-020-67, In The City Of Ridgecrest, County Of Kern, State Of California And Authorizing The Mayor To Sign The Grant of Easement And The Certificate Of Acceptance

PRESENTED BY:
Dennis Speer, Director of Public Works

SUMMARY:

At the southeast corner of E. Upjohn Avenue and S. China Lake Blvd. and down along the frontage of South China Lake Boulevard where the new Southern California Edison (SCE) Service Center is being remodeled, SCE is offering a Grant of Easement for roadway purposes to the City of Ridgecrest. Attached are the Grant of Easement Agreement, Legal Description, and Plat Map And Certificate Of Acceptance.

Once City Council has approved the Grant of Easement, the documentation will be forwarded to SCE for them to complete the filing process.

FISCAL IMPACT:
Reviewed by Finance Director

ACTIONS REQUEST:

1. Accept the Grant of Easement for roadway purposes from APN 080-020-67
2. Authorize the Mayor, Peggy Breeden, to execute the Grant of Easement and Certificate of Acceptance.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Loren Culp Action Date: December 2, 2015
(Rev. 02/13/12)

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RESOLUTION NO. 15-xx

A RESOLUTION OF THE RIDGECREST CITY COUNCIL ACCEPTING A GRANT OF EASEMENT FOR ROADWAY PURPOSES FROM SOUTHERN CALIFORNIA EDISON FROM APN 080-020-67, IN THE CITY OF RIDGECREST, COUNTY OF KERN, STATE OF CALIFORNIA AND AUTHORIZING THE MAYOR TO SIGN THE GRANT OF EASEMENT AND THE CERTIFICATE OF ACCEPTANCE

WHEREAS, At the southeast corner of E. Upjohn Avenue and S. China Lake Blvd. and down along the frontage of South China Lake Boulevard where the new Southern California Edison (SCE) Service Center is being remodeled, and

WHEREAS, SCE is offering a Grant of Easement for roadway purposes to the City of Ridgecrest, and

WHEREAS, Once City Council has approved the Grant of Easement, the documentation will be forwarded to SCE for them to complete the filing process.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest hereby:

1. Accepts the above referenced Grant of Easement.
2. Authorizes the Mayor, Peggy Breeden to Execute the Grant of Easement and Certificate of Acceptance.

APPROVED AND ADOPTED this 2nd day of December 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Peggy Breeden, Mayor

ATTEST:

_____
Rachel J. Ford, CMC
City Clerk

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RECORDING REQUESTED BY
SOUTHERN CALIFORNIA EDISON COMPANY

RECORDING REQUESTED BY
SOUTHERN CALIFORNIA EDISON COMPANY

2131 WALNUT GROVE AVENUE
GO3 - 2ND FLOOR
ROSEMEAD, CA 91770

TITLE & REAL ESTATE SERVICES

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Easement

Location: City of Ridgecrest
APN: 080-020-67
RP File No.: GRT202214133
Affects SCE
Document(s): 238683

DOCUMENTARY TRANSFER TAX $_____ _____ COMPUTED ON FULL VALUE OF PROPERTY CONVEYED _____ OR COMPUTED ON FULL VALUE LESS LIENS AND _____ ENCUMBRANCES REMAINING AT TIME OF SALE _____ SO. CALIF. EDISON CO. SIGNATURE OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME	Serial 70710A Service Order 800974769 APPROVED REAL PROPERTIES DEPARTMENT BY KW/lc/gs DATE 10/8/15

SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, hereinafter called "Grantor", does hereby grant to the CITY OF RIDGECREST, a political subdivision, hereinafter called "Grantee", an easement for road purposes, in, on, under, over, along and across that certain real property in the City of Ridgecrest, County of Kern, State of California, described as follows:

The North half of the Northwest quarter of the Northwest quarter of the Southwest quarter of Section 3, Township 27 South, Range 40 East, Mount Diablo Base and Meridian, in the County of Kern, State of California, according to the official plat of said land as filed in the District Land Office.

Said easement is more particularly described on the Exhibit "A" and more particularly depicted on the Exhibit "B", both attached hereto and by this reference made a part hereof.

SUBJECT TO covenants, conditions, restrictions, reservations, exceptions, encumbrances, rights, easements, leases and licenses, affecting the above described real property or any portion thereof, whether of record or not.

The foregoing grant is made subject to the following terms and conditions:

1. The said Easement is granted subject to the right of Grantor to construct, maintain, use, operate, alter, add to, repair, replace, reconstruct, enlarge and/or remove in, on, over, under, through, along and across the above described real property, electric transmission and distribution lines and communication lines, together with supporting structures and appurtenances, for conveying electric energy for light, heat, power and communication purposes, and pipelines and appurtenances for the transportation of oil, petroleum, gas, water, or other substances, and conduits for any and all purposes.

2. Grantor shall not erect or place at any future time any of its facilities so as to unreasonably interfere with the rights of Grantee created by this Easement grant.

3. The said Easement shall be exercised so as not to unreasonably endanger or interfere with the construction, maintenance, use, operation, presence, repair, replacement, relocation,

reconstruction or removal of such electric transmission, distribution or communication lines, pipelines, or other conduits.

4. Grantee agrees to hold harmless and indemnify Grantor to the fullest extent to which it can legally do so, from and against all claims, liens, encumbrances, actions, loss, damage, expense and/or liability arising from or growing out of loss or damage to property, including Grantor's own property, or injury to or death of persons, including employees of Grantor, resulting in any manner whatsoever, directly or indirectly, by reason of the exercise of the rights hereby granted; provided, however, that this covenant shall not apply in those instances where such claims, liens, encumbrances, actions, loss, damage, expense and/or liability are caused by the sole active negligence of Grantor.

5. Grantee agrees that in the exercise of its rights hereunder, its contractors, employees and other agents will maintain a minimum clearance of Twenty-Seven (27.00) feet between their equipment and any and all overhead electric conductors.

6. Grantor shall have full unobstructed access to its facilities at all times and the right to clear, keep clear, and remove any and all obstructions of any kind at all times.

7. Grantor reserves for itself the right to trim any tree or trees which may grow in or on the above described real property and which, in the opinion of Grantor, endanger or interfere with the proper operation or maintenance of said electric transmission, distribution and communication lines, to the extent necessary to prevent any such interference or danger.

8. The above described real property is to be used only for the purposes specified herein and in the event:

    a. said real property is not so used;

    b. said real property shall be vacated as a road right of way; or

    c. the project for which this Easement is being granted is abandoned,

    the Easement shall thereupon, ipso facto, revert to and merge in the interest of Grantor in the above described real property.

9. Upon termination or reversion of the rights herein granted, Grantee shall execute and deliver to Grantor, within thirty (30) days after service of a written demand therefore, a good and sufficient quitclaim deed to the rights herein given. Should Grantee fail or refuse to deliver to Grantor a quitclaim deed, as aforesaid, a written notice by Grantor reciting the failure or refusal of Grantee to execute and deliver said quitclaim deed as herein provided and terminating this Easement shall, after ten (10) days from the date of recordation of said notice, be conclusive evidence against Grantee and all persons claiming under Grantee of the termination or reversion of the rights herein given.

10. Grantee hereby recognizes Grantor's title and interest in and to the above described real property and agrees never to assail or resist Grantor's title or interest therein.

11. Any earth fill placed by Grantee within the boundaries of the above described real property shall have a relative compaction density of ninety percent (90%).

12. The rights hereby granted are not necessary or useful in the performance of the duties of said Grantor to the public.

13. Grantee agrees that all construction equipment, when not in use, shall be parked clear of Edison's right of way and/or rendered immobile.

14. Grantee agrees to maintain the above described real property.

15. Any notice provided herein to be given by either party hereto to the other may be served by depositing in the United States Post Office, postage prepaid, a sealed envelope containing a copy of such notice and addressed to said other party at its principal place of business.

16. Any underground facilities shall be buried in the ground so that the tops thereof shall be not less than Thirty-Six (36) inches below the surface of the ground, shall be capable of supporting three-axle vehicles weighing up to forty (40) tons, and shall be of such type of construction and material as to be sufficient and safe for the purpose for which they are to be used.

17. Any pipeline shall be constructed to withstand a pressure equal to at least one hundred fifty percent (150%) of its maximum operating pressure.

18. Grantee agrees that it will reimburse Grantor for the full amount of any and all special assessment or assessments levied for curbs, driveways, sidewalks and/or other improvements which may at any time be installed at this location, which special assessment or assessments have been paid by Grantor.

19. Grantee agrees that all fencing and metallic structures installed within the above described real property shall be adequately grounded.

20. Grantee agrees that the construction of the road must be adequately sloped, so as to provide Grantor through access across the above described real property.

21. Grantee agrees not to store flammable materials nor store any vehicle on the above described real property.

22. Any trees or plants within the above described real property shall be maintained by Grantee and shall not exceed a height of fifteen (15) feet.

23. The use of the neuter gender herein will, when appropriate, be construed to mean either the masculine or feminine gender or both. Unless expressly provided elsewhere, herein to the contrary, the terms, covenants and conditions of this Easement shall inure to the benefit of and are binding upon the heirs, successors, representatives and assigns of the parties hereto.

Grant of Easement
S.C.E., a corporation to
the City of Ridgecrest
Serial No. 70710A
RP File No.: GRT202214133
Affects SCE Document(s): 238683

IN WITNESS WHEREOF, said Southern California Edison Company has caused this instrument to be executed this _____ day of _____ , 20____.

SOUTHERN CALIFORNIA EDISON COMPANY,
a corporation

By:_____
Carol Okray
Right of Way Agent
Land Management Division
Real Properties Department

"A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Grant of Easement
S.C.E., a corporation to
the City of Ridgecrest
Serial No. 70710A
RP File No.: GRT202214133
Affects SCE Document(s): 238683

GRANTEE, does hereby accept the above and foregoing Easement upon and subject to all of the terms, covenants and conditions therein contained, and does hereby agree to comply with and perform each and all of said terms, covenants and conditions.

DATED as of this _____ day of _____ , 20____.

CITY OF RIDGECREST, a political subdivision

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

"A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Grant of Easement
S.C.E., a corporation to
the City of Ridgecrest
Serial No. 70710A
RP File No.: GRT202214133
Affects SCE Document(s): 238683

"A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT "A"

LEGAL DESCRIPTION
SERIAL NO. 70710A

ROAD EASEMENT

Being a portion of that certain parcel of land as conveyed to the California Electric Power Company by that Grant Deed recorded September 18, 1957 as Document Number 17299 in Book 2844 at Page 202, Official Records of Kern County, lying within the North half of the Northwest quarter of the Northwest quarter of the Southwest quarter of Section 3, Township 27 South, Range 40 East, Mount Diablo Base and Meridian, according to the Official United States Government Plat thereof, in the City of Ridgecrest, County of Kern, State of California, more particularly described as follows:

Beginning at the northwest corner of Parcel 2 as shown on that certain Parcel Map No. 11807, recorded in Book 56 of Parcel Maps at Pages 169 through 170, Kern County Records, said point also being on the easterly right-of-way line of South China Lake Boulevard as dedicated for public street purposes by that Deed recorded August 18, 1960 in Book 3294 at Page 375 as Instrument Number 48527, Official Records of Kern County; thence North 00°45'59" East, along the easterly right-of-way line of South China Lake Boulevard as dedicated by said Instrument Number 48527, a distance of 285.16 feet to the southerly right-of-way line of East UpJohn Avenue as dedicated for public street purposes by the Deed recorded September 25, 1967 in Book 4091 at Page 976, Official Records of Kern County; thence North 89°44'48" East, along said southerly right-of-way line of East UpJohn Avenue, a distance of 30.00 feet; thence South 00°45'59" West, leaving said southerly right-of-way line of East UpJohn Avenue, a distance of 4.00 feet to the point of intersection thereof with a line parallel with and 4.00 feet south of said southerly right-of-way line of East UpJohn Avenue; thence South 89°44'48" West, along said parallel line, a distance of 20.00 feet to the point of intersection thereof with a line which is parallel with and 10.00 feet east of the easterly right-of-way line of South China Lake Boulevard as dedicated by said Instrument Number 48527; thence South 00°45'59" West, along last said parallel line, a distance of 40.01 feet to the point of intersection thereof with a line which parallel with and 44.00 south of said southerly right-of-way line of East UpJohn Ave; thence South 89°44'48" West, along last said parallel line, a distance of 5.00 feet to the point of intersection thereof with a line which parallel with and 5.00 east of the easterly right-of-way line of South China Lake Boulevard as dedicated by said Instrument Number 48527; thence South 00°45'59" West along last said parallel line, a distance of 140.00 feet; thence South 03°35'38" West, leaving last said parallel line, a distance of 101.36 feet to the point of intersection thereof with the north line of Parcel 2 as shown on said Parcel Map No. 11807 and the **Point of Beginning**.

EXHIBIT "A"

of 1,472 square feet (0.03 Acres), more or less.

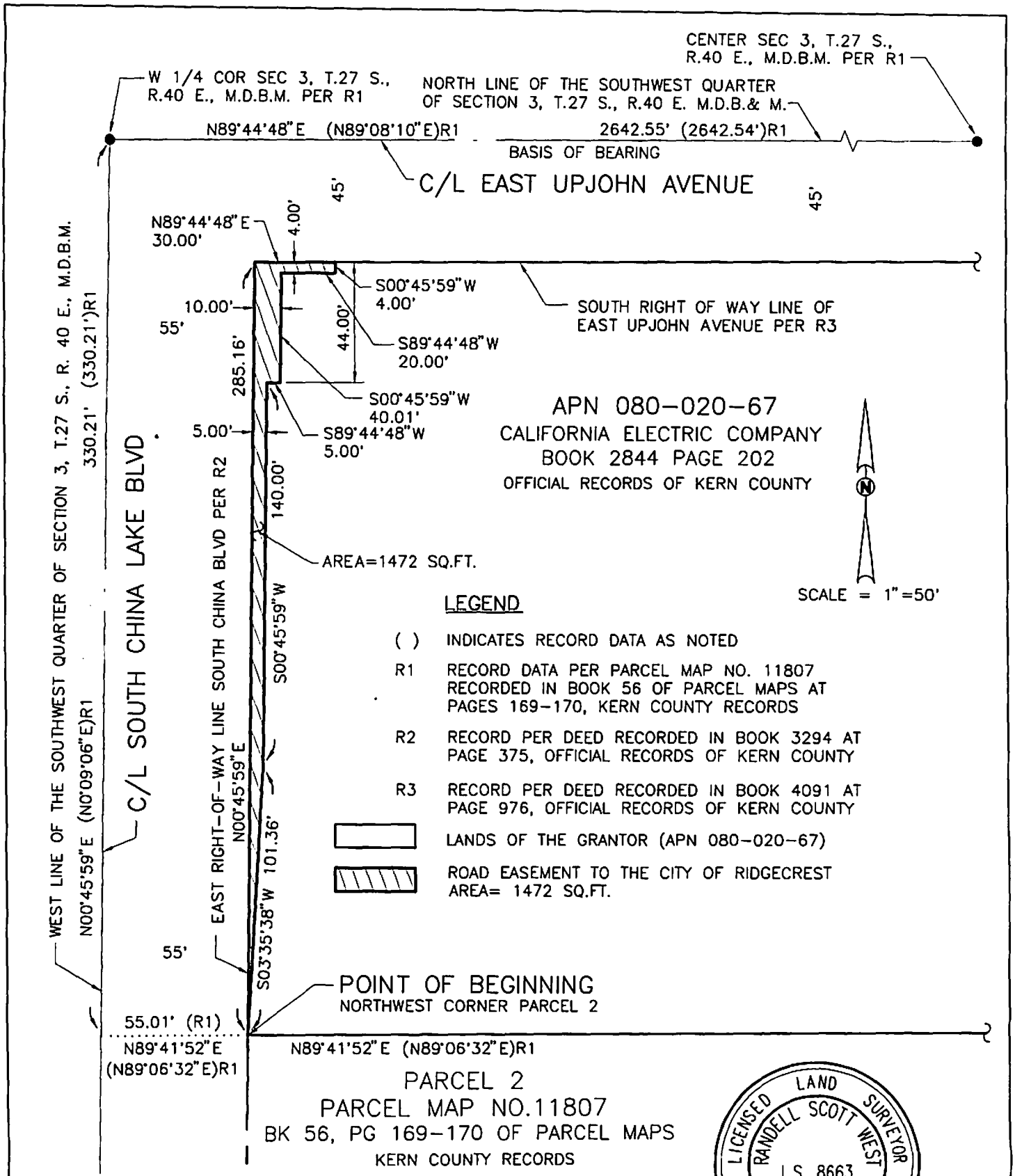
ıants, Rights, Rights-of-Way and Easements of Record.

: Southwest quarter of the Section 3, Township 27 South, Range 40
Base and Meridian taken as North 89°44'48" East based on the
ıe Coordinates for Zone 5, NAD83.

d and by this reference made a part hereof.

LICENSED LAND SURVEYOR
RANDELL SCOTT WEST
L.S. 8663
STATE OF CALIFORNIA

12/24/



BASIS OF BEARINGS

THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 3, T.27 S., R.40 E. M.D.B.& M. TAKEN AS N89°44'48"E BASED ON THE CALIFORNIA STATE PLANE COORDINATES FOR ZONE 5, NAD83

Blair, Church & Flynn CONSULTING ENGINEERS	CONSULTANT Blair, Church & Flynn Consulting Engineers 451 Clovis Avenue, Suite 200 Clovis, California 93612 Tel (559) 326-1400 Fax (559) 326-1500	EXHIBIT "B" SERIAL NO. 70710A S. CHINA LAKE BLVD AND E. UPJOHN AVE. CITY OF RIDGECREST KERN COUNTY CALIFORNIA	SCALE: 1'=50' DATE: 12/23/14 SHEET 1 OF 1

Drawing: P:\213-0159\Site\Survey\Processed_Data\Boundary\Exhibits\213159_Dedication_Sht1_Sht3.dwg; Exhibit_SHT01 - BCF 50% clip Plot by rrce Dec 22, 2014 - 2:59pm

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT: Approve Contract Change Order Number Three For the Amount of Three Thousand Four Hundred Twenty-Two Dollars and Fifty Cents ($3,422.50) With The Contractor, Griffith Company, For The Richmond Road Project And Authorize The City Manager, Dennis Speer To Sign Change Order Number Three

PRESENTED BY:
Dennis Speer, Public Works Director

SUMMARY:
As the Richmond Road Project is coming to an end, an addition was added to the project requiring a change to the plans and specifications.

Change Order #3 Add striping to center line and edge of
Of roadway from Upjohn Avenue to County
Line Road

TOTAL $3,422.50

This dollar amount will be added to the existing PO #7687.

The funding source for this project will come from the capital improvement account, improvements non-building 018-4760-430-4601 ST1201.

FISCAL IMPACT: None

Reviewed by Finance Director

ACTION REQUESTED:
Approve Contract Change Order Number Three For the Amount of Three Thousand Four Hundred Twenty-Two Dollars and Fifty Cents ($3,422.50) With The Contractor, Griffith Company, For The Richmond Road Project And Authorize The City Manager, Dennis Speer To Sign Change Order Number Three

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Submitted by: Karen Harker Action Date: December 2, 2015
(Rev. 02/13/12)

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RESOLUTION NO. 15-xx

APPROVE CONTRACT CHANGE ORDER NUMBER THREE FOR THE AMOUNT OF THREE THOUSAND FOUR HUNDRED TWENTY-TWO DOLLARS AND FIFTY CENTS ($3,422.50) WITH THE CONTRACTOR, GRIFFITH COMPANY, FOR THE RICHMOND ROAD PROJECT AND AUTHORIZE THE CITY MANAGER, DENNIS SPEER TO SIGN CHANGE ORDER NUMBER THREE

WHEREAS, The Richmond Road Project is coming to an end, with an addition to the project required a change to the plans and specifications; and

WHEREAS, Change Order #3 was for Striping the center line and edge line from Upjohn Avenue to County Line Road; and

WHEREAS, The total dollar value for the change order is Three Thousand Four Hundred Twenty-Two Dollars and Fifty Cents $3,422.50; and

WHEREAS, This dollar amount will be added to the existing PO #7687; and

WHEREAS, The funding source for this project will come from the capital improvement account, improvements non-building 018-4760-430-4601 ST1201.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest hereby:

1. Approves Change Order Number Three, to Griffith Company to provide striping for the center line and edge line from Upjohn Avenue to County Line Road on the Richmond Road Project at the cost of Three Thousand Four Hundred Twenty-Two Dollars and Fifty Cents $3,422.50.
2. Authorizes the Finance Director to amend the budget to reflect all appropriate capital, revenue and transfer accounts.
3. Authorizes the City Manager, Dennis Speer, to execute Change Order Number Three, to Griffith Company

APPROVED AND ADOPTED this 2nd day of December 2015 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Peggy Breeden, Mayor

ATTEST

_____
Rachel J. Ford, CMC, City Clerk

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CITY OF RIDGECREST

CONTRACT CHANGE ORDER No. 3 **DATE:** 10/21/15

Project Name: Richmond Rehabilitation Project
City of Ridgecrest Project # : ST1602
Contractor: Griffith Company

You are hereby directed to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

As directed by the City of Ridgecrest, Griffith Company is to provide all traffic control and quality control required for change order work.	**Cost**	**(working days)**
Original contract amount:	$ 367,315.00	30
Previous Change Order No(s). amount(s) to:	$ -	0
Current Change Order No. (1) amounts to:	$ 3,422.50	0
Total increase to contract to date:	$ 3,422.50	0
Revised contract amount:	$ 370,737.50	30
Percentage of total increase to contract amount to date:	0.93%	

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

Item	Description	Contract Qty	Change Order Qty.	Adjusted Contract Quantity	Unit	Unit Cost	Change order Cost	Time Ext. Working Days
1	Add Center Line Striping from Upjohn to County Line Road	0.00	925.00	925.00	LF	$1.90	$ 1,757.50	0
2	Add Edge Line Striping from Upjohn to County Line Road	0.00	1850.00	1850.00	LF	$0.90	$ 1,665.00	0
						TOTAL THIS CHANGE ORDER:	***$ 3,422.50***	0

Requested: Ryan Brooks Date: 10-21-15
Inspector

Approved: Loren E. Culp Date: 11/9/15
City Engineer

Approved: Date:
Public Works Director

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted: Date: 11.9.15
Contractor

WALTER E. WEISHAAR
REGIONAL MANAGER

By: Title:

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
A Resolution Of The City Council Of The City Of Ridgecrest Authorizing The Application for a Financial Assistance Agreement with the State Water Resources Control Board And Authorizing The City Manager, Dennis Speer, To Sign And File The Application And Have Him or His Designee to Execute all Documents to Obtain Financial Assistance

PRESENTED BY:
Dennis Speer, Director of Public Works

SUMMARY:

It is recommended by staff that the City Council grant authority to the City Manager, Dennis Speer, or his designee to sign and file a financial assistance application to begin the process of obtaining funding from the State Water Resource Control Board.

This application will qualify the City of Ridgecrest for low interest loans and grants to assist in the finance cost of critical infrastructure and a new wastewater treatment facility. These funds would be used for a facility construction and come into compliance with State and Federal regulations to protect public health.

A final design will determine the estimated cost of construction at a chosen site.

There is no fiscal impact associated with this action by the City Council.

FISCAL IMPACT: None

Reviewed by Finance Director

ACTION REQUESTED:
Adopt A Resolution Of The City Council Of The City Of Ridgecrest Authorizing The Application for a Financial Assistance Agreement with the State Water Resources Control Board And Authorize The City Manager, Dennis Speer, To Sign And File The Application And Have Him or His Designee to Execute all Documents to Obtain Financial Assistance

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Karen Harker Action Date: December 2, 2015
(Rev. 02/13/12)

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RESOLUTION NO: 15-xx

ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST AUTHORIZING THE APPLICATION FOR A FINANCIAL ASSISTANCE AGREEMENT WITH THE STATE WATER RESOURCES CONTROL BOARD AND AUTHORIZING THE CITY MANAGER, DENNIS SPEER, TO SIGN AND FILE THE APPLICATION AND HAVE HIS DESIGNEE TO EXECUTE ALL DOCUMENTS TO OBTAIN FINANCIAL ASSISTANCE

WHEREAS, The City Manager (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of The New Wastewater Treatment Facility for the City of Ridgecrest; and

WHEREAS, This Authorized Representative, or his designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

NOW THEREFORE BE IT RESOLVED, that The Authorized Representative, or his designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

APPROVED AND ADOPTED this 2nd day of December, 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Peggy Breeden, Mayor

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the City Council of the City of Ridgecrest held on December 2, 2015.

_____
Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
A Resolution Of The Ridgecrest City Council Approving The Release Of Water Blasters, Inc. From Their Lease Agreement.

PRESENTED BY:
Jason Patin

SUMMARY:

The City of Ridgecrest Parks and Recreation Department is proposing to release Water blasters, Inc. from their existing lease agreement on the property located at 131 S. Warner street. Currently rent is paid through November 2015. The lease agreement is set to expire on May 1, 2016. If approved we will be releasing them from their obligation to pay the final five months' rent (December 2015 – April 2016).

Staff recommends releasing Water Blasters, Inc. from their existing lease agreement.

FISCAL IMPACT:
Uncollected rent in the amount of $2,250.00

ACTION REQUESTED:
Adopt a resolution of The City of Ridgecrest City Council approving the Release of Water Blasters, Inc. from their existing lease obligation for the property located at 131 S. Warner street.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:
Action as requested

Submitted by: Jason Patin Action Date: December 2, 2015

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RESOLUTION NO. 15-xx

A RESOLUTION TO APPROVE THE RELEASE OF WATER BLASERS, INC. FROM THEIR EXISTING LEASE AGREEMENT

WHEREAS, the City of Ridgecrest has an existing lease agreement with Water Blasters, Inc.; and

WHEREAS, the City of Ridgecrest has the ability to release Water Blasters, Inc. from their lease obligation; and

WHEREAS, the Parks and Recreation Department will use the building for other needs; and

WHEREAS, there are no expenditures that will affect the general fund

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest hereby:

1. Approves the release of Water Blasters, Inc. from its existing lease obligation regarding the property located at 131 s. Warner Street.

APPROVED AND ADOPTED this 2nd day of December 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Peggy Breeden, Mayor

ATTEST:

_____
Rachel Ford, City Clerk

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Building Lease Agreement

This Building Lease Agreement ("Lease") is entered into as of 12/1/14, 2014 ("Effective Date"), by City of Ridgecrest, a public agency and municipality ("Landlord" or "City"), and Water Blasters, Inc., a California corporation and a commercial tenant ("Tenant").

ARTICLE 1. BASIC LEASE PROVISIONS

1.1 Landlord: City of Ridgecrest.

1.2 Tenant: Water Blasters, Inc.

1.3 Rental Commencement Date: 12/1/14, 2014.

1.4 Premises: 131 S. Warner Street, Ridgecrest, California, as more specifically depicted in **Exhibit A**.

1.5 Lease term: Eighteen (18) months, computed from the first day of the first calendar month on the Rental Commencement Date, and ending 5/1/16, 2016.

1.6 Monthly Rental: Tenant shall pay monthly rent in the amount of $450.00 to City.

1.7 Use of Premises: The Premises shall be occupied and used by Tenant for the sole purpose of designing, building, marketing, and/or selling toy water cannons and related products, and for any other related incidental uses that are legally permitted under federal, state, and local law, including any applicable zoning ordinance.

1.8 Security deposit: Four hundred and fifty dollars ($450.00) payable upon execution of this Lease by Tenant.

1.9 Late charge: One hundred dollars ($100.00).

1.10 Addresses for notices and rent payment:

Landlord:
City of Ridgecrest
Attn: City Manager
100 W. California Ave.
Ridgecrest, California 93555-4054

Tenant:
Water Blasters, Inc.
131 S. Warner Street
Ridgecrest, California 93555

1.11 Exhibits:

This Article 1 ("Basic Lease Provision") is intended to supplement and/or summarize the provisions set forth in the balance of this Lease. If there is any conflict between any provisions contained in this Article 1 and the balance of this Lease, the balance of this Lease shall control.

Exhibit A is a legal description of the leased Premises at the address commonly referred to as 131 S. Warner Street, Ridgecrest, California.

CITY OF RIDGECREST CALIFORNIA
THE KEY TO NEW HORIZONS

CERTIFIED AS A TRUE COPY
Rachel J. Ford, CMC
Clerk of the City of Ridgecrest, Calif.

17 pages

ARTICLE 2. ADDITIONAL DEFINITIONS

2.1 ADDITIONAL RENTAL. The term 'Additional Rental' as used in this Lease shall mean each and every payment described in this Lease which is required to be paid by Tenant to Landlord other than the Monthly Rental.

2.2 ADJUSTMENT DATE. The term 'Adjustment Date' as used in this Lease shall be used to mean each anniversary of the Rental Commencement Date during the Lease Term, including any Renewal Term(s).

2.3 ALTERATIONS. The term 'Alterations' as used in this Lease shall mean any addition, modification or other alteration of the Premises made after opening of the Premises for business.

2.4 INDEX. The term 'Index' as used in this Lease shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, for Los Angeles / Riverside / Orange County Area. If at any time the Index should not exist in the format recited herein, Landlord shall substitute any official index published by the Bureau of Labor Statistics, or successor or similar governmental agency, as may then be in existence and shall, in Landlord's opinion, be most nearly equivalent thereto.

2.5 RENTAL. The term 'Rental' or 'Rent' as used in this Lease shall mean the total of all payments described in this Lease which is required to be paid by Tenant to Landlord, including but not limited to the Monthly Rental and all other items described as Additional Rental payments.

2.6 TERM OR LEASE TERM. The term 'Term' or 'Lease Term' shall refer to the term of this Lease, as specified in the Basic Lease Provisions, together with any renewals or extensions thereof.

ARTICLE 3. PREMISES

3.1 PREMISES. Landlord leases to Tenant and Tenant leases from Landlord for the Term, at the Rental and upon the covenants and conditions set forth in this Lease, the Premises described in the Basic Lease Provisions. Tenant acknowledges that, prior to execution of this Lease, Tenant has had the opportunity to inspect the Premises and, by its execution of this Lease, Tenant hereby accepts the Premises in an 'as-is' condition. Tenant acknowledges that it shall have no right of control, regulation, approval or disapproval with respect to the use or development of any portion of Landlord property which is not included in the Premises. Tenant acknowledges that this Lease is subordinate and subject to all encumbrances, reservations, restrictions and other matters affecting the Premises or the use or occupancy thereof, in effect on the execution of this Lease or thereafter promulgated, but subject to Tenant's receipt of a non-disturbance agreement from any such encumbrances. Landlord shall deliver to Tenant copies of any title insurance policies and recorded instruments affecting the Premises.

3.2 RESERVATION. Landlord reserves the right to use the exterior walls, floor, roof and plenum in, above and below the Premises for the installation, maintenance, use and replacement of pipes, ducts, conduits, wires, alarm lines, heating, ventilating and air conditioning lines, fire protection lines and systems, electric power, telephone and communication lines and systems, sanitary sewer lines and systems, gas lines and systems, water lines and systems, and structural elements serving the City property and for such other purposes as Landlord deems necessary, provided that such use does not interfere with Tenant's use and occupancy of the Premises.

ARTICLE 4. RENTAL

4.1 MONTHLY RENTAL. Tenant agrees to pay as rental for the use and occupancy of the Premises the Monthly Rental specified in the Basic Lease Provisions, in the monthly installments so specified, in advance, on or before the first day of each month, without prior demand, offset, or deduction. Should the Commencement Date be a day other than the first day of a calendar month, then the installment of Monthly Rental for the first fractional month shall be equal to one-thirtieth (1/30th) of the monthly of Monthly Rental for each day from the Commencement Date to the end of the partial month. Such amount shall be payable on the Rental Commencement Date.

4.3 PLACE OF PAYMENT. Tenant shall pay Monthly Rental and Additional Rental, if any, to Landlord at the address specified in the Basic Lease Provisions or to such other address and/or person as Landlord may from time to time designate in writing to Tenant.

4.4 LATE PAYMENTS. If Tenant fails to pay any Monthly Rental or Additional Rental when the same is due and payable, the unpaid amounts shall bear

interest at the rate which is the lesser of 1.25% per month or the maximum rate allowed by law from the date due to the date of payment. In addition, Tenant acknowledges that the late payment of any installment of Monthly Rental or Additional Rental will cause Landlord to incur certain costs and expenses not contemplated under this Lease, the exact amount of which are extremely difficult or impractical to fix. These costs and expenses will include, without limitation, administrative and collection costs and processing and accounting expenses. Therefore, if any installment of Monthly Rental or Additional Rental is not received by Landlord from Tenant within five (5) days after the installment is due, Tenant shall immediately pay to Landlord the amount specified in the Basic Lease Provisions as the Late Charge, in addition to the Monthly Rental and/or Additional Rental which is otherwise due. Landlord and Tenant agree that the Late Charge represents a reasonable estimate of the costs and expenses and is fair compensation to Landlord for its loss suffered by the nonpayment by Tenant. Unless otherwise provided herein, payments of Additional Rental shall be due at the same time as the next installment of Monthly Rent.

ARTICLE 5. SECURITY DEPOSIT

5.1 SECURITY DEPOSIT. Upon execution of this Lease, Tenant of shall deposit with Landlord the sum specified in the Basic Lease Provisions as the Security Deposit. The Security Deposit shall be held by Landlord without obligation or liability for payment of interest thereon as security for the faithful performance by Tenant of all of the terms of this Lease to be observed and performed by Tenant. The Security Deposit shall not be mortgaged, assigned, transferred or encumbered by Tenant without the prior written consent of Landlord. Landlord shall not be required to keep the Security Deposit separate from its general funds, nor shall Landlord be required to pay interest on the Security Deposit.

5.2 APPLICATION OF SECURITY DEPOSIT. Should Tenant at any time during the Term hereof be in default under any provision of this Lease, Landlord may, at its option and without prejudice to any other remedy which Landlord may have at law or in equity, appropriate the Security Deposit, or the portion thereof as may be deemed necessary, and apply same toward payment of Monthly Rental, Additional Rental, or to loss or damage sustained by Landlord due to the default on the part of Tenant. Within five (5) days after written demand by Landlord, Tenant shall deposit cash with Landlord in an amount sufficient to restore the Security Deposit to the original sum deposited.

5.3 REFUND. Should Tenant perform all of the obligations under this Lease, the Security Deposit, or any unappropriated balance thereof then remaining, shall be returned to Tenant within fourteen (14) days following delivery of the Premises to Landlord, unless such funds are required for repairs of the Premises, in which event any unappropriated balance then remaining shall be delivered to Tenant within thirty (30) days following Delivery of the Premises.

ARTICLE 6. TAXES

6.1 TAXES. Revenue and Taxation Code section 107, *et seq.*, impose a tax on possessory interests created in tax-exempt property. Tenant shall pay a possessory interest tax if the tax is assessed. Tenant shall also pay assessments levied by any public taxing jurisdiction arising out of the construction, reconstruction, maintenance or improvement of public improvements benefiting the premises.

ARTICLE 7. UTILITIES

7.1 UTILITY SERVICES AND CHARGES. Tenant agrees to make all arrangements for and to pay directly to the appropriate utility company all charges for utility services, including, without limitation, all utility hook-up connection charges, fees and taxes, supplied to Tenant for Tenant's use in or about the Premises including, but not limited to, gas, electricity, water, telephone and trash collection.

7.2 WAIVER OF LIABILITY. The failure or interruption of any utility or service shall neither render Landlord liable in damages nor otherwise entitle Tenant to terminate this Lease or discontinue making payments of Monthly Rental or Additional Rental, unless such failure or interruption is caused by Landlord's sole negligent acts or omissions and is permitted by statute.

7.3 TENANT'S NONPAYMENT. If Tenant fails to pay any charges referred to in this Article when due, Landlord may pay the charge, and Tenant agrees to reimburse Landlord for any amount paid by Landlord plus interest thereon at the rate which is the lesser of 1.25 % per month or the maximum rate allowed by law.

ARTICLE 8. INSURANCE

8.1 TENANT'S INSURANCE. As of the Rental Commencement Date and continuing during the Term, Tenant shall, at its sole cost and expense,

procure, pay for and keep in full force and effect the following types of insurance, in at least the amounts and in the form specified below:

General Liability Insurance. Tenant shall procure and maintain during the term of this Lease and any extensions, Commercial General Liability Insurance to protect against Bodily Injury and Property Damage, Products / Completed Operations, Personal & Advertising Injury, and Fire Legal Liability, for damages and accidents arising out of Tenant's business operations in, out of, and around the Leased Premises, for a minimum amount of $1,000,000.00 combined single limit for Bodily Injury and Property Damage each occurrence and $2,000,000.00 in the aggregate.

8.2 POLICY FORM. All policies of insurance provided for herein shall be issued by insurance companies with a financial rating reasonably acceptable to Landlord and which are qualified to do business in California. All such policies shall name Landlord, its directors, officers and employees as an additional named insured and shall be for the mutual and joint benefit and protection of Landlord and Tenant. Copies of the certificates of insurance shall be delivered to Landlord prior to Tenant, its agents or employees, entering the Premises for any purpose. If available, Tenant will also provide a declarations page for each such policy. Thereafter, executed copies of renewal policies or certificates shall be delivered to Landlord within thirty (30) days prior to the expiration of the term of each policy. All public liability, property damage and other casualty policies shall be written as primary policies and any insurance carried by Landlord shall not be contributing with such policies.

8.3 INCREASED PREMIUMS DUE TO USE OF PREMISES. Tenant shall not do any act in or about the Premises which will tend to increase the insurance rates upon the building of which the Premises are a part. Tenant agrees to pay to Landlord upon demand the amount of any increase in premiums for insurance resulting from Tenant's use of the Premises, whether or not Landlord shall have consented to the act on the part of Tenant.

8.4 INDEMNIFICATION. To the fullest extent permitted by law, Tenant covenants with Landlord that except for Landlord's sole negligent acts or omissions and only to the extent permitted by statute, Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of persons, or damage to property of Tenant or any other person occurring from and after the Effective Date of this Lease (or such earlier date if Tenant is given earlier access to the Premises), from any cause whatsoever related to the use, occupancy or employment of the Premises by Tenant or any person thereon or holding under Tenant or to any default by Tenant under this Lease, and Tenant shall indemnify, protect, defend and save Landlord harmless from all liability whatsoever on account of any real or alleged damage or injury and from liens, claims, damages, costs, expenses and demands related to the use of the Premises and its facilities, or any repairs, alterations or improvements which Tenant may make or cause to be made upon the Premises or arising from any default by Tenant under this Lease, but Tenant shall not be liable for damage or injury ultimately determined to be caused by the gross negligence or willful misconduct of Landlord or its designated agents, servants or employees. This obligation to indemnify shall include reasonable attorneys' fees and investigation costs and all other reasonable costs, expenses and liabilities incurred by Landlord or its counsel from the first notice that any claim or demand is to be made or may be made.

8.5 FAILURE BY TENANT TO MAINTAIN INSURANCE. If Tenant refuses or neglects to secure and maintain insurance policies complying with the provisions of this Article, Landlord may, but shall not be obligated to, secure the appropriate insurance policies and Tenant shall pay upon demand the cost of same to Landlord, plus interest at the rate at which is the lesser of 1.25% per month or the maximum rate allowed by law, as Additional Rental.

ARTICLE 9. TENANT'S CONDUCT OF BUSINESS

9.1 USE AND PROHIBITIONS ON USE.

9.1.1 Compliance With Laws. Rules and Regulations. Tenant shall comply with the all rules, regulations and laws concerning the Premises or Tenant's use of the Premises, including, without limitation, the obligation at Tenant's cost to alter, maintain or restore the Premises in compliance and conformity with all laws, rules and regulations relating to the condition, use, or occupancy of the Premises during the term.

9.1.2 No Nuisance. Tenant shall not use the Premises in any manner that will constitute waste or nuisance.

9.1.3 No Auctions. No auction or distress, liquidation, going out of business, fire or bankruptcy sale may be conducted on the Premises without Landlord's prior written consent.

9.1.4 Compliance With Hazardous Materials. Tenant shall not engage in any activity on or about the Premises that violates any

Environmental Law (as defined below), and shall promptly at Tenant's sole cost and expense, take all investigatory and/or remedial action reasonably required by Landlord or ordered or required by any government agency or Environmental Law for clean-up and removal of any contamination involving any Hazardous Materials (as defined below) created, caused directly or materially contributed to by Tenant. The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Premises, including without limitation, the following:

(a) Federal. Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA" or "Superfund"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), 42 U.S.C. § 9601 et seq.; Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 6901 et seq.; Clean Water Act ("CWA"), 33 U.S.C. § 1251 et seq.; Clean Air Act ("CAA"), 42 U.S.C. § 78401 et seq.; Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; The Refuse Act of 1899, 33 U.S.C. § 407; Occupational Safety and Health Act ("OSHA"), 29 U.S.C. § 651 et seq.; Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) and the Environmental Protection Agency Table (40 CFR Part 302 and amendments thereto);

(b) California. Carpenter-Presley-Tanner Hazardous Substance Account Act ("California Superfund"), Cal. Health & Safety Code § 25300 et seq.; California Hazardous Waste Control Act, Cal. Health & Safety Code Sections 25100 et seq.; Porter-Cologne Water Quality Control Act ("Porter-Cologne Act"), Cal. Water Code § 13000 et seq.; Hazardous Waste Disposal Land Use Law, Cal. Health & Safety Code § 25220 et seq.; Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), Cal. Health & Safety Code § 25249.5 et seq.; Hazardous Substances Underground Storage Tank Law, Cal. Health & Safety Code § 25280 et seq.; California Hazardous Substance Act, Cal. Health & Safety Code § 28740 et seq.; Air Resources Law, Cal. Health & Safety Code § 39000 et seq.; Hazardous Materials Release Response Plans and Inventory, Cal. Health & Safety Code § § 25500-25541; Toxic Pits Cleanup Act of 1984 ("TPCA"), Cal. Health & Safety Code § § 25208-25208.17;

Other Laws and Regulations. All other regulations promulgated pursuant to said foregoing laws or any amendments or replacement thereof, provided such amendments or replacements shall in no way limit the original scope and/or definition of Hazardous Materials defined herein as of the Effective Date of this Lease.

The term "Hazardous Materials" includes, without limitation, any material or substance which is (a) defined or listed as a "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste" or "hazardous substance" or considered a waste, condition of pollution or nuisance under the Environmental Laws; (b) petroleum or a petroleum product or fraction thereof; (c) asbestos; (d) polychlorinated bipheny; (e) flammable explosives; (f) urea formaldehyde; and/or (g) substances known by the State of California to cause cancer and/or reproductive toxicity. It is the intent of the parties hereto construe the terms "Hazardous Materials" and "Environmental Laws" in their broadest sense. Tenant shall provide prompt written notice to Landlord of the existence of Hazardous Materials on the Premises and all notices of violation of the Environmental Laws received by Tenant. Tenant shall not bring onto, create or dispose of, in or about the Premises or the Project, including but not limited to its sewage or storm drain systems, any Hazardous Materials, except to the extent that such substance is reasonably necessary and customarily used in connection with Tenant's use set forth in this Lease, and Tenant is in compliance with all Environmental Laws, and local, state and federal laws.

9.1.5 Disclosure and Warning Obligations. Tenant shall also comply with all laws, ordinances and regulations regarding the disclosure of the presence or danger of Hazardous Materials, including without limitation Kern County's Hazardous Materials Disclosure Program. In the event Kern County discontinues, repeals or modifies this Program, Landlord reserves the right to implement and require its own hazardous materials disclosure program for all tenants in Landlord's property, as applicable.

9.1.6 Indemnification. Tenant shall indemnify, protect, defend (with counsel reasonably acceptable to Landlord) and hold Landlord and each of Landlord's officers, directors, partners, employees, agents, attorneys, successors and assigns (collectively, the "Indemnitees") free and harmless from and against any and all claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including reasonable attorneys' fees and

costs) for death or injury to any person or damage to any property whatsoever (including water tables and atmosphere) ("Claims") arising or resulting in whole or in part, directly or indirectly, from the presence or discharge of Hazardous Materials, in, on, under, upon or from the Premises or the improvements located thereon or from the transportation or disposal of Hazardous Materials to or from the Premises to the extend caused by Tenant. This section is in addition to other indemnification provisions contained within this Lease.

9.1.7 Assignment and Subletting. If (i) any anticipated use of the Premises by any proposed assignee or sub-tenant involves the generation, storage, use, treatment or disposal of Hazardous Materials, or (ii) the proposed assignee or sublessee has been required by any prior landlord, lender or governmental authority to take remedial action in connection with Hazardous Materials contaminating a property and the contamination resulted from such party's action or use of the property in question, it shall not be unreasonable for Landlord to withhold its consent to an assignment or subletting to such proposed assignee or sublessee. Landlord may require that the proposed assignee or sublessee provide information and/or a certification executed by an authorized corporate officer with respect to the foregoing matters.

9.2 COVENANTS REGARDING OPERATION. Tenant shall; (a) comply with the Municipal Code and Rules and Regulations of Landlord, available at City Hall, as such may be amended from time to time; (b) secure and maintain a business license and all other applicable governmental approvals; (c) keep the Premises and interior and exterior portions of windows, doors and all other glass fixtures in a neat, clean, sanitary and safe conditions; and (d) keep the area adjacent to the Premises clean from visible trash, papers, oil, gum and other debris.

9.3 ADVERTISING MEDIA. Tenant shall not affix upon the Premises any sign, advertising placard, name, insignia, trademark, descriptive material or other like item unless approved in writing by Landlord in advance, which approval shall not be unlawfully withheld or delayed or unlawfully conditioned. All of Tenant's signage shall comply with the Municipal Code and all applicable rules and regulations. Tenant shall maintain its signage in good condition and repair during the Lease Term.

ARTICLE 10. MAINTENANCE, REPAIRS, AND ALTERATIONS

10.1 LANDLORD'S RIGHT OF ENTRY. Landlord, its agents, contractors, servants and employees, may enter the Premises at all reasonable times and with twenty-four hour prior notice to: (a) examine the Premises; (b) perform any obligation to, or exercise any right or remedy of, Landlord under this Lease; (c) make repairs, alterations, improvements or additions to the Premises or to other portions of the Landlord's property as Landlord deems necessary or desirable; (d) perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; (e) serve, post or keep posted any notices required or allowed under the provisions of this Lease, including, but not limited to, notices of non-responsibility for Alterations, and (f) perform work that Landlord deems necessary to prevent waste or deterioration in connection with the Premises. Tenant shall not be entitled to an abatement or reduction of Monthly Rental or Additional Rental if Landlord exercises any rights reserved in this Section. Landlord shall conduct its activities on the Premises hereunder in a manner that will minimize any inconvenience, annoyance or disturbance to Tenant. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Section, except damages resulting from the reckless or willful acts or omissions of Landlord, or its authorized representatives. In an emergency that threatens property or lives or constitutes a dangerous condition, entry may be made on less than 24 hours notice.

10.2 TENANT'S MAINTENANCE OBLIGATIONS. Tenant, at its sole expense, throughout the Lease Term, shall keep the Premises and every part thereof) including, without limitation, all utility pipes and conduits, fixtures, heating, ventilating and air conditioning equipment exclusively serving the Premises (including, without limitation, the HVAC system), all signs, locks, doors, door frames, door checks, windows, window frames, skylights and other openings in the roof or exterior walls and floor coverings in a good order, condition and repair and shall make replacements necessary to keep the Premises in this condition. All replacements shall be of quality equal to or exceeding that of the original. Should Tenant fail to make these repairs and replacements or otherwise maintain the Premises within five (5) days after written demand by Landlord, or should Tenant commence but fail to complete any repairs or replacements within a reasonable time after written demand by Landlord, Landlord may make the repairs or replacements, and Tenant shall pay the cost of such repairs and replacement, together with interest at the rate which

is the lesser of 1.0% per month or the maximum rate allowed by law from the date of commencement of the work, as Additional Rental upon receipt of a bill from Landlord. Tenant shall repair promptly at its expense any damage to the Landlord caused by Tenant or its agents or employees or caused by the installation or removal of Tenant's personal property.

10.3 ALTERATIONS, ADDITIONS AND IMPROVEMENTS. Tenant shall not make any Alterations, additions or improvements, to the Premises without in each case first obtaining Landlord's prior written consent. All Alterations, additions and improvements made shall remain on and be surrendered with the Premises on expiration or termination of the Term except that Landlord may elect at the time of granting its approval to require Tenant to remove any Alterations, additions and improvements that Tenant has made to the Premises except those that are structural. If Landlord so elects, Tenant shall remove those Alterations, additions and improvements so designated by Landlord and Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of such Alterations, additions and improvements.

10.4 MECHANIC'S LIENS. Tenant shall pay all costs for work performed by or on account of it and keep the Premises and the Landlord's property free and clear of mechanics' liens or other liens. Tenant shall give Landlord immediate notice of any lien filed against the Premises or against the City's property if related to work performed by it or for it. Upon Landlord's request, Tenant shall immediately remove of record any lien by payment or by recording an appropriate bond. If a final judgment is entered establishing the validity of any lien which has not been removed of record, Tenant shall immediately pay the judgment. If Tenant fails to pay the judgment within three (3) days of its entry, Landlord may pay the judgment on Tenant's account. If Tenant fails to remove of record any lien by recording any appropriate bond or obtaining title insurance over such lien to the extent permitted by law, or providing other agreed-upon security, Landlord, at its option and without waiving any of its other legal remedies at law or in equity, may pay the lien. In either event, the amount so paid by Landlord, together with costs and reasonable attorneys' fees, shall be immediately due and owing from Tenant to Landlord.

ARTICLE 11. ASSIGNMENT AND SUBLETTING

11.1 NO ASSIGNMENT. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge or in any matter transfer this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. If Tenant is a partnership, any change in the makeup of the partnership, whether voluntary or involuntary, which results in an ownership interest in the partnership of more than fifty (50%) percent being held by parties who were not partners as of the commencement of this Lease, or the dissolution of the partnership, shall be deemed an assignment. If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant, or any sale or transfer of stock in the corporation which results in more than fifty (50%) percent of the total combined voting power of all classes of stock being held by persons or entities who were not shareholders as of the commencement date of this Lease, shall be deemed an assignment. Any of the foregoing acts without Landlord's consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the prior written consent of Landlord.

11.2 NO RELEASE. No subletting or assignment shall release Tenant from Tenant's obligation under this Lease or alter the primary liability of Tenant to pay the Monthly Rent and Additional Rental and to perform all other obligations to be performed by Tenant hereunder. The acceptance of any monetary sums by Landlord from any other person shall not be deemed to be waiver by Landlord of any provision hereof. Consent to one assignment or subletting is not consent to subsequent assignments or subsequent subleases. In the event of a default in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, sublessee or successor. Landlord may consent to subsequent assignments of the Lease or subletting or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

ARTICLE 12. DAMAGE

12.1 INSURED CASUALTY. If the Premises are damaged by fire or other perils covered by the insurance carried by Landlord, the following provisions shall apply:

12.1.1 Within a period of one hundred twenty (120) days after Landlord becomes aware of the casualty, Landlord, at its cost, shall commence repair, reconstruction and restoration of the Premises to the extent of Landlord's obligation under this Lease and prosecute the same diligently to completion. Tenant, at its cost, shall repair and restore all other items. Tenant shall commence this work promptly upon delivery of possession of the Premises to Tenant and diligently prosecute it to completion.

12.1.2 Notwithstanding the foregoing, in the event of a partial or total destruction of the Premises during the last two (2) years of the Lease Term, Landlord and Tenant shall each have termination right within thirty (30) days after the destruction. For purposes of this Section, "partial destruction" shall be deemed destruction to an extent of at least thirty-three and one-third percent (33-1/3%) of the then full replacement cost of the Premises as of the date of destruction.

12.2 UNINSURED CASUALTY. If the Premises are damaged as a result of any casualty not covered by Landlord's insurance, Landlord, within ninety (90) days followed the date of such damage, at its option, may commence repair, reconstruction or restoration of the Premises to the extent of Landlord's obligations under this Lease and prosecute the same diligently to completion, or within said ninety (90) day period Landlord may elect not to so repair, reconstruct or restore the Premises, in which event this Lease shall cease and terminate upon the expiration of such ninety (90) day period. In the event Landlord elects to restore, Tenant shall be responsible for the same obligations it is responsible for pursuant to the terms of this Lease.

12.3 DISTRIBUTION OF PROCEEDS. In the event of the termination of this Lease pursuant to this Article, all proceeds from Tenant's Fire and Extended Coverage insurance under this Lease and covering covered items and Tenant's leasehold improvements, but excluding proceeds for trade fixtures, merchandise, signs and other personal property, shall belong to and shall be disbursed and paid directly to Landlord.

12.4 WAIVER OF TERMINATION. Tenant waives any statutory rights of termination which may arise by reason of any partial or total destruction of the Premises.

ARTICLE 13. EMINENT DOMAIN

13.1 TAKING. The term "Taking" as used in this Article shall mean an appropriation or taking under the power of eminent domain by any public or quasi-public authority or a voluntary sale or conveyance in lieu of condemnation but under threat of condemnation.

13.2 TOTAL TAKING. In the event of a Taking of the entire Premises, this Lease shall terminate and expire as of the date possession is delivered to the condemning authority, and Landlord and Tenant shall each be released from any liability accruing pursuant to this Lease after the date of termination.

13.3 PARTIAL TAKING. If there is a Taking of more than twenty-five (25%) of the Rentable Area of the Premises or, regardless of the amount taken, the remainder of the Premises is not one undivided parcel of property, either Landlord or Tenant may terminate this Lease as of the date Tenant is required to vacate a portion of the Premises upon giving notice in writing of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that a portion of the Premises have been so appropriated or taken.

13.4 TAKING. In the event of a Taking of more than 30% of the Landlord's property other than the Premises, Landlord may terminate this Lease upon thirty (30) days advance written notice to Tenant.

13.5 TERMINATION OF LEASE. If this Lease is terminated as provided above, Landlord shall be entitled to the entire award or compensation in such condemnation proceedings, or settlement in lieu thereof, but the Monthly Rental and Additional Rental for the last month of Tenant's occupancy shall be prorated and Landlord shall refund to Tenant any unearned portion of Monthly Rental and Additional Rental paid in advance.

13.6 CONTINUATION OF LEASE. In the event neither Landlord nor Tenant elects to terminate this Lease as provided above, or in the event less than twenty-five percent (25%) of the Rentable Area of the Premises was subject to the Taking and the remainder thereof is an undivided parcel of property, then in either such event the Tenant shall continue to occupy the portion of the Premises which was not the subject of the Taking and the following provisions shall apply: (a) to the extent reasonably possible, Landlord will restore the Premises on the land remaining to a complete unit of like quality and character as existed prior to such appropriation or Taking provided, however, that Landlord shall have no obligation to expend funds for such purpose beyond the amount awarded to Landlord by reason of

the Taking; (b) the Monthly Rental shall be reduced in proportion to the percentage decrease, if any, in the Rentable Area of the Premises by reason of the Taking: and (c) Landlord shall be entitled to receive the entire award for compensation in such proceedings. Tenant hereby waives any statutory rights of termination that may arise by reason of any partial Taking of the Premises under the power of eminent domain. Notwithstanding anything herein to the contrary, Tenant does not waive the right to make a separate claim against the entity exercising eminent domain for an award or payment on account of trade fixtures, equipment or other tangible property, moving expenses or loss of business.

ARTICLE 14. DEFAULTS

14.1 EVENTS OF DEFAULT. The occurrence of one or more of the following events shall constitute a default by Tenant under this Lease.

14.1.1 Failing or refusing to pay any amount of Monthly Rental, Additional Rental, or any other monetary obligation owing by Tenant to Landlord hereunder, as and when due, where such failure shall continue for a period of five business (5) days after written notice thereof from Landlord to Tenant. Any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161;

14.1.2 The failure by Tenant to observe or perform any other express or implied covenants, obligations or conditions of this Lease to be observed or performed by Tenant, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant. Any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161. If the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said thirty (30) day period and thereafter diligently prosecute such cure to completion, which completion shall not occur later than sixty (60) days from the date of such notice from Landlord;

14.1.3 The vacation or abandonment of the Premises by Tenant. Abandonment is herein defined to include, but is not limited to, any absence by Tenant from the Premises for thirty (30) business days or longer while Tenant is in default under any other provision of this Lease; and/or

14.1.4 The making by Tenant of any general assignment for the benefit of creditors; or should there be filed by or against Tenant a petition to have Tenant adjudged a bankrupt or petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days); or should an appointed trustee or receiver take possession of substantially all of Tenant's assets located at the Premises, or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or should substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease have been attached or judicially seized, where the seizure is not discharged within thirty (30) days.

14.1.5 Landlord does not waive any rights it has under Unlawful Detainer law, including but not limited to its rights to use the shortened discovery and trial procedures provided by Unlawful Detainer procedures.

14.2 REMEDIES UPON DEFAULT. Upon the occurrence of one or more of the foregoing events of default, and in addition to any other rights or remedies of Landlord provided by law or otherwise, without further notice or demand of any kind to Tenant or any other person, Landlord may, after receipt of an appropriate court order, either through unlawful detainer or other appropriate procedure, (a) without declaring this Lease terminated, re-enter the Premises and occupy the whole or any part thereof for and on account of Tenant; collect any unpaid rentals and other charges which have become payable, or which may thereafter become payable, and remove all persons and property from the Premises, and any such property so removed may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant; or (b) re-enter the Premises and elect to terminate this Lease and all of the rights of Tenant in or to the Premises. Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay any Monthly Rental, Additional Rental, or other charges later accruing, by any re-entry of the Premises, or by any action in unlawful detainer or otherwise to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease. Landlord has the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations).

14.3 ADDITIONAL REMEDIES UPON DEFAULT. In addition to any rights or remedies hereinbefore or hereinafter conferred upon Landlord under the terms of this Lease, the following remedies and provisions shall specifically apply in the event

Tenant engages in any one or more of the acts contemplated by the provisions of this Lease.

14.3.1 In all events, any receiver or trustee in bankruptcy shall either expressly assume or reject this Lease within sixty (60) days following the entry of an "Order for Relief" or within such earlier time as may be provided by applicable law;

14.3.2 In the event of an assumption of this Lease by a debtor or by a trustee, such debtor or trustee shall within fifteen (15) days after such assumption (i) cure any default or provide adequate assurance that defaults will be promptly cured; (ii) compensate Landlord for actual pecuniary loss or provide adequate assurance that compensation will be made for actual pecuniary loss, including, but not limited to, all attorneys' fees and costs incurred by Landlord resulting from any such proceedings; and (iii) provide adequate assurance of future performance;

14.3.3 Where a default exists under this Lease, the trustee or debtor assuming this Lease may not require Landlord to provide services or supplies incidental to this Lease before its assumption by such trustee or debtor, unless Landlord is compensated under the terms of this Lease for such services and supplies provided before the assumption of such Lease;

14.3.4 The debtor or trustee may only assign this Lease if (i) it is assumed, (ii) adequate assurance of future performance by the assignee is provided, whether or not there has been a default under this Lease, and (iii) the debtor or trustee has received Landlord's prior written consent pursuant to the provisions of this Lease. Any consideration paid by any assignee in excess of the rental reserved in this Lease shall be the sole property of, and paid to, Landlord;

14.3.5 Landlord shall be entitled to the fair market value for the Premises and the services provided by Landlord (but in no event less than the rental reserved in this Lease) subsequent to the commencement of a bankruptcy event;

14.3.6 Any security deposit given by Tenant to Landlord to secure the future performance by Tenant of all or any of the terms and conditions of this Lease shall be automatically transferred to Landlord upon the entry of an "Order of Relief"; and

14.3.7 The parties agree that Landlord is entitled to adequate assurance of future performance of the terms and provisions of this Lease in the event of an assignment under the provisions of the Bankruptcy Code. For purposes of any such assumption or assignment of this Lease, the parties agree that the term "adequate assurance" shall include, without limitations, at least the following:

(A) Any proposed assignee must have, as demonstrated to Landlord's satisfaction, a net worth (as defined in accordance with generally accepted accounting principle consistently applied) in an amount sufficient to assure that the proposed assignee will have the resources to meet the financial responsibilities under this Lease, including the payment of all rent. The financial condition and resources of Tenant are material inducements to Landlord entering into this Lease.

(B) Any proposed assignee must have engaged in the permitted use described in Article 5 hereof for at least five (5) years prior to any such proposed assignment.

(C) Any assumption of this Lease by a proposed assignee shall not adversely affect Landlord's relationship with any of the remaining Tenants or all or any portion of the City Property.

(D) Any proposed assignee must not be engaged in any business or activity which it will conduct on the Premises and which will subject the Premises to contamination by any Hazardous Materials.

14.4 TERMINATION OF LEASE. Should Landlord elect to terminate this Lease pursuant to the provisions above, Landlord may recover from Tenant, as damages, the following: (a) the worth at the time of award of any unpaid rental which had been earned at the time of the termination; plus rental which had been earned at the time of the termination; plus (b) the worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of rental loss Tenant proves could have been reasonably avoided; plus (c) the worth at the time of award of the amount by which the unpaid rental for the balance of the Term after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; plus (d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligation under this Lease or which ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees therefor, (ii) maintaining or preserving the Premises after any default, or (iii) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises. As used in Subsection (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the maximum lawful rate. As used in Subsections (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of

the Federal Reserve Bank situated nearest to the location of the City property at the time of award plus one percent (1%).

14.5 DEFINITION OF RENTAL. For purposes of this Article only, the term "rental" shall be deemed to be the Monthly Rental, Additional Rental and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

14.6 WAIVER. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any default. No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to, or approval of, any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

14.7 DEFAULT BY LANDLORD. If Landlord shall fail to perform any covenant, term or condition of this Lease upon Landlord's part to be performed, Tenant shall have the right to notify Landlord to that effect, specifying the nature of Landlord's default. If Landlord shall fail to cure such default within thirty (30) days after receipt of such notice, or if the default is of such a character as to require more than thirty (30) days to cure, then if Landlord shall fail, within such 30 day period to commence and thereafter proceed diligently to cure such default, then and in either such event, Tenant may, in addition to its other legal remedies, cure such default for the benefit of Landlord only if the default requires an emergency repair to avoid impairment of the Tenant's use of the property as described in paragraph 1.8, and any sum so expended by Tenant (plus interest at the rate specified for delinquent rent hereunder) shall be payable by Landlord upon demand of Tenant. Tenant shall have the right to withhold, reduce or offset any amount against payments of Rent or any other charges due and payable under this Lease only after both (a) notice to Landlord, as set forth above and a failure by Landlord to cure the default, and (b) where the default requires an emergency repair to avoid impairment of the Tenant's use of the property as described in paragraph 1.8.

14.8 LANDLORD'S RIGHT TO PERFORM. If Tenant shall, after notice from Landlord, fail, within the time periods specified above, to make any payment required to be made by it under this Lease or shall default in the performance of any of Tenant's other obligations hereunder, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default and may charge Tenant for the reasonable cost thereof; provided, however, that, in the event that Tenant's failure to make such payment and/or remedy such default creates a condition which threatens imminent loss or damage to persons or property, notwithstanding the notice requirements of this Section, Landlord may make such payment and/or remedy such default to the extent necessary to avoid such emergency situation immediately and without notice to Tenant, but in such case Landlord shall, after its entry, give Tenant notice as soon thereafter as practicable, of the existence of such situation or condition and Landlord's intention or actions to remedy the same. Bills for any reasonable expense incurred by Landlord in connection therewith and for the payment of which Tenant is liable under this Section, including, without limitation, attorneys' fees and expenses (together with interest thereon at the rate which is the lesser of 1.5% per month or the maximum rate allowed by law from and including the respective dates of Landlord's making of each such payment or incurring each such expense), may be sent by Landlord to Tenant monthly, or immediately, at Landlord's option, and shall be due and payable in accordance with the terms of said bills, and if not paid when due the amount thereof shall immediately become due and payable as Additional Rent under this Lease.

ARTICLE 15. EXCULPATION OF LANDLORD

All property kept, stored or maintained on Tenant's Premises shall be so kept, stored or maintained at the sole risk of Tenant. Landlord shall not be liable and Tenant waives all claims against Landlord for damages to person or property sustained by Tenant or by any other person or firm resulting from the building in which the Premises are located or by reason of Tenant's Premises or any equipment located thereon becoming out of repair, or through the acts or omissions of any persons present in the City property or renting or occupying any part of the City property or for loss or damage resulting to Tenant or its property from burst, stopped or leaking

sewers, pipes, conduits or plumbing fixtures, or for interruption of any utility services, or from any failure of or defect in any electric line, circuit or facility or any other type of improvement or service on or furnished to Tenant's Premises or resulting from any accident in, on or about Tenant's Premises or the building in which the Premises are located.

ARTICLE 16. NOTICES

Except as otherwise required by law, any notice, information, request or reply ("Notice") required or permitted to be given under the provisions of this Lease shall be in writing and shall be given or served either personally or by mail. If given or served by mail, such Notice shall be deemed sufficiently given if (a) deposited in the United States mail, certified mail, postage prepaid, or (b) sent by express mail, or other similar overnight service, provided proof of service is available, addressed to the addresses of the parties specified in the Basic Lease Provisions. Any Notice given or served by certified or overnight mail shall be deemed given or served as of the date of deposit. Either party may, by written notice to the other in the manner specified herein, specify an address within the United States for Notices in lieu of the address specified in the Basic Lease Provisions.

ARTICLE 17. END OF TERM

17.1 SURRENDER OF PREMISES. Upon the expiration of the Lease Term, or upon earlier termination thereof through the exercise of any option to terminate the Lease Term hereof granted to Landlord, or upon the re-entry of Landlord upon the Premises as herein provided for in this Lease (collectively, the "Surrender Date"), Tenant shall peaceably and quietly leave and yield up unto Landlord the entire Premises, including the Building, in good order, condition and repair, excepting therefrom normal wear and tear. Notwithstanding the exercise by either party of any option contained herein to terminate this Lease, any unsatisfied obligations of either party accruing on or prior to the Surrender Date shall survive the Surrender Date, unless excused as of the Surrender Date by the provisions elsewhere contained in this Lease.

17.2 HOLDING OVER. This Lease shall terminate without further notice upon the expiration of the Lease Term, and should Tenant hold over in the Premises beyond this date, the holding over shall not constitute a renewal or an extension of this Lease or give Tenant any rights under this Lease. In such event, Landlord may, in its sole discretion, treat Tenant as a tenant at will, subject to all of the terms and conditions in this Lease, except that the Monthly Rental shall be an amount equal to one and one-half (1 ½) times the sum of the Monthly Rental and Additional Rental which was payable for the twelve (12) month period immediately preceding the expiration of the Lease. In the event Tenant fails to surrender the Premises upon the expiration of this Lease, Tenant shall indemnify, protect, defend (with legal counsel reasonably acceptable to Landlord) and hold Landlord harmless from all loss and liability which may accrue therefrom, including, without limitation, any claims made by any succeeding tenant. Acceptance by Landlord of any Monthly Rental or Additional Rental after the expiration or earlier termination of this Lease shall not constitute a consent to a hold over hereunder, constitute acceptance of Tenant as a tenant at will or result in a renewal of this Lease.

17.3 REMOVAL OF PROPERTY. Upon the Surrender Date, all alterations, additions and improvements to the Premises shall become the exclusive property of Landlord, unless at the time of its approval, the Landlord requests Tenant to remove the Alterations, additions and improvements placed thereon by Tenant. Tenant shall repair any damage to the Premises caused by such removal, and any and all such property not so removed shall, at Landlord's option, become the exclusive property of Landlord or be disposed of by Landlord, at Tenant's cost and expense, without further notice to or demand upon Tenant. All property of Tenant not removed within thirty (30) days after the last day of the Lease Term shall be deemed abandoned.

17.4 SURVIVAL. The provisions of this Article shall survive the Surrender Date.

ARTICLE 18. NONDISCRIMINATION

18.1 Tenant will not discriminate or permit discriminations against any person or class of persons by reason of race, color, creed, sex, orientation, national origin or other manner prohibited by law, including but not limited to the California Fair Employment and Housing Act and the Ridgecrest Municipal Code.

ARTICLE 19. MISCELLANEOUS

19.1 WAIVER. Any waiver by Landlord of a breach of a covenant of this Lease by Tenant shall not be construed as a waiver of a subsequent breach of the

same covenant. The consent or approval by Landlord to anything requiring Landlord's consent or approval shall not be deemed a waiver of Landlord's right to withhold consent or approval of any subsequent similar act by Tenant. No breach by Tenant of a covenant of this Lease shall be deemed to have been waived by Landlord unless the waiver is in writing signed by Landlord.

19.2 RIGHTS CUMULATIVE. Except as provided herein to the contrary, the rights and remedies of Landlord specified in this Lease shall be cumulative and in addition to any other rights and/or remedies otherwise available, whether or not specified in this Lease.

19.3 ENTIRE AGREEMENT. It is understood that there are no oral or written agreements or representations between the parties hereto affecting this Lease, and that this Lease supersedes and cancels any and all previous negotiations, arrangements, representations, agreements and understandings, if any, between Landlord and Tenant.

19.4 NO REPRESENTATION. Landlord reserves the absolute right to affect such other tenancies in the City property as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interests of the City.

19.5 AMENDMENTS IN WRITING. No provision of this Lease may be amended except by an agreement in writing signed by Landlord and Tenant.

19.6 NO OTHER RELATIONSHIP. Nothing contained in this Lease shall be construed as creating the relationship of principal and agent, partnership or joint venture between Landlord and Tenant.

19.7 LAWS OF CALIFORNIA TO GOVERN. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Venue in any legal action or proceeding arising from or related to this Lease shall be in the appropriate court for the County of Kern, California.

19.8 SEVERABILITY. If any provision of this Lease or the application of such provision to any person, entity or circumstances, is found invalid or unenforceable by a court of competent jurisdiction, such determination shall not affect the other provisions of this Lease and all other provisions of this Lease shall be deemed valid and enforceable. The parties hereto agree to negotiate in good faith to replace any illegal, invalid or unenforceable provision of this Lease with a legal, valid and enforceable provision that, to the extent possible, will preserve the economic bargain of this Lease, or otherwise to amend this Lease to achieve such result.

19.9 SUCCESSORS. Subject to the restrictions on assignment and subletting contained herein, all rights and obligations of Landlord and Tenant under this Lease shall extend to and bind the respective heirs, executors, administrators, and the successors, subtenants and assignees of the parties. If there is more than one Tenant or if Tenant is a partnership or other entity and the members of which are subject to personal liability, each shall be bound jointly and severally by the terms, covenants and agreements contained in this Lease.

19.10 WARRANTY OF AUTHORITY. If Tenant is a corporation or partnership, each individual executing this Lease on behalf of the corporation or partnership represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the corporation or partnership, and that this Lease is binding upon the corporation or partnership. If Tenant is a corporation, the person executing this Lease on behalf of Tenant hereby covenants and warrants that (a) Tenant is a duly qualified corporation and all steps have been taken prior to the date hereof to qualify Tenant to do business in the State of California, (b) all franchise and corporate taxes have been paid to date, and (c) all future forms, reports, fees and other documents necessary to comply with applicable laws will be filed when due.

19.11 BROKERS. Tenant represents and warrants that it has not had any dealings with any realtors, brokers or agents in connection with the negotiation of this Lease except as may be specifically set forth in the Basic Lease Provisions and agrees to hold Landlord harmless from the failure to pay any realtors, broken or agents and from any cost, expense or liability for any compensation, commission or changes claimed by any other realtors, brokers or agents claiming by, through or on behalf of it with respect to this Lease and/or the negotiation hereof.

19.12 NO IMPLICATION OF EXCLUSIVE USE. Nothing contained in this Lease shall be deemed to give Tenant an express or implied exclusive right to operate any particular type of business on City property.

19.13 RECORDING. Tenant shall not record this Lease or any short form of this Lease. Tenant, upon request of Landlord, shall execute and acknowledge a short form memorandum of this Lease for recording purposes. Upon the expiration or earlier termination

of this Lease for any reason, Tenant shall, within three (3) days of the date of request by Landlord, convey to Landlord by quitclaim deed any and all interest Tenant may have under this Lease.

19.14 INTEREST ON PAST DUE OBLIGATIONS. Unless otherwise specifically provided in this Lease, any amount due from either party to the other party under this Lease which is not paid when due and any amount due as reimbursement to the non-defaulting party for costs incurred by such non-defaulting party in performing obligations of the defaulting party upon the defaulting party's failure to so perform shall bear interest at the rate which is the lesser of 1.25% per month or the maximum rate allowed by law from the date originally due until paid.

19.15 FIXTURES, TRADE FIXTURES, PERSONAL PROPERTY AND ALTERATIONS. Tenant agrees to keep all of its fixtures, trade fixtures, furniture and equipment free of liens and shall not use the same as security in any loan arrangements. All fixtures, trade fixtures, signs and other personal property installed in or attached to the Premises by Tenant must be new when so installed or attached.

19.16 FORCE MAJEURE. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by that party for a period equal to the prevention, delay or stoppage, except the obligations imposed with regard to Monthly Rental and Additional Rental to be paid by Tenant pursuant to this Lease; provided that the party prevented, delayed or stopped shall have given the other party written notice thereof within thirty (30) days of such event causing the prevention, delay or stoppage. Notwithstanding anything to the contrary contained in this Section, in the event any work performed by Tenant or Tenant's contractors results in a strike, lockout and/or labor dispute, the strike, lockout and/or labor dispute shall not excuse the performance by Tenant of the provisions of this Lease.

19.17 ATTORNEYS' FEES. In the event Landlord or Tenant shall institute any action or proceeding against the other arising from or related to this Lease, or any default hereunder, the party not prevailing in the action or proceeding shall reimburse the prevailing party for the all costs and expenses, including reasonable attorneys' fees, incurred therein by the prevailing party, including without limitation, any fees, costs of disbursements incurred on any appeal and enforcement of a judgment from the action or proceeding.

19.18 SUBMISSION OF LEASE. Submission of this Lease does not constitute an offer to lease. The Lease shall become effective only upon (a) approval by Landlord's city council, (b) execution and delivery thereof by Landlord and Tenant, and (c) Landlord's approval of a financial statement of Tenant, certified to be true and correct by Tenant.

19.20 LIMITATION ON LIABILITY. In consideration of the benefits accruing hereunder, Tenant and all successors and assigns covenant and agree that, in the event of any actual or alleged failure, breach or default hereunder by Landlord: (a) no council-member, officer, agent or employee of Landlord shall be sued or named as a party in any suit or action, or served with process, or required to answer or otherwise plead to any service of process, except to the extent required to bring Landlord under the jurisdiction of the applicable court, nor will any judgment be taken against any council-member, officer, agent or employee of Landlord. Any judgment taken against any council-member, officer, agent or employee of Landlord may be vacated and set aside at any time nunc pro tunc, and no writ of execution will ever be levied against the assets of any council member, officer, agent or employee of Landlord; and (b) the covenants and agreements contained within this Section shall inure to the benefit of and shall be enforceable by Landlord and any council member, officer, agent or employee of Landlord.

19.21 COMPLIANCE WITH LAWS. Tenant shall comply with all federal, state and local laws rules and regulations including, without limitation, those pertaining to Tenant's business and operation, and those pertaining to hazardous substances and waste, clean water and clean air. In addition, Tenant shall comply with Landlord's rules and regulations as amended from time to time.

19.22 COUNTERPARTS. This Lease may be executed in counterparts, all of which, when taken together, shall constitute a fully executed original.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the day and year first above written.

By execution hereof, each signatory certifies that this document has been approved by the party for which he/she is signing, and that he/she is duly authorized to execute this document on behalf of such party.

City of Ridgecrest

By _____
Dennis Speer
City Manager
Attest:

By _____
[Name]
Secretary

Approved as to form:

Lemieux & O'Neill

By _____
Michael Silander
Assistant City Attorney

Water Blasters, Inc.

By _____ 12/1/14
Its Authorized Representative

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the day and year first above written.

By execution hereof, each signatory certifies that this document has been approved by the party for which he/she is signing, and that he/she is duly authorized to execute this document on behalf of such party.

City of Ridgecrest

By _____
Dennis Speer
City Manager
Attest:

By _____
[Name]
Secretary

Approved as to form:

Lemieux & O'Neill

By _____
Michael Silander
Assistant City Attorney

Water Blasters, Inc.

By _____ 12/1/14
Its Authorized Representative

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/26/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Diane Corsaro's Insurance Agency, Inc
License #0F89813
487 W. Line St., Ste E
Bishop CA 93514

CONTACT NAME: Diane Corsaro
PHONE (A/C, No, Ext): (760)873-0045 FAX (A/C, No): (760)873-0047
E-MAIL ADDRESS: diane@dianecins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Nautilus Insurance Company	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Water Blasters, Inc., DBA: Water Blasters,
904 Scott St.
Ridgecrest CA 93555

COVERAGES **CERTIFICATE NUMBER:** CL14112602174 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC			0876719	11/26/2014	11/26/2015	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 1,000,000
								$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					WC STATU-TORY LIMITS OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
* 10 day notice of non-payment of premium*

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Diane Corsaro/DIANE

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
HOUSING AUTHORITY/FINANCING AUTHORITY AGENDA ITEM

SUBJECT:
Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of November 18, 2015

PRESENTED BY:
Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of November 18, 2015

FISCAL IMPACT:
None
Reviewed by Finance Director:

ACTION REQUESTED:
Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

Submitted by: Rachel Ford Action Date: December 2, 2015
(Rev. 6-12-09)

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MINUTES OF THE REGULAR MEETING OF THE RIDGECREST CITY COUNCIL

City Council Chambers
100 West California Avenue
Ridgecrest, California 93555

November 18, 2015
5:30 pm

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER – 5:30 p.m.

ROLL CALL

Council Present: Mayor Peggy Breeden; Vice Mayor Lori Acton; Council Member Mike Mower

Council Absent: Council Members Jim Sanders and Eddie Thomas

Staff Present: City Manager Dennis Speer; City Clerk Rachel J. Ford; City Attorney Keith Lemieux; and other staff

APPROVAL OF AGENDA

Item Pulled:

- Item No. 4 was pulled and moved to the December 2 meeting to accommodate the presenter's schedule

Motion To Approve Agenda As Amended Made By Council Member Mower, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Acton And Mower); 0 Noes; 0 Abstain; And 2 Absent (Council Member Sanders And Thomas)

PUBLIC COMMENT – CLOSED SESSION

- None Presented

CLOSED SESSION

GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Cameron Rainwater v. City Of Ridgecrest

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
  - Conference With Legal Counsel – Cameron Rainwater v. City Of Ridgecrest – report received, no reportable action taken.
- Other
  - None

PRESENTATIONS

1. <u>Presentation Of A Proclamation Recognizing Allen Soard For Attaining Eagle Scout Designation</u> Council

- Council presented a proclamation to Allen Soard honoring him for attaining the designation of Eagle Scout.

MAYORAL COMMENT

- Mayor Breeden recognized Charlotte Braitman for her past support of the Rose Varga organization and thanked the Braitman family for helping us remember her service. Read a letter provided by Mrs. Braitman's son, Robert.

PUBLIC COMMENT

Dave Matthews

- Congratulated Eagle Scout Allen Soard and thanked him for playing Taps when called upon to do so.
- Commented on the playing of Taps sounding better live than in recorded form and how it brings tears to his eyes each time he hears it. Encouraged the public to look up the words to the song.

Al Huey

- Tomorrow at 9:00 a.m. is GSA formation meeting held at the water district. will be an open meeting and encouraged the community to attend.
  - Mayor Breeden – all agencies eligible to participate in the GSA will hold a closed meeting and afterwards the public can make their comments.
- Commented on budget report. Suggestion due to the concern about a report being done on projections, have a report monthly showing what went out and what came in.

Tom Wiknich

- Asked council add to the agenda, a short statement of why council members are absent.
    - Mike Mower – asked about the Demand Warrant Register
    - Tyrell Staheli – posted on the website

COUNCIL ANNOUNCEMENTS

Lori Acton

- Public land roundtable meeting moving to December 10 for protest input at 6:30 p.m.

Peggy Breeden

- Proud of Police Department, reserves, PACT, and Explorers efforts to make the petroglyph festival a success. Read the schedules and number of man-hours. Over $8000 donated on a volunteer basis from this department.

CONSENT CALENDAR

2. **Adopt A Resolution Of The City Council Of The City Of Ridgecrest Authorizing The Disability Retirement Of Sworn Safety Member Michael D. Myers** **Strand**

3. **Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Dated November 4, 2015** **Ford**

Items Pulled From Consent Calendar

- Item Nos. 2

Motion To Approve Item Nos. 3 Of Consent Calendar Made By Council Member Mower, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Acton And Mower); 0 Noes; 0 Abstain; And 2 Absent (Council Member Sanders And Thomas)

Item No. 2 Discussion

Tom Wiknich

- Commented Sgt. Myers took me under his wing and trained and guided me on the duties needed as a volunteer. Would like to publicly thank him for the job he does. Fine officer that I am going to miss.
    - Ron Strand – will be doing a proclamation in December or January.

Dave Matthews

- Chief answered my question, noticed the retirement date is in January but may not have a meeting at that time.

Motion To Approve Item Nos. 2 Of Consent Calendar Made By Council Member Mower, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Acton And Mower); 0 Noes; 0 Abstain; And 2 Absent (Council Member Sanders And Thomas)

DISCUSSION AND OTHER ACTION ITEMS

4. **Presentation And Adopt A Resolution Of The Ridgecrest City Council Accepting For Filing The Other Post-Employment Benefits (OPEB) Actuarial Study As Of June 30, 2015 Prepared By Nyhart Company** **Staheli**

Item pulled and moved to the meeting of December 2 prior to approval of the agenda

5. **Nomination And Appointment To The Measure 'L' Citizens Advisory Committee** **Council**

Mike Mower

- Nominated Nellavan Jeglum

No council or public comment was presented by attendees

Motion To Approve Nellevan Jeglum As Member Of The Measure 'L' Citizens Advisory Committee Made By Council Member Mower, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Acton, And Mower); 0 Noes; 0 Abstain, And 2 Absent (Council Members Sanders And Thomas)

6. **Adopt A Resolution Of The Ridgecrest City Council Approving The Sale Of Property Within The Ridgecrest Business Park To The Ridgecrest Regional Hospital** **Parsons**

Council Member Mower stated for the record that he is the Treasurer for the Hospital Board of Directors but has no decision making authority as a volunteer, therefore no conflict of interest exists.

Gary Parsons

- Presented staff report

Mayor Breeden

- Inquired about the tax status and other inquiries
    - Gary Parsons – Hospital is exempt and have not had any other offers in several years.

Dave Matthews

- Clarified the sales tax for medical facilities versus retail and stated this defeats the purpose of the business park.
- Asked question of properties donated or purchased by the hospital.
    - Mike Mower – hospital purchased the property from the Drummond family and possible use will be a new helipad.
    - Gary Parsons – expansion of the hospital is an economic development advantage for the community in terms of bringing new business and employment to the valley.
- Questioned use if the helipad is across the street would a tunnel be built to transport patients to the main building.
    - Mike Mower – plans is to expand the emergency department.

Tom Wiknich

- Clarified the helipad location and supports the sale and opportunity to expand the medical facilities

Motion To Approve Resolution Authorizing The Sale Of Real Property To Ridgecrest Regional Hospital Made By Council Member Acton, Second By Council Member Mower. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Acton, And Mower); 0 Noes; 0 Abstain; And 2 Absent (Council Member Sanders And Thomas)

<u>Additional Public Comment</u>

Dianna Moon

- Commented on her love for the town and changes that need to be made. Fix the road.

6(a). Discussion of Possible Amendments To Existing City Of Ridgecrest Water Ordinance

Dennis Speer

- Presented staff report and purpose.

Don Zedeba

- Indian Wells Valley Water District Director is present to respond to questions

Mayor Breeden

- Questioned the architectural design requiring landscaping, what happens if the owner does not want landscaping and what happens to the cost.
    - Don Zedeba – in that case, if property owner did not want to landscape there could be a covenant for the future similar to what the water district has.

Mike Mower

- Question what is considered landscaping. Exampled rock and do we now have to submit landscape plans to build a house.
    - Keith Lemieux – reviewed the definitions of landscapes. Is possible to draft a version that is equally as stringent but more comprehensible so may be a goal of the council.
- Right now hard to build and sell a house for the cost of building. This will add more cost. Suggested keeping the landscaping at 500 square feet to builders having to draft plans and do soil sampling.

Peggy Breeden

- Questioned water district ordinance
    - Don Zedeba – water district will have to make a few small changes to comply with the new model. Commented on the City's ordinance water schedule and if there is a conflict then must comply with the stronger ordinance. Encouraged council to look at matching the watering schedule to what the water district has adopted.

Dennis Speer

- Offered options for council to consider including adopting the ordinance as is, adopting an ordinance which matches the water district, or having city attorney revise the new model ordinance and bring back to council.

Mayor Breeden

- Suggestion is to approve as is with time changes to the water schedule and request City Attorney to make it more understandable.

Mike Mower

- Can we adopt and modify later rather than let the state make it mandatory
    - Dennis Speer – anything other than the model ordinance must be sent to the state for approval
    - Don Zedeba – there is time to adopt and then look at revision with the change to water time. If you don't change it then the water district ordinance which is stronger would be the one complied with.
    - Keith Lemieux – this is on agenda for discussion only, no action can be taken tonight other than direction to staff. Due to time frame, the model ordinance will be adopted by default and then we can formally adopt a revised ordinance.

Lori Acton

- Agree with sending to staff to make it easier to understand

Public Comment

Bennie Fuller

- Regarding 500 square feet, asked attorney to read the definition of landscaping.
    - Keith Lemieux – reviewed landscape area and exemptions.
- Sounds like gravel walkways are exempt but gravel isn't.
    - Keith Lemieux – non irrigated areas for non-development.
- Language does not include areas not actively irrigated. Exampled gravel over a large area.
- Commented on committee or agent that will go to older homes for enforcement. This is expensive and time consuming for the city and residents.
- Also water recording devices are a concern.
    - Keith Lemieux – City Attorney will be revising to a clearer version and suggested coming back to discuss the points again.

Dave Matthews

- Asked where the model ordinance came from
    - Peggy Breeden – Department of water resources
- Didn't expect to have to have this passed by December 1.
- Don't like the state agencies trying to tell Cities what to do. We are able to make our own decisions. The state is part of the problem because they have not developed new sources of water.
- State senators, assembly members came out with article encouraging the state to capture all the El Niño water we may get. How are we going to do it?
- Tired of what the state is doing and they are more a problem than lack of water. Asked City Attorney to look into ways we might be able to get them to stop telling us what to do.
    - Keith Lemieux – appreciate your argument for local control however we would still have these rules based on local control.

Mike Mower

- If someone doesn't want to do their yard but the definition says that if this is the case it would apply as open space with native plants.

Keith Lemieux

- If you choose to landscape these rules apply.

Tom Wiknich

- Will the city have to rescind the existing ordinance
    - Dennis Speer – currently do not have a landscaping ordinance and this would supersede any conflicts.
- Commented this is more a building code.
- Addressed enforcement role and the reference to penalties. Asked if City would begin enforcing or continue allowing the water district to enforce.
    - Keith Lemieux – by mutual agreement local water purveyor can do the enforcement.
    - Mike Mower – clarified current regulations for building new property and enforcement process.
- Asked if Attachment A listing evaporative rates deleted Ridgecrest. Suggested bringing this to water board attention.

Bennie Fuller

- Read section of ordinance pertaining to existing landscapes. Section applies to park behind city hall and not sure as a recreational area it would be affected.

Peggy Breeden

- Item to go back to staff for review and revision.

PUBLIC HEARING

7. <u>Conduct A Public Hearing Before The City Council Of The City Of Ridgecrest Regarding The Community Development Block Grant (CDBG) Funding In The Estimated Amount Of $138,000.00 And Adopt A Resolution Approving The Fiscal Year 2016-2017 Annual Action Plan Application And Direct Staff To Submit The Application</u> Speer

Dennis Speer

- Presented staff report
- Recommendation is to fund the completion of Senior Center project and direct staff to seek and advance on the funds.

Public Hearing opened at 7:11 p.m.

Dave Matthews

- Commented on the length of time for the Senior Center project and does not know why this has not been completed.
- Encouraged council to do this.
    - Dennis Speer – explained the processes required by HUD and the cost of plans. After completing the process we were left with under $100,000. This money would actually be spent to complete the project. Also found out the estimate given by the director at the time may not have been high enough and the time to complete the process with inflation has increased the costs.

Motion To Adopt A Resolution Approving The FY 2016-17 Annual CDBG Action Plan Application; And Direction To Staff To Submit The Application; And Request An Advance Of The Funds Made By Council Member Mower, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Acton And Mower); 0 Noes; 0 Abstain; And 2 Absent (Council Member Sanders and Thomas)

COMMITTEE REPORTS

(Committee Meeting dates are subject to change and will be announced on the City website)

City Organization and Services Committee

Members: Lori Acton; Mike Mower
Meeting: 4th Wednesday each month at 5:00 p.m. as needed
Location: Council Conference Room B

Lori Acton

- Dark until January 27

Infrastructure Committee

Members: Jim Sanders; Mike Mower
Meeting: 3rd Thursday each month at 5:00 p.m. as needed
Location: Council Conference Room B

Mike Mower

- Meeting tomorrow at 5:00 p.m.

❖ **Ad Hoc Water Conservation Committee**

Members: Jim Sanders; Peggy Breeden
Meeting: 3rd Monday each month at 5:00 p.m. as needed
Location: Conference Room B

Peggy Breeden

- Meeting last Monday and received comments from staff.
- Made recommendation to prioritize parks water conservation.
- First conservation effort will be Denny's park. Will be getting bid to remove turf but leave trees.
- Second was the senior services center and the boys and girls club building
- Third priority was Pinney Pool area outside the fence
- Discussed goals and setting examples for the public
- Cost of spending the money to save water and do we have the money will be discussed at the next meeting.
- Next meeting will be announced.

Parks, Recreation, and Quality of Life Committee

Members: Eddie Thomas; Lori Acton
Meeting: 1st Tuesday each month at 12:00 p.m. as needed
Location: Kerr-McGee Center Meeting Rooms

Lori Acton

- No meeting, only topic is dead trees

❖ **Ad Hoc Youth Advisory Council**

Members: Eddie Thomas
Meeting: 2nd Wednesday of each month, 12:00 p.m. as needed
Location: Kerr-McGee Center Meeting Rooms

- No report

Activate Community Talents and Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Eddie Thomas; Lori Acton
Meeting: Quarterly on the 3rd Tuesday of the month at 4:00 p.m. as needed
Location: Kerr McGee Center Meeting Rooms

- No report

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Lori Acton and Eddie Thomas
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: To Be Announced

- No report

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

Lori Acton

- The Friends of Jawbone Committee, RFP is out and closing December 14 with special meeting to discuss. No caretakers for a camp and encouraged interested parties to contact BLM.
- Bowman Business District meeting decided is not beneficial to do an assessment district for the area at this time. Discussed putting a frontage road in to deal with traffic flow. Looking to develop cohesiveness in the area for future developments. Will meet again next month.
    - Loren Culp – expanded on the different assessment district options available and the frontage road traffic flow

Peggy Breeden

- East Kern Airport District met and agenda was light.
- East Kern Economic Development Alliance meeting. All cities in eastern kern county working together to find ways. Asked the report presented at the meeting be added to the agenda. Praised the committee chair.
    - Gary Parsons – reported on the Monarch presentation of their activities and production facility tour. Pleasure to see progress on a business the City supported.

CITY MANAGER REPORT

Dennis Speer

- Tomorrow infrastructure committee meeting will provide an update on the wastewater facility. Due to staff availability and base restrictions the consultant has not been able to complete his report so workshops will not be held until January.

MAYOR AND COUNCIL COMMENTS

Mike Mower

- Recommended staff review condition of sumps in light of El Niño
- Wished everyone Happy Thanksgiving

Lori Acton

- California Competes tax credits will be here December 11 at 8:30 a.m. in City Hall
- Reviewed amounts that will be available for businesses relocating into California.
- Thanked staff for all they do and wished Happy Thanksgiving to community

Peggy Breeden

- Requested report on petroglyph festival. Chief Strand estimate of visitors is 12,000 – 14,000. Interested in seeing the numbers. A lot of events going on that weekend and great participation.
- Want a report on TOT. A comparison from last year to this year. Heard some people did not report as quickly as possible so made the festival look less than actual.
- Want a report on the Walmart check, where the money is going and how much we will keep.
- Are grants available for those riding bikes or wheelchairs to have antennas or flags and do we have to administer it or can a volunteer organization do this.
- Military banner program is moving forward and thanked staff for getting the encroachment permits.
- Teacher talking to her pupils about local government and the only person the students know by name is the mayor. Can council go to the classrooms and visit. Talk about what city government does. Want to see young people to be involved in government.
- Wished everyone a wonderful Thanksgiving and appreciate the new people we have getting involved.

ADJOURNMENT at 7:37pm

Rachel J. Ford, CMC
City Clerk

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RIDGECREST CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/ FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
Accept for filing the Actuarial Valuation report of the City's OPEB

PRESENTED BY:
Tyrell Staheli, Finance Director
Nyhart Company

SUMMARY:
The City of Ridgecrest provides postretirement health benefits for eligible retirees and their dependents at retirement. In general, to be eligible for retiree health benefits, an employee must retire from the City and began receiving a pension benefit thru CalPERS. The City's financial obligation is to provide $122 per month subject to the CalPERS statutory minimum required contribution. In 2016, the minimum contribution is scheduled to increase to $125. Employees who are member of the Police Employees Association of Ridgecrest ("PEAR") and who retired between the dates of March 15, 2005 to August 31, 2011 are eligible for a $100 per month reimbursement for non-CalPERS coverage with proof of verification. PEAR members who retire after August 31, 2011 are eligible to $250 per month reimbursement for non-CalPERS coverage. At the start of the current fiscal year, the City has 24 retirees participating in the CalPERS health plan and three PEAR retirees are receiving the $100 per month reimbursement directly from the City for their non-CalPERS coverage while there are two PEAR retirees receiving the $250 per month reimbursement.

As part of the GASB 45 compliance, the City engaged the services of Nyhart Company to perform actuarial services related to GASB 45. In 2008 the City set up an irrevocable trust with CalPERS to prefund 100% of its post employment retirement benefit obligation. From its inception in 2008 to FY 2015, the City has contributed to the trust a total of $430,131. The current market value of the trust as of June 30, 2015 is $611,217.

The attached Actuarial Valuation study shows the City's actuarial accrued liability (AAL) as of the measurement date of June 30, 2015 is $1,632,502. Factoring the market value of the assets in the trust as of June 30, 2015, the city's unfunded actuarial accrued liability (UAAL) is equal to $1,021,285. Assuming this amount is to be amortized in 22 years on a level percentage of pay method, the amortization would be $73,877 per year. The annual required contribution (ARC) is estimated to be 2.5% of the annual payroll estimated at $5,567,000.

The table below shows the calculation of the annual required contribution (ARC) under GASB 45 for the fiscal years ending June 30, 2016 and June 30, 2017.

	FY 2015/2016	FY 2016/2017
Normal Cost at End of Fiscal Year	$ 62,989	$ 67,574
Amortization of UAAL	73,877	76,093
Annual Required Contribution	$ 136,866	$ 143,667

FISCAL IMPACT:
Continuation of OPEB contributions: $136,866 in FY 2016 and $143,667 in FY 2017

ACTION REQUESTED:
Approval of the attached resolution.

CITY MANAGER'S RECOMMENDATION: As requested.

Prepared by: Tess Sloan Action date: December 2, 2015

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RESOLUTION NO. 15-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST ACCEPTING THE OPEB ACTUARIAL STUDY AS OF JUNE 30, 2015 PREPARED BY NYHART COMPANY

WHEREAS, the Government Accounting Standards Board (GASB) establishes financial accounting and reporting standards for state and local government entities, which recognize GASB as the official source of generally accepted accounting principles for state and local government; and

WHEREAS, GASB Standard No. 45 establishes the guidelines for accounting and financial reporting of other post-employment benefits (OPEB) and requires each public agency to engage biennially a certified actuary to calculate the current and future costs and liabilities of an agency's OPEB; and

WHEREAS, the City of Ridgecrest engaged the services of Nyhart Company to perform actuarial services related to GASB 45; and

WHEREAS, the only post-employment benefit offered to the City of Ridgecrest employees is the mandatory minimum employer contribution required by Government Code Section 22892(a) & (b) under the Public Employees' Medical and Hospital Care Act for those employees who upon retirement, elect to enroll in the CalPERS health benefits program; otherwise if they elect to get their health insurance coverage outside CalPERS, the City does not give them any other benefit unless the employee is a member of the Police Employee Association of Ridgecrest (PEAR) bargaining group and retired after March 17, 2005. In which case, upon presentation of proof of other health insurance coverage, they are eligible to receive $100 per month if the PEAR member retires between March 17, 2005 and August 31, 2011 or $250 per month for those who retire after August 31, 2011; and

WHEREAS, resolution 08-16 authorized the prefunding 100% of the City of Ridgecrest's annual required contribution of its other post-employment benefit obligation and the establishment of its California Employers' Retiree Benefit Trust Fund with CalPERS

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Ridgecrest hereby accepts the actuarial valuation report from Nyhart Company (attached herein).

APPROVED AND ADOPTED this 2nd day of December, 2015, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Peggy Breeden, Mayor

ATTEST:

_____
Rachel J. Ford, CMC, City Clerk

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530 B Street, Suite 900
San Diego, CA 92101-4404
(p) 619-239-0831
(f) 619-239-0807
www.nyhart.com

August 28, 2015

PRIVATE

City of Ridgecrest
Attn: Ms. Tess Sloan
Accounting Manager
100 West California
Ridgecrest, CA 93555

Re: GASB Actuarial Valuation

Dear Ms. Sloan:

We are presenting our report of the June 30, 2015 actuarial valuation conducted on behalf of the City of Ridgecrest (the "City") for its retiree health program.

The purpose of the valuation is to measure the City's liability for retiree health benefits and to determine the City's accounting requirements under the Government Accounting Standard Board Statements No. 43 & 45 (GASB 43 & 45) in regard to unfunded liabilities for retiree health benefits. The objective of GASB 45 is to improve the information in the financial reports of government entities regarding their post-employment benefits (OPEB) including retiree health benefits. The objective of GASB 43 is to establish uniform reporting for OPEB Plans.

The Nyhart Company is an employee owned actuarial, benefits and compensation consulting firm specializing in group health and retiree health and qualified pension plan valuations. We have set forth the results of our study in this report.

We have enjoyed working on this assignment and are available to answer any questions.

Sincerely,
NYHART

Marilyn K Jones, ASA, MAAA, EA, FCA
Consulting Actuary

MKJ:rl

Enclosure

City of Ridgecrest
Actuarial Valuation
Retiree Health Program
As of June 30, 2015

July 2015

Prepared By:

Nyhart
530 B Street, Suite 900
San Diego, CA 92101-4404
(619) 239-0831
www.nyhart.com

City of Ridgecrest

Retiree Health Benefits Program

GASB Actuarial Valuation

As of June 30, 2015

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SECTION I. EXECUTIVE SUMMARY

Background

The City of Ridgecrest (the "City") selected Nyhart to perform an updated actuarial valuation of its retiree health program. The purpose of the actuarial valuation is to measure the City's liability for retiree health benefits and to determine the City's accounting requirements for other post-employment benefits (OPEB) under Governmental Accounting Standards Board Statements No. 43 & 45 (GASB 43 and GASB 45). GASB 45 requires accrual accounting for the expensing of OPEB. The expense is generally accrued over the working career of employees. GASB 43 requires additional financial disclosure requirements for funded OPEB Plans.

The City currently provides a contribution for retiree medical benefits to approximately 27 retired employees. In addition, approximately 98 active employees are earning credit towards eligibility for a City contribution for future retiree medical benefits. In general, to be eligible for a City contribution, an employee must retire from the City and began receiving a pension benefit through CalPERS. The City's financial obligation is to provide the CalPERS statutory minimum required contribution ($122 per month in 2015, $125 per month in 2016, and indexed to medical price inflation for future years). Effective in 2005, employees who are members of the Police Employees Association of Ridgecrest ("PEAR") are eligible for a $100 per month reimbursement for non-CalPERS coverage if retiring prior to September 1, 2011. This amount increased to $250 per month for eligible PEAR employees retiring on or after September 1, 2011. The valuation has been performed assuming the City's defined contribution of the $250 reimbursements for PEAR employees will be held constant in future years. Future increases would increase the liability. Section V of the report details the plan provisions that were included in the valuation.

The City participates in the CalPERS Health Program for its retiree medical coverage. In general, the premium rates charged to participating employers are the same for each medical plan within each region (or "community") and are the same for both active and retired employees covered under the same medical plan. An implied rate subsidy can exist when the non-Medicare rates for retirees are the same as for active employees. Since non-Medicare eligible retirees are typically much older than active employees, their actual medical costs are typically higher than for active employees. GASB 45 requires that implied rate subsidies be considered in the valuation of medical costs. In past valuations the liability for the implicit rate subsidy was excluded from the valuation as the GASB had provided for an exemption for community-rated plans. This valuation includes an estimate of the liability for the implicit rate subsidy.

Results of the Retiree Health Valuation

We have determined that the amount of the actuarial liability for the City's retiree health plan as of June 30, 2015, the measurement date, is $2,072,142 (including $1,526,220 for the City's explicit contribution and $545,922 for the implicit rate subsidy). This value is based on an assumed discount rate of 7.28%. The amount represents the present value of all benefits projected to be paid by the City for current and future retirees. If the City were to place this amount in a fund earning interest at the rate of 7.28% per year, and all other actuarial assumptions were met, the fund would have enough to pay the City's required contribution for retiree health benefits. This includes benefits for the current retirees as well as the current active employees expected to retire in the future. The valuation does not consider employees not yet hired as of the valuation date.

If the amount of the actuarial liability is apportioned into past service, current service and future service components; the past service component (actuarial accrued liability) is $1,632,502 (including $1,208,322 for the City's explicit contribution and $424,180 for the implicit rate subsidy)., the current service component (normal cost or current year accrual) is $58,714 (including $43,337 for the City's explicit contribution and $15,377 for the implicit rate subsidy). and the future service component (not yet accrued liability) is $380,926 (including $274,561 for the City's explicit contribution and $106,365 for the implicit rate subsidy).

Changes from Prior Valuation

The valuation reflects updated census and rate information. In addition, there were several assumption changes including updates to the mortality and retirement assumptions, a lowering of the discount rate to 7.28% for CERBT investment strategy 1 and the inclusion of a liability for the implicit rate subsidy. A reconciliation of the approximate change in the liability from the prior valuation is provided below:

June 30, 2013 Valuation @7.61%	**$1,213,000**
Increase due to passage of time	112,000
Increase due to liability for new entrants	115,000
Net experience gain	(66,000)
Net increase due to updated demographic assumptions	66,000
Increase due to lowering of discount rate to 7.28%	86,000
June 30, 2015 Valuation @7.28%	**$1,526,000**
Increase due to inclusion of the implicit rate subsidy	546,000
June 30, 2015 Valuation @7.28%	**$2,072,000**

Funding

The City's funding policy is to fund 100% of the annual required contribution as determined under GASB 45 through the California Employers' Retiree Benefit Trust (CERBT). The market value of assets including any contribution receivable or benefits payable in CERBT as of June 30, 2015 is $611,217. The actuarial value of assets at June 30, 2015 is equal to the market value of assets. The unfunded actuarial accrued liability (UAAL) at June 30, 2015 is $1,021,285 ($597,105 for the City's explicit contribution). The funded ratio is 37% (51% for City's explicit contribution) using actuarial value of assets. The UAAL as a percentage of payroll is 18%.

The CERBT provides participating employers with the choice of three investment allocation strategies. The expected rate of return of assets is dependent on the funding strategy of a participating employer and which investment allocation strategy is selected. For employers fully funding their annual required contribution, strategy 1 has a CERBT published median yield of 7.28%, strategy 2 has a published median yield of 6.73% and strategy 3 has a published median yield of 6.12%. The valuation was performed using a 7.28% discount rate assuming the City remains in strategy 1 for the 2015/2016 and 2016/2017 fiscal years and assumes no additional margin for adverse deviation applied to the CERBT stated median discount rate. The results for alternatives allocation strategies using a 6.73% and 6.12% discount rate are also provided in Section II-J of the report.

Annual Required Contribution

The City's annual required contribution (accrual expense) for the current fiscal year is $136,866 (including $89,685 for the City's explicit contribution and $47,181 for the implicit rate subsidy). This amount is comprised of the present value of benefits accruing in the current fiscal year (normal cost) plus a 22-year amortization (on a level-percentage of pay basis) of the unfunded actuarial accrued liability/(surplus) at June 30, 2015. Thus, it represents a means to expense the plan's liabilities in an orderly manner. The net increase in OPEB obligation/(asset) at the end of the fiscal year will reflect any actual contributions made by the City during the period for retiree health benefits including any pre-funding amounts and the estimated implicit rate subsidy.

Actuarial Basis

The actuarial valuation is based on the assumptions and methods outlined in Section VII of the report. To the extent that a single or a combination of assumptions is not met the future liability may fluctuate significantly from its current measurement. As an example, the healthcare cost increase anticipates that the rate of increase in medical cost will be at moderate levels and decline over several years. Increases higher than assumed would bring larger liabilities and expensing requirements. A 1% increase in the healthcare trend rate for each future year would increase the annual required contribution by 23%.

Another key assumption used in the valuation is the discount (interest) rate which is based on the expected rate of return of plan assets. The valuation is based on a discount rate of 7.28%. A 0.5% decrease in the discount rate would increase the annual required contribution by 8%. A 0.5% increase in the discount rate would decrease the annual required contribution by 8%.

Scheduled to take effect in 2018, the "Cadillac Tax" is a 40% non-deductible excise tax on employer-sponsored health coverage that provides high-cost benefits. For pre-65 retirees and individuals in high-risk professions, the threshold amounts are currently $11,850 for individual coverage and $30,950 for family coverage. For insured plans, the insurance company is responsible for payment of the excise tax. For self-funded plans, the employer is responsible for payment of the excise tax. The valuation does not include any additional liability for the Cadillac Tax.

The valuation is based on the census, plan and rate information provided by the City. To the extent that the data provided lacks clarity in interpretation or is missing relevant information, this can result in liabilities different than those presented in the report. Often missing or unclear information is not identified until future valuations.

SECTION II. FINANCIAL RESULTS

A. Valuation Results as of June 30, 2015

The table below presents the employer liabilities associated with the City's retiree health benefits determined in accordance with GASB 45. The actuarial liability is the present value of all benefits or contributions projected to be paid by the City under the program. The actuarial accrued liability reflects the amount attributable to the past service of current employees and retirees. The normal cost reflects the accrual attributable for the current period.

	Pear	Race	Mgmt	Mid-Mgmt	Conf.	Total
1. Actuarial Liability (AL)						
Actives	$662,703	$317,453	$ 44,047	$143,214	$117,128	$1,284,545
Retirees	332,016	186,298	166,355	80,468	22,460	787,597
Total AL	$994,719	$503,751	$210,402	$223,682	$139,588	$2,072,142
Explicit Contribution	$758,704	$381,677	$141,411	$145,818	$ 98,610	$1,526,220
Implied Subsidy	*$236,015*	*$122,074*	*$ 68,991*	*$ 77,864*	*$ 40,978*	*$ 545,922*
2. Actuarial Accrued Liability (AAL)						
Actives	$394,123	$225,199	$ 28,578	$119,004	$ 78,001	$ 844,905
Retirees	332,016	186,298	166,355	80,468	22,460	787,597
Total AAL	$726,139	$411,497	$194,933	$199,472	$100,461	$1,632,502
Explicit Contribution	$562,199	$317,579	$128,246	$127,695	$ 72,603	$1,208,322
Implied Subsidy	*$163,940*	*$ 93,918*	*$ 66,687*	*$ 71,777*	*$ 27,858*	*$ 424,180*
3. Normal Cost	$ 30,867	$ 14,601	$ 2,918	$ 4,645	$ 5,683	$ 58,714
Explicit Contribution	$ 22,966	$ 10,270	$ 2,591	$ 3,642	$ 3,868	$ 43,337
Implied Subsidy	*$ 7,901*	*$ 4,331*	*$ 327*	*$ 1,003*	*$ 1,815*	*$ 15,377*
No. of Actives	40	30	3	11	14	98
Average Age	37.5	48.2	54.8	56.1	41.3	43.9
Average Past Service	8.6	10.3	13.5	14.8	8.3	9.8
No. of Retirees	11	8	5	2	1	27
Average Age	62.0	69.8	69.2	56.3	71.4	65.6
Average Retirement Age	53.3	60.3	61.8	51.5	67.7	57.4

B. Reconciliation of Market Value of Plan Assets

The reconciliation of Plan Assets for the last two fiscal years is presented below:

	6/30/2014	6/30/2015
1. Beginning Market Value of Assets	$ 449,520	$ 571,481
2. Contribution	39,460	41,034
3. Fund Earnings (gross)	83,182	(722)
4. Benefit Payments	0	0
5. Administrative Expenses	(681)	(576)
6. Ending Market Value of Assets	$ 571,481	$ 611,217
7. Approximate Rate of Return	18%	0%

Note: Assets reflect contributions made to the CERBT; exclude any direct payments made by the City for payment of benefits; rate of return assumes contributions and payments are made mid –year.

C. Development of Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets plus any contribution receivable or benefits payable. The actuarial value of assets at June 30, 2015 is $611,217.

D. Development of Unfunded Actuarial Accrued Liability

The table below presents the development of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is the excess of the actuarial accrued liability (AAL) over the actuarial value of eligible plan assets.

	Explicit	Implicit	Total
1. Actuarial Accrued Liability (AAL)	$1,208,322	$ 424,180	$ 1,632,502
2. Actuarial Value of Assets	(611,217)	(0)	(611,217)
3. Unfunded AAL	$ 597,105	$ 424,180	$ 1,021,285

E. Amortization of Unfunded Actuarial Accrued Liability

The amortization of the unfunded actuarial accrued liability component of the annual contribution (ARC) is being amortized over a period of 22 years on a level-percentage of pay method. Under the level-percentage of pay method, the amortization payment is scheduled to increase in future years based on wage inflation.

1. Unfunded AAL (UAAL)	$ 597,105	$ 424,180	$ 1,021,285
2. Amortization Factor	13.82418	13.82418	13.82418
3. Amortization of UAAL	$ 43,193	$ 30,684	$ 73,877

F. Annual Required Contribution (ARC)

The table below presents the development of the annual required contribution (ARC) under GASB 45 for the fiscal year ending June 30, 2016 and estimated for the fiscal year ending June 30, 2017.

FY2015/2016			
1. Normal Cost at End of Fiscal Year	$ 46,492	$ 16,497	$ 62,989
2. Amortization of Surplus	43,193	30,684	73,877
3. Annual Required Contribution (ARC)	$ 89,685	$ 47,181	$ 136,866
4. Estimated Payroll	$5,567,000	$5,567,000	$5,567,000
5. ARC as a Percentage of Payroll	1.6%	0.9%	2.5%
FY2016/2017			
1. Normal Cost at End of Fiscal Year	$ 49,876	$ 17,698	$ 67,574
2. Amortization of Surplus	44,489	31,604	76,093
3. Annual Required Contribution (ARC)	$ 94,365	$ 49,302	$ 143,667

G. Required Supplementary Information (Funding Progress @6/30/2015)

The table below presents a sample disclosure of the funding progress as of the beginning of the fiscal year.

1. Actuarial Accrued Liability (AAL)	$1,208,322	$ 424,180	$ 1,632,502
2. Actuarial Value of Assets	(611,217)	(0)	(611,217)
3. Unfunded AAL	$ 597,105	$ 424,180	$ 1,021,285
4. Funded Ratio	51%	0%	37%
5. Current Payroll	$5,567,000	$5,567,000	$5,567,000
6. UAAL as % of Payroll	10.7%	7.6%	18.3%

H. Estimated Net OPEB Obligation/(Asset) at 6/30/2016[1]

The table below shows an illustration of the development of the net OPEB obligation/(asset) at June 30, 2016 assuming the net OPEB obligation/(asset) at June 30, 2015 is (36,344).

1. FY2015/2016 Annual Required Contribution	$136,866
2. Interest on Net OPEB Obligation/(Asset) [.0728 x H7]	(2,646)
3. Adjustment to ARC [minus H7/D2]	$ 2,629
4. Annual OPEB Cost [H1+H2+H3]	$136,849
5. Contributions Made (ARC Inclusive of Benefit Payments and Implicit Rate Subsidy)	(136,865)
6. Increase in Net OPEB Obligation/(Asset)	($ 18)
7. Net OPEB Obligation/(Asset) – June 30, 2015	(36,344)
8. Net OPEB Obligation/(Asset) – June 30, 2016	($ 36,362)

I. Sensitivity Analysis:

The impact of a 0.5% decrease or increase in the discount (interest) rate and the impact of a 1% increase in future healthcare trend rates on the City's actuarial liability, actuarial accrued liability, unfunded actuarial accrued liability and the annual required contribution is provided below:

	Dollar ($) Increase/ (Decrease)	Percentage (%) Increase/ (Decrease)
0.5% Decrease in Discount Rate		
- Actuarial Liability	$ 181,455	9%
- Actuarial Accrued Liability	$ 109,064	7%
- Unfunded Actuarial Accrued Liability	$ 109,064	11%
- Annual Required Contribution	$ 11,590	8%
0.5% Increase in Discount Rate		
- Actuarial Liability	($ 158,996)	(8%)
- Actuarial Accrued Liability	($ 98,415)	(6%)
- Unfunded Actuarial Accrued Liability	($ 98,415)	(10%)
- Annual Required Contribution	($ 10,493)	(8%)
1% Increase in Future Healthcare Trend Rates		
- Actuarial Liability	$ 342,552	17%
- Actuarial Accrued Liability	$ 217,071	13%
- Unfunded Actuarial Accrued Liability	$ 217,071	21%
- Annual Required Contribution	$ 31,547	23%

[1] Assumes the City contributions the annual required contribution for the 2015/2016 fiscal year.

J. Liabilities - Alternative Discount Rate

The results below present the impact of the liability and annual required contribution using a discount rate to reflect pre-funding the retiree health benefits through the California Employers' Retiree Benefit Trust (CERBT) alternative allocation strategies 2 and 3 with discount rates of 6.73% and 6.12%, respectively.

Investment Strategy 2

Liabilities	Explicit	Implicit	Total
1. Actuarial Liability (AL)			
Actives	$1,053,695	$390,740	$1,444,435
Retirees	634,626	194,068	828,694
Total AL	$1,688,321	$584,808	$2,273,129
2. Actuarial Accrued Liability (AAL)			
Actives	$ 674,200	$250,220	$ 924,420
Retirees	634,626	194,068	828,694
Total AAL	$1,308,826	$444,288	$1,753,114
3. Actuarial Value of Assets	(611,217)	(0)	(611,217)
4. Unfunded AAL (UAAL)	$ 697,609	$444,288	$ 1,141,897
5. Amortization Factor	15.33951	15.33951	15.33951
6. Amortization of UAAL	$ 47,939	$ 30,531	$ 78,470
FY2015/2016 Annual Required Contribution (ARC)			
1. Normal Cost at End of Year	$ 53,011	$ 18,202	$ 71,213
2. Amortization of UAAL at End of Year	47,939	30,531	78,470
3. Annual Required Contribution (ARC)	$ 100,950	$ 48,733	$ 149,683
FY2016/2017 Annual Required Contribution (ARC)			
1. Normal Cost at End of Year	$ 56,578	$ 19,427	$ 76,005
2. Amortization of UAAL at End of Year	49,377	31,447	80,824
3. Annual Required Contribution (ARC)	$ 105,955	$ 50,874	$ 156,829

Investment Strategy 3

Liabilities	Explicit	Implicit	Total
1. Actuarial Liability (AL)			
Actives	$1,222,102	$433,226	$1,655,328
Retirees	678,762	200,568	879,330
Total AL	$1,900,864	$633,794	$2,534,658
2. Actuarial Accrued Liability (AAL)			
Actives	$ 757,142	$267,937	$1,025,079
Retirees	678,762	200,568	879,330
Total AAL	$1,435,904	$468,505	$1,904,409
3. Actuarial Value of Assets	(611,217)	(0)	(611,217)
4. Unfunded AAL (UAAL)	$ 824,687	$468,505	$1,293,192
5. Amortization Factor	15.42768	15.42768	15.42768
6. Amortization of UAAL	$ 53,455	$ 30,368	$ 83,823
FY2015/2016 Annual Required Contribution (ARC)			
1. Normal Cost at End of Year	$ 61,599	$ 20,325	$ 81,924
2. Amortization of UAAL at End of Year	53,455	30,368	83,823
3. Annual Required Contribution (ARC)	$ 115,054	$ 50,693	$ 165,747
FY2016/2017 Annual Required Contribution (ARC)			
1. Normal Cost at End of Year	$ 65,369	$ 21,569	$ 86,938
2. Amortization of UAAL at End of Year	55,059	31,279	86,338
3. Annual Required Contribution (ARC)	$ 120,428	$ 52,848	$ 173,276

SECTION III. PROJECTED CASH FLOWS

The valuation process includes the projection of the expected benefits (including the explicit City contribution and the implicit rate subsidy) to be paid by the City under its retiree health benefits program. This expected cash flow takes into account the likelihood of each employee reaching age for eligibility to retire and receive health benefits. The projection is performed by applying the turnover assumption to each active employee for the period between the valuation date and the expected retirement date. Once the employees reach their retirement date, a certain percent are assumed to enter the retiree group each year. Employees already over the latest assumed retirement age as of the valuation date are assumed to retire immediately. The per capita cost as of the valuation date is projected to increase at the applicable healthcare trend rates both before and after the employee's assumed retirement. The projected per capita costs are multiplied by the number of expected future retirees in a given future year to arrive at the cash flow for that year. Also, a certain number of retirees will leave the group each year due to expected deaths or reaching a limit age and this group will cease to be included in the cash flow from that point forward. Because this is a closed-group valuation, the number of retirees dying each year will eventually exceed the number of new retirees, and the size of the cash flow will begin to decrease and eventually go to zero.

The expected employer cash flows for selected future years are provided in the following table:

Projected Employer Total Cash Flows – Representative Years

Fiscal Year	Explicit	Implicit	City Total
2015/16	$ 44,241	$ 32,459	$ 76,700
2016/17	$ 48,887	$ 32,680	$ 81,567
2017/18	$ 53,902	$ 40,694	$ 94,596
2018/19	$ 58,936	$ 45,931	$ 104,867
2019/20	$ 64,128	$ 46,956	$ 111,084
2020/21	$ 69,484	$ 38,119	$ 107,603
2021/22	$ 75,504	$ 35,439	$ 110,943
2022/23	$ 80,842	$ 39,760	$ 120,602
2023/24	$ 86,033	$ 37,695	$ 123,728
2024/25	$ 92,586	$ 40,640	$ 133,226
2025/26	$ 98,095	$ 35,681	$ 133,776
2026/27	$ 103,596	$ 39,606	$ 143,202
2027/28	$ 109,303	$ 34,972	$ 144,275
2028/29	$ 115,141	$ 34,683	$ 149,824
2029/30	$ 121,169	$ 34,803	$ 155,972
2030/31	$ 128,294	$ 33,522	$ 161,816
2031/32	$ 134,232	$ 36,558	$ 170,790
2032/33	$ 139,802	$ 36,673	$ 176,475
2033/34	$ 145,264	$ 34,785	$ 180,049
2034/35	$ 150,795	$ 37,936	$ 188,731
2035/36	$ 156,043	$ 36,185	$ 192,228
2036/37	$ 161,203	$ 34,620	$ 195,823
2037/38	$ 166,986	$ 36,153	$ 203,139
2038/39	$ 172,984	$ 45,445	$ 218,429
2039/40	$ 179,021	$ 52,176	$ 231,197
2040/41	$ 184,837	$ 46,974	$ 231,811
2041/42	$ 190,835	$ 50,494	$ 241,329
2042/43	$ 196,763	$ 46,217	$ 242,980
2043/44	$ 202,481	$ 58,523	$ 261,004
2044/45	$ 207,530	$ 67,213	$ 274,743
2045/46	$ 211,554	$ 69,341	$ 280,895
2050/51	$ 222,075	$ 68,181	$ 290,256
2055/56	$ 215,097	$ 21,223	$ 236,320
2060/61	$ 198,323	$ 0	$ 198,323
2065/66	$ 175,535	$ 0	$ 175,535
2070/71	$ 145,982	$ 0	$ 145,982
2075/76	$ 108,779	$ 0	$ 108,779
2080/81	$ 66,050	$ 0	$ 66,050
2085/86	$ 29,039	$ 0	$ 29,039
2090/91	$ 8,086	$ 0	$ 8,086
2095/96	$ 1,117	$ 0	$ 1,117
2100/01	$ 0	$ 0	$ 0
All Years	$10,233,247	$1,889,664	$12,122,911

SECTION IV. GASB 74 AND 75 STUDY

This study analyzes the impact of the recently issued GASB Statements No. 74 and 75 (GASB 74 and GASB 75) on plan and employer financial statements and comments on the increased disclosure requirements. GASB 74 is effective for fiscal years beginning after June 15, 2016. GASB 75 is effective for fiscal years beginning after June 15, 2017. Actuarial valuations are required to be performed at least once every two years to calculate the net OPEB liability. Plans with less than 100 active and inactive employees can utilize an alternative measurement method, instead of an actuarial valuation, to calculate the net OPEB liability.

GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, focuses on the accounting for OPEB within employers' financial statements and is similar to GASB 68 applicable to governments with defined benefit pension plans. GASB 75 will require the City to accrue the net OPEB liability on its financial statements. The net OPEB liability (NOL) is calculated as the actuarial accrued liability (AAL) using a specific cost method less OPEB plan's fiduciary net position (GASB eligible assets). The two major changes under the new accounting standards that we studied include:

1. The NOL is required to be determined using the Entry Age Normal Level % of Pay Cost Method (EAN) to determine the liability and the market value of assets (MVA). For most employers, this cost method yields a higher unfunded liability than the Projected Unit Credit (PUC) Cost Method.
2. The required discount rate may be lower if projected OPEB assets do not cover projected benefit payments – based on the employer's funding policy and current workforce. The projection of future benefit payments include discretionary ad hoc benefit changes and COLAs, to the extent such changes are made regularly, and certain taxes or other assessments expected to be imposed on the benefit payment.

The table below presents the impact on the determination of the unfunded actuarial accrued liability if GASB 75 were effective at June 30, 2015.

Assumptions	**Current**	**Change 1&2 Discount Rate****	**Change 1&2 Discount Rate*****
Discount Rate:	7.28%	7.28%	4.75%
Cost Method:	Entry Age Level $	Entry Age % of Pay	Entry Age % of Pay
Assumed Funding Policy:	Fund at least the ARC – Under Entry Age Level $	Fund at least the ARC – Under Entry Age Level $	Fund at the Explicit Portion of ARC – Under Entry Age Level $
Impact			
OPEB Liability (AAL):	$1,632,502	$1,558,711	$2,177,337
Net Fiduciary Position (MVA):	(611,217)	(611,217)	(611,217)
Net OPEB Liability(NOL):	$1,021,285	$ 947,494	$1,566,120
Current Net OPEB Obligation/(Asset)*:	(36,344)	(36,344)	(36,344)
Impact on Financial Statement:	$1,057,629	$ 983,838	$1,602,464)

*Current June 30, 2015 Net OPEB Obligation/(Asset) reported by the City.

**Based on the City's current funding and investment policy using current assets, projected contributions and expected earnings, the trust is expected to remain positive in future years. Thus, the discount rate is not required to be blended with a 20–year municipal high quality bond rate.

***Assumes City does not pre-fund for the implicit rate subsidy; reflects blended discount rate of 7.28% for portion of years trust is expected to remain positive and a 20-year municipal high quality bond rate (3.75%) for remaining years.

Under GASB 74 and 75, once the NOL is recognized on the City's financial statement, future annual OPEB expense determination requires a specified cost method, immediate recognition of the service cost and interest cost and any benefit changes and requires (shorter) amortization periods for assumptions changes and experience gain losses.

Both GASB 74 and 75 will require governmental employers to present much more extensive note disclosure and Required Supplementary Information (RSI) about their OPEB liabilities.

GASB 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans," sets forth requirements for OPEB plan financial statements that are similar to the requirements set forth in GASB 67 for pension plan financial statements. GASB 74 does not require that the underfunded status of the plan be reported as a liability on the plan's financial statements. However, the actuarially determined OPEB liability is required to be disclosed in the footnotes to the financial statements and required supplementary information (RSI), as well as the actuarial assumptions utilized in calculating the liability and various other ratios and disclosures of the composition of the OPEB liability. Additionally, the RSI is to be presented for the past 10 years under GASB 74, as opposed to the past six years as currently required.

GASB 75 requires a statement of fiduciary net position and a statement of changes in fiduciary net position. In addition, GASB 75 requires various footnote disclosures and RSI, including a description of the benefits provided and classes of members covered, the significant assumptions and inputs utilized in calculating the net OPEB liability, the components of the net OPEB liability, and other related ratios. Similar to GASB 74, RSI is required for the past 10 years.

SECTION V. BENEFIT PLAN PROVISIONS

This study analyzes the postretirement health benefit plan provided by the City. The City contributes to the retiree health coverage of eligible retirees and eligible surviving spouses. The City's financial obligation is as follows:

The City provides the minimum required employer contribution (plus any administration fees) under the CalPERS Health Plan for eligible retirees and surviving spouses in receipt of a pension benefit from CalPERS. An employee is eligible for this employer contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 60 days of retirement with the City. The surviving spouse of an eligible retiree who elected spouse coverage under the CalPERS Health Plan is eligible for the employer contribution upon the death of the retiree. Employees retiring on or after March 17, 2005 who are members of the Police Employees Association of Ridgecrest ("PEAR") are also eligible for a reimbursement of up to $100 per month for non-CalPERS health coverage. This benefit is $250 per month for PEAR employees retiring on or after September 1, 2011.

The minimum required employer contributions is statutorily set under PEMHCA and is scheduled to increase in the future based on the medical portion of CPI. A history of the increases in past years and current amounts are as follows:

Calendar Year	Minimum Required Employer Contribution
2006	$64.60
2007	$80.80
2008	$97.00
2009	$101.00
2010	$105.00
2011	$108.00
2012	$112.00
2013	$115.00
2014	$119.00
2015	$122.00
2016	$125.00
2017+	Adjusted Annually to reflect Medical Portion of CPI

SECTION VI. VALUATION DATA

The valuation was based on the census furnished to us by the City. The following tables display the age distribution for retirees and the age/service distribution for active employees as of the Measurement Date.

Age Distribution of Eligible Retired Participants & Beneficiaries*

	PEAR	Race	Mgmt	Mid-Mgt	Conf	Total
<50	1	0	0	0	0	1
50-54	1	0	0	1	0	2
55-59	2	0	2	1	0	5
60-64	1	3	0	0	0	4
65-69	4	2	0	0	0	6
70-74	1	1	1	0	1	4
75-79	0	1	1	0	0	2
80-84	1	0	1	0	0	2
85+	0	1	0	0	0	1
Total:	11	8	5	2	1	27
Average Age:	62.0	69.8	69.2	56.3	71.4	65.6
Average Retirement Age:	53.3	60.3	61.8	51.5	67.7	57.4

Note: Excludes 32 retirees who have not elected medical coverage under the CalPERS Health Plan.

Age/Service Distribution of All Benefit Eligible Employees*

	Service									
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	Total
20-24	5	1								6
25-29	9	4	0							13
30-34	3	4	3							10
35-39	4	1	3	1						9
40-44	1	6	2	2						11
45-49	3	3	5	1	1					13
50-54	2	4	3	1	0	3				13
55-59	2	2	2	3	0	4	0			13
60-64	2	1	0	0	0	0	1	0		4
65-69	0	2	3	0	0	1	0	0	0	6
70+	0	0	0	0	0	0	0	0	0	0
Total:	31	28	21	8	1	8	1	0	0	98
Average Age:			43.9							
Average Service:			9.9							
Estimated Payroll:			$5,567,000							

* Counts exclude 1 Council Member that could be eligible for medical coverage if they retire from the City at the end of their term.

Age/Service Distribution of Eligible PEAR Employees

	Service									
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40-44**	**Total**
20-24	4									4
25-29	6	3								9
30-34	2	3								5
35-39	2	0	3	1						6
40-44	0	3	1	2						6
45-49	1	0	2	0						3
50-54	0	2	0	0	0	1				3
55-59	1	0	0	1	0	2				4
60-64	0	0	0	0	0	0	0			0
65-69	0	0	0	0	0	0	0	0		0
70+	0	0	0	0	0	0	0	0	0	0
Total:	16	11	6	4	0	3	0	0	0	40

Average Age:	37.5
Average Service:	8.6
Estimated Payroll:	$2,333,000

Age/Service Distribution of Eligible RACE Employees

	Service									
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40-44**	**Total**
20-24	1									1
25-29	1	1								2
30-34	1	0	1							2
35-39	1	1	0							2
40-44	1	1	1	0						3
45-49	1	2	1	1						5
50-54	1	1	1	0	0	1				4
55-59	1	2	2	1	0	0	0			6
60-64	2	0	0	0	0	0	1	0		3
65-69	0	0	1	0	0	1	0	0	0	2
70+	0	0	0	0	0	0	0	0	0	0
Total:	10	8	7	2	0	2	1	0	0	30

Average Age:	48.2
Average Service:	10.3
Estimated Payroll:	$1,222,000

Age/Service Distribution of Eligible Management Employees

	Service									
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40-44**	**Total**
20-24	0									0
25-29	0	0								0
30-34	0	0								0
35-39	0	0								0
40-44	0	0								0
45-49	1	0	0	0	0					1
50-54	0	0	0	0	0	1				1
55-59	0	0	0	0	0	0	0			0
60-64	0	0	0	0	0	0	0	0		0
65-69	0	1	0	0	0	0	0	0	0	1
70+	0	0	0	0	0	0	0	0	0	0
Total:	1	1	0	0	0	1	0	0	0	3

Average Age:	54.8
Average Service:	13.5
Estimated Payroll:	$427,000

Age/Service Distribution of Eligible Mid-Management Employees

	Service									
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40-44**	**Total**
20-24	0									0
25-29	0									0
30-34	0	0								0
35-39	0	0								0
40-44	0	0								0
45-49	0	1	2							3
50-54	0	0	2							2
55-59	0	0	0	1	0	2				3
60-64	0	1	0	0	0	0	0			1
65-69	0	1	1	0	0	0	0	0		2
70+	0	0	0	0	0	0	0	0	0	0
Total:	0	3	5	1	0	2	0	0	0	11

Average Age:	56.1
Average Service:	14.8
Estimated Payroll:	$957,000

Age/Service Distribution of Confidential Employees

	Service									
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40-44**	**Total**
20-24	0	1								1
25-29	2	0	0							2
30-34	0	1	2							3
35-39	1	0	0							1
40-44	0	2	0	0						2
45-49	0	0	0	0	1					1
50-54	1	1	0	1	0					3
55-59	0	0	0	0	0	0				0
60-64	0	0	0	0	0	0	0			0
65-69	0	0	1	0	0	0	0	0		1
70+	0	0	0	0	0	0	0	0	0	0
Total:	4	5	3	1	1	0	0	0	0	14

Average Age:	41.3
Average Service:	8.3
Estimated Payroll:	$628,000

SECTION VII. ACTUARIAL ASSUMPTIONS AND METHODS

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Fiscal Year: July 1st to June 30th

Measurement Date: June 30, 2015

Fiscal Years Covered: FY2015/16 and FY2016/17

Discount Rate: 7.28% per annum. This discount rate assumes the City continues to fully fund for its retiree health benefits through the California Employers' Retiree Benefit Trust (CERBT) under its investment allocation strategy 1. The 7.28% reflects the CERBT published median interest rate for strategy 1 without any additional margin for adverse deviation.

Sensitivity analysis showing a 0.5% increase or decrease in the discount rate is also provided.

Inflation: 2.8% per annum

Payroll Increases: 3.0% per annum, in aggregate

Pre-retirement Turnover: According to the termination rates under the CalPERS pension plan updated to reflect the most recent experience study. Sample rates for Miscellaneous employees are as follows:

	Entry Age			
Service	20	30	40	50
0	17.42%	16.06%	14.68%	13.32%
5	8.68%	7.11%	5.54%	0.97%
10	6.68%	5.07%	0.71%	0.38%
15	5.03%	3.47%	0.23%	0.04%
20	3.70%	0.21%	0.05%	0.01%
25	2.29%	0.05%	0.01%	0.01%
30	0.05%	0.01%	0.01%	0.01%

Sample rates for Safety employees are as follows:

	Entry Age			
Service	20	30	40	50
0	10.1%	10.1%	10.1%	10.1%
5	2.5%	2.5%	2.5%	0.9%
10	1.8%	1.8%	0.5%	0.5%
15	1.1%	1.1%	0.3%	0.3%
20	0.8%	0.2%	0.2%	0.2%
25	0.7%	0.1%	0.1%	0.1%
30	0.1%	0.1%	0.1%	0.1%

Pre-retirement Mortality: According to the pre-retirement mortality rates under the CalPERS pension plan updated to reflect the most recent experience study. Sample deaths per 1,000 employees applicable to employees are as follows:

Age	Males	Females
25	0.4	0.2
30	0.5	0.3
35	0.6	0.4
40	0.8	0.5
45	1.1	0.7
50	1.6	1.0
55	2.3	1.4
60	3.1	1.8

[The PERS mortality rates have been updated to reflect mortality improvements reported in the 2014 CalPERS Experience Study]

Post-retirement Mortality: According to the post-retirement mortality rates under the CalPERS pension plan updated to reflect the most recent experience study. Sample deaths per 1,000 employees applicable to Miscellaneous and Safety retirees are as follows:

Age	Males	Females
55	6.0	4.2
60	7.1	4.4
65	8.3	5.9
70	13.1	9.9
75	22.1	17.2
80	39.0	29.0
85	69.7	52.4
90	129.7	98.9

[The PERS mortality rates have been updated to reflect mortality improvements reported in the 2014 CalPERS Experience Study]

Retirement Age: According to the retirement rates under the most recent CalPERS pension plan experience study. According to the following retirement tables:

Miscellaneous Tier 1: 2.7% @ 55
Miscellaneous Tier 2: 2.0% @ 62
Safety Tier 1: 3.0% @ 55
Safety Tier 2: 2.7% @ 57

[The PERS retirement rates have been updated to reflect the 2014 CalPERS Experience Study.]

Participation Rates: Employees Currently Retired: Employees currently retired who have elected CalPERS medical coverage are assumed to continue coverage for their lifetime and the lifetime of their spouse if covered.

Future Retirees: 50% of future non-PEAR active employees are assumed to elect retiree health coverage at retirement. 100% of future PEAR retirees are assumed to elect retiree health coverage at retirement with 50% electing the $250 reimbursement benefit over the CalPERS benefit.

Future New Entrants: None

Spouse Coverage: Of those electing coverage approximately 20% are assumed to elect coverage for their spouse. Male spouses are assumed to be 3 years older than female spouses.

Claim Cost Development: The valuation claim costs are based on the premiums paid for medical insurance coverage. The City participates in CalPERS, a community rated plan. Past valuations assumed the City was exempt from the valuation of any medical plan implicit rate subsidy. An implicit rate subsidy can exist when the non-Medicare rates for retirees are the same as for active employees. Since non-Medicare eligible retirees are typically much older than active employees, their actual medical costs are typically higher than for active employees. The current valuation contains an estimate of the implicit rate subsidy.

Medical Trend Rates: Medical costs are adjusted in future years by the following trends:

Year	PPO	HMO
2015	Actual	Actual
2016	7.0%	6.5%
2017	6.5%	6.0%
2018	6.0%	5.5%
2019	5.5%	5.0%
2020+	5.0%	5.0%

Contribution Increase: The CalPERS' minimum required employer contribution is assumed to increase each year as described below:

Year	Trend
2017+	4.0%

Actuarial Cost Method: The actuarial cost method used to determine the allocation of the retiree health actuarial liability to the past (accrued), current and future periods is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the "cost" is based on the projected benefit expected to be paid at retirement.

The EAN normal cost equals the level annual amount of contribution from the employee's date of hire (entry date) to their retirement date that is sufficient to fund the projected benefit. For plans unrelated to pay, the normal cost is calculated to remain level in dollars; for pay-related plans the normal cost is calculated to remain level as a percentage of pay. The EAN actuarial accrued liability equals the present value of all future benefits for retired and current employees and their beneficiaries less the portion expected to be funded by future normal costs.

All employees eligible as of the measurement date in accordance with the provisions of the Plan listed in the data provided by the City were included in the valuation.

Actuarial Value of Assets: Market value of assets plus contribution receivables for the Plan Years ending on or prior to the Measurement Date.

Amortization of UAAL: The unfunded actuarial accrued liability is being amortized over an initial 30 years using the level-percentage-of-pay method on a closed-basis. The remaining amortization period at June 30, 2015 is assumed to be 22 years.

SECTION VIII. ACTUARIAL CERTIFICATION

This report summarizes the GASB actuarial valuation for the City of Ridgecrest (the "City") as of June 30, 2015. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statements No. 43 (Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans) and No. 45 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions). The valuation is also based upon our understanding of the plan provisions as summarized within the report.

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information and asset information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

The discount rate and other economic assumptions have been selected by the Plan Sponsor. Demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

While some sensitivity analysis was provided in the report, we did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.

Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact me.

Certified by:

Marilyn K. Jones, ASA, EA, MAAA, FCA
Consulting Actuary

Date: 8/28/2015

SECTION IX. DEFINITIONS

The definitions of the terms used in GASB actuarial valuations are noted below.

Actuarial Liability (also referred to as Present Value of Future Benefits) – Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.

Actuarial Accrued Liability – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of plan benefits and expenses which is not provided for by the future Normal Costs.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, turnover, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.

Actuarial Cost Method – A procedure for determining the Actuarial Present Value of future benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Actuarial Present Value – The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

Annual OPEB Cost – An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

Annual Required Contribution (ARC) – The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.

Explicit Subsidy – The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.

Funded Ratio – The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

Healthcare Cost Trend Rate – The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Implicit Rate Subsidy – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.

Net OPEB Obligation – The cumulative difference since the effective date of this Statement between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

Normal Cost – The portion of the Actuarial Present Value of plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

Pay-as-you-go – A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

Per Capita Costs – The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.

Select and Ultimate Rates – Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the healthcare trend rate assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed healthcare trend rate of 6.5% for year 20W0, 6.0% for 20W1, 5.5% for 20W2, then 5.0% for 20W3 and thereafter, then 6.5%, 6% and 5.5% are select rates, and 5% is the ultimate rate.

Substantive Plan – The terms of an OPEB plan as understood by the employer(s) and plan participant.

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
TOT AUDIT OPTIONS REVIEW AND PROPOSAL

PRESENTED BY:
Tyrell Staheli, Finance Director

BACKGROUND

An audit is an official examination and verification of financial accounts and records as they pertain to the tax returns under review. State statutes allow for the auditing of records up to four years prior. The City code requires operators to retain 3 yrs worth of records which would be the basis for the audit. The City of Ridgecrest has the ability to conduct both in-house and on-site audits of its TOT remitters.

The Objectives of an Audit

1. To determine whether the operator is in compliance with the City's Transient Occupancy Tax Ordinance.

2. To determine whether revenues reported in the tax returns agree with the general ledger and are supported with source documents.

3. To perform the audit in accordance with generally accepted auditing standards and generally recognized sampling techniques in order to yield a fair and impartial result in accordance with the normal conditions of the business.

4. To educate operators regarding Transient Occupancy Tax reporting, collection, and enforcement efforts.

5. To perform the audit in the most efficient manner.

Taxable Items

In addition to the rent paid for each night of a transient stay (31 days or less) other fees are also subject to TOT. Any required fee that a guest must pay in order to stay at a facility is taxable. This includes but is not limited to:

- Rent
- Cleaning fees
- Extra person fees
- Pet fees
- Resort fees
- Linen fees
- "No Show" forfeited deposits
- Late Check-Out fees

Audit Types/Options

Contract:

- City selects and engages a firm to conduct the TOT audit at the City's expense.
- Primarily on-site at the operator's establishment.
- In FY 2014 the City engaged MuniServices to evaluate all operators for risk and audit the 7 highest-risk at a cost of approximately $18,000.
- Contract audit can take upwards of 6 months depending on responsiveness of the operators.

In-House:

- In-house Audits are conducted in the City offices. For an in-house audit, operators submit their financial documents to City staff who then conducts the audit in the City office.
- In-house audits can take between one and two weeks to complete per operator after receipt of requested documentation.
- The cost is staff time, which may take away from other responsibilities depending on number of audits and staffing level.

How the City Schedules In-house Audits

In accordance with the Municipal Code, the City may audit TOT records at any and all reasonable times; however, the City recognizes the value of its lodging partners and will make reasonable attempts to accommodate the operators' needs when scheduling audits.

The first contact with the operator occurs after initial pre-audit research and review has been completed by the Finance Department. Staff prepares a letter for the Director's signature. Staff then sends out an Initial Letter with a request to schedule the audit at least one month in advance. A phone call is also recommended. If the original date is not convenient for the Operator, Staff will reschedule and send a confirmation letter with the mutually agreed upon date.

Recommendation

Staff recommends continuation of the In-House Audit implementation process. This not only saves funds but ensures continuous and on-going audits of the operators.

FISCAL IMPACT:
In-house – None when using existing staff
Contract – Approximately $18,000 for 7 operators, funding has been cut in current budget.
Reviewed by Finance Director:

ACTION REQUESTED: Direction to staff to continue to implement In-house auditing procedures or return with additional budget request for Contract auditors.

CITY MANAGER 'S RECOMMENDATION:
Action as requested:

Submitted by: Tyrell Staheli Action Date: Dec 2, 2015

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
Review and Discussion of the Special Consulting Agreement with Justin O'Neill

PRESENTED BY:
Peggy Breeden - Mayor

SUMMARY:

At the regular meeting of Council on November 18, 2015, Mayor Breeden requested a discussion item be added to the agenda to review the Special Consulting Agreement between the City of Ridgecrest and Justin O'Neill.

The purpose of the discussion is to review and clarify the following concerns:

- How things are accomplished.
- What is to be done?
- What are our options?
- Potential return for investment.

FISCAL IMPACT:
None
Reviewed by Finance Director

ACTION REQUESTED:
Discussion item only.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Rachel J. Ford Action Date: December 2, 2015
(Rev. 6/12/09)

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SPECIAL CONSULTANT AGREEMENT

As of August 6, 2014, the City of Ridgecrest, hereinafter called "Agency," and Justin O'Neill, hereinafter called "Consultant," agree as follows:

1. Purpose, Services, and Findings.

(a) Pursuant to this agreement, Consultant will provide Agency in general, and Agency's City Council in particular, with special administrative services for upcoming projects, including but not limited to cultural events and the promotion of Agency. Specifically, Consultant shall perform services in accordance with the instructions set forth in the document entitled SPECIAL PROJECTS CONSULTANT - Scope, Duties, and Approach – attached hereto as Exhibit "A" and incorporated herein by this reference.

(b) The Consultant shall, in good workmanlike and professional manner, furnish the special, technical, administrative, professional, and other labor, supplies and materials, equipment, printing, vehicles, transportation, office space and facilities necessary to perform and complete the work and provide the services as set forth in this Agreement.

(c) Agency finds that (1) the nature of the work to be provided qualifies as special services for purposes of Government Code section 53060, (2) Consultant has the necessary qualifications required of a person furnishing the special services, and (3) due to the nature of the services provided and the unique qualifications of Consultant, Agency cannot provide these services without the assistance of Consultant. Agency further finds that the services to be provided are desired from only one source for the purpose of maintaining a cost effective consistency.

2. Consideration.

(a) In consideration for Consultant's work for Agency, as described within this Agreement, Agency shall compensate Consultant $26,000 annually. Agency shall be afforded a minimum of thirty (30) days to pay each of the above-referenced invoices.

3. Term.

This Agreement shall commence on the date above written. Either party may terminate this agreement on thirty (30) days' written notice. If this contract is terminated by Agency without cause, Agency shall pay Consultant for work performed prior to the date the notice of termination is received by Consultant. If the contract is terminated by Consultant without cause, Consultant shall reimburse Agency for additional costs to be incurred by Agency in obtaining the work from another consultant.

4. Ownership of Data, Reports, and Documents.

The Consultant shall deliver to Agency on demand or termination of this Agreement data, notes, reports, studies, and other materials and documents pertaining to Consultant's work for Agency, which shall be the property of the Agency. If the Agency uses any of the data, notes, reports, studies, and other materials and documents furnished or prepared by the Consultant for projects other than the project described in paragraph 1 above, the Consultant shall be released from responsibility to third parties concerning the use of the data, notes, reports, studies, and other materials and documents. The Consultant may retain copies of the materials. The Agency may use or reuse the materials prepared by Consultant without additional compensation to Consultant.

5. Subcontracts.

The Consultant shall not subcontract or assign responsibility for performance of any portion of this Agreement without the prior written consent of the Agency. Except as otherwise specifically approved by Agency, Consultant shall include appropriate provisions of this Agreement in subcontracts so rights conferred to Agency by this Agreement shall not be affected or diminished by subcontract. There shall be no contractual relationship intended, implied, or created between Agency and any subcontractor with respect to services under this Agreement.

6. Independent Contractor.

The Consultant is an independent contractor, and not an employee of Agency.

7. Indemnification.

Consultant shall defend, indemnify, and hold harmless Agency, its officers, employees and agents, from and against loss, injury, liability, or damages arising from any act or omission to act, including any negligent act or omission to act by Consultant or Consultant's officers, employees, or agents. Consultant's duty to indemnify and defend does not extend to the damages or liability caused by the Agency's sole negligence, active negligence, or willful misconduct.

8. Miscellaneous.

(a) Neither party hereto shall assign, sublet, or transfer interests hereunder without first obtaining written consent from the other party.

(b) The waiver by either party of any breach of this agreement shall not bar the other party from enforcing any subsequent breach thereof.

(c) Notices shall be deemed received when deposited in the U.S. Mail with postage prepaid and registered or certified addressed as follows unless advising in writing to the contrary:

City of Ridgecrest
ATTN: Mayor
100 W. California Ave.
Ridgecrest, CA 93555-4054

Justin O'Neill
113 Nancy Ave
Ridgecrest, CA 93555

(d) If an action at law or in equity is brought to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees and costs.

9. Integration.

This Agreement represents the entire understanding of Agency and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

10. Governing Law.

This Agreement shall be interpreted and construed under, and the rights of the parties will be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed the date first above written.

APPROVED:
Agency

By: _____
Dan Clark, Mayor

APPROVED:
Consultant

By: _____
Justin O'Neill

Attest:

By: _____
Rachel J. Ford, CMC, City Clerk

Approved as to Form:

By: _____
Michael Silander, Esq., Deputy City Counsel

Exhibit A

SPECIAL PROJECTS CONSULTANT

Scope, Duties, and Approach

SPECIAL CONSULTANT AGREEMENT

This document, entitled Special Projects Consultant - Scope, Duties, and Approach - is attached to the underlying Special Services Agreement and outlines the scope, duties, and approach of Consultant under that Agreement. If this document or anything herein conflicts with the Special Consultant Agreement, the language of that Agreement will take precedence.

PROJECT SCOPE

To create a position wherein special projects necessary to the growth, balance, and vitality of the Ridgecrest community are explored, researched, and developed. It will be the function of the Consultant to use his expertise to prioritize and prudently utilize resources in the completion of a task list to be created by the City Council.

DUTIES OF SPECIAL PROJECTS CONSULTANT

The Consultant will assist the City in development and execution of a Communications Plan for effective, timely communication with the public. At the direction of the City Council, the Consultant will provide support services in a uniform, non-discriminatory manner. The work of the Consultant shall include, but not be limited to the following:

1. Explore revenue producing opportunities submitted by the City Council or proposed by Consultant. Develop plans, proposals, or presentations as requested by City Council pertaining to revenue producing projects, programs, and potentials.

2. Research projects with potential for further development submitted by the City Council or proposed by Consultant. Develop plans, proposals, or presentations as requested by City Council pertaining to the impact of projects or programs.

3. Create surveys, research reports, or other mechanisms that test the viability of potential programs and projects.

4. Develop a Communications Plan for consistent, informative communication from the City to the public regarding actions of the City Council and staff, and regarding City programs, services, and initiatives. The Consultant should initiate ideas on when and how to inform the public.

5. Review existing policies and draft new communication and media policies relating to City communications, and develop and execute a strategy to improve all forms of communication available to the City with the public which includes the City's government access channel (K41GO/Cable Channel 6), web site, Facebook, Twitter, and other forms of communication as recommended by the Consultant.

6. Arrange for, and coordinate, media coverage of issues before the City, including organizing press conferences and interviews and arranging appearances on appropriate media outlets. Provide guidance to City representatives in advance of public appearance and media coverage events, as directed by the City.

7. Make recommendations to the City for more timely, transparent and effective communication with residents, businesses, and guests of the City.

8. Review areas of opportunity and develop a comprehensive marketing plan for targeted areas of the City.

9. Research and evaluate potential grants, community events, signatures events, and community projects.

10. Assist and or supervise the set-up, running, and break down of the City sponsored events, identifying and resolving problems.

11. Meet with appropriate Councilmember, City staff and other responsible parties to plan events, logistics, press releases, and estimate event budgets.

12. Plan and manage the logistics of an event, including press releases, venue, guests, programs, catering, and marketing.

13. With City Council direction, perform the tasks of negotiating pricing, pre-selecting options and maintaining budget oversight for the event.

Methodology for project approach

1. The City Council shall discuss and determine the services to be performed by the Consultant at a public council meeting. The Consultant will thereafter submit a concise but detailed monthly narrative to the City Council indicating the proposed approach to providing the required services. The City Manager will review direction by Council for legality and relevance per the contract. The Consultant's methodology should be included, describing how the Consultant will approach each task and initiative and what will be included in the billing to the City. Consultant will also include a description of the types of services to be provided and a budget for a typical month, showing estimated number of hours and hourly

billing rate. All fees are limited pursuant to the cap established in the Special Consultant Agreement.

2. The proposal should include an hourly cost of service and a rate based on assignments by project and shall be approved at a public meeting. If Consultant performs special services exceeding 20 hours per week, any additional hours must be approved by the City Council at an open session council meeting.

3. Consultant will provide timely progress reports and performance measurements as needed towards the completion of specific long term projects.

4. The consultant's proposed budget should assume that the printing and distribution of printed documents will be performed in house and at the cost of the City.

5. Any staff involvement will be at the direction of the City Manager.

RESOLUTION NO. 14-79

A RESOLUTION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH JUSTIN O'NEILL AND AUTHORIZE THE MAYOR, DANIEL O. CLARK, TO SIGN THE AGREEMENT.

WHEREAS, The City Council expressed a desire to enter into an agreement with Justin O'Neill to assist with special projects; and

WHEREAS, Mr. O'Neill has demonstrated a proficiency in providing such unique services; and

WHEREAS, The City Attorney provided the legal basis for sole sourcing, the public policy rationale, and the guidelines that must be followed to enter in to a sole source agreement; and

WHEREAS, the City Council determined that this agreement meets the sole source guidelines; and

WHEREAS, the City Council determined the source of funding for this agreement.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest Hereby Approves A Professional Service Agreement with Justin O'Neill ; and authorizes the Mayor, Daniel O. Clark, To Sign The Agreement upon review and the approval of the City Attorney; and directs the Finance Director to make the necessary budget adjustments..

APPROVED AND ADOPTED this 6th day of August 2014 by the following vote.

AYES: Mayor Clark, Council Members Holloway and Acton
NOES: Council Member Sanders
ABSENT: None
ABSTAIN: Council Member Morgan

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
Discussion Of A Revised Water Conservation And Landscaping Ordinance

PRESENTED BY:
Keith Lemieux – City Attorney

SUMMARY:

This item was brought for discussion at the regular City Council meeting of November 18.

It was agreed by Council that the City Attorney would revise the State's model ordinance to be more comprehensible to the public and incorporate revisions which would more closely correspond with the Indian Wells Valley Water District ordinance, with regard to watering schedules.

At the time of posting of the agenda, the supporting documents were still under revision by the City Attorney's office and will be released under supplemental cover once available.

FISCAL IMPACT:
None
Reviewed by Finance Director

ACTION REQUESTED:
Discuss and revise draft water conservation and landscaping ordinance

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Rachel J. Ford Action Date: December 2, 2015
(Rev. 6/12/09)

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Medical Marijuana Cultivation Facilities.

PRESENTED BY:
Ronald N. Strand – Chief of Police

SUMMARY:

Recently, Governor Brown signed into law the Medical Marijuana Regulation and Safety Act (MMRSA). MMRSA will require that all medical marijuana businesses (dispensaries, delivery services and cultivation) have a dual license (State and City) in the future to operate. Under MMRSA, cities may prohibit medical marijuana dispensaries, delivery services and cultivation within their jurisdictions, but must do so by March 1, 2016. If cities do not have ordinances prohibiting or regulating these activities by this date then the sole licensing authority in these jurisdictions will be the State.

Currently, Ridgecrest Municipal Code section 4-24 prohibits medical marijuana dispensaries and delivery services, but does not prohibit cultivation for commercial purposes. This ordinance amendment would prohibit the commercial cultivation of medical marijuana within the City of Ridgecrest.

Note: Medical marijuana patients and caregivers will still be allowed to possess and cultivate marijuana for their personal use within the City under current State law.

These changes have been reviewed and approved to form by the City Attorney

Recommended Motions:

Motion To Waive Reading In Full Of An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Medical Marijuana Cultivation Facilities

Requires A Second

Motion To Introduce, By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Medical Marijuana Cultivation Facilities

Requires A Second

FISCAL IMPACT:
None.

ACTION REQUESTED:
Approve recommended motions

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:
Action as requested: Approve recommended motions

Submitted by: Rachel J. Ford Action Date: December 2, 2015
(Rev. 02/13/12)

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ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIDGECREST AMENDING THE RIDGECREST MUNICIPAL CODE AS IT RELATES TO MEDICAL MARIJUANA CULTIVATION FACILITIES

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIDGECREST as follows:

Section 1. Purpose.

The Municipal Code of the City of Ridgecrest currently regulates medical marijuana dispensaries, but not medical marijuana cultivation facilities. This ordinance amends the Municipal Code by prohibiting medical marijuana cultivation facilities to be established, located, or operated in the City of Ridgecrest.

Section 2. Amendments.

Section 4-24.101 of Chapter IV of the Ridgecrest Municipal Code is hereby amended and reenacted to read in its entirety as follows:

"**4-24.101. - Medical Marijuana Dispensaries and Cultivation Facilities Prohibited.**

(a) No medical marijuana dispensary or cultivation facility shall be established or located or operated within the City of Ridgecrest, nor shall any building permit, use permit, zoning, clearance, business tax receipt, or other entitlement for use be issued for any medical marijuana dispensary or cultivation facility, nor shall any existing uses be modified to add a medical marijuana dispensary or cultivation facility.

(b) No person shall establish, operate, or permit to be operated a medical marijuana dispensary or cultivation facility in or upon any premises in the City, nor operate such a dispensary or cultivation facility as a mobile vendor. It is a violation of this Article for any person to knowingly allow property of which he or she is the tenant or owner to be used as a medical marijuana dispensary or cultivation facility."

Section 4-24.102 of Chapter IV of the Ridgecrest Municipal Code is hereby amended and reenacted to read in its entirety as follows:

"**4-24.102. - Definitions.**

For purposes of this Article, unless otherwise apparent from the context, the following definitions apply:

(a) "Marijuana" means all parts of organically grown Cannabis plants, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seed, or its resin. "Marijuana" does not include the mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, or any other compound, manufacture, salt, derivative, mixture, or preparation of mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

(b) "Medicinal marijuana" is marijuana authorized in strict compliance with California Health and Safety Code Sections 11362.5—11362.9.

(c) "Medical marijuana dispensary," "medicinal marijuana dispensary," "dispensary," "medical marijuana client" and "clinic" means any facility, site, location or mobile vending vehicle where medical marijuana is distributed, sold, exchanged, given away, distributed, or made available to three (3) or more persons in the following categories: primary caregiver, qualified patient, or person with a valid identification card, in strict accordance with California Health and Safety Code Sections 11362.5—11362.9, but does not include the following uses, so long as such uses and the location of such uses comply with applicable laws, including but not limited to California Health and Safety Code Sections 11362—11362.9 and the Ridgecrest Municipal Code:

1. A clinic licensed pursuant to Chapter 1 of Division 2 (Sections 1200 et seq.) of the Health and Safety Code;

2. A health facility licensed pursuant to Chapter 2 of Division 2 (Section 1250 et. seq.) of the California Health and Safety Code;

3. A residential care facility for persons with chronic life-threatening illnesses licensed pursuant to Chapter 3.01 of Division 2 (Sections 1568.01 et seq.) of the California Health and Safety Code;

4. A residential care facility for the elderly, licensed pursuant to Chapter 3.2 of Division 2 (Sections 1569.2 et seq.) of the California Health and Safety Code;

5. A residential hospice or a home health agency, licensed pursuant to Chapter 8 of Division 2 (Sections 1725 et seq.) of the California Health and Safety Code.

(d) "Primary Caregiver" means the individual (or individuals) older than eighteen (18) years of age, designated by a qualified patient, who has consistently assumed responsibility for the housing, health, or safety of that qualified patient.

(e) "Qualified patient" means a seriously ill person who obtains a recommendation form a physician, licensed to practice medicine in the State of California, to use marijuana for personal medical purposes. In addition, persons currently under the care of a physician for certain medical conditions including, but not limited to, HIV/AIDS, cancer, glaucoma, epilepsy or other spasticity related illness, migraine, anorexia, sever nausea are presumed to be "qualified patients."

(f) "Identification card" means a document issued by the California Department of Health Services, or by a county in the state of California, that identifies a person authorized to engage in the medical use of marijuana and that person's primary caregiver, if any.

(g) "Cultivation facility" means any facility, site, location or mobile vending vehicle where one or more cannabis plants are cultivated, raised, grown, or maintained for commercial purposes."

Section 3. Other.

Except as otherwise provided, the Ridgecrest Municipal Code is reaffirmed and readopted.

PASSED, APPROVED, AND ADOPTED at a regular meeting of said City Council held on _____, 2015, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Peggy Breeden, Mayor

ATTEST:

_____
Rachel J. Ford, City Clerk

(Seal)

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