Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the Library, 251 South "A" Street and the City Clerk's Office, 305 West Third Street during customary business hours. Any materials to be presented at this meeting will be made available electronically 24 hours prior to the meeting. The agenda reports are on the City of Oxnard web site at www.ci.oxnard.ca.us.

CITY OF OXNARD CALIFORNIA

AGENDA

OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
*OXNARD FINANCING AUTHORITY
*OXNARD HOUSING AUTHORITY

Regular Meetings
City Council Chambers, 305 West Third Street, Oxnard
September 23, 2014
4:30 p.m.

A. ROLL CALL/POSTING OF AGENDA

*** The Oxnard Financing Authority and the Oxnard Housing Authority will not meet because there are no items requiring consideration on this date.**

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

At this time, a person may address the legislative body only on matters appearing on the closed session agenda. The presiding officer shall limit public comments to three minutes.

C. CLOSED SESSION - (Please see page 4 for a description of closed session items)

D. OPENING CEREMONIES – 6:00 P.M.

Pledge of allegiance to the flag of the United States.

E. CEREMONIAL CALENDAR

1. SUBJECT: Employee of the Quarter

2. SUBJECT: Presentation of Proclamation Designating October, 2014 as "Fire Prevention Month"

3. SUBJECT: Presentation to the City of Oxnard from the Ocotlan Sister City Committee

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA (30 Minutes)

At this time, the legislative body will consider public comments for a maximum of thirty minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. A person not able to address the legislative body at this time because the thirty minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take any action on any items presented during public comments at this time. Such items may only be referred to the City Manager/ Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing. The presiding officer shall limit public comments to three minutes.

G. TRANSMITTAL OF INFORMATION ONLY ITEMS

H. INFORMATION/CONSENT PUBLIC HEARINGS

I. PUBLIC HEARINGS

J. APPOINTMENT ITEMS

K. REPORTS

City Treasurers Department

1. SUBJECT: Investment Policy and Annual Report of Investment Activity. (001)
RECOMMENDATION: 1) Approve the Investment Policy for the City of Oxnard; and 2) Adopt a resolution delegating investment authority to the City Treasurer.
Legislative Body: CC Contact: Danielle M. Navas Phone: 385-7810

Development Services Department

2. SUBJECT: Report on Local Coastal Program Update Tasks and Schedule. (035)
RECOMMENDATION: Receive and file a report outlining the tasks and schedule for updating the Oxnard Local Coastal Program (LCP).
Legislative Body: CC Contact: Chris Williamson Phone: 385-8156

Public Works Department

3. SUBJECT: Wastewater Utility Enterprise Revenue Increase. (045)
RECOMMENDATION: 1) Review and provide direction to the Interim Public Works Director to implement a revenue increase for the Wastewater Utility Enterprise. The proposed increase is six percent (6 %) for the Wastewater Utility Enterprise to become effective January 10, 2015; and 2) Authorize staff to proceed with the Prop 218 public notice process.
Legislative Body: CC Contact: Grant Dunne Phone: 385-7596

L. REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY

The City Manager/Executive Director/Secretary shall report on items of interest to the legislative body occurring since the last meeting. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion.

Housing Department

1. SUBJECT: Update on the Department of Housing and Urban Development (HUD) Monitoring Report of the Supportive Housing Program. (047)
RECOMMENDATION: Receive a report on the status of the Department of Housing and Urban Development (HUD) Supportive Housing Program (SHP) monitoring letter dated August 13, 2014.
Legislative Body: CC Contact: Carrie Sabatini Phone: 385-8092

M. CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY/FINANCING AUTHORITY BUSINESS/COMMITTEE REPORTS

N. PUBLIC COMMENTS ON REPORTS

At this time, a person may address the legislative body only on matters appearing on the reports. The presiding officer shall permit a person to address the legislative body after the staff presentation on the report and before the consideration of the report by the legislative body. The presiding officer shall limit public comments to three minutes.

O. PUBLIC COMMENTS ON STUDY SESSION

At this time, a person may address the legislative body only on matters appearing on the study session agenda. The presiding officer shall permit a person to address the legislative body after the staff presentation on the item and before the consideration of the item by the legislative body. The presiding officer shall limit public comments to three minutes.

P. STUDY SESSION

Finance Department

1. SUBJECT: Refunding of Wastewater Revenue Bonds, 2004 Series A. (063)
RECOMMENDATION: Consider a report on the potential refunding of Wastewater Revenue Bonds, 2004 Series A.
Legislative Body: CC Contact: Rena Bassett Phone: 385-7472

2. SUBJECT: Proposed Measure "O" Street Project Bonds and Schedule and Refunding of 2003 Lease Revenue Bonds. (065)
RECOMMENDATION: Receive a report concerning: the proposed issuance of Lease Revenue Project and Refunding Bonds, Series 2014 ("2014 Bonds") to provide funding for street improvements, to be paid from Measure 'O' revenues and refunding of Lease Revenue Bonds, Series 2003.
Legislative Body: CC Contact: Mike More Phone: 385-7480

Q. REVIEW OF INFORMATION/CONSENT AGENDA

The members of the legislative body will consider whether to remove Information/Consent Agenda items for discussion later during the meeting.

R. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

At this time, a person may address the legislative body only on matters appearing on the information/consent agenda. The presiding officer shall limit public comments to three minutes.

S. INFORMATION/CONSENT AGENDA

City Manager Department

1. SUBJECT: Agreements for City Council Review. (069)
   RECOMMENDATION: Pursuant to Ordinance 2835 and Resolution 13,932, approve and authorize the City Manager, to execute the agreements/contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000, which are described on the attached list.
   Legislative Body: CC Contact: Greg Nyhoff Phone: 385-7430

Public Works Department

2. SUBJECT: Agreement with WaterWise Consulting, Inc. for implementation of the Ventura County Regional Urban Landscape Efficiency Project. (071)
   RECOMMENDATION: Approve and authorize the Mayor to execute an agreement with WaterWise Consulting, Inc., (A-7715) in the amount of $960,599 for implementation of the Ventura County Regional Urban Landscape Efficiency Project.
   Legislative Body: CC Contact: Jay Duncan Phone: 385-8387

C. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION.
CC/SA(Government Code section 54956.9 (d)(1))
Name of case: SOCM I, LLC v. City of Oxnard, et al., Ventura County Superior Court, Case No. 56-2012-00427637-CU-MC-VTA

The Interim City Attorney requested that this item be discussed in closed session under the Brown Act exception of Conference with Legal Counsel – Existing Litigation. The purpose of the closed session is to report to City Council on the status of the litigation.

2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION.
CC (Government Code section 54956.9 (d)(1))
Name of case: City of Oxnard v. Viola Construction, Inc., et al., Ventura County Superior Court, Case No. 56-2012-00412257-CU-BC-VTA

The Interim City Attorney requested that this item be discussed in closed session under the Brown Act exception of Conference with Legal Counsel – Existing Litigation. The purpose of the closed session is to report to City Council on the status of the litigation.

T. ADJOURNMENT

Meeting Date: 09/23/14

CITY OF OXNARD CALIFORNIA

ACTION	TYPE OF ITEM
❑ Approved Recommendation	❑ Info/Consent
❑ Ord. No(s). ______	■ Report
❑ Res. No(s). ______	❑ Public Hearing (Info/consent)
❑ Other ______	❑ Other ______

Prepared By: Danielle M. Navas, City Treasurer DNavas Agenda Item No. K-1

Reviewed By: City Manager City Attorney JBB Finance BLP for Jim Cameron Other N/A

DATE: September 9, 2014

TO: City Council

FROM: Danielle M. Navas, City Treasurer Danielle M. Navas

SUBJECT: **Investment Policy and Annual Report of Investment Activity**

RECOMMENDATION

That City Council:

1. Approve the Investment Policy for the City of Oxnard.

2. Adopt a resolution delegating investment authority to the City Treasurer.

DISCUSSION

Mandated by Government Code Section 53646, as amended effective January 1996, this statement of investment policy is to be provided to the City Council at a public meeting. Although the State waived this mandate, the City Treasurer will continue to provide an investment report and an update of the Investment Policy following fiscal year end.

The Investment Policy (Attachment 1) per certification by the Municipal Treasurers Association of US and Canada has proven to be a valuable document which provides direction with the flexibility to maintain portfolio performance in changing interest rate markets.

Investment Procedures
The City of Oxnard's portfolio is conservative and planned with safety of principal as the first objective followed by provision for funds when needed. Yield is important after these two objectives have been met. The portfolio is diversified as to type of investment, financial institution and maturity. Securities with maturities of more than thirty days are delivered to the City's third-party safekeeping account. City funds are consolidated in the pooled money investment fund to provide maximum investment opportunity. Analysis of cash-flow provides data for anticipated income, clearance of outstanding checks, and dates for extraordinary expenditures to manage liquidity requirements.

Interest Earnings
The Federal Funds rate continues, unchanged, at .00-25 percent. For FY 2013/14, the City earned an average of 5.01 percent compared with the LAIF average annual rate for the same period of 1.05

percent, and the two-year treasury market average of 1.48 percent. Total net earnings of *$ 1,189,180. were produced from an investment portfolio balance of $123,985,000.

GASB Reporting Requirements
Quarterly portfolio reports, stating market value of each investment, have been presented to City Council. In addition to this reporting requirement, the difference between the book value and the market value of the portfolio is shown at year-end as either profit, when market value exceeds book value, or a loss. As stated in the investment policy, instruments are purchased with defined maturities and held to maturity thus receiving full value of the investment. Holding investments to maturity provides a stable portfolio with no actual loss of principal.

Effective Cash Management
The City Treasurer's Department coordinates with the Finance Department General Accounting and other departments for amounts and payment dates of bond, interest, and other wired payments as well as anticipated payroll and accounts payable disbursements to manage cash flow and liquidity needs.

California Municipal Treasurers' Association
The California Municipal Treasurer's Association (CMTA) is a valuable resource to the City. The Treasurer's continued attendance at the workshops and annual conference assist in being informed of the new legislation or investment instruments effecting municipalities in today's ever changing economy.

* Adjustment at year-end closing may require minor modification to this amount.

FINANCIAL IMPACT

The City's total cash and investments as of June 30, 2014 were $147 million. Effective management and investment of these funds provide a positive financial benefit to the City.

Attachment #1 - Statement of Investment Policy
#2 - Resolution

STATEMENT OF INVESTMENT POLICY
FOR THE CITY OF OXNARD (CITY)
SEPTEMBER 2014

1.0 INTRODUCTION

This statement is intended to provide guidelines for the prudent investment of surplus funds of the City of Oxnard, and to outline the policies for maximizing the efficiency of the City's cash management system. It is the policy of the City of Oxnard to invest public funds in a manner which will provide high investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

2.0 SCOPE

This investment policy applies to the City's pooled investment fund, which encompasses all monies under the direct oversight of the City Treasurer. These include the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Trust and Agency Funds, and Internal Service Funds. This policy is generally applicable to bond proceeds with consideration given to specific provisions of each issuance. Reports of the investment of bond proceeds are issued monthly by the Trustee and are not included in the City Treasurer's monthly report of the pooled investment fund. The employee's retirement and deferred compensation funds are not included.

3.0 PRUDENCE

Investments shall be made with judgment and care -- under circumstances then prevailing -- which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1 The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

The City's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the City Treasurer to invest funds to the fullest extent possible. The Treasurer maintains a diversified portfolio to accomplish the primary objectives of safety, liquidity, and yield (in that order of priority).

4.1 Safety: The safety/risk associated with an investment refers to the potential loss of principal, accrued interest or a combination of these. The City seeks to mitigate credit risk by prequalifying and continual monitoring of financial institutions with which it will do business, and by careful scrutiny of the credit worthiness of the investment instruments as well as the institutions. Such resources as the Sheshunoff Performance Report, Moody's rating service, and Standard & Poor's rating service may be utilized for this review. The City seeks to mitigate rate risk through diversification of instruments as well as maturities.

4.2 Liquidity: The portfolio will be structured with sufficient liquidity to allow the City to meet anticipated cash requirements. This will be accomplished through diversity of instruments to include those with active secondary markets, those which match maturities to expected cash needs, and the State Local Agency Investment Fund with immediate withdrawal provision.

4.3 Yield: A competitive market rate of return is the third objective of the investment program after the fundamental requirements of safety and liquidity have been met.

5.0 DELEGATION OF AUTHORITY

California Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate that authority to the treasurer of the local agency. Effective January 1, 1997, such delegation is to be reviewed each year and may be renewed by the City Council (Appendix 5, Section 53607).

5.1 City Council: Under City of Oxnard Resolution No. 10455, the City Council has authorized the City Treasurer to invest City funds in accordance with California Government Code Section 53600, et. seq. The City Treasurer will include review of the delegation of authority in the annual presentation of the Investment Policy to the City Council.

5.2 City Treasurer: The execution of investment transactions on a daily basis will be conducted by the City Treasurer. The Assistant City Treasurer will execute transactions, only as directed by the City Treasurer, in the absence of the City Treasurer. The City Treasurer has established a system of controls and a segregation of responsibilities of investment functions to assure maintenance of internal control over the investment function.

5.3 The City Treasurer retains the authority to amend the Investment Policy, Guidelines, and Procedures at any time in order to carry out the duties as chief investment officer for the City of Oxnard. Notice of any such required amendment will be given to the Investment Review Committee and the City Council.

6.0 ETHICS AND CONFLICTS OF INTEREST

The City Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions. The City Treasurer is governed by The Political Reform Act of 1974 regarding disclosure of material financial interests.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The City Treasurer shall transact business only with banks, savings and loans, and securities dealers.

7.1 Authorization: The City may conduct business with major registered broker/dealers and with dealers designated Primary by the Federal Reserve provided all the following criteria are met. Broker/Dealers must: 1) have offices located in the State of California, 2) be adequately capitalized, 3) make markets in securities appropriate to the City's needs, 4) agree to abide by the conditions set forth in the City of Oxnard's Investment Policy. The City Treasurer shall investigate all institutions which wish to do business with the City and shall require that each financial institution complete and return the appropriate questionnaire (Appendix 3/4) and required documentation. An annual review of the financial condition and registrations of qualified bidders will be conducted by the City Treasurer.

7.2 Rating: With the exception of the Local Agency Investment Fund (LAIF) and U.S. Treasury and Government Agency issues, investments shall be placed only in those instruments and institutions rated favorably as determined by the City Treasurer with the assistance of bank rating services and nationally recognized rating services (Moody's, Standard & Poor's).

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

California Government Code Section 53601 (Appendix 5) defines eligible securities for the investment of surplus funds by local agencies. Surplus funds of the City of Oxnard are invested in compliance with this statute and as further limited in this Investment Policy.

8.1 U.S. Government: United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. Maturities are limited to a maximum of five years.

8.2 U.S. Agencies: The purchase of instruments of, or issued by, a federal agency or a United States government-sponsored enterprise will be limited to a maximum maturity of five years. Such agencies include, but are not limited to, the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Tennessee Valley Authority, and the Federal National Mortgage Corporation.

8.3 Other Bonds, Notes or Evidences of Indebtedness:

- Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

- Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

A maximum of 15% of the portfolio may be so invested with the approval of the Investment Review Committee.

8.4 Bankers Acceptances: Bills of exchange or time drafts drawn on and accepted by commercial banks which are eligible for purchase by the Federal Reserve System are known as bankers acceptances. Purchases of these instruments may not exceed 180 days to maturity or 40 percent of an agency's surplus funds. A maximum of 30 percent may be invested in the bankers acceptances of any one commercial bank.

8.5 Commercial Paper: This short-term unsecured promissory note is issued to finance short-term credit needs. Eligible paper is that which is ranked "P1" by Moody's Investor Services or "A1" by Standard & Poor's, issued by a domestic corporation having assets in excess of $500,000,000, and having an "A" or better rating on issuer's debt. Purchases of commercial paper may not exceed 270 days or represent more than 10 percent of the outstanding paper of an issuing corporation. Commercial paper purchases will be limited to 15 percent of the City's portfolio.

8.6 Negotiable Certificates of Deposit (NCDs): Allowable NCDs are issued by a nationally or state-chartered bank or a state or federal association or by a state-licensed branch of a foreign bank. The City Treasurer may invest up to 30 percent of surplus funds in NCDs limited to institutions rated "Aa" or better by Moody's or "AA-" or better by Standard & Poor's CD Rating Services. A rating equivalent to Sheshunoff performance rating of A or better is required for those institutions not rated by Moody's or Standard & Poor's. NCDs are considered liquid, trading actively in the secondary market.

8.7 Certificates of Deposit (CDs): Certificates of deposit or "time deposits" of up to $100,000 are federally insured. Beyond that amount, these CDs must be collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110 percent if government securities, or collateral of at least 150 percent if mortgage-backed securities. Statute does not limit CDs, however, this Investment Policy shall limit such investments to a maximum of 40 percent of the portfolio and to a maximum of 15 percent deposited in any one institution. In addition, time deposits shall be placed in institutions meeting all capital requirements and which maintain a rating equivalent to Sheshunoff performance rating of A or better.

8.8 Repurchase Agreements: The City may invest in repurchase agreements with banks and dealers of primary dealer status recognized by the Federal Reserve with which the City has entered into a master repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored by the City

Treasurer's office and will not be allowed to fall below 102 percent of the value of the repurchase agreement. In order to conform with provisions of the Federal Bankruptcy Code, which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be eligible negotiable certificates of deposit, bankers' acceptances, commercial paper, or securities that are direct obligations of or that are fully guaranteed by the United States or any agency of the United States. These eligible securities are further defined by California Government Code Section 53651.

8.9 Medium Term Notes: A maximum of 30 percent of the City's portfolio may be invested in medium-term notes issued by corporations organized and operating within the United States. Note maturities may not exceed five years. Securities eligible for investment must be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service (i.e., Moody's or Standard & Poor's).

8.10 Mutual Funds: Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53600, et. seq., and complying with Section 53630, are permitted investments. Section 53601(k) further defines requirements. A maximum of 15 percent of the portfolio may be so invested.

8.11 Local Agency Investment Fund (LAIF): The Local Agency Investment Fund has been established by the State Treasurer for the benefit of local agencies. The City may invest up to the maximum permitted by the LAIF.

8.12 Ineligible Investments: Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund.

8.13 With the approval of the City Council and concurrence of the City Treasurer, funds may be invested in short term loans to provide specific funding to City Programs.

9.0 COLLATERAL

The issue of collateral requirements is addressed in California Government Code Section 53652. All active and inactive deposits must be secured at all times with eligible securities in securities pools pursuant to Sections 53656 and 53657. Eligible securities held as collateral shall have a market value in excess of the total amount of all deposits of a depository as follows:

--government securities, at least 10 percent in excess
--mortgage backed securities, at least 50 percent in excess
--letters of credit, at least 5 percent in excess

10.0 SAFEKEEPING AND CUSTODY

Security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities of duration exceeding 30 days to maturity shall be held by a third party custodian designated by the City Treasurer. Evidence of account for each time deposit will be held in the Treasury vault.

11.0 DIVERSIFICATION

The City's portfolio will be suitably diversified by type and institution in an effort to reduce portfolio risk while attaining market average rates,

11.1 Security Type and Institution: With the exception of U.S. Treasury securities and authorized pools, no more than 50 percent of the total portfolio will be invested in a single security type and no more than 15 percent with a single financial institution. Investments are further limited by specific language relating to each investment type as stated in Section 7 of this Policy.

11.2 Maximum Maturities: To the extent possible, the City Treasurer will attempt to match investments with anticipated cash flow requirements. The City's portfolio will not be directly invested in securities which mature more than five years from the date of purchase. Reserve funds may be invested in securities exceeding the five years (maturity of such investments should coincide as nearly as practicable with expected use of funds).

12.0 INTERNAL CONTROLS

A system of internal controls will be maintained to assure compliance with Federal and State regulations, City Council direction, and prudent cash management procedures.

12.1 Investment Review Committee: The City Manager, Finance Director, and City Treasurer are the members of the Investment Review Committee tasked with quarterly review of procedures and adherence to this Investment Policy.

12.2 Investment Portfolio Guidelines: Guidelines (Appendix No. 2) have been established for procedures within the City Treasurer's Office to assure internal investment controls and a segregation of responsibilities of investment functions.

12.3.1 Annual Audit: The City's portfolio is included in the annual review of the City's financial management performed by an independent (as defined by FASB) outside audit firm.

13.0 PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs. The market-average rate of return is defined as the average return on three-month Treasury bills. In addition, the City portfolio will be compared with LAIF and expected to maintain an annual yield within 0.50 (1/2 of 1 percent) basis points of LAIF's annual yield.

14.0 REPORTING

The City Treasurer shall provide investment information to City Council.

14.1 Periodic Reports: The City Treasurer will provide detailed reports of the investments in the pooled investment fund portfolio on a monthly basis to the City Council, City Manager, and Finance Director. Within thirty days of the end of each quarter, these reports will be provided with additional information such as market pricing. Summarized reports from Trustees regarding investments of bond proceeds, deferred compensation, and retirement funds are available for review.

14.2 Annual Report: This Investment Policy will be presented annually, following the close of the fiscal year, to the City Council for approval. A detailed report of the current status of the portfolio will be included in this presentation.

14.3 Financial Statements per GASB #31: City Treasurer will provide the portfolio's market value gains/losses to Finance to be incorporated in the fiscal year end balance sheet.

14.4 California Debt and Investment Advisory Commission: Effective January 1, 2001, investment reports issued to City Council will also be distributed semi-annually to the California Debt and Investment Advisory Commission.

14.5 Financial Statements per GASB 40: Effective June 30, 2005, additional disclosure is required. City Treasurer will provide detailed maturity and rating information to Finance to be incorporated in the Comprehensive Annual Financial Report (CAFR).

APPENDIX

No. 1 Glossary
No. 2 Investment Portfolio Guidelines
No. 3 Bank/Savings & Loan Questionnaire and Certification
No. 4 Broker/Dealer Questionnaire and Certification
No. 5 California Government Code Sections related to Investment of Public Funds

GLOSSARY

AGENCIES: Federal agency securities.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: One one-hundredth of a percent (i.e. 0.01%)

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&Ls, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $100,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loans associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-throughs is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): Funds from local governmental units may be remitted to the California State Treasurer for deposit in this special fund for the purpose of investment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase and reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Federal Reserve Bank is said to be doing RP, it is lending money, that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the banks' vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SPREAD: a) The yield or price difference between the bid and offer on an issue; b) The yield or price difference between different issues.

TREASURY BILLS: A non-interest bearing security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

OXNARD CITY TREASURER

INVESTMENT PORTFOLIO GUIDELINES

A. INTRODUCTION. These guidelines are established to direct and control investment activities in such a manner to assure that the goals established in the Investment Policy are attained.

B. GENERAL FACTORS. Several factors must be considered in preparation for effective portfolio management.

1. Cash Forecast. The cash flow of the City shall be updated daily with an analysis of cash receipts and expenditures. A close working relationship with City Departments having a significant impact on cash flow is maintained to maximize the efficiency of the City's cash management system.

2. Pooled Cash. Whenever practical, the City's cash should be consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated according to specific fund ledger balances. No City bank account may be opened without the knowledge and consent of the City Treasurer.

3. Authorized Institutions. A list of institutions, which meet the criteria of the Investment Policy and have been authorized by the City Treasurer to do business with the City, will be maintained and regularly updated. Investment transactions will be executed only with approved broker/dealers, banks, and savings and loans.

4. Preservation of Portfolio Value. Yield standards are in place in an effort to maintain earnings consistent with the market average rate of return.

5. Golden Rule of Portfolio Management. Investment instrument characteristics should be known and understood before a purchase of the investment instrument.

and

Recognizing that there are no firm and steadfast rules (strategies) for portfolio management due to the fact that investor expectations change by the day, hour and minute, and because of this market instability, prudent principles of fiscal management must be applied.

C. STRATEGY: Strategy refers to the plan of action for managing financial resources in the most advantageous manner. The City Treasurer uses the following elements in developing strategy.

1. Economic Forecasts. Economic forecast information developed by economists and financial experts, obtained through bankers and brokers, is used to assist the City Treasurer with the formulation of an investment strategy for the City.

2. Investment Implementation. Investment transactions will be executed in conformance with anticipated cash flow requirements, economic conditions, and interest rate trends and must be consistent with the established Investment Policy.

3. Yield Enhancement. Investment techniques will be utilized which increase yield and maintain a fully invested position.

D. INVESTMENT PROCEDURES. The City Treasurer has developed internal investment procedures to provide for effective cash management. Segregation of responsibilities is maintained to assure an adequate system of internal control over the investment function.

1. Diversification. The fund should consist of a mix of various types of securities, issuers, and maturities.

2. Competitive Bids. Purchase and sale of securities shall be made on the basis of competitive bids and offers with a minimum of two quotes being obtained, when practical.

3. Investment Transactions. Investment transactions will be authorized by the City Treasurer. In her absence, the Assistant City Treasurer will execute transactions as prescribed by the City Treasurer prior to her absence. In the event of unexpected absence and unavailability by the City Treasurer, the Assistant City Treasurer will transact within established guidelines.

4. Electronic Transactions. Whenever possible, the City will use preformatted wire transfers and ACH debits to restrict the transfer of funds to preauthorized accounts only. All electronic transactions require an initiator plus an approval by an authorized employee. Authenticity is verified on next business day for each electronic transaction.

5. Safekeeping. Securities purchased from broker/dealers (on which maturity is greater than 30 days) shall be held in third party safekeeping with the Trust Department of Union Bank of California acting as third party trustee. All such purchases will be on a delivery-versus-payment basis. Evidence of account for certificates of deposit will be issued in the City's name and held in City Treasurer's vault.

E. INVESTMENT CRITERIA. All investments will be made in compliance with Federal, State, and Local laws governing the investment of City funds, and in accordance with the City Treasurer's Investment Policy.

1. Maturity of Investment. Investments longer than one year may be made if consistent with the City's cash flow needs and related intent of holding until maturity. Securities may be sold prior to maturity for cash flow purposes or to otherwise enhance the portfolio. If the rating of any depository declines to an unacceptable level prior to the maturity of an investment of City funds, the investment will be matured at the earliest possible opportunity. If the rating drops below the allowable level of any one of the rating services, the investment will be sold if no significant loss of principal is involved. Such sales will be determined by the City Treasurer.

2. Certificate of Deposit Evaluation.

   (a) Time Certificates of Deposit shall be evaluated in terms of FDIC coverage. For deposits in excess of the insured maximum of $250,000, approved collateral shall be required at the percentage above market value as specified by California Government Code Section 53652 and/or 53651.

   (b) Negotiable Certificates of Deposit shall be evaluated in terms of the credit worthiness of the issuer as these deposits are uninsured and uncollateralized promissory notes.

F. PRIMARY GOALS. As set forth in the Investment Policy, the primary goals for the City of Oxnard are safety, liquidity, and yield, in that priority order.

1. Safety. The safety/risk associated with an investment refers to the potential loss of principal, accrued interest, or a combination of these. The City of Oxnard employs investment instruments considered to be safe. The primary duty of the City Treasurer is to protect the cash and investments placed in her trust on behalf of the citizens of the community.

2. Liquidity. Liquidity refers to the ability to convert investment holdings to cash immediately with no loss of principal or accrued interest. This quality of investment is important should an unexpected need for funds occur.

3. Yield. Yield is the dollar earnings the investment provides. Yield becomes important only after the fundamental requirements of safety and liquidity have been met.

G. INTERNAL CONTROL OF INVESTMENTS. Investment transactions are controlled through distribution of responsibilities within the Treasurer's Office by the following procedures:

1. The Treasurer initiates each investment transaction.

2. Details of the investment are recorded on a trade slip and given to the account clerk responsible for encoding the trade details into the Sungard electronic investment system. The same account clerk produces a verification letter mailed to the institution receiving the investment. A copy of the letter is forwarded to the transferring bank.

3. The transaction record is then delivered to a designee who enters the transaction on the cash balance spread sheet.

4. At month end the balances on the spreadsheet, maintained by a designee, must balance with the portfolio balance maintained independently by the Sungard system clerk.

5. Each business day, the Treasurer's Office receives an electronic report from the City's bank. This report contains checking account balances, a listing of debits and credits, overnight investments and a record of wired funds. This information is incorporated into the monthly checking account statement which provides a cross reference.

6. The Treasurer's Office forwards copies of all investment and transfer letters to General Accounting daily. General Accounting also receives copies of all bank statements, daily print-outs, bank reconciliations, credit/debit memorandums, journal vouchers, and tapes coordinating Treasurer's Receipts with deposits.

7. The Treasurer's report of balances and summary of investments and earnings is compiled monthly and distributed to the City Council, City Manager, City Clerk and Finance Director. A report, including market values, will be provided on a quarterly basis within 30 days of the close of the last month of each quarter. A report of portfolio gains/losses will be provided to the Finance Director at fiscal year-end for inclusion in year-end balance sheet reporting.

These Guidelines are provided to all staff members of the City Treasurer's Office having involvement with the investment procedures in any way. It is intended that these guidelines define the details of current practice set forth by the Investment Policy.

CITY OF OXNARD

OFFICE OF THE CITY TREASURER

BANK/SAVINGS & LOAN QUESTIONNAIRE AND CERTIFICATION

1. Name of Firm ____

2. Address ____

3. Telephone No. (____)________________ (Local)   (____)____________________ (National Headquarters)

4. Primary Representative: Manager:

   Name: ____________________________   Name ____________________________

   Title ____________________________   Title ____________________________

Telephone No. (____)______________   Telephone No. (____)________________

5. What is the total of assets of the Bank/Savings & Loan? ____________________

6. What are the current ratios?   Prior Year?

Net Worth	________	________
Tangible Capital	________	________
Core-based Capital	________	________
Risk-based Capital	________	________

7. Has there been a year during the past three years in which the Bank/Savings & Loan did not make a profit?

8. What is the education level of the Primary Contact(s)? __________

9. How many years of related experience does the Primary Contact(s) have? ___________

10. Where is the collateral for Time Deposits of the Bank/Savings & Loan held?

    ____

11. Has there been a period during the past five years when Time Deposits of the Bank/Savings & Loan have not been fully collateralized? If Yes, explain.

    ____

12. Describe the precautions taken by your Bank/Savings & Loan to protect the interest of the public when dealing with government agencies as depositors or investors.

    ____

13. What other banking services would you be interested in providing the City of Oxnard?

14. What transaction documents and reports would we receive?

15. What information would you provide to our Investment Officer?

16. Please provide your entity's most recent certified financial statement.

17. Please provide your Contract of Deposit of Moneys pre-signed and sealed by your institution as well as any signature cards that you may require.

18. Please provide your wiring instructions.

-- CERTIFICATION --

I hereby certify that I have personally read the City of Oxnard's Investment Policy and the California Government Codes pertaining to the investments of the City of Oxnard, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our firm and the City of Oxnard. All sales personnel will be routinely informed of City of Oxnard's investment objectives, strategies and risk constraints whenever we are so advised. We pledge to exercise due diligence in informing the City Treasurer of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to your questionnaire.

NOTE: Completion of Questionnaire is only part of the City of Oxnard's Certification process and DOES NOT guarantee that the applicant will be approved to do business with the City.

SIGNED ______________________________

DATE ______________________________

(countersigned by company president or person in charge of government security operations)

____

CITY OF OXNARD

BROKER/DEALER QUESTIONNAIRE

SECTION I: STATEMENT OF POSITION AND GENERAL REQUIREMENTS

The City of Oxnard (hereinafter referred to as the "City") is a general law city operating under the laws of the State of California. The City manages an operational portfolio ranging in size from $150 million to $190 million which is mainly comprised of U.S. Treasury and Agency obligations, corporate and medium term notes and deposits in the State of California Local Agency Investment Fund.

A copy of the City's Investment Policy is provided with this document. Each broker/dealer must certify that he/she has read the Policy and will incorporate due diligence in conforming to the provisions of the City's Investment Policy as well as all applicable state and federal regulations as applicable to the investment activities of California municipalities.

The City maintains relationships with qualified members of the broker/dealer community who, in their opinion, understand the needs, constraints and goals of the City.

Broker/dealers will be notified of their approval by the City in writing. No transactions will be conducted with an approved broker/dealer until all paperwork required by both parties has been executed. The City solicits competitive bids and offers on the majority of its transactions. All securities will be delivered against payment to the third-party custodian named by the City.

SECTION II—PART 1: REQUEST FOR GENERAL INFORMATION FROM BROKER/DEALER CANDIDATE

1. Name of Firm ______________________________

2. Address (local) ______________________________

   Address (main) ______________________________

3. Telephone (local) (   )____________   (   ) ____________

   Telephone (main) (   )____________   (   ) ____________

4. Contact Personnel (Please provide an attachment if more space is required)

Name (Main Contact)	Name
Title	Title
Telephone	Telephone

Provide background information concerning the account representatives listed above. Please include information on the individual's employment history as it relates to the securities industry, official licenses and certificates, the history and details of any disciplinary actions or complaints and the disposition of each as well as the history of any arbitration or litigation, the nature of the case and status of disposition.

5. Please provide the following information regarding at least three comparable clients with whom the City's representative(s) listed in No. 4 has/have an established relationship.

Client Name	Contact
Address	
Length of Relationship	Telephone
Client Name	Contact
Address	
Length of Relationship	Telephone
Client Name	Contact
Address	
Length of Relationship	Telephone
Client Name	Contact
Address	
Length of Relationship	Telephone

6. Has/have the representative(s) listed in No. 4 been authorized by the firm to be account representative(s) for the City of Oxnard?

   ❒ Yes ❒ No If yes, by whom? ______________________________

7. List the name of the immediate supervisor of the account representative(s) named in your response to No. 4.

   ____

   Briefly describe any formal program of supervision of the account representative(s) name in No. 4, if your firm has established such a program.

   ____

   ____

   ____

8. Is your firm a member of NASD? ❒ Yes ❒ No
   If no, why not? ______________________________

   ____

9. Place an "x" by each regulatory agency that regulates or examines your firm. (Multistate firms: It is not necessary to include regulatory agencies that do not have jurisdiction over your firm's activities in Oxnard)

   ❒ FDIC ❒ SEC ❒ NYSE ❒ Comptroller of Currency ❒ Federal Reserve System

   ❒ Other ______________________________

   ____

10. Have you obtained all required licenses to operate as a broker/dealer in the State of California?

    ❒ Yes ❒ No

11. If you are not a bank, please provide the following information regarding your principal banking relationship.

______________________ Bank Name	______________________ License Number(s)
______________________ Address	
______________________ Person to Contact	______________________ Telephone
______________________	

Place an "x" by each instrument set forth below in which you make an active market (both buy and sell).

❐ T-Bills ❐ T-Notes/Bonds ❐ BAs ❐ Commercial Paper

❐ Bank CDs ❐ S&L CDs ❐ FHLBs ❐ FHLMCs ❐ FNMA ❐ MTNs

Please specify other Federal Agencies ______________________________

Instrumentalities ______________________________

12. Does your firm specialize in any of the instruments listed above? ❐ Yes ❐ No

    If so, please specify which ones. ______________________________

    ____

13. What reports, confirmations, paper trails do you provide? ______________________________

    ____

14. Please provide samples of research reports or market information that your firm regularly provides to local agency clients. ______________________________

    ____

SECTION II—PART II: REQUEST FOR BROKER/DEALER DISCLOSURE

15. To the best of your knowledge, has there been any "material" litigation, arbitration or regulatory proceeding, either pending, adjudicated or settled, to which your firm has been subject within the last five years concerning the suitability of the sale or purchases of securities to institutional clients or fraudulent or unfair practices related to the sale of securities to an institutional client? If so, please describe each such matter briefly. For purposes of this section, proceedings are "material" if your independent accountant applying generally acceptable accounting principles determines that such proceedings required disclosure on your financial statements.

    Any "material" proceedings? ❐ Yes ❐ No If yes, provide attachment with explanation.

16. Please provide your most current audited financial statements. In addition, for those dealers preparing and submitting financial statements to the following organizations, please provide publicly available financial documents filed with these agencies for the previous two years: National Association of Securities Dealers, Securities and Exchange Commission, New York Stock Exchange and Federal Deposit Insurance Corporation, U.S. Federal Reserve Bank.

SECTION III: CERTIFICATION

I hereby certify that the preceding is true and correct to the best of my knowledge and that I am authorized to execute this request for information on behalf of the broker/dealer firm. The firm has in place reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between the firm and the City of Oxnard.

All individuals assigned to the City's account have read the City's Investment Policy, dated September 1998, understand the objectives and constraints set forth by the policy, agree to disclose potential conflicts or risks to public funds that might arise out of business transactions between the firm and the City, and will incorporate due diligence in conforming to the provisions of the policy as well as all applicable state and federal regulations as they apply to the investment activities of California municipalities.

The firm shall be provided an annual Statement of Investment Policy for the City of Oxnard and shall be informed of any changes to the policy. The firm shall be responsible to keep informed of City's Investment Policy. The undersigned certify that no securities will be sold to the City which are in violation of State code or City policy; however, the City shall be responsible for ensuring compliance with percentage limits established by State code and City policy.

____
Name of Firm

Name of Broker Assigned to City Account	Signature
Title	Date
Name of Principal	Signature
Title	Date

GOVERNMENT CODE SECTION 53600-53608

53600. As used in this article, "local agency" means county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

53600.3. Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

53600.5. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.

53600.6. The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

53601. This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having money in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery. For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, which at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States **government**-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States **government**-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in the bankers' acceptances of any one commercial bank pursuant to this section. This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars ($500,000,000).

(C) Has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.
(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally-licensed, or a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.
(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.
(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:
(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.
(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.
(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSRO's.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, and with assets under management in excess of five hundred million dollars ($500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSRO's.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial **Code** or federal regulations applicable to the types of securities in which the security interest is granted.

(o) Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

53601.1. The authority of a local agency to invest funds pursuant to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

53601.2. As used in this article, "corporation" includes a limited liability company.

53601.5. The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations **Code**, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial **Code**) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

53601.6. (a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.

(b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment

Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (k) of Section 53601.

53601.8. Notwithstanding Section 53601 or any other provision of this **code**, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit, provided that the purchases of certificates of deposit pursuant to this section, and Section 53635.8, do not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose. The following conditions shall apply:

(a) The local agency shall choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the local agency's account.

(c) The full amount of the deposit placed pursuant to subdivision (b) by the private sector entity and the interest that may be accrued for each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(d) The selected depository institution shall serve as a custodian for each such deposit.

(e) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of local agencies insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution pursuant to subdivision (b) of this section.

(f) Notwithstanding subdivisions (a) to (e), inclusive, a credit union shall not act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that this section shall restrict competition among private sector entities that provide placement services pursuant to this section.

(h) Deposits received by the selected depository institution from other financial institutions pursuant to subdivision (e) that may represent funds invested by local agencies through such other financial institutions are not subject to public funds reporting by the selected depository institutions pursuant to Section 53661 (e) of this article if the deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. Any local agency funds that are not placed by a private sector entity pursuant to subdivision (b) are subject to reporting by the selected depository institution pursuant to Section 53661 (e).

53602. The legislative body shall invest only in notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants which are legal investments for savings banks in the State, provided, that the board of supervisors of a county may, by a four-fifths vote thereof, invest in notes, warrants or other evidences of indebtedness of public districts wholly or partly within the county, whether or not such notes, warrants, or other evidences of indebtedness are legal investments for savings banks.

53603. The legislative body may make the investment by direct purchase of any issue of eligible securities at their original sale or after they have been issued.

53604. The legislative body may sell, or exchange for other eligible securities, and reinvest the proceeds of, the securities purchased.

53605. From time to time, the legislative body shall sell the securities so that the proceeds may be applied to the purposes for which the original purchase money was placed in the sinking fund or the treasury of the local agency.

53606. The bonds purchased, which were issued by the purchaser, may be canceled either in satisfaction or sinking fund obligations or otherwise. When canceled, they are no longer outstanding, unless in its discretion, the legislative body holds them un-canceled. While held un-canceled, the bonds may be resold.

53607. The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

53608. The legislative body of a local agency may deposit for safekeeping with a federal or state association (as defined by Section 5102 of the Financial **Code**), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited. The authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency; the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD DELEGATING INVESTMENT AUTHORITY TO THE CITY TREASURER

WHEREAS, effective January 1, 1997, Government Code Section 53607 was amended to provide in part:

"The authority of the [city council]...to invest or to reinvest funds..., or to sell or exchange securities so purchased, may be delegated for a one-year period by the [city council]...to the [city] treasurer..., who shall thereafter assume full responsibility for those transactions until the delegation is revoked or expires, and shall make a monthly report of those transactions to the [city council] ... Subject to review, the [city council] ... may renew the delegation of authority pursuant to this section each year."

WHEREAS, on September 15, 1992, the City Council adopted Resolution No. 10,455, delegating to the City Treasurer the authority to invest and reinvest the City funds; and

WHEREAS, the City Council annually approves a Statement of Investment Policy for the City, which in Section 5.0 delegates to the City Treasurer authority to invest City funds; and

WHEREAS, it remains the intention of the City Council to delegate such authority to the City Treasurer.

NOW, THEREFORE, the City Council of the City of Oxnard resolves to delegate to the City Treasurer authority to invest and reinvest City funds and to sell or exchange securities so purchased; to reaffirm such delegation of authority contained in Resolution No. 10,455; and to state that the City Council's annual review and approval of a Statement of Investment Policy that includes such delegation of authority constitutes the City Council's delegation of such authority.

PASSED AND ADOPTED this 23rd day of September, 2014, by the following vote:

AYES:

NOES:

ABSENT:

____

Tim Flynn, Mayor

ATTEST:

____

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

For

____

Stephen Fischer, Acting City Attorney

Attachment 2

CITY OF
OXNARD
CALIFORNIA

Meeting Date: 9/ 23 / 2014

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). ______	■ Report
☐ Res. No(s). ______	☐ Public Hearing (Info/consent)
☐ Other ______	☐ Other ______

Prepared By: Christopher Williamson, AICP, Principal Planner CW Agenda Item No. K-2

Reviewed By: City Manager KB City Attorney JBB Finance BV for Jim Cameron Other *(Specify)*

DATE: September 10, 2014

TO: City Council

FROM: Matthew G. Winegar, AICP
Director, Development Services

SUBJECT: **Report on Oxnard Local Coastal Program Update Tasks and Schedule**

RECOMMENDATION

That City Council receive and file a report outlining the tasks and schedule for updating the Oxnard Local Coastal Program (LCP).

DISCUSSION

In 1971, California voters passed Proposition 20 that created the California Coastal Commission (CCC) and authorized the CCC to regulate development within the newly-designated Coastal Zone until local jurisdictions develop and the CCC approves their LCPs. The Oxnard LCP was adopted in 1982, has been amended 17 times, and is implemented by City Code Chapter 17 (Coastal Zoning). The LCP has four planning areas: 1) Ormond Beach, 2) Channel Islands Harbor, 3) Oxnard Shores/Mandalay Bay, and 4) McGrath/Mandalay Beach. Each of the four planning areas has significant issues such as the removal of the Halaco Superfund site and restoration of the Ormond Beach wetlands, future development within the Channel Islands Harbor, management of habitat areas and seawalls in Oxnard Shores/Mandalay Bay, and relocation of McGrath State Beach, respectively, that are generally well known to the public and highlighted in several Goals and Policies of the 2030 General Plan (Attachments 1 and 2). One of the most significant issues is the future of the two NRG-owned Once-Through-Cooling (OTC) power plants that may be required to cease operations at the end of 2020. On July 29, 2014, the City Council adopted Ordinance No. 2884 that extends Interim Ordinance No. 2882 prohibiting the expansion of existing, or development of new, electrical generating facilities within the Oxnard Coastal Zone pursuant to the SCE Request for Offer process pending studies and changes in the Oxnard LCP and zoning ordinances and other land use regulations.

In recognition that many LCP's date from the 1980's, the CCC issued LCP update guidance for local governments in 2007 and, in 2012, the CCC issued its Draft Sea Level Rise (SLR) Guidance that gives specific direction on how local governments should use best available SLR science to map and characterize the vulnerability of habitat and private and public property from future SLR-influenced storm and high tide events. This past year, the City encumbered $158,000 towards the LCP update, applied for $75,000 grants from both the Ocean Protection Council (OPC) and CCC, and received high-quality shoreline GIS mapping data valued at $150,000 developed by The Nature Conservancy (TNC) for a potential combined LCP Update initial effort of $458,000.

Attachment 3 is the LCP Update tasks and schedule submitted to the CCC and OPC as part of the grant request. The City started the SLR analysis earlier this year by obtaining the TNC LiDAR mapping GIS data and documentation. Staff anticipates retaining consultants for the SLR analysis (largely funded by the OPC grant) and LCP Update (largely funded by the CCC grant) by the end of 2014. The SLR consultants would immediately use the TNC modeling data and tools and model local hydrological impacts and prepare a short, medium, and long term SLR vulnerability analysis. The City would engage agency stakeholders and the public in a series of well-publicized meetings to identify, evaluate, and select SLR adaptation strategies and prepare the Sea-Level Rise Analysis and Adaptations document. In tandem with the SLR analysis, staff would engage the public in reviewing the Oxnard LCP to update maps and information, remove outdated policies, incorporate the Ormond Beach Wetlands Restoration Plan, and modify other policies, as needed.

When the draft LCP Update is complete, the LCP Update would have an appropriate California Environmental Quality Act (CEQA) review and be presented to the Planning Commission for review and recommendations, then to the City Council for adoption and funding appropriation, and finally to the CCC for certification. The entire LCP Update process is likely to take at least two years. Additional funding will be required in the next fiscal year for CEQA review and the CCC certification process.

FINANCIAL IMPACT

There is no financial impact in FY 2014/2015. As the General Plan maintenance fee accrues over the coming two years, staff will request appropriations of up to an additional $100,000 for CEQA review and certification by the CCC. Additional grant funding will also be pursued.

(cw)

Attachment #1 - Oxnard LCP Planning Areas map
#2 - 2030 General Plan LCP-related Goals and Policies
#3 - LCP Update Work Program and Schedule

City of Oxnard, Local Coastal Program Planning Areas and Issues

Area 1
McGrath-Mandalay

State Beach inundation
Oil development
Dunes/wetlands habitat
ESA nesting habitats
ESHA areas
McGrath Lake
NRG OTC power plant
SCE peaker plant
Coastal agriculture
Future of Edison canal

Area 2
Oxnard Shores/ Mandalay Bay

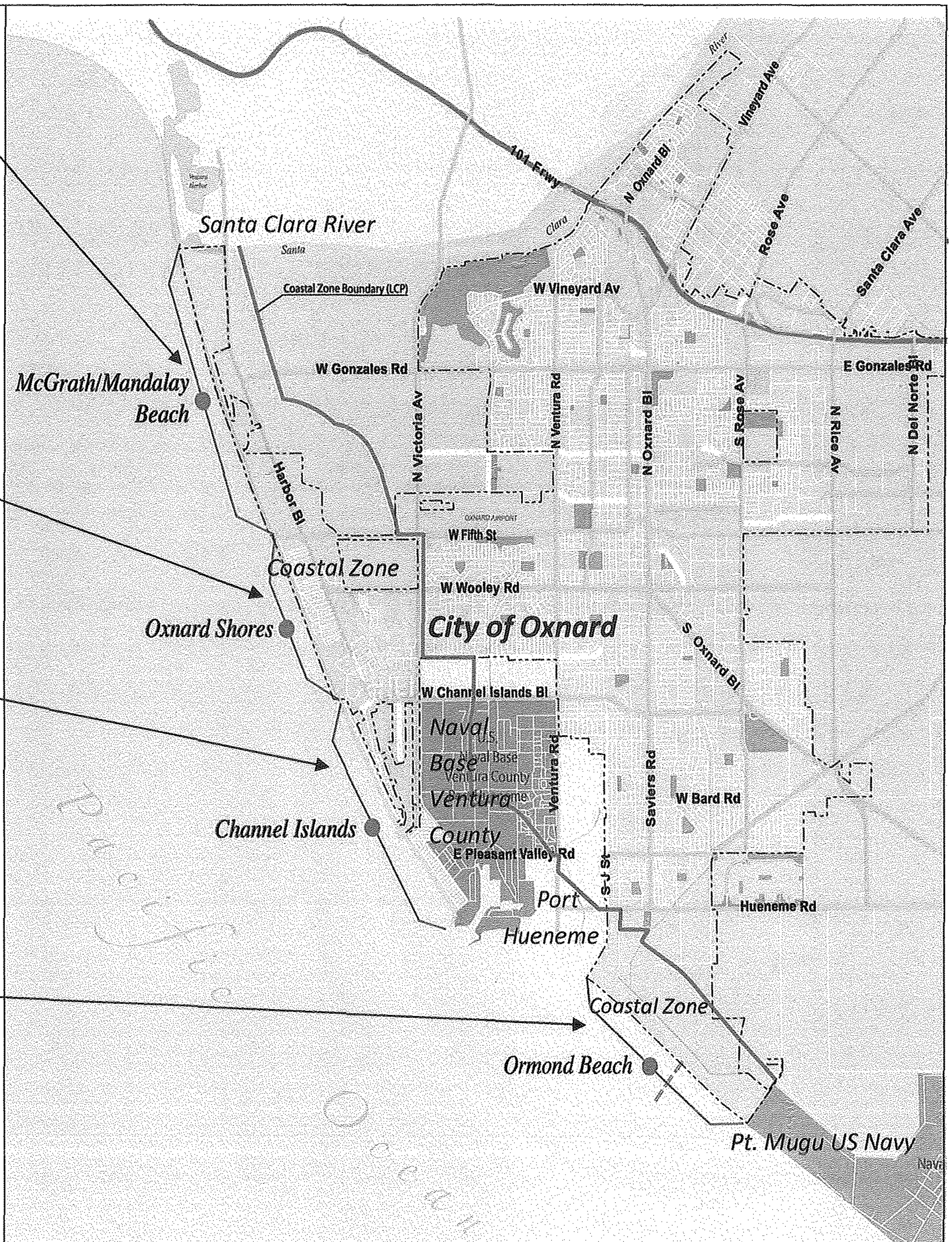
Public access
Sea walls
Visitor commercial
Urban beach parks
OSD elementary school

Area 3
Channel Islands Harbor

Reinvestment
Regional recreation
Commercial fishing
Ventura County Public Works Plan
Public access
Coast Guard facility

Area 4
Ormond Beach

ESA habitats
Natural and degraded wetlands
Brackish lagoon
Wetlands restoration
EPA Superfund site
NRG OTC power plant
Port-related uses
wastewater treatment plants and AWPF
Public access



ALL AREAS: Sea Level Rise projections for 2030, 2060, and 210; Public Access

ATTACHMENT 1
PAGE 1 OF 1

City of Oxnard 2030 General Plan
2011 Goals and Policies Document

Chapter 2 Sustainable Community

Sea Level Rise Awareness and Planning

Goal SC-1	Sea level rise is routinely considered relative to coastal areas and other City decisions, as relevant.

SC-2.1 Sea-Level Rise and Updating the Local Coastal Program
Include best-available information regarding possible sea-level rise in the next revision of the Local Coastal Program, which should be initiated within one year of adoption of the 2030 General Plan.

SC-2.2 Sea Level Monitoring System
Consider installation of a sea-level monitoring system that detects small changes to coastal sea level and tidal change.

SC-2.3 Sea Level Rise Consideration in Decision-Making
Ensure that all planning, public works, and related decisions take rising sea level into consideration and take steps to reduce risk of damage or loss of life and property.

SC-2.4 Avoidance of Coastal Armoring or Hardening
Wherever feasible, avoid coastal armoring or hardening in new development or in mitigating current and future risk to existing development.

Chapter 3 Community Development

Update the Oxnard Local Coastal Program

Goal SC-21	An updated Local Coastal Program that includes the restoration of the Ormond Beach wetlands and consideration of climate change issues.

CD-21.1 Removal of Liquid Natural Gas (LNG) Reference
When the LCP is being updated, remove all references to "Western LNG" and add policies that explicitly oppose LNG facilities in or near the City.

CD-21.2 Modify non-Coastal Dependent Energy Uses
When the LCP is being updated, clarify that non Coastal-dependent energy facilities are not allowed in the Energy Coastal zone with exceptions for renewable energy installations such as solar panels and wind turbines under certain conditions and consistent with the Coastal Act.

ATTACHMENT 2
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CD-21.3 Future Use of Coastal Power Plants

Initiate an update to the Oxnard LCP that has the intent and effect of eventual decommissioning of the SCE Peaker Plant, Mandalay and Ormond Beach power generation facilities by: 1) land use designation change, 2) amortization, 3) revised development standards, 4) transferable development rights and/or other methods. After adoption and Coastal Commission certification of an updated Local Coastal Plan, initiate and implement policy and regulatory actions, and support actions of other relevant agencies that implement the LCP with regard to the future use of the SCE Peaker Plant, Mandalay and Ormond Beach power plants.

CD-21.4 Coastal Zone Land Use Designation Changes

When the LCP is being updated, change land use designations within the Coastal Zone to those included in the 2030 General Plan Land Use Map (Figure 3-1), if and as amended.

2. Work Program and Schedule

The City's SLR Analysis and Adaptation Report and subsequent LCP Update work program is matched to Steps 1 to 5 outlined in the Guidance, pages 38 to 63. The LCP Update task is modelled after the 2007 and 2011 LCP update implementation Guidelines. The ongoing management and CEQA documentation tasks (to be City-funded separately) are also included in the work program.

The initial four SLR analysis tasks with the $75,000 OPC grant support would be completed by the end of 2015. The City started the SLR analysis earlier this year by obtaining the TNC LiDAR mapping GIS data and documentation, now in hand. The City will issue a RFP for SLR technical consultants by mid-July and the requested OPC $75,000 grant would be used for the SLR consultants: all other costs would be covered by the City. The SLR consultants would immediately use the TNC modeling data and tools and model local hydrological impacts and prepare a short, medium, and long term SLR vulnerability analysis. The City would engage agency and public stakeholders in identifying, evaluating, and selecting adaptation strategies (preference for nature-based) and prepare the Sea-Level Rise Analysis and Adaptations.

Overlapping the four tasks above, the requested CCC $75,000 grant would be used to retain the LCP Update consultant team. With City matching funds, the consultants would update the Oxnard LCP based on the SLR analysis, consistent with the CCC 2007 and 2011 Update Implementation Guidelines. The 1982 LCP Word documents and maps have been verified with the Ventura CCC office. The initial task is to GIS map ESHA in detail. Task 5 is expected to take at a minimum 12 months, and the City commits to funding until completed. As many coastal issues are expected to be addressed during the preparation of the SLR analysis and major policy decisions were previously incorporated in the 2030 General Plan, the LCP Update and implementation revisions should move along relatively quickly.

<u>TNC - Best Science - Coastal Resiliency Ventura Project</u>

TNC and its expert partners use dynamic models to project changes in shoreline, fluvial flooding, and associated ecological systems under 2030, 2060, and 2100 climate change scenarios for the Ventura County coastline, which includes the entire Oxnard coast. TNC modeling includes three levels of sea-level rise consistent with NRC guidance and three levels of storm intensity combined with Santa Clara River hydrologic flows. Attachments 6 and 7 are inundation maps based on TNC LiDAR data and modeling. The TNC support letter provides additional general information about the Ventura County Coastal Resiliency project. The TNC data and GIS layers are at the City and integrated with the City's ArcInfo geodatabase.

The proposed OPC-grant project would have four tasks completed by the end of 2015, leading to the CCC-funded LCP Update certification a year later. City funding would continue, as needed, for CEQA and CCC certification as needed.

SCHEDULE

Proposed OPC/CCC grants starting date:	<u>Winter and/or Spring 2015 (when awarded)</u>
Completion of OPC-funded tasks:	<u>12/31/2015 (SLR Analysis and Adaptation Report)</u>
Completion of CCC-funded tasks:	<u>12/31/2016 (local LCP adoption with CEQA)</u>
City match-funding starting date:	<u>begin 9/23/2014</u>
TNC in-kind contribution:	<u>completed, TNC available for assistance.</u>
Estimated CCC Certification:	<u>12/31/2017 (1 year after LCP local adoption)</u>

WORK PROGRAM/SCOPE

Task 1. SLR Scenarios & Projections	OPC FUNDED: GUIDANCE STEP 1
1.1 Planning Horizons	Existing, 2030, 2060, and 2100
1.2 Best Available Science Projections	TNC LiDAR data and science are NRC consistent
1.3 Prepare SLR Projection Summary report	OPC grant-funded consultant prepares, with City and stakeholder review
1.4 Public outreach	Public meetings, Planning Commission study session
Documents and web-postings: Task 1.3 Report TNC Technical Documentation Presentation PPT and related materials	 Completion within 3 months of 9/1/2014 award Target date: 12/31/2014 Cumulative from OPC award: + 3 months
Task 2. STEP 2 SLR Mapping	**OPC FUNDED: GUIDANCE STEP 2**
2.1 Determine local hydrology	Engineering consultant to work with Public Works
2.2 TNC SLR Scenarios Mapping	storm events, coastal erosion, fluvial interaction
2.3 Prepare SLR Map Atlas and report	SLR and Engineering Consultants, City GIS
2.4 Public outreach	Combination of Task 1.3 and 2.3 reports: Facilitator
Document and web-postings: Task 2.3 Report SLR Map Atlas, scenario descriptions Presentation PPT and related materials	 Completion within 3 months Target date: 3/31/2015 Cumulative from OPC award: + 6 months
Task 3. Planning Areas Risk Assessments	**OPC FUNDED: GUIDANCE STEP 3**
3.1 Area 1: Fifth Street to Santa Clara River	Engineering and SLR Consultants, Public Works
3.2 Area 2: Channel Islands to 5th Street	Engineering and SLR Consultants, Public Works
3.3 Area 3: Channel Islands Harbor	Engineering and SLR Consultants, Public Works
3.4 Area 4: Ormond Beach	Engineering and SLR Consultants, Public Works
3.5 Summary of Four Areas SLR Risk Assessments	SLR consultant, Agency Stakeholder review/revise
3.6 SLR Risk Assessment Economic Impact	Economic Consultant, PAC, Agency Stakeholder
3.7 Public outreach	Facilitator presents Tasks 3.5 and 3.6, feedback Joint Planning Commission/City Council study
Document and web-postings: Task 3.5 Summary Task 3.6 Economic Impact report Presentation PPT and related materials	 Completion within 3 months Target date: 6/30/2015 Cumulative from start: + 9 months
Task 4. SLR Adaptation Measures	**OPC/CITY FUNDED: GUIDANCE STEP 4**
4.1 SLR Adaptation Best Practices white paper	SLR Consultants, with stakeholder input
4.2 New Development: Location and Planning 4.3 Hazards and Shoreline/Beaches 4.4 Public Access and Recreation 4.5 Coastal ESA and ESHA Habitats 4.6 Agricultural Preservation and Enhancement 4.7 Water Quality 4.8 Archeological & Paleontological Resources 4.9 Scenic and Aesthetic Resources 4.10 OTC, Energy Uses, and Coastal Industrial	SLR and Engineering consultants work with stakeholders in a series of workshops developing adaptation measures consistent with the Guidance, Steps 4.1 to 4.9. Existing conditions and impacts are documented for purposes of CEQA documentation by separate City-funded CEQA consultant.
4.11 Ormond Beach Wetlands and Halaco site 4.12 Santa Clara River Estuary and State Beach 4.13 Ventura County Harbor Public Works Plan	SLR and Engineering consultants work with Conservancy, State Parks, and Ventura County Harbor Department to ensure consistency with respective agency plans

ATTACHMENT 3
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4.14 SLR Analysis and Adaptations Report	Consultants prepare and present admin draft; receive and review comments, and prepare Final report after four public meetings (one for each planning area), and meetings each with Coastal Conservancy, State Parks, Ventura County, and Coastal Commission-Ventura office.
4.15 Public outreach	Public roll-out, Spanish media, Joint Planning Commission/City Council study session
Document and web-postings: Task 4.14 Draft and Final Reports Presentation PPT and related materials	Completion within additional 6 months Target date: 12/31/2015 Cumulative from OPC award: + 15 months
Completion of OPC grant funded tasks by 12/31/ 2015	
Task 5. Oxnard LCP Update	**CCC FUNDED : GUIDANCE STEP 5**
5.1 Update/revise the LCP Coastal Land Use Plan	Consultant team updates LCP Policies and Land Use Plan consistent with the 2030 General Plan and incorporates SLR analysis and adaptations from Task 4.14 as a new chapter. LCP Update to be consistent with 2007 and 2011 LCP Update Guide
5.2 Update/revise City Code Chapter 17	Implementation Code is updated consistent with Task 5.1
5.3 Draft and Final LCP and Code Update	Consultants prepare and present Draft LCP and Code Updates, receive and review comments, and prepare Final LCP and Code Updates after public workshops, and one meeting each with Coastal Conservancy, State Parks, Ventura County, and Coastal Commission-Ventura office.
5.4 Planning Commission Adoption	Planning Commission review and adoption
5.5 City Council Adoption	City Council review and adoption
Document and web-postings: Task 5.3 Draft/Final LCP and Code Updates Presentation PPT and related materials Required PC notices and staff reports Required CC notices and staff reports	Completion within additional 12 months Target date: 12/31/2016 Cumulative from 9/1/2014 start: + 27 months
Completion of CCC grant funded tasks by 12/31/ 2016	
Task 6. CEQA Review	**CITY FUNDED: NOT IN PROJECT BUDGET**
6.1 Notice of Preparation 6.2 Notice of Draft EIR Completion and Review 6.3 Preparation of Final EIR and Certification	A Subsequent Program EIR is anticipated that tiers off of the 2030 General Plan Program EIR for the LCP Update and Chapter 17 Code Update, to be prepared in tandem with Task 5 under separate City funding and consultants.
Document and web-postings: CEQA Notices and required documents Draft and Final EIR Findings and Overriding Considerations	Completion in tandem with LCP and Code Updates Required for Task 5.4 Planning Commission action Target date: 10/1/2016
Task 7. Coastal Commission Certification	**CITY FUNDED: NOT IN PROJECT BUDGET**
7.1 Submission to Coastal Commission 7.2 Revisions and Resubmission to Commission 7.3 Acknowledgement of Coastal Commission Amendments, Acceptance, and Agreements	The LCP Update is being planned fully consistent with Coastal Commission SLR and LCP Update guidance documents and with periodic Commission staff review. Target date is based on accepted certification application.

ATTACHMENT 3

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Document and web-postings: Commission required documents Final LCP and Code with Commission changes	Submission completed within additional 6 months Target date: 4/1/2017 Cumulative from start: + 36 months
Task 8. Project Management	**CITY FUNDED**
8.1 City project manager/administrative support	Principal Planner, Budget Analyst, clerical support s
8.2 RFP process, consultant management	Proposal review team, contract management
8.3 Stakeholder advisory committee	Organize and manage Stakeholder committee
8.4 Public Outreach	Organize and manage recurring public outreach
8.5 Supplies, travel, and incidental expenses	Workshop and meeting supplies, paid meeting rooms, light refreshments, legal and meeting advertising, City staff travel to 2 regional and/or state APA or related meetings to present Adaptation chapter and final LCP Update. All office equipment, office space, local travel, and telecommunications provided by the City.
Outcome/Deliverables Customary administrative records Quarterly Grant progress reports Agency Stakeholders meeting minutes PAC Stakeholders meeting minutes Conference presentation reports	The City will document to the extent required by the OPC and CCC, all financial and administrative records in accordance with generally accepted governmental accounting standards.

Benchmark Schedule

TASK/ACTIVITY	COMPLETION DATE/CUMULATIVE
1.3 SLR Science and Projection Summary	12/31/2014 + 3 months
2.3 SLR Mapping Report	3/31/2015 + 6 months
3.5/3.7 Risk and Economic Assessment	6/30/2015 + 9 months
4.14 SLR Analysis and Adaptations	12/31/2015 + 15 months
5.3 Final LCP Update	12/31/2016 + 30 months
6.3 CEQA Review	10/1/2016 in tandem with task 5
7.3 Coastal Commission certification	4/1/2017 + 36 months

CITY OF
OXNARD
CALIFORNIA

Meeting Date: 09/23/2014

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). ______	■ Report
☐ Res. No(s). ______	☐ Public Hearing (Info/consent)
☐ Other ______	☐ Other ______

Prepared By: Grant Dunne, Management Analyst III Grant Dunne Agenda Item No. K-3

Reviewed By: City Manager KRB City Attorney SMF Finance BV for Jim Cameron Public Works

DATE: September 10, 2014

TO: City Council

FROM: Rob Roshanian, Interim Public Works Director
Public Works Department

SUBJECT: **Wastewater Utility Enterprise Revenue Increase** W.R.

RECOMMENDATION

That City Council:

1. Review and provide direction to the Interim Public Works Director to implement a revenue increase for the Wastewater Utility Enterprise. The proposed increase is six percent (6%) for the Wastewater Utility Enterprise to become effective January 10, 2015.
2. Authorize staff to proceed with the Prop 218 public notice process.

DISCUSSION

In 2009, the City of Oxnard completed a comprehensive rate study for its Water, Wastewater, and Environmental Resources Enterprises. The rate study established a reasonable and direct connection between the costs to operate, maintain and administrate the systems and facilities for each enterprise and each customer class with rates, and provided a long-term financial management plan. The study recommended small increases each year for a ten-year period. In July 2010 rates were increased for Water, Wastewater and Environmental Services resulting in a 5% increase to the overall utility bill for the average single-family household. In October 2012, January 2013 and October 2013 rates were increased for the average single-family household by 2.94%, 3.19% and 1.74% respectively.

The proposed rate increase for the Wastewater Utility Enterprise is six percent (6%) effective January 10, 2015. If approved, the average single-family residential utility bill for wastewater service will increase $2.06 from $34.31 per month to $36.37. This is the equivalent of a 1.7% increase to the average overall utility bill.

Staff is currently working on a comprehensive Public Works Integrated Master Plan. This work includes a condition assessment and capital improvement plan for the Wastewater Treatment Plant. Pending this study, staff will return to City Council to propose a five-year rate structure to address aging infrastructure at the Wastewater Treatment Plant including the biotowers, aeration basins, pump stations, equipment for solids processing and electrical facilities. In addition, it is anticipated that a multi-year rate plan will improve the Wastewater bond rating and lower the cost of financing capital infrastructure at the Wastewater Plant.

During a review of the financial condition of each utility enterprise, staff determined that rate increases were needed for the Wastewater Utility Enterprise at this time, but not for the Water Enterprise and Environmental Resources Enterprise utilities. The City's primary goal for the proposed Wastewater rate increase is to ensure that revenues are adequate to fund daily operations and required maintenance, and to meet debt service coverage and operating reserve requirements. Long-term revenue requirements for both Wastewater and the other utilities will be addressed after completion of the master plans.

If City Council provides direction to move forward with the proposed rate increase of six percent (6%), staff will proceed with a Proposition 218-compliant notification process to all property owners during the first week of October 2014, beginning the 45-day notice period. A public hearing is anticipated to be scheduled on December 2, 2014, introducing the new rate ordinance, followed by a second reading on the following Council meeting. Upon approval, the rate increase would become effective January 10, 2015.

FINANCIAL IMPACT

There is no financial impact at this time. Should the recommended action be approved, staff will proceed with the Prop 218 process and return to the City Council to hold a public hearing after the public notice period.

CITY OF
OXNARD
CALIFORNIA

Meeting Date: 09 / 23 / 14

ACTION	TYPE OF ITEM
❒ Approved Recommendation	❒ Info/Consent
❒ Ord. No(s). ______	❒ Report
❒ Res. No(s). ______	❒ Public Hearing (Info/consent)
❒ Other ______	x Other City Manager's Report

Prepared By: Carrie Sabatini Sabatini ______ Agenda Item No. L-1

Reviewed By: City Manager ___ City Attorney SMF Finance QC Other *(Specify)* ______

DATE: September 11, 2014

TO: City Council

FROM: Karen Burnham, Assistant City Manager
Carrie Sabatini, Interim Housing Director Sabatini

SUBJECT: **Update on the Department of Housing and Urban Development (HUD) Monitoring Report of the Supportive Housing Program.**

RECOMMENDATION

That the City Council receive a report on the status of the Department of Housing and Urban Development (HUD) Supportive Housing Program (SHP) monitoring letter dated August 13, 2014.

DISCUSSION

On August 18, 2014 the City Manager received a letter from HUD (dated August 13, 2014) which outlined a number of findings for the Supportive Housing Program (SHP) based upon a monitoring May 19-22, 2014 (Attachment #2). The SHP program, a component of the Ventura County administered Continuum of Care Alliance (CoC) grant program, provides funding to the City to support homeless service providers through subrecipient agreements. The direct service providers funded through the City of Oxnard are Kingdom Center, Community Action of Ventura County, and Khepera House. The total annual value of these grants is $188,961. The monitoring letter noted that previous monitorings in 2008 and 2011 identified findings in a number of areas consistent with the findings in the 2014 monitoring. Although corrective actions had been submitted and accepted on some of those previous findings, key areas of compliance had not been addressed. The 2014 findings were in the areas of lack of monitoring and sponsor management, beneficiary eligibility, record keeping, and habitability standards.

Since receiving the letter on August 18, 2014, City staff has been diligently addressing the issues in the letter. Additionally, the City retained Management Partners to evaluate the issues and begin to develop and begin implementing a path of corrective actions that would be responsive to HUD's concerns within the 30 day time frame required by them. This consultant worked closely with HUD staff, staff from the County of Ventura, and City staff. As a result of the work done by staff and the consultant to date, the following actions highlight the work accomplished and the corrective course going forward.

With regard to the Kingdom Center:

- Prior to receipt of the letter, the City had already ordered an inspection of the Kingdom Center in June 2014. The inspection noted only minor electrical issues and the work was completed in July 2014.
- On August 28, 2014 an inspector certified in HUD's Uniform Physical Conditions Standards conducted an inspection of the Kingdom Center premises which noted only minor repairs needed. On September 11, 2014 an inspection was also conducted by City inspectors from the City's Department of Building and Safety and the Fire Department to ensure the premises meet any and all habitability standards.
- Moving forward, the City has put into place a system to document, track, and monitor the maintenance repairs to ensure they are addressed in a timely basis.

With regard to record keeping:

- Staff has begun the reconstruction of files for the grants and subrecipients.

With regard to lack of monitoring and beneficiary eligibility:

- Staff has conducted initial site visits to the subrecipient programs.

With regard to general responses to the monitoring letter:

- Staff is communicating with HUD to better understand their concerns and rectify their findings.
- The City Manager has requested and received approval of an extension from HUD in order to allow sufficient time for a more comprehensive review and response to their concerns.
- The City is in the process of contracting with a consultant (Peter Brown) who has a long-standing track record in delivery of homeless services. The consultant will be providing community outreach on homeless issues and staff training; will assist in providing support to the Homeless Commission and Homeless Committee; as well as promote coordination between the various homeless population stakeholders.
- Staff is developing protocols to ensure that the Commission on Homelessness and Homeless Committee play an expanded role in the vision, development, and implementation of homeless initiatives throughout the City of Oxnard. This includes supporting their involvement in the relatively new countywide CofC Alliance, the consortium that allocates almost $2 million per year in homeless grant funds.

As you may recall, Oxnard was merged into the County CofC Alliance ("Alliance") about a year ago. This had the affect of transferring SHP funding decisions to the Alliance and has created economies of scale with respect to grant administration. Oxnard was the only City that held onto the pass through status for these three grants. Going forward we think the Alliance can administer these grants in a more cost effective way which frees up City resources to be a more active player in this regional approach and their planning and funding decisions. It will also allow more time to work with our own Commission on Homelessness. While City staff is committed and capable of implementing all corrective actions, and bringing the program into current and future compliance; it is in the best interest of the City to transfer the remaining responsibilities under the SHP program to the Continuum of Care Alliance (Alliance). The majority of the SHP program responsibilities are already handled by the Alliance including the application for and awarding of funds. The City is committed to play a very active and engaged role in the Alliance to create a true partnership in addressing homeless issues in our City.

Attached you will find a detailed report developed by Bob Deis of Management Partners outlining the background of the issues, recommendations and next steps in resolving the issues.

FINANCIAL IMPACT

While there is no direct financial impact, this approach does free up staff time to focus on participation with CofC Alliance and to support our own Commission on Homelessness.

Attachment #1 Report and Recommendations from Management Partners
#2 HUD Monitoring letter

Management Partners

To: Mr. Greg Nyhoff, City Manager of Oxnard

From: Bob Deis, Special Advisor

Subject: Report and Recommendations for Supportive Housing Program Department of Housing and Urban Development (HUD)
August 13, 2014 On-Site Monitoring Report – Federal Fiscal Year 2014

Date: September 9, 2014

Executive Summary

As you are aware, HUD completed an on-site monitoring of Oxnard's administration of three Supportive Housing Program (SHP) grants that total approximately $200,000 annually. They summarized their findings and demands for corrective action in a letter to you dated August 13, 2014. The letter was direct in requiring specific actions by the City within 30 days. The alternative is to risk losing the grants in the future. Most of their findings that require corrective action were shared with the City in the past in 2008 and 2011. After conferring with all parties to this issue, it would be fair to characterize this communication from HUD as a last chance to get the City's attention in addressing deficiencies that go back six years or more.

The City retained Management Partners to evaluate the issues and develop and begin implementing a path of corrective actions that would be responsive to HUD's concerns. After fully understanding how these small grants fit within the larger context of all the stakeholders involved in reducing homelessness in Oxnard, we recommend a slight change in course.

Specifically, we recommend that the City transfer administrative responsibility for these grants to Ventura County (the Collaborative Applicant for the Continuum of Care Alliance). As you may know, the Continuum of Care Alliance (CofC) was formed in accordance with HUD requirements, to be the County-wide clearinghouse for dealing with homelessness approximately a year ago.

The Alliance decides the future funding of the very grants in question. When the Alliance was created, the County was selected to administer the annual funding cycle and eventually become the Unified Funding Agency for the CofC, which includes grant administration for the CofC. This approach was formed based on the recognition that homeless issues do not stop at city boundaries.

Oxnard is the only city that has chosen to hold onto the pass-through responsibility for SHP grants. This stance should be reconsidered because with the creation of the CofC significant economies of scale for grant administration were created. In addition, this allows leveraging with other similar programs administered by the County.

While City Housing staff members are ready to expend the time and resources to properly manage these grants going forward and correct previous year's findings, we believe rather than subsidizing grant administration with other scarce City resources, staff can produce a much better return on their investment by partnering through the County on the CofC program. In addition to saving City resources, other benefits to this approach include: 1) ability to actively participate in the CofC that allocates almost $2 million per year; 2) improved support for the City's Commission on Homelessness; and 3) ability to address HUD findings in the other two major grants, Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG).

The remainder of this memorandum outlines the background on these issues and an alternative service delivery approach that would allow the City to take advantage of regional economies of scale and better articulate its needs in regional funding deliberations. It also offers recommendations and details about next steps. Finally, we provide some analysis on organizational "culture" elements that may have contributed to these problems.

Background

The City of Oxnard historically has been a direct recipient of various HUD grant funds to address homelessness. The funding would come in various categorical grants (silos) with their own regulations. Approximately a year ago, homeless advocates and stakeholders felt a County-wide approach to addressing homelessness would be more effective in reducing homelessness. All the cities in Ventura County ultimately agreed to this new arrangement.

Management Partners believes that if the focus is on reducing homelessness, the CofC regional model makes sense because this challenging issue ignores city boundaries, and a large segment of chronic homeless clients are likely clients of the County's health and human services. Additionally it appears HUD's grant requirements are extensive and are only getting more complex. By creating the CofC, there are definite economies of scale from combining the administrative effort.

As noted, the City of Oxnard held onto the pass-through responsibility for three SHP grants, even though funding decisions in the future rests with the CofC. In fact, the CofC decided to fund two Oxnard sub-recipients, Khepera House and Community Action of Ventura County, and de-funded Kingdom Center. The City used its ESG grant to backfill the lost funds (approximately $13,000). This pass-through status means the City is responsible for the sub-recipient's performance in complying with HUD regulations. Thus, the City has to develop and maintain a huge policies and procedures manual; monitor the sub-recipients; ensure clients meet eligibility standards; ensure that files are in conformance with HUD guidelines and that facilities are properly maintained for the safety of clients. It is this very list of duties that HUD has expressed concerns about repeatedly in 2008, 2011 and 2014.

While the HUD funding has decreased over time, the current CofC annual allocation is close to $2 million. A major factor that determines the annual allocation is the homeless population. Oxnard's homeless count is typically the largest of the cities in the County. As a result, it naturally follows that Oxnard should be receiving a good share of the CofC allocation.

Besides relying on County staff, the CofC Alliance also relies on staff from cities and homeless advocates, stakeholders, and service providers to get their work done. The City's Commission on Homelessness is a key source for volunteer participation on the CofC. If Oxnard is to be a leader in this area, it is critical that City staff work closely with its Commission and the CofC to ensure the City's interests are being met.

Management Partners learned from various sources that Oxnard has not always been as active as it could have been, probably due to the fragmentation of administrative responsibilities. As one example, the CofC annually counts the homeless in the County, in each city and the unincorporated area. This is one measure of program performance and it plays into a future funding allocation formula. Evidently, some Oxnard sites did not conduct the actual count as planned. Due to HUD regulations, this cannot be corrected for that year's count.

Another example involves the City's Commission on Homelessness, which is an important contributor to volunteer participation on the various CofC committees. However the City's support for that effort is hampered by overlapping administrative interests. Oxnard staff should play a critical role in facilitating Commission participation on each of the CofC Committees e.g. calendaring, follow up, communication, new member orientation, etc. If direct administrative obligations could be reduced Oxnard staff would be able to support improvement in this area as well.

Finally, the Oxnard Housing Department is the recipient of other HUD grants funds, including CDBG, HOME and ESG grants. While not to the level of the SHP, some of these grants also have outstanding monitoring findings that need addressing with HUD. Staff time should be focused here rather than on the relatively small SHP programs where a regional approach exists.

Recommendations

Management Partners recommend the City should consider participating in the regional administrative approach with the County. Obviously, an immediate issue is to respond to the August 13 letter to address HUD's concerns. However, a crisis always provides the best opportunity for an organization to take a fresh look at how services are being delivered and to consider alternatives. This seems to be one of those times.

The real "action" on homelessness issues has transferred to the CofC Alliance. Ventura County provides the staffing for the Alliance. This is the most powerful venue for stakeholder interaction, for securing funding and is the home for economies of scale for administration of the plethora of grant requirements.

Management Partners recommends that Oxnard transfer the balance of its grants to the County for administration. This avoids the expense of retooling the Housing Department to comply with SHP grant requirements going forward, an expense that is hard to justify given other demands and opportunities. This will free staff time to facilitate a true leadership role on the homelessness issue, through active engagement at the CofC Alliance and the City's own Commission on Homelessness.

We recommend that Housing Department staff facilitate a workshop with the City Commission on Homelessness, "push the reset" button and develop new roles and responsibilities going forward for staff and Commission members, given this new entity called Continuum of Care.

Why Did This Happen?

Whenever there is a problem or mistakes are made at the line staff level, the problem and solution typically involves line staff and possibly the supervisory level of the organization. To err is to be human. We did not attempt to interview people to find fault with individuals. Mistakes are typically good learning opportunities and provide guidance for improvement. However, if mistakes are repeated or unattended to, then that suggests mid-management or possibly department management did not put in place the necessary reporting or accountability requirements to ensure problems are resolved and mistakes do not get repeated.

In this case, the problems were known all the way up to the City Manager's Office, and little was done to address HUD concerns. This is why HUD provided the August 13 letter with its demands directly to your attention.

In talking with various participants about this issue, it was clear that line staff did not keep current on HUD grant guidelines, did not attend trainings, and did not follow through on HUD monitoring findings. However, it also appears that neither department management nor City management put in place accountability standards with staff, along with a strict corrective action plan and progress check-ins.

These HUD findings have existed for six years or more. Given the tone of various City responses, and the inaction over the years, the City simply did not embrace the philosophy mentioned above. While this is conjecture, given our short time in Oxnard, it appears one aspect of the City's informal culture has been one of isolationism. It seems the City has not taken seriously the need to participate at the CofC Alliance, to collaborate with the County and other stakeholders and to follow through on HUD's repeated concerns.

This may be something to review for the future as you develop your team and set expectations

What Next?

If you concur with the recommendations above, the following need to be addressed immediately:

1) The City needs to respond to HUD's August 13 letter that includes this new direction. (Doing so may require a one week extension on the 30-day response requirement.) Management Partners can work with staff on this.

2) The City should reach out to Ventura County to see what the County would require to assume responsibility for the administration of two grants, as the next funding cycle is expected in late September.

3) The City should decide who will be the point person on homelessness going forward, and that person should meet with Ventura County to see how the City can best participate.

4) Staff should meet with the Chair and Vice Chair of the City's Homeless Commission and plan a workshop that will affirm current roles or produce new roles and responsibilities for staff and Commission members vis-à-vis the CofC.

U.S. Department of Housing and Urban Development
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1100
Los Angeles, CA 90017

AUG 18 REC'D L.L.

AUG 13 2014

Greg Nyhoff, City Manager
City of Oxnard
305 West Third Street
Oxnard, CA 93030

Dear Mr. Nyhoff:

SUBJECT: Supportive Housing Program (SHP)
On-Site Monitoring Report – Federal Fiscal Year 2014

On-site monitoring of the City of Oxnard's Supportive Housing Program (SHP) was conducted May 19 – 22, 2014 by Irene Lam and Cynthia Blatt, Community Planning and Development Representatives.

The monitoring review resulted in four findings in the areas of sponsor management systems; beneficiary eligibility; record keeping, and habitability standards. A finding relates to a program element that does not comply with federal statute or regulation and requires a response from the grantee. A detailed report is enclosed. Please review the report and provide a response to the findings within 30 days from the date of this letter.

It should be noted that the ongoing violations and conditions described in the attached report place the City in material breach of its grant agreements with HUD. City staff has consistently demonstrated a lack of capacity to administer its Supportive Housing Grants and to implement the remedies provided through technical assistance and previous on-site monitoring. Therefore, if all corrective actions in the report are not satisfied within a reasonable time as determined by HUD, HUD may begin the process of assigning remaining grant balances to other grantees whose capacity has been satisfactorily established per regulation at 24 CFR583.283(c).

If you have questions or need assistance, please contact Irene Lam, the Community Planning and Development Representative assigned to your community, at (213)534-2512 or via e-mail at irene.lam@hud.gov.

Sincerely,

William G. Vasquez, Director
Office of Community Planning
and Development

Enclosure

2014 Monitoring Report
Supportive Housing Program (SHP) – City of Oxnard
Oxnard Continuum of Care (CoC), California

On May 19 – 22, 2014, HUD conducted its third monitoring in six years of the City's Supportive Housing Program (SHP). An entrance conference was conducted on Monday, May 19, 2014 to discuss the purpose of the review and its process, and to identify what would be required of the City during the monitoring visit. Bill Wilkins, Housing Director, Housing Department; Norma Owens, Grants Manager, Housing Department; and Juliette Dang, Grants Coordinator, Housing Department represented the City, while HUD was represented by Irene Lam and Cynthia Blatt, Community Planning and Development Representatives.

As background, in 2010 HUD became increasingly concerned that the City lacked the capacity to administer its competitive grants program. This was demonstrated by the City's lack of understanding of HUD's requirements, evident in consistent poor performance with respect to Super NOFA submission; poor response to grant conditions and overall program progress; and lack of responsiveness to the needs of its own sponsor agencies. However, in an effort to support the City, HUD funded extensive technical assistance which was provided by Enterprise Community Partners (ECP) from January 2010 through April 2011. As part of ECP's technical assistance, written policies and procedures that included practical forms and materials as well as sponsor management manuals were developed with and for the City.

The subsequent FY 2011 on-site monitoring focused on assessing the City's implementation of those policies and procedures, and the actions taken to resolve the eight findings resulting from previous monitoring in FY 2008. Eight findings were also made during the FY2011 monitoring. To date, none of the findings from FY2008 or FY2011 have been closed. In FY2014, HUD found that many of the persistent problems and conditions previously identified remained unaddressed and unresolved. During the entrance conference on May 19, 2014 the City acknowledged that it had not implemented the guidance provided in its policies and procedures manual.

As part of the monitoring review, HUD visited three sponsor agencies: Kingdom Center, Community Action of Ventura County, and Khepera House. HUD's discussions with the agencies brought to light problems regarding the City's insufficient and/or incorrect guidance; slow and/or inadequate responsiveness to problems; and lack of monitoring. Last minute requests for items and errors occurred on the part of the City that affected the grant amount and grant process. In the case of Kingdom Center, the City failed to address an electrical problem in a City-owned property housing homeless women and children. These issues give reason for greater concern that the City is unable to administer the eligible expenditure of federal funds in compliance with the requirements of the competitive grants programs.

The ongoing violations and conditions described in this report place the City in material breach of its grant agreements with HUD. City staff has consistently demonstrated a lack of capacity to administer its Supportive Housing Grants and to implement the remedies provided through technical assistance and previous on-site monitoring. Therefore, if all conditions of this and the following findings are not satisfied per the required corrective actions within a reasonable time as determined by HUD, HUD may begin the process of assigning remaining grant balances to other grantees whose capacity has been satisfactorily established per regulation at 24 CFR583.283(c).

The monitoring was accomplished through a review of both City files and sponsor agency files, management reports, and interviews with City and sponsor organization staff. On June 18, 2014, an exit conference was held to discuss the results of the monitoring review. The City of Oxnard was represented by Karen Burnham, Assistant City Manager; Bill Wilkins, Housing Director; and Norma Owens, Grants Manager. HUD was represented by Irene Lam, Community Planning and Development Representative; Suyong Choi and Jane Wilson, Community Planning and Development Representatives who conducted previous monitoring; and Wayne Itoga, Program Manager.

The City's Supportive Housing Program (SHP) Funded Projects reviewed were as follows:

1. Kingdom Center Transitional Housing Program. Grant #CA0947B9D111102
2. Khepera House Transitional Housing Program. Grant #CA0717B9D111104
3. Community Action of Ventura County Supportive Services Only Program. Grant #CA0716B9D111104

FINDINGS & CONCERNS

A finding is made when there is non-compliance with statutory or regulatory requirements. It requires a response and must be resolved by implementing specific corrective actions. A concern brings to the attention of the grantee areas in which improvement could be beneficial to the program, and if not addressed could be subject to findings in future program reviews or follow-up visits.

HUD made four findings during the monitoring review of the above three City Supportive Housing Program funded projects.

Finding Number One. Lack of Monitoring and Sponsor Management

Condition. The City has failed to meet its basic responsibilities as a grantee, including, but not limited to lack of monitoring, training, guidance, support, oversight and instances of incorrect instruction given to sponsor agencies. These are long-standing problems that have not improved, despite extensive technical assistance provided over a number of years and corrective action directed by HUD. As a result of the FY 2008 on-site monitoring, HUD required that the City establish general sponsor management systems including the appropriate monitoring procedures for oversight of each sponsor from the beginning of the grant award to the end of the grant term. Moreover, HUD issued a corrective action requiring the City to review and revise its monitoring policies and procedures and provide them to HUD.

When HUD visited the City for the FY 2011 on-site monitoring, the City stated that it had not conducted any monitoring for the SHP funded projects because it was waiting for HUD's approval of the City's monitoring form that was developed by the technical assistance provider, an approval that was not necessary or required. In 2014, the City was unable to provide any documentation of monitoring, and HUD verified with sponsors that none of them had at any point been monitored. One sponsor had actually requested monitoring, but it was not provided.

The City has failed to follow its own policies and procedures, as evidenced by the following examples: 1) Pages 18 – 21 detail the requirements and process for monitoring, including the requirement that the Grants Manager will maintain a parallel Project File for each grant, containing the same information as the Homeless Assistance Coordinator. No monitoring has occurred, as confirmed by City staff and further verified by all three of the City's subrecipients. The City advised HUD that no monitoring reports could be found and if any existed, they would probably be found on the former Homeless Coordinator's computer, which was not available. 2) Pages 22 – 24 define homelessness and the requirements to document it. However; the form provided to its sponsors to establish and confirm the eligibility of their homeless population included categories that were specifically ineligible under the regulations.

During the 2008 SNAPs competition, the City failed to request any of the eligible administration budgets for the City's SHP renewal grants in the competition applications, and thus forfeited funds it could have obtained for the City and its partner organizations to use in the administration of its grants. HUD learned in its most recent monitoring that in the case of one organization, the Executive Director was incorrectly informed that administrative expenses were not eligible within the SHP grant program.

Out of the three grants the City managed, balances were not fully expended for two: Khepera House - $7,562.29 and Community Action of Ventura County - $2,272.58. Over the years the City has consistently allowed grants to expire with unspent balances. Further, while the City's allocations from 2007 to 2012 totaled $6,927,066, a total of $4,597,420 was expended; therefore $2,329,646 was recaptured.

Criteria. 24 CFR 583.235 Renewal grants. (c)(1) HUD Review; which states in part "...HUD will review the request for renewal and will evaluate the recipient's performance in previous years against the plans and goals established in the initial application for assistance, as amended...."and "...HUD will also consider the recipient's willingness to accept technical assistance and to make changes suggested by technical assistance providers. Other factors which will affect HUD's decision to approve a renewal request include the following: a continuing history of inadequate financial management accounting practices, indications of mismanagement on the part of the recipient,..."; OMB A-133 Section 105(d) Pass-through entity responsibilities includes OMB A-133 Section 105(d)(3) which states the requirement to monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Regulation at 24 CFR 583.300(g) and SHP Desk Guide – Section I for Grantee Responsibilities describes that grantees are responsible for ensuring compliance for their project sponsors. 24 CFR 84.86 Termination and enforcement describes actions HUD may take if a recipient materially fails to comply with the terms and conditions of an award.

Cause. Despite receiving extensive technical assistance, staff has demonstrated a lack of capacity and/or willingness to utilize and implement the policies and procedures that were developed six years ago and to achieve compliance.

Effect. The City is out of compliance with the statute, regulations, and OMB Circular requirements that govern the administration of its Special Needs Assistance Program grants.

Required Corrective Actions. The City must complete the following actions within 30 days of the date of this letter:

1. Reassign the oversight of its SNAP projects to a City department or division with sufficient capacity to attain and maintain compliance. If the City continues to maintain its direct funding with HUD for competitive grants, it must demonstrate capacity through the assignment of its SNAP program to a functioning City department or division capable of providing consistent compliance with all governing requirements. The City must submit to HUD a written plan to accomplish the transfer of these responsibilities and a description of how oversight will be maintained and confirmed by appropriate internal monitoring and auditing of grant administration on a quarterly basis over a three-year period. The City must guarantee that management and staff assigned to the administration of its program will establish connection to the One CPD mailing list and attend all available HUD training provided on the competitive grants program over a three-year period.
2. Assess and address the ongoing needs of the Kingdom Center project which is housed in a City-owned property.
3. Report to HUD the results of its thorough assessment and remedies for the condition of the Kingdom Center property and the level of program function currently in place.
4. Provide as a part of the remedies a rigid timeline for the completion of all remedial actions and a relocation plan for the existing residents of the program, if required.

If the City is unable to maintain this property and program for its original usage, please note that as the City acquired this property with HUD funds, it will be responsible for the repayment to HUD of the grant as prorated for the remaining years of its existing 20-year use period.

Finding Number Two. Beneficiary Eligibility – Verifications of Homelessness

Condition. HUD visited and reviewed financial records and randomly selected client files at Kingdom Center, Community Action of Ventura County, and Khepera House. Documentation of homelessness was poor, and forms required by the City to be used to confirm eligibility contained at least three specifically ineligible categories. Further, there was no indication that the City had provided guidance concerning the requirement to clarify any checklists with a narrative explanation of the categories chosen to demonstrate eligibility. The on-site visits and interviews of sponsor staff demonstrated functioning programs. However, City files were too disorganized and incomplete to determine the level of compliance with the governing authorities. The City had neither monitored its sponsors nor required any performance reports from its sponsors; therefore, compliance with the governing authorities could not be determined.

Criteria: SHP regulation at 24 CFR 583.1, 583.5, and the SHP Desk Guide – Section B. 24 CFR 578.103 Recordkeeping requirements

Cause: The City has not provided sufficient and/or correct guidance to sub-recipient organizations.

Effect: Without the sufficient homeless verification record, HUD could not determine that the City's SHP projects have been managed in compliance with program rules and requirements.

Required Corrective Action: The City must review the forms it has directed sub-recipients to use, make necessary corrections, and provide copies of the revised forms to HUD. It must also monitor its sponsor agencies and provide HUD with copies of the monitoring reports, performance reports, the City's written feedback provided to sub-recipients, and responses from sub-recipients.

Finding Number Three. Recordkeeping

Condition. Three sponsor agencies were reviewed both on-site and at the City. City files did not contain accurate or sufficient information regarding services and activities, to allow effective monitoring. Written agreements consistently referenced incorrect funding application identifiers and did not provide any detail concerning the specific agency or program to which the agreements referred. Further, the City's funding applications identified the sponsors as the legal applicants, when it was the City that was the legal applicant/grantee. City files were identified with specific but incorrect grant numbers, and contract references contained applications, agreements and other records from various years creating confused and inconsistent grant files. Notwithstanding the fact that the City received extensive technical assistance from HUD which produced an effective policies and procedures manual the City, when questioned, acknowledged that it did not utilize the manual.

Criteria: 24 CFR 578.103 Recordkeeping requirements

Cause: City staff does not enter and maintain complete, correct and accurate project information in its submissions and files.

Effect: The City was deficient in meeting the administrative requirements of its grants.

Required Corrective Action: The City must reorganize its grant files going back five years to establish a consistent record of each grant that has been administered by the City. The City should notify HUD upon completion.

Finding Number Four: Habitability Standards

Condition: The City has failed to ensure maintenance of the housing standards and safety of program participants in the facility it owns and in which the Kingdom Center project is housed. The City has not taken sufficient action to confirm whether there is an electrical safety problem at the facility or to correct the problem. The City is non-compliant with the statutory requirement to provide adequate illumination and sufficient electrical sources to permit use of essential electrical appliances while assuring safety from fire. Adequate attention was not provided when a problem was reported over one year ago. A problem was again reported on April 14, 2014. The problem has still not been identified or resolved.

Criteria: 24 CFR 583.300 describes General operation including Section 583.300(a) State and local requirements, Section 583.300(b) Habitability standards, Section 583.300(b)(8) Illumination and electricity.

Cause: Failure to maintain property standards in a facility purchased in part with HUD funding.

Effect: Homeless women and children housed in the City's facility may be in danger of electrical and fire hazards.

Required Corrective Action: The City shall immediately submit to HUD and the sponsor agency the electrician's report and bid to correct the existing condition(s). The City shall report to HUD and the sponsor agency via e-mail daily as to its progress until the problem has been resolved. The City shall submit a complete property evaluation including, but not necessarily limited to, details of its original property rehabilitation and current assessment of the housing structure including foundation, roof, gutters, plumbing, electrical, walls, doors, windows, grounds maintenance, and if necessary, a complete relocation plan for existing program participants and a description of how the program will be maintained during any required period(s) of repair. The assessment must be made by a fully licensed and certified housing inspector.

CITY OF
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CALIFORNIA

Meeting Date: 9/23/2014

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). ______	☐ Report
☐ Res. No(s). ______	☐ Public Hearing (Info/consent)
☐ Other ______	☒ Other Study Session

Prepared By: Rena Bassett Agenda Item No. P-1

Reviewed By: City Manager City Attorney SMF Finance for Jim Cameron Other *(Specify)*

DATE: September 10, 2014

TO: City Council
City of Oxnard Financing Authority

FROM: James Cameron, Chief Financial Officer
Finance Department

SUBJECT: **Refunding of Wastewater Revenue Bonds, 2004 Series A**

RECOMMENDATION

That City Council consider a report on the potential refunding of Wastewater Revenue Bonds, 2004 Series A.

DISCUSSION

On June 22, 2004 the City of Oxnard Financing Authority (COFA) issued its $80,000,000 of Wastewater Revenue Bonds, 2004 Series A ("the 2004A Bonds"). The 2004A Bonds were issued to finance the cost of certain capital improvements to the City's wastewater system. A portion of the proceeds from the sale of the Bonds was used to pay the costs of the Redwood Trunk Sewer Project and a portion of the costs of the Headworks Project.

The 2004A Bonds are outstanding in the amount of $80,000,000 with maturities ranging from June 1, 2021 through June 1, 2034. Due to the current interest rate environment, the 2004A Bonds can be refinanced at substantial savings to the Wastewater Fund utilizing a Public Offering Structure ("2014 Public Offering").

In conjunction with its financial advisor, First Southwest Company, a Request for Proposals (RFP) was issued to the City's bond underwriting pool to submit refinancing alternatives for refunding the wastewater revenue bonds. The City received proposals from J.P. Morgan, Citi, Morgan Stanley, Piper Jaffray, Stifel, and RBC Capital Markets. RBC Capital Markets offered the lowest cost based on fees of $2.15 per $1,000 bond. RBC Capital Markets has served previously as the Placement Agent to refund the Wastewater Revenue Refunding Bonds, Series 2003 and the Water Revenue Refunding Bonds, Series 2004. The City's objectives for refunding the 2004A Bonds are to (1) maximize equal annual cash flow savings through the final maturity date of June 1, 2034 and (2) redeem the outstanding 2004 Bonds on December 1, 2014, the next available call date. The final maturity of the 2014 Public Offering will remain consistent with the 2004A Bonds of June 1, 2034.

The Net Present Value Savings from refinancing the 2004A Bonds is estimated at $9,250,000 or 11.56% of refunded par, providing annual debt service savings of $815,000. Annual principal payments will begin June 1, 2021, and semi-annual interest payments (December 1 and June 1) will begin June 1, 2015.

FINANCIAL IMPACT

Staff anticipates returning in November 2014 with bond documents for approval by City Council. It is estimated that the proposed refunding will have an annual benefit to the Wastewater Fund of $815,000.

RB

CITY OF
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Meeting Date: 09/23/14

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). ______	☐ Report
☐ Res. No(s). ______	☐ Public Hearing (Info/consent)
☐ Other ______	☒ Other Study Session

Prepared By: Mike More MM Agenda Item No. P-2

Reviewed By: City Manager KRB City Attorney SMF Finance BW for Jim Cameron Other (Specify)

DATE: September 10, 2014

TO: City Council

FROM: James Cameron, Chief Financial Officer
Finance Department

SUBJECT: **Proposed Measure 'O' Street Project Bonds and Schedule and Refunding of 2003 Lease Revenue Bonds**

RECOMMENDATION

That City Council receive a report concerning: the proposed issuance of Lease Revenue Project and Refunding Bonds, Series 2014 ("2014 Bonds") to provide funding for street improvements, to be paid from Measure 'O' revenues and refunding of Lease Revenue Bonds, Series 2003.

DISCUSSION

On June 17, 2014, City Council received a report concerning the reconstruction of various streets throughout the City through a bond issuance utilizing Measure 'O' funds as a repayment source. Measure 'O' funds were approved to provide $20 million of a total of $31 million needed to fund the neighborhood resurfacing projects (Attachment 1).

Financing Structure

In conjunction with its financial advisor, First Southwest Company, a Request for Proposals (RFP) was issued to the City's bond underwriting pool to submit alternatives for financing the Measure 'O' Street Projects. The City received proposals from J.P. Morgan, Citi, Morgan Stanley, Piper Jaffray, Stifel, and RBC Capital Markets. J.P. Morgan proposed fees of $3.70 per $1,000 bond. This will be the first bond issuance underwritten J.P. Morgan for the City. Although RBC's proposal was slightly lower at $3.58, because they have been selected for the larger Wastewater Refunding Bonds, Staff felt it was in the City's best interest to select the next lowest cost proposal given that the difference was minimal.

During the analysis of the financing structure it was determined that City assets currently encumbered as leased assets under the City's Lease Revenue Refunding Bonds 2003, Series A (the "2003A Bonds") were required to back the $20 million Street Bonds. In order to make these assets available as a leased asset for the 2014 Bonds, the 2003A Bonds must be paid off through a refinancing. The 2003A Bonds are scheduled to mature on June 1, 2016. The 2014 Bonds will be structured in such a manner that would maintain the same payment of the principal of the 2003A Bonds in Fiscal Years 2015 and 2016 from the same sources as the original bonds. After 2016, the debt service on the 2014 Bonds would be level through maturity in Fiscal Year 2029, at approximately $1.74 million annually.

Refunding the 2003A Bonds provides net present value savings estimated at $76,000 and provides the necessary assets to finance the Street projects.

On September 16, 2014, City Council adopted a resolution declaring its intent to reimburse the City for capital expenditures related to the improvement and construction of portions of streets and roadways in the City from proceeds of taxable or tax-exempt indebtedness. As a result, any expenditure incurred on these street projects prior to the issuance of bonds could be reimbursed by bond proceeds. This allows the City to proceed expeditiously on the street projects.

Street Resurfacing Schedule

The schedule for resurfacing neighborhood streets (Attachment 2) is based on the overall pavement condition of the streets in the target neighborhoods and the requirement for other infrastructure improvements such as replacement of cast iron water mains. The City's goal is to complete all work within five years.

FINANCIAL IMPACT

Staff anticipates returning in November 2014 with bond documents for approval by City Council. The debt service for the portion of the bonds that raises $20 million in new money for street projects of approximately $1.74 million annually through 2029, will be paid from the Measure 'O' Fund.

MJM

Attachment #1 - Neighborhood Resurfacing Projects
#2 - Neighborhood Resurfacing Schedule

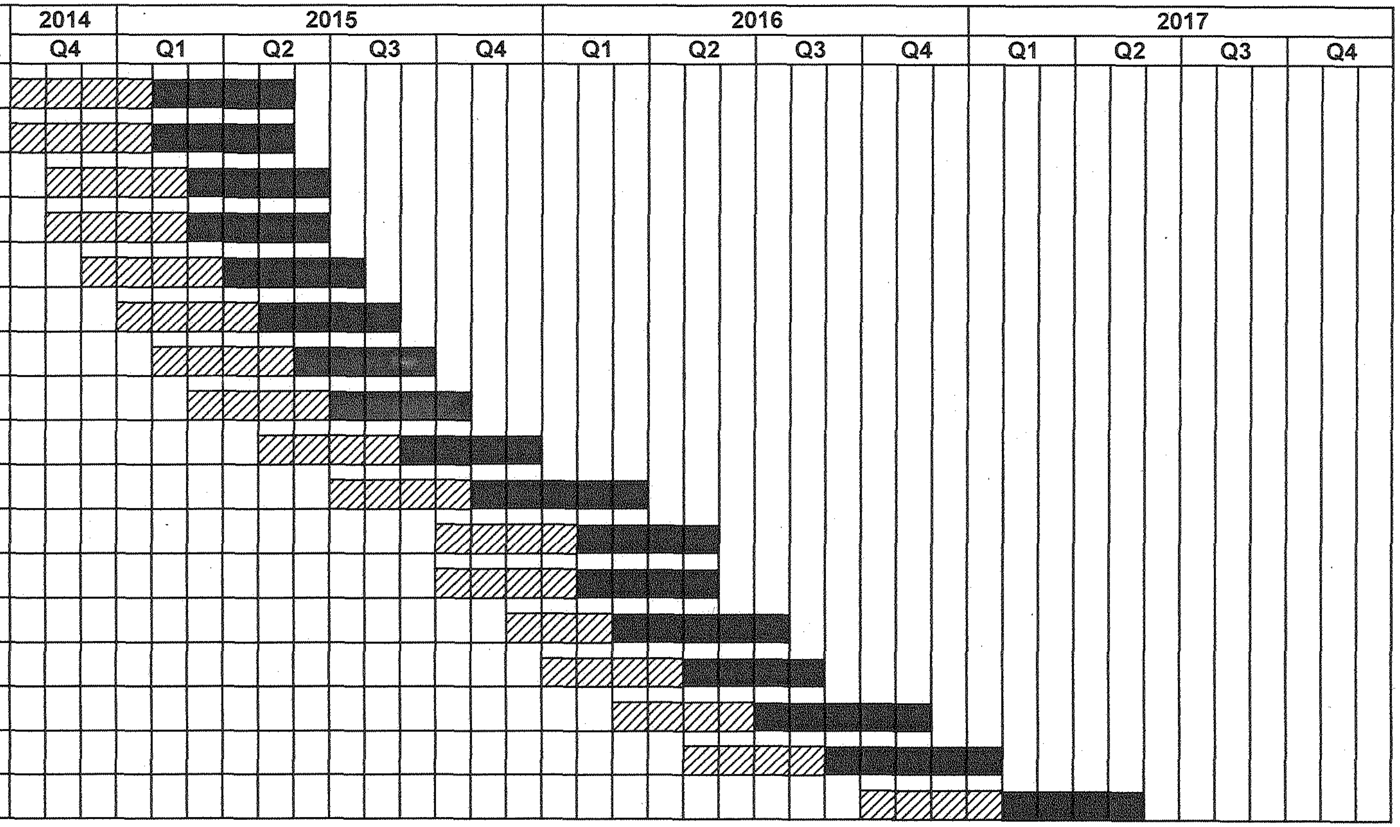
Neighborhood Resurfacing Projects

Hobson Park West Neighborhood Resurfacing	$ 1.4 million
La Colonia Neighborhood Resurfacing Phase 2	$ 3.2 million
Redwood Neighborhood Resurfacing	$ 2.0 million
Pleasant Valley Estates Neighborhood Resurfacing	$ 3.1 million
La Colonia Neighborhood Resurfacing Phase 3	$ 2.5 million
Fremont North Neighborhood Resurfacing	$ 1.7 million
College Estates Neighborhood Resurfacing	$1.8 million
Sierra Linda Neighborhood Resurfacing	$ 3.3 million
Orchard Park Neighborhood Resurfacing	$ 1.6 million
South Bank Neighborhood Resurfacing	$ 1.6 million
Rio Lindo Neighborhood Resurfacing	$ 2.9 million
Windsor North River Ridge Neighborhood Resurfacing	$ 2.3 million
Bryce Canyon South Neighborhood Resurfacing	$ 1.3 million
Channel Islands Neighborhood Resurfacing	$ 2.0 million

Neighborhood Streets Resurfacing Progam
Schedule

Bid Construct

Neighborhood	Bid	Start Construct
Bryce Canyon North	Nov 2014	Feb 2015
Hobson Park West	Nov 2014	Feb 2015
South Bank	Dec 2014	Mar 2015
College Estates	Dec 2014	Mar 2015
Channel Islands	Jan 2015	Apr 2015
Orchard Park	Feb 2015	May 2015
Sierra Linda	Mar 2015	June 2015
Pleasant Valley Estates	Apr 2015	July 2015
La Colonia Phase 1	June 2015	Sept 2015
Fremont North *	Aug 2015	Nov 2015
Rio Lindo	Nov 2015	Feb 2016
Windsor North River Ridge	Nov 2015	Feb 2016
Redwood *	Dec 2015	Mar 2016
La Colonia Phase 2	Feb 2106	May 2016
Bryce Canyon South *	Apr 2016	July 2016
La Colonia Phase 3 *	June 2016	Sept 2016
Cypress Phase 2	Nov 2016	Feb 2017



* Require other utility improvements with separate funding

ATTACHMENT NO. 2
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Meeting Date: 09 /23/ 2014

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☐ Approved Recommendation	■ Info/Consent
☐ Ord. No(s). ______	☐ Report
☐ Res. No(s). ______	☐ Public Hearing (Info/consent)
☐ Other ______	☐ Other ______

Prepared By: Greg Nyhoff, City Manager Agenda Item No. 5-1

Reviewed By: City Manager GN City Attorney JBB Finance JL Other *(Specify)*

DATE: September 10, 2014

TO: City Council

FROM: Greg Nyhoff, City Manager
City Manager's Office

SUBJECT: **Agreements for City Council Review**

RECOMMENDATION

That City Council, pursuant to Ordinance 2835, and Resolution No. 13,932, approve and authorize the City Manager, to execute the agreements/contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000, which are described on the attached list.

DISCUSSION

On November 16, 2010, the City Council approved changes to the City's Purchasing Procedures reducing the threshold for City agreements/contracts and change orders/amendments requiring City Council approval to $25,000. The agreements/contract and change orders/amendments described on the attached list involve amounts above $25,000 and up to $250,000.

FINANCIAL IMPACT

Funding information is included on the attached list.

Attachment - #1 – List of Agreements/Contracts and/or Change Orders/Amendments

NOTE: Copies of the agreement/contracts and change orders/amendments on the list are available in the City Clerk's Office prior to the Council meeting.

City Manager Contract List for 09/23/2014

Item	Type	Department/Contact	Vendor/Agreement Number	Description/Purpose	Amount
A	Original Agreement	**Development Services** Cynthia Daniels 385-7871	**Sally Swanson Architects, Inc.** Agreement No. A-7703	**Consulting Services for Citywide Sidewalk Survey and Inventory** Conduct a citywide sidewalk survey, inventory pedestrian features on public streets adjacent to buildings built in or before 1992, create a pedestrian demand model, recommend improvements to comply with Americans With Disabilities Act in high-concentration pedestrian areas; prepare an education, encouragement, and enforcement program and recommend 10 high-priority improvement projects for pedestrian areas. Request for proposals were published in Sept. 2013 and six proposals were received. Sally Swanson is recommended as the best qualified proposal. **Total Contract Amount: $173,618** **FundingSource: Federal-aid highway grant, Air Pollution Buy-Down Fund**	$173,618
B	Original Agreement	**General Services** Dean Yamamoto 385-8074	**Ventura County Probation Agency** Agreement No. A-7698	**Ventura County Work Release Program** Contract with Ventura County Probation Agency for use of the Work Release Program to provide landscape maintenance assistance. The City has worked with the Work Release Program for the past five years. This agreement is continuing that working relationship. **Total Contract Amount: $200,000** **FundingSource: Community Facilities District #5-RiverPark**	$200,000

ATTACHMENT #1
PAGE 1 OF 1

CITY OF
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Meeting Date: 09/23/14

ACTION	TYPE OF ITEM
☐ Approved Recommendation	■ Info/Consent
☐ Ord. No(s). ______	☐ Report
☐ Res. No(s). ______	☐ Public Hearing (Info/consent)
☐ Other ______	☐ Other ______

Prepared By: Jay Duncan, Contract and Grant Coordinator Jay Duncan Agenda Item No. S-2

Reviewed By: City Manager City Attorney SBR Finance Public Works

DATE: September 10, 2014

TO: City Council

FROM: Rob Roshanian, Interim Public Works Director
Public Works

SUBJECT: **Agreement with WaterWise Consulting, Inc. for implementation of the Ventura County Regional Urban Landscape Efficiency Project (Agreement No. A-7715)**

RECOMMENDATION

That City Council approve and authorize the Mayor to execute an agreement with WaterWise Consulting, Inc., in the amount of $960,599 for implementation of the Ventura County Regional Urban Landscape Efficiency Project.

DISCUSSION

On January 14, 2014, the Oxnard City Council approved and authorized the Mayor to execute the Proposition 84 Integrated Regional Water Management Subgrant Agreement (Agreement No. A-7634) in the amount of $1,462,418 with the County of Ventura on behalf of the Watersheds Coalition of Ventura County (WCVC) for the component project Ventura County Regional Urban Landscape Efficiency Program. The City Council also approved and authorized the Mayor to execute the Proposition 84 Ventura County Regional Urban Landscape Efficiency Program Project Participant Agreement (Agreement No. A-7531) with the City of Camarillo, City of Simi Valley/Ventura County Waterworks District Number 8, Camrosa Water District, Casitas Municipal Water District, and Ventura County Water Works Districts Numbers 1, 17, 19 and the Lake Sherwood Community Services District. Finally, the City Council authorized the City Manager to appropriate the required budgets consistent with the grant requirements including $228,000 from the Water Fund Balance.

The Ventura County Regional Urban Landscape Efficiency (VC-RULE) Project is a regional urban landscape water use efficiency program designed to improve irrigation efficiency, in order to increase Ventura County water supply reliability.

The recommended WaterWise Consulting, Inc. agreement provides the water use efficiency landscape surveys and provides and installs water saving irrigation devices as needed to residents, businesses, schools, and parks. A request for proposal (RFP) was sent to 20 companies, advertised on the City's Website, and published in the Ventura County Star. Three companies submitted proposals. The proposals were evaluated by the six participating agencies and WaterWise Consulting, Inc. received the designation as the most qualified firm to perform the services.

FINANCIAL IMPACT

There is sufficient funding in the Proposition 84 Grant Project to cover the amount of the contract.

Attachment #1 - Agreement No. A-7715

Agreement No. A-7715

AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES ("**Agreement**") is made and entered into in the County of Ventura, State of California, this 23rd day of September, 2014, by and between the City of Oxnard, a municipal corporation ("**City**"), and WaterWise Consulting, Inc. ("**Consultant**"). City and Consultant are sometimes individually referred to as "**Party**" and collectively as "**Parties.**"

WHEREAS, City desires to hire Consultant to perform certain consulting services specified herein; and

WHEREAS, Consultant represents that Consultant and/or Consultant's personnel have the qualifications and experience to properly perform such services.

NOW, THEREFORE, City and Consultant hereby agree as follows:

1. Scope of Services

Consultant shall furnish City with professional consulting services as more particularly set forth in **Exhibit A** attached hereto and incorporated by this reference in full herein (the "**Services**").

2. Method of Performing Services

Subject to the terms and conditions of this Agreement, Consultant may determine the method, details, and means of performing the Services.

3. Standard of Performance

Consultant agrees to undertake and complete the Services to conclusion, using that standard of care, skill, and diligence normally provided by a professional person in performance of similar consulting services.

4. Nonexclusive Services

This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant's own account or to any other person or entity as Consultant in its sole discretion shall determine. Consultant agrees that performing such services will not materially interfere with the Services to be performed for the City.

5. Coordination of Services

The Services shall be coordinated with Jeanine Hutton, Management Analyst II, subject to the direction of the City Manager or Department Manager.

6. Place of Work

Consultant shall perform the Services provided for in this Agreement at any place or location and at such times as the Consultant shall determine.

7. Correction of Errors

Consultant agrees to correct, at its expense, all errors which may be disclosed during review of the Services. Should Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by City, and the cost thereof shall be paid by Consultant.

8. Time for Performance

The Services performed under this Agreement shall be completed during the term of this Agreement pursuant to the schedule provided in **Exhibit B** attached hereto and incorporated by this reference in full herein. City agrees to amend the performance termination date whenever Consultant is delayed by action or inaction of City and Consultant promptly notifies Manager of such delays.

9. Principal in Charge

Consultant hereby designates Ajay Dhawan, President as its principal-in-charge and person responsible for necessary coordination with Manager.

10. Permits, Licenses, Certificates

Consultant, at Consultant's sole expense, shall obtain and maintain during the term of this Agreement, all permits, licenses, and certificates required in connection with the performance of the Services, including a City business tax certificate.

11. City's Responsibility

City shall cooperate with Consultant as may be reasonably necessary for Consultant to perform the Services. Manager agrees to provide direction to Consultant as requested regarding particular project requirements.

12. Term of Agreement

This Agreement shall begin on September 24, 2014, and expire on December 8, 2015.

13. Termination

a. This Agreement may be terminated by City without cause if Manager notifies Consultant, in writing, of Manager's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such notice. City agrees to pay Consultant in full for all amounts due Consultant as of the effective date of termination, including any expenditures incurred on City's behalf, whether for the employment of third parties or otherwise.

b. This Agreement may be terminated by Consultant without cause if Consultant notifies Manager, in writing, of Consultant's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such notice and only if all assignments accepted by Consultant have been completed prior to the date of termination.

14. Compensation

a. City agrees to pay Consultant in an amount not to exceed $960,599 for the Services at rates provided in **Exhibit C** attached hereto and incorporated by this reference in full herein.

b. The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to the Services.

c. Consultant agrees that payment by City shall not constitute nor be deemed a release of the responsibility and liability of Consultant or its employees, subcontractors, agents and subconsultants for the accuracy and competency of the information provided and/or the Services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Consultant, its employees, subcontractors, agents and subconsultants.

d. Consultant shall provide Manager with a completed Request for Taxpayer Identification Number and Certification, as issued by the Internal Revenue Service.

e. If any sales tax is due for the Services performed by Consultant or materials or products provided to City by Consultant, Consultant shall pay the sales tax. City shall not reimburse Consultant for sales taxes paid by Consultant.

15. Method of Payment

a. City agrees to pay Consultant monthly upon satisfactory completion of the Services and upon submission by Consultant of an invoice delineating the Services performed, in a form satisfactory to Manager. The invoice shall identify the Services by project as specified by Manager.

b. Consultant agrees to maintain current monthly records, books, documents, papers, accounts and other evidence pertaining to the Services performed and costs incurred. Such items shall be adequate to reflect the time involved and cost of performing the Services. Consultant shall provide Manager with copies of payroll distribution, receipted bills and other documents requested for justification of the invoice.

16. Responsibility for Expenses

Except as otherwise expressly provided in this Agreement, City shall not be responsible for expenses incurred by Consultant in performing the Services. All expenses incident to the performance of the Services shall be borne by the Consultant, including, but not limited to rent, vehicle, and travel, entertainment and promotion, general liability and health insurance, workers' compensation insurance, and all compensation and benefits of employees or agents engaged by Consultant. Consultant shall, at its own cost and expense, supply all personal property necessary or appropriate to perform the Services provided for under this Agreement, including, but not limited to any personal property used by employees and agents of Consultant in the performance of such Services.

17. Non-Appropriation of Funds

Payments to be made to Consultant by City for the Services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted and unencumbered appropriation of City. In the event City does not appropriate sufficient funds for payment of the Services beyond the current fiscal year, this Agreement shall cover payment for the Services only up to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

18. Records

a. Consultant agrees that all final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data and photographs expressly required to be prepared by Consultant as part of the scope of services (**"documents and materials"**) shall be the property of City and shall, upon completion of the Services or termination of this Agreement, be delivered to Manager.

b. At City's request, City shall be entitled to immediate possession of, and Consultant shall furnish to Manager within ten (10) calendar days, all of the documents and materials. Consultant may retain copies of these documents and materials.

c. Any substantive modification of the documents and materials by City staff or any use of the completed documents and materials for other City projects, or any use of uncompleted documents and materials, without the written consent of Consultant, shall be at City's sole risk and without liability or legal exposure to Consultant. City agrees to hold Consultant harmless from all damages, claims, expenses and losses arising out of any reuse of the documents and materials for purposes other than those described in this Agreement, unless Consultant consents in writing to such reuse.

19. Maintenance and Inspection of Records

Consultant agrees that City or its auditors shall have access to and the right to audit and reproduce any of Consultant's relevant records to ensure that City is receiving the Services to which City is entitled under this Agreement or for other purposes relating to the Agreement. Consultant shall maintain and preserve all such records for a period of at least three (3) years after the expiration of this Agreement, or until an audit has been completed and accepted by City. Consultant agrees to maintain all such records in City or to promptly reimburse City for all reasonable costs incurred in conducting the audit at a location other than in City, including but not limited to expenses for personnel, salaries, private auditor, travel, lodging, meals and overhead.

20. Confidentiality of Information

Any documents and materials given to or prepared or assembled by Consultant under this Agreement shall be confidential and shall not be made available to any third person or organization by Consultant without prior written approval of the Manager.

21. Indemnity

a. To the fullest extent permitted by law, Consultant shall (1) immediately defend; (2) indemnify; and (3) hold harmless City, its City Council, each member thereof, and its directors, officers, and employees (the **"Indemnified Party"**) from and against all liabilities regardless of nature, type, or cause, arising out of or resulting from or in connection with Consultant's performance of this Agreement or Consultant's failure to comply with any of its obligations contained in this Agreement. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Consultant's obligation to indemnify applies unless it is adjudicated that any of the liabilities covered by this Section are the result of the sole active negligence or sole willful misconduct of the Indemnified Party.

b. The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Indemnified Party immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of negligence or willful misconduct by the Indemnified Party shall not relieve Consultant from its separate and distinct obligation to defend the Indemnified Party. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the Indemnified Party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of the Indemnified Party, Consultant may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs.

c. The review, acceptance or approval of Consultant's work or work product by the Indemnified Party shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This Section shall survive completion of the Services or termination of this

Agreement. The provisions of this Section shall not be restricted by and do not affect the provisions of this Agreement relating to insurance.

22. Insurance

a. Consultant shall obtain and maintain during the performance of the Services the insurance coverages as specified in **Exhibit INS-B**, attached hereto and incorporated herein by this reference, issued by a company satisfactory to the Risk Manager, unless the Risk Manager waives, in writing, the requirement that Consultant obtain and maintain such insurance coverages.

b. Consultant shall, prior to performance of the Services, file with the Risk Manager evidence of insurance coverage as specified in **Exhibit INS-B**. Evidence of insurance coverage shall be forwarded to the Risk Manager, addressed as specified in **Exhibit INS-B**.

c. Maintenance of proper insurance coverages by Consultant is a material element of this Agreement. Consultant's failure to maintain or renew insurance coverages or to provide evidence of renewal may be considered as a material breach of this Agreement.

23. Independent Contractor

a. City and Consultant agree that in the performance of the Services, Consultant shall be, and is, an independent contractor, and that Consultant and its employees are not employees of City. Consultant has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons assisting Consultant.

b. Consultant shall be solely responsible for, and shall save City harmless from, all matters relating to the payment of Consultant's employees, agents, subcontractors and subconsultants, including compliance with social security requirements, federal and State income tax withholding and all other regulations governing employer-employee relations.

c. Consultant acknowledges that Consultant and Consultant's employees are not entitled to receive from City any of the benefits or rights afforded employees of City, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, or health, life, dental, long-term disability and workers' compensation insurance benefits.

24. Consultant Not Agent

Except as Manager may specify in writing, Consultant, and its agents, employees, subcontractors and subconsultants shall have no authority, expressed or implied, to act on behalf of City in any capacity, as agents or otherwise, or to bind City to any obligation.

25. Conflict of Interest

If, in performing the Services set forth in this Agreement, Consultant makes, or participates in, a **"governmental decision"** as described in Title 2, section 18701(a)(2) of the California Code of Regulations, or performs the same or substantially all the same duties for City that would otherwise be performed by a City employee holding a position specified in City's conflict of interest code, Consultant shall be subject to City's conflict of interest code, the requirements of which include the filing of one or more statements of economic interests disclosing the relevant financial interests of Consultant's personnel providing the Services set forth in this Agreement.

26. Assignability of Agreement

Consultant agrees that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence, experience and specialized personal knowledge. Assignments of any or all rights, duties, or obligations of Consultant under this Agreement will be permitted only with the express written consent of Manager, which consent may be withheld for any reason.

27. Successors and Assigns

Consultant and City agree that this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant and City.

28. Fair Employment Practices

a. Consultant agrees that all persons employed by Consultant shall be treated equally by Consultant without regard to or because of race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law, and in compliance with all antidiscrimination laws of the United States of America, the State of California, and City.

b. Consultant agrees that, during the performance of this Agreement, Consultant and any other parties with whom Consultant may subcontract shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law.

c. Consultant agrees to state in all of its solicitations or advertisements for applicants for employment that all qualified applicants shall receive consideration for employment without regard to their race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law.

d. Consultant shall provide City staff with access to and, upon request by Manager, provide copies to Manager of all of Consultant's records pertaining or relating to Consultant's employment practices, to the extent such records are not confidential or privileged under State or federal law.

29. Force Majeure

Consultant and City agree that neither City nor Consultant shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include, but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after this Agreement was executed, fire, communication line failures, earthquakes, or other disasters.

30. Time of Essence

Consultant and City agree that time is of the essence in regard to performance of any of the terms and conditions of this Agreement.

31. Covenants and Conditions

Consultant and City agree that each term and each provision of this Agreement to be performed by Consultant shall be construed to be both a covenant and a condition.

32. Governing Law

City and Consultant agree that the construction and interpretation of this Agreement and the rights and duties of City and Consultant hereunder shall be governed by the laws of the State of California.

33. Compliance with Laws

Consultant agrees to comply with all City, State, and federal laws, rules, and regulations, now or hereafter in force, pertaining to the Services performed by Consultant pursuant to this Agreement.

34. Severability

City and Consultant agree that the invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

35. Waiver

City and Consultant agree that no waiver of a breach of any provision of this Agreement by either Consultant or City shall constitute a waiver of any other breach of the same provision or any other provision of this Agreement. Failure of either City or Consultant to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver of such provision or breach.

36. Counterparts

City and Consultant agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

37. Arbitration

Consultant and City agree that in the event of any dispute with regard to the provisions of this Agreement, the Services rendered or the amount of Consultant's compensation, the dispute may be submitted to non-binding arbitration upon the mutual agreement of the parties, under such procedures as the parties may agree upon, or, if the parties cannot agree, then under the Rules of the American Arbitration Association.

38. Expenses of Enforcement

Consultant and City agree that the prevailing party's reasonable costs, attorneys' fees (including the reasonable value of the services rendered by the City Attorney Office) and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

39. Authority to Execute

a. City acknowledges that the person executing this Agreement has been duly authorized by the City Council to do so on behalf of City.

b. Consultant acknowledges that the person executing this Agreement has been duly authorized by Consultant to do so on behalf of Consultant.

40. Notices

a. Any notices to Consultant may be delivered personally or by mail addressed to WaterWise Consulting, Inc., 1147 South Grand Avenue, Glendora, California 91740, Attention: Ajay Dhawan, President.

b. Any notices to City may be delivered personally or by mail addressed to City of Oxnard, Public Works Administration, 305 West Third Street, 3rd Floor, East Wing, Oxnard, California 93030, Attention: VCRULE Manager.

41. Amendment

City and Consultant agree that the terms and conditions of the Agreement may be reviewed or modified at any time. Any modifications to this Agreement, however, shall be effective only when agreed upon to in writing by both the City representative authorized to do so under the City's purchasing policies and Consultant.

42. Entire Agreement

City and Consultant agree that this Agreement constitutes the entire agreement of the parties regarding the subject matter described herein and supersedes all prior communications, agreements, and promises, either oral or written.

CITY OF OXNARD

____
Tim Flynn, Mayor

ATTEST:

____
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

_______________________________ For
Stephen M. Fischer, Interim City Attorney

APPROVED AS TO CONTENT:

____
Rob Roshanian, Interim Public Works Director

Daniel Rydberg
____
Daniel Rydberg, Utilities and Engineering Manager

CONSULTANT

Ajay Dhawan
____
Ajay Dhawan, President
WaterWise Consulting, Inc.

APPROVED AS TO INSURANCE:

____
James Cameron, Risk Manager

APPROVED AS TO AMOUNT:

Karen R. Burnham (for)
____
Greg Nyhoff, City Manager

EXHIBIT A

SCOPE OF SERVICES

0.0 PROGRAM ADMINISTRATION

0.1 Consultant will be responsible for the overall management of this program and will work closely with the City and its five program partners. Consultant will receive approval from the City on all matters regarding the program. During the first 3 months of the program, Consultant will communicate with the City (via phone or email) twice a week and then on a weekly basis. If problems arise with the program, Consultant will work with the City and all parties to resolve the problem promptly.

0.2 Consultant will complete and submit a monthly electronic invoice and corresponding electronic copy of the VC Rule installation database to the City's Program Manager. The database will include all documentation required by the California Department of Water Resources (CDWR) for the Proposition 84 Grant reporting and California Urban Water Conservation Council (CUWCC) water conservation reporting including:

1. Customer Last Name
2. Customer First Name
3. Service Address (Include City and Zip Code)
4. Water Supplier/Agency and Associated Account Number
5. Contact Phone Number
6. Landscape Survey Date
7. Total Landscape Area
8. Number of Controllers Replaced
9. Make, Model, & No. of Stations (Controllers Replaced)
10. Make, Model, & No. of Stations (Controllers Installed)
11. Make, Model & No. of Nozzles (Replaced)
12. Make, Model & No. of Nozzles (Installed)
13. Make, Model & No. of Rain Shut Off (Replaced)
14. Make, Model & No. of Rain Shut Off (Installed)
15. Three year water usage pre and post water evaluation
16. Installation Date
17. Follow-Up Phone Call Date

0.3 Consultant will closely monitor the program budget and add this to the database that is sent to the City each month. Consultant understands that each participating agency is allocated a certain amount of funding for this program.

0.4 A year-end report summarizing the progress of the program will be sent each year by July 15th. This year-end report will include the data from the monthly reports that are sent to the City and include any possible recommendations for the upcoming year. All Grant related reports will be due on November 30, 2015.

1.0 PROGRAM MARKETING / IDENTIFY AND SCHEDULE QUALIFYING CUSTOMERS

1.1 Consultant, with assistance from its marketing division, is prepared to handle any aspect of the marketing efforts of the program. Consultant will design and implement an outreach program and promotional campaign with sufficient effectiveness to achieve the goal of retrofitting 1,000 landscapes. All promotional materials shall be submitted to the City's Program Manager for review prior to distribution.

1.2 Once Consultant receives the Notice to Proceed, the Consultant will receive a list of targeted customers from each of the participating agencies. These customers will be high water using customers with high landscape irrigation application rates. The program is open to all customers, however to obtain maximum water savings, high water using customers will have a priority.

1.3 Consultant will directly mail introductory program materials to the targeted customers and will follow up with the customer and enlisting them to participate in the program.

1.4 Consultant will set up a toll-free telephone line and maintain staff to answer calls from City and participating agency customers Monday through Friday, certain Holidays excluded, between the hours of 8:30 AM and 5:00 PM. An after-hour message will be provided, and all messages left after hours will be returned the following business day. This phone number is to remain active for one year after the last water saving device is installed.

1.5 Bilingual staff will be available to take phone calls and schedule customers. Consultant staff will ask qualification questions for all inquiring customers. Some of these questions will be:

1. Who is your water company?
2. How did you hear about this program?
3. What is your address?
4. Does the site have an existing irrigation system and sprinkler spray nozzles?
5. Does the site have an automatic irrigation controller?
6. Is this a residential site, or a business?
7. Can you have a copy of the most recent water bill available during the survey?

1.6 By asking the above questions Consultant staff will be able to determine if the caller is a City customer or a participating agency customer, what type of site will be surveyed, how they heard of the program, and whether there is an existing sprinkler system.

1.7 If Consultant staff is still unclear regarding customer eligibility, Consultant will contact the City's Program Manager or participating agency representative and verify customer eligibility. All eligible customer calls will be stored in a database allowing for program tracking to be provided to the City during monthly billing.

2.0 LANDSCAPE SURVEY

2.1 Consultant will create a Liability Waiver/Hold Harmless Agreement that will legally hold harmless the City along with Participating Agencies for any work conducted on a customer's property. The waiver/agreement will be sent to the City's Program Manager for approval prior to contacting customers for surveys. Consultant will ensure each customer understands that any water-saving devices installed as a result of the program will be owned by the customer and remain the responsibility of the customer prior to signing the liability waiver/agreement. If the customer elects not to sign the waiver/agreement, Consultant will not provide a survey to the customer.

2.2 Consultant will have a surveyor who is trained and supervised by an active Certified Landscape Irrigation Auditor (CLIA), or a CLIA certified employee, conduct all Landscape Surveys. Prior to the initial survey, the contractor will perform a background check. Prior to starting the survey, the surveyor will obtain a signed Participation Agreement Form from the customer. This Participation Agreement Form will be developed prior to the first survey and be approved by the City. Consultant may also request each site's historical water-use record from City staff or its participating agencies prior to the survey. If Consultant staff is unable to acquire the water history from the City staff or its participating agencies, Consultant will request the customer provide a copy of the past water bill for the survey. The exterior survey will consist of the following:

1. The surveyor will instruct the customer how to read their water meter and check for leaks using the flow indicator. The surveyor will also check all the irrigation system and hose bibs for leaks.
2. Static water pressure will be measured, and if this pressure is found to be above 60 pounds per square inch (psi) the customer will be advised to reduce the water pressure.
3. A soil sample will be taken to determine soil type, water infiltration rate and retention capacity, root zone depth, and thatch build up.
4. Grass type will also be identified allowing for an accurate watering schedule to be developed. The surveyor will also recommend aeration if the soil is deemed to be compacted, dethatching if the grass has excessive thatch, and the removal of turf if unused or unwanted turf exists on site.
5. The surveyor will also check the irrigation system for distribution uniformity, head to head coverage, leaks, low head drainage, high pressure, mismatched, misdirected, or broken heads, and other typical irrigation problems such as missing filters, and pressure reducing valves for drip irrigation and micro-spray systems.

6. For instances of non-uniform precipitation from irrigation system distribution , the surveyor will note them on the survey form and suggest the most appropriate remedy.
7. The surveyor will also provide an accurate monthly irrigation schedule based on local evapotranspiration (ET), distribution uniformity, plant type, nozzle type, slope, and soil type. For sites receiving new sprinkler nozzles the precipitation rate for the new nozzles will be used to determine the watering schedule.
8. Once the irrigation schedule is determined, the surveyor will provide this schedule to the owner and/or landscaper and ask that they program the irrigation controller.
9. The surveyor will recommend to the customer water use efficiency upgrades such as low-precipitation irrigation, water-wise or native plants, and mulch in areas the surveyor feels the site will most benefit.
10. The surveyor will also review other outdoor water use including pools, fountains, ponds, etc.
11. The surveyor will measure all irrigated landscape with a separate measurement taken for turf grass. The number of irrigation stations, controllers and watering schedule will also be documented.
12. For any identified irrigation related issues beyond the scope of work, the surveyor will recommend the customer consult a licensed landscape irrigation system expert.

2.3 Consultant will provide the customer with survey results in a City approved format that will include:

1. Customer-friendly format using color and an easy to read layout.
2. Cover letter that describe report sections.
3. Detailed summary report listing recommendations and benefits, including any actions that must be taken prior to receiving a device retrofit through the program.
4. Providing new/updated Water Conservation Measures in effect for their property.

2.4 At the end of the survey, the surveyor will determine if the customer qualifies for high efficient products and installation. If the customer's irrigation has been maintained adequately and performs to a level that a retrofit will garner water savings expected through the program, Consultant will retrofit the customer's irrigation system. If the irrigation system requires maintenance, repairs, and/or service before it will perform properly and garner water savings, Consultant will leave a list of recommendations that must be completed by the customer prior to the retrofit/installation. The customer will have an opportunity to fix their repairs within 30 days of the initial site visit if they would like to receive the high efficient products.

3.0 SUPPLY WATER-SAVING LANDSCAPE IRRIGATION DEVICES

3.1 Consultant will procure, store, supply and install all irrigation system devices for the program. Consultant will seek the best prices for Weather-Based Irrigation Controllers (WBIC), low precipitation rate irrigation nozzles, and rain shut off sensors.

3.2 Consultant will recommend a list of WBIC, low precipitation rate irrigation nozzles, and rain shut off sensors to the City to be approved. Once the products have been approved, Consultant will provide customers with the appropriate devices based on their current irrigation system. If another device is to be used and is not on the approved list, Consultant will obtain a written approval from the Program Manager before installing the product. Consultant will only provide products for the program that are on the SoCal Water$mart list of qualifying products.

4.0 INSTALL WATER SAVING LANDSCAPE IRRIGATION DEVICES

4.1 All devices will be installed according to the manufacturer's recommendations. All installations will be neat and professional in appearance. Consultant will leave no material or debris on site and will only provide new materials that are free of defect.

4.2 Consultant will ensure that no work outside the standard installation scope of the program is conducted and that no form of payment from the customer for work as a result of the program is received.

4.3 Consultant certifies that all irrigation system devices, including nozzles, rain shut off sensors, and/or weather based irrigation controllers, replaced as a result of the program remain with the customer.

4.4 Once all products have been installed, Consultant will properly program the new controller or existing controller according to the manufacture's specifications to include site specific information, including:

1. Soil type
2. Plant material
3. Application rate
4. Correct Evapotranspiration (ET) rate/zone or zip code (depending on controller options)

4.5 Consultant will leave a copy of ALL manufacturer's warranty documentation and user manuals for every device installed on the customer's property. Consultant will follow-up with each retrofit/installation with a telephone conversation within 30 days after installation, and a site visit, if warranted.

4.6 Customers can call Consultant's toll free number for any and all customer related issues, including program participation, scheduling, technical assistance and/or product malfunction/warranty within 1 year of product installation. Consultant will respond to every call within two business days, and all efforts will be made to satisfy the customer regarding the installation.

4.7 Consultant will communicate all customer complaints to the appropriate participating agency, as well as how the complaints were resolved, as part of its regular communication with the City's Project Manager and also in the monthly Program status report. If two complaints are received by one of Consultant's subcontractors, Consultant will remove the subcontractor from the program.

4.8 Consultant will be responsible for replacement of any defective, damaged, or broken devices that are documented through a customer complaint, a property manager notification, or from an inspection for 90 days following the initial water-saving device installation date. Consultant will replace any defective device and repair any faulty device.

4.9 Consultant understands that the City and its partnering agencies will not pay for nor are responsible for sub-standard work. Consultant is aware that the City and the partnering agency's conservation staff will perform quality control inspections after devices are installed and programmed to insure proper installation and programming. Consultant will be responsible for correcting any errors in installation or programming at its own expense.

5.0 PERSONNEL, EQUIPMENT, LICENSES AND PERMITS

5.1 Consultant will provide all necessary personnel and ensure that comprehensive background investigations of staff utilized for this program are clear of any information unbecoming of trusted personnel entering private homes and businesses. All subcontractors shall work for Consultant.

5.2 Consultant along with its sub-contractors currently holds a valid C-27 landscape contractors license. Consultant will have a surveyor who is trained and supervised by an active Certified Landscape Irrigation Auditor (CLIA), or a CLIA certified employee, conduct all Landscape Surveys.

5.3 Consultant will obtain all applicable licenses and permits required by the City, partnering agencies, County, State, and/or Federal regulations to perform work.

5.4 Consultant and its subcontractors shall always present a neatly groomed, professional appearance and will wear distinctive uniform style clothing with the consultant's name and employee name displayed on the uniform and each employee must have a company photo identification.

EXHIBIT B

SCHEDULE OF SERVICES

EXHIBIT B- CONSULTANT SCHEDULE			2014					2015										
Task	Sub Task	Description	NTP	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV
0		PROGRAM ADMINISTRATION	Date	x														
1		PROGRAM MARKETING / IDENTIFY AND SCHEDULE QUALIFYING CUSTOMERS		X	X	X	X	X	X	X	X	X						
2		LANDSCAPE SURVEY			X	X	X	X	X	X	X	X	X					
3		WATER-SAVING LANDSCAPE IRRIGATION DEVICES			X	X	X	X	X	X	X	X	X					
4		INSTALL WATER SAVING LANDSCAPE IRRIGATION DEVICES			X	X	X	X	X	X	X	X	X					
5		PERSONNEL, EQUIPMENT, LICENSES AND PERMITS		X	X	X	X	X	X	X	X	X	X					
		FINAL PROGRAM REPORTING															X	X

Notes:

NTP = Notice To Proceed

EXHIBIT C

COMPENSATION RATES

ITEM	LABOR COST
Residential Water Survey (10,000 Square Feet or Less)	$150.00 per survey
Residential Water Survey (10,001 –20,000 Square Feet)	$175.00 per survey
Residential Water Survey (20,001 –30,000 Square Feet)	$200.00 per survey
Residential Water Survey (30,001 –40,000 Square Feet)	$225.00 per survey
Residential Water Survey (40,001 Square Feet or more)	$250.00 per survey
Commercial Water Survey (Up to 1 Acre)	$1,000.00 per survey
Commercial Water Survey (1 Acre to 5 Acres)	$1,500.00 per survey
Commercial Water Survey (5 Acres to 10 Acres)	$2,000.00 per survey
Commercial Water Survey (10 Acres or Greater	$2,500.00 per survey
Return Site Visit (This fee is only applicable when returning to a site once irrigation repairs have been made)	$50.00 per return

ITEM	COST
Weathermatic SL1600 Controller	$125.00 per controller
Weathermatic SL1624 Controller	$375.00 per controller
Weathermatic SL4800 Controller	$300.00 per controller
Weathermatic Wireless SLW5	$215.00 Per sensor
4 station expansion module	$35.00 per module
12 station expansion module	$120.00 per module
Installation 0-12 Stations	$185.00 per controller
Installation 13-24 Stations	$235.00 per controller
Installation 25-36 Stations	$275.00 per controller
Installation 37-48 Stations	$350.00 per controller
Rain Bird HE-VAN Nozzle	$1.00 per nozzle
Toro Precision Nozzles	$2.20 per nozzle
Toro Precision Nozzles (Pressure Compensating)	$2.39 per nozzle
Hunter MP Rotators	$4.50 per nozzle
Hunter MP Rotators (Toro Thread)	$5.10 per nozzle

Nozzle Installation	$3.00 per nozzle
Hunter Wireless Rain Clik Rain Sensor	$60.00 per sensor
Rain Sensor Installation	$35.00 per sensor
Rain Bird HE-VAN Nozzle	$1.00 per nozzle
Optional Program Items	**Cost**
Irrigation System Fix	$75 per hour
Marketing & Administration	**Cost**
Program Management	Included in labor costs
Program Reporting	Included in labor costs
Graphic Design	$75 per hour
Printing & Reproduction	At cost +10%
Postage & Delivery	At cost + 10%

*Does not apply to central control type systems.

**Prices listed above do not include tax, and Consultant will charge a 10% procurement fee on top of product cost.

***Consultant may select other qualified products to install with written permission from The City of Oxnard.

INSURANCE REQUIREMENTS FOR CONSULTANTS
(WITHOUT ERRORS AND OMISSIONS REQUIREMENT)

1. Consultant shall obtain and maintain during the performance of any services under this Agreement the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Consultant, its agents, representatives, employees or subconsultants.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project or shall be twice the occurrence amount;

b. Business automobile liability insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office Automobile Liability Coverage (Occurrence Form CA0001) covering Code No. 1, "any auto";

c. Workers' compensation insurance in compliance with the laws of the State of California, and employer's liability insurance in an amount not less than $1,000,000 per claimant.

2. Consultant shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements affecting coverage required by this Exhibit INS-B. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before work commences. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be forwarded to the Risk Manager, addressed as follows:

City of Oxnard
Risk Manager
Reference No. A-7715
300 West Third Street, Suite 302
Oxnard, California 93030

3. Consultant agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Consultant agrees that the commercial general liability and business automobile liability insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-B or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available. CG 2010 with an edition date prior to 01/04 and CG 2037).**

5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance coverages **(this must be endorsed)**. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Consultant shall also be applicable to Consultant's subconsultants. Consultant agrees to maintain appropriate agreements with subconsultants and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

9/14

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notes of cancellation.**

Endorsement Forms

Original endorsements are required for general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.

INS-B.doc

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

CODE SUB-CODE

COMPANIES AFFORDING INSURANCE COVERAGE

INSURED

COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE

COMPANY LETTER B

COVERAGES

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY [x] COMMERCIAL GENERAL LIABILITY [x] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE	$1,000,000
					PRODUCTS COMP/OP AGG.	$1,000,000
					PERSONAL & ADV. INJURY	$1,000,000
					EACH OCCURRENCE	$1,000,000
					FIRE DAMAGE (Any one fire)	$
					MED. EXPENSE (Any one person)	$
A	AUTOMOBILE LIABILITY [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT	$1,000,000
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE	$
A	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE	$
					AGGREGATE	$
A	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS	
					EACH ACCIDENT	$1,000,000
					DISEASE-POLICY LIMIT	$1,000,000
					DISEASE-EACH EMPLOYEE	$1,000,000
A	OTHER					

SAMPLE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER
City of Oxnard
Attn: Risk Manager
Reference No. A-7715
300 W. Third Street, Suite 302
Oxnard CA 93030

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~ENDEAVOR TO~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~

AUTHORIZED REPRESENTATIVE

Rev. 9/14 INS-B.doc

GENERAL LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ ____ with an Aggregate of $ ____ coverage. ☐ Per Occurrence

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY
☐ COMMERCIAL GENERAL LIABILITY
☐ COMPREHENSIVE GENERAL LIABILITY
☐ OWNERS & CONTRACTORS PROTECTIVE

☐ Claims Made
Retroactive Date ____________
☐ Occurrence

OTHER PROVISIONS

COVERAGES	LIABILITY LIMITS IN THOUSANDS $ EACH OCCURRENCE	AGGREGATE
☐ GENERAL		
☐ PRODUCTS/COMPLETED OPERATIONS		
☐ PERSONAL & ADVERTISING INJURY		
☐ FIRE DAMAGE		
☐ ____________		
☐ ____________		

Underwriter=s representative for claims pursuant to this insurance.
CLAIMS:
Name:____
Address:
Telephone: (   )

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities perfomed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
   b. If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Risk Manager
Reference No.A-7715
300 W. Third Street, Suite 302
Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ ____________

I ____________ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature ____________
(original signature required)

Telephone: (   ) Date Signed ____________

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AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER	POLICY INFORMATION:
Telephone:	Insurance Company: Policy No.: Policy Period: (from) (to) LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits
NAMED INSURED	☐ Deductible ☐ Self-Insured Retention (check which) of $ ________ with an Aggregate of $________ applies to ________ coverage. ☐ Per Occurrence ☐ Per Claim (which)
	APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered: CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE	OTHER PROVISIONS
☐ COMMERCIAL AUTO POLICY ☐ BUSINESS AUTO POLICY ☐ OTHER	

LIMIT OF LIABILITY	CLAIMS: Underwriter's representative for claims pursuant to this insurance.
$ ________ per accident, for bodily injury and property damage.	Name: ________ Address: ________ Telephone: ( ) ____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or
   b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD	AUTHORIZED REPRESENTATIVE
Attn: Risk Manager **Reference No. A-7715** **300 W. Third Street, Suite 302** **Oxnard, CA 93030**	☐ Broker/Agent ☐ Underwriter ☐ ________ I ________ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement. Signature ________ *(original signature required)* Telephone: ( ) Date Signed ________

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