

# **Gridley City Council – Regular Meeting Agenda**

Monday, August 1, 2022; 6:00 pm  
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on August 1<sup>st</sup>, 2022, via email to [csantana@gridley.ca.us](mailto:csantana@gridley.ca.us) or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

You may view using the following link, ID, and passcode:

Webinar ID:

<https://us06web.zoom.us/j/82852601846?pwd=VVFwU2lMbKZ2N1RXcm0vRjNLSk1Jdz09>

Passcode: 588834

**OR**

Call-in using one of the following numbers, and the above ID and passcode:

1-(253) 215-8782

1-(720) 707-2699

To make a public comment during the Community Participation Forum or during the public portion of any agenda item, use the ‘raise hand’ feature and you will be called on when it’s your turn to speak.

**CALL TO ORDER** - Mayor Johnson

**ROLL CALL**

**PLEDGE OF ALLEGIANCE** – Councilmember Calderon

**INVOCATION** – None

**PROCLAMATION** – National Night Out 2022

**INTRODUCTION OF NEW OR PROMOTED EMPLOYEES**

- Humberto Ramos, Public Works Maintenance Worker II
- Sueane Ballard, Fill-in Transit Driver,
- Carlos Chavez, Public Works Temporary Maintenance Worker
- Juan Orozco, Public Works Temporary Maintenance Worker

**COMMUNITY PARTICIPATION FORUM** - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

## **CONSENT AGENDA**

1. City Council Minutes Dated July 18<sup>th</sup>, 2022
2. General Plan Annual Report

## **ITEMS FOR CONSIDERATION**

3. Ordinance 838-2022 Second Reading and Adoption of by Title Only: An Ordinance of The City of Gridley, California, Adopting A Military Equipment Use Policy and Amending Title 2 Administration and Personnel, Chapter 2, of The Gridley Municipal Code by Adding Section 2.25 "Military Equipment Use Policy" in Compliance with Assembly Bill 481.
4. Gridley Museum Window Upgrades
5. IRS Audit Final Report Review
6. Resolution No. 2022-R-027: A Resolution of the City Council of the City of Gridley approving Agreement No. 2CA05714 with the California Department of Forestry and Fire Protection and authorizing the mayor to sign the agreement for services from July 1, 2022, to June 30, 2023
7. Resolution No. 2022-R-028: A Resolution of The City Council of The City of Gridley Approving the Attestation to the Veracity of the 2021 Power Source Disclosure Report and Submission of The Report to The California Energy Commission.
8. Review and Approval of City Council Response to the Butte County Grand Jury Findings and Recommendations 2022

**CITY STAFF AND COUNCIL COMMITTEE REPORTS** - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

**CITY ADMINISTRATOR REPORTS** - *Brief updates and reports on conferences, seminars, and meetings attended by the City Administrator, if any.*

**POTENTIAL FUTURE CITY COUNCIL ITEMS** - *(Appearing on the Agenda within 30-90 days):*

Gridley Community Clean Up Day (Oct.)	8/15/2022
Tobacco Free Parks Ordinance First Reading	8/15/2022
Informational Update from Waste Management	8/15/2022
Edler Estates	9/6/2022

**CLOSED SESSION** - None

**ADJOURNMENT** – adjourning to a Regular meeting on August 15<sup>th</sup>, 2022.

**NOTE 1: POSTING OF AGENDA-** This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., July 29<sup>th</sup>, 2022. This agenda along with all attachments is available for public viewing online at [www.gridley.ca.us](http://www.gridley.ca.us) and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

**NOTE 2: REGARDING UNSCHEDULED MATTERS –** In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.



## **NATIONAL NIGHT OUT 2022**

### **Proclamation**

**WHEREAS**, the National Association of Town Watch (NATW) sponsors a national community-building campaign on Tuesday, August 2<sup>nd</sup>, 2022, entitled “National Night Out”; and

**WHEREAS**, the 39th annual “National Night Out” provides a unique opportunity for neighbors in Gridley to join over 38 million neighbors across 16 thousand communities from all 50 states, U.S. Territories and military bases worldwide; and

**WHEREAS**, National Night Out is an annual community-building campaign that promotes strong police-community partnerships and neighborhood camaraderie to make our neighborhoods safer, more caring places to live and work; and

**WHEREAS**, the City of Gridley plays a vital role in assisting the Gridley Police Department through joint crime, drug and violence prevention efforts in Gridley and is supporting “National Night Out” locally; and

**WHEREAS**, neighbors in Gridley assist the Gridley Police Department through joint community-building efforts and support National Night Out 2022; and

**WHEREAS**, it is essential that all neighbors of the City of Gridley come together with the Gridley Police Department and work together to build a safer, more caring community; and

**WHEREAS**, it is essential that all citizens of the City of Gridley be aware of the importance of crime prevention programs and the impact that their participation can have on reducing crime, drugs and violence in Gridley; and

**WHEREAS**, police-community partnerships, neighborhood safety, awareness and cooperation are important themes of the “National Night Out” program.

**NOW, THEREFORE WE**, the City Council of the City of Gridley, do hereby call upon all citizens of Gridley to join the Gridley Police Department and the National Association of Town Watch in support for the National Night Out on Tuesday, August 2<sup>nd</sup>, 2022.

**FURTHER, LET IT BE RESOLVED THAT** I, Bruce Johnson, Mayor of the City of Gridley, do hereby proclaim Tuesday, August 2<sup>nd</sup>, 2022, as “**NATIONAL NIGHT OUT**” in Gridley.

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Bruce Johnson, Mayor



## **Gridley City Council – Regular Meeting Minutes**

Monday, July 18, 2022; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

### **CALL TO ORDER**

**Mayor Johnson called the meeting to order at 6:00 pm.**

### **ROLL CALL**

#### **Councilmembers**

Present: Johnson, Farr, Sanchez, Calderon

Absent: Torres

Arriving after roll call: None

#### **Staff Present:**

Cliff Wagner, City Administrator

Rodney Harr, Chief of Police

Tony Galyean, City Attorney

Ross Pippitt, Public Works Director

Elisa Arteaga, Financial Director

Dave Harden, City Engineer

Donna Decker, City Planner

### **PLEDGE OF ALLEGIANCE**

**Councilmember Sanchez led the pledge of allegiance.**

### **INVOCATION – None**

### **PROCLAMATION - None**

### **INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - None**

### **COMMUNITY PARTICIPATION FORUM**

**The forum was opened and seeing no one was present to speak, was closed.**

### **CONSENT AGENDA**

1. City Council Minutes Dated June 20<sup>th</sup>, 2022
2. Resolution No. 2022-R-026: A Resolution of The City Council of The City of Gridley, Requesting the Board of Supervisors of The County of Butte to Consolidate a General

Municipal Election to Be Held on Tuesday, November 8<sup>TH</sup>, 2022, With the Statewide General Election to Be Held on the Date Pursuant To §10403 of the Elections Code.

**Motion to approve the consent agenda was made by Vice Mayor Farr, seconded by Councilmember Calderon.**

**ROLL CALL VOTE**

**Ayes: Johnson, Farr, Calderon, Sanchez**

**Motion Passed, 4-0**

**ITEMS FOR CONSIDERATION**

3. First Reading of Ordinance 838-2022 by Title Only: An Ordinance of The City of Gridley, California, Adopting A Military Equipment Use Policy and Amending Title 2 Administration and Personnel, Chapter 2, of The Gridley Municipal Code by Adding Section 2.25 "Military Equipment Use Policy" in Compliance with Assembly Bill 481

**Item #3 was removed from consent agenda by Council to be placed on items for consideration.**

**First reading of ORD 838-2022 was by title only, no vote was taken at this time.**

4. Gridley Chamber of Commerce Donation Request 2022

**Lisa Van De Hey presented the request to Council on The Chamber of Commerce's behalf.**

**Motion to approve the request was made by Councilmember Calderon, seconded by Vice Mayor Farr.**

**ROLL CALL VOTE**

**Ayes: Johnson, Farr, Calderon, Sanchez**

**Motion Passed, 4-0**

5. Request for Council designation of Voting Delegate and Alternate(s) for League of Ca Cities Annual Conference and Expo (Annual Business Meeting) September 7-9, 2022

**Administrator Wagner recommend the Council designate a voting delegate and alternate for the League of Ca Cities Annual Conference.**

**Council nominated Vice Mayor Farr as the delegate and Mayor Johnson as the alternate.**

**ROLL CALL VOTE**

**Ayes: Johnson, Farr, Calderon, Sanchez**

**Motion Passed, 4-0**

6. Informational Update – Cal Trans "State Route 99 Roadway Rehabilitation in Gridley" Discussion



Administrator Wagner along with Dave Harden, City Engineer and Donna Decker, City Planner presented the proposed Caltrans Cooperative agreement. It was explained to Council that there were several items that were redlined by City staff and resubmitted for consideration but have not been met with any cooperation. After an extensive discussion, City staff was directed by Council to take steps in contacting legislative representatives to meet, along with other involved parties, to seek resolution.

7. Butte County Grand Jury Report – Verbal Report and Discussion

Administrator Wagner reviewed the recent Butte County Grand Jury Report that had reported on the City of Gridley's Pending audit report for FY 19-20.

Mr. Coghlan expressed concern over the accountability of the delayed audit.

8. Requesting Council Review and Approval of Water, Sewer, and Electric Cost of Service Studies

Considering the recommendations made by the Butte County Grand Jury Report, Administrator Wagner requested that Council review and approve the Utility Financial Solutions, LLC contract for a cost- of-service study for sewer, water, and electric utilities.

Mr. Coghlan expressed concern of the timing for a cost-of-service study.

CITY STAFF AND COUNCIL COMMITTEE REPORTS

Councilmember Sanchez reported that she had been nominated to serve on the Executive Board of NCPA.

Mayor Johnson briefly reported on his attendance at the Sutter Butte Flood Control Agency and Mosquito and Vector Control District.

CITY ADMINISTRATOR REPORTS - None

POTENTIAL FUTURE CITY COUNCIL ITEMS - *(Appearing on the Agenda within 30-90 days):*

Edler Estates	8/15/2022
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CLOSED SESSION

9. Conference With Legal Counsel Pursuant to Government Code 54956.95 – Liability Claims Against the City of Gridley: Claim of Lori Zufelt

10. Closed Session Pursuant to Government Code 54956.9 - Conference with Legal Counsel to Discuss Existing Litigation: Worker's Compensation Case of Ruth Hennessy, Case No. WCBA ADJ13952257

Council went into closed session at 8:02 pm and came out at 8:16 pm with no reportable action.

ADJOURNMENT

**With no further items to discuss, Mayor Johnson adjourned to the next regular meeting on August 1<sup>st</sup>**

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**Cliff Wagner, City Administrator**

DRAFT

**City Council Item #2**  
**Staff Report**

**Date:** August 1, 2022

**To:** Mayor, Councilmembers

**From:** Donna Decker, Planning Department

**Subject:** General Plan Annual Report

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<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

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**Recommendation**

City staff recommends the City Council accept the information within the General Plan Annual Report 2022

**Discussion**

The city is required to evaluate its progress in the implementation of its General Plan goals and policies. The Implementation Strategies provide direction for the city to fulfill the goals and policies it adopted in 2009.

The attached document, General Plan Annual Report, provides the annual report requirements and a summary of the role the General Plan provides for direction of development within the city. The Housing Element is an Element of the General Plan and is also required to be reviewed annually and submitted to the state. The Housing Element Annual Report was completed and accepted by the State of California Department of Housing and Community Development and is attached as an appendix to the General Plan Annual Report.

The city is generally pursuing implementation of the General Plan; however, some legislation has changed since the time of adoption that changes the process to take action. These areas are noted in the response to the specific strategy.

The annual report is presented with an overview, figures depicting the existing General Plan Map, and the Planned Growth Area. Each of the elements within the General Plan have "Implementation Strategies" to which a response, or, status of the work towards that strategy is described. Many of the strategies do not end with a particular action, but rather are on-going and used in the planning process.

**Conclusion**

The General Plan Annual Report process requires review by the City Council prior to being submitted to the state.

**Environmental Review**

The proposed project is categorically exempt from environmental review pursuant to the California Environmental Quality Act, Section 15061(b) (3), and Review for Exemption, General Rule.

**Public Notice**

A notice was posted response at City Hall, made available at the Administration public counter, and placed on the city website for review.

**Attachments**

General Plan Annual Report (due to the size of the attachment this will be available for review at City Hall)



**City Council Agenda Item #3**  
Staff Report

**Date:** August 1<sup>st</sup>, 2022

**To:** Mayor and City Council

**From:** Rodney Harr, Chief of Police

**Subject:** ORD 838-2022: Second Reading and Adoption by Title Only of An Ordinance of The City of Gridley, California, Adopting A Military Equipment Use Policy And Amending Title 2 Administration And Personnel, Chapter 2, of The Gridley Municipal Code By Adding Section 2.25 "Military Equipment Use Policy" in Compliance With Assembly Bill 481

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<input type="checkbox"/>	Emergency

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**Recommendation**

Second Reading and adoption by title only, Title 2, Administration and Personnel, Chapter 2, adding section 2.25 "Military Equipment Use Policy" and approving the use, acquisition, collaboration, and seeking of funding for military equipment, as required by California Government Code § 7071 (a)(1) per Assembly Bill (AB) 481.

**Background**

AB 481 creates a new statutory mandate for the Police Department. Specifically, the law concerns the funding, acquisition, and use of military equipment by law enforcement agencies. The language of the new Military Equipment Policy provides a non-exhaustive list of examples and definitions for such equipment. Agencies may also consult Government Code § 7070, 7071, and 7072 for the source of these definitions, as well as comprehensive information about state law requirements and processes for military equipment. AB 481 requires agencies to obtain policy approval through adoption of an Ordinance. Following approval, agencies are further required to submit an annual military equipment report to the governing body for as long as the equipment is available for use. Agencies must also publish their Military Equipment Policy on their website 30 days prior to hearing. This Military Equipment Use Policy has been posted on the City of Gridley and Gridley Police Department websites since May 16, 2022

**Fiscal Impact**

None, there is no fiscal impact for the approval of this Resolution

**Compliance with City Council Strategic Plan or Budget Goals**

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters, as well as its ongoing efforts to support the community in such ominous financial times.

**Attachments**

Military Equipment Use Lexipol Policy 706 and GPD Inventory  
ORD 838-2022: Military Use Ordinance Policy with Amendment

# Military Equipment

## 706.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, and reporting requirements of military equipment (Government Code § 7070; Government Code § 7071; Government Code § 7072).

### 706.1.1 DEFINITIONS

Definitions related to this policy include (Government Code § 7070):

**Governing body** – The elected or appointed body that oversees the Department.

**Military equipment** – Includes but is not limited to the following:

- Unmanned, remotely piloted, powered aerial or ground vehicles.
- Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers.
- High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached.
- Tracked armored vehicles that provide ballistic protection to their occupants.
- Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- Weaponized aircraft, vessels, or vehicles of any kind.
- Battering rams, slugs, and breaching apparatuses that are explosive in nature. This does not include a handheld, one-person ram.
- Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition.
- Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code § 30515, with the exception of standard-issue firearms.
- Any firearm or firearm accessory that is designed to launch explosive projectiles.
- Noise-flash diversionary devices and explosive breaching tools.
- Munitions containing tear gas or OC, excluding standard, service-issued handheld pepper spray.
- TASER® Shockwave, microwave weapons, water cannons, and long-range acoustic devices (LRADs).
- Any other equipment as determined by a governing body or a state agency to require additional oversight.

## 706.2 POLICY

It is the policy of the Gridley Police Department that members of this department comply with the provisions of Government Code § 7071 with respect to military equipment.

# Gridley Police Department

Gridley PD Policy Manual

## *Military Equipment*

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### **706.3 MILITARY EQUIPMENT COORDINATOR**

The Chief of Police should designate a member of this department to act as the military equipment coordinator. The responsibilities of the military equipment coordinator include but are not limited to:

- (a) Acting as liaison to the governing body for matters related to the requirements of this policy.
- (b) Identifying department equipment that qualifies as military equipment in the current possession of the Department, or the equipment the Department intends to acquire that requires approval by the governing body.
- (c) Conducting an inventory of all military equipment at least annually.
- (d) Collaborating with any allied agency that may use military equipment within the jurisdiction of Gridley Police Department (Government Code § 7071).
- (e) Preparing for, scheduling, and coordinating the annual community engagement meeting to include:
  - 1. Publicizing the details of the meeting.
  - 2. Preparing for public questions regarding the department's funding, acquisition, and use of equipment.
- (f) Preparing the annual military equipment report for submission to the Chief of Police and ensuring that the report is made available on the department website (Government Code § 7072).
- (g) Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of military equipment, and how the Department will respond in a timely manner.

### **706.4 MILITARY EQUIPMENT INVENTORY**

The following constitutes a list of qualifying equipment for the Department:

[Insert attachment here]

### **706.5 APPROVAL**

The Chief of Police or the authorized designee shall obtain approval from the governing body by way of an ordinance adopting the military equipment policy. As part of the approval process, the Chief of Police or the authorized designee shall ensure the proposed military equipment policy is submitted to the governing body and is available on the department website at least 30 days prior to any public hearing concerning the military equipment at issue (Government Code § 7071). The military equipment policy must be approved by the governing body prior to engaging in any of the following (Government Code § 7071):

- (a) Requesting military equipment made available pursuant to 10 USC § 2576a.
- (b) Seeking funds for military equipment, including but not limited to applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.

# Gridley Police Department

## Gridley PD Policy Manual

### *Military Equipment*

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- (c) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.
- (d) Collaborating with another law enforcement agency in the deployment or other use of military equipment within the jurisdiction of this department.
- (e) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body.
- (f) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of military equipment.
- (g) Acquiring military equipment through any means not provided above.

#### **706.6 COORDINATION WITH OTHER JURISDICTIONS**

Military equipment used by any member of this department shall be approved for use and in accordance with this Department policy, Military equipment used by other jurisdictions that are providing mutual aid to this Department, or otherwise engaged in law enforcement operations in this jurisdiction, shall comply with their respective military use policies in rendering mutual aid or operating in this jurisdiction.

#### **706.7 ANNUAL REPORT**

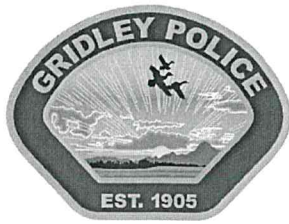
Upon approval of a military equipment policy, the Chief of Police or the authorized designee should submit a military equipment report to the governing body for each type of military equipment approved within one year of approval, and annually thereafter for as long as the military equipment is available for use (Government Code § 7072).

The Chief of Police or the authorized designee should also make each annual military equipment report publicly available on the department website for as long as the military equipment is available for use. The report shall include all information required by Government Code § 7072 for the preceding calendar year for each type of military equipment in department inventory.

#### **706.8 COMMUNITY ENGAGEMENT**

Within 30 days of submitting and publicly releasing the annual report, the Department shall hold at least one well-publicized and conveniently located community engagement meeting, at which the Department should discuss the report and respond to public questions regarding the funding, acquisition, or use of military equipment.





*Gridley Police Department  
Rodney Harr  
Chief of Police*



**Attachment A**

**Military Equipment Inventory  
Gridley Police Department**

**1. Unmanned Aerial Systems**

**a. Description, Quantity, Capabilities, and Purchase Cost:**

**DJI Mavic Air 2 drone, Quantity 1, Cost none (Donated to GPD)**

- The Mavic Air 2 was built to serve industries and applications in a general use fashion.

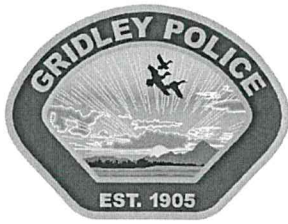
This Unmanned Aerial System (UAS) is a battery powered, remote operated device with

a mounted camera, and light. This UAS has proven to be useful to public safety agencies

in firefighting, search and rescue, pre-operational surveillance, and other tactical situations where aerial views enhance the safety and efficiency of public safety personnel. This UAS has a flight time of 30 minutes.

- b. Purpose:** May be deployed when an arial view would enhance situational. awareness and assist officers or incident commanders during, but not limited to, the following occurrences:

- Arrest/Search Warrant
- CBRNE (Chemical, Biological, Radiological, Nuclear, Explosives)
- Crowd Control/Special Events
- Dignitary Protection Detail
- Disaster Management
- Ongoing Criminal Investigation
- Forensic/Crime Scene
- Missing Persons Investigations
- Perimeter Search and Security
- Search and Rescue
- SWAT Operation
- Traffic Collision
- Training
- Public Relations/Multimedia Productions
- Assisting outside agencies in any of the above situations
- Assisting other City of Gridley departments with carrying out their mission of better serving Gridley residents and visitors.



*Gridley Police Department  
Rodney Harr  
Chief of Police*



c. **Authorized Use:** UAS may be utilized to enhance the department's mission of protecting lives and property when other means and resources are not available or are less effective. Any use of a UAS will be in strict accordance with constitutional and privacy rights and Federal Aviation Administration (FAA) regulations. The use of UAS shall not be used in the following circumstance:

- To conduct random surveillance.
- To target a person based solely on actual or perceived characteristics, such as race, ethnicity, national origin, religion, sex, sexual orientation, gender identity or expression, economic status, age, cultural group, or disability.
- To harass, intimidate, or discriminate against any individual or group.
- To conduct personal business of any type.
- UAS shall never be weaponized.

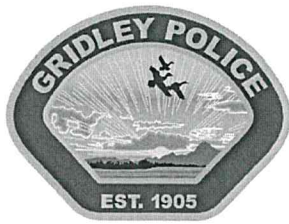
d. **Expected Lifespan:** 5 - 10 years

e. **Fiscal Impact:** \$500 - \$1000 battery replacement

## 2. Specialized Firearms

a. **Description, Quantity, Capabilities, and Purchase Cost:** Rifles are firearms that are fired from shoulder level, having a long spirally grooved barrel intended to make bullets spin and thereby have greater accuracy over a long distance. Rifles are magazine fed and either bolt action or semi-automatic, Rifles can be configured for different purposes such as patrol, or traffic motorcycle. The cost of the weapon greatly depends on the configuration. The below costs are averages. Submachine guns are magazine fed automatic carbines designed to fire handguns cartridges.

1. Colt HBAR Sporter .223 AR15, Quantity 9, Cost \$1,300.00 / rifle
2. Ruger Mini-14 Ranch Rifle .223, Quantity 6, Cost \$950.00 / rifle
3. Windham Weaponry Mod: WW-15 .223/5.56 AR15, Quantity 2, Cost \$800.00 / rifle
4. Bushmaster Mod: XM15-E26 .223/5.56 AR15, Quantity 1, Cost \$650.00 / rifle
5. PWA 5.56 AR15, Quantity 1, Cost \$800.00 / rifle
6. Colt Match Target HBAR 5.56 AR15, Quantity 1, Cost \$1,300.00 / rifle
7. Colt Super Match HBAR 5.56 AR15, Quantity 2, Cost \$1,300.00 / rifle
8. Arsenal Mod: SLR-95 7.62X39, Quantity 1, Cost \$1,300.00 / rifle
9. HK 91 .308, Quantity 1, Cost \$2,200.00
10. Grease Gun, M3. .9mm, Quantity 1, Cost \$1,500.00 / rifle
11. J.R. Eng. Mod: M68 .9 mm, Quantity 1, Cost \$500.00 / rifle
12. Ruger Mod: 10/22 .22 Carbine, Quantity 2, Cost \$250.00 / rifle



*Gridley Police Department  
Rodney Harr  
Chief of Police*



13. Thompson Submachine Gun Mod: M1A1 .45, Quantity 2, Cost \$3,500.00 / rifle
14. Sears Mod: 53 30-06, Quantity 1, Cost \$400.00 / rifle
15. Bushmaster Mod: XM15-E26 .223/.556, Quantity 1 (SIMS), Cost \$800.00 / rifle
16. E.A. CO. Mod: J-15 .223/.556, Quantity 1 (SIMS), Cost \$1,000.00 / rifle

**Ammunition:**

Hornady Tap Rem 55 Grain .223 FMJ, Quantity 2,175, Cost \$1.00 / round  
Fiocchi 45 Grain .223 WTP, Quantity 100, Cost \$1.00 / round  
Wolf Gold 55 Grain copper .223 FMJ, Quantity 400, Cost \$1.00 / round  
Hornady Tap Duty NATO 75 Grain BTHP T2 5.56 FMJ, Quantity 560, Cost \$1.00 / round  
Hornady Critical Duty Luger +P 135 Grain Flex Lock .9mm, Quantity 375, Cost \$1.00 / round  
Sellier & Belliot SB9A 115 Grain .9mm \FMJ, Quantity 200, Cost \$.70 / round  
Smith and Wesson training 125 Grain .9MM FMJ, Quantity 3,000, Cost \$.70 / round  
Gold Dot Speer LE 230 Grain HP .45, Quantity 950, Cost \$1.50 / round  
Winchester Ranger 230 Grain SXT .45, Quantity 300, Cost \$1.50 / round  
Hornady Critical Duty 220 Grain Flex lock, Quantity 560, Cost \$1.50 / round  
ACP 230 Grain .45 FMJ, Quantity 3,000, Cost \$1.50 / round

**Ammunition:**

(Simunition)

Zero in inventory. Cost \$1.00 per round

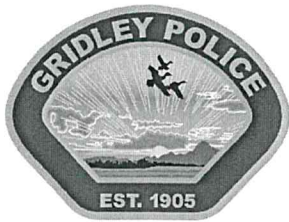
- **FX® Marking Cartridges**

The FX® marking cartridges, which come in six colors are non-lethal cartridges leave a detergent-based, water-soluble color-marking compound. The visible impacts allow accurate assessment of simulated lethality. The 5.56mm is tactically accurate with ball cartridges to 100 feet (30 meters). No special ballistic facilities are required. They meet the need for a force-on-force and man-to-man training system that is realistic, effective, inexpensive, adaptable and fully portable

**SHOTGUN LESS LEATHAL**

- b. Purpose:** To be used as precision weapons to address a threat with more precision and/or greater distances than a handgun, if present and desirable.





*Gridley Police Department  
Rodney Harr  
Chief of Police*



- c. **Authorized Use:** Only POST certified and department trained officers may use rifles. Only POST certified and department trained SWAT officers may use submachine guns. All personnel who are authorized to use a rifle must demonstrate proficiency annually. All personnel who are authorized to use a rifle must demonstrate proficiency annually.
- d. **Expected Lifespan:** Lifespans vary, and some have none as parts can be changed.
- e. **Fiscal Impact:** Annual maintenance is approximately \$50 for each weapon

### 3. Less Lethal Impact Weapons

#### a. **Description, Quantity, Capabilities, and Purchase Cost:**

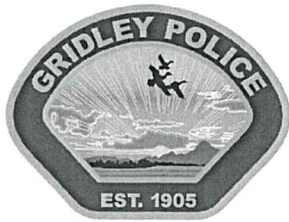
1. Remington Arms Mod: 870 .12 Gauge Pump, Quantity 1, Cost \$800.00 / shotgun
2. Smith & Wesson Eastfield Mod: 916-A .12 Gauge Pump, Quantity 1, Cost \$800.00 / shotgun

- The Remington 870 and Smith and Wesson Model 916-A Less Lethal Shotguns are used to deploy the less lethal 12-gauge Super-Sock Beanbag Round up to 75 feet. The range of the weapon system helps to maintain space between officers and a suspect reducing the immediacy of the threat which is a principle of de-escalation.

#### **Ammunition:**

Fiocchi FR Drag Stabilized .12-Gauge Super-Sock Beanbag Round, Quantity 8, Cost \$6.00 / round  
Fiocchi MK Ballistic Systems .12-Gauge Flexible Baton Standard Training Rounds, Quantity 53, Cost \$6.00 / round

- A less lethal 2.4 inch 12-gauge shotgun round firing a ballistic fiber bag filled with 40 grams or lead shot at a velocity of 270-290 feet per second. These rounds are discharged from a Remington 870 12-gauge shotgun that is distinguishable by a white butt stock and fore grip. This round provides accurate and effective performance when fired from the approved distance of not fewer than 5 feet. The maximum effective range of this munition is up to 75 feet.
- b. **Purpose:** Less Lethal munitions can be used to de-escalate a potentially deadly situation, with a reduced potential for death or serious physical injury.



*Gridley Police Department  
Rodney Harr  
Chief of Police*



c. **Authorized Use:** Less lethal munitions may be used by those officers trained in their use in the following type of situations, but are not limited to these situations:

- Persons armed with a weapon and the tactical circumstances allow for the safe application of the approved munitions
- Persons making credible threats to harm themselves or others.
- Persons engaged in riotous behavior such as throwing rocks, bottles, or other dangerous projectiles at people or officers.

d. **Expected Lifespan:**

- All less lethal shotguns- 10 years
- All munitions 5 years

f. **Fiscal Impact:** Replace stock as needed (varying cost) and maintenance cost of shotguns (\$100 annual)

**AN ORDINANCE OF THE CITY OF GRIDLEY, CALIFORNIA, ADOPTING A MILITARY EQUIPMENT USE POLICY AND AMENDING TITLE 2 ADMINISTRATION AND PERSONNEL, CHAPTER 2, OF THE GRIDLEY MUNICIPAL CODE BY ADDING SECTION 2.25 "MILITARY EQUIPMENT USE POLICY" IN COMPLIANCE WITH ASSEMBLY BILL 481**

**WHEREAS**, on September 30, 2021, Governor Gavin Newsom signed into law Assembly Bill 481 ("AB 481" creating Government Code Section 7070, et seq.), relating to the use of military equipment by California law enforcement agencies: and

**WHEREAS**, AB 481 seeks to provide transparency, oversight, and an opportunity for meaningful public input on decisions regarding whether and how military equipment is funded, acquired, or used; and

**WHEREAS**, the Gridley Police Department is in possession of certain items of equipment that qualify as "military equipment" under AB 481 and

**WHEREAS**, AB 481 requires that a law enforcement agency possessing and using such qualifying equipment must prepare a publicly released, written, military equipment use policy document ("Policy") covering the inventory, description, purpose, use, acquisition, maintenance, fiscal impacts, procedures, training, oversight, and complaint process, applicable to the Department's use of such equipment; and

**WHEREAS**, the Policy and supporting information must be approved by the governing body by ordinance, and reviewed annually and

**WHEREAS**, the City Council of the City of Gridley, having received the information required under AB 481 regarding the Gridley Police Department's use of military equipment as defined in said law, deems it to be in the best interest of the City to approve the Military Equipment Policy as set forth herein.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Gridley does hereby adopt the following ordinance Amending Title 2 of the City of Gridley Municipal Code:

**SECTION 1:** The City Council of the City of Gridley hereby determines and finds that the facts set forth in the recitals are true and correct and are hereby incorporated as substantive findings.

**SECTION 2:** That a new Chapter, 2.25 is added to TITLE 2 (entitled "ADMINISTRATION AND PERSONNEL") "Gridley, California Code of Ordinances" to read as follows:

**TITLE 2 ADMINISTRATION AND PERSONNEL**

**CHAPTER 2.25 Military Equipment Use Policy**

**2.25 Military Equipment Policy.**

(a) The City Council has made the following determinations:

- (1) The military equipment identified in the Gridley Military Equipment Use Policy ("Policy") is necessary because there is no reasonable alternative that can achieve the same objective of officer and civilian safety.
- (2) The Gridley Military Equipment Use Policy will safeguard the public's welfare, Safety, civil rights, and civil liberties.
- (3) The military equipment identified in tile Policy is reasonably cost effective compared to available alternatives that can achieve the same objective of officer and civilian safety:
- (4) Prior military equipment use complied with the applicable equipment use policy (which included equipment now defined as military equipment) that was in effect at the time, or if prior uses did not comply with the accompanying military equipment use policy, corrective action has been taken to remedy nonconforming uses and ensure future compliance.

(b) The Police Department has submitted a proposed Policy to the City Council and has made those documents available on the Police Department's website for at least 30 days prior to the public hearing concerning the military equipment at issue.

(c) The Policy was considered by the City Council as an agenda item in an open session of a regular meeting, noticed in accordance with the Ralph M. Brown Act at which public comment was permitted.

(d) The Policy shall be made publicly available on the Police Department's website for as long as the military equipment is available for use.

(e) The Police Department shall submit an annual military equipment report to the City Council, containing the information required in Government Code Section 7072, and the City Council shall determine whether each type of military equipment identified in that report has complied with the standards for approval set forth in (a) (1) - (4) above.

(f) The City Council shall review this ordinance and vote on whether to renew it, on an annual basis at a regular meeting, in accordance with Government Code Section 7071(e)(2).

(g) The City Council approves the use of Gridley Police Department Policy 706, and finds that it satisfies the requirements of Government Code Section 7070.

**SECTION 3: Severability.** If any section, subsection, sentence, clause, portion, phrase or word of this ordinance is for any reason held to be illegal, invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this Chapter and each section, subsection, sentence, clause, portion, phrase, or word hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared illegal, invalid or unconstitutional.

**SECTION 4: Effective date.** This ordinance shall take effect thirty (30) days after its final adoption.

**SECTION 5: Certification.** The City Clerk shall certify to the passage and adoption of this ordinance and shall cause the same to be published or posted in the manner required by law.

**THE FOREGOING ORDINANCE** was adopted at a meeting of the City Council of the City of Gridley on, August 1<sup>st</sup>, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED AS TO FORM:

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Cliff Wagner, City Administrator

---

Anthony Galyean, City Attorney



**City Council Agenda Item #4**  
Staff Report

Date: August 1, 2022

To: Mayor and City Council

From: Ross Pippitt, Public Works Director

Subject: Gridley Museum Window Upgrade

<b>X</b>	Regular
	Special
	Closed
	Emergency

---

**Recommendation**

City staff respectfully request that the City Council approve the expenditure to Chico Miller Glass Inc. for the replacement and upgrade to energy efficient windows to preserve and enhance the condition of the City-owned building, currently under lease to the Gridley Museum. Chico Miller Glass was the only company to respond to our solicitation for bids on the project.

**Background**

The Museum building was built in 1909 by H. C. Veatch to be used as the Gridley State Bank, and office spaces upstairs for dentists, doctors, and attorneys. On January 12, 2001, the City of Gridley purchased the building located at 601 Kentucky St, Gridley, CA. Subsequently, the building was leased to the Gridley Museum, a not-for-profit 501 c3 organization.

In October 2021, Gridley City Engineer and Public Works Director conducted an inspection of the building and found the building in need of immediate maintenance in several areas and those efforts have begun in collaboration with the Museum Board of Directors. It was determined at that time, that replacement of the upstairs windows and HVAC system should be addressed at the earliest opportunity, with attention to additional needed repairs over the course of the next year.

City Council authorized City Staff to solicit competitive bids for the replacement of the building's windows at the April 4<sup>th</sup>, 2022, City Council meeting.

**Fiscal Impact**

Because the items proposed to be replaced can be paid using GHG funds, there would be no impact to the general fund.

**Compliance with City Council Strategic Plan or Budget Goals**

This course of action is consistent with the City of Gridley's commitment to achieve maximum efficiency for operations and services.

**Attachments**

Chico Miller Glass Inc. Quote



**Miller GLASS**

**CHICO - MILLER GLASS INC.**

**745 CHERRY ST.**

**CHICO CA 95928**

**(530)343-7934 Fax:(530)343-0141**

**Tax# 94-2321237**

Customer

GRIDLEY MUSEUM  
601 KENTUCKY ST  
GRIDLEY CA 95948

**Quote: 1-110736**

**Date:01/24/2022**

H (530)682-3417

Csr:GARTH

Tech:

PO

Terms:C.O.D

Qty Part / Description

2	66" X 86" LOW E IU 1/8GL TEMPERED
3	53" X 53" PW BOTTOM FLOOR
1	30" X 48" PW STAIRS
1	42" X 77" SH
1	48" X 77" SH
2	48" X 77" SH
1	48" X 77" SH
1	42" X 77" SH
1	48" X 77" SH
1	48" X 77" SH
1	30" X 77" SH
1	42" X 77" SH
1	42" X 77" SH
1	48" X 77" SH
1	48" X 77" SH
1	36" X 77" SH
2	36" X 77" SH
1	WINDOW TOTAL (22)
1	RETROFIT TRIM & CAULKING
1	LABOR TO INSTALL

Continued...

vers:9.2.10 Page: 1



# Miller GLASS

**CHICO - MILLER GLASS INC.**

**745 CHERRY ST.**

**CHICO CA 95928**

**(530)343-7934 Fax:(530)343-0141**

Customer **Tax# 94-2321237**

GRIDLEY MUSEUM  
601 KENTUCKY ST  
GRIDLEY CA 95948

**Quote: 1-110736**

**Date:01/24/2022**

H (530)682-3417

Csr:GARTH

Tech:

PO

Terms:C.O.D

Qty Part / Description

Notes:Alpine 8000 series white vinyl windows\* SolarTherm Ultra Title 24 energy code compliant insulated glass package\* Block frames\* Installed by Miller Glass \* Required window energy specifications = .30 U-factor / .22 SHGC\*  
AMI #3276085

\*\*\* CUSTOMER TO OBTAIN ANY REQUIRED PERMIT \*\*\*

\*\*\* ANY DRY ROT DISCOVERED DURING INSTALLATION WILL BE QUOTED AT TIME & MATERIALS TO REPAIR \*\*\*

\*Please be aware that the current COVID 19 pandemic, combined with high product demand, has put stress on the supply chain. As such, delivery dates are subject to change as we are experiencing longer than normal lead times. This situation is beyond Miller Glass control. Orders cannot be changed or cancelled after 72 hours of order placement. We apologize for any inconvenience this may cause you. Miller Glass appreciates your loyalty and support and we will continue to do the best we can for you\*

Job Site: GRIDLEY MUSEUM

601 KENTUCKY ST

GRIDLEY CA 95948

CONTACT: ROSS PIPPITT 530-682-3417



# Miller GLASS

**CHICO - MILLER GLASS INC.**

**745 CHERRY ST.**

**CHICO CA 95928**

**(530)343-7934 Fax:(530)343-0141**

Customer

**Tax# 94-2321237**

GRIDLEY MUSEUM  
601 KENTUCKY ST  
GRIDLEY CA 95948

**Quote: 1-110736**

**Date:01/24/2022**

H (530)682-3417

Csr:GARTH

Tech:

PO

Terms:C.O.D

Quote valid for 30 days from date listed above.

Thank you for choosing Miller Glass, Inc.

No Refunds and or Returns on special order products. X \_\_\_\_\_

Signature \_\_\_\_\_

<u>Tax</u>	<u>Total</u>
790.13	33,688.51

<u>Payments</u>	<u>Balance</u>
0.00	33,688.51

**City Council Agenda Item #5**  
Staff Report

**Date:** August 1, 2022  
**To:** Mayor and City Council  
**From:** Elisa Arteaga, Finance Director

<b>X</b>	Regular
	Special
	Closed
	Emergency

**Subject:** Audit Final Report- Department of Treasury Internal Revenue Service

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**Recommendation**

Staff respectfully requests the City Council review letter dated July 21, 2022, from the Department of Treasury Internal Revenue Service Tax Exempt Government Entities Division, approve the examination report finding and authorize the payment of proposed fees for the amount not to exceed \$2,813.44 and direct the Finance Director to sign Form 2504 Agreement to Assessment and Collection of Additional Tax and Acceptance of Overassessment and further amend any subsequent year returns.

**Background**

The Finance Department has been under an Internal Revenue Service Audit of records which recently concluded. On August 11<sup>th</sup>, 2021, staff met with IRS representatives, followed by gathering providing documents requested such as employment and tax records, contracts, manual, written policies, and Memorandum of Understanding documentation. Many staff hours were spent to collect the data and answer the questionnaires. After a review of the first round of records, there were a series of additional follow-up phone conference meetings and emails providing additional records requests. On July 22<sup>nd</sup>, 2022, staff had a final conference to review findings and conclusion of the audit. The only finding was relating to the assessment of additional tax collection from an employee who had retired and was rehired as a consultant. Employees rehired as consultants under contracts are required to pay into Medicare and are not exempt. The city received a letter from the IRS with proposals for employment tax for 2019 and the assessment of \$2,813.44 was the final calculation.

**Fiscal Impact**

The fiscal impact of \$2,813.44 will not require a FY 22-23 budget amendment or supplemental appropriation for the assessment as the impact does not exceed the \$5,000 threshold and will be included in the projected personnel expenditures.

**Compliance with City Council Strategic Plan or Budget Goals**

The City Council and City staff are committed to provide the best possible financial practices and the highest possible transparency regarding all financial transactions. This presentation is consistent with our ongoing effort to be responsive and transparent regarding all financial matters, as well as be congruent with best financial practices.

**Attachments**

Letters 3850 & 950-D (with attachments)



Department of the Treasury  
Internal Revenue Service  
**Tax Exempt & Government Entities**  
Federal, State & Local Governments  
1 Civic Center Dr, Suite 400  
San Marcos, CA 92069

City of Gridley  
Attn: Cliff Wagner, City Administrator  
685 Kentucky St  
Gridley, CA 95948

Date:  
July 7, 2021  
Taxpayer ID number:  
94-6000344  
Form:  
941  
Tax periods:  
2019  
Person to contact:  
A. Jay Gonzales  
Employee ID number:  
1000621721  
Contact telephone number:  
(619) 615-3731

Dear City of Gridley:

Your employment tax return for the year(s) or period(s) shown above has been selected for examination. I have scheduled the following appointment to meet with you regarding this examination.

Date: August 11, 2021

Time: 10:00 am

Place: By phone

**What you need to do**

Please call me on or before July 21, 2021, to confirm this appointment. You can reach me at the number shown above between the hours of 8:30 am and 4:30 pm]. If this date and time is not convenient, please give me a call so that we can schedule a more convenient time.

We understand that the COVID-19 pandemic may present challenges that could impact your ability to effectively prepare for an examination. During our conversation we can discuss any concerns or questions you may have.

To reduce the amount of time spent on this examination, please have available the items listed on the attached Form 4564, Information Document Request, at our scheduled appointment. During our telephone conversation, we will talk about these items so if you have questions, feel free to ask.

**Someone can represent you**

You may have someone represent you during any part of this examination. If you want someone to represent you, please provide me with a completed Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, at our first meeting or mail it to me prior to our first appointment. You can get these forms from our office, from our web site at [www.irs.gov](http://www.irs.gov), or by calling 800-TAX-FORM (800-829-3676). If you decide you want to have someone represent you after the examination has started, we will delay further examination activity until you are able to secure representation.

**Your rights as a taxpayer**

We have enclosed Publication 1, Your Rights as a Taxpayer, and Notice 609, Privacy Act Notice. We encourage you to read the Declaration of Taxpayer Rights found in Publication 1. This publication discusses general rules and procedures we follow in examinations. It explains what happens before, during, and after an examination, and provides additional sources of information.

<b>Form 4564</b>	<b>Department of the Treasury Internal Revenue Service Information Document Request</b>	<b>Request Number 1</b>
To: (Name of Taxpayer and Company, Division or Branch)		Subject:
City of Gridley EIN: 94-6000344		General Information
		GSAIN: Submitted to: Cliff Wagner
		Dates of Previous Requests:

**Description of Documents Requested:**

4. Employment contracts and/or offers of employment for principal executives and/or management personnel including any agreements covering fringe benefit issues.
5. Union contracts in effect during the year.
6. Personnel Manual and/or written policies and procedures governing employee conduct, fringe benefits, etc.
7. Administrative Manual and/or written policies and procedures describing the following:
  - Employee benefits
  - Accountable and Non-Accountable Plans
  - Automobile Allowances and/or Reimbursements
  - Travel Allowances and/or Reimbursements
  - Meals & Entertainment Allowances and/or Reimbursements
  - Meals with no Overnight Travel
  - Tuition Reimbursements
  - Moving Expense Reimbursements
  - Employer Provided Automobiles
  - Other Business Expenses

\*\*\* Except **item #3** which is due **July 23, 2021**, please provide the rest of the above-requested documents and/or information on or before our scheduled appointment of **August 11, 2021**.

All responses will be reviewed within 10 business days of receipt and you will be notified in regard to completeness.

Information Due By	See note (***) above.	At Next Appointment	Mail In
FROM:	Name and Title of Requestor		Date:
	A. "Jay" Gonzales, Revenue Agent 1000621721		7/7/21
	Office Location:	Telephone: (619) 615-3731 Facsimile: (855) 805-1015	Page 2 of 2
	1 Civic Center Dr San Marcos, CA 92069		

COPY



Department of the Treasury  
Internal Revenue Service  
Tax Exempt Government Entities Division  
Federal, State & Local Governments  
1100 Commerce Street, MS 4900 DAL  
Dallas, TX 75242-1100

City of Gridley  
Attn: Elisa Arteaga, Director of Finance  
685 Kentucky St  
Gridley, CA 95948

Date:  
July 21, 2022  
Taxpayer ID number:  
94-6000344  
Form:  
941  
Tax periods ended:  
2019  
Person to contact:  
A. Jay Gonzales  
Contact telephone number:  
(619) 615-3731  
Contact fax number:  
(855) 805-1015  
Employee ID number:  
1000621721  
Refer reply to:  
A. Jay Gonzales  
Response due date:  
08/21/2022

Dear City of Gridley:

We're proposing changes to your employment tax for the tax periods listed above as shown in the enclosed examination report. You must tell us whether you agree or disagree with the proposed changes by the response due date listed above. This letter (known as a 30-day letter) notifies you of your rights to appeal the proposed changes within 30 days.

We've enclosed the following forms:

- Form 4666, Summary of Employment Tax Examination,
- Form 4667, Examination Changes - Federal Unemployment Tax, and/or,
- Form 4668, Employment Tax Examination Changes Report.

These documents show how we calculated the proposed amount of your additional employment tax. These amounts do not include any interest that may apply. If we propose any adjustments for employment tax that involve a worker classification or Section 530 determination, we'll also send you a separate letter, Letter 950-C, Employment Tax 30-Day Letter-T.

**If you agree with the proposed changes**

1. Sign and date the enclosed agreement form, either Form 2504, Agreement to Assessment and Collection of Additional Tax and Acceptance of Overassessment (Employment Tax Adjustments Not Subject to IRC 7436), or Form 2504-S, Agreement to Assessment and Collection of Additional Tax and Acceptance of Overassessment (Employment Tax Adjustments Not Subject to IRC 7436; Worker Classification or Section 530 Issues Not Addressed in this Exam). Sending us a signed Form 2504 or Form 2504-S gives us permission to assess the proposed amounts. Signing Form 2504 or Form 2504-S won't prevent you from filing a claim for refund if you later believe you're entitled to a refund. It won't prevent us from later determining, if necessary, that you owe additional tax, nor extend the time provided by law for us to assess additional tax or for you to file a claim for refund.
2. Return the signed Form 2504 or Form 2504-S to us by the response due date at the top of this letter. We've enclosed an envelope for your convenience.



3. Enclose payment for the employment tax and additions to tax and penalties due. Make your check or money order payable to the "United States Treasury" and provide on each payment your:

- Name
- Address
- Employer identification number
- Daytime telephone number
- Tax periods
- Tax form

We'll bill you for applicable interest, if any. If you pay now, you'll limit the amount of any interest, additions to tax, and penalties charged to your account. If you agree with the proposed changes but can't pay the full amount, we'll bill you for the unpaid amount.

You may qualify for interest-free treatment if the amounts underreported don't relate to an issue raised in an examination of a prior period and if you didn't knowingly underreport your employment tax liability. In order for the adjustment to be entirely interest-free, you must pay the amount due when you submit the signed Form 2504 or Form 2504-S. Otherwise, interest will accrue from the date you submit the signed Form 2504 or Form 2504-S. Even if you don't make payment until after receipt of notice and demand, you may still be entitled to interest-free treatment up to the date you submit the signed Form 2504 or Form 2504-S. However, interest will accrue from the date you submit the signed Form 2504 or Form 2504-S until the date of payment.

Refer to Publication 5146, Employment Tax Returns: Examinations and Appeal Rights, for payment options. You can get this publication by visiting our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676). If you're a debtor in a bankruptcy case, you should only make payment in accordance with the Bankruptcy Code.

**If you do not agree with the proposed changes**

You can request a meeting or telephone conference with the supervisor of the contact person listed on the front page of this letter. If you still disagree after the meeting or telephone conference, you can request a conference with our Appeals Office. If you want a conference with an Appeals officer, you'll need to submit either a small case request or a formal written protest with the contact person listed on this letter by the response due date. Based on the total changes to your employment tax for each tax return and tax periods listed, we've indicated in the box checked below whether you need to submit a small case request or a formal written protest:

**Note:** If, in a separate letter, we proposed any employment tax adjustments for a tax return and tax period that involve a worker classification or Section 530 determination, we included those proposed adjustments in tax (including additions to tax and penalties) in computing the total amount.

☒ **Small case request.** Because the total amount of the proposed changes to your tax, additions to tax, and penalties is \$25,000 or less for all referenced tax returns for the tax periods indicated, you can send us a letter requesting consideration by Appeals. List the issues you don't agree with and the reasons why you don't agree. If you don't want to write a separate letter, you can complete the enclosed Form 13683, Statement of Disputed Issues, and return it to us.

☐ **Formal protest.** Because the total amount of the proposed changes to your tax, additions to tax, and penalties is more than \$25,000 for any referenced tax return for a tax period, you must submit a formal protest.

**Note:** If more than one tax period is involved and any tax period exceeds the \$25,000 threshold, you must submit a formal written protest for all periods involved. You cannot use Form 13683 to make a formal protest.

For Appeals to have enough time to consider your case, the period of limitation to assess additional tax generally must have at least 365 days remaining when Appeals receives it. If we need additional time, we'll request your consent to extend the period. If you don't consent to extend the period, we'll close your case based on the proposed changes and assess the employment tax (explained below).

If you request a conference with our Appeals Office, an Appeals officer will call you (if necessary) for an appointment to look at your case. The Appeals Office is an independent office and most disputes considered by that office are resolved informally and promptly. By requesting a conference with our Appeals Office, you may resolve the matter sooner.

Publication 5 explains the requirements for filing a formal protest. Publication 5146 includes information on the Declaration of Taxpayer Rights and the IRS Collection Process.

**What will happen if you don't reach an agreement with our Appeals Office or if you don't respond to this letter by the response due date**

We'll assess the employment tax and any applicable interest, additions to tax, and penalties, and notify you of the balance due.

You can seek judicial review of the assessment by filing a refund suit in the United States District Court that has jurisdiction or in the United States Court of Federal Claims. Note that, before you can file a refund suit, you must pay to the IRS the amount of employment tax that relates to one worker for one tax period and file a claim for refund with the IRS. If the IRS denies your claim for refund (or the IRS doesn't respond to the refund claim within six months), you can file a refund suit and challenge the employment tax assessment. You generally have two years from the date the IRS denies your claim to file suit. The United States Tax Court does not have jurisdiction to review this employment tax case because it does not involve a worker classification or Section 530 determination.

If you have questions about this letter, you can contact the person listed on the front page of this letter. If this number is outside your local calling area, you may receive a long distance charge. You can call the Business and Specialty Tax Line at 800-829-4933 or visit your local IRS office to get general information. If you prefer to write to us, include a copy of this letter, your telephone number and the hours we can reach you. Keep the original letter for your records.

You also have the right to contact a Taxpayer Advocate. The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit [www.taxpayeradvocate.irs.gov](http://www.taxpayeradvocate.irs.gov) or call 877-777-4778.

**Mail all responses to:** Internal Revenue Service  
TEGE:FSL:Gonzales  
1 Civic Center Drive, Suite 400  
San Marcos, CA 92069

# Agreement to Assessment and Collection of Additional Tax and Acceptance of Overassessment

(Employment Tax Adjustments Not Subject to IRC 7436;  
Worker Classification or Section 530 Issues Not Addressed in this Exam)




Date received by Internal  
Revenue Service

Taxpayer(s) name CITY OF GRIDLEY	D/B/A	SSN/EIN 94-6000344
Address of taxpayer(s) (number, street) 685 KENTUCKY ST	City/Town GRIDLEY	State CA
		ZIP code 95948

## Adjustment to Tax, Credits and Penalties

Tax Period Ended	Return Form Number	Kind of Tax and Internal Revenue Code Section	Amount of Tax	Credit Increase (Decrease)	Penalty
9/30/19-12/31/19	941	FICA & IT W/IRC 3101, IRC 3111 & IRC 3402	2,813.44		
Total			2,813.44		

I consent to the immediate assessment (increase in tax and penalties and/or decrease in credits) and the collection of any such amounts. In addition, I accept any overassessment (decrease in tax and penalties and/or increase in credits) shown above. I also agree to any interest as provided by law.

Sign Here 	Date
Sign Here 	Date
Sign Here  By	Title
	Date

Note:

If you consent to the assessment of the amounts shown in this agreement, your signature will expedite our adjustment to your account. Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are entitled to a refund. It will not prevent us from later determining, if necessary, that you owe additional tax; nor extend the time provided by law for either action.

The examination of your employment tax returns as reflected on this agreement did not include an examination for employment tax purposes of whether any individuals should be treated as employees.

### Who Must Sign

If you are making this agreement for a partnership, all partners must sign. However, one partner may sign with appropriate evidence of authorization to act for the partnership.

For a corporation, enter the name of the corporation followed by the signature and title of the officer(s) authorized to sign.

For an agent or attorney acting under a power of attorney, a power of attorney must be sent with this form if not previously filed with us.

### Memo: Abatement amount under IRC 3402(c) and/or IRC 3102(f)(3) - See explanation on Form 4666

Tax Period Ended	Return Form Number	IRC Code	Credit for Abatement	Tax Period Ended	Return Form Number	IRC Code	Credit for Abatement

# Summary of Employment Tax Examination

Name and address of employer

CITY OF GRIDLEY  
685 KENTUCKY ST  
GRIDLEY, CA 95948

Type of report

☐ Delinquent tax  
(return not filed)

☒ Increase (decrease) in tax  
(return filed)

☐ Agreed (this report is subject to review and you will be notified  
by the Director when it is accepted)

☐ Unagreed

☒ Non-7436 adjustments

☐ 7436 adjustments (worker classification issues)

☐ 7436 adjustments (wage issues)

Employer Identification Number

94-6000344

Date of report

07/21/2022

Following is a summary of the results of my examination of your returns as shown on the attached pages of this report.

## Tax, Credits and Penalties

a Calendar Year	b Return Form Number	c Delinquent Tax, Increase (Decrease) In Tax	d Increase (Decrease) in Allowed Credits	e Penalty		f Total Adjustment and Penalties (c-d+e)	g Page Number of Report
				Code Section	Amount		
9/30/19- 12/31/19	941	2,813.44				2,813.44	2 to 4
Total		2,813.44				2,813.44	

Other Information

This does not constitute an income tax examination

Form 2504-S, non-Section 7436 issues:

Mandatory Medicare, Mandatory Social Security

The examination of your employment tax returns as reflected on this report did not include an examination for employment

tax purposes of whether any individuals should be treated as employees of the taxpayer for the purposes of Section 530 of the Revenue Act of 1978, as amended.

Any taxes must be paid at the time of signing Form 2504-S in order to receive interest-free treatment on the underpayment.

Interest will begin to accrue on any unpaid balance on the day after the agreement date until the tax is paid in full.

Examiner's name

A. JAY GONZALES

Area

PACIFIC COAST

Form 4666 (Rev. 10-2017)

Catalog Number 41874S

publish.no.irs.gov

Department of the Treasury - Internal Revenue Service

# Employment Tax Examination Changes Report

 Return form number  
941

Name of employer CITY OF GRIDLEY	Employer Identification Number 94-6000344	Calendar year 2019
Address of employer 685 KENTUCKY ST GRIDLEY, CA 95948	Total tax plus penalty or (decrease) in tax 2,813.44	Last quarter of this examination 12/31/2019
	Total increase or (decrease) in credits	
Examination discussed with (name and title) ELISA ARTEAGA, DIRECTOR OF FINANCE	<input type="checkbox"/> Agreed (Subject to acceptance by the Director) <input type="checkbox"/> Unagreed	

This Form 4668 contains (check only one box)

☒ Non-7436 adjustments☐ 7436 adjustments (worker classification issues)☐ 7436 adjustments (wage issues)

	(b) 1st Quarter	(c) 2nd Quarter	(d) 3rd Quarter	(e) 4th Quarter
1. Total Social Security and Medicare tax adjustment (from Schedule of Adjustments, Line 10)			1,406.72	1,406.72
2. Social Security and Medicare tax adjustment under IRC 3121(q) (from Schedule of Adjustments, Line 11)				
3. Increase (decrease) in tax exemption on exempt wages/tips (From Schedule of Adjustments, Line 13)				
4. Total income tax withholding (from Schedule of Adjustments Line 20)				
5. Delinquent tax or increase (decrease) in tax (Lines 1, 2 and 4 minus/plus Line 3)			1,406.72	1,406.72
6. Net increase (decrease) in credits (from Schedule of Adjustments, Line 26)				
7. Penalty code section 6651(a)(1)				
8. Penalty code section 6651(a)(2)				
9. Penalty code section 6656				
10. Penalty code section _____				
11. Total penalty (sum of Lines 7, 8, 9 and 10)				
12. Maximum tax available for abatement under IRC 3402(d)				
13. Maximum tax available for abatement under IRC 3102(f)(3)				

Furnish Form W-2 (Wage and Tax Statement) or Form W-2c (Corrected Wage and Tax Statement) on or before January 31, 2023 to each of the 1 employees whose wages are adjusted by this report.

File Forms W-2 with Form W-3 (Transmittal of Wage and Tax Statements) or Forms W-2c with Form W-3c (Transmittal of Corrected Wage and Tax Statements) on or before January 31, 2023 with the Social Security Administration (SSA).

Examiner's name A. JAY GONZALES <i>Amelita C. Gonzalez</i>	Group number 7254	Area PACIFIC COAST	Date 7/21/2022
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## Schedule of Adjustments

Name of employer	Employer Identification Number	Calendar year
CITY OF GRIDLEY	94-6000344	2019

## Adjustment to FICA Wages and Tax

	IRS Ref	(a) Applicable Rate	(b) 1st Quarter	(c) 2nd Quarter	(d) 3rd Quarter	(e) 4th Quarter
1. Social Security and Medicare wage adjustment subject to tax under IRC 3101 and 3111	004	12.40%				
	073	2.90%			48,507.60	48,507.60
2. Social Security and Medicare wage adjustment subject to tax under IRC 3509(a)	079	7.44%				
	079	1.74%				
3. Social Security and Medicare wage adjustment subject to tax under IRC 3509(b)	079	8.68%				
	079	2.03%				
4. Social Security and Medicare tip adjustment subject to tax under IRC 3101 and 3111	005					
	073					
5. Additional Medicare wage and/or tip adjustment subject to tax under IRC 3101(b)(2)	074	0.90%				
6. Additional Medicare wage and/or tip adjustment subject to tax under IRC 3101(b)(2) and 3509(a)	079	0.18%				
7. Additional Medicare wage and/or tip adjustment subject to tax under IRC 3101(b)(2) and 3509(b)	079	0.36%				
8. Other adjustments to Social Security, Medicare and Additional Medicare wages						
9. Other adjustments to Social Security, Medicare and Additional Medicare tax						
10. Total Social Security, Medicare and Additional Medicare tax adjustment (Lines 1 through 8 x rates plus/minus Line 9)	112				1,406.72	1,406.72
11. Social Security and Medicare tax adjustment under IRC 3121(q)	114					
12. Increase (decrease) in exempt wages and/or tips paid to qualified employees under IRC 3111(d)	115	6.20%				
13. Increase (decrease) in tax exemption on wages and/or tips on Line 12 (Line 12 x rate)	116					

**Schedule of Adjustments (Continued)**

Name of employer CITY OF GRIDLEY	Employer Identification Number 94-6000344	Calendar year 2019
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**Adjustment to Wages and Tax for Income Tax Withholding**

	IRS Ref	(a) Applicable Rate	(b) 1st Quarter	(c) 2nd Quarter	(d) 3rd Quarter	(e) 4th Quarter
14. Income tax withholding wage adjustment subject to tax under IRC 3402		25.00%				
		Actual				
15. Income tax withholding wage adjustment subject to rates under IRC 3509(a)	079	1.50%				
16. Income tax withholding wage adjustment subject to rates under IRC 3509(b)	079	3.00%				
17. Other income tax withholding wage adjustment						
18. Actual income tax withheld but not previously reported						
19. Other adjustment to income tax withholding						
20. Total income tax (Lines 14, 15, 16, 17 x rates plus Line 18 plus/minus Line 19)	111					

**Adjustment to Credits Against the Tax**

	IRS Ref	(a) Applicable Rate	(b) 1st Quarter	(c) 2nd Quarter	(d) 3rd Quarter	(e) 4th Quarter
21. Increase (decrease) in COBRA premium assistance payments under IRC 6432	299					
22. Increase (decrease) in Advance Earned Income Credit under IRC 3507	766/767					
23. Increase (decrease) in exempt wages/tips paid to qualified employees March 19-31, 2010 under IRC 3111(d)(5)	117	6.20%				
24. Increase (decrease) in credit for exempt wages/tips on Line 23 (Line 23 x rate)	296					
25. Increase (decrease) in other credits						
26. Net increase (decrease) in credits (sum of Lines 21, 22, 24, and 25)						

Form 886-A (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibits
Name of Taxpayer County of Gridley	Tax Identification Number 94-6000344	Year/Period ended 2019

# 1. Medicare Qualified Government Employees (MQGE):

## ISSUE:

Did the City of Gridley (COG) improperly exclude employees' wages from Medicare withholding during the year? Did COG fail to properly withhold, pay, remit, and report Medicare tax withholding on the employees' wages as required by the Federal Insurance Compensation Act (FICA)?

## FACTS:

As part of the COG's employment tax examination, several audit steps and techniques were performed by the examiner to determine whether the compensation paid to employees without reported Medicare wages and withholding on their W-2 for the year was properly excluded. State and local governmental employees hired or rehired after March 31, 1986, are subject to mandatory Medicare coverage. Employees who are required to pay the Medicare portion of FICA are referred to as Medicare Qualified Government Employees (MQGE).

Public employees who've been in continuous employment with their employer since March 31, 1986, who aren't covered under a Section 218 Agreement nor subject to the mandatory Social Security and Medicare provisions, remain exempt from both Social Security and Medicare taxes, provided they're members of a public retirement system.

Section 13205 of the Consolidated Omnibus Budget Reconciliation Act of 1985 amended section 3121(u) of the Code that applied to sections 3101(b) and 3111(b). It subjected the wages and compensation paid to employees of states and political subdivisions hired after March 31, 1986 to the hospital insurance coverage section of FICA.

COG doesn't have any employee positions covered by a Section 218 Agreement. Public retirement system coverage for employees is provided under an alternate FICA replacement plan.

The pre-audit analysis identified one (1) employee without any reported Medicare wages and withholding on his Form W-2 for the exam year. Examiner inquired and investigated why employee did not pay Medicare.

Taxpayer stated employee retired in June 2019 but was immediately rehired back as a part-time employee doing the same thing he did as an employee while COG looks for his permanent replacement. Examined personnel records and copy of part-time employment contract and confirmed taxpayer's claim. Employee was issued a Form W-2 for 2019 which included both his wages as a full-time pre-1986 hire from



Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>		Schedule number or exhibits
Name of Taxpayer County of Gridley	Tax Identification Number 94-6000344	Year/Period ended 2019	

January 1, 2019 to June 30 2019 and as a part-time rehired annuitant from July 1, 2019 to December 31, 2019.

A review of the records showed the one (1) employee was were hired after March 31, 1986. The same employee was previously exempt from Medicare because he was hired before April 1, 1986 but rehired back in July of 2019 immediately after he retired in June 2019. It was determined the employee didn't meet the Medicare exemption requirements because the worker failed to meet all requirements of the continuous employment exception. The employee's retirement constitutes a break in service which ended his eligibility for the Medicare exemption as a pre-1986 hire. The employee was paid wages totaling \$97,015.20 for the year.

The findings resulted in an additional employment tax obligation, *see chart below*, of \$ 2,813.44 for Medicare withholding for the year.

Employee Name	Tax ID #	Medicare Taxable Wages	Medicare Tax Due
1.		\$97,015.20	\$2,813.44

The examiner discussed the findings and the additional taxes due with COG's Director of Finance, Ms. Elisa Arteaga.

The examiner wasn't able to determine the actual date the wages were made to the employees; therefore the total wage amount was divided equally between the last two (2) quarters beginning when the employee was rehired at the beginning of July 2019. It was determined the cause of the non-compliance was likely due to a misinterpretation of the Code by COG's staff.

**LAW:**

**IRC § 3101(b)(6)** states there is imposed a tax of 1.45 percent on an employee's wages received with respect to employment.

**IRC § 3102(a)** states the tax imposed under section 3101 of the Code shall be collected by the employer by deducting the amount of the tax from the wages when paid.

**IRC § 3111(b)** states there is imposed on the income of every employer an excise tax equal to the percentages of the wages paid in respect to employment on wages at the rate of 1.45 percent.

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibits
Name of Taxpayer County of Gridley	Tax Identification Number 94-6000344	Year/Period ended 2019

IRC § 3121(u)(2)(C) provides an exception, known as the "*continuing employment exception*", to the withholding of Medicare taxes under FICA for services performed by employees of a state, political subdivision, or wholly owned instrumentality if specific requirements are met.

Rev. Rul. 86-88 states in general, except as otherwise provided by law, state and political subdivision employees hired (*or rehired*) after March 31, 1986, are subject to mandatory Medicare coverage.

**CONCLUSION:**

Based upon the exam findings, it's determined the one (1) employee identified during the examination without Medicare withholding for the year were hired after 3/31/1986 and COG failed to withhold, pay, remit, and report Medicare taxes on their total wage payments of \$97,015.20 in 2019 as required by the Code.

**TAXPAYER'S POSITION:**

COG has not made known its position on the examiner's findings in regards to this issue.

Issue(s) I Disagree with:

Reason(s) for Disagreement:

Date \_\_\_\_\_



## City Council Agenda Item #6

### Staff Report

**Date:** August 1, 2022

**To:** Mayor and City Council

**From:** Cliff Wagner, City Administrator

<b>X</b>	Regular
	Special
	Closed
	Emergency

**Subject:** Resolution No. 2022-R-027: A Resolution of the City Council of the City of Gridley approving Agreement No. 2CA05714 with the California Department of Forestry and Fire Protection and authorizing the mayor to sign the agreement for services from July 1, 2022, to June 30, 2023.

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#### Recommendation

Staff respectfully requests the City Council review and approve the California Department of Forestry and Fire Protection Agreement No. 2CA05714, for the amount not to exceed \$1,300,639.00 and approval of Resolution 2022-R-027, "A Resolution of the City Council of the City of Gridley Approving Agreement No. 2CA05714 with the California Department of Forestry and Fire Protection and Authorizing the Mayor to Sign the Agreement for Services from July 1, 2022 to June 30, 2023", by reading of title only.

#### Background

The City has historically contracted with California Department of Forestry and Fire for fire protection services. The reimbursement agreement is submitted to Council for review and approval annually. On June 20<sup>th</sup>, 2022, the Council approved the 22-23 Operating and Capital Budget which included the estimated costs for fire services. As mentioned during the budget study sessions, cost have increased. The fire service contract is higher than prior years, due to PERS benefit rates and wage increases to fire employees. The governor gave the employees a 2.5 % raise, employees had also taken a 5.25 % pay cut during Covid and that was returned to their normal level in July. These changes resulted in a 19% increase in the cost from \$1,207,655 to \$1,300,639. CAL FIRE is awaiting if they will receive a PERS benefit buy down again from the governor. If this does occur, it could result in a city refund next year. The city is a recipient of a SAFER Grant, the grant allows for reimbursement for fire staff. The city also receives revenue from equipment rental during fire seasons. Currently the reserve engine rented to the academy should remain until the fall. In FY 21-22 the city received \$251,132 total combined revenue. It is anticipated the rental for this coming fiscal year to be approximately \$180,000.

#### Fiscal Impact

The budget for FY 22-23 has included the estimated costs for Fire Protection Services. Approval of the contract would be in line with the current 22-23 Operating and Capital Budget.

#### Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to provide the best possible financial practices and the highest possible transparency regarding all financial transactions. This presentation is consistent with our ongoing effort to be responsive and transparent regarding all financial matters, as well as be congruent with best financial practices.

#### Attachments

Resolution No. 2022-R-027

Cooperation Fire Programs Fire Protection Reimbursement Agreement #2CA05714.

RESOLUTION NO.  
2022-R-027

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY APPROVING AGREEMENT NO. 2CA05714  
WITH THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION AND AUTHORIZING THE MAYOR  
TO SIGN THE AGREEMENT FOR SERVICES FROM JULY 1, 2022 TO JUNE 30, 2023**

**BE IT RESOLVED**, by the City Council of the City of Gridley that said Council does hereby approve the agreement with the California Department of Forestry and Fire Protection dated July 1, 2022. The agreement provides fire protection services during the State fiscal year (2022/2023).

**BE IT FURTHER RESOLVED** that Bruce Johnson, Mayor of said City of Gridley be and hereby authorized to sign and execute said agreement on behalf of the City of Gridley.

**I HEREBY CERTIFY** that the foregoing resolution was duly passed and adopted by the City Council of the City of Gridley at a regular meeting thereof, held on July 18<sup>th</sup>, 2022, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ATTEST:

APPROVE:

---

Cliff Wagner, City Administrator

---

Bruce Johnson, Mayor

**COOPERATIVE FIRE PROGRAMS**  
**FIRE PROTECTION REIMBURSEMENT AGREEMENT**  
LG-1 REV. 11/2020

AGREEMENT NUMBER **2CA05714**

REGISTRATION NUMBER:

1. This Agreement is entered into between the State Agency and the Local Agency named below:

STATE AGENCY'S NAME

California Department of Forestry and Fire Protection – (CAL FIRE)

LOCAL AGENCY'S NAME

City of Gridley

2. The term of this Agreement is: July 1, 2022 through June 30, 2023

3. The maximum amount of this Agreement is: \$ 1,300,639.00  
One million, three-hundred thousand, six hundred thirty nine dollars and no cents.

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

Exhibit A – Scope of Work – Includes page 2 (contact page) in count for Exhibit A	4	pages
Exhibit B – Budget Detail and Payment Provisions	2	pages
Exhibit C – General Terms and Conditions	7	pages
Exhibit D – Additional Provisions	11	pages
Exhibit E – Description of Other Services	1	pages

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

**LOCAL AGENCY**

LOCAL AGENCY'S NAME

City of Gridley

BY (Authorized Signature)



DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Bruce Johnson, Mayor

ADDRESS

685 Kentucky Street, Gridley, CA 95948

**STATE OF CALIFORNIA**

AGENCY NAME

California Department of Forestry and Fire Protection

BY (Authorized Signature)



DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Chris Anthony, Assistant Deputy Director, Cooperative Fire Protection, Training & Safety

ADDRESS P.O. Box 944246, Sacramento, CA 94244-2460

**California Department of General  
Services Use Only**

**EXHIBIT A**  
**COOPERATIVE FIRE PROGRAMS**  
**FIRE PROTECTION REIMBURSEMENT AGREEMENT**

The project representatives during the term of this agreement will be:

CAL FIRE Unit Chief:	John Messina	Local Agency:	City of Gridley
Name:	Butte Unit	Name:	Bruce Johnson
Phone:	(530) 538-7111	Phone:	(530) 846-5695
Fax:	(530) 538-7401	Fax:	(530) 846-3229

All required correspondence shall be sent through U.S. Postal Service by certified mail and directed to:

CAL FIRE Unit Chief:	John Messina	Local Agency:	City of Gridley
Section/Unit:	Support Services	Section/Unit:	Section
Attention:	Lisa Koehler	Attention:	
Address:	176 Nelson Ave	Address:	685 Kentucky St
Phone:	(530) 538-7111	Phone:	(530) 846-5695
Fax:	(530) 538-7401	Fax:	(530) 846-3229

Send an additional copy of all correspondence to:

**CAL FIRE**  
**Cooperative Fire Services**  
**P.O. Box 944246**  
**Sacramento, CA 94244-2460**

**AUTHORIZATION**

As used herein, Director shall mean Director of CAL FIRE. This agreement, its terms and conditions are authorized under the Public Resources Code Sections 4141, 4142, 4143 and 4144, as applicable.



## **EXHIBIT A**

### **SCOPE OF WORK**

Under Public Resources Code Section 4114 and other provisions of law, STATE maintains fire prevention and fire suppression forces including the necessary equipment, personnel, and facilities required to prevent and extinguish forest fires.

The purpose of this agreement is to provide mutually advantageous fire and emergency services through an effective consolidated organization, wherein the STATE is primarily financially responsible for protecting natural resources from vegetation fires and the LOCAL AGENCY is primarily financially responsible for protecting life and property from fires and other emergencies. The LOCAL AGENCY shall have sole authority to establish the fire protection organization and structure needed to meet the determined level of service. This level of service may be based on the LOCAL AGENCY governing board's established fiscal parameters and assessment of risks and hazards. LOCAL AGENCY personnel providing services under this agreement may include any one or a combination of the following: regular employees, persons temporarily employed and commonly known as volunteers, paid-call firefighters, or others temporarily employed to perform any emergency work or emergency service including, but not limited to fire prevention, fire suppression and emergency medical response.

To comply with the STATE's mandate for full cost recovery of goods and services provided for others, the LOCAL AGENCY shall be responsible for all STATE costs, both direct and indirect, required to execute the terms of this agreement. These costs shall include, but not be limited to: required training and associated post coverage, employee uniform and Personal Protective Equipment (PPE) costs.

#### **1. FIRE PROTECTION SERVICES TO BE PROVIDED BY THE STATE**

STATE provides a modern, full service fire protection and emergency incident management agency that provides comprehensive fire protection and other emergency incident response. STATE designs regional fire protection solutions for urban and rural communities by efficiently utilizing all emergency protection resources. Regional solutions provide the most effective method of protecting the citizens of California at local, county and state levels.

Fire protection services to be provided by STATE under this agreement shall include the following: (check boxes below that apply)

☒ 1) Emergency Fire Protection, Medical and Rescue Response: services include commercial, residential, and wildland fire protection, prevention and investigation; hazardous materials incident response; emergency vehicle extrication; hazardous conditions response (flooding, downed power lines, earthquake, terrorist incident, etc.); emergency medical and rescue response; and public service assistance. Also included are management support services that include fire department administration, training and safety, personnel, finance and logistical support.

☒ 2) Basic Life Support Services: emergency medical technician (EMT) level emergency medical response providing first aid, basic life support (BLS), airway management, administration of oxygen, bleeding control, and life support system stabilization until patients are transported to the nearest emergency care facility.

☐ 3) Advanced Life Support Services: paramedic level emergency medical response providing early advanced airway management, intravenous drug therapy, and life support system stabilization until patients are transported to the nearest emergency care facility.

☒ 4) Dispatch Services: provide fire department 9-1-1 emergency dispatch by CAL FIRE Fire/Emergency Command Center (ECC). CAL FIRE will be responsible for fire/emergency

dispatching emergency resource units covered under this agreement. The CAL FIRE ECC is staffed with a Battalion Chief, three or more Fire Captains and Communications Operators to provide 24/7 year-round coverage. There is always an officer of Captain rank or higher to serve as the shift supervisor and command officer. CAL FIRE uses an integrated Computer Aided Dispatch (CAD) system using the latest technology, to direct the closest available resources to all emergency incidents.

☐ 5) Fire Code Inspection, Prevention and Enforcement Services: CAL FIRE has staff Fire Inspectors serving under the direction of the LOCAL AGENCY Fire Marshal to provide services to the area covered by this agreement. Fire Code Enforcement will normally be available five days per week, with emergency or scheduled enforcement inspections available seven days per week. Fire Prevention and Investigation services will be provided by CAL FIRE Prevention Officers trained in arson, commercial, and wildland fire investigation. Officers are available by appointment for site visits and consultations. Officers are trained at CAL FIRE's Peace Officer Standard Training (POST) certified law enforcement training academy and they cooperate effectively with all local, state and federal law enforcement agencies.

☐ 6) Land Use/ Pre-Fire Planning Services – CAL FIRE staff will provide community land use planning, administration of Pre-Fire project work, including community outreach, development of community education programs, project quality control, maintenance of project records and submittal of progress reports, completion of required environmental documentation, acquisition of required permits and completion of other associated administrative duties.

☐ 7) Disaster planning services (listed in Exhibit E, Description of Other Services, attached hereto and made a part of this agreement)

☒ 8) Specific service descriptions and staffing coverage, by station (listed in Exhibit E, Description of Other Services, attached hereto and made a part of this agreement)

☐ 9) Extended Fire Protection Service Availability (Amador)

## **2. ADMINISTRATION**

Under the requirements of California Public Resources Code Section 4114 and other provisions of law, STATE maintains fire prevention and firefighting services as outlined in Exhibit D, Schedule B of this agreement.

- A. Director shall select and employ a Region Chief who shall, under the direction of the Director/Chief Deputy Director, manage all aspects of fire prevention and fire protection services and forestry-related programs.
- B. Director will select and employ a Unit Chief who shall, under the supervision and direction of Director/Region Chief or a lawful representative, have charge of the organization described in Exhibit D, Schedules A, B and C included hereto and made a part of this agreement.
- C. LOCAL AGENCY shall appoint the Unit Chief as the LOCAL AGENCY Fire Chief for all Emergency Fire Protection, Medical and Rescue Response Agreements, pursuant to applicable statutory authority. The Unit Chief may delegate this responsibility to qualified staff.
- D. The Unit Chief may dispatch personnel and equipment listed in Exhibit D, Schedules A, B and C from the assigned station or location under guidelines established by LOCAL AGENCY and approved by STATE. Personnel and/or equipment listed in Exhibit D, Schedule B may be dispatched at the sole discretion of STATE.

- E. The Unit Chief shall exercise professional judgment consistent with STATE policy and his or her employment by STATE in authorizing or making any assignments to emergencies and other responses, including assignments made in response to requests for mutual aid.
- F. Except as may be otherwise provided for in this agreement, STATE shall not incur any obligation on the part of LOCAL AGENCY to pay for any labor, materials, supplies or services beyond the total set forth in the respective Exhibit D, Schedules A and C, as to the services to be rendered pursuant to each Schedule.
- G. Nothing herein shall alter or amend or be construed to alter or amend any Collective Bargaining Agreement or Memorandum of Understanding between the State of California and its employees under the State Employer-Employee Relations Act.

### **3. SUPPRESSION COST RECOVERY**

As provided in Health and Safety Code (H&SC) Section 13009, STATE may bring an action for collection of suppression costs of any fire caused by negligence, violation of law, or failure to correct noticed fire safety violations. When using LOCAL AGENCY equipment and personnel under the terms of this agreement, STATE may, at the request of LOCAL AGENCY, bring such an action for collection of costs incurred by LOCAL AGENCY. In such a case LOCAL AGENCY appoints and designates STATE as its agent in said collection proceedings. In the event of recovery, STATE shall deduct fees and litigation costs in a proportional percentage amount based on verifiable and justifiable suppression costs for the fire at issue. These recovery costs are for services provided which are beyond the scope of those covered by the local government administrative fee.

In all such instances, STATE shall give timely notice of the possible application of H&SC Section 13009 to the representative designated by LOCAL AGENCY.

### **4. MUTUAL AID**

When rendering mutual aid or assistance as authorized in H&SC Sections 13050 and 13054, STATE may, at the request of LOCAL AGENCY, demand payment of charges and seek reimbursement of LOCAL AGENCY costs for personnel, equipment and operating expenses as funded herein, under authority given by H&SC Sections 13051 and 13054. STATE, in seeking said reimbursement pursuant to such request of LOCAL AGENCY, shall represent LOCAL AGENCY by following the procedures set forth in H&SC Section 13052. Any recovery of LOCAL AGENCY costs, less expenses, shall be paid or credited to LOCAL AGENCY, as directed by LOCAL AGENCY.

In all such instances, STATE shall give timely notice of the possible application of H&SC Sections 13051 and 13054 to the officer designated by LOCAL AGENCY.

### **5. PROPERTY PURCHASE AND ACCOUNTING**

LOCAL AGENCY shall be responsible for all costs associated with property required by personnel to carry out this agreement. Employee uniform costs will be assessed to the LOCAL AGENCY through the agreement billing process. Personal Protective Equipment (PPE) costs shall be the responsibility of the LOCAL AGENCY. By mutual agreement, PPE meeting the minimum specifications established by the STATE may be purchased directly by the LOCAL AGENCY. Alternately, the STATE will supply all PPE and the LOCAL AGENCY will be billed for costs incurred.

All property provided by LOCAL AGENCY and by STATE for the purpose of providing fire protection services shall be marked and accounted for by the Unit Chief in such a manner as to conform to the regulations, if any, established by the parties for the segregation, care, and use of the respective properties.

**EXHIBIT B**  
**BUDGET DETAIL AND PAYMENT PROVISIONS**

**1. PAYMENT FOR SERVICES**

- A. LOCAL AGENCY shall pay STATE actual cost for fire protection services pursuant to this agreement an amount not to exceed that set forth in Exhibit D, Schedule A for each fiscal year. STATE shall prepare an Exhibit D, Schedule A each year, which shall be the basis for payment for the entire fiscal year for which services are provided.
- B. Any other funds designated by LOCAL AGENCY to be expended under the supervision of or for use by a Unit Chief for fire protection services shall be set forth in Exhibit D, Schedule C. This clause shall not limit the right of LOCAL AGENCY to make additional expenditures, whether under Exhibit D, Schedule C or otherwise.
- C. STATE shall invoice LOCAL AGENCY for the cost of fire protection services on a quarterly basis as follows:
  - 1) For actual services rendered by STATE during the period of July 1 through September 30, by an invoice filed with LOCAL AGENCY on or after December 10.
  - 2) For actual services rendered by STATE during the period October 1 through December 31, by an invoice filed with LOCAL AGENCY on or after December 31.
  - 3) For actual services rendered by STATE during the period January 1 through March 31, by an invoice filed with LOCAL AGENCY on or after March 31.
  - 4) For the estimated cost of services during the period April 1 through June 30, by an invoice filed in advance with LOCAL AGENCY on or after March 1.
  - 5) A final statement shall be filed with LOCAL AGENCY by October 1 following the close of the fiscal year, reconciling the payments made by LOCAL AGENCY with the cost of the actual services rendered by STATE and including any other costs as provided herein, giving credit for all payments made by LOCAL AGENCY and claiming the balance due to STATE, if any, or refunding to LOCAL AGENCY the amount of any overpayment.
  - 6) All payments by LOCAL AGENCY shall be made within thirty (30) days of receipt of invoice from STATE, or within thirty (30) days after the filing dates specified above, whichever is later.
  - 7) The STATE reserves the right to adjust the frequency of billing and payment to a monthly cycle with a thirty (30) day written notice to the LOCAL AGENCY when:
    - a. The Director predicts a cash flow shortage, or
    - b. When determined by the Region Chief, after consulting with the Unit Chief and the LOCAL AGENCY Contract Administrator, that the LOCAL AGENCY may not have the financial ability to support the contract at the contract level.
- D. Invoices shall include actual or estimated costs as provided herein of salaries and employee benefits for those personnel employed, charges for operating expenses and equipment and the administrative charge in accordance with Exhibit D, Schedule A. When "contractual rates" are indicated, the rate shall be based on an average salary plus all benefits. "Contractual rates" means an all-inclusive rate established in Exhibit D, Schedule A for total costs to STATE, per specified position, for 24-hour fire protection services during the period covered.

- E. STATE shall credit the LOCAL AGENCY, or cover behind at no cost, for the costs of Non-post (e.g. Fire Marshal, Training Officer, etc.) positions and equipment assigned to STATE responsibility fires or other STATE funded emergency incidents. The STATE shall notify the LOCAL AGENCY when this occurs.

## **2. COST OF OPERATING AND MAINTAINING EQUIPMENT AND PROPERTY**

The cost of maintaining, operating, and replacing any and all property and equipment, real or personal, furnished by the parties hereto for fire protection purposes, shall be borne by the party owning or furnishing such property or equipment unless otherwise provided for herein or by separate written agreement.

## **3. BUDGET CONTINGENCY CLAUSE**

- A. If the LOCAL AGENCY's governing authority does not appropriate sufficient funds for the current year or any subsequent years covered under this Agreement, which results in an inability to pay the STATE for the services specified in this Agreement, the LOCAL AGENCY shall promptly notify the STATE and this Agreement will terminate pursuant to the notice periods required herein.
- B. If funding for any fiscal year is reduced or deleted by the LOCAL AGENCY for purposes of this program, the LOCAL AGENCY shall promptly notify the STATE, and the STATE shall have the option to either cancel this Agreement with no liability occurring to the STATE, or offer an agreement amendment to LOCAL AGENCY to reflect the reduced amount, pursuant to the notice terms herein.
- C. If the STATE Budget Act does not appropriate sufficient funds to provide the services for the current year or any subsequent years covered under this Agreement, which results in an inability to provide the services specified in this Agreement to the LOCAL AGENCY, the STATE shall promptly notify the LOCAL AGENCY, and this Agreement will terminate pursuant to the notice periods required herein.
- D. If funding for any fiscal year is reduced or deleted by the STATE Budget Act for purposes of this program, the STATE shall promptly notify the LOCAL AGENCY, and the LOCAL AGENCY shall have the option to either cancel this Agreement with no liability occurring to the LOCAL AGENCY, or offer an agreement amendment to LOCAL AGENCY to reflect the reduced services, pursuant to the notice terms herein.
- E. Notwithstanding the foregoing provisions in paragraphs A and B above, the LOCAL AGENCY shall remain responsible for payment for all services actually rendered by the STATE under this Agreement regardless of LOCAL AGENCY funding being reduced, deleted or not otherwise appropriated for this program. The LOCAL AGENCY shall promptly notify the STATE in writing of any budgetary changes that would impact this Agreement.
- F. LOCAL AGENCY and STATE agree that this Budget Contingency Clause shall not relieve or excuse either party from its obligation(s) to provide timely notice as may be required elsewhere in this Agreement.

**EXHIBIT C**  
**GENERAL TERMS AND CONDITIONS**

1. **APPROVAL**: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. STATE will not commence performance until such approval has been obtained.
2. **AMENDMENT**: This agreement may be amended by mutual consent of LOCAL AGENCY and STATE. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

If during the term of this agreement LOCAL AGENCY shall desire a reduction in STATE civil service employees assigned to the organization provided for in Exhibit D, Schedule A, LOCAL AGENCY shall provide 120 days written notice of the requested reduction. Notification shall include the following: (1) The total amount of reduction; (2) The firm effective date of the reduction; and (3) The number of employees, by classification, affected by a reduction. If such notice is not provided, LOCAL AGENCY shall reimburse STATE for relocation costs incurred by STATE as a result of the reduction. Personnel reductions resulting solely from an increase in STATE employee salaries or STATE expenses occurring after signing this agreement and set forth in Exhibit D, Schedule A to this agreement shall not be subject to relocation expense reimbursement by LOCAL AGENCY.

If during the term of this agreement costs to LOCAL AGENCY set forth in any Exhibit D, Schedule A to this agreement increase and LOCAL AGENCY, in its sole discretion, determines it cannot meet such increase without reducing services provided by STATE, LOCAL AGENCY shall within one hundred twenty (120) days of receipt of such Schedule notify STATE and designate which adjustments shall be made to bring costs to the necessary level. If such designation is not received by STATE within the period specified, STATE shall reduce services in its sole discretion to permit continued operation within available funds.

3. **ASSIGNMENT**: This Agreement is not assignable by the LOCAL AGENCY either in whole or in part, without the consent of the STATE in the form of a formal written amendment.
4. **EXTENSION OF AGREEMENT**:
  - A. One year prior to the date of expiration of this agreement, LOCAL AGENCY shall give STATE written notice of whether LOCAL AGENCY will extend or enter into a new agreement with STATE for fire protection services and, if so, whether LOCAL AGENCY intends to change the level of fire protection services from that provided by this agreement. If this agreement is executed with less than one year remaining on the term of the agreement, LOCAL AGENCY shall provide this written notice at the time it signs the agreement and the one year notice requirement shall not apply.
  - B. If LOCAL AGENCY fails to provide the notice, as defined above in (A), STATE shall have the option to extend this agreement for a period of up to one year from the original termination date and to continue providing services at the same or reduced level as STATE determines would be appropriate during the extended period of this agreement. Six months prior to the date of expiration of this agreement, or any extension hereof, STATE shall give written notice to LOCAL AGENCY of any extension of this agreement and any change in the level of fire protection services STATE will provide during the extended period of this agreement. Services provided and obligations incurred by STATE during an extended period shall be accepted by LOCAL AGENCY as services and obligations under the terms of this agreement.

- C. The cost of services provided by STATE during the extended period shall be based upon the amounts that would have been charged LOCAL AGENCY during the fiscal year in which the extended period falls had the agreement been extended pursuant hereto. Payment by LOCAL AGENCY for services rendered by STATE during the extended period shall be as provided in Exhibit B, Section 1, B of this agreement.
5. **AUDIT:** STATE, including the Department of General Services and the Bureau of State Audits, and LOCAL AGENCY agree that their designated representative shall have the right to review and to copy any records and supporting documentation of the other party hereto, pertaining to the performance of this agreement. STATE and LOCAL AGENCY agree to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated, and to allow the auditor(s) of the other party access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. STATE and LOCAL AGENCY agree to a similar right to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
6. **INDEMNIFICATION:** Each party, to the extent permitted by law, agrees to indemnify, defend and save harmless the other party, its officers, agents and employees from (1) any and all claims for economic losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers and any other person, firm, or corporation furnishing or supplying work services, materials or supplies to that party and (2) from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by that party, in the performance of any activities of that party under this agreement, except where such injury or damage arose from the sole negligence or willful misconduct attributable to the other party or from acts not within the scope of duties to be performed pursuant to this agreement; and (3) each party shall be responsible for any and all claims that may arise from the behavior and/or performance of its respective employees during and in the course of their employment to this cooperative agreement.
7. **DISPUTES:** LOCAL AGENCY shall select and appoint a "Contract Administrator" who shall, under the supervision and direction of LOCAL AGENCY, be available for contract resolution or policy intervention with the STATE's Region Chief when, upon determination by the designated STATE representative, the Unit Chief acting as LOCAL AGENCY's Fire Chief under this agreement faces a situation in which a decision to serve the interest of LOCAL AGENCY has the potential to conflict with STATE interest or policy. Any dispute concerning a question of fact arising under the terms of this agreement which is not disposed of within a reasonable period of time by the LOCAL AGENCY and STATE employees normally responsible for the administration of this agreement shall be brought to the attention of the CAL FIRE Director or designee and the Chief Executive Officer (or designated representative) of the LOCAL AGENCY for joint resolution. For purposes of this provision, a "reasonable period of time" shall be ten (10) calendar days or less. STATE and LOCAL AGENCY agree to continue with the responsibilities under this Agreement during any dispute.
8. **TERMINATION FOR CAUSE/CANCELLATION:**
- A. If LOCAL AGENCY fails to remit payments in accordance with any part of this agreement, STATE may terminate this agreement and all related services upon 60 days written notice to LOCAL AGENCY. Termination of this agreement does not relieve LOCAL AGENCY from providing STATE full compensation in accordance with terms of this agreement for services actually rendered by STATE pursuant to this agreement.

B. This agreement may be cancelled at the option of either STATE or LOCAL AGENCY at any time during its term, with or without cause, on giving one year's written notice to the other party. Either LOCAL AGENCY or STATE electing to cancel this agreement shall give one year's written notice to the other party prior to cancellation.

9. **INDEPENDENT CONTRACTOR:** Unless otherwise provided in this agreement LOCAL AGENCY and the agents and employees of LOCAL AGENCY, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the STATE.

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

In addition, LOCAL AGENCY acknowledges that it has obligations relating to ethics, Equal Employment Opportunity (EEO), the Fire Fighter's Bill of Rights Act (FFBOR), and the Peace Officer's Bill of Rights Act (POBOR). LOCAL AGENCY shall ensure that its employees comply with all the legal obligations relating to these areas. LOCAL AGENCY shall ensure that its employees are provided appropriate training.

11. **TIMELINESS:** Time is of the essence in the performance of this agreement.

12. **COMPENSATION:** The consideration to be paid STATE, as provided herein, shall be in compensation for all of STATE's expenses incurred in the performance hereof, including travel, per Diem, and taxes, unless otherwise expressly so provided.

13. **GOVERNING LAW:** This agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

14. **CHILD SUPPORT COMPLIANCE ACT:** "For any Agreement in excess of \$100,000, the LOCAL AGENCY acknowledges in accordance with Public Contract Code 7110, that:

- A. The LOCAL AGENCY recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- B. The LOCAL AGENCY, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department."



15. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

16. **COMPLIANCE WITH THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)**

The STATE and LOCAL AGENCY have a responsibility to comply with the provisions of the 1996 Federal Health Insurance Portability and Accountability Act (HIPAA) and the 2001 State Health Insurance Portability and Accountability Implementation Act. HIPAA provisions become applicable once the association and relationships of the health care providers are determined by the LOCAL AGENCY. It is the LOCAL AGENCY'S responsibility to determine their status as a "covered entity" and the relationships of personnel as "health care providers", "health care clearinghouse", "hybrid entities", business associates", or "trading partners". STATE personnel assigned to fill the LOCAL AGENCY'S positions within this Agreement, and their supervisors, may fall under the requirements of HIPAA based on the LOCAL AGENCY'S status. It is the LOCAL AGENCY'S responsibility to identify, notify, train, and provide all necessary policy and procedures to the STATE personnel that fall under HIPAA requirements so that they can comply with the required security and privacy standards of the act.

17. **LIABILITY INSURANCE**

The STATE and LOCAL AGENCY shall each provide proof of insurance in a form acceptable to the other party at no cost one to the other, to cover all services provided and use of local government facilities covered by this agreement. If LOCAL AGENCY is insured and/or self-insured in whole or in part for any losses, LOCAL AGENCY shall provide a completed Certification of Self Insurance (Exhibit D, Schedule E) or certificate of insurance, executed by a duly authorized officer of LOCAL AGENCY. Upon request of LOCAL AGENCY the STATE shall provide a letter from DGS, Office Risk and Insurance Management executed by a duly authorized officer of STATE. If commercially insured in whole or in part, a certificate of such coverage executed by the insurer or its authorized representative shall be provided.

Said commercial insurance or self-insurance coverage of the LOCAL AGENCY shall include the following:

- A. Fire protection and emergency services - Any commercial insurance shall provide at least general liability for \$5,000,000 combined single limit per occurrence.
  - B. Dispatch services – Any commercial insurance shall provide at least general liability for \$1,000,000 combined single limit per occurrence.
  - C. The CAL FIRE, State of California, its officers, agents, employees, and servants are included as additional insured's for purposes of this contract.
  - D. The STATE shall receive thirty (30) days prior written notice of any cancellation or change to the policy at the addresses listed on page 2 of this agreement.
18. **WORKERS COMPENSATION:** (only applies where local government employees/volunteers are supervised by CAL FIRE, as listed in Exhibit D Schedule C. STATE contract employees' workers compensation is included as part of the contract personnel benefit rate).
- A. Workers' Compensation and related benefits for those persons, whose use or employment is contemplated herein, shall be provided in the manner prescribed by California Labor Codes, State Interagency Agreements and other related laws, rules, insurance policies, collective bargaining agreements, and memorandums of understanding.

- B. The STATE Unit Chief administering the organization provided for in this agreement shall not use, dispatch or direct any non STATE employees, on any work which is deemed to be the responsibility of LOCAL AGENCY, unless and until LOCAL AGENCY provides for Workers' Compensation benefits at no cost to STATE. In the event STATE is held liable, in whole or in part, for the payment of any Worker's Compensation claim or award arising from the injury or death of any such worker, LOCAL AGENCY agrees to compensate STATE for the full amount of such liability.
- C. The STATE /LOCAL AGENCY shall receive proof of Worker's Compensation coverage and shall be notified of any cancellation and change of coverage at the addresses listed in Section 1.
19. **CONFLICT OF INTEREST**: LOCAL AGENCY needs to be aware of the following provisions regarding current or former state employees. If LOCAL AGENCY has any questions on the status of any person rendering services or involved with the Agreement, the STATE must be contacted immediately for clarification.

Current State Employees (Public Contract Code §10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Public Contract Code §10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If LOCAL AGENCY violates any provisions of above paragraphs, such action by LOCAL AGENCY shall render this Agreement void. (Public Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Public Contract Code §10430 (e))

20. **LABOR CODE/WORKERS' COMPENSATION**: LOCAL AGENCY needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and LOCAL AGENCY affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)
21. **AMERICANS WITH DISABILITIES ACT**: LOCAL AGENCY assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis

of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

22. **LOCAL AGENCY NAME CHANGE**: An amendment is required to change the LOCAL AGENCY'S name as listed on this Agreement. Upon receipt of legal documentation of the name change the STATE will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
23. **RESOLUTION**: A county, city, district, or other local public body must provide the STATE with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.
24. **AIR OR WATER POLLUTION VIOLATION**: Under the State laws, the LOCAL AGENCY shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.
25. **AFFIRMATIVE ACTION**. STATE certifies its compliance with applicable federal and State hiring requirements for persons with disabilities, and is deemed by LOCAL AGENCY to be in compliance with the provisions of LOCAL AGENCY'S Affirmative Action Program for Vendors.
26. **DRUG AND ALCOHOL-FREE WORKPLACE**. As a material condition of this Agreement, STATE agrees that it and its employees, while performing service for LOCAL AGENCY, on LOCAL AGENCY property, or while using LOCAL AGENCY equipment, shall comply with STATE's Employee Rules of Conduct as they relate to the possession, use, or consumption of drugs and alcohol.
27. **ZERO TOLERANCE FOR FRAUDULENT CONDUCT IN LOCAL AGENCY SERVICES**. STATE shall comply with any applicable "Zero Tolerance for Fraudulent Conduct in LOCAL AGENCY Services." There shall be "Zero Tolerance" for fraud committed by contractors in the administration of LOCAL AGENCY programs and the provision of LOCAL AGENCY services. Upon proven instances of fraud committed by the STATE in connection with performance under the Agreement, the Agreement may be terminated consistent with the termination for cause/cancellation term, Exhibit C, section 8, subsection B, of Cooperative Fire Programs Fire Protection Reimbursement Agreement, LG-1, between the California Department of Forestry and Fire Protection (CAL FIRE) and the LOCAL AGENCY.
28. **CONFIDENTIAL INFORMATION**. "Confidential information" means information designated by CAL FIRE and/or the LOCAL AGENCY disclosure of which is restricted, prohibited or privileged by State and federal law. Confidential Information includes, but is not limited to, information exempt from disclosure under the California Public Records Act (Government Code Sections 6250 et seq.) Confidential Information includes but is not limited to all records as defined in Government Code section 6252 as well as verbal communication of Confidential Information. Any exchange of Confidential Information between parties shall not constitute a "waiver" of any exemption pursuant to Government Code section 6254.5

CAL FIRE and LOCAL AGENCY personnel allowed access to information designated as Confidential Information shall be limited to those persons with a demonstrable business need for such access. CAL FIRE and LOCAL AGENCY agree to provide a list of authorized personnel in writing as required by Government Code section 6254.5(e). CAL FIRE and the LOCAL

AGENCY agree to take all necessary measures to protect Confidential Information and shall impose all the requirements of this Agreement on all of their respective officers, employees and agents with regards to access to the Confidential Information. A Party to this Contract who experiences a security breach involving Confidential Information covered by this Contract, agrees to promptly notify the other Party of such breach

29. **ENTIRE AGREEMENT**: This agreement contains the whole agreement between the Parties. It cancels and supersedes any previous agreement for the same or similar services.

**EXHIBIT D**  
**ADDITIONAL PROVISIONS**

**EXCISE TAX:** State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. STATE will pay any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this agreement. The STATE may pay any applicable sales and use tax imposed by another state.

**Schedules**

The following Schedules are included as part of this agreement (check boxes if they apply):

- ☒ **A. Fiscal Display, PRC 4142 AND/OR PRC 4144** - STATE provided LOCAL AGENCY funded fire protection services. STATE-owned vehicles shall be operated and maintained in accordance with policies of STATE at rates listed in Exhibit D, Schedule A.
- ☒ **B. STATE Funded Resource** - A listing of personnel, crews and major facilities of the STATE overlapping or adjacent to the local agency area that may form a reciprocal part of this agreement.
- ☐ **C. LOCAL AGENCY Provided Local Funded Resources** - A listing of services, personnel, equipment and expenses, which are paid directly by the local agency, but which are under the supervision of the Unit Chief.
- ☒ **D. LOCAL AGENCY Owned STATE Maintained Vehicles** - Vehicle information pertaining to maintenance responsibilities and procedures for local agency-owned vehicles that may be a part of the agreement.

LOCAL AGENCY-owned firefighting vehicles shall meet and be maintained to meet minimum safety standards set forth in Title 49, Code of Federal Regulations; and Titles 8 and 13, California Code of Regulations.

LOCAL AGENCY-owned vehicles that are furnished to the STATE shall be maintained and operated in accordance to LOCAL AGENCY policies. In the event LOCAL AGENCY does not have such policies, LOCAL AGENCY-owned vehicles shall be maintained and operated in accordance with STATE policies. The cost of said vehicle maintenance and operation shall be at actual cost or at rates listed in Exhibit D, Schedule D.

Exhibit D, Schedule D is incorporated into this section if LOCAL AGENCY-owned vehicles listed in Exhibit D, Schedule D are to be operated, maintained, and repaired by STATE.

LOCAL AGENCY assumes full responsibility for all liabilities associated therewith in accordance with California Vehicle Code Sections 17000, 17001 et seq. STATE employees operating LOCAL AGENCY-owned vehicles shall be deemed employees of LOCAL AGENCY, as defined in Vehicle Code Section 17000. Except where LOCAL AGENCY would have no duty to indemnify STATE under Exhibit C, Section 6 for all LOCAL AGENCY-owned vehicles operated or used by employees of STATE under this agreement.

LOCAL AGENCY employees, who are under the supervision of the Unit Chief and operating STATE-owned motor vehicles, as a part of the duties and in connection with fire protection and other emergency services, shall be deemed employees of STATE, as defined in Vehicle Code Section 17000 for acts or omissions in the use of such vehicles. Except where STATE would have no duty to indemnify LOCAL AGENCY under Exhibit C, Section 6.

- E. Certification of Insurance** - Provider Insurance Certification and/or proof of self-insurance.

Contractor Name: City of Gridley

Contract No: 2CA05714

Page No.: 17

**EXHIBIT D, SCHEDULE A**

**LOCAL FUNDED – STATE RESOURCES**

**FISCAL DISPLAY**

**PRC 4142**

**NAME OF LOCAL AGENCY:** City of Gridley

**CONTRACT NUMBER:** **2CA05714**

Index: 2101

PCA: 27120

Fiscal Year: 2022/23 to SELECT

This is Schedule A of Cooperative Agreement originally dated July 1, 2022, by and between CAL FIRE of the State of California and LOCAL AGENCY.

(See Attached)

Unit:

Contract Name: City of Gridley

Agreement Total \$1,300,639

Contract No.: 2CA05714

Page No.:

Fiscal Year 22/23	
PS 1 Total	\$1,277,649
OE 1 Total	\$22,990
TOTAL	\$1,300,639



Fiscal Year: 2022	Unit:	Sub Total	\$1,140,657	Contract Name:	City of Gridley									
Index: 2101		Admin	\$136,993	Contract No.: 2CA05714										
PCA: 27120		Total	\$1,277,649	Page No.:										
PRC: 4142														
Comments		Overtime Total:	\$37,500											
This is a Schedule A - 4142 of the Cooperative Agreement, dated July 1, 2022 between Cityof Gridley, and The California Department of Forestry and Fire Protection (CAL FIRE)		CAL FIRE Unit Chief		John Messina										
		CAL FIRE Region Chief		George Morris III										
Number of Positions	Classification/ad-ons (Pick From List)	RET.	Period	Salary Months	Salary Rate	Total Salary	EDWC Rate	EDWC Periods	Total EDWC	Salary Benefits	FFI UI	EDWC Benefits	Total Salary & EDWC	Total Position Cost
1	Fire Captain, Range A	POF	7/1-6/30	12	\$6,017	\$72,204	\$3,505	12	\$42,060	\$68,182	\$0	\$25,787	\$208,233	\$232,002
1	Education Incentive Pay Differential	POF		12	\$75	\$900			\$0	\$850		\$0	\$1,750	
1	Longevity Pay Differential - 5%	POF		12	\$0	\$3,610			\$0	\$3,409		\$0	\$7,019	
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
	Overtime					\$15,000			\$0	\$0		\$0	\$15,000	
3	Fire Apparatus Engineer	POF	7/1-6/30	12	\$5,362	\$193,032	\$3,128	12	\$112,608	\$182,280	\$0	\$69,040	\$556,960	\$593,469
3	Education Incentive Pay Differential	POF		12	\$75	\$2,700			\$0	\$2,550		\$0	\$5,250	
3	Longevity Pay Differential - 3%	POF		12	\$0	\$5,791			\$0	\$5,468		\$0	\$11,259	
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
	Overtime					\$20,000			\$0	\$0		\$0	\$20,000	
2	Fire Apparatus Engineer	POF	7/1-6/30	8	\$5,362	\$85,792	\$3,128	8	\$50,048	\$81,013	\$0	\$30,684	\$247,538	\$249,871
2	Education Incentive Pay Differential	POF		8	\$75	\$1,200			\$0	\$1,133		\$0	\$2,333	
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
	Overtime					\$0			\$0	\$0		\$0	\$0	
0.5	Communications Operator, Range B	SAF	7/1-6/30	12	\$6,389	\$38,334	\$0	0	\$0	\$24,480	\$0	\$0	\$62,814	\$65,314
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
	Overtime					\$2,500			\$0	\$0		\$0	\$2,500	
					\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
	Overtime					\$0			\$0	\$0		\$0	\$0	
					\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
	Overtime					\$0			\$0	\$0		\$0	\$0	
					\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
					\$0	\$0			\$0	\$0		\$0	\$0	
	Overtime					\$0			\$0	\$0		\$0	\$0	



Contractor Name: City of Gridley

Contract No: 2CA05714

Page No.: 21

**EXHIBIT D, SCHEDULE B**

**STATE FUNDED RESOURCES**

**NAME OF LOCAL AGENCY:**City of Gridley

This is Schedule B of Cooperative Agreement originally dated July 1, 2022, by and between CAL FIRE of the State of California and LOCAL AGENCY.

**FISCAL YEAR:** 2022/23 to SELECT

(See Attached)

EXHIBIT D, SCHEDULE B

STATE FUNDED RESOURCES

COMMAND/ADMINISTRATION

- 1 Unit Chief
- 1 Assistant Chief North Operations
- 1 Assistant Chief South Operations
- 1 Assistant Chief, Administration
- 1 Assistant Chief, Resource Management
- 1 Forestry Equipment Manager
- 8 Battalion Chiefs (5 Field, CAAB, ECC, Training, VMP)
- 1 Forester I, Magalia Area
- 3 Fire Captains, ECC
- 1 Communications Operator
- 1 Forestry Logistics Officer I

FIRE PREVENTION

- 1 Battalion Chief
- 1 Fire Prevention Captain
- 1 Fire Prevention Specialist II

FIRE CONTROL

Fire Stations (10)

- |                       |                            |                          |
|-----------------------|----------------------------|--------------------------|
| Oroville (2) Engines  | Feather Falls (1) Engine   | Butte Meadows (1) Engine |
| Cohasset (1) Engine   | Robinson Mills (2) Engines | Stirling City (1) Engine |
| Paradise (2) Engines  | Forest Ranch (2) Engines   | Harts Mill (2) Engines   |
| Jarbo Gap (2) Engines |                            |                          |

**EXHIBIT D, SCHEDULE D** (page one)

**LOCAL AGENCY OWNED**  
**STATE MAINTAINED VEHICLES**

**NAME OF LOCAL AGENCY:**City of Gridley

This is Schedule D of Cooperative Agreement originally dated July 1, 2022, by and between CAL FIRE of the State of California and LOCAL AGENCY

**FISCAL YEAR:** 2022/23 to SELECT

The current "Salary, Pay Differentials, and Operating Expense Schedule" Memorandum under Operating Expenses, Vehicle Maintenance includes the following description of maintenance responsibilities and procedures for LOCAL AGENCY-owned vehicles which are listed in the Exhibit D, Schedule A. Categories are "Flat Rate", "Mileage Rate", and "Actual Cost".

- (1) For all vehicles for which a monthly "Flat Rate" is shown, (this category excludes, all surveyed CAL FIRE vehicles, vehicles obtained through federal surplus, fire apparatus built on commercial chassis over 15 years old and fire apparatus built on custom chassis over 20 years old - age is based on chassis production year.)

State shall:

- a. Provide fuel, oil, lubrication, batteries, tires and tubes,
- b. Repair, exchange or replace when necessary accessory motors, hoses, pumps, spotlights, sirens, fire extinguishers and all other accessories affixed to or supplied when said vehicles were accepted by the STATE for operation under Schedule A, excepting equipment or accessories not common to the use of the STATE and radio, installations originally provided by the LOCAL AGENCY. All such equipment provided and installed by the STATE shall become the property of the LOCAL AGENCY and the replaced equipment removed shall become the property of the STATE.
- c. Make such reasonable repairs to said vehicles (not including painting.) as may be necessary to keep the vehicles in operating condition; provided, however, that the STATE may cease to make further repairs on any vehicles when the STATE determines that the repair costs during the period of this agreement shall exceed \$10,000 for any one occurrence, or will exceed the market value of the vehicle. In the event the STATE determines that a vehicle is not fit for further use because of obsolescence, deterioration or damage, the STATE shall not be required to repair the vehicle or maintain it in use. Upon such determination, the STATE shall immediately so advise the LOCAL AGENCY, and the LOCAL AGENCY shall have the option of replacing said vehicle or STATE shall discontinue the particular service.

**EXHIBIT D, SCHEDULE D (page two)**  
**LOCAL AGENCY OWNED**  
**STATE MAINTAINED VEHICLES**

- (2) For all passenger and service vehicles for which a "Mileage Rate" is shown, STATE shall:
- a. Provide fuel, oil, lubrication, batteries and tires and tubes.
  - b. Make such reasonable repairs to said vehicles as may be necessary to keep the vehicles in operating condition provided, however, that the STATE may cease to make further repairs on any vehicles when the potential repair costs are not reasonable considering the vehicle age, market value and other pertinent factors.
- Upon such determination, the STATE shall immediately so notify the LOCAL AGENCY and the LOCAL AGENCY shall have the option of replacing said vehicle or STATE shall discontinue the particular service.
- (3) For all vehicles listed under the heading "Flat Rate" or "Mileage Rate", LOCAL AGENCY shall assume accident repairs in excess of \$2,000 per occurrence.
- (4) For all vehicles listed under the heading "Actual Cost", the STATE shall operate, maintain, and repair said vehicles at the STATE'S actual cost.
- (5) LOCAL AGENCY-owned vehicles to be maintained pursuant to this section are listed below by category and are described by year model, "Rate Letter" type, and license number.

<u>Category</u>	<u>Year Model</u>	<u>Type</u>	<u>License Number</u>
Flat Rate 1A	1995	3B1	E021598
Flat Rate 1A	2005	2B1	1194655

**EXHIBIT D, SCHEDULE E**

This is Schedule E of Cooperative Agreement originally dated July 1, 2022, by and between the CAL FIRE of the State of California and LOCAL AGENCY

NAME OF LOCAL AGENCY: City of Gridley

The CAL FIRE, State of California and its officers, agents, employees, and servants are included as additional insured for the purposes of this contract. The State shall receive thirty (30) days prior written notice of any cancellation or change to the policy at the addresses listed in LG1, Page 2.

FISCAL YEAR: 2022/23 to SELECT

**SELF-INSURANCE CERTIFICATION BY LOCAL AGENCY FOR  
TORT LIABILITY**

This is to certify that LOCAL AGENCY has elected to be self-insured under the self-insurance provision provided in Exhibit C, Section 17.

By: _____	Bruce Johnson
Signature	Printed Name
Mayor	
_____	_____
Title	Date

**SELF-INSURANCE CERTIFICATION BY LOCAL AGENCY  
FOR  
WORKER'S COMPENSATION BENEFITS**

This is to certify that LOCAL AGENCY has elected to be self-insured for Workers' Compensation benefits which comply with Labor Code Section 3700 as provided in Exhibit C, Section 18.

By: _____	Bruce Johnson
Signature	Printed Name
Mayor	
_____	_____
Title	Date

**SELF-INSURANCE CERTIFICATION BY LOCAL AGENCY  
FOR  
LOCAL AGENCY-OWNED VEHICLES**

This is to certify that LOCAL AGENCY has elected to be self-insured for local agency-owned vehicles under the self-insurance provision provided in Exhibit D, Schedule D.

By: _____	Bruce Johnson
Signature	Printed Name
Mayor	
_____	_____
Title	Date

**EXHIBIT E**  
**DESCRIPTION OF OTHER SERVICES**

For the City of Gridley fire vehicles enroute to State incidents, training, or other State required meetings Cal Fire will provide a gas card.



**City Council Agenda Item #7**  
Staff Report

**Date:** August 1, 2022

**To:** Mayor and City Council

**From:** Cliff Wagner, City Administrator

**Subject:** Review and Approval of Resolution No. 2022-R-028: A Resolution of The City Council of The City of Gridley Approving the Attestation of Veracity for the 2021 Power Source Disclosure Report and Submission of The Report to The California Energy Commission

---

<b>X</b>	Regular
	Special
	Closed
	Emergency

**Recommendation**

City staff respectfully recommends that the City Council adopt a Resolution approving the attestation of veracity for the 2021 Power Source Disclosure Report and submission of the report to the California Energy Commission.

**Background**

Under State law (Public Utilities Code Sections 398.4 and 398.5), retail suppliers of electricity must annually (1) disclose the type of generation resources (e.g., hydroelectric, solar, natural gas etc.) provided to their customers in the form of a Power Content Label (“PCL”), and (2) report this same information, together with supporting documentation in verified form, to the California Energy Commission (“CEC”), in the form of a Power Source Disclosure Report (“PSD”). The intent of the report is to educate customers through the disclosure of accurate, reliable, and simple to understand information regarding the generation attributes of the energy being provided by their service provider. Gridley City staff annually collects generation and energy procurement data necessary to prepare the annual PSD Report. This report is filed with the CEC each year. In May 2022, staff compiled the annual PSD report.

The CEC recently updated regulations for the power source disclosure report and changed the prior procedures. Primarily, the changes added a provision that the governing board of publicly owned utilities approve, at a public meeting, the attestation of the veracity of the annual power disclosure report.

The City’s Power Content Label is attached. The Label lists the percentages for the City’s energy mix. The energy mix includes both renewable, carbon free, and some carbon-based energy. The City’s renewable and carbon free generation is better than the State average.

The City and Northern California Power Agency (“NCPA”) staff worked collaboratively to compile and present the numbers shown in the PSD and to confirm the accuracy and consistency of the data. This effort included cross checking numbers from the California

Independent System Operator, NCPA generation metering, validations of market purchases from unspecified sources, and customer sales records. Through the process of cross checking by City staff, the City is assured that the PSD and PCL contain the most accurate information for the public.

Attached to this report is a resolution that, if adopted by Council, approves the 2021 PSD report submission and attestation of the veracity as required by the new CEC regulatory procedures.

**Fiscal Impact**

There is no fiscal impact related to the recommended action.

**Compliance with City Council Strategic Plan or Budget Goals**

This report is consistent with our efforts to comply with State requirements and to ensure that our community members are fully informed of all City activities and all budgetary and financial efforts.

**Attachment**

1. Resolution No. 2022-R-028
2. City of Gridley 2021 PSD Attestation and Power Content Label
3. General Description of the State Requirements

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY APPROVING THE ATTESTATION  
OF VERACITY FOR THE 2020 POWER SOURCE DISCLOSURE REPORT AND SUBMISSION OF THE  
REPORT TO THE CALIFORNIA ENERGY COMMISSION**

**WHEREAS**, the City of Gridley owns and operates a publicly owned utility subject to certain laws and requirements of the State Legislature; and

**WHEREAS**, Public Utility Code 398.4 and 398.5 establish a Power Source Disclosure (“PSD”) program that requires retail sellers of electricity to annually submit a power source disclosure report to the California Energy Commission; and

**WHEREAS**, the Gridley Electric Utility is a retail seller of electricity as defined by the PSD Program and is therefore required to file a PSD report; and

**WHEREAS**, the governing body of a publicly owned utility must review and approve the PSD and veracity of an associated attestation submitted to the California Energy Commission; and

**WHEREAS**, Gridley staff prepared and submitted the 2021 Annual Power Source Disclosure Report to the Energy Commission in accordance with the timelines of the regulation; and

**WHEREAS**, the continued administrative action to review and submit the power source disclosure and related reports does not constitute a project under California Environmental Quality Act (“CEQA”) guidelines and is therefore exempt from further environmental review.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Gridley does hereby;

1. Find that continue administrative actions are exempt from CEQA and no further environmental review is needed.
2. Approve the attestation of veracity for the 2021 Power Source Disclosure Report and submission of the report to the California Energy Commission.

**I HEREBY CERTIFY** that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 1<sup>st</sup> day of August 2022, by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ATTEST

APPROVE

---

Cliff Wagner, City Clerk

---

Bruce Johnson, Mayor

## 2021 POWER SOURCE DISCLOSURE ANNUAL REPORT For the Year Ending December 31, 2021

Retail suppliers are required to use the posted template and are not allowed to make edits to this format. Please complete all requested information.

### GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME	
Gridley Electric Utility	
ELECTRICITY PORTFOLIO NAME	
Standard	
CONTACT INFORMATION	
NAME	Cliff Wagner
TITLE	City Administrator
MAILING ADDRESS	685 Kentucky Street
CITY, STATE, ZIP	Gridley, CA 95948
PHONE	(530) 846-3631
EMAIL	<a href="mailto:cwagner@gridley.ca.us">cwagner@gridley.ca.us</a>
WEBSITE URL FOR PCL POSTING	<a href="http://gridley.ca.us/government-and-departments/departments/electric-department/">http://gridley.ca.us/government-and-departments/departments/electric-department/</a>

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov). Remember to complete the Retail Supplier Name, Electricity Portfolio Name, and contact information above, and submit separate reports and attestations for each additional portfolio if multiple were offered in the previous year.

**NOTE:** Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation (CEC-13), which can be found on the California Energy Commissions's website at <https://www.energy.ca.gov/about/divisions-and-offices/chief-counsels-office>.

If you have questions, contact Power Source Disclosure (PSD) staff at [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov) or (916) 805-7439.



**2021 POWER SOURCE DISCLOSURE ANNUAL REPORT**  
**SCHEDULE 1: PROCUREMENTS AND RETAIL SALES**  
For the Year Ending December 31, 2021  
Gridley Electric Utility  
Standard

Instructions: Enter information about power procurements underlying this electricity portfolio for which your company is filing the Annual Report. Insert additional rows as needed. All fields in white should be filled out. Fields in grey auto-populate as needed and should not be filled out. For EIA IDs for unspecified power or specified system mixes from asset-controlling suppliers, enter "Unspecified Power", "BPA", or "Tacoma Power" as applicable. For specified procurements of ACS power, use the ACS Procurement Calculator to calculate the resource breakdown comprising the ACS system mix. **Procurements of unspecified power must not be entered as line items below; unspecified power will be calculated automatically in cell N9.** Unbundled RECs must not be entered on Schedule 1; these products must be entered on Schedule 2. At the bottom portion of the schedule, provide the other electricity end-uses that are not retail sales including, but not limited to transmission and distribution losses or municipal street lighting. Amounts should be in megawatt-hours.

Retail Sales (MWh)	30,418
Net Specified Procurement (MWh)	54,106
Unspecified Power (MWh)	-
Procurement to be adjusted	23,688
Net Specified Natural Gas	34,003
Net Specified Coal & Other Fossil Fuels	-
Net Specified Nuclear, Large Hydro, Renewables, and ACS Power	20,103
GHG Emissions (excludes grandfathered emissions)	4,279
GHG Emissions Intensity (in MT CO <sub>2</sub> e/MWh)	0.1407

DIRECTLY DELIVERED RENEWABLES													
Facility Name	Fuel Type	State or Province	WREGIS ID	RPS ID	N/A	EIA ID	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO <sub>2</sub> e/MWh)	GHG Emissions (in MT CO <sub>2</sub> e)	N/A
Geo OSL	Geothermal	CA	W4883	60908		7368	27		27	27	0.0450	1	
Geo Solar 1 - Clearlake	Solar	CA	W1509	62040		P217	4		4	4	-	-	
Geo Solar 2 - Middletown	Solar	CA	W2792	62041		P218	6		6	6	-	-	
Geothermal 1_Unit 1	Geothermal	CA	W1254	60908		7368	1,094		1,094	1,094	0.0450	49	
Geothermal 1_Unit 2	Geothermal	CA	W1255	60908		7368	1,131		1,131	1,131	0.0450	51	
Geothermal 2_Unit 4	Geothermal	CA	W1257	60911		7369	1,316		1,316	1,316	0.0812	107	
Gridley Main 1	Solar	CA	W2923	62042		58370	1,841		1,841	1,841	-	-	
Keller Canyon Landfill	Biomass & biowaste	CA	W2071	61298		56897	743		743	743	0.0027	2	
Ox Mountain/Half Moon Bay	Biomass & biowaste	CA	W2033	60022		56895	2,257		2,257	2,257	0.0027	6	
WAPA - Lewiston	Eligible hydro	CA	W1108	61044		977	16		16	16	-	-	
WAPA - Nimbus	Eligible hydro	CA	W1161	61045		444	179		179	179	-	-	
WAPA - Stampede	Eligible hydro	CA	W1177	61046		7066	27		27	27	-	-	
FIRMED-AND-SHAPED IMPORTS													
Facility Name	Fuel Type	State or Province	WREGIS ID	RPS ID	EIA ID of REC Source	EIA ID of Substitute Power	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO <sub>2</sub> e/MWh)	GHG Emissions (in MT CO <sub>2</sub> e)	Eligible for Grandfathered Emissions?
									-	-	#N/A		
									-	-	#N/A		
									-	-	#N/A		
									-	-	#N/A		
									-	-	#N/A		
SPECIFIED NON-RENEWABLE PROCUREMENTS													
Facility Name	Fuel Type	State or Province	N/A	N/A	N/A	EIA ID	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO <sub>2</sub> e/MWh)	GHG Emissions (in MT CO <sub>2</sub> e)	N/A
Alameda #1 Natural Gas	Natural gas	CA				7450	10		10	3	0.8998	3	
Alameda #2 Natural Gas	Natural gas	CA				7450	9		9	3	0.8998	2	
Lodi CT #1 Natural Gas	Natural gas	CA				7451	13		13	4	0.8706	3	
Lodi Energy Center	Natural gas	CA				57978	33,891		33,891	10,281	0.3934	4,044	
WAPA - Folsom	Large hydro	CA				441	572		572	572	-	-	
WAPA - Gianelli	Large hydro	CA				448	324		324	324	-	-	
WAPA - Judge F Carr	Large hydro	CA				442	1,438		1,438	1,438	-	-	
WAPA - Keswick	Large hydro	CA				443	1,144		1,144	1,144	-	-	
WAPA - New Melones	Large hydro	CA				6158	1,702		1,702	1,702	-	-	
WAPA - O'Neill	Large hydro	CA				446	38		38	38	-	-	
WAPA - Shasta	Large hydro	CA				445	3,726		3,726	3,726	-	-	
WAPA - Spring Creek	Large hydro	CA				450	1,136		1,136	1,136	-	-	
WAPA - Trinity	Large hydro	CA				451	1,091		1,091	1,091	-	-	
BOUNDARY	Large hydro	WA				6433	265		265	265	-	-	
CHELAN COUNTY PUD	Large hydro	WA				6200	14		14	14	-	-	
KLAMATH FALLS	Natural gas	OR				55103	80		80	24	0.4076	10	
PROCUREMENTS FROM ASSET-CONTROLLING SUPPLIERS													
Facility Name	Fuel Type	N/A	N/A	N/A	N/A	EIA ID	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO <sub>2</sub> e/MWh)	GHG Emissions (in MT CO <sub>2</sub> e)	N/A

[illegible]



<b>Total Retired Unbundled RECs</b>	-
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[illegible]



**2021 POWER SOURCE DISCLOSURE ANNUAL REPORT**  
**SCHEDULE 3: POWER CONTENT LABEL DATA**  
**For the Year Ending December 31, 2021**  
**City of Gridley Electric Utility**  
**Standard**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
<b>Renewable Procurements</b>	8,641	28.4%
Biomass & Biowaste	3,000	9.9%
Geothermal	3,568	11.7%
Eligible Hydroelectric	222	0.7%
Solar	1,851	6.1%
Wind	-	0.0%
Coal	-	0.0%
Large Hydroelectric	11,460	37.7%
Natural gas	10,316	33.9%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	1	0.0%
<b>Total</b>	<b>30,418</b>	<b>100.0%</b>

<b>Total Retail Sales (MWh)</b>	<b>30,418</b>
---------------------------------	---------------

<b>GHG Emissions Intensity (converted to lbs CO<sub>2</sub>e/MWh)</b>	<b>310</b>
---	------------

<b>Percentage of Retail Sales Covered by Retired Unbundled RECs</b>	<b>0.0%</b>
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**2021 POWER SOURCE DISCLOSURE ANNUAL REPORT  
ATTESTATION FORM  
For the Year Ending December 31, 2021  
Gridley Electric Utility  
Standard**

I, Kenneth C Goeke on behalf of Cliff Wagner, City Administrator of the City of Gridley, declare under penalty of perjury, that the statements contained in this report including Schedules 1, 2, and 3 are true and correct and that I acting on behalf of Cliff Wagner, as an authorized agent of City of Gridley Electric Utility, have authority to submit this report on the city's behalf. I further declare that the megawatt-hours claimed as specified purchases as shown in these Schedules were, to the best of my knowledge, sold once and only once to retail customers.

Name: Kenneth C. Goeke  
Manager, Portfolio and Pool Administration  
Northern California Power Agency

Representing Cliff Wagner for the City of Gridley

Signature: K C Goeke 

Dated: July 6, 2022

Executed at Roseville, California

# **Description of “Power Content Labels” from the California Energy Commission**

AB 162 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997) require retail electricity suppliers to disclose information to California consumers about the energy resources used to generate the electricity they sell. As directed, the Energy Commission created a user-friendly way of displaying this information called the Power Content Label. This label provides you with reliable information about the energy resources used to generate electricity, enabling you to easily compare the power content of one electric service product with that of others.

You can think of the power content label as a "nutrition label" for electricity. The power content label provides information about the energy resources used to generate electricity that is put into the power grid. Just as a nutrition label provides information about the food you eat, the power content label provides information about your electricity sources.

## **What information does the power content label provide?**

Electricity can be generated in a number of ways. It can come from renewable resources such as biomass and waste, geothermal heat or steam, solar energy, rivers or small hydroelectric reservoirs, and wind energy; or, it can be produced from resources such as coal, large hydroelectric reservoirs, natural gas, or nuclear fuels. The Power Content Label describes the sources of electricity that are put into the power grid. Each electricity supplier must display information about the energy resources represented by their contracts with electricity generators.

The power content label cannot tell you about the electricity that you use in your home; instead, it tells you about the resources mix your energy dollars are being spent on. If you purchase electricity generated using natural gas, for example, you are paying a natural gas-fired plant to generate electricity and to feed it into the main power grid. Since it is impossible to track the flow of electricity on the grid, there is no way to identify the actual power plant that produced the electricity you consume in your home. But it is possible to track the dollars you pay for electricity. Your electricity dollars will support electricity generation from various energy resources in the proportions listed on the Power Content Label.

See below for a more detailed explanation of the information contained in the Power Content Label.

## **Where and when will I see the Power Content Label?**

Electricity suppliers are required to include the Power Content Label in all advertisements sent to you in the mail or over the Internet. Furthermore, your electricity supplier must send you annual updates for the electric service product you're purchasing by October 1st each year. If there have been any changes in what the electricity supplier is able to provide you, you will learn of them in these updates.

The Power Content Label cannot tell you about the electricity that you use in your home; instead, it tells you about the resources mix your energy dollars are being spent on. If you purchase electricity generated using natural gas, for example, you are paying a natural gas-fired plant to generate electricity and to feed it into the main power grid. Since it is impossible to track the

flow of electricity on the grid, however, there is no way to identify the actual power plant that produced the electricity you consume in your home. But it is possible to track the dollars you pay for electricity. Your electricity dollars will support electricity generation from various energy resources in the proportions listed on the Power Content Label.

Your electricity choice does make a difference, because you decide what kinds of electricity are fed into the electricity grid. Over the long term, your purchasing decisions will help determine what kinds of power plants are built to serve California's electricity needs.

## **Aren't the utilities required to purchase electricity from renewable resources?**

Yes. California's [Renewables Portfolio Standard](#) (RPS) requires all electricity retail suppliers to obtain 50 percent of their electricity from eligible renewable resources by 2030, and to make incremental steps toward that goal in the meantime. These include solar, wind, geothermal, biomass, small hydroelectric facilities and other sources of renewable energy. Renewable energy resources will help the state reach its goals of reducing greenhouse gas emissions that affect the global climate.

## **Does the Power Content Label correspond with RPS?**

Put simply, no. RPS uses a different methodology than that of the Power Content Label. RPS compliance is calculated over three year periods by tracking the retirement of renewable energy credits.

The Power Content Label, on the other hand, is based on annual electricity procurements, and these do not necessarily match with RPS' compliance periods. However, the Power Content Label serves a different function. It is designed to be a simple, quick check of your electric retail supplier's power sources and renewable energy profile, and its performance relative to other retail suppliers and the state as a whole.

# A guide to the Power Content Label:

2016 POWER CONTENT LABEL		
Sample		
ENERGY RESOURCES	Power Mix	2016 CA Power Mix**
Eligible Renewable	34%	25%
Biomass & biowaste	6%	2%
Geothermal	5%	4%
Eligible hydroelectric	4%	2%
Solar	12%	8%
Wind	7%	9%
Coal	11%	4%
Large Hydroelectric	8%	10%
Natural Gas	35%	37%
Nuclear	0%	9%
Other	0%	0%
Unspecified sources of power*	12%	15%
TOTAL	100%	100%
* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.		
** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the identified year.		
For specific information about this electricity product, contact:	Sample	
	555-555-5555	
For general information about the Power Content Label, please visit:	<a href="http://www.energy.ca.gov/pcl/">http://www.energy.ca.gov/pcl/</a>	
For additional questions, please contact the California Energy Commission at:	844-454-2906 <a href="mailto:psdprogram@energy.ca.gov">psdprogram@energy.ca.gov</a>	

## Column A (Energy Resources)

This column lists the different energy resources that can be used to generate electricity, including eligible renewable resources and other resources. For a description of each resource type, see the section titled [Energy Resources](#) below.

## Column B (Power Mix)

This column displays the actual mix of electricity purchased by your utility in a given year, broken out by resource type.

## Column C (California Power Mix)

This column displays the mix of resources used in California for a given year. This information is provided as a reference point for you to compare your electricity retail supplier's resource mix to the overall resource mix of the state. The Energy Commission publishes [Total System Power](#) data each year, based on reports submitted to the Energy Commission by electrical generation facilities.

**City Council Agenda Item #8**  
Staff Report

**Date:** August 1, 2022

**To:** Mayor and City Council

**From:** Cliff Wagner, City Administrator

**Subject:** Review and Approval of City Council Response to the Butte County Grand Jury Findings and Recommendations 2022.

---

<b>X</b>	Regular
	Special
	Closed
	Emergency

**Recommendation**

City staff respectfully recommends that the City Council adopt a Resolution approving the attestation of veracity for the 2021 Power Source Disclosure Report and submission of the report to the California Energy Commission.

**Background**

The Butte County Grand Jury released its report on its review of the City of Gridley on June 24, 2022. California Penal Code section 933(c) specifies that the governing body of any public agency must respond within 90 days from the release of the report to the public.

**Fiscal Impact**

There is no fiscal impact related to the recommended action.

**Compliance with City Council Strategic Plan or Budget Goals**

This report is consistent with the city's efforts to comply with state requirements, statutes and to promote effective, responsive, and transparent government.

**Attachment**

Butte County Grand Jury Response (DRAFT)

## **FINDINGS**

### **F1. The City of Gridley has not posted its audited financial reports dated 6-30-20 and 6-30-21.**

CITY RESPONSE: Respondent agrees with finding.

The timely completion of the audit has been delayed by city staff changes, staff departures, municipal finance software migration, and the effects of the COVID-19 pandemic. The delay of the financial audit is of no benefit to the city or its staff team. In fact, it frustrates our ability to navigate grant applications and a range of other critical financial processes. The city finance staff and our independent auditor anticipates that it will be concluded and publicly available very soon.

### **F2. A portion of the funds in excess of the Electric Enterprise Operating Expenses are transferred annually into the City of Gridley General Fund.**

CITY RESPONSE: Respondent agrees with finding.

The fact that the city transfers revenue from the electric enterprise fund is a matter of public record. The city's annual transfer is the subject of ongoing litigation, and we are confident it will be found to be lawful and in compliance with all applicable statutory and constitutional requirements.

### **F3. The City of Gridley audits show an accumulation of cash over the Fiscal Years 2016-2019.**

CITY RESPONSE: Respondent disagrees partially with finding.

The City of Gridley has accumulated cash. However, the accumulation of cash is overall citywide not exclusively the electrical or any other enterprise fund. The accumulation of cash can be in consequence of several dynamic factors including: accumulation for purchase and replacement of expensive equipment in CIP. Other capital and infrastructure project investments.

The city has received an infusion of federal funding under the American Rescue Plan Act, which resulted in the city receiving \$1.6 Million for very specific eligible investments. The Act allows jurisdictions up to four years to expend the federal funds because they recognize the limitations that exist currently because of supply chain interruptions and COVID 19, which have slowed the ability of local governments to implement program investments, which has led to some accumulated cash.

### **F4. City officials have not identified the goal number of accumulated cash/investments.**

CITY RESPONSE: Respondent disagrees partially with finding.

The city has a goal of 20% for the budget reserve by 2024-2025. This is a matter of public record and can be found in the City Budget Summary for the past several years.

As far as other state and federal programmatic income sources, in some cases, we have established funding goals to accomplish specific policy objectives and in others, it would not be possible due to the nature of the prescriptions placed on the use of the funds.

**F5. The City of Gridley has not provided the method or basis for the computation of the GEU rates.**

CITY RESPONSE: Respondent agrees with finding.

**F6: The GEU rates per kWh are comparable to other northern California cities.**

CITY RESPONSE: Respondent agrees with finding.

## **RECOMMENDATIONS**

**R1. City of Gridley to produce audited and approved financial reports for FYs ending 6/30/20 and 6/30/21 by 9/30/22.**

CITY RESPONSE: Recommendation has been implemented.

**R2. City of Gridley to produce audited and approved financial reports no later than 6 months after the close of each fiscal year starting with the audit dated 6/30/22.**

CITY RESPONSE: Recommendation has been implemented.

**R3. City of Gridley to provide a detailed plan for the allocation of unrestricted cash/investment accumulations in the cash and investment fund accounts. The plan shall itemize to which category(ies) the accumulation is allocated by 12/31/22.**

CITY RESPONSE: Recommendation has not been implemented but the city will be implementing not later than 12/31/22.

**R4. City of Gridley City Council and Gridley City Administrators to make public the basis and methodology for calculating electric rates in a clear, understandable manner by 12/31/22.**

CITY RESPONSE: Recommendation has been implemented.