



SHASTA COUNTY

BOARD OF SUPERVISORS

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Supervisor Joe Chimenti, District 1
Supervisor Leonard Moty, District 2
Supervisor Mary Rickert, District 3
Supervisor Steve Morgan, District 4
Supervisor Les Baugh, District 5

AGENDA

REGULAR MEETING OF THE BOARD OF SUPERVISORS

Tuesday, August 13, 2019, 9:00 AM

The Board of Supervisors welcomes you to its meetings which are regularly scheduled for each Tuesday at 9:00 a.m. in the Board of Supervisors Chambers on the second floor of the Shasta County Administration Center, 1450 Court Street, Suite 263, Redding, California. Your interest is encouraged and appreciated.

The agenda is divided into two sections: **CONSENT CALENDAR:** These matters include routine financial and administrative actions and are usually approved by a single majority vote. **REGULAR CALENDAR:** These items include significant financial, policy, and administrative actions and are classified by program areas. The regular calendar also includes "Scheduled Hearings," which are noticed hearings and public hearings, and any items not on the consent calendar.

TO ADDRESS THE BOARD: Members of the public may directly address the Board of Supervisors on any agenda item on the regular calendar before or during the Board's consideration of the item. In addition, the Board of Supervisors provides the members of the public with a Public Comment-Open Time period, where the public may address the Board on any agenda item on the consent calendar before the Board's consideration of the items on the consent calendar and may address the Board on any matter not listed on the agenda that is within the subject matter jurisdiction of the Board of Supervisors. Pursuant to the Brown Act (Govt. Code section 54950, et seq.), **Board action or discussion cannot be taken** on non-agenda matters, but the Board may briefly respond to statements or questions and, if deemed necessary, refer the subject matter to the appropriate department for follow-up and/or to schedule the matter on a subsequent Board Agenda.

Persons wishing to address the Board are requested to fill out a Speaker Request Form and provide it to the Clerk before the meeting begins. Speaker Request Forms are available at the following locations: (1) online at http://www.co.shasta.ca.us/BOS/docs/Request_to_talk.pdf, (2) from the Clerk of the Board on the third floor of 1450 Court Street, Suite 308B, Redding, and (3) in the back of the Board of Supervisors Chambers. If you have documents to present for the members of the Board of Supervisors to review, please provide a minimum of ten copies. When addressing the Board, please approach the rostrum, and after receiving recognition from the Chairman, give your name and comments. Each speaker is allocated three minutes to speak. **Comments should be limited to matters within the subject matter jurisdiction of the Board.**

CALL TO ORDER

Invocation: Pastor Phil Harper, Community of Christ Church

Pledge of Allegiance: Supervisor Rickert

REGULAR CALENDAR

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BOARD MATTERS

R 1 Board Matters

Adopt a resolution which recognizes Shasta County Health and Human Services Agency, Employment Services Instructor III, Lynne Wilson as Shasta County's Employee of the Month for August 2019.

No Additional General Fund Impact

Simple Majority Vote

PRESENTATIONS

R 2 Presentation

Receive an annual update on Partnership HealthPlan of California from Northern Region Executive Director Wendi West and Behavioral Health Administrator Margaret Kisliuk.

No General Fund Impact

No Vote

R 3 Presentation

Receive a presentation from Dr. Greg Greenberg regarding addiction and its impact on Shasta County.

No General Fund Impact

No Vote

PUBLIC COMMENT PERIOD - OPEN TIME

During the Public Comment Open Time period, the public may address the Board on any agenda item on the consent calendar and may address the Board on any matter not listed on the agenda that is within the subject matter jurisdiction of the Board of Supervisors. Persons wishing to address the Board during Public Comment Open Time are requested to fill out a Speaker Request Form and, if you have documents to present to the Board of Supervisors, please provide a minimum of ten copies.

CONSENT CALENDAR

The following Consent Calendar items are expected to be routine and non-controversial. They may be acted upon by the Board at one time without discussion. Any Board member or staff member may request that an item be removed from the Consent Calendar for discussion and consideration. Members of the public may comment on any item on the Consent Calendar during the Public Comment Period - Open Time, which shall precede the Consent Calendar.

GENERAL GOVERNMENT

C 1 Administrative Office

Approve the Capital Facilities Improvement Plan for Fiscal Year 2019-20.

General Fund Impact

Simple Majority Vote

C 2 Auditor-Controller

Approve and authorize the Chairman to sign the County claims list in the amount of \$112.41 as submitted.

No Additional General Fund Impact

Simple Majority Vote

C 3 Clerk of the Board

Approve the minutes of the meeting held on July 23, 2019, as submitted.

No General Fund Impact

Simple Majority Vote

C 4 Clerk of the Board

Appoint Robert Shaw to the Alternate position on the Assessment Appeals Board for the remainder of an unexpired term ending September 7, 2020.

No General Fund Impact

Simple Majority Vote

C 5 Support Services-Personnel

Adopt a salary resolution, effective August 18, 2019, which amends the Shasta County Position Allocation List to delete 1.0 Full-Time Equivalent (FTE) Sheriff's Program Manager and add 1.0 FTE Agency Staff Services Analyst I/II in the Sheriff budget.

No Additional General Fund Impact

Simple Majority Vote

C 6 Support Services-Personnel

Adopt a salary resolution, effective August 18, 2019, which amends the Shasta County Position Allocation List to remove the sunset date of September 30, 2019 from 1.0 Full-Time Equivalent Community Education Specialist I/II in the Public Health budget.

No Additional General Fund Impact

Simple Majority Vote

HEALTH AND HUMAN SERVICES

C 7 Health and Human Services Agency-Adult Services

Health and Human Services Agency-Children's Services

Approve and authorize the Health and Human Services Agency Director (Director), or any Branch Director or Deputy Branch Director designated by the Director, to: (1) Sign or electronically sign: (a) an evergreen Q-global online Subscription and License Agreement with NCS Pearson, Inc. (Pearson) with no maximum compensation to provide online testing, scoring, and reporting services;

(b) the online Pearson Terms of Use; (c) the online Order Forms in a total amount not to exceed \$100,000; and (d) the online Q-global Business Associate Agreement with Pearson; and (2) authorize select staff, as Qualified Users, to electronically sign the online User account creation Terms and Conditions (T&Cs) and other related online T&Cs, as long as they are not substantially or functionally different from the T&Cs currently approved by County Counsel, and other online documents required to access and complete each online account.

No Additional General Fund Impact Simple Majority Vote

C 8 Health and Human Services Agency-Adult Services

Approve and authorize the Chairman to sign a retroactive renewal agreement with the County of Butte in an approximate amount of \$15,000 to provide acute psychiatric inpatient care for the period July 1, 2019 through June 30, 2020.

No Additional General Fund Impact Simple Majority Vote

C 9 Health and Human Services Agency-Children's Services

Approve and authorize the Chairman to sign a retroactive amendment, effective July 1, 2019, to the agreement with Northern Valley Catholic Social Service, Inc., to provide youth specialty mental health services which increases maximum compensation by \$200,402 for total of \$2,369,598 to provide services to additional clients, and retains the period July 1, 2018, through June 30, 2020.

No Additional General Fund Impact Simple Majority Vote

C 10 Health and Human Services Agency-Business and Support Services

Approve and authorize the: (1) Chairman to sign a retroactive renewal evergreen agreement with the California Department of Health Care Services for no compensation for Medi-Cal Targeted Case Management Provider Participation Agreement (PPA #: 45-19EVRGRN) effective July 1, 2019 until terminated by either party, which replaces the Medi-Cal Targeted Case Management Provider Participation Agreement (PPA #: 45-17EVRGRN); and (2) Health and Human Services Agency (HHSA) Director or any HHSA Branch Director designated by the HHSA Director to sign amendments and other documents, including retroactive, that do not result in a substantial or functional change to the original intent of the agreements and otherwise comply with Administrative Policy 6-101, *Shasta County Contracts Manual*.

No Additional General Fund Impact Simple Majority Vote

C 11 Health and Human Services Agency-Regional Services

Approve and authorize the Chairman to sign a retroactive amendment, effective October 11, 2018, to the agreement with Kanhaiya, LLC dba Holiday Inn (Holiday Inn) to provide subsidized employment of CalWORKs clients which provides a valid agreement signature on behalf of Holiday Inn, and retains the maximum compensation amount of \$50,000 and the term October 11, 2018 through August 31, 2019.

No Additional General Fund Impact

Simple Majority Vote

C 12 Housing and Community Action Programs

Take the following actions: (1) Repeal Resolution No. 2019-054; and (2) adopt a resolution which: (a) approves and authorizes the Director of Housing and Community Action Programs (Director) to sign and submit an amended application to the California Department of Housing and Community Development in an amount not to exceed \$1,000,000 for California Emergency Solutions and Housing Program (Program) funding for the period April 1, 2020 through April 1, 2024; (b) approves and authorizes the Director to sign the Standard Agreement and subsequent amendments, as well as other documents related to the Program; and (c) certifies the County will use all funds for eligible activities and in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, laws, and Program rules.

No Additional General Fund Impact

Simple Majority Vote

C 13 Housing and Community Action Programs

Approve and authorize the Chairman to sign a retroactive agreement for Homeless Emergency Aid Program (HEAP) funding with Faithworks Community Coalition Inc. in an amount not to exceed \$985,155.69 to provide Capital Improvements for the period July 1, 2019 through June 30, 2021.

No Additional General Fund Impact

Simple Majority Vote

LAW AND JUSTICE

C 14 Probation

Adopt a resolution which authorizes the Chief Probation Officer to: (1) Sign and submit the Proposition 47 Grant Agreement with the Board of State and Community Corrections (BSCC) in an amount not to exceed \$1,000,000, for a misdemeanor community engagement program, for the period August 15, 2019 through May 15, 2023, including any amendments thereof (including retroactive); (2) sign and process other documents (including retroactive) for the purpose of this grant from Fiscal Year (FY) 2019-20 until the Proposition 47 Grant Agreement expires; and (3) accept funds for the purpose of this grant from FY 2019-20 until the Proposition 47 Grant Agreement expires.

No Additional General Fund Impact

Simple Majority Vote

C 15 Sheriff

Adopt a resolution which recognizes that the circumstances and factors that led to the July 30, 2018 ratification of a local emergency proclamation due to the wildland fire identified as the "Carr Fire" have not been resolved and that there is a need for continuation of the local emergency proclamation.

General Fund Impact

Simple Majority Vote

PUBLIC WORKS

C 16 Public Works

Approve and authorize the Chairman to sign an amendment, effective date of signing, to the agreement with American Chiller Service, Inc. for the service, maintenance and repair of heating, ventilation and air conditioning (HVAC), to increase compensation by \$60,000 for a new total not to exceed \$105,000, and retain the term July 25, 2017 through July 24, 2018, with two automatic one-year renewals.

No Additional General Fund Impact

Simple Majority Vote

C 17 Public Works

Approve and authorize the Chairman to sign a deed restriction for Balls Ferry Park, Assessor Parcel Number 057-520-015-000 (Anderson area).

No General Fund Impact

Simple Majority Vote

C 18 Public Works

Approve and authorize the Chairman to sign an amendment, effective date of signing, to the agreement with Enterprise Heating & Air Conditioning, Inc. for cleaning and repairs of heating, ventilation, and air conditioning system ductwork, chillers and boilers to increase compensation by \$100,000 for a new total not to exceed \$150,000, and retain the term May 22, 2019 through May 21, 2020, with one automatic one-year renewal.

No Additional General Fund Impact

Simple Majority Vote

C 19 Public Works

Approve and authorize the Chairman to sign an agreement with Pacific Gas and Electric (PG&E) in an advance payment amount of \$3,383.60 to provide new electric service for the Intersection of Park Drive and Gas Point Road Project.

No General Fund Impact

Simple Majority Vote

C 20 Public Works

Take the following actions regarding the Northern Sacramento Valley Integrated Regional Water Management (NSVIRWM) Board: (1) Approve and authorize the Chairman to sign a letter to the NSVIRWM Board to reduce the number of NSVIRWM Board representatives from three to two and retain the alternate; and (2) designate Supervisor Leonard Moty and City of Shasta Lake Council Member Larry Farr as NSVIRWM Board representatives and Centerville Community Services District General Manager Chris Muehlbacher as alternate representative.

No General Fund Impact

Simple Majority Vote

C 21 Public Works

Approve and authorize the Chairman to sign an amendment, effective date of signing, to the agreement with Peterson Power Systems, Inc. for the maintenance, repair and short term rental of equipment, to increase compensation by \$45,000 for

a new total not to exceed \$95,000, and retain the term October 26, 2018 through October 25, 2019, with one automatic one-year renewal.

No Additional General Fund Impact

Simple Majority Vote

C 22 Public Works

Take the following actions regarding road maintenance equipment: (1) Award the purchase of: (a) one compact track loader and attachments to Bobcat of Redding, Redding, CA for a total price of \$90,335.04 (including tax and delivery); (b) one trailer to Central California Truck and Trailer, West Sacramento, CA for a total price of \$80,112.43 (including tax and delivery); (c) a pickup truck from Crown Motors, Redding, CA for a total price of \$65,961.04 (including tax and delivery); and (d) a self-propelled broom from Papé Machinery, Redding, CA for a total price of \$70,987.87 (including tax and delivery); (2) approve and authorize the purchase of the compact track loader, trailer, pickup truck and self-propelled broom; and (3) waive the requirement for competitive procurement for the purchase of the trailer, pickup truck, and self-propelled broom.

No General Fund Impact

Simple Majority Vote

C 23 Public Works

Approve a budget amendment increasing appropriations in the amount of \$1,079,000 offset by fund balance in the Roads budget for the purchase of capital assets.

No General Fund Impact

4/5 Vote

C 24 Public Works

Approve and authorize the Chairman to sign an amendment, effective date of signing, to the agreement with Shasta Control Company, Inc. for the repair, installation, programming and technical support of the Facilities Automated Control System, to increase compensation by \$105,000 for a new total not to exceed \$150,000, and retain the term October 9, 2017 through October 8, 2018, with two automatic one-year renewals.

No Additional General Fund Impact

Simple Majority Vote

RESOURCE MANAGEMENT

C 25 Resource Management

Approve and authorize the Chairman to sign a retroactive agreement with SHN Consulting Engineers and Geologists, Inc. for a fixed fee of \$65,000 to provide planning support services during the development and preparation of the Fountain Wind Project (Project) Environmental Impact Report for the period July 1, 2018 through the certification of the Project or May 31, 2021, whichever is earlier.

No Additional General Fund Impact

Simple Majority Vote

OTHER DEPARTMENTS

C 26 County Service Area No. 1-County Fire

Approve a budget amendment increasing appropriations in the amount of \$34,376 offset by fund balance in the County Fire budget for the purchase of a utility pickup truck in the County Fire budget.

No Additional General Fund Impact 4/5 Vote

C 27 County Service Area No. 1-County Fire

Award and authorize the purchase of new Self Contained Breathing Apparatus equipment to All Star Fire Equipment, Inc., under the California Department of General Services contract in the amount of \$84,612.

No Additional General Fund Impact Simple Majority Vote

REGULAR CALENDAR, CONTINUED

GENERAL GOVERNMENT

R 4 Administrative Office

(1) Receive a legislative update and consider action on specific legislation related to Shasta County's legislative platform; (2) approve and authorize the Chairman to sign a letter regarding Carr Fire cleanup; and (3) receive Supervisors' reports on countywide issues.

No General Fund Impact Simple Majority Vote

R 5 County Service Area No. 1-County Fire

Take the following actions regarding Defensible Space for Fire Protection: (1) Introduce and waive the reading of an Ordinance of the Board of Supervisors of the County of Shasta Adding Chapter 8.10, Defensible Space for Fire Protection, to the Shasta County Code, and Amending Section 12.12.050 and Section 16.04.130 of the Shasta County Code; and (2) find the proposed ordinance is not subject to and exempt from the California Environmental Quality Act (CEQA) for the reasons stated in the ordinance.

No Additional General Fund Impact Simple Majority Vote

R 6 Administrative Office

Take the following actions: (1) Receive a presentation from CGL Companies, LLC on the "Shasta County Jail Operations Review" report; and (2) consider providing direction to staff.

No General Fund Impact No Vote

R 7 County Counsel

Take the following actions: (1) Receive an update from County Counsel regarding a special tax to support public safety purposes; (2) review the text of a proposed ordinance to adopt a special transactions and use (sales) tax in an amount not to exceed one percent (1%) to be used for funding public safety purposes in the unincorporated and incorporated areas of the County of Shasta; and (3) consider

providing direction to staff.

No Additional General Fund Impact

Simple Majority Vote

R 8 Administrative Office

Approve and authorize the Chairman to sign the Fiscal Year 2018-19 Shasta County Grand Jury Report "911 What's Your Emergency."

No General Fund Impact

Simple Majority Vote

HEALTH AND HUMAN SERVICES

R 9 Health and Human Services Agency-Office of the Director

Take the following actions regarding a \$1,000,000 Loan (Loan) from the County's Mental Health Services Act (MHSA) funds to partially finance The Woodlands II housing project located at 2900 Polk Street, Redding, CA: (1) Approve and authorize the Chairman to sign: (a) two agreements with PC Redding Apartments II Limited Partnership (PCRAII): (i) Regulatory Agreement in an amount of \$1,000,000 for a minimum period of 20 years effective August 13, 2019 and until the later of either payment in full of the Loan, or 55 years, commencing on the date the Certificate of Occupancy is issued; and (ii) Services Agreement with no compensation to provide access to the Woodlands II for the Health and Human Services Agency (HHSA) to provide social and support services to HHSA's clients for a period of 20 years commencing on the date the Certificate of Occupancy is issued or the execution of this agreement, whichever occurs later; (b) Promissory Note in the amount of \$1,000,000; and (c) a subordination agreement with Banner Bank and PCRAII; and (2) adopt a resolution, pursuant to Government Code section 27281, which accepts the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing in the amount of \$1,000,000 from PCRAII.

No General Fund Impact

Simple Majority Vote

SCHEDULED HEARINGS

A court challenge to action taken by the Board of Supervisors on any project or decision may be limited to only those issues raised during the public hearing or in written correspondence delivered to the Board of Supervisors during, or prior to, the scheduled public hearing.

PUBLIC WORKS

R 10 Public Works

Take the following actions regarding the issuance of tax-exempt revenue bonds by Waste Management, Inc. or affiliates to finance their refuse collection and disposal facilities in an aggregate principal amount not to exceed \$300,000,000 of which an amount not expected to exceed \$72,000,000 may be used at the Anderson Landfill: (1) Conduct a public hearing; (2) close the public hearing; and (3) adopt a resolution which approves the issuance of the California Municipal Finance Authority Solid Waste Disposal Revenue Bonds (Waste Management, Inc.

Project).

No General Fund Impact

Simple Majority Vote

ADJOURN

REMINDERS

Date:	Time:	Event:	Location:
08/13/2019	8:30 a.m.	Air Pollution Control Board Meeting	Board Chambers
08/13/2019	9:00 a.m.	Board of Supervisors Meeting	Board Chambers
08/20/2019	9:00 a.m.	Board of Supervisors Meeting	Board Chambers
08/27/2019		<i>No Board of Supervisors Meeting Scheduled</i>	
09/03/2019		<i>No Board of Supervisors Meeting Scheduled</i>	
09/10/2019	8:30 a.m.	Air Pollution Control Board Meeting	Board Chambers
09/10/2019	9:00 a.m.	Board of Supervisors Meeting	Board Chambers
09/12/2019	2:00 p.m.	Planning Commission Meeting	Board Chambers

COMMUNICATIONS received by the Board of Supervisors are on file and available for review in the Clerk of the Board's Office.

The County of Shasta does not discriminate on the basis of disability in admission to, access to, or operation of its buildings, facilities, programs, services, or activities. The County does not discriminate on the basis of disability in its hiring or employment practices. Questions, complaints, or requests for additional information regarding the Americans with Disabilities Act (ADA) may be forwarded to the County's ADA Coordinator: Director of Support Services Angela Davis, County of Shasta, 1450 Court Street, Room 348, Redding, CA 96001-1676, Phone: (530) 225-5515, California Relay Service: (800) 735-2922, Fax: (530) 225-5345, E-mail: adacoordinator@co.shasta.ca.us. Individuals with disabilities who need auxiliary aids and/or services for effective communication in the County's programs and services are invited to make their needs and preferences known to the affected department or the ADA Coordinator. For aids or services needed for effective communication during Board of Supervisors meetings, please call Clerk of the Board (530) 225-5550 two business days before the meeting. This notice is available in accessible alternate formats from the affected department or the ADA Coordinator. Accommodations may include, but are not limited to, interpreters, assistive listening devices, accessible seating, or documentation in an alternate format.

The Board of Supervisors meetings are viewable on Shasta County's website at www.co.shasta.ca.us.

Public records which relate to any of the matters on this agenda (except Closed Session items), and which have been distributed to the members of the Board, are available for public inspection at the office of the Clerk of the Board of Supervisors, 1450 Court Street, Suite 308B, Redding, CA 96001-1673.

This document and other Board of Supervisors documents are available online at www.co.shasta.ca.us.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: BOARD MATTERS-1.

SUBJECT:

Shasta County Employee Recognition Program Employee of the Month for August 2019.

DEPARTMENT: Board Matters

Supervisory District No. : All

DEPARTMENT CONTACT: Alene Eddy, Executive Assistant-Conf. 530-225-5120

STAFF REPORT APPROVED BY: Angela Davis, Director of Support Services

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Adopt a resolution which recognizes Shasta County Health and Human Services Agency, Employment Services Instructor III, Lynne Wilson as Shasta County's Employee of the Month for August 2019.

SUMMARY

The Shasta County Employee Recognition Committee meets on a regular basis to screen nominees for the Employee of the Month Program. After reviewing nominations, the Employee Recognition Committee is recommending for Board recognition and approval, the Employee of the Month for August 2019.

DISCUSSION

Shasta County is fortunate to have many exemplary employees. On a daily basis, their dedication, integrity, creativity, and professionalism are classed upon to maintain the high quality of local public services enjoyed by the citizens of Shasta County. Their jobs are becoming more challenging as public expectations of service and demands for increased efficiency escalate. In this environment, it is important that we recognize those employees who set the standard of excellence and dedication for the entire organization. Their contribution deserves the thanks and appreciation of the entire County family and the citizens of the community.

In this spirit, the Board is being asked to recognize the Employee of the Month who has been nominated by the Employee Recognition Committee. This nomination is based on a review of all nominations using the selection criteria provided for in the Employee Recognition Policy. It is the recommendation of the Employee Recognition Committee that Lynne Wilson, Employment Services Instructor III, Shasta County Health and Human Services Agency, be recognized as the August 2019 Employee of the Month.

Ms. Wilson's dedication to providing the best customer service is admirable. Recently, a large mailing of over 600 letters had to be processed and mailed by a specific deadline to meet legal requirements. Ms. Wilson developed and streamlined a solution and went above and beyond in communicating available options and solutions. The solutions she provided

empowered the internal county customer to meet the required deadline and fulfill the legal requirements. Additionally, she developed a system that will reduce the chances of equipment errors.

Ms. Wilson reached out to the County Administrative Office (CAO) and outlined the opportunity to print and bind the budget books in-house. Due to Ms. Wilson's initiative, costs of developing the budget books were reduced, timeline for development was decreased, all while working with the CAO to provide a quality product that fit the needs of the organization. When looking to develop a new project or enhance a project, Ms. Wilson researches many efficient options. She will also go over alternate options for products and supplies that can cut down on costs while maintaining quality.

Ms. Wilson is a role model for other public employees by continuously striving for improvement and displaying a positive and friendly attitude to county employees and all the various clients she encounters. From her proactive approach to her solution-based thinking, Ms. Wilson takes pride in her work while showing compassion and patience.

ALTERNATIVES

No other alternatives are recommended.

OTHER AGENCY INVOLVEMENT

The Employee Recognition Program was developed and operates with significant input from, and involvement by, County departments and employee bargaining units. The Employee of the Month nomination is submitted by the Employee Recognition Committee made up of Angela Davis, Director of Support Services; Captain Pat Kropholler; Ayla Tucker, Administrative Analyst I; Phillip Crawford, Social Worker Supervisor I; Michael Conti, Health and Human Services Program Manager; and Ken Koenen, Deputy Sheriff.

FINANCING

The cost of the Employee Recognition Program is nominal. There is no additional General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Resolution EOM August 2019	8/8/2019	Resolution EOM August 2019

RESOLUTION NO. XXXX-XX

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SHASTA
RECOGNIZING LYNNE WILSON, EMPLOYMENT SERVICES INSTRUCTOR III
OF THE SHASTA COUNTY HEALTH AND HUMAN SERVICE AGENCY,
AS AUGUST 2019 EMPLOYEE OF THE MONTH**

WHEREAS, the Board of Supervisors of the County of Shasta has adopted the Shasta County Employee Recognition Program to identify exceptional employees who deserve to be recognized and honored for their contribution to County service; and

WHEREAS, such recognition is given to the employee meeting the criteria of the program, namely exceptional customer service, professionalism, high ethical standards, initiative, innovation, teamwork, productivity, and service as a role model for other public employees; and

WHEREAS, the Shasta County Employee Recognition Committee has considered all current nominations for the Shasta County Employee of the Month.

NOW, THEREFORE, BE IT RESOLVED that Ms. Wilson's dedication to providing the best customer service is admirable. Recently, a large mailing of over 600 letters had to be processed and mailed by a specific deadline to meet legal requirements. Ms. Wilson developed and streamlined a solution and went above and beyond in communicating available options and solutions. The solutions she provided empowered the internal county customer to meet the required deadline and fulfill the legal requirements. Additionally, she developed a system that will reduce the chances of equipment errors.

BE IT FURTHER RESOLVED that Ms. Wilson reached out to the County Administrative Office (CAO) and outlined the opportunity to print and bind the budget books in-house. Due to Ms. Wilson's initiative, costs of developing the budget books were reduced, timeline for development was decreased, and all while working with the CAO to provide a quality product that fit the needs of the organization. When looking to develop a new project or enhance a project, Ms. Wilson researches many efficient options. She will also go over alternate options for products and supplies that can cut down on costs while maintaining quality.

Ms. Wilson is a role model for other public employees by continuously striving for improvement and displaying a positive and friendly attitude to county employees and all the various clients she encounters. From her proactive approach to her solution-based thinking, Ms. Wilson takes pride in her work while showing compassion and patience.

Resolution No.
August 13, 2019
2 of 2

DULY PASSED AND ADOPTED this 13th day of August, 2019, by the Board of Supervisors of the County of Shasta by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - General Government-1.

SUBJECT:

Approve the Capital Facilities Improvement Plan for Fiscal Year 2019-20.

DEPARTMENT: Administrative Office

Supervisory District No. : All

DEPARTMENT CONTACT: Terri Howat, County Chief Financial Officer, (530) 225-5561

STAFF REPORT APPROVED BY: Terri Howat, County Chief Financial Officer, (530) 225-5561

Vote Required?	General Fund Impact?
Simple Majority Vote	General Fund Impact

RECOMMENDATION

Approve the Capital Facilities Improvement Plan for Fiscal Year 2019-20.

SUMMARY

N/A

DISCUSSION

Every Fiscal Year the County Administrative Office presents to the Board of Supervisors an update on the Capital Facilities Improvement Plan (Plan). This Plan is a coordinated effort with the Director of Public Works, the Auditor-Controller and the County Administrative Office.

The Plan also is a tool used to demonstrate eligibility for future debt issuance if the County of Shasta was ever in need of bonds. Lending institutions require an entity to have a documented Plan in place for maintaining facilities. Having the Plan in place also assists the County in maintaining our credit rating.

ALTERNATIVES

The Board could decide not to approve the plan. However, this is not recommended because lending institutions might down grade our credit rating.

OTHER AGENCY INVOLVEMENT

This recommendation has been reviewed by the Public Works Department, Auditor-Controller's Office, and the County Administrative Office.

FINANCING

Depending on the project, there is a General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
FY2019-20 Capital Facilities Improvement Plan	7/31/2019	FY2019-20 Capital Facilities Improvement Plan



SHASTA COUNTY

5 YEAR CAPITAL FACILITIES IMPROVEMENT PLAN

Fiscal Years 2019-20 through 2023-24

Submitted: August 13, 2019

By
Lawrence G. Lees
County Executive Officer

Brian Muir
Auditor-Controller

Patrick Minturn
Public Works Director

Prepared By
Terri Howat
County Chief Financial Officer

EXECUTIVE SUMMARY

Date August 13, 2019

Honorable Board of Supervisors:

The Capital Facilities Improvement Plan (CIP) for FY 2019/20 through FY 2023/24 provides an opportunity to identify and plan the County needs for renewal and major maintenance of facilities over the next five years. The CIP provides information and guidance for estimating facility improvement costs; setting priorities; planning; scheduling, and implementing projects; monitoring and evaluating the progress of capital projects; and informing the public of projected capital improvements and funding requirements.

The CIP is intended to be a flexible document that can be adjusted as new information and changed conditions occur over time. The projects presented in the CIP will ensure our ability to provide excellence in public service while meeting the needs of our community through collaborative services.

Date August 13, 2019

Project Description	Area	Estimated Cost	General Fund	Grant/Other Funding	Debt Financing	2019 2020	2020 2021	2021 2022	2022 2023	2023 2024
Detention Facilities										
Remodel Shasta County Jail to add mental health pod	Redding	\$2,300,000	\$2,300,000				\$2,300,000			
Shasta County Jail Upgrade Security System	Redding	\$800,000	\$800,000				\$500,000	\$300,000		
Annex Remodel	Redding	\$100,000	\$100,000			\$100,000				
Jail ADA Upgrades	Redding	\$2,000,000	\$2,000,000			\$1,000,000	\$1,000,000			
Justice Centers 1 & 2	Redding	\$3,000,000	\$3,000,000					\$500,000	\$2,500,000	
County Offices										
Repurpose Main Courthouse	Redding	\$48,000,000			\$48,000,000	\$200,000		\$23,900,000	\$23,900,000	
Old Juvenile Hall Bldg.	Redding	\$500,000	\$500,000			\$500,000				
All Dept. Miscellaneous Projects	Redding	\$5,000,000	\$5,000,000			\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Energy Retrofit (Tax Exempt Bonds)	Redding	\$15,000,000			\$15,000,000	\$7,000,000	\$8,000,000			
Fire Protection Facilities										
Siting/construction of a South-County Station	Redding	\$7,000,000	\$7,000,000			\$5,000,000	\$2,000,000			
Community Centers										

Project Description	Area	Estimated Cost	General Fund	Grant/Other Funding	Debt Financing	2019 2020	2020 2021	2021 2022	2022 2023	2023 2024
Veterans Hall	Redding Anderson FRM	\$500,000	\$500,000			\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Libraries	Burney	\$400,000		\$400,000		\$400,000				
Public Ways and Facilities										
Transfer Station Recycle Bldg.	Burney	\$325,000		\$325,000		\$75,000	\$250,000			
West Central Landfill	Redding	\$10,135,000		\$10,135,000		\$1,135,000	\$1,000,000	\$1,000,000	\$1,000,000	\$6,000,000
Septage Ponds Expansion	Anderson	\$500,000		\$500,000		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Buckeye Landfill	Redding	\$610,000		\$610,000		\$510,000	\$100,000			
Americans with Disabilities Act Improvements (ADA)										
Identified ADA Improvements	Various Countywide	\$1,000,000	\$1,000,000			\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
<i>Total</i>		\$97,170,000	\$22,200,000	\$11,970,000	\$63,000,000	\$17,320,000	\$16,550,000	\$27,100,000	\$28,800,000	\$7,400,000

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - General Government-2.

SUBJECT:

Claims List

DEPARTMENT: Auditor-Controller

Supervisory District No. : ALL

DEPARTMENT CONTACT: Brian Muir, Auditor-Controller, (530) 225-5541

STAFF REPORT APPROVED BY: Brian Muir, Auditor-Controller

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign the County claims list in the amount of \$112.41 as submitted.

SUMMARY

DISCUSSION

ALTERNATIVES

OTHER AGENCY INVOLVEMENT

FINANCING

ATTACHMENTS:

Description

081319 BOS CLAIM LIST

Upload Date

8/1/2019

Description

081319 BOS CLAIM
LIST

ORIGINAL

COUNTY OF SHASTA
OFFICE OF AUDITOR-CONTROLLER
REPORT OF CLAIMS REQUIRING BOARD ACTION IN ORDER TO
AUTHORIZE PAYMENT BY AUDITOR-CONTROLLER
08/13/2019

FUND/DEPT/ACCT	DEPARTMENT	PAYEE	DESCRIPTION	Amount	REASON	DEPARTMENT'S EXPLANATION
40401/033528	HHSA	RELIAS LLC	6/19 SOFTWARE SUBSCRIPTION	\$ 112.41	Per Shasta County Contracts Manual 6-101 Section 1.3.3, and Gov Code section 29741, the Auditor-Controller may only pay claims for services that have been authorized by contract. Contract with vendor does not cover all services provided.	SEE ATTACHED MEMO FROM DEPARTMENT
	TOTAL			\$ 112.41		

Auditor's Certification:

I certify that the foregoing is a true list of claims properly and regularly coming before the Shasta County Board of Supervisors, and that the computations are correct.

Date: 08/01/2019 Signature: *Alan Davis* NS

Approval of Claims:

These claims were allowed and the Claims List was approved as correct, by vote of the Board of Supervisors on this date.

Date: _____

Chairman
Board of Supervisors
County of Shasta
State of California



Shasta County
**Health & Human
Services Agency**

Business and Support
Services Branch

Inter-Office Memorandum

To: Brian Muir, Auditor-Controller

From: Tracy Tedder, Director, HHSA Business & Support Services

Date: July 23, 2019

Re: Board Claim for Relias

Megandmy for

The Health and Human Services Agency – Adult Services Branch has a contract with Relias for subscription services. The department had a previous agreement that expired, and a new agreement was executed. The current agreement is funded from July 1, 2019 through June 30, 2024. Invoice SI-133601 for \$112.41 is for June 2019 subscription services and is outside the funding for the current agreement and the previous agreement. Board Approval is required to pay for this invoice.

RECEIVED
SHASTA COUNTY
JUL 24 2019
AUDITOR-CONTROLLER
~~5:00 PM~~
11 AM

"Engaging individuals, families and communities to protect and improve health and wellbeing."

Tracy Tedder, Branch Director

www.shastahhsa.net

Page 23 of 580



Vend 015562-02

1010 Sync Street, Suite 100
Morrisville, NC 27560
(919) 655-7934
ar@relias.com

INVOICE

Please e-mail ar@relias.com with questions or requests for additional information.

BILL TO:

CUSTOMER ID: 1794831
SHASTA COUNTY HEALTH AND HUMAN SERVICE AGENCY

2650 BRESLAUER WAY

REDDING, CA 96001

REMIT TO:

RELIAS LLC
PO BOX 74008620
CHICAGO, IL 60674-8620

Shasta County Health and Human Service Agency - Invoice for 6/29/19-6/30/19

INVOICE DATE	INVOICE NUMBER	PAYMENT TERMS	DATE DUE	PO NUMBER
06/05/2019	SI-133601	NET 15	06/20/2019	

DESCRIPTION	AMOUNT
Subscription Services	\$112.41
	SUBTOTAL
	\$112.41
	SALES TAX
	\$0.00
	TOTAL
	\$112.41
	PAYMENTS & CREDITS
	\$0.00
	BALANCE DUE
	USD \$112.41

40401 - 033528 - \$86.18
41010 - 033528 - \$26.23
6/19 Software subscription

ENTERED
JUL 23 2019
OH 746576

Please include customer name (Shasta County Health and Human Service Agency) and invoice #SI-133601 on all payments

ACH payment instructions (no fee): Bank of America, 115 West 42nd Street, New York, NY 10036

ACH Routing # 071000039, WIRE Routing # 026009593, SWIFT # BOFAUS3N, Account # 8188396613, Relias LLC

Credit card payments (3% surcharge applies): Please call (919) 655-7934 for processing

THANK YOU FOR YOUR BUSINESS!

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - General Government-3.

SUBJECT:

Draft Minutes

DEPARTMENT: Clerk of the Board

Supervisory District No. : ALL

DEPARTMENT CONTACT: Kristin Gulling-Smith, Deputy Clerk of the Board, 225-5550

STAFF REPORT APPROVED BY: Mary Williams, Chief Deputy Clerk of the Board

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Approve the minutes of the meeting held on July 23, 2019, as submitted.

SUMMARY

N/A

DISCUSSION

N/A

ALTERNATIVES

N/A

OTHER AGENCY INVOLVEMENT

N/A

FINANCING

There is no General Fund impact associated with this action.

ATTACHMENTS:

Description
7/23/19 Minutes

Upload Date
8/6/2019

Description
7/23/19 Minutes

SHASTA COUNTY BOARD OF SUPERVISORS

Tuesday, July 23, 2019

REGULAR MEETING

9:00 a.m. Chairman Moty called the Regular Session of the Board of Supervisors to order on the above date with the following present:

District No. 1 - Supervisor Chimenti
District No. 2 - Supervisor Moty
District No. 3 - Supervisor Rickert
District No. 4 - Supervisor Morgan
District No. 5 - Supervisor Baugh

County Executive Officer - Larry Lees
County Counsel - Rubin E. Cruse, Jr.
Chief Deputy Clerk of the Board - Mary Williams
Administrative Board Clerk - John Sitka

A moment of silence was held in memory of the lives lost during the Carr Fire.

INVOCATION

Invocation was given by Pastor Bob Swartz, St. James Lutheran Church of Redding.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance to the Flag was led by Supervisor Moty.

REGULAR CALENDAR

BOARD MATTERS

**PROCLAMATION: CHILD SUPPORT AWARENESS MONTH
AUGUST 2019**

At the recommendation of Director of Child Support Services Terri Morelock, and by motion made, seconded (Rickert/Morgan), and unanimously carried, the Board of Supervisors adopted a proclamation which designates August 2019 as "Child Support Awareness Month" in Shasta County.

Ms. Morelock presented a report on Child Support Services, expanding upon the department's reach throughout Shasta County and across the country.

In response to questions from Supervisor Moty, Ms. Morelock explained that the Shasta County Department of Child Support Services is a regional call center. This is largely due to cost-efficiency. County Executive Officer (CEO) Lees added that many Shasta County departments are regional hubs to bring decision-making and expertise to Shasta County.

PROCLAMATION: PROBATION SUPERVISION WEEK
JULY 21-27, 2019

At the recommendation of Chief Probation Officer Tracie Neal, and by motion made, seconded (Morgan/Rickert), and unanimously carried, the Board of Supervisors adopted a proclamation which designates July 21-27, 2019, as “Probation Supervision Week” in Shasta County.

Ms. Neal acknowledged the hard work of her staff to promote public safety and serve the community. Deputy Probation Officer James Schuette, Deputy Probation Officer Jennifer Abernathy, and Deputy Probation Officer Crystal Kenyon spoke about the positive impacts they have had on the community through their careers with the Probation department.

PRESENTATION: 2018 SHASTA COUNTY CROP AND LIVESTOCK REPORT
AGRICULTURAL COMMISSIONER/SEALER OF WEIGHTS AND MEASURES

Agricultural Commissioner/Sealer of Weights and Measures Rick Gurrola presented the 2018 Shasta County Crop and Livestock Report.

In response to questions from Supervisor Morgan, Mr. Gurrola explained that the Agricultural Commissioner seal on gas pumps verifies that the pumps are tested and meet guidelines. He also described security concerns with card readers at gas pumps.

In response to further questions from Supervisor Morgan, Mr. Gurrola stated that 31 out of California’s 58 counties currently allow for growth of industrial hemp. He described the regulations which are in process at the state level.

In response to questions from Supervisor Rickert, Mr. Gurrola addressed hemp plant growth in nurseries.

In response to questions from Supervisor Moty, Mr. Gurrola stated that his department is unaware how oriental fruit flies recently came into Shasta County, but it could have been due to produce being transported into the County.

PRESENTATION: SHASTA ECONOMIC DEVELOPMENT CORPORATION

Shasta County Economic Development Corporation (EDC) President Tony Giovaniello presented an update on EDC activity, including the Venture Conference and the launch of the direct flight from Redding to Los Angeles.

PUBLIC COMMENT PERIOD - OPEN TIME

Beth Messick requested a moratorium on windmill projects in Shasta County.

Edmond Baier spoke about the effects that the proposed Fountain Wind project would have on traffic on Highway 299.

Kim Moore spoke regarding issues with the Woodlands housing program.

Dolores Lucero spoke regarding corruption within local government.

William Gilbert spoke regarding issues with County staff and the Superior Court.

Nick Gardner spoke regarding jail capacity and requested information on a jail bed study previously referenced by Supervisor Moty.

Monique Welin spoke regarding a 1% sales tax and rehabilitation facilities in the County.

Jimmy Gettings spoke regarding the right of his small animal sales group to conduct business on private land and requested that the Sheriff's Office not prohibit this activity.

CONSENT CALENDAR

By motion made, seconded (Baugh/Morgan), and unanimously carried, the Board of Supervisors took the following actions, which were listed on the Consent Calendar:

BOARD OF SUPERVISORS REGULAR MEETING - August 13, 2019

Approved and authorized the Chairman to sign the County claims list in the amount of \$19,067.99 as submitted. (Auditor-Controller)

Approved the minutes of the meeting held on July 16, 2019, as submitted. (Clerk of the Board)

Appointed Rick Danielson to the Halcumb Public Cemetery District Board of Trustees to fill the remainder of a four-year term to expire January 2, 2021. (Clerk of the Board)

Adopted Salary Resolution No. 1563, effective August 4, 2019, which amends the Shasta County Position Allocation List to reclassify a position within the Health and Human Services Agency-Office of the Director from 1.0 Full Time Equivalent (FTE) Public Health Program and Policy Analyst to 1.0 FTE Community Development Coordinator in the Social Services budget. (Support Services-Personnel/HHSA-Office of the Director)

(See Salary Resolution Book)

Adopted Salary Resolution No. 1564, effective August 4, 2019, which amends the Shasta County Position Allocation List to delete 1.0 Full Time Equivalent (FTE) vacant Typist Clerk III and add 1.0 FTE Office Assistant III in the Health and Human Services Agency-Opportunity Center budget. (Support Services-Personnel/HHSA-Business and Support Services)

(See Salary Resolution Book)

Approved and authorized the Chairman to sign an agreement with Redding Record Searchlight, with no maximum compensation, to provide advertising to various County Departments for the period August 1, 2019, through July 31, 2020. (Support Services-Purchasing)

Approved and authorized the Chairman to sign a retroactive renewal agreement with Sutter-Yuba Behavioral Health in an annual amount not to exceed \$100,000 for psychiatric inpatient services for the period July 1, 2019, through June 30, 2022. (Health and Human Services Agency-Adult Services)

Approved and authorized: (1) The Chairman to sign a revenue agreement, related to Fiscal Year (FY) 2018-19 Intergovernmental Transfer (IGT) revenue, with the California Department of Health Care Services (DHCS) pursuant to sections 14164 and 14301.4 of the Welfare and Institutions Code (WIC) for the transfer in an amount not to exceed \$4,130,966, to be used as local matching funds to enable Partnership HealthPlan of California (PHC) to obtain Medi-Cal managed care rate increases for the period July 1, 2018 through December 31, 2021, and the transfer in an estimated amount not to exceed \$826,193 for a 20 percent assessment fee to reimburse DHCS for administrative costs associated with the operation of the IGT program; and (2) the Health and Human Services Agency (HHSA) Director, or his/her designated Branch Director, to sign: (a) an amendment, effective July 1, 2019, to the agreement with PHC allowing PHC to retain 10 percent administrative fee for the IGT and for payment of Medi-Cal managed care rate increases by PHC payable to the Shasta County HHSA to support the local safety net through improved behavioral health services, care coordination, oral health services, and/or access to specialty care for Medi-Cal beneficiaries and other underserved populations, for the period July 1, 2019 through June 30, 2024; and (b) amendments and other documents, including retroactive, with DHCS and PHC to facilitate the transfer of the FY 2018-19 IGT revenue so long as they do not result in substantial or functional change to the original intent of the agreement(s) and otherwise comply with Administrative Policy 6-101, *Shasta County Contracts Manual*. (Health and Human Services Agency-Business and Support Services)

Approved a budget amendment increasing appropriations by \$1,500, offset with fund balance, for additional Services and Supplies expenses related to program support in the Housing Rehabilitation budget. (Housing and Community Action Programs)

BOARD OF SUPERVISORS REGULAR MEETING - August 13, 2019
 Took the following actions: (1) Approved County support for noncompetitive allocation of funds from the California Department of Housing and Community Development, No Place Like Home (NPLH) Program, in the amount of \$889,538 for the development of permanent supportive housing for adults with a serious mental illness who are homeless, chronically homeless, or at risk of chronic homelessness; (2) adopted a resolution which authorizes Laura Burch, the Director of the Housing and Community Action Agency or his/her designee, or Donnell Ewert, the Health and Human Services Agency Director or his/her designee, to act on behalf of County in connection with the NPLH noncompetitive allocation award, and to enter into, execute, and deliver a State of California Standard Agreement, sign the NPLH Acceptance Form, and any and all other documents required or deemed necessary or appropriate as security for, evidence of, or pertaining to the NPLH Program funds, and all amendments thereto, and that otherwise comply with Administrative Policy 6-101, *Shasta County Contracts Manual*. (Human and Human Services Agency-Office of the Director)

(See Resolution Book No. 62)

Adopted a resolution which ratifies a proclamation declaring a local emergency in the Igo-Ono Community Services District (in the unincorporated area of Shasta County) due to storm damage which occurred during May 2019. (Sheriff)

(See Resolution Book No. 62)

Adopted a resolution which recognizes that the circumstances and factors that led to the February 12, 2019 ratification of a local emergency proclamation for February 2019 Winter Storms have not been resolved and that there is a need for continuation of the local emergency proclamation. (Sheriff)

(See Resolution Book No. 62)

Approved and authorized the Chairman to sign a retroactive Memorandum of Agreement with the County of Butte for the purpose of providing law enforcement mutual aid including personnel, equipment, and/or materials from November 9, 2018, through November 26, 2018, in connection with the Camp Fire. (Sheriff)

Approved and authorized the Chairman to sign an amendment, effective date of signing, to the agreement with California Safety Company, Inc. for the repair, modification, and installation of alarm systems, to increase compensation by \$30,000, for a new total not to exceed \$75,000, and retain the term October 3, 2017, through October 2, 2018, with two automatic one-year renewals. (Public Works)

Approved and authorized the Chairman to sign an agreement with GHD Inc. in an amount not to exceed \$200,000 to provide traffic analysis and forecasting services for Deschutes Road from its intersection with the eastbound State Highway 44 off-ramp to its intersection with Cedro Lane and design services and construction support for new intersection controls at the intersection of Deschutes Road and Cedro Lane for a one-year term, effective date of signing, with one automatic one-year renewal. (Public Works)

Approved and authorized the Chairman to sign an amendment, effective date of signing, to the agreement with World Telecom & Surveillance, Inc. for the purchase and installation of access control systems, field devices, and other associated services and materials, to increase compensation by \$30,000, for a new total not to exceed \$75,000, and retain the term July 20, 2018 through July 19, 2019, with one automatic one-year renewal. (Public Works)

REGULAR CALENDAR, CONTINUED

GENERAL GOVERNMENT

ADMINISTRATIVE OFFICE/BOARD OF SUPERVISORS

LEGISLATIVE UPDATE/SUPERVISORS' REPORTS

County Executive Officer (CEO) Larry Lees had no legislative update.

Supervisor Chimenti requested that the Board of Supervisors host an evening meeting in the future to allow the public the opportunity to weigh in on the topic of a proposed transactions and use tax.

BOARD OF SUPERVISORS REGULAR MEETING - August 13, 2019

Supervisors reported on issues of countywide interest.

SHERIFF: UPDATE ON JAIL PROGRAMS

Undersheriff Eric Magrini presented an update regarding jail programs including Medically Assisted Treatment (MAT), Jail Based Competency Treatment (JBCT), and a 10-bed Pilot Project.

Undersheriff Magrini discussed the benefits of JBCT. He stated that the County's current target date to launch a JBCT program within the Jail is October 2019. He stated that significant cost savings may be realized by the County with the implementation of a JBCT program.

In response to questions from Supervisor Moty, Undersheriff Magrini confirmed that the plan is to designate six existing beds for JBCT, but the idea is to shorten the length of stay. He explained that this program is specific to felons and they remain in Shasta County during the program.

Undersheriff Magrini discussed MAT and explained that the program is a combination of behavioral interventions and medications intended to reduce recidivism, lessening the burden of repeat offenders. This is done by screening arrestees for substance abuse and clinical assessment, and collaborating with other agencies to provide wraparound services. He estimated a 12-bed pilot project would start in October 2019.

In response to questions from various Supervisors, Undersheriff Magrini discussed why low numbers have been accessing treatment at Empire Recovery's Sobering Center. Health and Human Services Agency Director Donnell Ewert discussed some setbacks with the City of Redding and ambulance providers, and he advised that both MAT and the Sobering Center could operate simultaneously.

In response to questions from Supervisor Moty, Undersheriff Magrini confirmed that participation in MAT is voluntary.

In response to questions from Supervisor Moty, Mr. Ewert described three options for MAT and the licensure associated with each.

Undersheriff Magrini presented on additional jail bed programs and requested that the Board focus on fine-tuning MAT and JBCT at this time.

SCHEDULED HEARINGS

PUBLIC WORKS

ANNUAL PARCEL CHARGE REPORTS COUNTY SERVICE AREAS

This was the time set to conduct public hearings to consider Annual Parcel Charge Reports for the various County Service Areas. Public Works Deputy Director Ken Cristobal presented the

staff report and recommended approval. The Notice of Public Hearing and the Notice of Publication are on file with the Clerk of the Board.

The public hearing was opened; no one spoke for or against the matter, and the public hearing was closed.

By motion made, seconded (Baugh/Rickert), and unanimously carried, the Board of Supervisors took the following actions on behalf of County Service Areas (CSAs): (1) Conducted a public hearing; (2) closed the public hearing; and (3) adopted Resolution No. 2019-067 which: (a) confirms the Annual Parcel Charge Reports for the various County Service Areas in the same amount as currently charged; and (b) directs that the parcel charges be placed on the property tax bills for Fiscal Year 2019-20.

(See Resolution Book No. 63)

REPORTS OF DELINQUENT FEES COUNTY SERVICE AREAS

This was the time set to conduct public hearings to consider the Reports of Delinquent Fees for County Service Areas and placement of liens on an upcoming tax bill. Mr. Cristobal presented the staff report and recommended approval. The Notice of Public Hearing and the Notice of Publication are on file with the Clerk of the Board.

In response to questions from Supervisor Moty, Mr. Cristobal explained that it is difficult for the County to collect delinquent fees from the bank if the property has been foreclosed and ownership changes hands.

In response to questions from Supervisor Chimenti, Mr. Cristobal clarified that if a lien is placed on the property prior to foreclosure, the lien follows the property. He also mentioned that if a lien is not placed prior to foreclosure, there is no way to collect.

Supervisors requested that staff look into the possibility of bringing such liens to the Board more frequently than once per year in order to catch more of the delinquent fees.

The public hearing was opened; no one spoke for or against the matter, and the public hearing was closed.

By motion made, seconded (Baugh/Rickert), and unanimously carried, the Board of Supervisors took the following actions on behalf of County Service Areas (CSAs): (1) Conducted a public hearing; (2) closed the public hearing; (3) adopted Resolution No. 2019-068 which: (a) confirms the Reports of Delinquent Fees for County Service Areas; and (b) directs that the annual liens be placed on the tax bills for Fiscal Year 2019-20; and (4) approved a discharge of accountability for collection of unpaid water and sewer service accounts that have been deemed uncollectible.

(See Resolution Book No. 63)

ANNUAL PARCEL CHARGE REPORTS PERMANENT ROAD DIVISIONS

This was the time set to conduct public hearings to consider Annual Parcel Charge Reports for the various Permanent Road Divisions. Mr. Cristobal presented the staff report and recommended approval. The Notice of Public Hearing and the Notice of Publication are on file with the Clerk of the Board.

The public hearing was opened; no one spoke for or against the matter, and the public hearing was closed.

By motion made, seconded (Morgan/Rickert), and unanimously carried, the Board of Supervisors took the following actions on behalf of County Service Areas (CSAs): (1) Conducted a public hearing; (2) closed the public hearing; and (3) adopted Resolution No. 2019-069 which: (a) confirms the Annual Parcel Charge Reports for the various PRDs in the same amount as

currently charged, except where noted; and (b) directs that the parcel charges be placed on the property tax bills for Fiscal Year 2019-20.

(See Resolution Book No. 63)

CLOSED SESSION ANNOUNCEMENT

Chairman Moty announced that the Board of Supervisors would recess to a Closed Session to take the following actions:
BOARD OF SUPERVISORS REGULAR MEETING - August 13, 2019

1. Confer with its Labor Negotiators, County Executive Officer Larry Lees, Personnel Director Angela Davis, and Chief Labor Negotiator Gage Dungy of Liebert Cassidy Whitmore, to discuss the Professional Peace Officers Association, pursuant to Government Code section 54957.6;
2. Confer regarding Public Employment (County Executive Officer), pursuant to Government Code section 54957.

11:33 a.m.: The Board of Supervisors recessed to Closed Session.

12:25 p.m.: The Board of Supervisors returned from Closed Session and reconvened in Open Session with all Supervisors, County Executive Officer/Clerk of the Board Larry Lees, and County Counsel Rubin E. Cruse, Jr. present.

REPORT OF CLOSED SESSION ACTIONS

County Counsel Rubin E. Cruse, Jr. reported that the Board of Supervisors met in Closed Session to discuss labor negotiations and public employment; however, no reportable action was taken.

12:26 p.m.: The Board of Supervisors adjourned.

Chairman

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By _____
Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - General Government-4.

SUBJECT:

Assessment Appeals Board Appointment

DEPARTMENT: Clerk of the Board

Supervisory District No. : All

DEPARTMENT CONTACT: Mary Williams, Chief Deputy Clerk of the Board, (530) 225-5550

STAFF REPORT APPROVED BY: Mary Williams, Chief Deputy Clerk of the Board

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Appoint Robert Shaw to the Alternate position on the Assessment Appeals Board for the remainder of an unexpired term ending September 7, 2020.

SUMMARY

N/A

DISCUSSION

The Assessment Appeals Board was established by Shasta County Code section 2.52, Assessment Appeals Board (AAB). The AAB consists of three members and one alternate appointed directly by the Board of Supervisors. In order to serve in this capacity, members must have a minimum of five years' professional experience in the state of California as either a certified public accountant or public accountant, a licensed real estate broker, an attorney, or a property appraiser accredited by a nationally recognized professional organization, or possess competent knowledge and experience in property appraisal and taxation. Terms of office shall be for three years to the first Monday in September.

The alternate position on the AAB is currently vacant. A Notice of Vacancy has been posted and is on file with the Clerk of the Board. Robert Shaw expressed interest in filling this position. Mr. Shaw is licensed as a Real Estate Appraiser with over 50 years of experience. He is also currently licensed as a Real Estate Broker.

Pursuant to Shasta County Code section 2.52, vacancies on the AAB are filled for the remainder of the unexpired term. Therefore it is recommended that Mr. Shaw be appointed through September 2020. At that time, Mr. Shaw may be reappointed for a full three-year term.

ALTERNATIVES

The Board may choose not to make the appointment, may direct staff to post a new Notice of Vacancy, or may defer consideration to a future date.

OTHER AGENCY INVOLVEMENT

None.

FINANCING

Costs associated with the AAB member's per diem are included in the Miscellaneous General Adopted Budget. There is no additional General Fund impact associated with approval of the recommendation.

ATTACHMENTS:

Description	Upload Date	Description
Shaw Letter and Resume	7/17/2019	Shaw Letter and Resume

JUL 01 2019

CLERK OF THE BOARD

Shaw & Associates

Real Estate Appraisers and Consultants

ROBERT H. SHAW
[REDACTED]

June 27, 2019

Kristin Gueling-Smith
Deputy Clerk of the Board of Supervisors
1450 Court St., Suite 308B
Redding, Calif., 96001-1680

Dear Ms. Gueling-Smith:

It is my understanding that you are searching for a candidate to fill the position of Alternate Member of the Assessment Appeals Board. If this information is correct, please be advised that I am interested in serving in that position.

I am currently licensed as a Real Estate Appraiser and also as a Real Estate Broker in the State of California. I have been active as a real estate appraiser in the Northern California area for more than the past 50 years with offices in Redding, and I recently retired, closing my office in 2018.

In the beginning of my career I was employed as a real estate appraiser by the Shasta County Assessor and advanced to the position of Senior Appraiser. In that capacity I represented the Assessor at many assessment appeals hearings as well as several appeals to the State Board of Equalization. I have since testified in Superior Courts throughout about ten Northern California Counties as well as Federal Courts in California, and Nevada. I have testified as an expert witness on real property value for both private land owners and for Government Agencies.

Enclosed herewith please find a copy of my qualifications and a resume of my former appraisal firm for your review. Please contact me if you believe I could fill the position you are soliciting.

Sincerely,

Robert H. Shaw, MAI, AI-GRS

State of Calif. Certified General Real Estate Appraiser
[REDACTED]

RHS/rs

ROBERT H. SHAW, MAI, AI-GRS

Qualifications of Appraiser

Appraisal Experience: MAI since 1976, AI-GRS 2015

Principal, Shaw & Associates, since 1978

Appraiser, Stathem-Shaw & Associates, 1972-1978

Shasta County Assessor's Office, 1965-1972

Related Experience:

Instructor (Advanced Real Estate Appraisal), Shasta Community College

Education:

BS Degree, Cal-State Polytechnic University, San Luis Obispo - 1965

Major: Agriculture

Current Education Courses (Appraisal Institute):

Review Theory-General - January 2015

USPAP Update - December 2013

Attacking and Defending an Appraisal in Litigation - October 2012

Business Practices and Ethics - March 2012

Qualitative Analysis - October 2011

Value Diminution/Severance - October 2011

Yellow Book Issues and Divided Partial Interests - October 2010

Corridor Valuation - October 2010

IRS Valuation Summit - June 2010

Appraiser as Expert Witness - February 2010

Condemnation Appraising - December 2009

Litigation Appraising - October 2009

Forecasting Revenue - October 2009

Appraising Distressed Commercial Real Estate - October 2009

Valuation of Conservation Easements Certificate Program - October 2007

Uniform Appraisal Standards for Federal Land Acquisitions - October 2007

Essentials, Current Issues & Misconceptions in Appraising - October 2007

California Conservation Easements - September 2007

Associations:

Member (MAI) of the Appraisal Institute

State of California "Certified General Real Estate Appraiser" #AG002771, exp. 03/19/2016

Past President, Sierra Nevada Chapter - Appraisal Institute

Past Asst. Chief Examiner, Nat'l Bd of Examiners, Experience - Appraisal Institute

Past President, Northern California Chapter Society of Real Estate Appraisers

Licensed Real Estate Broker, State of California

Realtor Member, Shasta County Board of Realtors

Principal Types of Appraisal Service:

Commercial	Recreational	Timberland	Agricultural/Ranches
Industrial	Rights-of-Way	Special Purpose	Wetlands

Court Qualified:

Most Northern California Counties

Federal Court, Sacramento, San Francisco; Las Vegas and Reno, Nevada

References:

Available upon request

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - General Government-5.

SUBJECT:

Salary resolution which amends the Shasta County Position Allocation List.

DEPARTMENT: Support Services-Personnel

Supervisory District No. : All

DEPARTMENT CONTACT: Angela Davis, Director of Support Services, 530-225-5515

STAFF REPORT APPROVED BY: Angela Davis, Director of Support Services

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Adopt a salary resolution, effective August 18, 2019, which amends the Shasta County Position Allocation List to delete 1.0 Full-Time Equivalent (FTE) Sheriff's Program Manager and add 1.0 FTE Agency Staff Services Analyst I/II in the Sheriff budget.

SUMMARY

N/A

DISCUSSION

The proposed recommendation is a modification to the Shasta County Position Allocation List. The Sheriff's Office has reviewed their business operations and determined these changes better align with their business needs.

ALTERNATIVES

The Board may choose not to approve this recommendation.

OTHER AGENCY INVOLVEMENT

Support Services-Personnel has prepared the salary resolution and reviewed this recommendation in conjunction with the Sheriff's Office. The County Administrative Office has reviewed this recommendation.

FINANCING

There is no additional general fund impact from the recommended actions.

cc:

- Larry Lees, County Executive Officer
- Eric Magrini, Undersheriff
- Elaine Grossman, Senior Administrative Analyst
- Shelley Forbes, Assist Director of Support Services
- Pam English, Personnel Analyst III
- Kari Kibler, Personnel Analyst II
- Linda Mekelburg, Agency Staff Services Analyst II – Conf
- Melissa Mansfield, Agency Staff Services Analyst II– Conf

ATTACHMENTS:

Description	Upload Date	Description
Salary Resolution	8/5/2019	Salary Resolution

SALARY RESOLUTION NO. _____**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SHASTA AMENDING THE
SHASTA COUNTY POSITION ALLOCATION LIST**

BE IT RESOLVED that effective August 18, 2019, following amendments are made to the Shasta County Position Allocation List for positions in County service:

<u>Footnotes</u>	<u>Classification Title</u>	<u>Class. Unclass</u>	<u>No. of Positions</u>	<u>FTE</u>	<u>Unique Position Number</u>	<u>Schedule</u>	<u>Range</u>	<u>Approx. Monthly A Step</u>	<u>Approx. Monthly F Step</u>
SHERIFF – Cost Center 235									
<u>DELETE</u>									
39,44,51	Sheriff's Program Manager	C	1	1.0	1932	MMBU	471	4176	5331
<u>ADD</u>									
	Agency Staff Servs Analyst I or	C	1	1.0		UPEC	425	3208	4095
	Agency Staff Servs Analyst II	C				UPEC	455	3714	4740

DULY PASSED AND ADOPTED this 13th day of August, 2019, by the Board of Supervisors of the County of Shasta by the following vote:

AYES: X
NOES: X
ABSENT: X
ABSTAIN: X
RECUSE: X

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - General Government-6.

SUBJECT:

Salary Resolution which amends the Shasta County Position Allocation List.

DEPARTMENT: Support Services-Personnel

Supervisory District No. : All

DEPARTMENT CONTACT: Angela Davis, Director of Support Services, 530-225-5515

STAFF REPORT APPROVED BY: Angela Davis, Director of Support Services

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Adopt a salary resolution, effective August 18, 2019, which amends the Shasta County Position Allocation List to remove the sunset date of September 30, 2019 from 1.0 Full-Time Equivalent Community Education Specialist I/II in the Public Health budget.

SUMMARY

N/A

DISCUSSION

The proposed recommendation is a modification to the Shasta County Position Allocation List. The Health and Human Services Agency has determined that the sunset date for the position of Community Education Specialist I/II in cost center 411 is no longer necessary as the department has identified funding to sustain this position. Thus, the recommendation is to remove the sunset date from this position.

ALTERNATIVES

The Board may choose not to approve this recommendation.

OTHER AGENCY INVOLVEMENT

Support Services-Personnel has prepared the Salary Resolution and reviewed this recommendation in conjunction with the Health and Human Services Agency. This recommendation has been reviewed by the County Administrative Office.

FINANCING

Any costs associated with this change will be absorbed by the department’s budget.

cc:

- Larry Lees, County Executive Officer
- Terri Howat, County Chief Financial Officer
- Donnell Ewert, HHSA Director
- Tracy Tedder, HHSA Branch Director
- Julie Hope, Principal Administrative Analyst
- Shelley Forbes, Assist Director of Support Services
- Pam English, Personnel Analyst III
- Kari Hallstrom, Personnel Analyst II
- Linda Mekelburg, Agency Staff Services Analyst II – Conf
- Melissa Mansfield, Agency Staff Services Analyst II– Conf

ATTACHMENTS:

Description	Upload Date	Description
Salary Resolution	7/26/2019	Salary Resolution

SALARY RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SHASTA
AMENDING THE SHASTA COUNTY POSITION ALLOCATION LIST**

BE IT RESOLVED that effective August 18, 2019, the following amendments are made to the Shasta County Position Allocation List for positions in County service:

<u>Footnotes</u>	<u>Classification Title</u>	<u>Class. Unclass</u>	<u>No. of Positions</u>	<u>FTE</u>	<u>Unique Position Number</u>	<u>Schedule</u>	<u>Range</u>	<u>Approx. Monthly A Step</u>	<u>Approx. Monthly F Step</u>
PUBLIC HEALTH – Cost Center 411									
<u>FROM</u>									
60	Community Education Special I or	C	1	1.0	3313	UPEC	472	4035	5151
41,60	Community Education Special II (Sunset 9/30/2019)	C				UPEC	488	4363	5569
<u>TO</u>									
60	Community Education Special I or	C	1	1.0		UPEC	472	4035	5151
41,60	Community Education Special II	C				UPEC	488	4363	5569

DULY PASSED AND ADOPTED this 13th day of August, 2019, by the Board of Supervisors of the County of Shasta by the following vote:

AYES: X
NOES: X
ABSENT: X
ABSTAIN: X
RECUSE: X

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Health and Human Services-7.

SUBJECT:

Agreement with NCS Pearson Inc. for Q-global online testing, scoring, and reporting services

DEPARTMENT: Health and Human Services Agency-Adult Services
Health and Human Services Agency-Children's Services

Supervisory District No. : All

DEPARTMENT CONTACT: Dean True, Branch Director, HHSA Adult Services, (530) 225-5900

STAFF REPORT APPROVED BY: Donnell Ewert, Director, Health and Human Services Agency

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Health and Human Services Agency Director (Director), or any Branch Director or Deputy Branch Director designated by the Director, to: (1) Sign or electronically sign: (a) an evergreen Q-global online Subscription and License Agreement with NCS Pearson, Inc. (Pearson) with no maximum compensation to provide online testing, scoring, and reporting services; (b) the online Pearson Terms of Use; (c) the online Order Forms in a total amount not to exceed \$100,000; and (d) the online Q-global Business Associate Agreement with Pearson; and (2) authorize select staff, as Qualified Users, to electronically sign the online User account creation Terms and Conditions (T&Cs) and other related online T&Cs, as long as they are not substantially or functionally different from the T&Cs currently approved by County Counsel, and other online documents required to access and complete each online account.

SUMMARY

This agreement will allow the Health and Human Services Agency (HHSA) to purchase online psychological tests, including the administration and scoring of test results. “Qualified Users” as defined by NCS Pearson, Inc. (Pearson), and authorized by the HHSA Director, will order tests online by agreeing to and accepting the online terms and conditions, after the Director has approved each Order Form.

DISCUSSION

Currently the HHSA purchases and administers professional psychological tests through Q-local, a local, non-cloud-based, software program provided by Pearson. Pearson is no longer actively supporting Q-local and are transitioning to Q-global as an alternative cloud-based platform. This agreement will allow HHSA clinical staff to continue using tests and related reports currently in use, as well as others not available through Q-local.

Client completion of the online testing is voluntary, and for the protection of the client’s identity only a client number and general demographic information will be entered in to the online system. A client’s need for this type of psychological testing is determined by HHSA clinical staff. Clinical staff will assist clients with set up and observe completion of testing. Test results are an additional resource to assist clinical staff in making informed decisions regarding client care. Tests are chosen,

administered, and interpreted by HHSA Clinical Psychologists.

Should HHSA desire to continue receiving services, the Director will return to the Board of Supervisors for approval to continue the use of Pearson’s Q-global product if and when it appears the maximum compensation amount of \$100,000 will be exceeded. The department will regularly monitor and review the online T&Cs and refer any and all concerns to County Counsel, Risk Management, and/or Information Technology.

ALTERNATIVES

The Board could choose not to approve the recommendation, defer consideration to a future date, or provide alternate direction to staff.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the current online T&Cs, forms, and agreements as to form. Risk Management and Information Technology have reviewed and approved the current online Terms of Use, Order Form, and agreements. This recommendation has been reviewed by the County Administrative Office.

FINANCING

Health and Human Services Agency Fiscal Year (FY) 2019-20 Adopted Budget includes sufficient appropriation authority for the activities described in this agreement and will be included in future year budget submittals. Tests are only purchased and administered as needed with an estimated maximum compensation per FY of \$6,500. There is no additional General Fund impact from the recommended action.

ATTACHMENTS:

Description	Upload Date	Description
Terms and Conditions, Policies, Forms - Combined	8/7/2019	Terms and Conditions, Policies, Forms - Combined

APPROVED AS TO FORM
SHASTA COUNTY COUNSEL

Alan B. Cox 7/24/19
Alan B. Cox
Deputy County Counsel

RISK MANAGEMENT APPROVAL

BY: *James Johnson* 07/25/19
James Johnson
Risk Management Analyst
Q-global®

IT Approved:

Thomas Schreiber 7-25-2019
Thomas Schreiber, CIO

Subscription and License Agreement (the "Agreement")

PLEASE CAREFULLY READ THIS AGREEMENT BEFORE ACCEPTING BELOW. PROCEEDING WITH REGISTRATION, OR ACCESSING, USING, PRINTING, OR DISPLAYING THE SERVICES INDICATES CUSTOMER'S ACCEPTANCE OF THE TERMS OF THIS SUBSCRIPTION AND LICENSE AGREEMENT. IF CUSTOMER IS A COVERED ENTITY AS THAT IS DEFINED UNDER HIPAA, PLEASE PAY PARTICULAR ATTENTION TO THE BUSINESS ASSOCIATE SECTION IN PARAGRAPH 10. IF CUSTOMER DOES NOT AGREE WITH THESE TERMS, CUSTOMER SHOULD DECLINE REGISTRATION AND CUSTOMER MAY NOT ACCESS, USE, PRINT, OR DISPLAY THE PRODUCTS OR SERVICES.

1. License Grant. This is a legal agreement concerning Q-global and is between You, the Customer (and any Authorized Users), either as an individual or business entity and NCS Pearson, Inc. An Authorized User is any user that has been given authority to use the account by the Customer. This Agreement supersedes and replaces any prior proposal, representation, or understanding You may have regarding Your use of the Q-global system. NCS Pearson, Inc. (hereinafter called "Pearson") grants to You, the undersigned Customer (hereinafter called "You , Your, or Customer"), a personal, non-transferable, nonexclusive license to use the Q-global Scoring and Reporting System product ("Q-global") to enable administration, scoring, and reporting individual assessments published by Pearson of selected Pearson assessments which, may be modified from time to time (the "Test(s)") and retention of examinee raw data during the term of this Agreement. Q-global displays Test instructions and items for onscreen Test administration or data entry, Test-related manuals, and related user documentation, Q-global coordinates Your access to specific Test(s) procured by You from Pearson and based on the data input and the report selected by You, generates Test-specific output reports, including but not limited to, profile and interpretive reports ("Reports") delivered through Q-global. Q-global also provides You with an opportunity to export Your examinee data to Your desktop or to retain the examinee data in files on Q-global.

2. Term. The term of this Agreement begins on the date this Agreement is electronically accepted by You or when You use Q-global and will continue, except as otherwise provided in this Agreement, unless or until terminated by either party. This Agreement may be terminated pursuant to sections 12 and 13 herein below.

3. Orders and Payment. All orders for Test(s) and administrations, scoring, and Reports through Q-global ("Administrations") during the term of this Agreement are subject to acceptance by Pearson, in its discretion, and will be fulfilled subject to Pearson's Qualification requirements (click on the following link to view [Qualification Requirements](#)) and sections regarding Geographical Embargoes and Restrictions, Use of Product, Copyright and Trade Secrets, and Test Security contained in Pearson's Terms of Sale and Use (click on the following link to view [Terms](#) and Conditions of Sales and Use) and this Q-global License. Your acceptance of this License Agreement allows you access to the Q-global system.

You will separately purchase Test Administrations or Reports in the form of individual administration and report usages or through the purchase of a limited term scoring subscription that will be delivered electronically to Your account and be available for Your use in accordance with Pearson's Terms and Conditions of Sale and Use. You agree to pay all applicable charges for Test Administrations, Reports or Scoring Subscriptions at Pearson's then-prevailing rates at the time of order, together with any applicable taxes. Unless otherwise specified by Pearson, charges are due and payable within thirty (30) days of invoice.

4. Use of the Test(s) and Q-global. You agree to use the Test(s) and Q-global (a) in accordance with sections 3, 6, 7, and 8 of the Terms and Conditions referenced in Pearson's then current published catalog and in accordance with all federal, state and local laws and regulations and (b) for the number of Administrations You have purchased from Pearson. You also agree to only use Q-global on computers

that conform to Pearson's then-current published computer operating environment specifications. You agree that Pearson may install any Q-global Maintenance Release at no additional charge. You understand and agree that Pearson's Test(s) and Q-global are meant to be used as tools to supplement You in the overall assessment process, and are not intended or designed to be used alone or replace Your professional judgment. Use of psychological tests in employment-related situations may be subject to certain laws including Title VII of the Civil Rights Act of 1964, as amended; the Americans With Disabilities Act of 1990, as amended; and other federal, state, and local laws and regulations. You shall not grant sublicenses, assign or transfer (including transfer by rental) Q-global or use Q-global to benefit any third party without the prior written consent of Pearson.

5. Protection of Test(s) and Operating System. The Tests(s) and the Q-global operating system are the proprietary property of Pearson and contain trade secrets, copyrighted works and, in certain cases, patented intellectual property, owned by Pearson and/or its licensors. The placement of a copyright notice on any portion of the Test(s) or Q-global does not mean that they have been published and will not derogate any claim by Pearson of trade secret protection. Title to the Test(s) and Q-global and copies thereof, and all intellectual property rights protecting the Test(s) shall remain with Pearson and/or its licensors and Q-global shall remain the property of Pearson.

6. Examinee Data. YOU ARE ADVISED TO EXPORT AND SAFEGUARD YOUR IMPORTANT DATA AND BACK UP IMPORTANT INFORMATION FREQUENTLY.

You understand that You may be allowed to export Your examinee data at any time. If You choose to store examinee data on Q-global, Pearson will regularly backup the examinee data stored in the Q-global data base and will securely store these backups. However, You must make regular backups and agree that You release Pearson from any failure in the database system.

7. Restrictions on Use.

(a) You agree not to copy or duplicate, modify or alter physical or electronic characteristics of the Test(s) or the Q-global operating system or to dismantle or reverse engineer any part of the Test(s) or Q-global.

(b) Because Q-global and its outputs, including but not limited to Reports, are protected as trade secrets, except as expressly provided in this section 7, these **TRADE SECRETS ARE NOT PERMITTED TO BE DISCLOSED** in response to requests made pursuant to HIPAA (Health Insurance Portability and Accountability Act of 1996) or any other data disclosure law that exempts disclosure of information or documents protected as trade secrets. You agree that You will not otherwise, directly or indirectly disclose any trade secrets of Pearson without the prior written consent of Pearson.

(c) You may excerpt portions of the Reports, limited to the minimum text necessary to accurately describe Your significant core conclusions, for incorporation into Your written evaluation of the individual, in accordance with Your profession's citation standards, if any.

(d) You may not, under any circumstance, copy or reproduce the text of any Test question without Pearson's prior written permission.

8. Test(s) Availability. Pearson's rights to make available Test(s) and Administrations are subject to agreements between Pearson and the Test owners/licensors. There is no assurance that Pearson will be able to provide any particular Test now or in the future. If Pearson is unable to sell Administrations with respect to a particular Test, You may continue to use any previously purchased Administrations. You agree that Pearson will not be liable to You in any manner whatsoever for any future unavailability of any Test(s) or Administrations.

9. Support. You may contact Pearson's Technical Support for help in operation of Q-global, by telephone during Pearson's regular Technical Support business hours.

10. Pearson's Protection and Use of Data. To perform services for You, Pearson will receive information that is provided by You and examinees. Pursuant to this Agreement, any information that Pearson receives is subject to the Privacy Policy (click the following link to access the [Privacy Policy](#)).

Pearson respects Your data and has provided you with two (2) options should You and Your client desire to share data with Pearson. When you sign up for Q-global, You will be given the following regarding how you will let Pearson deal with your data:

General Research.

Should You grant Pearson permission to use Your de-identified examinee data for General Data Research, then You allow Pearson to use de-identified data from your account in validation studies and studies of specific clinical populations. These data will enable us to identify items and subtests with the greatest sensitivity and specificity, and increase our ability to develop shorter and better assessments. You will have the opportunity to choose which examinees' data will be included in the research database.

Special Research.

Should You grant Pearson permission to participated in Specific Data Research, You permit Pearson to contact You each time there is a research study and, if You qualify, You may choose at that time to participate. If you choose to participate, You will receive information about specific research studies when they are being conducted. This data will meet de-identified safe harbor standards under US law, and will be used only for research and test development so that future versions of the assessment will have enhanced clinical utility. In the event that You have existing examinee data for the Test(s) on other Pearson platforms, Q-global may permit You to migrate Your data from other Pearson platforms to Q-global. If this migration is permitted by Q- global and elected by You, You agree that You are responsible for complying with Pearson's migration protocol and ensuring Your data's correctness before and after migration.

Business Associate. If You are a Covered Entity under HIPAA, You and Pearson agree that the Business Associate Addendum will govern HIPAA-related matters (click on the following link to view and accept the [Business Associate Addendum](#)). If You are a school or not a Covered Entity, this paragraph does not apply.

11. Warranty. Pearson warrants that neither the Test(s) in their standard form nor normal use of the Test(s) will infringe any valid United States patents or copyrights existing at the time the Test(s) are made available by Q-global, provided, however, that this warranty does not extend to any non-NCS Pearson test ("NCS Pearson Test(s)" that are published directly or under licenses by NCS Pearson, Inc.), to any infringement arising out of the use of such Test(s) in combination with systems, equipment or Q-global programs or platforms not supplied by Pearson or any use of the Test(s) outside the United States. If You promptly notify Pearson of any such infringement claim of which You have knowledge or notice, and accord Pearson the right, at its sole option and expense, to handle the defense of the infringement claim, Pearson will indemnify and hold You harmless from and against such infringement claim. If such an infringement claim arises, or if Pearson becomes aware of the possibility of such a claim, then Pearson may, in its discretion (a) furnish You with non-infringing replacement Test(s) within sixty (60) days; or (b) terminate this Agreement in whole or in part by repurchasing Your unconsumed Administrations. This is Your exclusive remedy for any breach of this warranty against infringement.

EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS SECTION, PEARSON MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE TEST(S). ALL OTHER WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE DISCLAIMED.

12. Termination. Either party shall have the right to terminate this Agreement, including any licenses, if the other party breaches any of its obligations under this Agreement and fails to cure the same within thirty (30) days after receipt of written notice of default (except that there shall be no cure period for Your breach of Pearson's rights under Sections 4 or 5 of this Agreement). If this Agreement is terminated for any reason, Pearson will allow you access to Q-global for not more than thirty (30) days for the sole purpose of exporting Your data. Your obligations under this Section 12, as well as the provisions of Section 14 and 15 below, shall survive any termination of this Agreement.

13. Active Accounts. As long as a customer has an active account (defined below), purchased subtests, report inventory, usages or other digital allocations of assessment measures and support materials will remain accessible and available for users of the account without expiration. Accounts deemed dormant (as defined below) will have all data (including client scores, reports, history, etc.) and digital allocations (usages, report inventory, manuals, etc.) permanently expunged from the system (after notice has been provided to the user) and will no longer be retrievable by the customer or Pearson.

An Account refers this Q-global account.

An "Active Account" is defined as any account that has, had any user generate a report, and/or has had purchased inventory added to the account within the last 24 months.

A "Dormant Account" is defined as any account that has not had any Authorized User generate a report, conduct an administration or purchase inventory in the previous twenty four (24) month period and does not currently have an active scoring subscription license for any inventory on the account.

"Appropriate Notice" is defined as communication efforts (email or letter) by Pearson with no less than six attempts to contact You over a ninety (90) day period after the account is deemed a Dormant Account using the contact information (phone, email and billing address) on file for the account in question. The Appropriate Notice will include one or more of the following: notice that the account should be reactivated or that all client information for all Authorized Users should be downloaded from the Pearson system prior to a specific date. If Pearson does not receive an appropriate response the Customer and all Authorized User's data will be permanently deleted and will no longer be available.

14. Indemnification. EXCEPT AS PROVIDED IN SECTION 11 OF THIS AGREEMENT, AND TO THE EXTENT PERMITTED BY LAW, YOU AGREE TO INDEMNIFY AND HOLD PEARSON HARMLESS AGAINST ALL CLAIMS, LIABILITIES, DEMANDS, DAMAGES, OR EXPENSES (INCLUDING ATTORNEYS' FEES AND EXPENSES) ARISING OUT OF OR IN CONNECTION WITH YOUR USE OF THE TEST(S) COVERED BY THIS AGREEMENT AND/OR YOUR FAILURE TO PERFORM THE OTHER TERMS OF THIS AGREEMENT.

15. Liability. PEARSON'S LIABILITY FOR LOSS OR DAMAGE RELATING TO THIS AGREEMENT AND/OR THE TEST(S) OR YOUR USE OR INABILITY TO USE THE TEST(S), REGARDLESS OF THE FORM OF ACTION, SHALL BE LIMITED TO THE CHARGES PAID BY YOU FOR THE TEST(S) INVOLVED. THIS IS YOUR EXCLUSIVE REMEDY. IN NO EVENT SHALL PEARSON BE LIABLE TO YOU FOR ANY CLAIM MADE AGAINST YOU BY ANY OTHER PARTY OR FOR ANY CLAIM MADE BY YOU FOR LOST BUSINESS OR PROFITS, OR FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF PEARSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH CLAIM, LOSS OR DAMAGES.

16. Federal Government Terms and Conditions. If You are the United States Government or any agency or instrumentality thereof, the Test(s) are provided with RESTRICTED RIGHTS. Use, duplication, or disclosure by the United States Government of the Test(s) is subject to restriction as set forth in: (a) subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Information clause at DFAR 252.227-7013 (October 1988), if You are subject to Department of Defense Federal Acquisition Regulations; or (b) FAR 52.227-19 (June 1987), if You are not subject to the DFAR, but are the United States Government or an agency or instrumentality thereof. The Contractor, for purposes of such

provisions, is NCS Pearson, Inc., 5601 Green Valley Drive, Bloomington, Minnesota 55437.

17. Support Service. Subject to and conditioned on the Customer's and its Authorized Users' compliance with the terms and conditions of this Agreement, during the Term, Pearson shall use commercially reasonable efforts to provide to You and Your Authorized Users technical support (collectively, the "Services") in accordance with the time periods and terms and conditions hereof, including to host, manage, operate and maintain the Service Software for remote electronic access and use by the subscriber and its Authorized Users from 7 a.m. to 6 p.m. US, except for:

(a) Scheduled Downtime;

(b) Service downtime or degradation due to a Force Majeure Event;

(c) any other circumstances beyond Pearson's reasonable control, including Customer or any Authorized User's use of Third Party Materials, misuse of the Services, or use of the Services other than in compliance with the express terms of this Agreement and the Specifications; and

(d) any suspension or termination of Customer's or any Authorized Users' access to or use of the Services as permitted by this Agreement.

Support information is as follows:

US & Canada 1-800-249-0659 (7 AM to 6 PM Central Standard Time)

Technical Support E-mail: catechnicalsupport@pearson.com

Technical Support URL: PearsonAssessmentSupport.com

17. General. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED, AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MINNESOTA. The foregoing choice of law notwithstanding, copyright, trademark, and patent claims are subject only to U.S. Federal law and U.S. Federal court interpretation thereof. This Agreement constitutes the entire agreement of You and Pearson concerning this matter, and supersedes all discussions, proposals, bids, invitations, orders, and other communications, oral or written, on this subject. This Agreement may not be waived, amended, or modified in any way without the prior written permission of Pearson. If any one or more provisions of this Agreement are found to be illegal or unenforceable, the remaining provisions will be enforced to the maximum extent possible. To the extent any purchase order from You conflicts with or amends these Terms and Conditions in any way, these Terms and Conditions, as unmodified, will prevail.

License version effective date March 10, 2016

Our site will be undergoing maintenance on Sunday, July 21 from 12:00 p.m. - 1:00 a.m. ET. Please place orders before or after that time.

[Home](#) [Professional Assessments](#) [Ordering](#) [How to order](#) [Qualifications](#)
Qualifications Policy

Qualifications policy

Pearson is committed to maintaining professional standards in testing as presented in the *Standards for Educational and Psychological Testing* published by the American Educational Research Association (AERA), American Psychological Association (APA), and the National Council on Measurement in Education (NCME). A central principle of professional test use is that individuals should use only those tests for which they have the appropriate training and expertise. Pearson supports this principle by stating qualifications for the use of particular tests, and selling tests to individuals who provide credentials that meet those qualifications. The policies that Pearson uses to comply with professional testing practices are described below.

The "Qualified User" is the individual who assumes responsibility for all aspects of appropriate test use, including administration, scoring, interpretation, and application of results. Some tests may be administered or scored by individuals with less training, as long as they are under the supervision of a Qualified User. To assist the qualified user, each test manual will provide additional detail on administration, scoring and/or interpretation requirements and options for the particular test.

We only accept orders identifying a Qualified User who is registered on our website or had previously submitted their qualifications. Prior to March 1, 2019 this information may have been submitted via an online form. Customers who submitted qualification forms in this manner were migrated over automatically to the current website and emailed information to activate their website account logins. All new submissions must be done through the creation of a website account and adding qualification details to their website account.

Qualification Level A

There are no special qualifications to purchase these products.

Qualification Level B

Tests may be purchased by individuals with:

A master's degree in psychology, education, speech language pathology, occupational therapy, social work, counseling, or in a field closely related to the intended use of the assessment, and formal training in the ethical administration, scoring, and interpretation of clinical assessments.

OR

Certification by or full active membership in a professional organization (such as ASHA, AOTA, AERA, ACA, AMA, CEC, AEA, AAA, EAA, NAEYC, NBCC) that requires training and experience in the relevant area of assessment.

OR

A degree or license to practice in the healthcare or allied healthcare field.

OR

Formal, supervised mental health, speech/language, occupational therapy, social work, counseling, and/or educational training specific to assessing children, or in infant and child development, and formal training in the ethical administration, scoring, and interpretation of clinical assessments.

OR

Work for an accredited institution

Qualification Level C

Tests with a C qualification require a high level of expertise in test interpretation, and can be purchased by individuals with:

A doctorate degree in psychology, education, or a closely related field with formal training in the ethical administration, scoring, and interpretation of clinical assessments related to the intended use of the assessment.

OR

Licensure or certification to practice in your state in a field related to the purchase.

OR

Certification by or full active membership in a professional organization (such as APA, NASP, NAN, INS) that requires training and experience in the relevant area of assessment.

Ordering

[How to order](#)

[Account creation](#)

[Qualifications](#)

[Purchasing as a qualified user](#)

[Purchasing on behalf of a qualified user](#)

[Qualifications Policy](#)

[Manual ordering](#)

[Purchase orders](#)

[Mail-in Scoring](#)

[Order Status](#)

[Quotes](#)

[Shipping & Handling](#)

[Tax Exemption](#)

[Returns](#)

[Catalogs](#)

[Organizational Accounts](#)

[Research Assistance Program](#)

[International Offices](#)

[Professional Assessments](#)

[Large Scale Assessments](#)

[Graduate Admissions](#)

[Talent](#)

[Product Platform Logins](#)

[Clinical Privacy Policy](#)

[Clinical Permissions & Licensing](#)

[Clinical Terms of Sale & Use](#)

[Clinical Legal Policies](#)

[About](#)

[Website Terms of Use](#) [Privacy Statement](#) [Patent Notice](#) [Accessibility](#)

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Terms and Conditions of Sale and Use of Pearson Products

1. Acceptance Of Ts & Cs^a

Sales of Pearson Products^b and Other Publisher's Products^c (together referred to as "Products") by Pearson's Clinical Assessment group^d and the purchase and use of Products by Customer^e are conditioned upon acceptance of these Ts & Cs. Customer agrees to these Ts & Cs by submission of a User Acceptance Form, order(s) for tests or scoring services, or by paying part or all of a Pearson Invoice. These Ts & Cs constitute the entire agreement between Pearson and Customer and supersede any purchase order terms associated with a Purchase Order (P.O.) number on any order. If any provision of the Ts & Cs is found to be illegal or unenforceable, the remaining provisions will be enforced. These Ts & Cs may not be waived or modified except by prior written agreement signed by a Pearson Vice President. Minnesota law will govern these Ts & Cs. Issues involving copyright and patent will be resolved under U.S. Federal Law. **Provisions Not Applicable In New Jersey: Pursuant to the New Jersey Truth in Consumer Contract Warranty and Notice Act ("TCCWNA"), Sections 2, 5, 6, and 9 of these Terms of use do not apply to those persons covered by that law.**

2. Warranty

Pearson warrants that the Pearson Products published directly or under license by Pearson in their standard form will not infringe any valid, third-party, U. S. patents or copyrights existing at the time of publication. This warranty does not extend to any Other Publisher's Product or to any infringement arising from the use of the Pearson Products in combination with any systems, software, or equipment supplied by a third party. If Customer promptly notifies Pearson of an infringement claim concerning a Pearson Product and accords Pearson the right, at its sole option and expense, to handle the defense of the infringement claim, Pearson will indemnify and hold Customer harmless from/against such infringement claim related solely to that Pearson Product. Pearson may, in its sole discretion, furnish Customer with a non-infringing replacement product within sixty (60) days or repurchase the remaining unconsumed Pearson Product. EXCEPT AS STATED HEREIN, PEARSON MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS. ALL OTHER WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE DISCLAIMED.

3. Geographical Embargoes and Restrictions

Please note that Pearson may restrict the sale of certain test materials within specific geographic regions because of various contractual arrangements or governmental restrictions. If the Product(s) have been rightfully obtained within the United States, Customer warrants and represents that neither the products nor any technical data received by the Customer from Pearson will be exported outside of the United States, except as authorized by the laws and regulations of the United States.

4. Risk of Loss and Returns

Shipping within the USA is FOB Destination with freight from Pearson's warehouse charged to Customer. Returns are to be made in accordance with the [Returns Policy](#).

5. Limitation of Liability and Limitation on Claims

IN NO EVENT WILL PEARSON BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR SPECIAL DAMAGES ARISING OUT OF THESE T'S & C'S, PURCHASE, OR USE OF PEARSON PRODUCTS OR SERVICES. NOTWITHSTANDING ANY OTHER PROVISION OR AGREEMENT BETWEEN CUSTOMER AND PEARSON, PEARSON'S TOTAL LIABILITY TO ANY PARTY, ARISING OUT OF THESE T's & C'S, PURCHASE, OR USE OF PRODUCTS, EXCEPT AS IT RELATES TO PEARSON'S WILLFUL MISCONDUCT, WILL NOT EXCEED THE AMOUNT PAID BY CUSTOMER FOR THE PRODUCTS OR SERVICES.

6. Use of Product

Customer agrees that it is Customer's responsibility to use any Products in accordance with Pearson's Qualification Policies & User Acceptance Form and applicable professional guidelines^f. Customer understands and agrees that the Products are intended to be used as tools in the overall assessment process, are not to be used for self-guidance, and are not designed to be used alone or to replace Customer's professional judgment. Pearson is not responsible for any claims or damages incurred in connection with Customer's or any third party's use or misuse of the Products. Customer agrees to guard against the improper use of the Products in order to retain the right to purchase those Products.

To protect their security and value, Products may not be resold, re-licensed, transferred or otherwise further distributed without prior written permission from Pearson. Reselling on any online site or by any other method is strictly prohibited and will disqualify Customer from future purchases of Pearson

Products or services. Customer's purchase of Pearson Products does not grant Customer a right to reproduce additional copies of materials or content or enter any content into a computer medium, such as non-Pearson scoring system or software. However, if Customer licenses and uses Pearson software, Customer may excerpt portions of output reports, limited to the minimum text necessary to accurately describe the qualified User's significant core conclusions, for incorporation into a written evaluation of the individual, in accordance with Customer's profession's citation standards, if any. No adaptations, translations, modifications, or special versions may be made without prior permission in writing from Pearson (see Section 10). Violation of these Ts & Cs may result in the revocation of a Customer's right to purchase as a qualified Customer.

7. Copyright and Trade Secrets

Pearson Products are protected by various intellectual property laws, including trade secrets, copyright, and trademark. Printing or reproducing copyright-protected materials or content, whether the reproductions are sold or furnished free for use, including reproduction of test items, scales, scoring algorithms, scored directions, or other content, is strictly prohibited by law and by these Ts & Cs. Pearson software outputs, including but not limited to reports, are protected as trade secrets. Trade secrets are exempt from disclosure in response to requests made pursuant to HIPAA or to any other data disclosure law that exempts disclosure of information or documents protected as trade secrets.

Customer acknowledges and agrees that the use or disclosure of Pearson trade secrets or confidential information may cause Pearson irreparable harm for which remedies other than injunctive relief may be inadequate. If Customer is required to disclose secure test materials pursuant to a subpoena or court order, please refer to Pearson's Legal Policies at pearsonclinical.com/legal.html.

8. Test Security

Customer agrees to comply with the following basic principles of minimum test security:

- Test takers must not be coached using the test or receive test answers before beginning the test.
- Test materials (text, graphic images, or the oral reading of items) may not be displayed, reproduced, or performed (e.g., filming an administration) in any manner, electronically or otherwise, including posting on any mass media or social media site, without the prior written permission of Pearson.

- Access to test materials must be limited to qualified persons with a responsible, professional interest who agree to safeguard their use.
- Test materials and scores may be released only to persons qualified to interpret and use them properly.
- If a test taker or the parent of a minor child who has taken a test wishes to examine test responses or results, the parent or test taker may be permitted to review the test and the test answers in the presence of a representative of the school, college, or institution that administered the test.
- Test materials must not be resold, re-licensed, transferred, or otherwise redistributed for any purpose without prior written permission from Pearson.

9. Indemnification

To the extent permitted by law, Customer agrees to hold harmless, indemnify, and defend Pearson from and against any and all claims, charges, demands, damages, liabilities, losses, expenses, and liabilities of whatever nature and howsoever arising (including but not limited to any legal or other professional fees and the costs of defending or prosecuting any claim and any loss of profit, goodwill, and any other direct or consequential loss) incurred or suffered by Pearson directly or indirectly by reason of any act or omission that the Customer commits in breach of these Ts & Cs and the obligations and warranties contained therein.

10. Requests for Permission to License Pearson Intellectual Property

Requests to reproduce, translate, modify, or adapt any Pearson Product must be submitted in writing and directed to: Intellectual Property Licensing by e-mail at pas.licensing@pearson.com.

11. Payment

Pearson will invoice institutional Customers if orders are received on official purchase orders with tax exempt certificate on file at Pearson (if applicable). All invoices are payable net 30 days. Payment must accompany other orders. Pearson accepts payment by check or money order; Credit cards (Visa, MasterCard, American Express, or Discover) are accepted for online or phone orders only. Credit cards are not accepted with email, fax, or mail orders in order to protect customer privacy. Prepayment is required for all new accounts. Charges not paid when due are subject to a late charge accruing from the due date of 1-1/2% per month or the maximum permitted by law, whichever is less. Customer is responsible for any reasonable attorney or collection fees incurred by Pearson in collecting charges not paid when due. Payment must be made in U.S. dollars. Customer is responsible

for all taxes and tariffs related to intercountry shipments. Pearson will collect and report state and local taxes applicable to the Customer's shipping address.

12. Orders on Hold

Please note that Pearson may place your order on hold for issues relating to credit, insufficient customer information for processing the order, lack of or incomplete qualifications or other issues that would restrict the sale of an assessment. Our team is dedicated to clearing these issues as fast as possible so that you can receive your order.

13. Modifications of Terms and Conditions

Pearson reserves the right to amend pricing and these Ts & Cs at any time without prior written notice. Pearson, without any penalty or liability, reserves the right to (a) publish or replace current products with new, revised, or updated products at any time; and (b) place any product "out of print" or discontinue offering the product for purchase. The most current Ts & Cs will be posted at Pearson's Website.^g

14. Definitions and Notes

^a "Ts & Cs" means Pearson Terms and Conditions of Sale and Use and the Qualifications and return policies referenced in these Ts & Cs. A printed copy of the Ts & Cs, including the referenced policies, is available by calling 800.627.7271. These terms may be viewed in 12 point type at our Website.

^b "Pearson Product(s)" means assessment instruments (including those formerly published by AGS Publishing and Harcourt Assessment, Inc.) and/or materials (including but not limited to software, administration and user reference materials, manipulatives, reports and services) published by Pearson.

^c "Other Publisher's Products" means assessment instrument(s) and/or material(s) (including but not limited to software, administration and user reference materials, manipulatives, reports, and services not published by Pearson.

^d "Pearson" means the Clinical Assessment business unit of NCS Pearson, Inc.

^e "Customer" means the purchaser and qualified User of a Product.

^f "applicable professional guidelines" include but are not limited to the Standards for Educational and Psychological Testing, published by the American Educational Research Association (AERA), American Psychological Association (APA), and the National Council on Measurement in Education

(NCME), Pearson software license (if applicable) and all federal, state, and local laws and regulations, including, but not limited to HIPAA and FERPA. Use of psychological tests in employment-related situations may be subject to certain laws including Title VII of the Civil Rights Act of 1964, as amended; the Americans with Disabilities Act of 1990, as amended; and other federal, state, and local laws and regulations.

⁹ "Website" means PearsonAssessments.com and/or PearsonClinical.com.

Last updated: February 14, 2018

Q-global Privacy Policy

The Clinical Assessment group of NCS Pearson, Inc. has adopted the following Privacy Policy applicable to Examinee Data that it may receive from Qualified Customers, Test Administrators, and their Examinees in connection with tests and testing services provided through this system.

Definitions

For purposes of this Privacy Policy, the following definitions apply:

- "Qualified Customer" means a qualified clinician, professional, clinic or institution, which has an agreement with Pearson to use this system for administration, scoring or reporting of certain assessments and complies with Pearson's Terms and Conditions of Sale and Use, Software License, and meets Pearson's Qualifications to Purchase.
- "Pearson" or "We" means NCS Pearson, Inc.
- "Personal Information" means all personally identifiable information that We collect, receive or process with respect to Test Administrators and Examinees. Additional information about the Personal Information We collect or receive is found in the Collection and Use of Personal Information section of this Privacy Policy.
- "Test Administrator" means a Qualified Customer or an individual designated and authorized by the Qualified Customer to coordinate and manage the assessment and scoring process and/or receive assessment test results and reports.
- "Examinee" means an individual who is assigned or administered a clinical assessment by a Test Administrator.
- "You" means a Test Administrator or a Qualified Customer authorized to use this system.

System Access

Qualified Customer access to this system is restricted by password to Test Administrators designated and authorized by the Qualified Customer. The Qualified Customer authorizes the level and extent of access provided to each Test Administrator. Examinees assigned to take a clinical assessment through this system may be provided with access to the assigned assessment administration window only by, and under the supervision of, an authorized Test Administrator.

Collection and Use of Personal Information

In providing tests and testing services through this system, We collect or receive Personal Information from Examinees, as well as Test Administrators. Certain Examinee Personal Information is provided to us by the Test Administrator; and other information is provided to us by the Examinee. Test Administrator Personal Information is provided to us by the Qualified Customer and the Test Administrator. We use Personal Information in order to administer and score the tests, provide test results to the Qualified Customer and authorized Test Administrators and provide reports and invoices to the Qualified Customer and authorized Test Administrators. We will handle and treat all Personal Information collected and received by us through this system in the manner outlined in this Privacy Policy.

- Test Administrator Personal Information Collected. The Personal Information that We collect, receive or process with respect to a Test Administrator through this system may include: name, phone number, mobile phone number, email address, Pearson qualification level, log-in ID and password.
- Examinee Personal Information Collected. The Personal Information that We collect, receive or process with respect to Examinees may include: first name, last name, Examinee ID (as assigned by a Test Administrator), date of birth, gender, race/ethnicity, handedness and home language. In addition, depending upon the particular clinical assessment, a wide range of additional demographic information may be collected, including, but not limited to: clinical history; education history and issues; work and employment status, history and issues; health conditions; medications; employment status; marital status; family information and history; and living arrangements. Through this system, We collect and score the responses to the clinical assessment questions and derive raw scores and test scaled or percentile scores. The Qualified Customer and the Test Administrator assigning and administering tests are responsible to obtain all legally required consents from Examinees and, if applicable, their

parents or guardians, for the collection and processing of data through this system.

- **Aggregation of Non-Personally Identifiable Data.** We will never use any personally identifiable information in any manner without Your prior permission. However, We may, request to use non-personally identifiable statistically aggregated data raw test data and other information collected in the testing process for our research, quality control, operations management, security and internal marketing purposes and to enhance, develop or improve tests and testing processes. We will provide you with two (2) options should You and Your client desire to share data with Pearson. When you sign up for Q-global, You will be given the following regarding how you will let Pearson deal with your data:

General Research.

Should You grant Pearson permission to use Your de-identified examinee data for General Data Research, then You allow Pearson to use de-identified data from your account in validation studies and studies of specific clinical populations. These data will enable us to identify items and subtests with the greatest sensitivity and specificity, and increase our ability to develop shorter and better assessments. You will have the opportunity to choose which examinees' data will be included in the research database.

Special Research.

Should You grant Pearson permission to participated in Specific Data Research, You permit Pearson to contact You each time there is a research study and, if You qualify, You may choose at that time to participate. If you choose to participate, You will receive information about specific research studies when they are being conducted. This data will meet de-identified safe harbor standards under US law, and will be used only for research and test development so that future versions of the assessment will have enhanced clinical utility. In the event that You have existing examinee data for the Test(s) on other Pearson platforms, Q-global may permit You to migrate Your data from other Pearson platforms to Q-global. If this migration is permitted by Q- global and elected by You, You agree that You are responsible for complying with Pearson's migration protocol and ensuring Your data's correctness before and after migration.

- **Transfer of Information.** In addition to providing Examinee Personal Information to the Qualified Customer who has administered or assigned the clinical assessment to the Examinee and its authorized Test Administrators, We may disclose Personal Information in the following situations: (a) in response to a subpoena, court order or legal process, to the extent permitted and required by law; (b) to protect the security of a Test Administrator, Examinee or a Qualified Customer, or the security of other persons, consistent with applicable law; (c) to address actual or suspected fraud or other illegal activities; (d) in connection with a sale, joint venture or other transfer of some or all of the assets of NCS Pearson, Inc.; (e) to our contractors or agents, who are committed or obliged to protect the privacy of Personal Information in a manner consistent with this Privacy Policy.

Protection of Personal Information

We take reasonable precautions and employ reasonable security safeguards to protect Personal Information from loss, misuse and unauthorized access, disclosure, alteration or destruction. These precautions include physical security, administrative safeguards and encryption. Test Administrators are responsible for safeguarding their user identification and passwords, and to change passwords periodically. In the event a Test Administrator becomes aware of a possible compromise of a password, the Test Administrator is responsible to change the password immediately.

Test Administrators and Qualified Customer are responsible for security of all copies of test results, data and reports printed on paper or downloaded to their computer systems. Test Administrators and Qualified Customer are urged to employ encryption and other security measures to protect computer systems used to store any test results and reports prepared through this system.

Information Access and Correction

Test answers are not subject to change by anyone after the test report has been generated. Through this system, an authorized Test Administrator has the capability to access and correct Personal Information otherwise collected through this system.

Retention of Information

Through this system, the Qualified Customer can establish the time period parameters for retaining Examinee test data and Examinee Personal Information on this system. The Qualified Customer has the flexibility to archive or export Examinee test data and Examinee Personal Information at any time.

Information Received from Internet Service Providers

This system receives information that is automatically generated by a user's Internet service provider (ISP). This information may include the IP address (a number automatically assigned to a computer by the ISP), the associated URLs, domain types, the browser type used to access our system, the country, state and telephone area code, the location of the ISP's servers, the pages of our system that the user views, any search terms entered on this system, and the user's website address and email address. This information may be collected for system administration purposes, to gather broad demographic information and to monitor the level of activity on the system. NCS Pearson does not link IP addresses to personally identifiable information; however, We reserve the right to link IP addresses and other information supplied by the ISP to personally identifiable information in order to protect the integrity of our system and for security purposes.

Cookies

Cookies are small text files that a website transfers to Your computer's browser. We use cookies to measure traffic patterns, personalize content and control security. The cookies We use supply non-personally identifiable information, but they may identify Your computer, browser and Internet specifications.

Transmission of Information

Data collected and received by us in connection with the delivery of assessments may be transmitted to the United States, Canada and other countries. The computer servers for this system are currently based in Canada. The Internet is a global environment. By using this system and sending information to us electronically, You consent to transborder and international transmission of any Personal Information collected or processed through this system.

Links to Other Sites

This system may contain links to other websites on the Internet that are owned and operated by third parties, or by NCS Pearson or its affiliates. The information practices of those websites are not covered by this Privacy Policy, but by their own terms and policies, which You should read carefully. These other sites may send their cookies to users, collect data or solicit personal information. This Privacy Policy applies only to information collected or processed through this system. This Privacy Policy is not intended to apply to other Pearson websites or other types of information, which may be subject to different privacy policies.

Changes to This Privacy Policy

We reserve the right to change the terms of this Privacy Policy from time to time by posting an updated Privacy Policy. We encourage You to review this Privacy Policy from time to time for any changes or updates.

Resolution of Concerns and Issues: How to Contact Us

If You have difficulty in using the functionality of this system to manage data, including Personal Information, please contact us at 1-800-249-0659. If You have questions or concerns about this Privacy Policy or how We handle Personal Information, please contact us at 1-800-249-0659. We will endeavor to address your questions and concerns.

Effective Date: March 10, 2016

BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum ("Addendum") adds to and is made a part of the Q-global Subscription and License Agreement by and between NCS Pearson, Inc. ("Business Associate") and Covered Entity (as defined below). As stated in the Subscription and License Agreement, this Addendum is an integral part of the Subscription and License Agreement as if fully set forth therein.

SECTION 1- DEFINITIONS

Terms used in this Addendum but not otherwise defined, including the following terms, shall have the same meaning as those terms in the HIPAA¹ Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information (or Unsecured PHI), and Use.

Specific definitions:

1.1 Business Associate. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this Addendum, shall mean NCS Pearson, Inc.

1.2 Covered Entity. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this Addendum, shall mean the entity that has entered into a Subscription and License Agreement with Business Associate.

1.3 HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

1.4 Protected Health Information (or PHI). "Protected Health Information" (or "PHI") shall have the same meaning that "Protected Health Information" has in the HIPAA Rules. The PHI that Covered Entity shall provide to Business Associate, and the PHI that Business Associate shall receive and/or create from or on behalf of Covered Entity, shall be limited to the data elements set forth on Exhibit A to this Addendum (unless otherwise agreed to in writing by Covered Entity and Business Associate). Exhibit A may be updated and amended from time to time unilaterally by Business Associate.

SECTION 2- OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Prohibition on Unauthorized Use or Disclosure. Business Associate shall not Use or Disclose PHI other than as permitted or required by the HIPAA Rules, this Addendum, or as Required By Law.

¹ As it incorporates the HITECH act effective March 26, 2013

2.2 Safeguards. Business Associate shall use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent Use or Disclosure of PHI other than as provided for by this Addendum.

2.3 Duty to Report Violations. Business Associate shall report to Covered Entity any Use or Disclosure of PHI not provided for by the HIPAA Rules or this Addendum of which it becomes aware, including breaches of Unsecured PHI as required at 45 CFR 164.410, and any Security Incident of which it becomes aware.

2.4 Subcontractors. Business Associate shall, in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any Subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.

2.5 Access to PHI. Within twenty (20) days of a request by Covered Entity, Business Associate shall make available PHI in a Designated Record Set to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.524.

2.6 Amendment to PHI. Within twenty (20) days of a request by Covered Entity, Business Associate shall make any amendment(s) to PHI in a Designated Record Set as directed or agreed to by Covered Entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 CFR 164.526.

2.7 Accounting of Disclosures. Business Associate shall maintain and make available the information required to provide an accounting of Disclosures to the Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.528.

2.8 Compliance with Requirements. To the extent that Business Associate has expressly agreed in this Addendum or in the Subscription and License Agreement to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, Business Associate shall comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s).

2.9 Inspection of Books and Records. Business Associate shall maintain and make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

2.10 Individual Requests to Business Associate. If an Individual makes a request directly to Business Associate for access to PHI, amendment of PHI, an accounting of Disclosures, or any similar action regarding PHI (including without limitation a request pursuant to an authorization), Business Associate shall within twenty (20) days forward such request to Covered Entity, and Covered Entity shall be solely responsible for determining whether to grant, deny or otherwise act upon such Individuals request.

SECTION 3 – PERMITTED USES AND DISCLOSURES

3.1 Permitted Use and Disclosure. Business Associate may only Use or Disclose PHI as necessary to perform the services set forth in the Subscription and License Agreement and as permitted by the Subscription and License Agreement and this Addendum.

3.2 Required by Law. Business Associate may Use or Disclose PHI as Required By Law.

3.3 Minimum Necessary. Business Associate agrees to make Uses and Disclosures and requests for PHI consistent with Covered Entity's Minimum Necessary policies and procedures, provided that Covered Entity provides Business Associate with specific instructions regarding its Minimum Necessary policies and procedures.

3.4 Other Permitted Uses and Disclosures. Business Associate may not Use or Disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity except for the specific Uses and Disclosures set forth below:

(a) Business Associate may Use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

(b) Business Associate may Disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided the Disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is Disclosed ("Recipient") that the information will remain confidential and Used or further Disclosed only as Required By Law or for the purposes for which it was Disclosed to the Recipient, and the Recipient notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(c) Business Associate may provide Data Aggregation services relating to the Health Care Operations of the Covered Entity.

3.5 Pursuant to an Authorization. Business Associate may Use or Disclose PHI pursuant to a valid authorization by an Individual that satisfies the requirements of 45 C.F.R. § 164.508.

3.6 De-Identification. As set forth in the Subscription and License Agreement, Business Associate may de-identify PHI and use such de-identified data for any lawful purpose. Once PHI has been properly de-identified, then as set forth in Section 164.502(d) of the HIPAA Rule the HIPAA Rule no longer applies to or protects the de-identified information, and such information is no longer subject to the terms and conditions of this Addendum.

SECTION 4 – OBLIGATIONS OF COVERED ENTITY

4.1 Notice of Limitation. Covered Entity shall notify Business Associate of any limitation(s) in the Notice of Privacy Practices of Covered Entity under 45 CFR 164.520, to the extent that such limitation may affect Business Associate's Use or Disclosure of PHI.

4.2 Notice of Revocation of Authorization. Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an Individual to Use or Disclose his or her PHI, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI.

4.3 Notice of Restriction. Covered Entity shall notify Business Associate of any restriction on the Use or Disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect Business Associate's Use or Disclosure of PHI.

4.4 Impermissible Requests. Covered Entity shall not request Business Associate to Use or Disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity except for the specific Uses and Disclosures set forth in Section 3.4 above.

4.5 Minimum Necessary Policies and Procedures. Covered Entity shall provide Business Associate copies of, and specific instructions regarding, Covered Entity's Minimum Necessary policies and procedures.

4.6 Subpoenas, Court Orders and Other Proceedings. If Business Associate receives a request to disclose PHI of Covered Entity in the course of any judicial, administrative or similar proceeding (whether by way of subpoena, court order or other means), then to the extent allowed by applicable law Business Associate shall promptly forward the request to Covered Entity, and Covered Entity shall be responsible for responding to the request.

SECTION 5 – BREACH NOTIFICATION

5.1 Breach Notification. As soon as reasonably possible, and in all cases within thirty (30) days of the first day on which any employee, officer, or agent of Business Associate either knows or, by exercising reasonable due diligence, would have known that a Breach of Unsecured PHI has occurred, Business Associate shall notify Covered Entity of such Breach. The notification shall include the identification of each Individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed during such Breach. The notification shall also include: (1) a brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known; (2) a description of the types of Unsecured PHI that were involved in the Breach (such as full name, social security number, date of birth, home address, account number, or disability code); (3) recommended steps that Individuals should take to protect themselves from potential harm resulting from the Breach; and (4) a brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against any further Breaches. Business Associate shall maintain evidence to demonstrate that any required notification under this paragraph was made unless Business Associate determines that a delayed notification applies.

5.2 Delayed Notification to Covered Entity. If a law enforcement official states in writing to Business Associate that the notification to Covered Entity required under Section 5.1 above would impede a criminal investigation or cause damage to national security, then Business Associate may delay the notification for any period of time set forth in the written statement of the law enforcement official. If the law enforcement official provides an oral statement, then Business Associate shall document the statement in writing, including the name of the law enforcement official making the statement, and may delay the required notification for no longer than thirty (30) days from the date of the oral statement, unless the law enforcement official provides a written statement during that time that specifies a different time period. Business Associate shall be obligated to maintain evidence to demonstrate that the required notification under this paragraph was made.

SECTION 6 – TERM & TERMINATION

6.1 Term. The term of this Addendum shall be effective as of the effective date of the Subscription and License Agreement, and shall terminate when all PHI is returned to Covered Entity or destroyed, or, if it is infeasible to return or destroy PHI, protections are extended to such PHI, in accordance with the termination provisions of this Section 6.

6.2 Termination for Cause. Upon Covered Entity's knowledge of a material breach of this Addendum by Business Associate, Covered Entity shall provide written notice of the breach and provide an opportunity for Business Associate to cure the breach or end the violation within thirty (30) business days of such written notice, unless cure is not possible. If Business Associate fails to cure the breach or end the violation within the specified time period or cure is not possible, Covered Entity may terminate this Addendum immediately upon written notice, unless termination is infeasible.

6.3 Effect of Termination. Except as provided in this Section 6.3, upon termination of this Addendum for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:

- (a) Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

- (b) Return to Covered Entity or, if agreed to by Covered Entity, destroy the remaining PHI that Business Associate still maintains in any form;

- (c) Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent Use or Disclosure of the PHI, other than as provided for in this Section 6.3, for as long as Business Associate retains the PHI;

- (d) Not Use or Disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set forth in Section 3 above which applied prior to termination; and

- (e) Return to Covered Entity or, if agreed to by Covered Entity, destroy the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

SECTION 7 – MISCELLANEOUS

7.1 Regulatory References. A reference in this Addendum to a section in the HIPAA Rules means the section as in effect or as amended.

7.2 Amendment. Business Associate and Covered Entity agree to take such action as is necessary to amend this Addendum from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.

7.3 Survival. The respective rights and obligations of Business Associate under Sections 6 and 7 shall survive the termination of this Addendum.

7.4 Interpretation. Any ambiguity in this Addendum shall be interpreted to permit compliance with the HIPAA Rules.

I ACCEPT

I DECLINE

Exhibit A
Protected Health Information

The PHI that Covered Entity shall provide to Business Associate, and the PHI that Business Associate shall receive and/or create from or on behalf of Covered Entity, shall be limited to the following data elements (unless otherwise agreed to in writing by Covered Entity and Business Associate):

- Name
- Address
- Phone number(s)
- Email address
- Pearson qualification level
- Log-in ID and password
- Examinee ID
- Date of birth
- Gender
- Race and ethnicity
- Handedness
- Home language
- Clinical history
- Education history and issues
- Work and employment status, history and issues
- Health conditions
- Medications;
- Marital status
- Family information and history
- Living arrangements
- Names of parents or guardians
- Test results and raw scores

Legal Policies

Effective: January 18, 2018

IMPORTANT NOTE:

These Legal Policies apply to the assessment products and services listed on this website (Site) for Pearson's Clinical Assessment and Talent Assessment (TalentLens) ("Pearson") products.

These Legal Policies are subject to change from time to time by updated postings, and changes will be effective upon posting of an update.

- General Policy For Reproduction And Dissemination Of Pearson's Test Materials
- Trade Secrets
- Copyright/Fair Use
- FERPA (Family Education Rights and Privacy Act)
- HIPAA (Health Insurance Portability and Accountability Act) Compliance
- HIPAA Disclosure of Test Record forms
- Second Opinions
- Ethical Issues
- Electronic Storage of Assessments
- Posting Reproductions or an Administration of a Test On-Line
- Variant Testing Conditions
- Audio/Videotaping of Test Administrations
- Telepractice Test Delivery Administrations
- Litigation

General Policy For Reproduction And Dissemination Of Pearson's Test Materials

Pearson asserts that strong measures are necessary to protect the validity of its valuable testing instruments. Pearson believes that any reproduction of its tests without the prior written permission from Pearson may constitute copyright infringement and is a violation of the Terms and Conditions of Sale and Use of Pearson Products. Furthermore, disclosure of the assessments may threaten the ongoing security, reliability, and/or validity of the test and the test's results, and therefore, the value and usefulness of the test.

Trade Secrets

Outside of the protection granted by United States copyright law, Pearson considers its secured tests to be trade secrets. The test questions and answers, manuals and other materials constitute highly confidential, proprietary testing information that Pearson takes every precaution to protect from disclosure beyond what is absolutely necessary for the purpose of administering a test. Even in the development stage, the assessment materials are treated confidentially by Pearson employees, agents and consultants.

Pearson continues to guard the secrecy of its test materials once they become finished products. They are sold only to qualified individuals who are bound by the ethical standards of their profession to protect the integrity of the materials by maintaining the confidentiality of the test materials. Pearson has Qualification Policies that are strictly enforced and each purchaser of a

Qualification Level B or C product is required to fill out a User Acceptance Form that verifies their qualifications. The User Acceptance Form contains a statement signed by the qualified purchaser indicating that the purchaser is so qualified, that the purchaser will abide by the Terms and Conditions of Sale and Use and that all ethical rules will be observed by the purchaser. Therefore, Pearson strongly opposes the release of any test materials to non-qualified individuals.

Copyright/Fair Use

It is the position of Pearson that any reproduction of its test or other published materials, whether reproduced on paper or electronically (this includes use intake forms, research, video or audio taping administrations, photos, or any image capturing system), constitutes an infringement of the copyright and other proprietary rights in the tests or other published materials. For your reference, the copyright law pertaining to our test materials can be found in Section 107 (Fair Use) of Public Law 94-553, Title 17 – Copyrights. With respect to the matter of copyright protection for Pearson's test materials, House Report 94-1476, (p. 69) states: *"(B) There shall be no copying of or from works intended to be 'consumable' in the course of study or of teaching. These include workbooks, exercises, standardized tests and test booklets and answer sheets and like consumable material."*

In Pearson's view, reproduction of its test materials without prior written consent **DOES NOT** fall within the "fair use" exception of the copyright law. Section 107 of the copyright law states four factors as being among those that should be considered in determining whether unauthorized copying of copyrighted material is a "fair use." These factors are:

- The nature of the use (e.g. commercial vs non-profit educational use);
- The nature of the copyrighted work (e.g. special consideration such as security issues);
- The amount of the copyrighted work which is used; and
- The effect of the use in a potential market for the copyrighted work.

Although reproductions of test materials might, in very limited cases, fall on the "fair use" side of point 1), most reproductions almost certainly fall on the "non-fair use" side of the other three factors, particularly points 2) and 4). Therefore, please contact Pearson's Clinical Assessment group at pas.licensing@pearson.com for any permission request to make reproductions of any of the Pearson tests or other Pearson materials.

FERPA (Family Education Rights and Privacy Act)

In a school setting, some Pearson customers receive requests to release copies of test questions or protocols. It is our position that release of our tests or test protocols in any form is not required under federal law (except in very limited situations and in limited jurisdictions). If you are in California, please check with an attorney regarding your responsibilities. The applicable U.S. statute is the Family Education Rights and Privacy Act (FERPA), and it establishes the right of parents "to inspect and review the education records of their children" (20 U.S.C §1232G(a)(1)(A)). FERPA requires schools to establish procedures that will enable parents to review their children's records within a reasonable time after a request is made. The regulations implementing this section define "the right to inspect and review education records" as including:

"(1) the right to a response from the [school] to reasonable requests for explanations and interpretations of the records; and

(2) the right to obtain copies of the records from the [school] where failure of the [school] to provide the copies would effectively prevent a parent or eligible student from exercising the right to inspect and review the education records" (34 C.F.R. § 99.11(b)).

The import of this section is that only where failure to provide copies would deny the exercise of this right will schools be obliged to provide copies. In all other cases, inspection alone would presumably suffice. If a parent requests an inspection of a child's record, once the school agrees to review the content of the child's test record with the parent, it is most unlikely that a court would find that exercise of the right to review educational records has been denied.

Pearson's Clinical Assessment group encourages professionals who conduct testing to review student's test results with their parents or guardians. If the testing professional deems it appropriate, this review could include showing the parent or guardian the test materials and their child's responses in order to permit a more useful discussion of test results. Test scores may be summarized in writing. However, our Terms and Conditions of Sale and Use of Pearson Products do not permit the making and giving of copies of test materials to students or their parents or guardians.

Pearson's tests are sensitive copyrighted instruments and widely used throughout the world. In order to protect their validity and reliability for further use with the test taker and other students, Pearson **does not** waive its copyright and trade secret protection to permit copying of test protocols for the student's parent or guardian. Impairment of their security could threaten the validity and reliability of the tests and, therefore, their value as a measurement tool:

HIPAA (Health Insurance Portability and Accountability Act) Compliance

Pearson offers several platforms (together, the System) that collect Personal Health Information (PHI) as it is defined under the Health Insurance Portability and Accountability Act (HIPAA). Pursuant to HIPAA, Pearson may act as a Business Associate for those Covered Entities. PHI data on the System is protected using physical, security, and administrative safeguards including encryption during use, in transit and at rest. The PHI data is stored on secure servers located in a secured data center in a database that is encrypted with industry standard high-security encryption. When the data is transmitted, the data is encrypted using industry-standard Secure Socket Layer (SSL) technology. The System uses a secured database that separates and segregates a customer's records so that they cannot be seen by other customers. This separation and segregation is confirmed through testing and external auditing.

If you are a Covered Entity and require a Business Associates Agreement, the platform you are accessing should have a Business Associates Agreement accessible within the System and available for your use. Please note that the rules regarding disclosure of Test Record Forms are still applicable to the assessments accessed through these platforms.

HIPAA Disclosure of Test Record Forms

Many of our customers have inquired regarding Pearson's position on whether test record forms must be disclosed to patients in order to comply with the Privacy Rule of the Health Insurance Portability and Accountability Act (HIPAA). The HIPAA Privacy Rule provides that individuals have a qualified right of access to individually identifiable health information maintained by health care providers covered by HIPAA. However, Pearson's test materials are protected by copyright and trade secret law, and the widespread dissemination of test record forms (which may disclose test questions and answers) would violate restrictions on the use of Pearson's test materials and would cause great harm to Pearson, the test materials, the clinical community, and to the public at large.

The U.S. Department of Health and Human Services (HHS), which is responsible for HIPAA, provided clarification related to this matter as stated below:

"Any requirement for disclosure of protected health information pursuant to the Privacy Rule is subject to Section 1172(e) of HIPAA, 'protection of trade secrets'. As such, we confirm that it would not be a violation of the Privacy Rule for a covered entity to refrain from providing access to an individual's protected health information, to the extent that doing so would result in a disclosure of trade secrets."

Accordingly, we will continue to advise our customers that Pearson's test materials are trade secrets and their usefulness and value would be compromised if they were generally made available to the public. We have stated this position in correspondence, court cases, news articles and on our website for many years. This position is also consistent with our longstanding practice of ensuring, through our terms and conditions of use, that all purchasers have the appropriate qualifications to administer and interpret the test materials being purchased and that such purchasers agree to maintain the confidentiality of the test materials.

Given the above-quoted support from HHS, Pearson reiterates that customers may not disseminate copies of test record forms or protocols to persons who erroneously claim that they are entitled to copies under HIPAA. As the HHS has now confirmed, HIPAA does not require any person to disclose any trade secret materials, and all restrictions on the dissemination of test record forms and protocols remain in effect.

Second Opinions

Pearson recognizes that, in some cases, a parent or guardian may wish to consult a second professional regarding a minor's test scores. In these situations, we have no objection to a reproduction of the completed test protocol being provided to another qualified professional for the purpose of review; however, the materials should pass directly from professional to professional and not through the hands of a parent, guardian or their attorney.

Ethical Issues

The original dissemination of Pearson's test materials are carefully restricted to individuals with a professional background in psychology, and only individuals with appropriate training in psychological assessment should interpret the tests. Under the *Standards for Educational and Psychological Testing*, published by the American Educational Research Association (AERA), American Psychological Association, and the National Council on Measurement in Education (NCME), psychologists have an ethical duty to protect the integrity of secure tests by maintaining the confidentiality of the test materials and scores by releasing such test materials and scores only to professionals who have the same ethical duty.

The confidentiality of test questions, responses, and scores are paramount to maintaining the integrity, reliability, and validity of the tests. Unlike many other types of tests, our Qualification B and C level tests do not consist of a large collection of test items that are rotated. Rather, these tests have one expensive and highly researched version and should remain intact for 10 to 15 years. Millions of dollars have been spent on the research and "norming" (compiling of statistical data regarding results) of the tests. Any leakage of test items will severely compromise the value and usefulness of the tests.

Electronic Storage of Assessments

The question of electronic storage is a complicated one. The assessment materials being considered for electronic storage are copyright protected (and in some cases trade secret protected). Copying is not permitted without permission from the publisher. However, we understand that electronic storage is often replacing physical storage for record-keeping purposes. Recognizing that reality, please note that our concern is not so much the storage format, as access and disclosure to our assessments that is a problem.

First, please note that Section 8 of our Terms and Conditions of Sale and Use require purchasers of our assessment instruments to protect the security of the instruments they purchase.

Second, we have also developed the following guidelines to assist you with maintaining the security of the assessment instrument and to address the need to store the information electronically. When Pearson grants permission to make electronic file copies of the tests it publishes, we require those who would do electronic storage to comply with the following guidelines. If you are unable to comply with these guidelines, we cannot grant permission to make copies of our assessment materials.

Permission to make electronic file copies of the tests is predicated on the following conditions:

1. Ensure that the test items not be included whenever possible;
2. That the tests are kept separate from other file material so that they are not inadvertently disclosed in response to a general HIPAA request. Of course, there are situations that require disclosure of test material, but these are rare and are addressed with legal protective orders; and
3. That the file containing the tests be password protected and secure from unqualified (per the Pearson qualification policy) users.

When permission to scan has been received and the three safeguards above are in place, electronic storage can work fine for psychological tests. The responsibility for test security remains with the qualified purchaser.

Posting Reproductions or an Administration of a Test On-Line

Agreement to Pearson's Terms and Conditions of Sale and Use of Pearson Products are part of the purchase process for any of its assessments. For a variety of reasons, it is critical that all our customers (including students, as part of their graduate program) adhere to ethical and professional policies for the appropriate protection of secure assessment content. In contrast to the past where videotapes of assessments were relegated to the media lab at the graduate program, technology now makes it very easy for anyone to record themselves administering an assessment and post that recording to a mass media site. While recording an assessment administration remains an important part of the teaching and supervision process, students should be reminded that:

- Test materials (text, graphic images, or the oral reading of items) may not be displayed, reproduced, or performed (e.g., filming an administration) in any manner, electronically or otherwise, including posting on any mass media site, such as YouTube or any other similar site, without the prior written permission of Pearson.

This means that posting a video on a mass media site, such as YouTube or any other site, of an administration of a secure, copyrighted assessment should never occur without the prior written consent of Pearson. When a video of this nature becomes public on any forum, it is considered an unauthorized reproduction or performance of the copyrighted material (whether the materials are viewable or not). In addition to the legal concern, all clinicians should be aware that the

availability of secure test content to unqualified users is damaging to the test's reliability and validity.

Variant Testing Conditions

Audio/Video Recording of Test Administration

It is Pearson's opinion that audio or video recording or other non-standard conditions may invalidate the use of norm-referenced scores. As you may know, norms for standardized tests are developed under strict conditions. If such conditions are not met, the scaled scores obtained by application of the test norms may not be statistically defensible. Although it is the position of Pearson that the validity of any scaled score that results from a non-standard administration should be interpreted with caution, it is the responsibility of the individual psychologist administering the test to determine if the results of the assessment are an accurate reflection of the examinee's abilities. In rare high stakes legal evaluations with a valid court order mandating the audio or video recording of an evaluation for review only by other qualified examiners, the examiner and reviewers have the responsibility to determine if this variant testing condition has or had a material impact on the examinees test performance considering issues such as distractions, rapport, and effort. We request that any such recordings should be made the subject of a protective order to ensure the security of the test items and content. Please refer to the section herein titled **Litigation** which describes what should be included in a protective order. Additionally, recordings should not be allowed in any setting where the security of the recording cannot be adequately protected. Additionally, an audio or video recording of an administration where any test materials are recorded is a reproduction under federal copyright law. If done without our written permission, such acts may be an infringement of the assessment's copyright.

Telepractice Test Delivery Administration

Telepractice is the use of telecommunications technology for the delivery of professional services at a distance. There is initial, but not conclusive evidence supporting test validity when administering the test via a telepractice method for a selective group of assessments. Norms for standardized tests are developed under strict testing conditions. If such conditions are not met, the scaled scores obtained by application of the test norms may not result in statistically accurate scores. Although it is the position of Pearson that the validity of any scaled score obtained as a result from a non-standard administration should be interpreted with caution, it is the responsibility of the individual administering the test to ensure that the results of the assessment are an accurate reflection of the examinee's abilities. Please refer to the specific product pages for further information related to telepractice test administration. Delivering our assessments via a teleconference or other similar method is a reproduction of our assessments under federal copyright law that requires the written permission from the copyright owner. If done without our written permission, such acts may be an infringement of the assessment's copyright.

Litigation

Pearson understands that from time to time you may receive demands from third parties to reproduce, produce or disclose copyright-protected and/or trade secret protected psychological test materials in connection with litigation. If such demands were to be fully complied with, the material disclosed might include test booklets, answer sheets, record forms, manuals, user's guides, scoring software, computer-generated output reports, or other published and unpublished material protected by Pearson under intellectual property law.

Pearson does not wish to impede the progress of legal proceedings; however, we are equally unwilling to jeopardize the security and integrity of our test instruments by consenting to the release of copyrighted and confidential material to those not professionally qualified to obtain them. Should litigation in which a psychologist is involved reach the stage where a court considers ordering the release of proprietary test materials to non-professionals such as counsel, we request that the court issue a protective order prohibiting parties from making copies of the materials; requiring that the materials be returned to the professional at the conclusion of the proceeding; and requiring that the materials not be publicly available as part of the record of the case, whether this is done by sealing part of the record or by not including the materials in the record at all.

In addition, testimony regarding the items, particularly that which makes clear the content of the items, should be sealed and again not be included in the record. Pleadings and other documents filed by the parties should not, unless absolutely necessary, make specific reference to the content of or responses to any item, and any portion of any document that does should be sealed. Finally, we ask that the judge's opinion, including both findings of fact and conclusions of law, not include descriptions or quotations of the items or responses. We think this is the minimum requirement to protect our copyright and other proprietary rights to the test, as well as the security and integrity of the test.

To the extent that you have not already done so, you may wish to consult with your local psychological association as well as the American Psychological Association on this particular issue. The Committee on Legal Issues for the American Psychological Association and/or the Office of General Counsel for the American Psychological Association in Washington, D.C., in particular, may have some additional thoughts on how to deal with this matter.

We very much appreciate your sensitivity to the issues surrounding appropriate use of and access to psychological testing materials. If you have other questions, please contact Pearson's Customer Support via our online form.

[Home](#) [Professional Assessments](#) [Ordering](#) [Returns](#)

Returns

General Returns

Pearson provides product credit on qualifying returns for:

Unused (unopened packages) paper materials received within 90 days of the invoice date.

Software materials and usage credits/electronic assessment units (see Digital Product Returns below).

Scorable Assessments (see Scorable Assessments Returns below).

Materials must be in saleable condition, clean, and unused. If the product is no longer sold, returns are not accepted.

Materials returned after 30 days but prior to 90 days of invoice date are subject to a 10% return fee per returned parcel.

Materials or software damaged in transit must be returned within 30 days of invoice date. No other software returns will be accepted.

*Specific requirements for Q Local™, Q-global™, Q-interactive™, Attemo and Rehacom follow under Digital Product Returns.

Ordering

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How to order](#)

[Order Status](#)

[Quotes](#)

[Shipping & Handling](#)

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[Returns](#)

[Catalogs](#)

[Organizational Accounts](#)

[Research Assistance Program](#)

[International Offices](#)

Option 1

For digital or physical product returns

Contact [Customer Support](#) for a Return Materials Authorization (RMA) document, which will be provided via email.

RMA will ensure timely and automated processing upon receipt of materials.

Include RMA with return package.

Send materials by an insured, [Learn more](#) traceable method such as UPS or FedEx to:

Option 2

For physical product returns Only

Simply follow these 4 steps:

Enclose proof of purchase from Pearson (invoice or packing slip).

State the reason for the return or exchange.

Provide your account number, name and phone number.

Send materials by an insured, traceable method such as UPS or FedEx to:

Pearson Assessments Returns
5532 West 74th Street
Indianapolis, IN 46268

Pearson Assessments Returns
5532 West 74th Street
Indianapolis, IN 46268

Digital Product Returns

We provide product credit for qualifying returns received within 90 days of the invoice date. Digital items returned after 30 days but prior to 90 days of invoice date are subject to 10% return fee.

Q Local™

Pearson is not responsible for lost, damaged or stolen report counters or any unused administrations on such devices. Replacements are available at full cost.

Q-global™

Q-global individual unused report usages can be returned within 90 days of the invoice date.

Q-global scoring subscriptions may be returned within 90 days of the invoice date as long as they were never allocated to a user on the Q-global account.

Exchanges between Q-global individual report usages and Q-global scoring subscriptions for the same assessment and value may be made at any time by contacting customer support.

Q-interactive™

[Learn more](#)
Q-interactive licenses may be returned within 90 days of the invoice date.

If a subtest has been administered under the license, returns are not accepted.

Unused pre-paid Q-interactive usages may be returned within 90 days of the invoice date.

Attemo and Rehacom

Attemo unused software administrations and equipment may be returned for full credit within 30 days of invoice date. Attemo unused administrations and equipment returned after 30 days but within 90 days of invoice date, are subject to a 10% return fee, per returned parcel. Equipment must be in original packaging, unused or like new, clean and saleable condition.

Rehacom unused licenses and hardware may be returned for full credit within 30 days of invoice date. Rehacom licenses and hardware returned after 30 days but within 90 days of invoice date, are subject to a 10% return fee, per returned parcel. Equipment must be in original packaging, unused or like new, clean and saleable condition.

Attemo and RehaCom materials only should be returned to:

Attention: Returns
Pearson Clinical Assessment
501 Boylston St, Rm 7E021
Boston, MA 02116

ReadyResults

No refunds or exchanges will be issued for ReadyResults Usage Credits after the date of sale except under the following conditions:

Within 180 days of sale ReadyResults Usage Credits may be transferred from one assessment product to the same subsequent assessment product with an adjustment in the list price based on the volume purchased (eg. SELP ReadyResults Usage Credits may be exchanged with an adjustment in price for SELP 2 ReadyResults Usage Credits.)

[Learn more](#)

Pearson has no obligation to provide a credit or refund for ReadyResults usage credits after the date of sale.

To obtain credit for Usage Credits/Electronic Assessment Units, information from your invoice will be required, you may submit your request via the [Online Contact Form](#) or contact Customer Service.

Scorable Assessments Returns

Send SCORABLE assessments for Scoring & Reporting processing by an insured, traceable method such as UPS or FedEx to:

Pearson
Central Scoring Center
9200 Earhart Lane SW
Cedar Rapids, IA 52404

[Learn more](#)

Returns

Page 6 of 6

[Website Terms of Use](#) [Privacy Statement](#) [Patent Notice](#) [Accessibility](#)

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Learn more

Order Form 2019

1 Ship to: (Note: We cannot ship to P.O. Boxes)

Name _____
 Title _____
 Organization _____
 Street _____
 City _____ State _____ Zip _____
 Phone () _____
 Email _____

(Please use your Q account email above if ordering Q products.)

2 Bill to: (if different)

Name _____
 Street _____
 City _____ State _____ Zip _____
 Phone () _____
 Email _____

Have you ordered from Pearson before?

☐ Yes ☐ No (If first order, please complete Qualification online at PearsonClinical.com/Qualification)

Ordering Q products? Please identify for what type of account:

☐ New User ☐ Q-global* ☐ Q-interactive* ☐ Q-Local*

Q-global account # _____

Q-interactive account # _____

3 Product Description or attach Purchase Order (PO)

	Product Number	Quantity	Unit Price	Total Price

4 Payment (Note: We cannot accept cash)

☐ Purchase Order* # _____

*If you are submitting a purchase order, please attach it to this completed order form.

Pearson only accepts credit card payments through its e-commerce portal, call center and remote call centers at selected Events. Credit Card information is not accepted via paper order to protect your personal information.

Prices effective from January 1, 2019 to December 31, 2019 and subject to change without notice. Terms are balance net 30 days, Risk of loss is FOB destination with shipping charges added to invoice per chart (at right). If prices on your order are incorrect, we reserve the right to exceed the amount up to 10% unless otherwise stated on your order. Please see Terms & Conditions at PearsonClinical.com.

MAIL: Pearson
 Clinical Assessment
 Ordering Department
 P.O. Box 599700
 San Antonio, TX 78259

PHONE: 800.627.7271
 FAX: 800.232.1223

For faster processing, complete the webform at pearsonclinical.com/orders and attach this form along with any purchase orders/quotes.

Select 'order/status' as your submission category. If your order is for multiple products, please type in the name of one product. Then enter information on your additional product(s) in the paragraph field.

5 Shipping

Standard Shipping
 (shipped within 48 hours)

ORDER SIZE	CHARGE
< \$500	6% (Minimum \$10)
\$500 to \$2499	5%
\$2500+	4%

Tax Exempt?

Pearson must have a copy of certificate on file.

Subtotal \$

Add state and local tax (OFFICE USE ONLY) \$

☐ Standard Order Shipping \$

☐ Additional Shipping Charges* \$

(OFFICE USE ONLY) TOTAL \$

*3-5 DAY: Add 4% to standard shipping price.
 shipping price. INTERNATIONAL: Add 10% to standard shipping price. ALASKA, HAWAII, PUERTO RICO, AND VIRGIN ISLANDS: Add 5% charge to standard shipping price.

6 Authorization

I authorize Pearson to ship this order and agree to the terms set forth on the Pearson website, including the terms of the User Acceptance Form, the Terms & Conditions and the Returns Policy at PearsonClinical.com.

Authorized Signature _____

Title _____ Date _____



Canadian customers, please contact our Pearson Canada office to place your order at 866.335.8418.

Office Use _____



Pearson

800.627.7271 | PearsonClinical.com

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Our site will be undergoing maintenance on Sunday, July 21 from 12:00 p.m. - 1:00 a.m. ET. Please place orders before or after that time.

[Home](#) [Professional Assessments](#) [Ordering](#) [How to order](#)

How to order

There are multiple ways to place an order with Pearson.

While ordering online is the quickest and easiest option, we also welcome customers to order manually via webform, phone, or fax.

Learn more about each step of the ordering process below.

Account creation

Ordering products on this website requires a customer to create or sign in to a website account. [Learn more.](#)

Qualifications

All customers are assigned a qualification level to allow for purchasing of corresponding assessments. [Learn more.](#)

Manual ordering

Don't want to place an order online? Qualified users can also

Purchase orders

Purchase orders can be used to place an order via the website, fax, webform, or mail. [Learn more.](#)

order by webform, phone, or fax.
Learn more.

Mail-in scoring

Mail-in answer sheets are requested when ordering selected tests and mailed to Pearson for scoring. Learn more.

Ordering

How to order

[Account creation](#)

[Qualifications](#)

[Manual ordering](#)

[Purchase orders](#)

[Mail-in Scoring](#)

[Order Status](#)

[Quotes](#)

[Shipping & Handling](#)

[Tax Exemption](#)

How to order

Page 3 of 3

[Returns](#)

[Catalogs](#)

[Organizational Accounts](#)

[Research Assistance Program](#)

[International Offices](#)

Professional Assessments

Large Scale Assessments

Graduate Admissions

Talent

Product Platform Logins

Clinical Privacy Policy

Clinical Permissions & Licensing

Clinical Terms of Sale & Use

Clinical Legal Policies

About

Careers

Other Pearson Sites

Website Terms of Use

Privacy Statement

Patent Notice

Accessibility

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Our site will be undergoing maintenance on Sunday, July 21 from 12:00 p.m. - 1:00 a.m. ET. Please place orders before or after that time.

[Home](#) [Professional Assessments](#) [Ordering](#) [How to order](#) [Account creation](#)

Account creation

Ordering products on this website requires a customer to have a website account. If you have a website account already, you can sign in by navigating to the link located at the top of any page.

If you have never created a website account for PearsonAssessments.com or PearsonClinical.com (now consolidated into this website), please click the register now button to begin the process.

[Register now](#)

Important Notes

All active website accounts and their logins created prior to March 1, 2019 on either PearsonAssessments.com or PearsonClinical.com have been migrated to this website. You do not need to create a new account and are able to login with your same credentials.

Customers who have not previously ordered via our website (ordered Pearson products by phone, fax, or email) can easily create a website account by clicking the Register Now button above! After registering, Pearson will automatically link your new website account to your existing Pearson account to provide you a seamless experience no matter what method you prefer.

Ordering

[How to order](#)

[Account creation](#)

[Qualifications](#)

[Manual ordering](#)

[Purchase orders](#)

[Mail-in Scoring](#)

[Order Status](#)

[Quotes](#)

[Shipping & Handling](#)

[Tax Exemption](#)

[Returns](#)

[Catalogs](#)

[Organizational Accounts](#)

[Research Assistance Program](#)

[International Offices](#)

Account creation

Page 3 of 3

Professional Assessments

Product Platform Logins

Large Scale Assessments

Clinical Privacy Policy

Graduate Admissions

Clinical Permissions & Licensing

Talent

Clinical Terms of Sale & Use

Clinical Legal Policies

About

Careers

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Privacy Statement

Patent Notice

Accessibility

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Sign in

Username

Password

Show

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| [Accessibility](#) | [Website Terms of Use](#) | [Support](#)

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Create an account

Email address

Confirm email address

Username

☒ Same as email address

Password

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Your password must have 8 or more characters, at least one uppercase letter, and one number.

First name

Last name

Country 

Country

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[Terms of Sale and Use](#) | [Legal Policies](#) | [Permissions & Licensing](#) | [Privacy](#) | [Patent Notice](#)
| [Accessibility](#) | [Website Terms of Use](#) | [Support](#)

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Our site will be undergoing maintenance on Sunday, July 21 from 12:00 p.m. - 1:00 a.m. ET. Please place orders before or after that time.

[Home](#) [Professional Assessments](#) [Ordering](#) [How to order](#) [Qualifications](#)

Qualifications

A central principle of professional test use is that individuals should use only those tests for which they have the appropriate training and expertise. Pearson supports this principle by stating qualifications for the use of particular tests, and selling tests to individuals who provide credentials that meet those qualifications.

Additional policy information may be found on the [qualifications policy page](#).

Product qualification levels

All Professional Assessments products are assigned a qualifications level of either A, B, or C (with C being the highest qualification level). You can view all assessment products by level using the buttons below.

A Level Products

B Level Products

C Level Products

Ordering

How to order

Account creation

Qualifications

Purchasing as a qualified user

Purchasing on behalf of a qualified user

Qualifications Policy

Manual ordering

Purchase orders

Mail-in Scoring

Order Status

Quotes

Shipping & Handling

Tax Exemption

Returns

Catalogs

Organizational Accounts

Research Assistance Program

International Offices

Individual Qualification Levels

Similar to our product levels, all customers are assigned an individual qualification level of either A, B, or C to allow for purchasing of corresponding assessments. Customers who obtain a C level can purchase any product while customers with B level can only purchase B or A level products. Customers with A level may only purchase A level products.

Qualification information (degree, certificate/license, membership organization, or accreditation) can be entered either when a customer is prompted during the initial website account registration process or at any time after a website account is created. Learn more about entering your qualifications and purchasing as the [qualified user on the instructional page](#). For further information please view the [qualifications policy](#) and full table of qualifications requirements.

Updating Qualifications



Purchasing on Behalf of another Qualified User

In some cases purchasing agents, administrative assistants, financial officers, etc. may need to purchase assessments on behalf of a qualified user who will ultimately administer the assessment. To learn more about this method of purchasing an assessment please visit the [Purchasing on Behalf of a Qualified User](#) page.

For additional questions or issues with Qualifications please visit the [customer support portal](#).

Professional Assessments

Large Scale Assessments

Graduate Admissions

Talent

Product Platform Logins

Clinical Privacy Policy

Clinical Permissions & Licensing

Clinical Terms of Sale & Use

Clinical Legal Policies

About

Careers

Other Pearson Sites

Qualifications

Page 5 of 5

[Website Terms of Use](#)

[Privacy Statement](#)

[Patent Notice](#)

[Accessibility](#)

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[Home](#) [Professional Assessments](#) [Ordering](#) [How to order](#) [Manual ordering](#)

Manual ordering

While using our e-commerce website for checkout is designed to be the quickest, easiest option for ordering (including the ability to pay by purchase order), customers are welcome to also order manually without a website account via webform, phone, or fax.

Please note that all manual orders require a qualified user be identified as well as payment method of Purchase Order or Credit Card. Qualified users must have previously submitted a qualified user form or after March 1, 2019 created a website account and completed the qualifications section of their profile.

Webform order

Customers who already have a Pearson account (non-website account for which you have an account number) and a purchase order may order directly via [webform](#).

Please complete the webform information and attach the purchase order PDF to the webform submission. You will receive a case number and email confirmation following submission to confirm your order.

Phone order

Prior to calling, find your products online and write down the name and product code for each item you are ordering. Also, have your account number ready.

Then call us at **800-627-7271** to place your order. You may pay by credit card or purchase order.

**Please note all university, hospital, VA, public school or government facilities are required to supply a purchase order (PO) number or credit card.*

Fax order

Download and complete the [order form](#) and [fax order checklist](#). Submit your documents to fax number 800-232-1223. Faxed orders may take up to 2 additional business days to process. For fastest processing, please use the website or webform.

Ordering

[How to order](#)

[Account creation](#)

[Qualifications](#)

[Manual ordering](#)

[Purchase orders](#)

[Mail-in Scoring](#)

[Order Status](#)

[Quotes](#)

[Shipping & Handling](#)

[Tax Exemption](#)

[Returns](#)

Manual ordering

Page 3 of 3

[Catalogs](#)

[Organizational Accounts](#)

[Research Assistance Program](#)

[International Offices](#)

[Professional Assessments](#)

[Large Scale Assessments](#)

[Graduate Admissions](#)

[Talent](#)

[Product Platform Logins](#)

[Clinical Privacy Policy](#)

[Clinical Permissions & Licensing](#)

[Clinical Terms of Sale & Use](#)

[Clinical Legal Policies](#)

[About](#)

[Careers](#)

[Other Pearson Sites](#)

[Website Terms of Use](#)

[Privacy Statement](#)

[Patent Notice](#)

[Accessibility](#)

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[Home](#) [Professional Assessments](#) [Ordering](#) [How to order](#) [Purchase orders](#)

Purchase orders

Organizations may utilize purchase orders to make purchases via this website, web form, or fax.

Ordering via the website

Purchase orders may be used in lieu of a credit card during website check out. Simply upload the purchase order PDF file when prompted in checkout, then complete your order. An order confirmation will be emailed to you following completion of your order and can be accessed at any time under 'My Account' > 'Order History', in the top navigation.

Ordering via fax, webform, or mail

To ensure accurate and efficient handling of your order when utilizing one of these manual ordering methods, please confirm the following information is on your purchase order:

Qualified User First and Last Name

Qualified User Email address and Phone number

Account/Organization/District of School Name

If ordering Q-global® or Q-interactive® products, include Q-global® or Q-interactive® account number

If any of the above information is not listed on your purchase order, either add the missing information to your purchase order or fill out the relevant field(s) on the [Order Checklist document](#) and include this document with your purchase order upon submission. Any orders that are missing this required information can not be processed and will be placed on hold. Our Customer Support team will contact you to provide the information and complete the order.

Learn more about [manual ordering](#) methods or [qualifications](#).

Ordering

[How to order](#)

[Account creation](#)

[Qualifications](#)

[Manual ordering](#)

[Purchase orders](#)

[Mail-in Scoring](#)

[Order Status](#)

[Quotes](#)

[Shipping & Handling](#)

[Tax Exemption](#)

[Returns](#)

[Catalogs](#)

Purchase orders

Page 3 of 3

[Organizational Accounts](#)

[Research Assistance Program](#)

[International Offices](#)

[Professional Assessments](#)

[Large Scale Assessments](#)

[Graduate Admissions](#)

[Talent](#)

[Product Platform Logins](#)

[Clinical Privacy Policy](#)

[Clinical Permissions & Licensing](#)

[Clinical Terms of Sale & Use](#)

[Clinical Legal Policies](#)

[About](#)

[Careers](#)

[Other Pearson Sites](#)

[Website Terms of Use](#)

[Privacy Statement](#)

[Patent Notice](#)

[Accessibility](#)

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[Home](#) [Professional Assessments](#) [Ordering](#) [How to order](#) [Mail-in Scoring](#)

Mail-In Clinical Scoring

1. When ordering, make sure to request Mail-In answer sheets for your selected tests.
2. Mail completed answer sheets to Pearson Clinical Assessments along with processing form or letterhead with correct return address (we cannot accept packages or envelopes without a return address, account number, or phone number.) Do not include credit card information with your cover sheet and forms. We cannot accept credit card information in any form except by phone or ecommerce on our website. Please include a phone number at which we can reach you.
3. Answer sheets will be processed within 48–72 hours (M-F) of receipt and returned to you via regular mail. Please allow 7–14 business days for regular first class postal delivery from date of receipt in our office. For faster delivery select overnight delivery, return by email or return-by-fax options.

Cost

The costs of scoring, reporting and delivery by regular first class mail are included in the price of the pre-paid test answer sheets. (See website for Mail-In price lists.) Transcription fees may apply for non-scannable test forms, including handscore answer sheets as well as faxed in and emailed in answer sheets.

For more information on Mail-in Scoring, special handling options, and holiday schedule, call 800-627-7271, Option 3. Our business hours are from 8:00 a.m. to 4:30 p.m. Central Standard Time, Monday-Friday.

For questions regarding the PCAT and Miller Analogies tests, please call 800-622-3231.

For questions and addresses for the SAT10 and OLSAT tests, please call 800-328-5999.

Clinical Mail-In Scoring Address

Pearson
Attn: Scoring Department
PO Box 1294
Minneapolis, MN 55440

If you plan to use expedited delivery or a trackable service to send your tests to Pearson, please notify us at 800-627-7271, Option 3, or AssessmentsScoring@pearson.com for our physical address.

Ordering

[How to order](#)

[Account creation](#)

[Qualifications](#)

[Manual ordering](#)

[Purchase orders](#)

[Mail-in Scoring](#)

[Order Status](#)

[Quotes](#)

Mail-in Scoring

Page 3 of 4

[Shipping & Handling](#)

[Tax Exemption](#)

[Returns](#)

[Catalogs](#)

[Organizational Accounts](#)

[Research Assistance Program](#)

[International Offices](#)

[Professional Assessments](#)

[Product Platform Logins](#)

[Large Scale Assessments](#)

[Clinical Privacy Policy](#)

[Graduate Admissions](#)

[Clinical Permissions & Licensing](#)

[Talent](#)

[Clinical Terms of Sale & Use](#)

[Clinical Legal Policies](#)

[About](#)

[Careers](#)

[Other Pearson Sites](#)

Mail-in Scoring

Page 4 of 4

[Website Terms of Use](#)

[Privacy Statement](#)

[Patent Notice](#)

[Accessibility](#)

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Our Customer Service department will be closed on July 4th and 5th, in observance of the Pearson Holiday. We will resume normal business operations on Monday, July 8, at 7:00 AM CT.

[Home](#) [Professional Assessments](#) [Ordering](#) [How to order](#) [Qualifications](#)
Purchasing on behalf of a qualified user

Purchasing on behalf of a qualified user

In the majority of cases, the customer purchasing an assessment is also the qualified user that will administer the assessment. The ability to purchase an assessment depends on that customer's individual qualification level.

However, in some cases purchasing agents, administrative assistants, financial officers, etc. may need to purchase assessments on behalf of a qualified user who will ultimately administer the assessment. These purchasers may not hold the required individual qualification level necessary to checkout with the required assessment products. In these cases, a customer can opt to purchase on behalf of another qualified user instead of themselves.

To purchase on behalf of a qualified user, both the purchaser and qualified user must have their own PearsonAssessments.com website accounts and both also be approved/linked to an organization level account.

Customers can belong to one or more organization accounts allowing purchasing on behalf of other qualified users in those organizations. For those customers who belong to multiple organization accounts, you must switch between organization accounts to access the qualified users tied to those organizations. You can switch organizations at login or in the top left menu at any time. You can learn more about organization account processes on the [organizational accounts page](#).

Once approved and linked to an organization(s), a customer can navigate in the top menu to My Account> My Qualifications and see an additional organization qualification level which represents the highest level that they can purchase on behalf of anyone else who is connected to the same organization. A purchaser may then add items to their cart above their individual qualification level but not exceeding the highest qualification level of any individual within their organization.

During the checkout process the purchaser will be prompted with a qualification screen requesting a qualified user. The purchaser can either select a linked qualified user or add a new qualified user from their organization by entering their email. Please remember, the qualified user must already have a website account and be connected to the same organizational account for you to purchase on their behalf. Customers can not purchase on behalf of others who are not linked to the same organizational account.

Once an appropriate level qualified user is selected the purchaser will be able to finalize their checkout.

Ordering

[How to order](#)

[Account creation](#)

[Qualifications](#)

[Purchasing as a qualified user](#)

[Purchasing on behalf of a qualified user](#)

[Qualifications Policy](#)

[Manual ordering](#)

[Purchase orders](#)

[Mail-in Scoring](#)

[Order Status](#)

[Quotes](#)

[Shipping & Handling](#)

[Tax Exemption](#)

[Returns](#)

[Catalogs](#)

[Organizational Accounts](#)

[Research Assistance Program](#)

[International Offices](#)

[Professional](#)

[Large Scale](#)

[Admissions](#)

[Talent](#)

[Order Status](#)

[Quick Order](#)

Legacy website customers

(Customers who had website accounts prior to March 1, 2019)

With the launch of our updated website in 2019, legacy customers were pre-linked to their organizational accounts. Any qualified users who were previously linked were also migrated and attached to the organizational account to allow for continued and uninterrupted purchasing on their behalf.

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[Home](#) [Professional Assessments](#) [Ordering](#) [Organizational Accounts](#)

Organizational accounts

Ordering scenarios for Pearson customers can range from simple individual purchases to complicated multi-organizational account orders. The purchaser may be the qualified test administrator, an administrative assistant, financial officer, or an external purchasing agent hired to purchase on behalf of an organization.

Prior to March 1, 2019, the PearsonAssessments.com and PearsonClinical.com websites were primarily developed to handle the scenario of the individual purchasing for themselves or another individual qualified user. Customers in more complex scenarios primarily had to call, fax, or email in orders. However, with the launch of the new website the concept of organizational accounts was developed to handle additional scenarios as outlined above.

The addition of organizational accounts to the website adds the ability for users to be linked to a higher level account on the website that is shared between other staff in their organization. This allows purchasing on behalf of an organization on the website, keeps accounts separate for individuals needing to purchase on behalf of multiple organizations and create a way to allow for organizations to manage their own account information.

Ordering

[Learn more](#)
[How to order](#)

Organizational Accounts

Page 2 of 4

[Order Status](#)

[Quotes](#)

[Shipping & Handling](#)

[Tax Exemption](#)

[Returns](#)

[Catalogs](#)

[Organizational Accounts](#)

[Switching context](#)

[Research Assistance Program](#)

[International Offices](#)

[Professional](#)

[Large Scale](#)

[Admissions](#)

[Talent](#)

[Order Status](#)

[Quick Order](#)

[Learn more](#)

Current organization accounts

All individual website accounts that were created prior to March 1, 2019 for both PearsonAssessments.com and PearsonClinical.com (now consolidated into this website) have been migrated and linked to the appropriate organizational accounts. Any organization a customer belonged to should automatically show as an option to use when signing in.

New organization accounts

For new organizational accounts after March 1, 2019: when a customer is in the process of creating a new account, if the organization is unrecognized, a new organizational account will be created and the customer will automatically become the website admin for that new organizational level account.

[Learn more](#)

Organizational Accounts

Page 4 of 4

[Website Terms of Use](#) [Privacy Statement](#) [Patent Notice](#) [Accessibility](#)

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Learn more

Search

Menu

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Facsimile: (201)785-2721
email: dmca.agent@pearsoned.com

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Information reasonably sufficient to permit Pearson to contact the Complaining Party, such as an address, telephone number, and if available, an electronic mail address;

Identification of the allegedly infringing material on the Service ("Infringing Material"), and information reasonably sufficient to permit Pearson to locate such material on the Service;

Identification of the copyrighted work claimed to have been infringed upon ("Infringed Material"), or if multiple copyrighted works on the Service are covered by a single Notice, a list of each copyrighted work claimed to have been infringed (please be specific as to which Infringing Material is infringing on which Infringed Material);

A statement that the Complaining Party has a good faith belief that use of Infringing Material in the manner complained of is not authorized by the copyright owner, its agent, or the law; and

A statement that the information in the Notice is accurate, and under penalty of perjury, that the Complaining Party is the owner or is authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.

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Last Update to Terms of Use: May 15, 2014

Terms of Use for Pearson U.S.

Page 10 of 10

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During your use of the Service you may generate or upload certain content ("User Content") to the Service and we may store and link such User Content to your personally identifying information. In addition, either we or our third-party service providers may collect information about your usage of a respective service, time spent on a service, pages visited and detailed session data in connection with a specific service and other similar information ("Service Usage Information"). We may use this User Content and Service Usage Information in combination with your personally identifying information to customize your experience using the Service by, among other things, making recommendations or forecasts. We may also use your User Content and Service Usage Information to suggest other features on the Service that we believe may be interesting to you. Please refer to section below entitled "Cookies and Other Technology Used to Collect Information" for more information on the process and methodology of collecting and sharing certain Service Usage Information.

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Children: Please do not give your full name, email address, home address, telephone number or any other personally identifiable information that would enable someone to contact you either online or offline, without first asking your parent/guardian or teacher for permission.

We do not knowingly collect personally identifiable information from Children either directly or passively except when a Child voluntarily submits such information through a "Contact Us" link or a public posting area within the Service, if such feature is available. If a Child emails us via a "Contact

Us" link on any child-directed area of this Site and we can identify the sender as a Child, any personally identifiable information submitted will only be used to respond on a one-time basis to such Child. In addition, if we have actual knowledge that a Child is sending or posting personally identifiable information on any area of the Service, we will use commercially reasonable efforts to delete such personally identifiable information as soon as practicable.

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Additional Information About Privacy

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Page 7 of 7

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Search

Menu

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[Professional Assessment](#)

PreK-12 Education

AimswEB U.S. Pat. No. 7,311,524.

ePen U.S. Pat. Nos. 6,751,351; 6,810,232; 6,961,482; 6,988,895.

TestNav U.S. Pat. Nos. 9,105,194; 9,454,584; 9,460,162; 9,870,395; 10,075,358; 10,140,887.

Additional patents may be pending in the U.S. and elsewhere.

Higher Education

Learning Catalytics U.S. Pat. Nos. 8,914,373; 9,219,998.

LearningStudio U.S. Pat. Nos. 6,470,171; 6,674,992; 6,678,500; 6,684,053; 6,965,752; 8,380,121.

MediaShare U.S. Pat. No. 10,019,527.

MyLab & Mastering U.S. Pat. Nos. 6,470,171; 6,674,992; 6,678,500; 6,684,053; 6,965,752; 8,380,121; 8,755,737; 9,483,955; 9,667,321; 9,886,869; 10,110,486; 10,116,563; 10,127,302.

Pearson Collections U.S. Pat. Nos. 9,436,808; 9,990,477.

Poptropica English U.S. Pat. No. D824,933.

Propero U.S. Pat. Nos. 9,513,958; 9,965,319.

REVEL U.S. Pat. Nos. 6,470,171; 6,674,992; 6,678,500; 6,684,053; 6,965,752; 8,380,121.

Additional patents may be pending in the U.S. and elsewhere.

Clinical Assessment

California Verbal Learning Test U.S. Pat. No. 9,836,986.

Cogmed U.S. Pat. No. 7,186,116.

NEPSY-II U.S. Pat. Nos. 7,229,287; 7,303,399.

Ounce Online U.S. Pat. No. 9,583,015.

Q-interactive U.S. Pat. No. 9,836,986.

Quotient ADHD System U.S. Pat. Nos. 6,685,652; 7,942,828; 8,078,253; 9,050,032; D620,725; D661,810.

WMS-IV U.S. Pat. Nos. 7,229,287; 7,303,399; 9,836,986.

Work Sampling Online U.S. Pat. No. 9,583,015.

Additional patents may be pending in the U.S. and elsewhere.

Academic Assessment

ABBI U.S. Pat. Nos. 9,454,584; 9,460,162; 9,977,769.

Accuplacer U.S. Pat. Nos. 9,311,048; 9,507,792; 10,057,215; 10,078,670.

AimswEB U.S. Pat. No. 7,311,524.

ePen U.S. Pat. Nos. 6,751,351; 6,810,232; 6,961,482; 6,988,895.

Perspective U.S. Pat. No. 10,057,215.

TestNav U.S. Pat. Nos. 9,105,194; 9,454,584; 9,460,162; 9,870,395; 10,075,358;
10,140,887.

Additional patents may be pending in the U.S. and elsewhere.

Professional Assessment

Versant U.S. Pat. Nos. 6,953,343; 7,062,441.

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Search

Menu

Accessibility



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We gratefully acknowledge and endorse the work of the Web Accessibility Initiative of the World Wide Web consortium on the Web Content Accessibility Guidelines (WCAG) 2.0, as well as the work of United States Access Board and the Information Technology Advisory Committee (TEITAC) on their Section 508 Refresh Drafts.

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Pearson staff contribute time, expertise, and creativity to moving accessibility forward. We conduct user studies and a variety of research and usability studies on important topics, such as assistive technology use, and on product prototypes. We collaborate with advocacy groups, such as the National Federation of the Blind, and share advances and insights through conference presentations.



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[Campus accessibility professionals and educators](#)

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Accessible Learning Resources



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REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Health and Human Services-8.

SUBJECT:

Agreement with Butte County for Acute Psychiatric Inpatient Care

DEPARTMENT: Health and Human Services Agency-Adult Services

Supervisory District No. : All

DEPARTMENT CONTACT: Dean True, Branch Director, HHSA Adult Services, (530) 225-5900

STAFF REPORT APPROVED BY: Donnell Ewert, Director, Health and Human Services Agency

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign a retroactive renewal agreement with the County of Butte in an approximate amount of \$15,000 to provide acute psychiatric inpatient care for the period July 1, 2019 through June 30, 2020.

SUMMARY

The renewal of this agreement will allow Butte County Department of Behavioral Health (Butte) to continue to provide acute psychiatric inpatient services to adults placed by Shasta County in their Psychiatric Health Facility (PHF) located in Chico, California.

DISCUSSION

Under the terms of the agreement, clinical staff (Staff) from Shasta County Health and Human Services Agency (HHSA) Adult Services Branch will evaluate individuals to determine if there is a need for acute psychiatric inpatient care. If hospitalization is deemed appropriate, Staff will coordinate the transfer and admission to the PHF. Butte will also coordinate with Shasta County Staff, prior to a patient's discharge, to insure an appropriate discharge plan is in effect, including transportation if necessary. All services provided under the terms of this agreement must be preauthorized by Shasta County, must meet medical necessity, and may be for either voluntary or involuntary placements.

There is a shortage of inpatient beds in California available to treat individuals requiring this level of care, especially for Medi-Cal clients. Therefore, HHSA Adult Services Branch strives to keep active agreements with many inpatient facilities in order to increase opportunities to find appropriate placements for individuals in need of inpatient care, and to limit time patients spend waiting in hospital emergency departments. This agreement is on a fee-for-service basis, meaning Shasta County is only obligated to pay for beds when the County has authorized services at Butte PHF. Butte will bill patient's third party payer(s), when applicable, and apply any payments to offset Shasta County's cost. Shasta County is responsible for all charges for which Butte cannot obtain third-party reimbursement. Actual costs will be billed based on usage of the PHF, up to a maximum of \$15,000, plus other services costs, during the term of the agreement.

Other services costs include transportation, and legal and interpreter costs which are rarely, if ever, incurred, but because they are “uncapped” in this proposed agreement, Board approval is necessary. Additionally, Butte’s daily rate is subject to change without amendment pursuant to the agreement.

ALTERNATIVES

The Board could choose not to approve the agreement or direct the department to negotiate changes to the agreement.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the agreement as to form. Risk Management has approved the agreement. This recommendation has been reviewed by the County Administrative Office.

FINANCING

The maximum amount payable under this agreement, excluding transportation, legal and interpreter costs, is \$15,000. Funds for this agreement and related costs such as transportation, legal, and interpreter costs are included in the FY 2019-20 Adopted Budget (BU410). There is no additional General Fund impact from the recommended action.

ATTACHMENTS:

Description	Upload Date	Description
Agreement	7/26/2019	Agreement

**REVENUE AGREEMENT
BETWEEN
COUNTY OF SHASTA
AND
COUNTY OF BUTTE
FOR ACUTE PSYCHIATRIC INPATIENT CARE
FY 2019/20**

COUNTY:

Shasta County

Business Address:

2640 Breslauer Way

Redding, CA 96001

EXECUTIVE SUMMARY*

Annual Revenue Contract Amount:	\$15,000.00
Expected Annual Units of Service:	Approximately 16 client days
Butte County PHF Rate:	\$936.00 per day
Type of Service Provided:	Acute psychiatric inpatient services at the Butte County Psychiatric Health Facility (PHF) for referred Shasta County clients.
Term:	7/1/19 – 6/30/20

***This summary is not to be used as a part of the attached contract for the description or provision of services, basis for payment, or terms as represented in the actual document.**

It is provided for information only.

**REVENUE AGREEMENT
BETWEEN
COUNTY OF SHASTA
AND
COUNTY OF BUTTE
FOR ACUTE PSYCHIATRIC INPATIENT CARE
FY 2019-20**

This Agreement is made and entered into by and between the County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency, hereinafter referred to as SHASTA, and the County of Butte, a political subdivision of the State of California, through its Butte County Department of Behavioral Health, hereinafter referred to as BUTTE.

RECITALS

SHASTA wishes to extend to residents of Shasta County certain hospital-based psychiatric inpatient services which BUTTE is equipped, staffed, and prepared to provide under the terms and conditions set forth in this Agreement.

SHASTA believes it is in the best interest of the people of Shasta County to provide these services by contracting for such services and facilities, and Parts of Title 9 of the California Administrative Code (as particularly set forth in Sections 500-594) and Section 5600 et seq. of the California Welfare and Institutions Code (WIC) contain definitions, standards, procedures, and regulations by and pursuant to which SHASTA and BUTTE may lawfully contract for the provision of mental health services as hereinafter set forth in this Agreement. This Agreement initiates and is part of SHASTA's obligation to provide psychiatric inpatient services under the Managed Care Plan as promulgated by the State of California's Department of Health Care Services (DHCS).

AGREEMENT

Now, therefore, in consideration of the mutual covenants and conditions hereinafter set forth, BUTTE and SHASTA agree as follows.

A. SERVICES:

1. Applicable Laws:

BUTTE shall provide the services prescribed in this Agreement in accordance with the California Mental Health Act, as identified in Sections 14712 of the Welfare and Institutions Code (WIC), et seq., and all related laws, regulations and policies governing managed inpatient psychiatric care as promulgated by the State of California, DHCS, which from time to time shall be amended. However, any amendments to such statutes or regulations shall not retroactively affect the obligation of the Parties under this Agreement.

2. Direction and Supervision:

The services provided by BUTTE pursuant to this Agreement shall be furnished under the general supervision of the Director of BUTTE. The Director of BUTTE or his/her designee shall represent BUTTE in all matters pertaining to services rendered and shall administer this Agreement, including authorization for admission, care, and discharge of all SHASTA clients for whom reimbursement is required under the terms of this Agreement, on behalf of BUTTE's Psychiatric Health Facility (PHF).

3. Admission Procedures:

In cases of emergency, BUTTE is authorized to admit psychiatric clients who are residents of SHASTA, without prior authorization from SHASTA. Authorization from SHASTA must be obtained within twenty-four hours (24-hours) of admission of an emergency client. All other admissions require prior authorization from licensed members of SHASTA staff. All admissions

shall be for clients of SHASTA who meet the accepted standards of medically necessary treatment.

4. Admission Policy:

BUTTE's admission policy shall be in writing, available to the public, and shall include a provision that clients are accepted for care without discrimination on the basis of race, color, religion, sex, national origin, ancestry, physical or behavioral handicap, or developmental disability.

5. Description of Services:

- a. BUTTE agrees to provide acute psychiatric inpatient care to clients referred by SHASTA. These clients must be referred by SHASTA utilizing the Referral Procedures described in this Agreement. Such services shall include, but are not limited to, 72-hour detention under Section 5150 WIC, 14-day Certification under Section 5250 WIC and voluntary clients that would otherwise be referred by SHASTA. These services shall be provided in the Butte County Psychiatric Health Facility (PHF) in Chico, California, except that SHASTA shall conduct any necessary Court proceedings in regard to Conservatorships in SHASTA County.
- b. BUTTE shall prepare and serve all Notices of Certification under Sections 5250 WIC, et seq., or 5260 WIC, et seq. PHF and PHF staff shall give their best efforts in making the evaluations for 14-day certifications as expeditiously as possible and in notifying SHASTA during the second day of the 72-hour detentions if 14-day certifications under Section 5250 WIC are anticipated.
- c. BUTTE shall designate the PHF as the facility for 72-hour detention for treatment and evaluation as well as for 14-day Certifications, as provided for in Sections 5150, et seq.
- d. BUTTE shall inform the client of the complaint and grievance policy of the Butte County Mental Health Plan and notify SHASTA, in a timely manner, of any grievance filed by a client of SHASTA.
- e. BUTTE shall provide linguistically competent services with various interpreters (including sign language) by contracting with Language Line as well as with other contractors.
- f. BUTTE shall provide SHASTA with a copy of its Cultural Competency Plan, if requested.
- g. BUTTE shall adhere to Title XIX of the Social Security Act, 42 USC and all applicable Federal and State statutes and regulations.

6. Quality of Care:

As expressed conditions precedent to requiring SHASTA's payment obligation under the terms of this Agreement, BUTTE shall:

- a. Assure that any and all eligible beneficiaries receive care as required by regulations adopted pursuant to Sections 14712 WIC, et seq., and 14680 WIC, et seq.
- b. Provide psychiatric inpatient hospital services in the same manner to beneficiaries as it provides to all clients to whom it renders psychiatric inpatient hospital services.
- c. Not discriminate against Medi-Cal or SHASTA's Short-Doyle designated beneficiaries in any manner, including admission practices, placement in special or separate wings or rooms, provision of special or separate meals.

7. Level of Care:

BUTTE shall make every effort to determine if the SHASTA clients referred for admission can be serviced at a level of care below that of inpatient psychiatric hospitalization.

8. Referral Procedure:

- a. SHASTA, before transporting and admitting a client into the PHF, shall make prior arrangements with BUTTE and obtain permission for admission.
- b. Prior to transport of any client to the PHF, SHASTA shall have a medical screening evaluation made of each client, and no clients shall be transferred to the PHF who would require more than an outpatient level of care for any non-psychological medical problem. Any medical condition arising during treatment shall not be the responsibility of BUTTE and if local treatment is required, it shall be arranged by SHASTA. When a client is to be transferred to the PHF with a medical problem which, in SHASTA's determination is an outpatient level of care, SHASTA shall fully advise BUTTE of the situation by sending a copy of the physical examination and/or analysis by SHASTA along with the client.
- c. SHASTA shall notify the PHF of any cultural competency needs of clients referred to BUTTE, and SHASTA shall be responsible for any interpreter costs incurred by the PHF to serve said cultural competency needs of referred clients requiring such services.
- d. SHASTA shall complete all necessary legal work such as 5150's, conservatorship paperwork, etc. to the extent necessary to legally detain involuntary clients before the transfer to the PHF occurs. Copies of this paperwork and pertinent clinical information shall be transferred with the client. If the PHF is to hold clients not already conserved by SHASTA, the PHF must be designated by SHASTA to be able to write 5150's for SHASTA clients. **The PHF shall detain no client beyond the 14-day hold limitation unless said client has been certified for a second 14-day hold period.** SHASTA is responsible for the transportation of all placements of SHASTA to and from Butte County and/or other placement facilities.
- e. SHASTA shall provide such information as shall be required to provide adequate care for the client prior to referral of each client, other than those admitted for services pursuant to Section 5150 WIC, et seq. This information shall include, but not be limited to client's history, diagnosis, reason for referral for inpatient care, the medications, and estimated length of stay, which, within reason, are obtainable.
- f. Third Party Revenue: BUTTE retains contractual responsibility for third party billing to Short-Doyle/Medi-Cal, private insurance, or other third-party sources;
 - 1) SHASTA shall prepare all necessary financial documents for each referred client and deliver them to the PHF at the time the client is transported; however, if SHASTA is unable to complete the documents prior to admission of involuntary clients, including clients referred pursuant to Section WIC 5150, et seq., SHASTA shall mail documents to the PHF by Express Mail (or similar service) within 24 hours of admission.
 - 2) Financial documents to accompany the client shall include the BUTTE Payor Financial Information/Insurance Authorization Form, **Exhibit A**, attached hereto and incorporated by this reference, and if applicable a copy of the client's Medi-Cal Beneficiary Identification Card.
 - 3) BUTTE shall make a best effort attempt to obtain necessary information required for third party billing purposes, from SHASTA's clients; however, if BUTTE is unsuccessful, then it is understood that SHASTA shall be solely liable for all Psychiatric Inpatient charges incurred on behalf of said client.
- g. SHASTA shall provide a liaison and phone number that can be reached 24 hours a day for authorization on any clients referred pursuant to Section 5150 WIC, et seq. SHASTA shall respond to the PHF within four (4) hours of initial contact by the PHF.

On-Call Crisis Number: (530) 225-5200

- h. All admissions are contingent upon bed availability with BUTTE residents being given admission priority. (The PHF reserves the right to refuse any referral.)

9. Transportation and Client Preparation:

Transportation from SHASTA to the PHF and, upon discharge from the PHF to SHASTA, shall be the responsibility of and at the expense of SHASTA. All after-care arrangements shall be the responsibility of SHASTA. The PHF shall advise SHASTA prior to discharge so that appropriate discharge planning can be carried out.

- a. SHASTA shall arrange for transportation of all clients back to SHASTA within 6 hours of termination of the 72-hour hold or 14-day Certification period in which the PHF may legally retain those involuntary clients that SHASTA refers to the PHF. In the event SHASTA does not arrange transportation for said clients, the PHF shall transport said clients to SHASTA at SHASTA's expense and said expenses shall not be included within the expense limitations set forth in Item C. Payments of this Agreement.
- b. In case of client discharge for cause (e.g., court order, certification hearing outcome, SHASTA's counsel recommendation, etc.) SHASTA shall arrange for all transportation back to SHASTA immediately.

B. TERM:

1. Term of Agreement:

Unless sooner terminated, as hereinafter provided, the term of this Agreement shall be from July 1, 2019 through June 30, 2020. Notwithstanding the foregoing, this Agreement may be terminated by either PARTY upon sixty (60) days written notice. In the event of such termination, this Agreement shall become null and void and of no further force or effect.

C. PAYMENTS

1. Rate of Pay:

- a. SHASTA shall pay BUTTE the difference between BUTTE's current rate of \$936.00 per client per day (the daily rate), less all revenue, interest, and return resulting from third party billing, for inpatient care under the "Psychiatric Health Facility" license (exceeding 24 hours). This shall represent payment in full for services with the exception of legal, transportation, and interpreter services that may be charged in accordance with the terms of this Agreement.

Rate Subject to Change: The fiscal year 2019-20 daily rate shall be determined after BUTTE's annual cost report has been completed. This Agreement shall not require an amendment to charge the new daily rate, provided the types of services rendered, terms of this Agreement, or the maximum amount of this Agreement are not affected. SHASTA shall be advised in writing of the new daily rate and the effective date of the rate change. (For the purposes of this Agreement, the fiscal year commences on July 1 and ends of June 30 of the following calendar year.)

- b. The rate structure utilized to negotiate this Agreement is inclusive of all services defined as psychiatric inpatient services, and that rate structure does not include non-hospital based physician or psychological services.

2. Payment Limitation:

- a. The provisions hereinabove to the contrary notwithstanding, the maximum obligation of SHASTA for inpatient and crisis psychiatric hospitalization services shall not exceed FIFTEEN THOUSAND DOLLARS AND ZERO CENTS (\$15,000.00) during the term of this Agreement, which does not include legal, transportation, or interpreter costs incurred by BUTTE which shall be billed to SHASTA in accordance with this Agreement.
- b. BUTTE shall invoice SHASTA in arrears, for inpatient days, at the established daily rate specified in Section C, Item 1.a. SHASTA shall remit payment to BUTTE within 30 days of invoice date.

- c. If any amounts are found to be due by either PARTY as a result of an audit by appropriate Federal, State, or BUTTE or SHASTA auditors, then both PARTIES agree to reimburse each other upon final audit settlement for any amounts owing.

3. Disapproval of Claims:

The validity of monthly payments to BUTTE, is subject to review by the State of California, DHCS to ensure compliance with applicable laws and regulations. In the event any claim is disapproved by the State, BUTTE shall take all reasonable actions in an effort to obtain such approval. It is expressly understood between BUTTE and SHASTA that, with the exception of emergency admissions, SHASTA shall be authorizing reimbursement to BUTTE for both initial evaluation and ongoing care. Thus, BUTTE should be particularly aware of reimbursement disallowances based on the client not meeting standards for necessary medical care. Other areas of financial disallowance which BUTTE agrees to take into account are: (1) Compliance with state and federal law; (2) regulations governing operation of Managed Care; and (3) general psychiatric inpatient services.

D. REQUIREMENT PROVISIONS:

1. Nondiscrimination In Service, Benefits, and Facilities:

BUTTE shall not discriminate, and shall take affirmative action to assure the absence of discrimination, in the provision of service under this Agreement because of race, color, religion, creed, national origin or ancestry, sex, sexual orientation, age, or physical or mental disability, disability by reason of AIDS or ARC, or impairment as defined in applicable local, state or federal laws and regulations. For the purpose of this Agreement, discrimination includes, but is not limited to the following;

- a. Denying persons any service or benefit;
- b. Providing to persons any service or benefit which is different, or is provided in a different manner, place or time from that provided to other persons;
- c. Subjecting persons to segregation or separate treatment in any manner related to their receipt of any service;
- d. Restricting persons in any manner in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and/or
- e. Treating persons differently from others in determining whether they satisfy any admission criteria, enrollment quota, eligibility, membership or other requirement or condition which individuals must meet in order to be provided any service or benefit as provided by this Agreement.

2. Confidentiality:

BUTTE shall maintain the confidentiality of all records and information, including, but not limited to, claims, County records, patient/client records and information, and I/S records, to the extent required by 42 USC 1320d et seq., Health Insurance Portability and Accountability Act of 1996 (HIPAA), and corresponding 45 CFR, Parts 160 and 164, and the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009 (Public Law 111-5, Title XIII); and 42 CFR Part 2, to comply with applicable requirements of law and subsequent amendments relating to protected health information, and in accordance with WIC Sections 5328 through 5330, inclusive; Section 14100.2 of the W&I Code and Title 42 CFR Section 431.300 et seq. regarding the confidentiality of beneficiary information, and all other applicable County, State, and Federal laws, ordinances, rules, regulations, manuals, guidelines, and directives, relating to privacy/security, whichever is most restrictive. BUTTE shall require all its officers, employees, and agents providing services hereunder to acknowledge, in writing, understanding of, and agreement to fully comply with, all such confidentiality provisions. BUTTE shall indemnify and hold harmless SHASTA, its officers, employees, and agents, from and against any and all loss, damage, liability, and expense arising from any disclosure of such records

and information by BUTTE, its officers, employees, or agents. BUTTE agrees not to release any record pertaining to any client of SHASTA without the written approval of the SHASTA County Department of Mental Health Director.

3. Conformance with Federal Regulations:

BUTTE stipulates that this Agreement, in part, implements Title XIX of the Federal Social Security Act and, accordingly, covenants that it shall conform to such requirements and regulations as the United States Department of Health and Human Services may issue from time to time, except for those provisions waived by the Secretary of Health and Human Services. BUTTE services shall also meet the requirements provided for in Title 42, Section 434.6., of the Code of Federal Regulations.

4. Concurrent Review:

Upon release of the applicable DHCS Information Notice, BUTTE shall participate in Concurrent Review in compliance with County-approved BUTTE policies and procedures, Final Rule, and DHCS regulatory and MHP agreement requirements. For the purposes of this agreement, Concurrent Review means the review of treatment authorization requests by BUTTE for inpatient mental health services in order to approve, modify, or deny requests for continued services based on a determination of medical necessity by County or its contracted provider. The review of treatment authorization requests is concurrent with the provision of services and is required after the first day of admission through day of discharge.

5. Client Medical Records:

BUTTE shall maintain adequate client records on each individual client served pursuant to this Agreement. Records shall include intake information and a record of services provided by BUTTE's personnel. Records shall be kept in sufficient detail to permit an evaluation of services provided, and shall include a record of physical examinations, medications prescribed, treatment services rendered, rehabilitation activities ordered, and client participation in those activities.

6. Client Financial Records:

All client financial records shall be available for inspection and audit by the designated auditor of SHASTA or the State DHCS at a reasonable time during normal business hours.

7. Records Retention:

All client records relating to this Agreement shall be prepared and maintained in accordance with WIC and all other applicable laws and shall be kept a minimum of ten years (10) from the date of the last discharge of the client from the PHF; and, in the case of minors, for at least one year (1) after the minor client's eighteenth (18th) birthday, but in no case less than ten years (10) from the date of the last discharge of the minor client from the PHF. Service and financial records shall be retained for ten years (10) from the final date of the DHCS Mental Health Plan contract period in which such services were provided under or until final resolution of any audits, whichever occurs later.

8. Right to Inspect:

At reasonable times during normal business hours, the State DHCS, the SHASTA County Director or his/her designee(s), the appropriate audit agency of them and their designee(s), shall have the right to inspect or otherwise evaluate the cost, quality, appropriateness, and the timeliness of services performed pursuant to this Agreement. SHASTA shall also have the right to audit and inspect any books and records of BUTTE, which pertain to services performed and determination of amount payable under this Agreement.

E. GENERAL PROVISIONS:

1. Client Grievance Process:

Each client admitted to the PHF pursuant to this Agreement shall be informed of BUTTE's complaint and grievance policy. At the PHF, BUTTE shall post and make available SHASTA's complaint/grievance resolution forms at a location readily accessible to both beneficiaries and provider staff. Any grievance filed by a client of SHASTA shall be brought to the attention of the SHASTA County Mental Health Director in a timely manner, pursuant to CCR, Title 9, Chapter 11, Sections 1850.205 (c)(1)(B). SHASTA shall be responsible for supplying BUTTE with SHASTA's complaint/grievance forms for display.

2. Client Rights:

BUTTE shall adopt and post in a conspicuous place a written policy on client's rights in accordance with Section 70707 of Title 22 of the California Code of Regulations and Section 5325.1 WIC. Complaints by beneficiaries with regard to substandard conditions may be investigated by SHASTA's Client's Rights Advocate, County, State DHCS, or by the Joint Commission on Accreditation of Healthcare Organization, or such other agency, as required by law or regulation.

3. Legal Requirements:

In compliance with legal requirements of Emily Q. v. Bonta [C.D.Cal. 2001, CV 98-4181 AHM (AIJx)], BUTTE shall provide a copy of the brochure describing the Early and Periodic Screening, Diagnosis, and Treatment program entitled "Medi-Cal Services for Children and Young People: Early and Periodic Screening, Diagnosis, and Treatment Mental Health Services" and a copy of the Therapeutic Behavioral Services notice entitled "Medi-Cal Services for Children and Young People: Therapeutic Behavioral Services" to all full-scope Medi-Cal beneficiaries under 21 years of age admitted to BUTTE's PHF, as well as their representatives. It is the responsibility of BUTTE to ensure that sufficient numbers of these notices are available at the PHF at all times.

4. Indemnification:

- a. BUTTE shall indemnify, defend, and hold harmless SHASTA, its elected officials, officers, employees, and agents, against any and all liabilities, claims, demands, damages, and costs (including attorney's fees and litigation costs) that arise in any way from BUTTE's acts or omissions while performing under this Agreement. BUTTE's obligations under this provision cover, but are not limited to, liabilities, claims, demands, damages, and costs arising from injury to or death of any persons (including SHASTA's and BUTTE's elected officials, officers, employees, and agents) and from damage to or destruction of any property (including SHASTA's and BUTTE's real and personal property).
- b. SHASTA shall indemnify and hold harmless BUTTE and its elected officials, officers, employees, and agents against all liabilities, claims, demands, damages, and costs (including attorney's fees and litigation costs) that arise in any way from SHASTA's acts or omissions while performing under this Agreement. SHASTA's obligations under this provision cover, but are not limited to liabilities, claims, demands, damages, and costs arising from injury to or death of any person and from damage to and destruction of any property of BUTTE or persons employed by BUTTE or visiting BUTTE's site.

5. Insurance:

- a. During the entire term of this Agreement, BUTTE shall maintain a program of self-insurance at BUTTE'S own cost. Said insurance to include (a) Medical Malpractice insurance coverage of at least One Million Dollars (\$1,000,000) combined single limit per occurrence, and separately (b) General Liability Insurance coverage of at least One Million Dollars (\$1,000,000) combined single limit per occurrence in accordance with **Attachment 1**, attached hereto and incorporated by this reference. Such general liability policy shall be issued on an occurrence basis. BUTTE shall provide notice of insurability to SHASTA, and provide SHASTA with thirty (30) days advance notice of any material change in the policy. Before beginning work under this Agreement, BUTTE shall provide SHASTA with proof of insurance in the form required by SHASTA. Any of BUTTE's Excess Insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of SHASTA.
- b. Each County shall be responsible for Workers' Compensation Insurance coverage for its own employees and for coverage of its own employees relative to liability insurance coverage. As required by the State of California with Statutory Limits and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury and disease.

6. Independent Contractor:

The employees of each County in the performance of the Agreement shall act only in the capacity in the County in which they are employed and shall not be the agents or employees of the other County.

7. Assignment:

Neither PARTY shall assign any interest in this Agreement and shall not transfer any interest in the same without the prior written consent of the other PARTY. Any attempt at assignment of rights under this Agreement except for those specifically consented to by both PARTIES shall be void. This does not preclude BUTTE from subcontracting parts of the services to be provided pursuant to this Agreement on a fee-for-service basis for specific medical or other services. Any such subcontractor shall comply with all terms of this Agreement.

8. Successors:

This Agreement shall bind the successors of SHASTA and BUTTE in the same manner as if they were expressly named.

9. Notices:

Notices shall be given to BUTTE and SHASTA at the following addresses:

BUTTE:	
Inpatient:	Butte County Behavioral Health Psychiatric Health Facility (PHF) 592 Rio Lindo Avenue Chico, CA 95926 Kelly Marinello, PHF (530) 891-2775 Phone
Payments/Billing:	Butte County Department of Behavioral Health Administrative Support Division 3217 Cohasset Rd. Chico, CA 95973 (530) 891-2980 Phone (530) 895-6548 Fax
SHASTA:	Shasta County Branch Director, HHSA Adult Services Branch P.O. Box 496005 Redding, CA 96049-6005 (530) 225-5900 Phone (530) 225-5977 Fax

10. Entire Agreement:

This Agreement, including Exhibit A and Attachment 1, contains all the terms and conditions agreed upon by the PARTIES hereto and no other Agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the PARTIES hereto. In addition, this Agreement shall supersede in its entirety any and all prior Agreements, oral or otherwise, between the PARTIES regarding the services to be rendered herein.

11. Amendment:

This Agreement may only be modified by a written amendment hereto and executed by both PARTIES. The maximum amount of the obligation and or the number of days to be covered may be increased with the written consent of all signatories.

12. Applicable Law and Forum:

This Agreement shall be construed and interpreted according to California law and any action to

enforce the terms of this Agreement for the breach thereof shall be brought and tried in the County of Butte.

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the day and year first written above.

COUNTY OF BUTTE

COUNTY OF SHASTA

Dorian Kittrell, Director DATE
Butte County Department of Behavioral Health

Leonard Moty, Chairman DATE
Board of Supervisors
County of Shasta
State of California

Tamara Ingersoll, Deputy Director DATE
General Services

ATTEST:

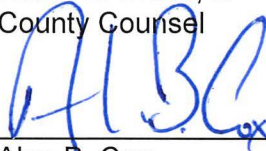
Lawrence G. Lees
Clerk of the Board of Supervisors

By: _____
DATE

Approved as to form, Butte County
Counsel by:

Approved as to form:
Rubin E. Cruse, Jr
County Counsel

DATE


 7/24/19

Alan B. Cox DATE
Deputy County Counsel

Reviewed for Contract Policy Compliance
General Services Contracts Division

Risk Management Approval

DATE

 07/25/19

James Johnson DATE
Risk Management Analyst

REVENUE CONTRACT:
BUDGET CODE:
CONTRACT MONITOR:

Shasta County
5411000 461212
Kelly Marinello

Insurance Company Name: _____					Pre-Authorization Required: <input type="checkbox"/> Y <input type="checkbox"/> N	
()						
Street # and Name	Apt/Suite#	City,	State,	Zip	Phone	
Group #	Effective Date: ____/____/____		Policy #			
Insured Name: _____			Insured SSN _____			
Clients' Relationship to Insured: _____			Worker's Comp.? <input type="checkbox"/> Y <input type="checkbox"/> N			

Insurance Company Name: _____					Pre-Authorization Required: <input type="checkbox"/> Y <input type="checkbox"/> N	
()						
Street # and Name	Apt/Suite#	City,	State,	Zip	Phone	
Group #	Effective Date: ____/____/____		Policy #			
Insured Name: _____			Insured SSN _____			
Clients' Relationship to Insured: _____			Worker's Comp.? <input type="checkbox"/> Y <input type="checkbox"/> N			

All clients are responsible for the cost of services received at Butte County Department of Behavioral Health (BCDBH). We will bill your insurance company for you. Clients are expected, at minimum, to pay all applicable deductibles, co-payments, and any other non-covered client portions at the time of service. You are responsible for providing information regarding your insurance company. Please bring all insurance cards with you to your first visit. Failure to present the proper insurance information may result in you having full responsibility for payment of all services rendered.

As a new client or if there are changes in your insurance coverage, you will go through our Insurance Verification Process. We will verify what benefits, if any, are available to you through your insurance plan. Please note that verification of benefits does not guarantee payment from and insurance company.

I understand that I am financially responsible for all non-covered services provided by Butte County Department of Behavioral Health. If I become ineligible for services at any time during my treatment, I understand that I will be also responsible for charges during this period of ineligibility. All clients will be informed, in advance, that a service may not be covered by their insurance company, on a separate form.

- Ask us to explain, if you don't understand why you may have to pay for services.
- Ask us how much these items or services will cost you.
- Estimated cost: Clinical Services hourly rate: \$151.20/hour
Medication Support Services hourly rate: \$275.40/hour

I understand and accept that I am financially responsible for all services provided by BCDBH. I authorize Butte County Department of Behavioral Health to release to my insurance company any medical information necessary for the processing of a claim. I permit a copy of this authorization to be used in place of the original.

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Signature of client or person acting on the client's behalf

Date

Butte County Department of Behavioral Health Payor Financial Information/Insurance Authorization Form <small>Revised 10-17-08</small>	Client Name: _____ Client Number: _____
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**Attachment 1
Butte County
Self-Insured Statement**

The County of Butte self-insures third party liability claims alleging bodily injury, personal injury, property damage, or public official errors and omissions. The County self-insures losses up to \$100,000 per occurrence. Losses exceeding \$100,000 are covered by an excess insurance purchased through the County Supervisors Association of California-Excess Insurance Authority (CSAC-EIA). The excess policy provides coverage for losses up to 25 million dollars, which the County is legally required to pay because of liability imposed by law or assumed by contract. A recent actuarial evaluation performed by Bickmore Risk Services found the County's self-insurance reserves to be adequately funded.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Health and Human Services-9.

SUBJECT:

Amendment to Agreement with Northern Valley Catholic Social Service, Inc

DEPARTMENT: Health and Human Services Agency-Children's Services

Supervisory District No. : All

DEPARTMENT CONTACT: Nancy Bolen, Branch Director, (530) 225-5705

STAFF REPORT APPROVED BY: Nancy Bolen, Branch Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign a retroactive amendment, effective July 1, 2019, to the agreement with Northern Valley Catholic Social Service, Inc., to provide youth specialty mental health services which increases maximum compensation by \$200,402 for total of \$2,369,598 to provide services to additional clients, and retains the period July 1, 2018, through June 30, 2020.

SUMMARY

The proposed amendment will allow Northern California Catholic Social Service, Inc. (NVCSS) to continue to provide medically necessary youth specialty mental health services to Medi-Cal eligible youth, with the increase of maximum compensation due to the higher than anticipated number of clients being served by NVCSS.

DISCUSSION

The Shasta County Mental Health Plan has a responsibility to provide mental health services to eligible Medi-Cal clients. The agreement with NVCSS resulted from a competitive procurement cycle for mental health services. NVCSS provides medically necessary specialty mental health services to children, adolescents, and young adults (up to 21 years of age) who fall within Shasta County's eligible population. NVCSS provides both clinic-based and community-based services.

NVCSS has been providing medically necessary youth specialty mental health services for several years to eligible Shasta County clients. The agreement contains specific requirements to ensure maximum access to services for Shasta County clients and their families, including children placed in foster care. The Health and Human Services Agency (HHSA) has oversight processes in place and has been satisfied with their performance. Continual performance monitoring includes evaluating client outcomes by the Child and Adolescent Needs and Strengths (CANS) tool as well as progress towards individual treatment goals.

An increase in compensation is needed as NVCSS has experienced a rise in operating and staff costs related to serving high

risk youth. In May 2019 NVCSS served 166 clients with an increase of 21 youth that month. NVCSS is experiencing an increase in number of youth being served given the recent contract cancelation with another specialty mental health service provider. The amendment is retroactive given the emergent need to serve increased clients and contract negotiations needed to adequately address the rise in operating and staff costs.

ALTERNATIVES

The Board could choose not to approve this first amendment, or to approve with modified terms or funding levels.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the amendment as to form. Risk Management has approved the amendment. The recommendation has been reviewed by the County Administrative Office.

FINANCING

The maximum compensation in the proposed amendment is \$2,369,598, and is based on an increased number of clients being served by NVCSS. These costs are included in the Mental Health (BU 410) FY 2019-20 Adopted Budget. The agreement is fee for service and costs will only be incurred when a Shasta County youth is receiving mental health services from NVCSS, authorized by Shasta County. Specialty Mental Health Medi-Cal services are funded through a combination of federal Medicaid funds (approx. 50%) with a County match which is largely met through a combination of 1991 and 2011 realignment revenue. There is no additional General Fund impact with the approval of this recommendation.

ATTACHMENTS:

Description	Upload Date	Description
Amendment	7/31/2019	Amendment

**FIRST AMENDMENT TO THE AGREEMENT BETWEEN
THE COUNTY OF SHASTA
AND
NORTHERN VALLEY CATHOLIC SOCIAL SERVICE, INC**

This First Amendment is entered into between the County of Shasta, through its Health and Human Services Agency, a political subdivision of the State of California (County), and Northern Valley Catholic Social Service, Inc., a California non-profit corporation, (Consultant).

RECITALS

WHEREAS, County and Consultant have previously entered into an agreement on September 18, 2018, effective July 1, 2018, to provide for youth specialty mental health services (Original Agreement); and

WHEREAS, County and Consultant desire to amend the Agreement to increase the maximum compensation payable to the Consultant by \$200,402, making the total maximum compensation \$2,369,598 during the term of the agreement (First Amendment).

NOW, THEREFORE, the Agreement is amended as follows:

I. Section 3, **COMPENSATION**, of the Agreement is amended as of the effective date of this First Amendment in its entirety to read as follows:

- A. County shall compensate Consultant for services rendered pursuant to this agreement in accordance with the terms specified in **EXHIBIT B, RATES**. The total compensation payable to Consultant under this agreement shall not exceed \$1,084,598 for County fiscal year 2018-19, and \$1,285,000 for County fiscal year 2019-2020. In no event shall the total maximum amount payable under this agreement exceed \$2,369,598.
- B. During the term of this agreement, the Health and Human Services Agency (HHS) Director (Director) or HHS Branch Director may approve, in writing and in advance, changes in any line item budgeted expenses in the Budget up to a maximum of 10 percent between categories within each line item budget expense provided the maximum compensation specified in Section 3.A. of this agreement is not exceeded.
- C. Consultant's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of agreement.

II. **ATTACHMENT D-1** is attached to this First Amendment and is effective as of July 1, 2019. **ATTACHMENT D** attached to the Original Agreement shall remain in effect between July 1, 2018 and June 30, 2019.

III. **REAFFIRMATION**

In all other respects, the Agreement, as amended, and any attachments, remains in full force and effect.

IV. **ENTIRE AGREEMENT**

The Agreement, as amended, and any attachments, constitute the entire understanding between County and Consultant.

V. **EFFECTIVE DATE**

Unless otherwise provided, this First Amendment shall be deemed effective as of July 1, 2019.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Agreement. By their signatures below, each signatory represents that he/she has the authority to execute this First Amendment and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

LEONARD MOTY, CHAIRMAN

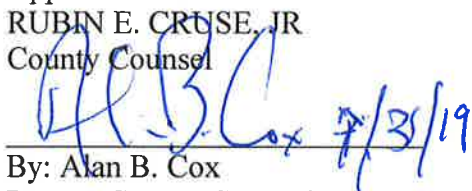
Board of Supervisors
County of Shasta
State of California

ATTEST:

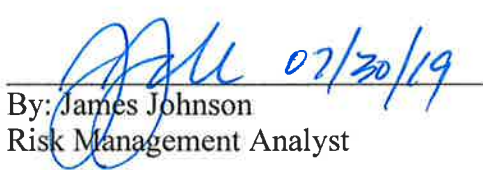
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

Approved as to form:
RUBIN E. CRUSE, JR.
County Counsel

 7/31/19
By: Alan B. Cox
Deputy County Counsel

RISK MANAGEMENT APPROVAL

 07/30/19
By: James Johnson
Risk Management Analyst

CONSULTANT

Date: 7.26.19


CATHLEEN WYATT
Executive Director

Tax I.D.#: On File

EXHIBIT D-1 NORTHERN VALLEY CATHOLIC SOCIAL SERVICE, INC. BUDGET						
Shasta County Health & Human Services Agency 1810 Market Street Redding, CA 96001				Northern Valley Catholic Social Service, Inc. 2400 Washington Ave. Redding, CA 96001		
Term of Contract: 7/01/2019 - 6/30/2020						
Youth Organizational Provider Budgets						
Budget Category		Mental Health Outpatient Services	PEI Services	Case Management/ Brokerage	Crisis Intervention	Total Budgeted Costs
Personnel/Position	FTE					
Regional Director	40.00%	33,313.00				33,313.00
IT	5.00%	3,260.00				3,260.00
Maintenance Worker	5.00%	1,942.00				1,942.00
Officer Manager	62.50%	28,950.00				28,950.00
Front Desk	10.00%	3,394.00				3,394.00
Technician II	100.00%	36,982.00				36,982.00
Counseling Program Manager	100.00%	69,114.00				69,114.00
Case Manager I	75.00%	26,723.00				26,723.00
Case Manager II	60.00%	24,242.00				24,242.00
Therapist I	550.00%	262,235.00	7,395.23	2,465.00	2,465.00	274,560.23
Therapist II	0.00%	0.00				0.00
Therapist III	225.00%	131,040.00				131,040.00
Fringe Benefits		312,987.01	3,725.99	1,242.00	1,242.00	319,197.00
Total Salary and Benefits		934,182.01	11,121.22	3,707.00	3,707.00	952,717.23
Operating Expenses						
Office Expenses/Supplies		6,864.36	81.73	26.83	26.83	6,999.75
Professional/Consulting Fees		7,354.00	87.55	29.00	29.00	7,499.55
Rents/Leases (Occupancy)		45,105.06	536.96	179.00	179.00	46,000.02
Utilities/Communications		18,826.46	224.13	74.00	74.00	19,198.59
Travel		7,354.09	87.55	29.00	29.00	7,499.64
Rental		1,961.09	23.35	8.00	8.00	2,000.44
Insurance		28,435.80	338.52	113.00	113.00	29,000.32
Subscriptions		98.05	1.17			99.22
Fees and Licenses		12,501.95	148.83	50.00	50.00	12,750.78
Postage, Copies & Printing		4,853.70	57.77	20.00	20.00	4,951.47
Employment Cost and Fees		2,451.36	29.18	10.00	10.00	2,500.54
Training Conferences		9,021.01	107.39	36.00	36.00	9,200.40
Employee Meetings		392.22	4.67	2.00	2.00	400.89
Maintenance Labor and Supplies		10,858.06	129.26	43.00	43.00	11,073.32
Depreciation (Cemer)		5,393.00	64.20	21.00	21.00	5,499.20
Total Operating Expenses		161,470.21	1,922.26	640.83	640.83	164,674.13
Total Expenses		1,095,652.22	13,043.48	4,347.83	4,347.83	1,117,391.36
Administrative Cost		164,347.78	1,956.52	652.17	652.17	167,608.64
(Not to exceed 15%)						
Totals		\$1,260,000.00	\$15,000.00	\$5,000.00	\$5,000.00	\$1,285,000.00
FOR COUNTY USE ONLY:						
Cost Center						
Account Code						
Project Code						
Activity Code						

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Health and Human Services-10.

SUBJECT:

Targeted Case Management Provider Participation Agreement

DEPARTMENT: Health and Human Services Agency-Business and Support Services

Supervisory District No. : All

DEPARTMENT CONTACT: Tracy Tedder, Branch Director, HHSA Business & Support Services, (530) 229-8425

STAFF REPORT APPROVED BY: Tracy Tedder, Branch Director, HHSA Business & Support Services

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the: (1) Chairman to sign a retroactive renewal evergreen agreement with the California Department of Health Care Services for no compensation for Medi-Cal Targeted Case Management Provider Participation Agreement (PPA #: 45-19EVRGRN) effective July 1, 2019 until terminated by either party, which replaces the Medi-Cal Targeted Case Management Provider Participation Agreement (PPA #: 45-17EVRGRN); and (2) Health and Human Services Agency (HHSA) Director or any HHSA Branch Director designated by the HHSA Director to sign amendments and other documents, including retroactive, that do not result in a substantial or functional change to the original intent of the agreements and otherwise comply with Administrative Policy 6-101, *Shasta County Contracts Manual*.

SUMMARY

Approval of the California Department of Health Care Services (DHCS) Medi-Cal Targeted Case Management (TCM) Provider Participation Agreement will allow Shasta County to continue to participate in the federal TCM Program which provides partial reimbursement of costs associated with assisting at risk individuals in the community through a comprehensive case management program.

DISCUSSION

The TCM Program is a federally funded program that allows certain county departments and non-profit agencies to receive partial reimbursement for case management services they provide to clients, utilizing allowable non-federal matching funds. The goal of TCM is to assist individuals in a defined target population to gain access to needed medical, social, educational, and other services. The basic components of TCM are a comprehensive assessment, development of an individualized service plan, linkage and consultation information, assistance with accessing services, crisis assistance planning, and periodic reviews.

The Shasta County Health and Human Service Agency (HHSA) Public Health Branch (Public Health) serves as the TCM

“Local Governmental Agency” for Shasta County to oversee and coordinate all facets of TCM including receiving and disbursing funds and contracting with participating entities such as Shasta County Child Abuse Prevention Council (CAPCC) who currently is contracted with HHSA to provide TCM eligible services. Approval of the “Medi-Cal Targeted Case Management Provider Participation Agreement” will allow Public Health to continue in this capacity.

The proposed TCM Agreement (PPA #: 45-19EVRGRN) includes several updates, and replaces both the TCM Agreement (PPA #: 45-17EVRGRN) approved by the Board of Supervisors (BOS) on June 20, 2017, and the amendment to PPA #: 45-17EVRGRN which was approved by the HHSA Branch Director on October 17, 2018. DHCS has incorporated the following updates into the new agreement: 1) a requirement for HHSA to comply with all provisions of the Medi-Cal Provider Manual, the County-Based Medi-Cal Administrative Activities(CMAA)/TCM Time Survey Methodology, DHCS Policy and Procedure Letters, DHCS issued policy directives, TCM Cost Report Instructions Manual, the California Medicaid State Plan as it pertains to TCM services; 2) a requirement for HHSA to submit annually a list of Provider’s TCM case managers’ names and National Provider Identification (NPI) numbers, and proof displaying verification of case managers not on the Office of Inspector General List of Excluded Individuals Exclusion list; 3) a requirement for DHCS to verify that the NPI numbers of TCM case managers working for a Provider are active on an annual basis, and review and verify the State Administrative Manual for existing registration records or exclusion of records of TCM providers; and 4) a conflict of interest provision describing the process to resolve the conflict if DHCS becomes aware of a known or suspected conflict of interest.

ALTERNATIVES

The Board could choose not to approve the agreement or direct staff to attempt to negotiate different terms to the agreement with DHCS.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the agreement as to form. Risk Management has approved the agreement. The County Information Technology Department has approved the agreement. This recommendation has been reviewed by the County Administrative Office.

FINANCING

Based on billing amounts from July 2015 through December 2018 HHSA has “passed through” \$188,330 to CAPCC for participation in TCM. Public Health’s Fiscal Year 2019-20 Adopted Budget contains sufficient appropriation authority for the “pass through” funding for participating agencies. Public Health will include adequate appropriation authority for TCM in future budget requests to the Board. There is no additional impact to the County General Fund with approval of this agreement.

ATTACHMENTS:

Description	Upload Date	Description
TCM Provider Participation Agreement	8/5/2019	TCM Provider Participation Agreement

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

**MEDI-CAL TARGETED CASE MANAGEMENT
PROVIDER PARTICIPATION AGREEMENT**

Name of Provider: Shasta County

PPA # 45-19EVRGRN

ARTICLE I – STATEMENT OF INTENT

This Provider Participation Agreement (PPA) constitutes the entire agreement between the Provider and the California Department of Health Care Services (DHCS) regarding Targeted Case Management (TCM) services and is subordinate to the Medi-Cal Provider Agreement (DHCS Form 6208) entered into by the Provider in conjunction with the Provider's enrollment in the Medi-Cal Program. To the extent a prior agreement exists, this PPA replaces all prior PPAs.

ARTICLE II- AUTHORITY

This PPA establishes the responsibilities of a California qualified Local Governmental Agency (LGA or Provider) and DHCS, for the provision of TCM services to eligible Medi-Cal beneficiaries, pursuant to Welfare and Institutions Code section 14132.44. Provider shall be an entity located and operating in the State of California.

ARTICLE III – TERM AND TERMINATION OF THE AGREEMENT

This PPA is effective **July 1, 2019**, and shall continue in full force and effect until terminated by either party.

Termination without Cause: Either party may terminate this PPA by providing the other party with 30 days advance written notice of intent to terminate. Termination under this paragraph shall result in Provider's immediate disenrollment from the TCM Program on the termination date and exclusion without formal hearing under the California Administrative Procedure Act (APA) from further participation in the TCM Program unless and until Provider is re-enrolled by DHCS in the TCM Program.

Termination for Cause: This PPA shall be automatically terminated if the Provider's DHCS Form 6208 and Medi-Cal Disclosure Statement form 6207 are terminated or Provider is suspended from Medi-Cal under the terms of the DHCS Form 6208, respectively. This PPA's automatic termination or suspension shall be effective the same date as the Provider's DHCS Form 6208 and Medi-Cal Disclosure Statement form 6207 termination from Medi-Cal. Termination under this paragraph will result in Provider's immediate disenrollment and exclusion without formal hearing under the APA from further providing services under the TCM Program. Additionally, DHCS shall have the authority to automatically terminate this PPA if a conflict of interest is determined to exist by DHCS and cannot be adequately resolved to the satisfaction of DHCS pursuant to Article X of this PPA.

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

ARTICLE IV – PROJECT REPRESENTATIVES

A. The contact persons during the term of this PPA are:

Department of Health Care Services Shelly Taunk, Chief County-Based Claiming and Inmate Services Section Telephone: (916) 345-7934 Fax: (916) 324-0738 Email: Shelly.Taunk@dhcs.ca.gov	Provider Name: Robin Harris Telephone: (530) 225-5918 Fax: (530) 225-5555 Email: rmharris@co.shasta.ca.us
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B. Direct all inquiries to:

Department of Health Care Services County-Based Claiming and Inmate Services Section Targeted Case Management Unit Attention: Sara Schmid, Chief Suite 71.3024, MS 4603 P.O. Box 997436 Sacramento, CA, 95899-7436 Telephone: (916) 345-7691 Fax: (916) 324-0738 Email: DHCS-TCM@dhcs.ca.gov	Provider Name: County of Shasta Health and Humans Services Agency Attn: MAA/TCM Coordinator P.O. Box 496005 Redding, CA 96049-6005 Telephone: (530) 225-5918 Fax: (530) 225-5555 Email: rmharris@co.shasta.ca.us
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Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this PPA.

ARTICLE V – PROVIDER RESPONSIBILITIES

By entering into this PPA, the Provider agrees:

- A. To comply with all provisions of the Medi-Cal Provider Manual, the CMAA/TCM Time Survey Methodology, DHCS Policy and Procedure Letters (PPLs), DHCS issued policy directives, TCM Cost Report Instructions Manual, the California Medicaid State Plan as it pertains to TCM services, all as periodically amended.
- B. To ensure all applicable state and federal requirements are met with regard to expense allowability and fiscal documentation:
 1. Any TCM Summary Invoices received from a Provider, and accepted or submitted for payment by DHCS, shall not be deemed evidence of allowable agreement costs.

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

2. Supporting documentation of all expenses incurred and amounts invoiced shall be maintained for review and audit, and supplied to DHCS upon request, pursuant to this PPA to permit a determination of expense allowability.
 - a. If the allowability or appropriateness of an expense cannot be determined by DHCS because the invoice detail, fiscal records, or backup documentation is nonexistent or inadequate, according to generally accepted accounting principles or practices, all questioned costs may be disallowed and payment may be withheld or recouped by DHCS. Upon receipt of adequate documentation supporting a disallowed or questioned expense, reimbursement may resume for the amount substantiated and deemed allowable.
- C. That the TCM providers and their subcontractors are considered contractors solely for the purposes of U.S. Office of Management and Budget (OMB) Uniform Guidance. (2 Code of Federal Regulations (C.F.R.) § 200, and specifically, 2 C.F.R. § 200.330) Consequently, as a contractor, as distinguished from sub-recipient, a Dun and Bradstreet Universal Numbering System (DUNS) number is not required.
- D. That the Provider's LGA Coordinator is responsible for working directly with DHCS in requesting MEDSLITE access for the Provider's (county or city) TCM staff. The Provider can have no more than three users with access to MEDSLITE. The LGA Coordinator is responsible for maintaining an active list of users for MEDSLITE and collecting a signed Oath of Confidentiality from each user. The Provider's LGA Coordinator is responsible for ensuring users are informed they cannot share user accounts, that MEDSLITE is to be used for only authorized purposes, and that all activity is logged. DHCS will only accept account requests from an authorized Provider's LGA Coordinator. DHCS may deny access to MEDSLITE at its discretion.
 1. The Provider's LGA Coordinator will provide, assign, delete, and track user accounts to authorized TCM staff members upon request.
 2. The Provider's LGA Coordinator is responsible for ensuring processes are in place, which result in prompt MEDSLITE account deletion requests when users leave employment or no longer require access due to a change in job duties. The Provider's LGA Coordinator must perform a monthly reconciliation to identify account termination, process violations, and ensure corrective actions are implemented.
- E. That by November 1 of each year the Provider shall:
 1. Submit via electronic mail (e-mail) an annual TCM Cost Report for the service period of the preceding July 1 through June 30 to dhsaitcm@dhcs.ca.gov.
 - a. E-mail submissions of the TCM Cost Report shall include the following completed documents:

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

1. Completed Cost Report Template signed and scanned (PDF)
 2. Completed Cost Report Template (Excel)
 3. LGA certification page signed and scanned (PDF)
 4. Non-LGA Local Public Entities (LPE) Certification and LGA Attestation Statements for the TCM Cost Report signed and scanned (PDF), if applicable.
- b. Each e-mail submission shall follow the examples below when naming the electronic files for the e-mail submission of the TCM Cost Report:

Examples:

2013 Santa Cruz CR.xls (Fiscal Year [FY] 2013-14 Santa Cruz Cost Report, Excel version)

2013 Santa Cruz CR.PDF (FY 2013-14 Santa Cruz Cost Report, signed and scanned PDF version)

- c. Each e-mail submission shall follow the example below when naming the e-mail for the submission of the TCM Cost Report:

Example:

Name of LGA, LGA Code, Fiscal Year End Date (FYE), Part xx
Santa Cruz County, 44, FYE 063014, Part 1 of 3

- F. To accept payments as reimbursement in full as received for TCM services pursuant to this PPA. Payments are subject to review and audit by both DHCS and the Centers for Medicare and Medicaid Services.
- G. To submit TCM Summary Invoices in accordance with 42 Code of Federal Regulations part 433.51, California Code of Regulations, title 22, sections 51185, 51271, 51272, 51351, 51351.1, 51365, 51535.7, and 51492, and ensure TCM Summary Invoices are post-marked within 12 months from the date of service.
- H. To execute a Memorandum of Understanding (MOU) with Medi-Cal Managed Care Health Plan(s) (MCPs) serving beneficiaries in the same county as the Provider when the Provider is in a participating MCP in accordance with state issued policy directives, including PPLs and federal directives, all as periodically amended. The MOU will serve to define the respective responsibilities between Provider's TCM Program and MCPs and must include coordination protocols to ensure non-duplication of services provided to beneficiaries in common.

Name of Provider: Shasta County

PPA #: 45-19EVRGRN

I. That in addition to the Annual Participation Prerequisite (APP) required documentation due annually, Provider will submit the additional documents listed below:

- A list of the Provider's TCM case managers' names and National Provider Identification (NPI) numbers.
- Proof displaying verification of case managers not on the Office of Inspector General List of Excluded Individuals Exclusion (OIG LEIE) list. The Provider can satisfy this requirement by submitting electronic screenshots.

ARTICLE VI – DHCS RESPONSIBILITIES

By entering into this PPA, DHCS agrees to:

- A. Establish an all-inclusive interim rate for the Provider to claim for TCM services.
- B. Provide the TCM Program with inquiry-only MEDSLITE accounts. Providers will use MEDSLITE accounts to perform aid code verification for the Affordable Care Act (ACA) encounters billed through TCM.
- C. Perform settlement reconciliation to reflect the actual costs the Provider incurred in providing TCM services to Medi-Cal beneficiaries.
- D. Review and process TCM Summary Invoices within 24 months from the date of service. Upon review, processing, and approval of valid TCM encounters, DHCS shall schedule TCM Summary Invoices for payment.
- E. Provide training and technical assistance to enable the Provider to identify costs related to proper invoicing documentation and billing procedures. DHCS will provide oversight to ensure compliance with Welfare and Institutions Code section 14132.44 and all other governing federal and state laws and regulations.
- F. Conduct the reviews listed below annually for both currently enrolled providers and all newly enrolled providers to prevent Payment Error Rate Measurement (PERM) findings:
 1. DHCS will verify that the NPI numbers of TCM case managers working for a Provider are active on an annual basis. If a NPI number of a TCM case manager is no longer active, DHCS will contact the Provider and inform them that the ineligible TCM case manager cannot provide TCM services. Once the TCM case manager's NPI has returned to an active status, the Provider must contact DHCS. At that point, DHCS will re-determine the TCM case manager's eligibility to participate in TCM.
 2. DHCS will review and verify the State Administrative Manual (SAM) for existing entity registration records or exclusion records of TCM providers.

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

ARTICLE VII – FISCAL PROVISIONS

Reimbursement to Provider shall be made pursuant to this PPA in the following manner:

- A. Upon the Provider's compliance with all provisions pursuant to Welfare and Institutions Code section 14132.44, California Code of Regulations, title 22, division 3 (commencing with section 50000), and this PPA, and upon the submission of a TCM Summary Invoice, based on valid and substantiated information, DHCS agrees to process the TCM Summary Invoice for reimbursement.
- B. Transfer of funds to Providers for reimbursement is contingent upon the availability of Federal Financial Participation (FFP).
- C. The Provider shall verify the Certified Public Expenditures (CPE) from the Provider's General Fund, or from any other funds allowed under federal law and regulation, for Title XIX funds claimed for TCM services performed pursuant to Welfare and Institutions Code section 14132.44. DHCS shall deny payment of any TCM Summary Invoice submitted under this PPA, if DHCS determines that the certification is not adequately supported for the purposes of claiming FFP. Expenditures certified for TCM costs shall not duplicate, in whole or in part, claims made for the costs of direct patient services or services paid by other Medi-Cal eligible programs.
- D. Failure to timely submit cost reports, or other documents used to verify CPE, by the Provider within the statutory, regulatory, or contractual deadline shall entitle DHCS to declare any funds paid to the Provider for the cost report period as an overpayment and allow DHCS to recoup the funds.

ARTICLE VIII – BUDGET CONTINGENCY CLAUSE

- A. It is mutually agreed that if the Budget Act for the current State Fiscal Year (SFY) or any subsequent SFYs covered under this PPA does not appropriate sufficient funds for the TCM Program, this PPA shall be of no further force and effect. In this event, DHCS shall have no liability to pay any funds whatsoever to the Provider or to furnish any other considerations under this PPA and the Provider shall not be obligated to further provide services under the TCM Program.
- B. If funding for any SFY is reduced or deleted by the Budget Act for purposes of the TCM Program, DHCS shall have the option to either cancel this PPA, with no liability occurring to DHCS, or offer an agreement amendment to the Provider to reflect the reduced amount.

Name of Provider: Shasta County

PPA #: 45-19EVRGRN

ARTICLE IX – LIMITATION OF STATE LIABILITY

- A. Notwithstanding any other provision of this PPA, DHCS shall be held harmless from any federal audit disallowance or interest resulting from payments made by the federal Medicaid program as reimbursement for claims providing TCM services pursuant to Welfare and Institutions Code section 14132.44, for the disallowed claim or claims, less the amounts already remitted to DHCS pursuant to Welfare and Institutions Code section 14132.44(m).
- B. To the extent that a federal audit disallowance and interest results from a claim or claims for which the Provider has received reimbursement for TCM services, DHCS shall recoup from the Provider, upon 60 days written notice, amounts equal to the amount of the disallowance and interest in that SFY for the disallowed claim or claims. All subsequent TCM Summary Invoices submitted to DHCS applicable to any previously disallowed claim or claims, may be held in abeyance, with no payment made, until the federal disallowance issue is resolved, less the amounts already remitted to DHCS pursuant to Welfare and Institutions Code section 14132.44, subdivision (m).
- C. Notwithstanding Article 2 and Article 7, to the extent that a federal audit disallowance or interest results from a claim or claims for which the Provider has received reimbursement for TCM services provided by a non-governmental entity under contract with, and on behalf of the Provider, DHCS shall be held harmless by the Provider for 100 percent of the amount of any such federal audit disallowance and interest, for the disallowed claim or claims, less the amounts already remitted to DHCS pursuant to Welfare and Institutions Code section 14132.44, subdivision (m).
- D. Notwithstanding Article 2 and Article 7, the Provider agrees that when it is established upon audit or reconciliation that an overpayment, or other recovery determination, has been made, DHCS and Provider shall follow current laws, regulations, and state issued policy directives, including PPLs for the proper treatment of identified overpayment.
- E. DHCS reserves the right to select the method to be used for the recovery of an overpayment, or other recovery determination.
- F. Overpayments may be assessed interest charges, and may be assessed penalties, in accordance with Welfare and Institutions Code sections 14171, subdivision (h), and 14171.5, respectively.

ARTICLE IX – AMENDMENT

Should either party, during the term of this PPA desire an amendment to the Articles of this PPA, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed amendments are accepted or

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through a process that is mutually agreeable to both DHCS and the Provider. No amendment is binding on either party until it is approved by DHCS.

ARTICLE X – CONFLICT OF INTEREST

DHCS intends to avoid any real or apparent conflict of interests on the part of the Provider, subcontractors, employees, officers or directors of the Provider or subcontractors. DHCS reserves the right to determine at its sole discretion, whether any information, assertion, or claim received from any source indicates the existence of a real or apparent conflict of interest. If a conflict exists, DHCS has the authority to require the LGA to submit additional information or a plan for resolving the conflict, subject to DHCS' review and prior approval.

A. Conflicts of interest include but are not limited to:

1. An instance where the Provider, its subcontractors, or any employee, officer, or director of the Provider or subcontractor has an interest, financial or otherwise, where the use or disclosure of any information obtained while performing services under the contract would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the PPA.
2. An instance where the Provider's or any subcontractor's employees, officers, or directors use their positions for purposes that are or give the appearance of being, motivated by a desire for private gain for either themselves, or those with whom they have familial, business, or other ties.

If DHCS becomes aware of a known or suspected conflict of interest, the Provider will have an opportunity to submit additional information or resolve the conflict. A Provider with a suspected conflict of interest will have five working days from the date of notification of the conflict by DHCS to provide complete information regarding the suspected conflict. DHCS shall have the right to terminate the PPA, if DHCS determines that a conflict of interest exists, and the conflict cannot be resolved to the satisfaction of DHCS. DHCS, at its discretion, may authorize an extension of the timeline for providing additional documentation indicated herein upon receiving written receipt from the Provider.

ARTICLE XI – GENERAL PROVISIONS

- A. This document, including any attachments or exhibits, constitutes the entire PPA between the parties pertaining to the TCM Program. Notwithstanding DHCS Form 6207 and DHCS Form 6208, any condition, provision, agreement or understanding not stated in this PPA shall not affect any rights, duties, or privileges in connection with the terms of this PPA. If there is a conflict between this PPA and DHCS Form 6207 and DHCS Form 6208, then DHCS Form 6207 and DHCS Form 6208 shall control. DHCS Form 6207 and DHCS Form 6208 are hereby incorporated by reference and are made part of this PPA.

Name of Provider: Shasta County

PPA #: 45-19EVRGRN

- B. The term "days" as used in this PPA shall mean calendar days unless otherwise specified.
- C. The provisions and obligations of this PPA cannot be waived or altered except through an amendment made in accordance with Article IX.
- D. None of the provisions of this PPA are or shall be construed as for the benefit of, or enforceable by, any person not a party to this PPA.

<Signature page to follow>

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Name of Provider: Shasta County
PPA #: 45-19EVRGRN

TCM AGREEMENT EXECUTION

The undersigned agent agrees to the terms above, and enters into this PPA on behalf of Shasta County (Provider).

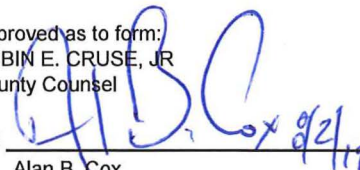
ATTEST:
LAWRENCE G. LEES
Clerk of the Board of Supervisors

Provider Authorized Contact Person's Signature

By: _____
Deputy

Print Name

Approved as to form:
RUBIN E. CRUSE, JR.
County Counsel

By:  8/2/19
Alan B. Cox
Deputy County Counsel

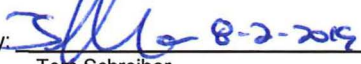
Title

RISK MANAGEMENT APPROVAL

By:  08/02/19
James Johnson
Risk Management Analyst

Address

INFORMATION TECHNOLOGY APPROVAL

By:  8-2-2019
Tom Schreiber
Chief Information Officer

Date

California Department of Health Care Services
Authorized Contact Person's Signature

Print Name

Chief, Safety Net Financing Division
Title

Department of Health Care Services
Name of Department

1501 Capitol Avenue, MS 4603, Sacramento, CA 95899-7413
Address

Date

Exhibit A
HIPAA Business Associate Addendum

I. Recitals

- A. This Contract (Agreement) has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), 42 U.S.C. section 17921 et seq., and their implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations").
- B. The Department of Health Care Services ("DHCS") wishes to disclose to Business Associate certain information pursuant to the terms of this Agreement, some of which may constitute Protected Health Information ("PHI"), including protected health information in electronic media ("ePHI"), under federal law, and personal information ("PI") under state law.
- C. As set forth in this Agreement, Contractor, here and after, is the Business Associate of DHCS acting on DHCS' behalf and provides services, arranges, performs or assists in the performance of functions or activities on behalf of DHCS and creates, receives, maintains, transmits, uses or discloses PHI and PI. DHCS and Business Associate are each a party to this Agreement and are collectively referred to as the "parties."
- D. The purpose of this Addendum is to protect the privacy and security of the PHI and PI that may be created, received, maintained, transmitted, used or disclosed pursuant to this Agreement, and to comply with certain standards and requirements of HIPAA, the HITECH Act and the HIPAA regulations, including, but not limited to, the requirement that DHCS must enter into a contract containing specific requirements with Contractor prior to the disclosure of PHI to Contractor, as set forth in 45 CFR Parts 160 and 164 and the HITECH Act, and the Final Omnibus Rule as well as the Alcohol and Drug Abuse patient records confidentiality law 42 CFR Part 2, and any other applicable state or federal law or regulation. 42 CFR section 2.1(b)(2)(B) allows for the disclosure of such records to qualified personnel for the purpose of conducting management or financial audits, or program evaluation. 42 CFR Section 2.53(d) provides that patient identifying information disclosed under this section may be disclosed only back to the program from which it was obtained and used only to carry out an audit or evaluation purpose or to investigate or prosecute criminal or other activities, as authorized by an appropriate court order.
- E. The terms used in this Addendum, but not otherwise defined, shall have the same meanings as those terms have in the HIPAA regulations. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.

II. Definitions

- A. Breach shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and the Final Omnibus Rule.
- B. Business Associate shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and the final Omnibus Rule.
- C. Covered Entity shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and Final Omnibus Rule.
- D. Electronic Health Record shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C Section 17921 and implementing regulations.

Exhibit A
HIPAA Business Associate Addendum

- E. Electronic Protected Health Information (ePHI) means individually identifiable health information transmitted by electronic media or maintained in electronic media, including but not limited to electronic media as set forth under 45 CFR section 160.103.
- F. Individually Identifiable Health Information means health information, including demographic information collected from an individual, that is created or received by a health care provider, health plan, employer or health care clearinghouse, and relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual, that identifies the individual or where there is a reasonable basis to believe the information can be used to identify the individual, as set forth under 45 CFR section 160.103.
- G. Privacy Rule shall mean the HIPAA Regulation that is found at 45 CFR Parts 160 and 164.
- H. Personal Information shall have the meaning given to such term in California Civil Code section 1798.29.
- I. Protected Health Information means individually identifiable health information that is transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium, as set forth under 45 CFR section 160.103.
- J. Required by law, as set forth under 45 CFR section 164.103, means a mandate contained in law that compels an entity to make a use or disclosure of PHI that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.
- K. Secretary means the Secretary of the U.S. Department of Health and Human Services ("HHS") or the Secretary's designee.
- L. Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI or PI, or confidential data that is essential to the ongoing operation of the Business Associate's organization and intended for internal use; or interference with system operations in an information system.
- M. Security Rule shall mean the HIPAA regulation that is found at 45 CFR Parts 160 and 164.
- N. Unsecured PHI shall have the meaning given to such term under the HITECH Act, 42 U.S.C. section 17932(h), any guidance issued pursuant to such Act, and the HIPAA regulations.

III. Terms of Agreement

A. Permitted Uses and Disclosures of PHI by Business Associate

Permitted Uses and Disclosures. Except as otherwise indicated in this Addendum, Business Associate may use or disclose PHI only to perform functions, activities or services specified in this Agreement, for, or on behalf of DHCS, provided that such use or disclosure would not violate the

Exhibit A
HIPAA Business Associate Addendum

HIPAA regulations, if done by DHCS. Any such use or disclosure must, to the extent practicable, be limited to the limited data set, as defined in 45 CFR section 164.514(e)(2), or, if needed, to the minimum necessary to accomplish the intended purpose of such use or disclosure, in compliance with the HITECH Act and any guidance issued pursuant to such Act, the HIPAA regulations, the Final Omnibus Rule and 42 CFR Part 2.

1. ***Specific Use and Disclosure Provisions.*** Except as otherwise indicated in this Addendum, Business Associate may:
 - a. ***Use and disclose for management and administration.*** Use and disclose PHI for the proper management and administration of the Business Associate provided that such disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.
 - b. ***Provision of Data Aggregation Services.*** Use PHI to provide data aggregation services to DHCS. Data aggregation means the combining of PHI created or received by the Business Associate on behalf of DHCS with PHI received by the Business Associate in its capacity as the Business Associate of another covered entity, to permit data analyses that relate to the health care operations of DHCS.

B. Prohibited Uses and Disclosures

1. Business Associate shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 U.S.C. section 17935(a) and 45 CFR section 164.522(a).
2. Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DHCS and as permitted by 42 U.S.C. section 17935(d)(2).

C. Responsibilities of Business Associate

Business Associate agrees:

1. ***Nondisclosure.*** Not to use or disclose Protected Health Information (PHI) other than as permitted or required by this Agreement or as required by law.
2. ***Safeguards.*** To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of DHCS, in compliance with 45 CFR sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR section 164, subpart C, in compliance with 45 CFR section 164.316. Business Associate shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Business Associate's operations and the nature and scope of its activities, and

Exhibit A
HIPAA Business Associate Addendum

which incorporates the requirements of section 3, Security, below. Business Associate will provide DHCS with its current and updated policies.

3. **Security.** To take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
 - a. Complying with all of the data system security precautions listed in Attachment A, the Business Associate Data Security Requirements;
 - b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement;
 - c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III - Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and
 - d. In case of a conflict between any of the security standards contained in any of these enumerated sources of security standards, the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to PHI from unauthorized disclosure. Further, Business Associate must comply with changes to these standards that occur after the effective date of this Agreement.

Business Associate shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with DHCS.

- D. **Mitigation of Harmful Effects.** To mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate or its subcontractors in violation of the requirements of this Addendum.

E. Business Associate's Agents and Subcontractors.

1. To enter into written agreements with any agents, including subcontractors and vendors, to whom Business Associate provides PHI or PI received from or created or received by Business Associate on behalf of DHCS, that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to Business Associate with respect to such PHI and PI under this Addendum, and that comply with all applicable provisions of HIPAA, the HITECH Act the HIPAA regulations, and the Final Omnibus Rule, including the requirement that any agents, subcontractors or vendors implement reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI and PI. Business associates are directly liable under the HIPAA Rules and subject to civil and, in some cases, criminal penalties for making uses and disclosures of protected health information that are not authorized by its contract or required by law. A business associate also is directly liable and subject to civil penalties for failing to safeguard electronic protected health information in accordance with the HIPAA Security Rule. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits protected health information on behalf of another business associate. Business Associate shall incorporate, when applicable, the relevant provisions of this Addendum into each subcontract or subaward to such agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI or PI be reported to Business Associate.

Exhibit A
HIPAA Business Associate Addendum

2. In accordance with 45 CFR section 164.504(e)(1)(ii), upon Business Associate's knowledge of a material breach or violation by its subcontractor of the agreement between Business Associate and the subcontractor, Business Associate shall:
 - a. Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure the breach or end the violation within the time specified by DHCS; or
 - b. Immediately terminate the agreement if the subcontractor has breached a material term of the agreement and cure is not possible.

F. *Availability of Information to DHCS and Individuals.* To provide access and information:

1. To provide access as DHCS may require, and in the time and manner designated by DHCS (upon reasonable notice and during Business Associate's normal business hours) to PHI in a Designated Record Set, to DHCS (or, as directed by DHCS), to an Individual, in accordance with 45 CFR section 164.524. Designated Record Set means the group of records maintained for DHCS that includes medical, dental and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for DHCS health plans; or those records used to make decisions about individuals on behalf of DHCS. Business Associate shall use the forms and processes developed by DHCS for this purpose and shall respond to requests for access to records transmitted by DHCS within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.
2. If Business Associate maintains an Electronic Health Record with PHI, and an individual requests a copy of such information in an electronic format, Business Associate shall provide such information in an electronic format to enable DHCS to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. section 17935(e).
3. If Business Associate receives data from DHCS that was provided to DHCS by the Social Security Administration, upon request by DHCS, Business Associate shall provide DHCS with a list of all employees, contractors and agents who have access to the Social Security data, including employees, contractors and agents of its subcontractors and agents.

G. *Amendment of PHI.* To make any amendment(s) to PHI that DHCS directs or agrees to pursuant to 45 CFR section 164.526, in the time and manner designated by DHCS.

H. *Internal Practices.* To make Business Associate's internal practices, books and records relating to the use and disclosure of PHI received from DHCS, or created or received by Business Associate on behalf of DHCS, available to DHCS or to the Secretary of the U.S. Department of Health and Human Services in a time and manner designated by DHCS or by the Secretary, for purposes of determining DHCS' compliance with the HIPAA regulations. If any information needed for this purpose is in the exclusive possession of any other entity or person and the other entity or person fails or refuses to furnish the information to Business Associate, Business Associate shall so certify to DHCS and shall set forth the efforts it made to obtain the information.

Exhibit A
HIPAA Business Associate Addendum

- I. *Documentation of Disclosures.*** To document and make available to DHCS or (at the direction of DHCS) to an Individual such disclosures of PHI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of PHI, in accordance with the HITECH Act and its implementing regulations, including but not limited to 45 CFR section 164.528 and 42 U.S.C. section 17935(c). If Business Associate maintains electronic health records for DHCS as of January 1, 2009, Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after January 1, 2014. If Business Associate acquires electronic health records for DHCS after January 1, 2009, Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after the date the electronic health record is acquired, or on or after January 1, 2011, whichever date is later. The electronic accounting of disclosures shall be for disclosures during the three years prior to the request for an accounting.
- J. *Breaches and Security Incidents.*** During the term of this Agreement, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:
1. ***Notice to DHCS.*** (1) To notify DHCS **immediately** upon the discovery of a suspected security incident that involves data provided to DHCS by the Social Security Administration. This notification will be **by telephone call plus email or fax** upon the discovery of the breach. (2) To notify DHCS **within 24 hours by email or fax** of the discovery of unsecured PHI or PI in electronic media or in any other media if the PHI or PI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Business Associate as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Business Associate.

Notice shall be provided to the DHCS Program Contract Manager, the DHCS Privacy Officer and the DHCS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves data provided to DHCS by the Social Security Administration, notice shall be provided by calling the DHCS EITS Service Desk. Notice shall be made using the "DHCS Privacy Incident Report" form, including all information known at the time. Business Associate shall use the most current version of this form, which is posted on the DHCS Privacy Office website (www.dhcs.ca.gov, then select "Privacy" in the left column and then "Business Use" near the middle of the page) or use this link:

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx>

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI, Business Associate shall take:

- a. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
- b. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

Exhibit A
HIPAA Business Associate Addendum

2. **Investigation and Investigation Report.** To immediately investigate such security incident, breach, or unauthorized access, use or disclosure of PHI or PI. If the initial report did not include all of the requested information marked with an asterisk, then within 72 hours of the discovery, Business Associate shall submit an updated "DHCS Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer:
3. **Complete Report.** To provide a complete report of the investigation to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. If all of the required information was not included in either the initial report, or the Investigation Report, then a separate Complete Report must be submitted. The report shall be submitted on the "DHCS Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, the HIPAA regulations and/or state law. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If DHCS requests information in addition to that listed on the "DHCS Privacy Incident Report" form, Business Associate shall make reasonable efforts to provide DHCS with such information. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "DHCS Privacy Incident Report" form. DHCS will review and approve or disapprove the determination of whether a breach occurred, is reportable to the appropriate entities, if individual notifications are required, and the corrective action plan.
4. **Notification of Individuals.** If the cause of a breach of PHI or PI is attributable to Business Associate or its subcontractors, agents or vendors, Business Associate shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The notifications shall comply with the requirements set forth in 42 U.S.C. section 17932 and its implementing regulations, including, but not limited to, the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days. The DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.
5. **Responsibility for Reporting of Breaches.** If the cause of a breach of PHI or PI is attributable to Business Associate or its agents, subcontractors or vendors, Business Associate is responsible for all required reporting of the breach as specified in 42 U.S.C. section 17932 and its implementing regulations, including notification to media outlets and to the Secretary. If a breach of unsecured PHI involves more than 500 residents of the State of California or its jurisdiction, Business Associate shall notify the Secretary of the breach immediately upon discovery of the breach. If Business Associate has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to DHCS in addition to Business Associate, Business Associate shall notify DHCS, and DHCS and Business Associate may take appropriate action to prevent duplicate reporting. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 1, above.
6. **DHCS Contact Information.** To direct communications to the above referenced DHCS staff, the Contractor shall initiate contact as indicated herein. DHCS reserves the right to make changes to

Exhibit A
HIPAA Business Associate Addendum

the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.

DHCS Program Contract Manager	DHCS Privacy Officer	DHCS Information Security Officer
See the Scope of Work exhibit for Program Contract Manager information	Privacy Officer c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 Email: privacyofficer@dhcs.ca.gov Telephone: (916) 445-4646 Fax: (916) 440-7680	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: iso@dhcs.ca.gov Fax: (916) 440-5537 Telephone: EITS Service Desk (916) 440-7000 or (800) 579-0874

K. Termination of Agreement. In accordance with Section 13404(b) of the HITECH Act and to the extent required by the HIPAA regulations, if Business Associate knows of a material breach or violation by DHCS of this Addendum, it shall take the following steps:

1. Provide an opportunity for DHCS to cure the breach or end the violation and terminate the Agreement if DHCS does not cure the breach or end the violation within the time specified by Business Associate; or
2. Immediately terminate the Agreement if DHCS has breached a material term of the Addendum and cure is not possible.

L. Due Diligence. Business Associate shall exercise due diligence and shall take reasonable steps to ensure that it remains in compliance with this Addendum and is in compliance with applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, and that its agents, subcontractors and vendors are in compliance with their obligations as required by this Addendum.

M. Sanctions and/or Penalties. Business Associate understands that a failure to comply with the provisions of HIPAA, the HITECH Act and the HIPAA regulations that are applicable to Business Associate may result in the imposition of sanctions and/or penalties on Business Associate under HIPAA, the HITECH Act and the HIPAA regulations.

IV. Obligations of DHCS

DHCS agrees to:

A. Notice of Privacy Practices. Provide Business Associate with the Notice of Privacy Practices that DHCS produces in accordance with 45 CFR section 164.520, as well as any changes to such notice. Visit the DHCS Privacy Office to view the most current Notice of Privacy Practices at: <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx> or the DHCS website at www.dhcs.ca.gov (select "Privacy in the left column and "Notice of Privacy Practices" on the right side of the page).

B. Permission by Individuals for Use and Disclosure of PHI. Provide the Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI, if such changes affect the Business Associate's permitted or required uses and disclosures.

Exhibit A
HIPAA Business Associate Addendum

- C. *Notification of Restrictions.*** Notify the Business Associate of any restriction to the use or disclosure of PHI that DHCS has agreed to in accordance with 45 CFR section 164.522, to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.
- D. *Requests Conflicting with HIPAA Rules.*** Not request the Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA regulations if done by DHCS.

V. Audits, Inspection and Enforcement

- A.** From time to time, DHCS may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement and this Addendum. Business Associate shall promptly remedy any violation of any provision of this Addendum and shall certify the same to the DHCS Privacy Officer in writing. The fact that DHCS inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Addendum, nor does DHCS':
 1. Failure to detect or
 2. Detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices constitute acceptance of such practice or a waiver of DHCS' enforcement rights under this Agreement and this Addendum.
- B.** If Business Associate is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Addendum, Business Associate shall notify DHCS and provide DHCS with a copy of any PHI or PI that Business Associate provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or PI to the Secretary. Business Associate is responsible for any civil penalties assessed due to an audit or investigation of Business Associate, in accordance with 42 U.S.C. section 17934(c).

VI. Termination

- A. *Term.*** The Term of this Addendum shall commence as of the effective date of this Addendum and shall extend beyond the termination of the contract and shall terminate when all the PHI provided by DHCS to Business Associate, or created or received by Business Associate on behalf of DHCS, is destroyed or returned to DHCS, in accordance with 45 CFR 164.504(e)(2)(ii)(I).
- B. *Termination for Cause.*** In accordance with 45 CFR section 164.504(e)(1)(ii), upon DHCS' knowledge of a material breach or violation of this Addendum by Business Associate, DHCS shall:
 1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by DHCS; or
 2. Immediately terminate this Agreement if Business Associate has breached a material term of this Addendum and cure is not possible.

Exhibit A
HIPAA Business Associate Addendum

- C. *Judicial or Administrative Proceedings.*** Business Associate will notify DHCS if it is named as a defendant in a criminal proceeding for a violation of HIPAA. DHCS may terminate this Agreement if Business Associate is found guilty of a criminal violation of HIPAA. DHCS may terminate this Agreement if a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Business Associate is a party or has been joined.
- D. *Effect of Termination.*** Upon termination or expiration of this Agreement for any reason, Business Associate shall return or destroy all PHI received from DHCS (or created or received by Business Associate on behalf of DHCS) that Business Associate still maintains in any form, and shall retain no copies of such PHI. If return or destruction is not feasible, Business Associate shall notify DHCS of the conditions that make the return or destruction infeasible, and DHCS and Business Associate shall determine the terms and conditions under which Business Associate may retain the PHI. Business Associate shall continue to extend the protections of this Addendum to such PHI, and shall limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

VII. Miscellaneous Provisions

- A. *Disclaimer.*** DHCS makes no warranty or representation that compliance by Business Associate with this Addendum, HIPAA or the HIPAA regulations will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.
- B. *Amendment.*** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon DHCS' request, Business Associate agrees to promptly enter into negotiations with DHCS concerning an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable laws. DHCS may terminate this Agreement upon thirty (30) days written notice in the event:
1. Business Associate does not promptly enter into negotiations to amend this Addendum when requested by DHCS pursuant to this Section; or
 2. Business Associate does not enter into an amendment providing assurances regarding the safeguarding of PHI that DHCS in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.
- C. *Assistance in Litigation or Administrative Proceedings.*** Business Associate shall make itself and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under this Agreement, available to DHCS at no cost to DHCS to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DHCS, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inactions or actions by the Business Associate, except where Business Associate or its subcontractor, employee or agent is a named adverse party.

Exhibit A
HIPAA Business Associate Addendum

- D. *No Third-Party Beneficiaries.*** Nothing express or implied in the terms and conditions of this Addendum is intended to confer, nor shall anything herein confer, upon any person other than DHCS or Business Associate and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- E. *Interpretation.*** The terms and conditions in this Addendum shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and the HIPAA regulations.
- F. *Regulatory References.*** A reference in the terms and conditions of this Addendum to a section in the HIPAA regulations means the section as in effect or as amended.
- G. *Survival.*** The respective rights and obligations of Business Associate under Section VI.D of this Addendum shall survive the termination or expiration of this Agreement.
- H. *No Waiver of Obligations.*** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

Exhibit A
HIPAA Business Associate Addendum

Attachment A

Business Associate Data Security Requirements

I. Personnel Controls

- A. *Employee Training.*** All workforce members who assist in the performance of functions or activities on behalf of DHCS, or access or disclose DHCS PHI or PI must complete information privacy and security training, at least annually, at Business Associate's expense. Each workforce member who receives information privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following contract termination.
- B. *Employee Discipline.*** Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment where appropriate.
- C. *Confidentiality Statement.*** All persons that will be working with DHCS PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DHCS PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DHCS inspection for a period of six (6) years following contract termination.
- D. *Background Check.*** Before a member of the workforce may access DHCS PHI or PI, a thorough background check of that worker must be conducted, with evaluation of the results to assure that there is no indication that the worker may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

II. Technical Security Controls

- A. *Workstation/Laptop encryption.*** All workstations and laptops that process and/or store DHCS PHI or PI must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the DHCS Information Security Office.
- B. *Server Security.*** Servers containing unencrypted DHCS PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
- C. *Minimum Necessary.*** Only the minimum necessary amount of DHCS PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.
- D. *Removable media devices.*** All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smartphones, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.

Exhibit A
HIPAA Business Associate Addendum

- E. *Antivirus software.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- F. *Patch Management.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.
- G. *User IDs and Password Controls.*** All users must be issued a unique user name for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:
- Upper case letters (A-Z)
 - Lower case letters (a-z)
 - Arabic numerals (0-9)
 - Non-alphanumeric characters (punctuation symbols)
- H. *Data Destruction.*** When no longer needed, all DHCS PHI or PI must be cleared, purged, or destroyed consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization such that the PHI or PI cannot be retrieved.
- I. *System Timeout.*** The system providing access to DHCS PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.
- J. *Warning Banners.*** All systems providing access to DHCS PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.
- K. *System Logging.*** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DHCS PHI or PI, or which alters DHCS PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If DHCS PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.
- L. *Access Controls.*** The system providing access to DHCS PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.

Exhibit A
HIPAA Business Associate Addendum

- M. *Transmission encryption.*** All data transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.
- N. *Intrusion Detection.*** All systems involved in accessing, holding, transporting, and protecting DHCS PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

III. Audit Controls

- A. *System Security Review.*** All systems processing and/or storing DHCS PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.
- B. *Log Reviews.*** All systems processing and/or storing DHCS PHI or PI must have a routine procedure in place to review system logs for unauthorized access.
- C. *Change Control.*** All systems processing and/or storing DHCS PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

IV. Business Continuity / Disaster Recovery Controls

- A. *Emergency Mode Operation Plan.*** Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DHCS PHI or PI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.
- B. *Data Backup Plan.*** Contractor must have established documented procedures to backup DHCS PHI to maintain retrievable exact copies of DHCS PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DHCS data.

V. Paper Document Controls

- A. *Supervision of Data.*** DHCS PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DHCS PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- B. *Escorting Visitors.*** Visitors to areas where DHCS PHI or PI is contained shall be escorted and DHCS PHI or PI shall be kept out of sight while visitors are in the area.

Exhibit A
HIPAA Business Associate Addendum

- C. Confidential Destruction.** DHCS PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.
- D. Removal of Data.** DHCS PHI or PI must not be removed from the premises of the Contractor except with express written permission of DHCS.
- E. Faxing.** Faxes containing DHCS PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- F. Mailing.** Mailings of DHCS PHI or PI shall be sealed and secured from damage or inappropriate viewing of PHI or PI to the extent possible. Mailings which include 500 or more individually identifiable records of DHCS PHI or PI in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission of DHCS to use another method is obtained.

DEPARTMENT OF HEALTH CARE SERVICES

HIPAA Business Associate Addendum

Attachment A

The following data files will be provided pursuant to this Agreement:

Managed Care Organization (MCO)

Each MCO will receive a list of Medi-Cal Participants (Participant) who received TCM services that is/was enrolled in that MCO. The list may provide the following information, as necessary, for each Participant who received TCM services:

1. Last Name
2. First Name
3. Middle Name
4. Date Of Birth
5. Sex
6. MEDS ID
7. LGA Name (Most recent LGA that provided care)
8. Program Type
9. Encounter Number
10. Date Of Service
11. California ID Number

Local Government Agency (LGA)

Each LGA will receive a list of Participants who received TCM services from the LGA. The list may provide the following information, as necessary, for each Participant who received TCM services:

1. Last Name
2. First Name
3. Middle Name
4. Date Of Birth
5. Sex
6. MEDS ID
7. LGA Name
8. Program Type
9. Encounter Number
10. Date Of Service
11. MCO Name (Most recent MCO that Participant is/was enrolled in)
12. California ID Number

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Health and Human Services-11.

SUBJECT:

First Amendment to the ShastaFaces 2 Subsidized Employment Agreement with Kanhaiya LLC.

DEPARTMENT: Health and Human Services Agency-Regional Services

Supervisory District No. : All

DEPARTMENT CONTACT: Melissa Janulewicz, Branch Director, HHSA Regional Services, (530) 245-7638

STAFF REPORT APPROVED BY: Melissa Janulewicz, Branch Director, HHSA Regional Services

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign a retroactive amendment, effective October 11, 2018, to the agreement with Kanhaiya, LLC dba Holiday Inn (Holiday Inn) to provide subsidized employment of CalWORKs clients which provides a valid agreement signature on behalf of Holiday Inn, and retains the maximum compensation amount of \$50,000 and the term October 11, 2018 through August 31, 2019.

SUMMARY

It was determined that the original agreement was signed by a Regional Director of Kanhaiya, LLC and not the Managing Member authorized to enter into contracts. During the term, there have been CalWORKs participants placed and subsidized employment has been paid for these individuals.

DISCUSSION

Subsidized Employment (SE) Programs have been operated in various forms in the United States for over 80 years. ShastaFaces 2 SE program provides paid employment opportunities to Welfare-to-Work (WTW) CalWORKs participants, and gives employers the opportunity to build their business. Employers who offer jobs to WTW participants are provided financial assistance through the initial training period for new employees. Employers receive a wage subsidy of 100% of total wage costs, not to exceed \$15 per hour, per participant hired, over a period of six months. This subsidy is offered as incentive to employers to train and hire Shasta County WTW participants as unsubsidized employees once the reimbursement period ends.

Shasta County entered into an agreement with Kanhaiya, LLC to provide SE services on October 11, 2018. Since then, Shasta County has paid approximately \$12,169 in SE reimbursement to Kanhaiya, LLC. Though the contract renewal review process with the Contractor, the County determined and confirmed that the signatures for the Contractor from the original agreement signature page were not valid. This retroactive amendment provides the valid signature for the authorized individual (Managing Member) on behalf of the Contractor.

ALTERNATIVES

The Board could choose not to approve this amendment, defer consideration to a future date, or provide alternate direction to staff.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the amendment as to form. Risk Management has approved the amendment. This recommendation has been reviewed by the County Administrative Office.

FINANCING

Regional Service’s Fiscal Year 2018-19 Adopted Budget included sufficient appropriation authority for the activities described in this amendment. No additional County General Funds are requested.

ATTACHMENTS:

Description	Upload Date	Description
First Amendment	8/5/2019	First Amendment

**FIRST AMENDMENT TO THE AGREEMENT BETWEEN
THE COUNTY OF SHASTA
AND
KANHAIYA, LLC dba HOLIDAY INN**

This retroactive First Amendment is entered into between the County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency ("County") and Kanhaiya, LLC. dba Holiday Inn ("Contractor").

RECITALS

WHEREAS, County and Contractor have previously entered into an agreement on and effective October 11, 2018 to provide employment subsidy reimbursement to Contractor, as employer of record, for the employment of eligible CalWORKs client(s) ("Agreement"); and

WHEREAS, County and Contractor desire to amend the Agreement to ratify an invalid signature on behalf of the Managing Member for Kanhaiya, LLC., dba Holiday Inn; and

WHEREAS, The Original Agreement was not signed by an authorized individual on behalf of the Contractor. This First Amendment has been signed by the authorized individual; and

WHEREAS, the Original Agreement and the First Amendment are collectively referred to as the "Agreement."

NOW, THEREFORE, the Agreement is amended as follows:

I. The signature page on the Original Agreement is replaced in its entirety by the signature page attached to this Amendment, as Exhibit F.

II. **REAFFIRMATION**

In all other respects, the Agreement, as amended, and any attachments, remains in full force and effect.

III. **ENTIRE AGREEMENT**

The Agreement, as amended, and any attachments, constitute the entire understanding between County and Contractor.

IV. **EFFECTIVE DATE**

This First Amendment shall be deemed effective as of October 11, 2018.

/SIGNATURE PAGE FOLLOWS/

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Agreement. By their signatures below, each signatory represents that he/she has the authority to execute this First Amendment and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

Approved as to form:
RUBIN E. CRUSE, JR.
County Counsel

By: Alan B. Cox 7/17/19
Alan B. Cox
Deputy County Counsel

RISK MANAGEMENT APPROVAL

By: James Johnson 07/18/2019
James Johnson
Risk Management Analyst

CONTRACTOR

Date: 7/29/19


Pareshkumar Patel
Pareshkumar Patel, Managing Member
Kanhaiya LLC., dba Holiday Inn

Tax I.D.#: On file

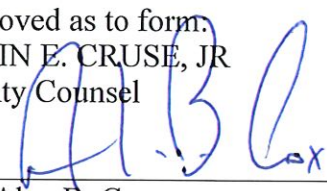
IN WITNESS WHEREOF, County and Contractor have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

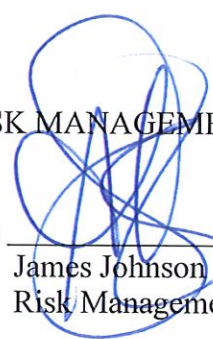
Date: 8/2/19


Lawrence G. Lees
County Executive Officer

Approved as to form,
RUBIN E. CRUSE, JR
County Counsel


By:  7/17/19
Alan B. Cox
Deputy County Counsel

RISK MANAGEMENT APPROVAL

By:  07/18/2019
James Johnson
Risk Management Analyst

CONTRACTOR

Date: 7/29/19


Pareshkumar Patel, Managing Member
Kanhaiya LLC., dba Holiday Inn

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Health and Human Services-12.

SUBJECT:

California Emergency Solutions Grant Application Resolution

DEPARTMENT: Housing and Community Action Programs

Supervisory District No. : All

DEPARTMENT CONTACT: Laura Burch, Director of Housing/Community Action Programs 530-225-5160

STAFF REPORT APPROVED BY: Laura Burch, Director of Housing/Community Action Programs

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Take the following actions: (1) Repeal Resolution No. 2019-054; and (2) adopt a resolution which: (a) approves and authorizes the Director of Housing and Community Action Programs (Director) to sign and submit an amended application to the California Department of Housing and Community Development in an amount not to exceed \$1,000,000 for California Emergency Solutions and Housing Program (Program) funding for the period April 1, 2020 through April 1, 2024; (b) approves and authorizes the Director to sign the Standard Agreement and subsequent amendments, as well as other documents related to the Program; and (c) certifies the County will use all funds for eligible activities and in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, laws, and Program rules.

SUMMARY

On June 11, 2019, the Board of Supervisors adopted Resolution 2019-054 and approved submission of a grant application to the California Department of Housing and Community Development (HCD) requesting California Emergency Solutions and Housing Program (CESH) funding to receive \$513,096 for Rental Assistance, Homeless Prevention Program, Street Outreach services, and Systems Support of the Continuum of Care including, but not limited to, Coordinated Entry, Homeless Management Information System, and homeless planning activities. HCD requests the amended resolution and application in an amount not to exceed \$1,000,000.

DISCUSSION

HCD has requested an amended resolution and application for the California Emergency Solutions and Housing Program Grant for the period April 1, 2020 through April 1, 2024. The state requires a state drafted resolution be submitted in an amount not to exceed \$1,000,000. This request by the department satisfies HCD's requirements for submission. Additionally, the state will not allow any modifications to the resolution content or format; therefore the proposed resolution does not comply with County resolution standards.

In 2016, Senate Bill 850 was enacted to provide a funding source for multiple housing programs. In 2018, Senate Bill 850 was

amended to include additional homeless programs. The Building Homes and Jobs Act established a trust fund which was designed to be allocated by HCD to assist persons experiencing or at risk of homelessness. The California Department of Housing and Community Development published a Notice of Funding Availability (NOFA) of \$29 million in funding in the first of two rounds of application. The CESH Program is funded from a portion of the first and second quarters of revenue deposited in the Building Homes and Jobs Act Trust Fund (Fund) and approximately \$25 million in unallocated California Emergency Solutions Grant funds. This is the second of two NOFAs for the CESH program and is funded from a portion of the third and fourth quarters of revenue deposited in the Building Homes and Jobs Act Trust Fund (Fund) created by the Building Homes and Jobs Act (Chapter 364, Statutes of 2017). Any funds not distributed after the second round of awards shall revert to HCD to be used for the Multifamily Housing Program (Health and Safety Code, Part 2 of Division 31 Chapter 6.7, commencing with Section 50675). Through HCD's formula process, our CoC Region which includes the counties of Del Norte, Lassen, Modoc, Plumas, Shasta, Sierra, and Siskiyou, was allocated \$513,096. Through an application process within the CoC service area, requests were received for the funds. HCD has requested the resolution state an amount not exceed \$1,000,000 due to the possibility the allocation amount of \$596,096 will be increased. On May 16, 2019, the Continuum of Care Executive Board appointed Shasta County Department of Housing and Community Action Programs, through the Community Action Agency, to act as the administrative entity to apply for the CESH funds on behalf of the CoC Region. The grant application was submitted to HCD on June 28, 2019. HCD has advised the Housing and Community Action Agency that Resolution 2019-054 did not comply with the state requirements and a new resolution using the state resolution template had to be submitted for approval. HCD intends to award funds in September 2019. This is not a competitive grant application process. Once awarded, the grant term will likely expire April 2024.

ALTERNATIVES

The Board of Supervisors could decline to approve the required state resolution. However, this would prevent the County from receiving up to \$1,000,000 in Program funds.

OTHER AGENCY INVOLVEMENT

County Counsel has approved resolution as to form. The County Administrative Office has reviewed the recommendation.

FINANCING

CESH is funding allocated by the California Department of Housing and Community Development. An allocation of a minimum of \$513,096, with a maximum amount not to exceed \$1,000,000, will be awarded upon a complete amended application to HCD. Once the grant application is approved by HCD, a budget amendment will be requested. Grant revenue not expended during one fiscal year will roll forward to the next fiscal year. There is a no match requirement for this grant application. There is no additional General Fund impact associated with approval of the recommendation.

ATTACHMENTS:

Description	Upload Date	Description
State Template CESH Resolution	8/6/2019	State Template CESH Resolution

RESOLUTION NO. 2019-_____

**COUNTY OF SHASTA
HOUSING AND COMMUNITY ACTION AGENCY
AUTHORIZING RESOLUTION**

A necessary quorum and majority of the Board of Supervisors of the County of Shasta (“Applicant”) here by consent to, adopt and ratify the following resolution:

WHEREAS the State of California (the “State”), Department of Housing and Community Development issued a Notice of Funding Availability (“NOFA”) dated March 21, 2019, under the California Emergency Solutions Housing (CESH) Program; and

WHEREAS Applicant is an Administrative Entity designated by the Continuum of Care to administer California Emergency Solutions and Housing Program funds.

WHEREAS the Department may approve funding allocations for the CESH Program, subject to the terms and conditions of the NOFA, Program requirements, and the Standard Agreement and other contracts between the Department and CESH grant recipients;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. If Applicant receives a grant of CESH funds from the Department pursuant to the above referenced CESH NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the CESH Program, as well as any and all contracts Applicant may have with the Department.
2. Applicant is hereby authorized and directed to receive a CESH grant, in an amount not to exceed \$1,000,000 in accordance with all applicable rules and laws.
3. Applicant hereby agrees to use the CESH funds for eligible activities as approved by the Department and in accordance with all Program requirements, and other rules and other contracts between the Applicant and the Department.
4. Laura Burch, Director of the Department of Housing and Community Action Agency Programs is authorized to execute the Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the CESH grant awarded to the Applicant, as the Department may deem appropriate.

Resolution No. 2019-
August 13, 2019
Page 2 of 2

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the
County of Shasta 13th day of August, 2019, by the following vote:

AYES: _____ ABSTENTIONS: _____
NOES: _____ ABSENT: _____

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

LEONARD F. MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

By: _____
Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Health and Human Services-13.

SUBJECT:

Homeless Emergency Aid Program (HEAP) subrecipient agreement for Faithworks Community Coalition Inc.

DEPARTMENT: Housing and Community Action Programs

Supervisory District No. : All

DEPARTMENT CONTACT: Laura Burch, Director of Housing/Community Action Programs 530-225-5160

STAFF REPORT APPROVED BY: Laura Burch, Director of Housing/Community Action Programs

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign a retroactive agreement for Homeless Emergency Aid Program (HEAP) funding with Faithworks Community Coalition Inc. in an amount not to exceed \$985,155.69 to provide Capital Improvements for the period July 1, 2019 through June 30, 2021.

SUMMARY

N/A

DISCUSSION

On June 27, 2018, Governor Edmund G. Brown, Jr. authorized Senate Bill 850 to provide direct assistance to cities, counties, and Continuums of Care (CoC's) to address the homelessness crisis throughout California. The allocation of funding criteria was based on the homeless population range from the 2017 Homeless Point In Time Count (PIT) and proportionate share of total homeless population based on the 2017 PIT. For the Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, and Sierra counties' CoC (NorCal CoC) region, an amount of \$2,695,571.87 was awarded through a non-competitive process.

A regional competitive Notice of Funding Availability was distributed to the CoC region on September 26, 2018. The CoC Executive Board approved a county allocation using a methodology that was fair and equitable to all counties. Fifteen applications requesting \$7,496,886 were received from the seven-county region. Through a rating and ranking committee process, applications were awarded in each of the seven counties and an additional application in Shasta County was awarded to allocate Homeless Youth Set-Aside funds. Eligible uses of funds include emergency shelter, transitional housing, small/tiny homes, street outreach, navigation services, rental assistance, eviction prevention and programs to meet the needs of homeless youth or youth at risk of homelessness, and related capital projects. This subrecipient proposes to use funds for capital improvement projects which includes construction of two 2-story, 4-unit apartment buildings to be used and managed for

transitional housing specifically for families with children.

The capital improvements to be constructed by FaithWorks pursuant to this subrecipient agreement were approved by the City of Redding Board of Administrative Review on August 5, 2015 through Site Development Permit SDP-2015-00619. As lead agency pursuant to the California Environmental Quality Act (CEQA), the City of Redding found Site Development Permit SDP-2015-00619 to be categorically exempt from CEQA pursuant to CEQA Guidelines Section 15332 (In-Fill Development Projects). No further environmental review in accordance with CEQA is required for the work to be performed by FaithWorks pursuant to this subrecipient agreement.

ALTERNATIVES

The Board could choose to not approve the agreement, defer consideration to a future date (though funds must be encumbered by January 1, 2020), or provide alternate direction to staff.

OTHER AGENCY INVOLVEMENT

County Counsel approved the agreement as to form. Risk Management has approved the agreement. The County Administrative Office has reviewed the recommendation. The NorCal COC supports the recommendation.

FINANCING

HEAP is a state-funded program. No local match is required. There is no additional General Fund impact with approval of this recommendation.

ATTACHMENTS:

Description	Upload Date	Description
HEAP Faithworks Agreement	8/7/2019	HEAP Faithworks Agreement

SUBRECIPIENT AGREEMENT

Between

SHASTA COUNTY THROUGH ITS COMMUNITY ACTION AGENCY

and

FAITHWORKS COMMUNITY COALITION INC.

This Subrecipient Agreement is entered into between the County of Shasta, through its Housing and Community Action Agency, a political subdivision of the State of California ("SCCAA") and the Subrecipient named below.

The term of this Agreement is: July 1, 2019 through June 30, 2021.

The maximum amount of this Agreement is: \$ 985,155.69

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

Exhibit A:	Authority, Purpose, and Scope of Work	3 pages
Exhibit B:	Budget Detail and Payment Provisions	3 pages
Exhibit C:	Terms and Conditions	10 pages
Exhibit D:	Special Terms and Conditions (HEAP)	1 page
Exhibit E:	Special Terms and Conditions (SCCAA)	9 pages

TOTAL NUMBER OF PAGES ATTACHED: 26 pages

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

SUBRECIPIENT FAITHWORKS COMMUNITY COALITION INC.	
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Subrecipient's Name:

FAITHWORKS COMMUNITY COALITION INC.

Crystal Johnson
By (Authorized Signature)

7/15/19
Date Signed

Crystal Johnson - Executive Director
Printed Name and Title of Person Signing

2825 West St. #1, Redding CA 96001
Address

SHASTA COUNTY COMMUNITY ACTION AGENCY

By (Authorized Signature)

Date Signed

Leonard Moty, Chairman
Printed Name and Title of Person Signing

1450 Court Street Suite 308 B, Redding, CA 96001
Address

SUBRECIPIENT AGREEMENT**EXHIBIT A****Authority, Purpose, and Scope of Work**
Homeless Emergency Aid Program (HEAP)**1. Authority**

Pursuant to Chapter 5 (commencing with Section 50210) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under Senate Bill ("SB") 850 (Chapter 48, Statutes of 2018), the State has established the Homeless Emergency Aid Program ("HEAP" or "the Program" or "the grant"). The Program is administered by the California Homeless Coordinating and Financing Council ("Council") in the Business, Consumer Services and Housing Agency ("BCSH"). Shasta County Community Action Agency ("SCCAA") is the recognized Administrative Entity as provided for by HEAP and defined in the September 5, 2018 HEAP Notice of Funding Availability (NOFA) to address immediate homelessness challenges. This Subrecipient Agreement along with all its exhibits ("Agreement") is entered into by SCCAA and the Subrecipient under the authority of, and in furtherance of the purpose of, the Program. Subrecipient acknowledges and understands that SCCAA has entered into a Standard agreement with BCSH (agreement number 18-HEAP-00053, Registration Number CA-516). In signing this Agreement and thereby accepting this award of funds, the Subrecipient agrees to comply with the terms and conditions of this Agreement; the Notice of Funding Availability ("NOFA") under which SCCAA applied for HEAP grant funding jointly on behalf of Shasta County, the Subrecipient and other local agencies; the representations contained in the SCCAA's application; and the requirements of the authority cited above.

2. Purpose

The general purpose of the Program is to pass through one-time block grant funding to address the immediate emergency needs of homeless individuals and individuals at imminent risk of homelessness in the service area of the Subrecipient. In accordance with the authority cited above, an application was made by SCCAA on behalf of the Subrecipient for HEAP funds to be allocated for eligible uses under the grant, which include, but are not limited to, the following: services, rental assistance or subsidies, capital improvements and homeless youth activities.

3. Definitions

Terms herein shall have the same meaning as the definitions set forth in the HEAP NOFA.

4. Scope of Work

The Scope of Work ("Work") for this Agreement shall include one-time uses that are consistent with Chapter 5 (commencing with Section 50210) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under SB 850 (Chapter 48, Statutes of 2018), for eligible uses.

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT A**

5. Agency Contract Coordinator

The SCCAA's Contract Coordinator for this Agreement is the SCCAA Director ("Director") or designee. Unless otherwise instructed, any notice, report or other communication requiring Subrecipient signature for this Agreement shall be mailed by first class mail to the SCCAA Director at the following address:

Shasta County Housing and Community Action Agency Programs Director
1450 Court Street, Suite 108
Redding, CA 96001
lburch@co.shasta.ca.us

6. Subrecipients Contract Coordinator

The Subrecipients Contract Coordinator ("Authorized Representative") for this Agreement is listed below. Unless otherwise informed, any notice, report or other communication required by this Agreement will be mailed by first class mail to the Subrecipients' Contract Coordinator at the following address:

Subrecipients' Authorized Representative Name:	Crystal Johnson Executive Director
Address:	2825 West Street, Apartment 1 Redding, CA 96001
Phone:	530-242-1441
Email:	<u>crystal@faith-works.cc</u>

7. Effective Date, Term of Agreement, and Deadlines

- A. This Agreement is effective upon approval by both SCCAA and Subrecipient as listed on page one, lower left section, Subrecipient Agreement, and signed by both parties.
- B. All HEAP grant funds must be at least 50 percent contractually obligated by January 1, 2020. One hundred percent of grant funds must be expended by June 30, 2021. Any funds not expended by that date shall be returned to the SCCAA and further returned to BCSH and will then revert to the State General Fund (See Health and Safety Code Section 50215).

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT A**

8. Special Conditions

Subrecipient acknowledges and understands that pursuant to agreement number 18-HEAP-00053 between SCCAA and the State, the State reserves the right to add any special conditions to its agreement with SCCAA which the State deems necessary to ensure the goals of the Program are achieved. In the event any such changes are made by the State to its agreement with SCCAA that necessitate changes to this Subrecipient Agreement, SCCAA reserves the right to add any special conditions to this Agreement it deems necessary to ensure the goals of the Program are achieved.

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT B**

Budget Detail and Payment Provisions

1. Budget Detail

The Subrecipient agrees that HEAP funds shall be expended on one-time uses that address immediate homelessness challenges and such funds shall be expended in accordance with the grant application, this Agreement, and in accordance with all applicable laws, regulations.

Consistent with the application submitted by SCCAA in December 2018, SCCAA shall award funds in the form of a grant for the following eligible activities:

A.	Capital Improvements:	\$ 985,155.69
B.	Services: Other than Homeless Youth Set-Aside	\$ -0-
C.	Rental Assistance or Subsidies:	\$ -0-
D.	Homeless Youth Set-Aside:	\$ -0-
TOTAL HEAP AWARD AMOUNT:		\$ 985,155.69

2. General Conditions Prior to Disbursement

General Requirements – All Subrecipients must submit the following forms prior to HEAP funds being released:

- A. Request for Funds Form (“RFF”); and
- B. Four original copies of the signed Subrecipient Agreement and initialed Exhibits A through E; and
- C. Any other documents, certifications, or evidence requested by SCCAA or otherwise required by the State or by law as part of the HEAP application.

3. Expenditure of Funds

Specific requirements and deadlines for contractually obligating and expending awarded funds are defined in the HEAP statutes; Health and Safety Code Section 50214 and 50215 mandate the following:

- A. One hundred percent of HEAP funds shall be expended by June 30, 2021.
- B. Any funds not expended by June 30, 2021 shall be returned to SCCAA and will then be returned to BCSH and will revert to the State General Fund.

SCCAA staff will provide ongoing technical assistance and training to support Subrecipients in successfully complying with these deadlines.

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT B**

HEAP funds may not be obligated or expended prior to the effective date of this Agreement or prior to Subrecipients receipt of HEAP funds, whichever date is later, even if it is for an eligible use under the statute. Program funds shall be expended in compliance with the requirements set forth in Chapter 5 of Part 1 of Division 31 of the Health and Safety Code and all-over relevant provisions established under SB 850, the NOFA, and this Agreement.

4. Disbursement of Funds

Within 30 days of the effective date of this Agreement, Subrecipient shall submit a valid and correct Request for Funds (Exhibit E) to SCCAA. The Request for Funds must include the proposed activities and amount of funds proposed for expenditure under each eligible use. HEAP funds will be disbursed promptly to the Subrecipient upon receipt, review and approval of a completed and correct Request for Funds by SCCAA. Once the Request for Funds has been received by SCCAA, SCCAA will disburse the HEAP funds to Subrecipient in a single allocation in the amount of \$985,155.69, which amount is one-hundred percent (100%) of the HEAP grant funds allocated and awarded to Subrecipient under the HEAP application submitted by SCCAA on behalf of Subrecipient. In no event shall the maximum amount disbursed to Subrecipient by SCCAA exceed \$985,155.69. Subrecipient shall ensure that HEAP funds are held in an interest-bearing account. All interest earned must be expended on awarded eligible activities.

5. Budget Changes

After the effective date of this Agreement, the Subrecipient agrees that no changes shall be made to the Subrecipients HEAP budget, funded homeless service providers, or eligible activities listed in the RFF without first obtaining approval from SCCAA. Subrecipient further agrees that any such changes shall comply with all applicable laws, rules, applications, and State requirements. Any changes to this Agreement must be requested by the Subrecipient in writing through submission of a Change Request Form. Changes must be approved in writing by SCCAA.

6. Ineligible Costs

HEAP funds shall not be used for costs associated with activities in violation of any law or for any activities not consistent with the intent of the Program and the eligible uses identified in Health and Safety Code Section 50214.

SCCAA reserves the right to request additional information and clarification to determine the reasonableness and eligibility of all costs or expenses to be paid or incurred by Subrecipient with funds made available by this Agreement. If the Subrecipient uses HEAP funds to pay for ineligible activities, the Subrecipient shall be required to reimburse these funds to SCCAA.

Subrecipients' Initials CS

- A. An expenditure which is not authorized by this Agreement, or which cannot be adequately documented, shall be disallowed and must be reimbursed to SCCAA by the Subrecipient.
- B. Expenditures for activities not described in Exhibit A or Paragraph 1 above shall be deemed authorized if the activities are consistent with Health and Safety Code Section 50214 and such activities are included in the approved RFF or are approved in writing by SCCAA prior to the expenditure of funds for those activities.
- C. SCCAA, at its sole and reasonable discretion, shall make the final determination regarding allowability of expenditures of HEAP funds.
- D. Program funds shall not be used for overhead or planning activities, including Homeless Management Information Systems or Homelessness Plans.

7. Administrative Costs

- A. Administrative costs are not an eligible expense under this Agreement.

Subrecipients' Initials CS

SUBRECIPIENT AGREEMENT
EXHIBIT C
Terms and Conditions
Homeless Emergency Aid Program (HEAP)

1. Effective Date, Commencement of Work, and Completion Dates

- A. This Subrecipient Agreement is effective beginning July 1, 2019. Subrecipient agrees that the work shall not commence, nor any costs to be paid with HEAP funds be incurred or obligated by any party, prior to execution of this Agreement by SCCAA and the Subrecipient, or prior to Subrecipients receipt of HEAP funds, whichever date is later. Subrecipient agrees that the work shall be completed by the expenditure date specified in Exhibit A, Paragraph 7.
- B. Subrecipient must contractually obligate no less than fifty percent of HEAP funds by January 1, 2020. One hundred percent of HEAP funds shall be expended by June 30, 2021. Any funds not expended by June 30, 2021 shall be returned to SCCAA and will then be returned to BCSH and revert to the State General Fund. "Obligate" means that the Subrecipient has placed orders, awarded contracts, received services, or entered similar transactions that require payment from the grant amount. "Expended" means all HEAP funds obligated under contract or subcontract have been fully paid and receipted, and no invoices remain outstanding.
- C. Subrecipient agrees that the work shall be completed by the expiration date specified in Exhibit A, Paragraph 7 and that the Scope of Work will be provided for the full term of this Agreement

2. Sufficiency of Funds and Termination

- A. If Subrecipient materially fails to perform Subrecipients' responsibilities under this Agreement to the satisfaction of SCCAA, or if Subrecipient fails to fulfill in a timely and professional manner Subrecipients' responsibilities under this Agreement, or if Subrecipient violates any of the terms or provisions of this Agreement, then SCCAA shall have the right to terminate this Agreement for cause effective immediately upon the SCCAA giving written notice thereof to Subrecipient. If termination for cause is given by SCCAA to Subrecipient and it is later determined that Subrecipient was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this section.
- B. SCCAA may terminate this Agreement without cause on 30 days written notice to Subrecipient.

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT C**

- C. SCCAA may terminate this Agreement immediately upon oral notice should funding cease or be materially decreased during the term of this Agreement.
- D. SCCAA's right to terminate this Agreement may be exercised by the Shasta County Executive Officer, or his/her designee, and/or the Director of Housing and Community Action Agency, or his/her designee.
- E. Should this Agreement be terminated, Subrecipient shall promptly provide to SCCAA any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Subrecipient pursuant to this Agreement.
- F. If this Agreement is terminated, Subrecipient shall only be paid for services satisfactorily completed and provided prior to the effective date of termination and return all awarded funds not expended on eligible activities within 30 days of termination date including all earned interest.

3. Transfers

Subrecipient may not transfer or assign by subcontract or novation, or by any other means, the rights, duties, or performance of this Agreement or any part thereof, except with the prior written approval of SCCAA and a formal amendment to this Agreement to affect such subcontract or novation.

4. Subrecipients' Application for Funds

- A. Subrecipient has submitted to SCCAA an application for HEAP funds to provide urgently needed emergency assistance to homeless people in communities with a declared shelter crisis or applicable waiver as authorized by Health and Safety Code Section 50212(b). Subrecipient is entering into this Agreement on the basis of, and in substantial reliance upon, Subrecipients' facts, information, assertions and representations contained in that Application, and in any subsequent modifications or additions thereto approved by SCCAA. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.
- B. Subrecipient warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of the Subrecipients' knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect SCCAA approval, disbursement, or monitoring of the funding and the grants or activities governed by this Agreement, then SCCAA may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT C**

5. Reporting/Audits

- A. The Subrecipient shall submit Quarterly reports, first quarterly report due October 15, 2019 and quarterly thereafter; and an annual report to SCCAA on forms provided by SCCAA, by December 15, 2019 and December 15, 2020. If the Subrecipient fails to provide such documentation, SCCAA may terminate this Agreement. A final report must be submitted by Subrecipient by September 15, 2021.
- B. The Quarterly reports and annual reports shall contain a detailed report regarding the following:
 - 1. Amount of award with activity (ies).
 - 2. Contract expenditures.
 - 3. Unduplicated number of homeless persons or persons at imminent risk of homelessness served.
 - 4. Number of instances of service (defined in September 5, 2018 HEAP NOFA).
 - 5. Increases in capacity for new and existing programs.
 - 6. The number of unsheltered homeless persons becoming sheltered.
 - 7. The number of homeless persons entering permanent housing.
(May be reflected using a completed Logic Model)
- C. Breakdowns will be expected for each activity (i.e. services, capital improvements, rental assistance, etc.) and program type (i.e. emergency shelter, rapid re-housing, outreach, etc.) for the supplemental reporting requirements listed above when applicable. The same information will also be requested specifically for the following subpopulations, based on priorities defined by the U. S. Department of Housing and Urban Development ("HUD"):
 - 1. Chronically homeless
 - 2. Homeless veterans
 - 3. Unaccompanied homeless youth
 - 4. Homeless persons in families with children
- D. Counts by subpopulation will not be required in cases where that information is unavailable, but it is expected in cases where client information is entered in a Homeless Management System ("HMIS").
- E. The Subrecipient will also be asked to comment on the following:
 - 1. Progress made toward local homelessness goals.
 - 2. The alignment between HEAP funding programs and "Housing First" principles adopted by the Homeless Coordinating and Financing Council.
 - 3. Any other effects from HEAP funding that the CoC or large city would like to share (optional).

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT C**

- F. SCCAA reserves the right to perform or cause to be performed a financial audit. At SCCAA's request, the Subrecipient shall provide, at its own expense, a financial audit prepared by an independent certified public accountant.
1. If a financial audit is required by SCCAA, the audit shall be performed by an independent certified public accountant.
 2. The Subrecipient shall notify SCCAA of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by SCCAA to the independent auditor's working papers.
 3. The Subrecipient is responsible for the completion of audits and all costs of preparing audits.
 4. If there are audit findings, the Subrecipient must submit a detailed response acceptable to SCCAA for each audit finding within 90 days from the date of the audit finding.

6. Access to Records; Records Retention

- A. SCCAA, federal, and state officials shall have access to any books, documents, papers, and records of Subrecipient that are directly pertinent to the subject matter of this Agreement for the purpose of auditing or examining the activities of Subrecipient or SCCAA. This provision shall survive the termination, expiration, or cancellation of this Agreement.
- B. Subrecipient shall maintain appropriate records to insure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this Agreement.
- C. Subrecipient agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or SCCAA audit directly related to the provisions of this Agreement. Subrecipient agrees to repay SCCAA the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Subrecipient agrees that SCCAA may withhold any money due and recover through any appropriate method any money erroneously paid under this Agreement if evidence exists of less than full compliance with this Agreement including, but not limited to, exercising a right of set-off against any compensation payable to Subrecipient.

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT C**

7. Retention and Inspection of Records

- A. The Subrecipient agrees that SCCAA or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. The Subcontractor agrees to provide SCCAA or its designee, with any relevant information requested. The Subcontractor agrees to permit SCCAA or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other materials that may be relevant to a matter under investigation for the purpose of determining compliance with the Chapter 5 of Part 1 of Division 31 of the Health and Safety Code and all other applicable requirements established under SB 850, HEAP program guidance document published on the website, and this Agreement.
- B. The Subcontractor further agrees to retain all records described in Paragraph A for a minimum period of five years after the termination of this Agreement.
- C. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been commenced before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues which arise from it.

8. Breach and Remedies

- A. The following shall each constitute a breach of this Agreement:
 - 1. Subrecipients' failure to comply with the terms or conditions of this Agreement.
 - 2. Use of, or permitting the use of, HEAP funds provided under this Agreement for any ineligible activities.
 - 3. Any failure to comply with the deadlines set forth in this Agreement.
- B. In addition to any other remedies that may be available to SCCAA in law or equity for breach of this Agreement, SCCAA may:
 - 1. Bar the Subrecipient from applying for future HEAP funds;
 - 2. Revoke any other existing HEAP award(s) to the Subrecipient;
 - 3. Require the return of any unexpended HEAP funds disbursed under this Agreement;
 - 4. Require repayment of HEAP funds disburse and expended under this Agreement;
 - 5. Require the immediate return to SCCAA of all funds derived from the use of HEAP funds including, but not limited to, recapture funds and returned funds;
 - 6. Seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the technical assistance in accordance with HEAP requirements; and
 - 7. Seek such other remedies as may be available under this Agreement or any law.

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT C**

C. All remedies available to SCCAA are cumulative and not exclusive.

D. SCCAA may give written notice to the Subrecipient to cure the breach or violation within a period of not less than 15 days of the written notice date.

9. Nonassignment of Agreement; Non Waiver

Inasmuch as this Agreement is intended to secure the specialized services of Subrecipient, Subrecipient may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of SCCAA. The waiver by SCCAA of any breach of any requirement of this Agreement shall not be deemed to be a waiver of any other breach.

10. Compliance with Laws; Non-Discrimination

During the performance of this Agreement, Subrecipient and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, gender expression, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), genetic information, marital status, military and veteran status, and denial of medical and family care leave or pregnancy disability leave. Subrecipients and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Subrecipient and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285 et. Seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Subrecipient and its subcontracts shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT C**

11. Conflict of Interest

All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code, sections 10410 and 10411, for State conflict of interest requirements.

- A. Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- B. Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left the State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to this or her leaving State service.
- C. Employees of the Subrecipient: Employees of the Subrecipient shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Government Code section 87100 et seq.

12. Drug-Free Workplace Certification

Certification of Compliance: By signing this Agreement, Subrecipient, and its subrecipients, hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees and subrecipients that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subrecipients for violations, as required by Government Code section (8355(a)(1).

Subrecipients' Initials CS

SUBRECIPIENT AGREEMENT**EXHIBIT C**

- B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355(a)(2) to inform employees, contractors, or subrecipients about all of the following:
1. The dangers of drug abuse in the workplace;
 2. Subrecipients' policy of maintaining a drug-free workplace;
 3. Any available counseling, rehabilitation, and employee assistance programs; and
 4. Penalties that may be imposed upon employees, contractors, and subrecipients for drug abuse violations.
- C. Provide, as required by Government Code section 8355(a)(3), that every employee and/or subrecipient who works under this Agreement:
1. Will receive a copy of Subrecipients' drug-free policy statement, and
 2. Will agree to abide by terms of Subrecipients' condition of employment or subcontract.

13. Compliance with Child, Family, and Spousal Support Reporting Obligations

- A. Subrecipients' failure to comply with state and federal child, family, and spousal support reporting requirements regarding Subrecipients' employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this Agreement. Subrecipients' failure to cure such default within 90 days of notice by SCCAA shall be grounds for termination of this Agreement.
- B. For any contract or subcontract agreement in excess of \$100,000, the Subrecipient acknowledges in accordance with Public Contract Code 7110, that:
1. The Subcontractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 2. The Subcontractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

Subrecipients' Initials CS

**SUBRECIPIENT AGREEMENT
EXHIBIT C**

14. Special Conditions – Contractors/Subrecipient

- A. The Subrecipient agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Exhibit D. These conditions shall be met to the satisfaction of SCCAA prior to disbursement of funds. The Subrecipient shall ensure that all of its subrecipients are made aware of and agree to comply with all the conditions of this Agreement and the applicable State requirements governing the use of
- B. HEAP funds. Failure to comply with these conditions may results in termination of this Agreement.
- C. The agreement between SCCAA and Subrecipient and any of its subrecipients shall require the Subrecipient and its subrecipients, if any, to:
 - 1. Perform the work in accordance with Federal, State, and Local housing and building codes, as applicable.
 - 2. Maintain at least the minimum State-required worker's compensation for those employees who will perform the work or any part of it.
 - 3. Maintain, as required by law, unemployment insurance, disability insurance, and liability insurance in an amount that is reasonable to compensate any person, firm or corporation who may be injured or damaged by the Subrecipient or any of its subrecipient in performing the Work or any part of it.
 - 4. Agree to include all the terms of this Agreement in each subcontract.

15. Compliance with State and Federal Laws, Rules, Guidelines, and Regulations

- A. The Subrecipient agrees to comply with State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, environmental protection, equal opportunity, fair housing, and all other matters applicable and/or related to the HEAP program, the Subrecipient, its subrecipients and all eligible activities.
- B. Subrecipient shall also be responsible for obtaining any and all permits, licenses, and approvals required for performing any activities under this Agreement, including those necessary to perform design, construction, or operation and maintenance of the activities.
- C. Subrecipient shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental protection, procurement, and safety laws, rules, regulations, and ordinances. Subrecipient shall provide copies of permits and approvals to SCCAA upon request.

Subrecipients' Initials CS

- D. No funds or compensation received by Consultant under this Agreement shall be used by Consultant for sectarian worship, instruction, or proselytization. No funds or compensation received by Consultant under this Agreement shall be used to provide direct, immediate, or substantial support to any religious activity. Subrecipient shall not require any religious participation from recipients of services.

16. Inspections

- A. Subrecipient shall inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State, and/or local requirements, and this Agreement.
- B. SCCAA reserves the right to inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State, and/or local requirements, and this Agreement.
- C. Subrecipient agrees to require that all work that is determined based on such inspections not to conform to the applicable requirements be corrected and to withhold payments to the Subrecipient or subcontractor until it is corrected.

17. Litigation

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

Subrecipients' Initials CS

SUBRECIPIENT AGREEMENT
EXHIBIT D
SPECIAL TERMS AND CONDITIONS
Homeless Emergency Aid Program (HEAP)

1. Special Conditions.

- A. All proceeds from any interest-bearing account established by the Subrecipient for the deposit of HEAP funds, along with any interest-bearing accounts opened by subrecipients to Subrecipient for the deposit of HEAP funds, must be used for HEAP-eligible activities.
- B. Any housing-related activities funded with HEAP funds, including but not limited to, emergency shelter, rapid-rehousing, rental assistance, transitional housing, and permanent supportive housing must be in compliance or otherwise aligned with the Core Components of **Housing First**, pursuant to Welfare and Institution Code Section 8255(b).
- C. SCCAA agrees to provide Subrecipient access to Homeless Management Information System ("HMIS") with an executed personal services and sublicense agreement. All client level data must be collected and entered into HMIS for all persons served using HEAP funds. SCCAA may be required to participate in any statewide initiatives as directed by BSCH including but not limited to, a statewide data integration environment.

2. Entire Agreement; Amendments; Headings; Exhibits/Appendices

- A. This Agreement constitutes the entire understanding of the Parties hereto. Subrecipient shall be entitled to no other benefits other than those specified herein. Subrecipient specifically acknowledges that in entering into and executing this Agreement, Subrecipient relies solely upon the provisions contained in this Agreement and no others.
- B. No changes, amendments, or alterations to this Agreement shall be effective unless in writing and signed by both Parties. However, minor amendments, including retroactive, that do not result in a substantial or functional change to the original intent of this Agreement and do not cause an increase to the maximum amount payable under this Agreement may be agreed to in writing between Subrecipient and SCCAA's Director, provided that the amendment is in substantially the same format as the SCCAA's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101).
- C. The headings that appear in this Agreement are for reference purposes only and shall not affect the meaning or construction of this Agreement.

Subrecipients' Initials CS

SUBRECIPIENT AGREEMENT
EXHIBIT E
SPECIAL TERMS AND CONDITIONS
SCCAA

1. Employment Status of Subrecipient

Subrecipient shall, during the entire term of this Agreement, be construed to be an independent contractor, and nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow SCCAA to exercise discretion or control over the professional manner in which Subrecipient performs the work or services that are the subject matter of this Agreement; provided, however, that the work or services to be provided by Subrecipient shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of SCCAA is to insure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Subrecipient shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if Subrecipient were a SCCAA employee. SCCAA shall not be liable for deductions for any amount for any purpose from Subrecipients compensation. Subrecipient shall not be eligible for coverage under SCCAA's workers' compensation insurance plan nor shall Subrecipient be eligible for any other SCCAA benefit. Subrecipient must issue W-2 and 941 Forms for income and employment tax purposes, for all of Subrecipients assigned personnel under the terms and conditions of this Agreement.

2. Indemnification

To the fullest extent permitted by law, Subrecipient shall indemnify and hold harmless CAA, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this Agreement by Subrecipient, or by any of Subrecipients' subcontractors, any person employed under Subrecipient, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of CAA. Subrecipient shall also, at Subrecipients' own expense, defend the CAA, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against CAA, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this Agreement by Subrecipient, or any of Subrecipient subcontractors, any person employed under Subrecipient, or under any Subcontractor, or in any capacity. Subrecipient shall also defend and indemnify CAA for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless CAA with respect to Subrecipients' "independent contractor" status that would establish a liability on CAA for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law.

Subrecipients' Initials CS

SUBRECIPIENT AGREEMENT EXHIBIT E

This provision shall survive the termination, expiration, or cancellation of this Agreement.

3. Insurance Coverage

- A. Without limiting Subrecipients' duties of defense and indemnification, Subrecipient and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this Agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other coverage necessary to protect Shasta County and the public with limits of liability of not less than \$1 million per occurrence; such insurance shall be primary as to any other insurance maintained by County.
- B. Subrecipient and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover Subrecipient, subcontractor, Subrecipients' partner(s), subcontractor's partner(s), Subrecipients' employees, and subcontractor's(s') employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by Subrecipient or subcontractor. Each such policy shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against *Shasta County, its elected officials, officers, employees, agents, and volunteers* which might arise in connection with this Agreement. Subrecipient hereby certifies that Subrecipient is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Subrecipient shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this agreement
- C. Subrecipient shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than \$1 million per occurrence.
- D. Subrecipient shall require subcontractors to furnish satisfactory proof to SCCAA that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of Subrecipient pursuant to this Agreement.
- E. With regard to all insurance coverage required by this Agreement:
 - (1) Any deductible or self-insured retention exceeding \$25,000 for Subrecipient or subcontractor shall be disclosed to and be subject to

Subrecipients' Initials CS

- (2) If any insurance coverage required hereunder is provided on a “claims made” rather than “occurrence” form, Subrecipient or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to the effective date of this Agreement and continue coverage for a period of three years after the expiration of this Agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, Subrecipient or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide the insurance coverage required hereunder for claims received and reported three years after the expiration date of this Agreement.
- (3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names *Shasta County, its elected officials, officers, employees, agents, and volunteers as additional insureds*. In the event that coverage is reduced or canceled, a notice of said reduction or cancellation shall be provided to County within 24 hours. Any available insurance proceeds in excess of the specified minimum limits and coverage pursuant to the terms of this Agreement shall be applicable to the Additional Insured. The additional insureds coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.
- (4) Each insurance policy (except for workers' compensation and professional liability policies), or an endorsement thereto, shall contain a “separation of insureds” clause which shall read:
- “Separation of Insureds.
- Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:
- a. As if each Named Insured were the only Named Insured; and
 - b. Separately to each suit insured against whom a claim is made or suit is brought.”
- (5) Subrecipient shall provide SCCAA with an endorsement or amendment to Subrecipients’ policy of insurance as evidence of insurance protection before the effective date of this Agreement.
- (6) The insurance coverage required herein shall be in effect at all times during the term of this Agreement. In the event any insurance coverage expires at any time during the term of this Agreement, Subrecipient shall provide SCCAA, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement or for a period
- Subrecipients’ Initials CS

of not less than one year. In the event Subrecipient fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this Agreement, SSCCAA may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

- (7) If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, Subrecipient shall provide SCCAA a certificate of insurance reflecting those limits.
- (8) Any of Subrecipients' Excess Insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Shasta County.

4. Notice of Claim; Applicable Law; Venue

- A. If any claim for damages is filed with Subrecipient or if any lawsuit is instituted concerning Subrecipients' performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect SCCAA, Subrecipient shall give prompt and timely notice thereof to SCCAA. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this Agreement.
- B. Any dispute between the Parties, and the interpretation of this Agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

5. Performance Standards

Subrecipient shall perform the work or services required by this Agreement in accordance with the industry and/or professional standards applicable to Subrecipients' work or services.

6. Notices

- A. Except as provided in Exhibit C, section 2.C. of this Agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this Agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

Subrecipients' Initials CS

If to SCCAA: Director
 Shasta County Department of Housing and
 Community Action Agency
 1450 Court Street, Suite 108
 Redding, CA 96001
 Telephone (530) 225-5160
 Fax (530) 225-5178

If to Subrecipient: Director
 Faithworks Community Coalition Inc.
 2825 West Street, Apartment 1
 Redding, CA 96001
 Telephone (530) 242-1121
 Fax (530) 242-1492

- B. Any oral notice authorized by this Agreement shall be given to the persons specified in Section 6.A. above and shall be deemed to be effective immediately.
- C. Unless otherwise stated in this Agreement, any written or oral notices on behalf of the SCCAA as provided for in this Agreement may be executed and/or exercised by the Shasta County Executive Officer.

7. Agreement Preparation

It is agreed and understood by SCCAA and Subrecipient that this Agreement has been arrived at through negotiation and that neither party is to be deemed the party which created any uncertainty in this Agreement within the meaning of section 1654 of the Civil Code.

8. Compliance with Political Reform Act

Subrecipient shall comply with the California Political Reform Act (Government Code, sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the SCCAA's Conflict of Interest Code, with regard to any obligation on the part of Subrecipient to disclose financial interests and to recuse from influencing any SCCAA decision which may affect Subrecipients financial interests. If required by the SCCAA's Conflict of Interest Code, Subrecipient shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

9. Property Taxes

Subrecipient represents and warrants that Subrecipient, on the date of execution of this Agreement, (1) has paid all property taxes for which Subrecipient is obligated to pay or (2) is current in payments due under any approved property tax payment arrangement. Subrecipient shall make timely payment of all property taxes at all times during the term of this Agreement.

Subrecipients' Initials CS

10. Severability

If any portion of this Agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or SCCAA ordinance, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

11. Scope and Ownership of Work

All research data, reports, and every other work product of any kind or character arising from or relating to this Agreement shall become the property of the SCCAA and be delivered to the SCCAA upon completion of its authorized use pursuant to this Agreement. SCCAA may use such work products for any purpose whatsoever. All works produced under this Agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the SCCAA without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this Agreement, Subrecipient shall retain all of Subrecipients' rights in Subrecipients' own proprietary information, including, without limitation, Subrecipients' methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by Subrecipient prior to, or acquired by Subrecipient during the performance of this Agreement and Subrecipient shall not be restricted in any way with respect thereto.

12. Prevailing Wages

County shall and shall require Subrecipient and Subrecipient's subcontractor(s) performing any work that constitutes a public works project as defined by California law including, but not limited to, construction, improvement, demolition, alteration, renovation, or repair of a publicly leased or operated building or structure, to comply with all provisions of California law regarding construction that constitutes a public works project. Any agreement between County, Subrecipient and a third party for work that constitutes a public works project shall include the following provision:

- A. Subrecipient shall pay, and shall require any subcontractor to pay, not less than the specified prevailing rates of per diem wages to all laborers, workers, and mechanics employed by them in the execution of this Agreement in accordance with the provisions of Article 2 (commencing with section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code. Copies of the prevailing rate of per diem wages are on file at Shasta County's Department of Public Works, located at 1855 Placer Street, Redding, California, and are available to Subrecipient upon request. Subrecipient shall also pay, and shall require each subcontractor to pay, travel and subsistence payments to each laborer, worker, and mechanic needed to execute the work.

Subrecipients' Initials CJ

13. California Environmental Quality Act ("CEQA"): Notice of Exemption

Subrecipient shall conduct a review to determine Scope of Work, as prescribed in Exhibit A Section 7. ("Project"), is exempt from CEQA (CCR §15061). After determining Project is exempt, Subrecipient shall prepare and file a notice of exemption to County (CCR §15061).

Signature Page Follows

Subrecipients' Initials CS

IN WITNESS WHEREOF, SCCAA and Subrecipient have executed this Agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this Agreement and to bind the Party on whose behalf his/her execution is made.

SCCAA

Date: _____

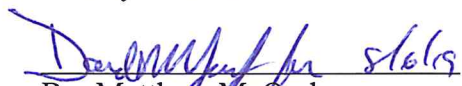
LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

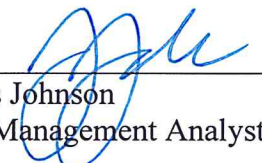
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

Approved as to form:
RUBIN E. CRUSE, JR
County Counsel

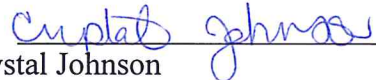

By: Matthew McOmber
Senior Deputy County Counsel

RISK MANAGEMENT APPROVAL

By:  08/05/19
James Johnson
Risk Management Analyst III

SUBRECIPIENT

Date: 7/15/19

By: 
Crystal Johnson
Faithworks Community Coalition Inc.
Executive Director

Tax I.D.#: 33-085113

Subrecipients' Initials CT

**SUBRECIPIENT AGREEMENT
EXHIBIT E**

Shasta County Community Action Agency
1450 Court Street Ste 108
Redding, CA 96001

**HOMELESS EMERGENCY AID PROGRAM
Subrecipient Request for Funds Form (RFF)**

Contract Number: SCCAA HEAP-2019-2 **Expiration Date:** 06/30/2021

Invoice Number:

Subrecipient: **Contact Person:** Crystal Johnson

Contact Person Title: Executive Director of Faithworks Community

Coalition Inc.

E-Mail: crystal@faith-works.cc

Phone Number: 530-242-1121

HOMELESS EMERGENCY AID EXPENDITURES BREAKDOWN

This billing is for the period of _____ **to** _____.

BUDGET BREAKDOWN		REQUEST
Proposed	Approved	Draw Amount

Services (-Youth Set-Aside)	\$ -0-	
Rental Assistance or Subsidies	\$ -0-	
Capital Improvements	\$ 985,155.69	
Homeless Youth Set-Aside	\$ -0-	
Administrative Costs	\$ -0-	
Other: _____		
Other: _____		
TOTAL	\$ 985,155.69	

CERTIFICATION

"By signing this form, I certify to the best of my knowledge and belief that the form is true, complete, and accurate, and the activities and budget are for the purposes and objectives set forth in the terms and conditions of the HEAP Subrecipient Agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise."

--	--

Name of Authorized Person

Date

--	--

Signature of Authorized Person

Date

SCCAA Use Only	

SCCAA Authorizing Approval Signature

Date

Subrecipients' Initials CJ

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Law and Justice-14.

SUBJECT:

Resolution authorizing signing authority to the Chief Probation Officer for Proposition 47 Grant Funds

DEPARTMENT: Probation

Supervisory District No. : All

DEPARTMENT CONTACT: Tracie Neal, Chief Probation Officer (530) 245-6200

STAFF REPORT APPROVED BY: Tracie Neal, Chief Probation Officer

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Adopt a resolution which authorizes the Chief Probation Officer to: (1) Sign and submit the Proposition 47 Grant Agreement with the Board of State and Community Corrections (BSCC) in an amount not to exceed \$1,000,000, for a misdemeanor community engagement program, for the period August 15, 2019 through May 15, 2023, including any amendments thereof (including retroactive); (2) sign and process other documents (including retroactive) for the purpose of this grant from Fiscal Year (FY) 2019-20 until the Proposition 47 Grant Agreement expires; and (3) accept funds for the purpose of this grant from FY 2019-20 until the Proposition 47 Grant Agreement expires.

SUMMARY

The Shasta County Probation Department desires to participate in the Proposition 47 Grant Program. These recommendations will allow for the Probation Department to satisfy the requirements of the grant as well as process time sensitive documents quickly.

DISCUSSION

The Board of State and Community Corrections (BSCC) posted a Request for Proposal (RFP) for grant funds available through the Proposition 47 Grant Program. Twenty-three agencies were offered approximately \$96 million from August 15, 2019 to May 15, 2023 for programs and initiatives that provide mental health services, substance-use disorder treatment, and/or diversion programs for people in the criminal justice system.

Public agency applicants approved for funding by the BSCC Board are required to enter into a Grant Agreement with the BSCC. Grantees must agree to comply with all terms and conditions of the Grant Agreement. The BSCC requires public agency applicants to submit a Resolution from their Governing Boards that includes the assurances outlined in the proposed resolution. Awardees must have a resolution on file before a fully executed grant agreement can be completed. As required by County Administrative Policy 2-301, Grants Policy, the Probation Department submitted the Grant Application Data Sheet to the County Administrative Office and received support prior to grant proposal submission.

Shasta County submitted a proposal for a Proposition 47 grant to fund a misdemeanor community engagement program that will focus on engaging offenders with substance abuse and/or mental health disorders who have been charged with a misdemeanor drug and/or property offense in conjunction with those offenders who have a history of repeat arrests, commitments to the jail, and failures to appear (FTA) for court. A Probation Assistant and a local community based organization will work together with other criminal justice partners to identify offenders who need additional engagement, case management, and treatment and rehabilitative services.

If successful, Shasta County should see increased engagement in treatment services and housing, and increase in diversionary programs, a decrease in the FTA rate, and a decrease of re-entry and new convictions.

ALTERNATIVES

The Board could decide not to approve the resolution or could request changes to the resolution.

OTHER AGENCY INVOLVEMENT

The Recommendation has been reviewed by the County Administrative Office. County Counsel has approved the resolution as to form.

FINANCING

There is no match required for the grant, however, public agency applicants must demonstrate how they will leverage other federal, state, and local funds or other social investments. There is no additional General Fund impact associated with approval of the recommendation.

ATTACHMENTS:

Description	Upload Date	Description
Prop 47 Resolution	8/5/2019	Prop 47 Resolution

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SHASTA
AUTHORIZING THE CHIEF PROBATION OFFICER TO PROCESS DOCUMENTS FOR
PROPOSITION 47 GRANT FUNDS**

WHEREAS, the Shasta County Probation Department desires to participate in the Proposition 47 Grant administered by the Board of State and Community Corrections (hereafter referred to as BSCC); and

WHEREAS, the Shasta County Probation Department has complied with Shasta County Administrative Policy 2-301, *Grants Policy*;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Shasta that the Chief Probation Officer is authorized on behalf of the Shasta County Board of Supervisors to sign and submit the Proposition 47 Grant Agreement with the BSCC in an amount not to exceed \$1,000,000, for a misdemeanor community engagement program, for the period August 15, 2019 through May 15, 2023, including any amendments thereof (including retroactive).

BE IT FURTHER RESOLVED by the Board of Supervisors of Shasta County that the Chief Probation Officer is authorized to: (a) sign and process other documents (including retroactive) for the purpose of this grant from Fiscal Year 2019-20 until the Proposition 47 Grant Agreement expires; and (b) accept funds for the purpose of this grant from Fiscal Year 2019-20 until the Proposition 47 Grant Agreement expires.

BE IT FURTHER RESOLVED that the grant funds received hereunder shall not be used to supplant expenditures controlled by the Board of Supervisors of the County of Shasta.

BE IT FURTHER RESOLVED that the Shasta County Probation Department agrees to abide by the terms and conditions of the Grant Agreement as set forth by the BSCC and Administrative Policy 6-101, *Shasta County Contracts Manual*.

DULY PASSED AND ADOPTED this _____ day of _____, 2019 by the Board of Supervisors of the County of Shasta by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

By _____
Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Law and Justice-15.

SUBJECT:

Continuation of Local Emergency Carr Fire.

DEPARTMENT: Sheriff

Supervisory District No. : 1, 2, and 4

DEPARTMENT CONTACT: Tom Bosenko, Sheriff-Coroner (530) 245-6167

STAFF REPORT APPROVED BY: Tom Bosenko, Sheriff-Coroner

Vote Required?	General Fund Impact?
Simple Majority Vote	General Fund Impact

RECOMMENDATION

Adopt a resolution which recognizes that the circumstances and factors that led to the July 30, 2018 ratification of a local emergency proclamation due to the wildland fire identified as the "Carr Fire" have not been resolved and that there is a need for continuation of the local emergency proclamation.

SUMMARY

N/A

DISCUSSION

There is a need for the Carr Fire local emergency proclamation to be continued.

The Shasta County Director of Emergency Services proclaimed a local emergency on July 26, 2018 due to the wildland fire identified as the "Carr Fire". On that same day, State of California Governor Edmund G. Brown Jr., proclaimed a state of emergency in Shasta County. On July 30, 2018, the Board adopted Resolution No. 2018-067, which ratified the Shasta County Director of Emergency Services local emergency proclamation pursuant to California Government Code Section 8630. On August 4, 2018, a Presidential Major Disaster Declaration was declared. After burning 229,651 acres, 100 percent containment of the Carr Fire was achieved on August 30, 2018. This was good news to a weary community and to the firefighters and first responders working the fire. However, resources are still being committed to this incident for cleanup.

At one point during this incident there were over 40,000 people evacuated from their homes. The Sheriff's Office and numerous allied law enforcement agencies evacuated the areas in and around French Gulch, Old Shasta, Keswick, Igo/Ono, the City of Shasta Lake, and parts of Redding. The Carr Fire also impacted neighboring Trinity County.

Surveys of fire damage stand at 1,604 structures destroyed, of which 1,079 were residential structures. Numerous guardrails, power poles, power lines and other public and private infrastructure were damaged or destroyed. Unfortunately, eight deaths are also associated with the Carr Fire.

The Carr Fire currently stands as the seventh largest wildfire in California since 1932, when accurate records began to be kept, and has been the most destructive fire in Shasta County history; however, it is only one of several fires that impacted Shasta County during a short time frame. The “Delta Fire,” which began on September 5, 2018, was contained on October 7, 2018. The "Delta Fire" burned 63,311 acres, destroyed 20 residential structures, and damaged 24 outbuildings. The “Hirz Fire” began on August 9, 2018, and burned on US Forest Service land. Firefighting efforts on the Hirz Fire were successful in achieving one hundred percent containment on September 10, 2018 after consuming 46,150 acres. Several other smaller fires that started in the period between early August and through November have, fortunately, been fully contained.

Government Code Section 8630(c) requires that the governing body review the need for continuing the local emergency at least once every 60 days until the governing body terminates the local emergency. While the Carr Fire was one hundred percent contained as of August 30, 2018, it is recommended the local emergency proclamation be continued as cleanup and recovery efforts are of such scope that it is beyond the control of the services, personnel, equipment, and facilities of Shasta County. Cleanup and recovery efforts within the footprint of the Carr Fire are necessary and ongoing to mitigate potential threats to the safety of the public. Cal Recycle has completed debris removal operations.

Further, with the unpredictability of summer thunderstorms, the potential of debris flows and flash flooding are increased within the footprint of the Carr Fire.

ALTERNATIVES

The Board may suggest modifications to the resolution so long as the County meets the required timeline for approving the resolution.

OTHER AGENCY INVOLVEMENT

Other agency involvement during the course of this incident has included, but is not limited to, the Shasta County Department of Public Works, Shasta County Resource Management, Shasta County Fire/CAL FIRE, California Highway Patrol, Redding Police Department, California Governor's Office of Emergency Services, California Department of Transportation, Whiskeytown National Park Service, US Forest Service, Anderson Police Department, Redding Fire Department, Happy Valley Fire Department, Mountain Gate Fire Department, Shasta County Marshal, Shasta County Probation Department, and the Bureau of Land Management. County Counsel has approved the resolution as to form. The Recommendation has been reviewed by the County Administrative Office.

FINANCING

The costs associated with this incident are unprecedented for Shasta County and have exceeded the resources available to the impacted local governments. Due to the Governor's proclamation and the Presidential major disaster declaration, eligible costs are shared between the federal, state, and local governments. The federal share is 75 percent. The remaining 25 percent is shared between the state and local government with the state share being 75 percent. For eligible Carr Fire related costs that have been documented sufficiently for submission to the California Governor's Office of Emergency Services (CalOES) and Federal Emergency Management Agency (FEMA) the final share for the County after those match percentages is 6.25 percent. County staff are working to track both eligible and non-eligible costs so as to better understand all the fiscal impacts of this incident to the County. The full General Fund impact is unknown at this time.

ATTACHMENTS:

Description	Upload Date	Description
Resolution Continuing the Local Emergency Carr Fire	7/31/2019	Resolution Continuing the Local Emergency Carr Fire

**RESOLUTION NO. 2019-
A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SHASTA
CONTINUING THE PROCLAMATION OF A LOCAL EMERGENCY
FOR THE CARR FIRE**

WHEREAS, California Government Code Section 8630 and Shasta County Code Section 2.72.60 of the County of Shasta empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency as defined by California Government Code Section 8558 when the Board of Supervisors is not in session; and

WHEREAS, conditions of extreme peril to the safety of persons and property have arisen within the County of Shasta, in that wildland fire, identified as the “Carr Fire” has devastated the areas of French Gulch, Old Shasta, Keswick, Iron Mountain Road, Swasey Drive, as well as other portions of western Redding; and

WHEREAS, the Director of Emergency Services of the County did proclaim the existence of a local emergency within the County of Shasta due to the Carr Fire on July 26, 2018, at 6:15 a.m.; and

WHEREAS, on July 30, 2018, the Shasta County Board of Supervisors ratified the Director of Emergency Services’ local emergency proclamation; and

WHEREAS, on August 1, 2018, the Shasta County Public Health Officer declared a local health emergency due to the potential threat posed the existence of the Carr Fire and the debris removal process is ongoing; and

WHEREAS, as of August 30, 2018, the Carr Fire, which consumed more than 229,651 acres, destroyed 1,079 residential structures, destroyed 22 commercial structures, destroyed 503 “other” buildings, damaged 191 residential structures, damaged 26 commercial structures, and damaged 65 “other” type structures is now one hundred percent contained; and

WHEREAS, cleanup and hazard mitigation within the footprint of the Carr fire, to protect the public, is ongoing and beyond the control of the services, equipment, and facilities of Shasta County; and

WHEREAS, the unpredictability of summer thunderstorms could exacerbate potential flash flooding and debris flows within the footprint of the Carr Fire; and

WHEREAS, the Board of Supervisors recognizes that the circumstances that led to the July 26, 2018 local emergency proclamation continue to exist.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Shasta continues the proclamation of a ‘local emergency’ by the Director of Emergency Services and proclaims and orders that said local emergency shall be deemed to continue to exist until its termination is proclaimed by the Board of Supervisors of the County of Shasta, State of California.

Resolution No. 2019 –
August 13, 2019
Page 2 of 2

BE IT FURTHER RESOLVED that the Board of Supervisors shall review the need for continuing the local emergency at least once every 60 days until its termination is proclaimed by this Board.

BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Shasta hereby Proclaims and Orders that during the existence of this local emergency, the powers, functions, and duties of the Director of Emergency Services and the emergency organization of this county shall be those prescribed by state law, ordinances, and resolutions of the County of Shasta and approved by the Board of Supervisors, and by the Shasta Operational Area Emergency Operations Plan, as approved by the Board of Supervisors.

DULY PASSED AND ADOPTED this 13th day of August, 2019, by the Board of Supervisors of the County of Shasta by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Public Works-16.

SUBJECT:

American Chiller Service Contract Amendment

DEPARTMENT: Public Works

Supervisory District No. : All

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign an amendment, effective date of signing, to the agreement with American Chiller Service, Inc. for the service, maintenance and repair of heating, ventilation and air conditioning (HVAC), to increase compensation by \$60,000 for a new total not to exceed \$105,000, and retain the term July 25, 2017 through July 24, 2018, with two automatic one-year renewals.

SUMMARY

An amendment is proposed to an HVAC maintenance and repair contract with American Chiller Service, Inc.

DISCUSSION

On July 25, 2017, the County entered into an Aggregate Public Works Construction Contract with American Chiller Service, Inc. to provide HVAC maintenance and repair services for County facilities. The main purpose of the contract was for chiller maintenance and repair at the Jail. Several HVAC units on the Administration Center have since needed repair. This has nearly exhausted the contract amount. There is one year remaining on the term.

ALTERNATIVES

The Board may decline to approve the proposed amendment. The maximum amount of the contract will soon be exceeded. Maintenance and repair of the Jail chiller would be forgone. A new contract could be negotiated and in place thereafter.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the amendment as to form. Risk Management has reviewed and approved the amendment. The County Administrative Office has reviewed this recommendation.

FINANCING

Adequate funds have been included in the Adopted FY 2019/20 budget units for the various departments to cover the costs of the contract. There is no additional General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
American Chiller Service First Amendment	7/24/2019	American Chiller Service First Amendment

**FIRST AMENDMENT TO THE
AGGREGATE PUBLIC WORKS CONSTRUCTION CONTRACT
BETWEEN THE
COUNTY OF SHASTA
AND
AMERICAN CHILLER SERVICE, INC.**

This First Amendment is entered into between the County of Shasta, a political subdivision of the State of California through the Facilities Management Division of Public Works ("County") and American Chiller Service, Inc. ("Contractor") for Service, maintenance and repair of heating, ventilation, ductwork, and air condition ("HVAC").

R E C I T A L S

WHEREAS, County and Contractor have previously entered into a Contract on July 25, 2017 for Service, maintenance and repair of heating, ventilation, ductwork, and air condition ("HVAC") (Contract) and

WHEREAS, County and Contractor desire to amend the Contract to increase the amount compensation payable to Contractor by \$60,000.00 for a new maximum compensation of \$105,000.00 over the entire term of the Contract;

NOW, THEREFORE, the Contract is amended as follows:

Section 3. COMPENSATION of the Contract is amended as of the effective date of the Contract to read as follows:

Section 3. COMPENSATION.

D.In no event shall the maximum amount payable to Contractor pursuant to this Contract exceed \$105,000.00

REAFFIRMATION

In all other respects, the Contract, as amended, and any attachments, remains in full force and effect.

ENTIRE CONTRACT

The Contract, as amended, and any attachments, constitutes the entire understanding between County and Contractor.

EFFECTIVE DATE

Unless otherwise provided, this First Amendment shall be deemed effective as of the last date it is signed by both parties.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Contract. By their signatures below, each signatory represents that he/she has the authority to execute this First Amendment and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

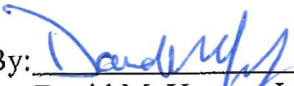
LAWRENCE G. LEES
Clerk of the Board of Supervisors

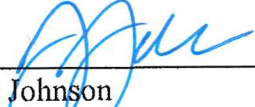
By: _____
Deputy

APPROVED AS TO FORM:


RUBIN E. CRUSE, JR.
County Counsel

RISK MANAGEMENT APPROVAL

By:  7/24/19
David M. Yorton, Jr.
Senior Deputy County Counsel

By:  07/23/19
Jim Johnson
Risk Management Analyst III

CONTRACTOR

By: 

Print Name: Daniel T. Johnson

Title: President /CEO/CFO

Date: 7-18-2019

Tax I.D. #: 68-0214440

By: _____

Print Name: _____

Title: _____

Date: _____

Contractor's License #: 605046

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Public Works-17.

SUBJECT:

Balls Ferry Park – Deed Restriction

DEPARTMENT: Public Works

Supervisory District No. : 5

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign a deed restriction for Balls Ferry Park, Assessor Parcel Number 057-520-015-000 (Anderson area).

SUMMARY

The County has agreed to retain the Balls Ferry Park in perpetuity. A corresponding deed restriction is proposed.

DISCUSSION

In 1956, the County acquired land on the Sacramento River near Balls Ferry (Balls Ferry Parcel). A boat ramp and parking lot were constructed along the River. In 1983, a State Land and Water Conversation grant funded the construction of an outhouse at the back of the Balls Ferry Parcel. A grant condition stipulated that the entire Parcel shall remain available for recreational purposes in perpetuity. A deed restriction to this effect was supposed to be recorded but that did not happen at the time.

In 2005, the County auctioned off a portion of the Balls Ferry Parcel including the outhouse. In 2012, the State Parks Department became aware of the sale and demanded compliance with the terms of the grant. The County reversed the sale. A deed restriction is proposed to ensure perpetual compliance with the terms of the grant.

ALTERNATIVES

The Board may decline to sign the deed restriction. The restriction is a condition of the 1983 grant agreement.

OTHER AGENCY INVOLVEMENT

County Counsel has reviewed and approved the deed restriction as to form. Risk Management has reviewed and approved the deed restriction. The County Administrative Office has reviewed this recommendation.

FINANCING

Adequate funds to process this report were included in the Adopted FY 2019/20 Parks Budget. There is no General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Deed Restriction	7/22/2019	Deed Restriction

RECORDING REQUESTED BY:
California Department of Parks and Recreation
Office of Grants and Local Services

WHEN RECORDED MAIL TO:
Office of Grants and Local Services
PO Box 942896
Sacramento, CA 94296-0001
Attn: Lydia Willett

Documentary Transfer Tax: None
Gov. Code § 6103, § 27383-No Fee County Business
Project: Balls Ferry Park Deed Restriction

-----Space Above This Line For Recorder's Use Only-----

DEED RESTRICTION

- I. **WHEREAS**, the COUNTY OF SHASTA, a political subdivision of the State of California is/are recorded owners of the real property described in Exhibit A, attached and incorporated herein by reference (hereinafter referred to as the "Property"); and
- II. **WHEREAS**, the California Department of Parks and Recreation (hereinafter referred to as "DPR") is a public agency created and existing under the authority of Section 5001 of the California Public Resources Code (hereinafter referred to as the "PRC"); and
- III. **WHEREAS**, Owner(s) (or Grantee) applied to DPR for grant funds available pursuant to the Land and Water Conservation Fund, Competitive Program, for the Balls Ferry Park Development on the Property; and
- IV. **WHEREAS**, on September 6, 1983, DPR's Office of Grants and Local Services and the National Park Service approved Grant Project Number 06-01020, (hereinafter referred to as "Grant") for improvements on the Property, subject to, among other conditions recordation of this Deed Restriction on the Property; and
- V. **WHEREAS**, but for the imposition of the Deed Restriction condition of the Grant, the Grant would not be consistent with the public purposes of the Land and Water Conservation Fund, Competitive Program and the funds that are the subject of the Grant could therefore not have been allocated; and
- VI. **WHEREAS**, Owner(s) has/have elected to comply with the Deed Restriction of the Grant, so as to enable Owner(s), to receive the Grant funds and perform the work described in the Grant;

NOW, THEREFORE, in consideration of the issuance of the Grant funds by DPR, the undersigned Owner(s) for themselves and for their heir, assigns, and successors-in-interest, hereby irrevocably covenants(s) with DPR that the condition of the Grant (set forth at paragraph(s) 1 through 5 and in Exhibit B hereto) shall at all times on and after the dated on which this Deed Restriction is recorded constitute for all purposes covenants, conditions and restrictions on the use and enjoyment of the Property that are hereby attached to the deed to the Property as fully effective components thereof.

Balls Ferry Park Deed Restriction

Page 2 of 2

1. DURATION. This Deed Restriction shall remain in full force and effect and shall bind Owner(s) and all their assigns of successors-in-interest for the period running from September 6, 1983 through PERPETUITY.
2. TAXES AND ASSESSMENTS. It is intended that this Deed Restriction is irrevocable and shall constitutes an enforceable restriction within the meaning of a) Article XIII, Section 8, of the California Constitution; and b) Section 402.1 of the California Revenue and Taxation Code or successor statute. Furthermore, this Deed Restriction shall be deemed to constitute a servitude upon and burden to the Property within the meaning of Section 3712(d) of the California Revenue and Taxation Code, or successor statute, which survives a sale of tax-deeded property.
3. RIGHT OF ENTRY. DPR or its agent or employees may enter onto the Property at times reasonably acceptable to Owner(s) to ascertain whether the use restrictions set forth above are being observed.
4. REMEDIES. Any act, conveyance, contract, or authorization by Owner(s) whether written or oral which uses or would cause to be used or would permit the use of the Property contrary to the terms of this Deed Restriction will be deemed a violation and a breach hereof. DPR may pursue any and all available legal and/or equitable remedies to enforce the terms and conditions of this Deed Restriction up to and including a lien sale of the property. In the event of a breach, any forbearance on the part of DPR to enforce the terms and provisions hereof shall not be deemed a waiver of enforcement rights regarding such breach, or any subsequent breach.
5. SEVERABILITY. If any provision of these restrictions is held to be invalid, or for any reason becomes unenforceable, no other provision shall be affected or impaired.

COUNTY OF SHASTA
STATE OF CALIFORNIA

By _____
LEONARD MOTY, Chairman
Board of Supervisors

Date _____

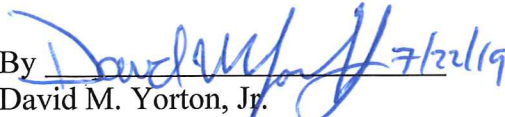
ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

RUBIN E. CRUSE, JR.
County Counsel

By _____
Deputy

By  7/22/19
David M. Yorton, Jr.
Senior Deputy County Counsel

RISK MANAGEMENT APPROVAL

BY:  01/22/19
James Johnson

Legal Description Balls Ferry Park

EXHIBIT "A"

All that real property situated in the northwest one-quarter of Section 34, Township 30 North, Range 3 West, M.D.B.&M., in the unincorporated area of the County of Shasta, State of California, as conveyed to County of Shasta, by deed recorded August 10, 1956 in Official Records Book 502 at Page 192, Shasta County Records.



EXHIBIT "B"OMB No. 1024-0033
09/30/84UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
Land and Water Conservation Fund Project Agreement

State California		Project Number 06-01020	
Project Title Balls Ferry Park Development			
Project Period		Date of Approval to June 30, 1988	Project Stage Covered by this Agreement Complete
Project Scope (Description of Project)			

Upgrade sanitary facilities.

Project Cost

Total Cost	\$ 20,160
Fund Support not to exceed 50%	
Fund Amount	\$ 10,080
of this	
stage	\$ 20,160
assistance this	
stage	\$ 10,080

The following are hereby incorporated
into this agreement:

1. General Provisions (LWCF Manual)
2. Project Application and Attachments.
3. _____
4. _____

The United States of America, represented by the Director, National Park Service, United States Department of the Interior, and the State named above (hereinafter referred to as the State), mutually agree to perform this agreement in accordance with the Land and Water Conservation Fund Act of 1965, 78 Stat. 897 (1964), the provisions and conditions of the Land and Water Conservation Fund Grants Manual, and with the terms, promises, conditions, plans, specifications, estimates, procedures, project proposals, maps, and assurances attached hereto or retained by the State and hereby made a part hereof.

The United States hereby promises, in consideration of the promises made by the State herein, to obligate to the State the amount of money referred to above, and to tender to the State that portion of the obligation which is required to pay the United States' share of the costs of the above project stage, based upon the above percentage of assistance. The State hereby promises, in consideration of the promises made by the United States herein, to execute the project described above in accordance with the terms of this agreement.

The following special project terms and conditions were added to this agreement before it was signed by the parties hereto:

In witness whereof, the parties hereto have executed this agreement as of the date entered below.

THE UNITED STATES OF AMERICA

By William S. Galt

(Signature)

National Park Service
United States Department
of the Interior

Date September 6, 1983

STATE

California

By J. Warren Gardner

(Signature)

for Russell W. Porter

(Name)

Deputy Director, Parks and Recreation
(Title) Department

STATE OF CALIFORNIA
Department of Parks and Recreation
PROJECT AGREEMENT
Land and Water Conservation Fund Program

Project Title Balls Ferry Park Development
Participant County of Shasta
Project Period 9/6/83 to 6/30/88 Project Number 06-01020
Project Scope: Upgrade sanitary facilities.

The County agrees to submit plans and specifications for review and approval to this Department by January 1, 1984.

Stage Covered by this Agreement Complete

Project Cost:

Total Estimated Direct Project Cost (as shown in project proposal)	\$ <u>20,000</u> (1)
Amount of Line (1) subject to surcharge	\$ <u>20,000</u> (2)
Surcharge---State Administrative Assessment of Line (2) (subject to adjustment, see Paragraph 2, Page 4)	<u>0.8</u> % \$ <u>160</u> (3)
Total Project Costs Eligible for Federal Funding (Line 1 plus Line 3)	\$ <u>20,160</u> (4)
Federal Participation---up to 50% of Line (4), or up to 50% of actual costs, whichever is the lesser, not to exceed:	\$ <u>10,080</u> (5)

Continued on are 6 pages numbered 2 through 7 inclusively.

STATE DEPARTMENT OF PARKS AND RECREATION

J. Warren Gardner
10-27-83

County of Shasta

PARTICIPANT

By Richard W. Curry
Title Director of Public Works
Date 10-12-83

By _____
Title _____
Date _____

LAND AND WATER CONSERVATION FUND PROJECT AGREEMENT

I. Definitions

- A. The term "NPS" as used herein means the National Park Service, United States Department of the Interior.
- B. The term "Director" as used herein means the Director of the National Park Service, or any representative lawfully delegated the authority to act for such Director.
- C. The term "Liaison Officer" as used herein means the California Director of Parks and Recreation, or other State officer as designated by the Governor from time to time and authorized by the State Legislature.
- D. The term "Manual" as used herein means the National Park Service Manual, formerly the Bureau of Outdoor Recreation Manual (Outdoor Recreation Grants-in-Aid Manual).
- E. The term "Project" as used herein means the project or project segment which is the subject of this agreement as defined in the Project Proposal.
- F. The term "Project Proposal" as used herein means the form and all supplemental attachments used to describe and estimate the cost of a planning, acquisition, or development project filed with the Liaison Officer in support of an application for federal financial assistance.
- G. The term "State" as used herein means the State of California, and/or its official representative, the Department of Parks and Recreation.
- H. The term "Participant" as used herein means the recipient of the federal funds to be disbursed in accordance with the terms of this agreement.
- I. The term "State Funds" as used herein means those moneys made available by the State as matching money for projects under the Land and Water Conservation Fund Act of 1965, 78 Stat. 897 (1964).

II. Continuing Assurances

The parties to the project agreement specifically recognize that the Land and Water Conservation Fund assistance project creates an obligation to maintain the property described in the project agreement consistent with the Land and Water Conservation Fund Act and the following requirements.

Further, it is acknowledged intent of the parties hereto that recipients of assistance will use moneys granted hereunder for the purposes of this program, and that assistance granted from the Fund will result in a net increase, commensurate at least with the State cost-share, in a participant's outdoor recreation. It is intended by both parties hereto that assistance from the Fund will be added to, rather than replace or be substituted for, State and local outdoor recreation funds.

- A. The participant agrees, as recipient of this assistance, that it will meet the following specific requirements and the terms of the project agreement.
- B. The participant agrees that the property described in the project agreement and the dated project boundary map made part of that agreement is being acquired or developed with Land and Water Conservation Fund assistance or is integral so such acquisition or development, and that, without the approval of the Liaison Officer, the Director, and/or the Secretary of the Interior, it shall not be converted to other than public outdoor recreation use but shall be maintained in public outdoor recreation in perpetuity or for the term of the lease in the case of leased property. The Secretary shall approve such conversion only if he finds it to be in accord with the then existing comprehensive statewide outdoor recreation plan and only upon such conditions as he deems necessary to assure the substitution of other recreation properties of at least equal fair market value and of reasonably equivalent usefulness and location. This replacement land becomes subject to Section 6 (f) (3) protection. The approval of conversion shall be at the sole discretion of the Secretary, or his designee. Prior to the completion of this project, the participant, the Liaison Officer, and the Director may mutually alter the area described in the project agreement and the dated project boundary map to provide the most satisfactory public outdoor recreation unit, except that acquired parcels are afforded Section 6 (f) (3) protection as Fund reimbursement is provided.

In the event the National Park Service provides Land and Water Conservation Fund assistance for the acquisition and/or development of property subject to reversionary interests with full knowledge of those reversionary interests, conversion of said property to other public outdoor recreation uses as a result of such reversionary interest being exercised is approved. In receipt of this approval, the participant agrees to notify the State of the conversion as soon as possible and to seek approval of replacement property in accord with the conditions set forth in these provisions. The participant further agrees to effectuate such replacement within a reasonable period of time, acceptable to the State, after the conversion of property takes place. The provisions of this paragraph are also applicable to leased properties acquired and/or developed with Fund assistance where such lease is terminated prior to its full term due to the existence of provisions in such lease known and agreed to by the State, and properties subject to other outstanding rights and interests that may result in a conversion when known and agreed to by the State.

- C. The participant agrees that the benefit to be derived by the State from the full compliance by the participant with the terms of this agreement is the preservation, protection, and the net increase in the quality of public outdoor recreation facilities and resources which are available to the people of the State and of the United States, and such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by the State by way of assistance under the terms of this agreement. The participant agrees that payment by the participant to the State of an amount equal to the amount of assistance extended under this agreement by the State would be inadequate compensation to the State for any breach by the participant of this agreement. The participant further agrees, that the appropriate remedy in the event of a breach by the participant of this agreement shall be the specific performance of this agreement.
- D. The participant agrees to comply with the policies and procedures set forth in the National Park Service Grants-in-Aid Manual. Provisions of said Manual are incorporated into and made a part of the project agreement.
- E. The participant agrees that the property and facilities described in the project agreement shall be operated and maintained as prescribed by Manual requirements.
- F. The participant agrees that a permanent record shall be kept in the participant's public property records and available for public inspection to the effect that the property described in the scope of the project agreement, and the dated project boundary map made part of that agreement, has been acquired or developed with Land and Water Conservation Fund assistance and that it cannot be converted to other than public outdoor recreation use without the written approval of the Liaison Officer, the Director, and/or the Secretary of the Interior.

G. Nondiscrimination

1. The participant shall comply with Title VI of the Civil Rights Act of 1964 (P.L.88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, religion, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the use of any property or facility acquired or developed pursuant to the project agreement. The participant shall immediately take any measures necessary to effectuate this provision. This assurance shall be binding on the participant or any political subdivision or other appropriate public agency to which Fund assistance or property acquired or developed with Fund assistance has been transferred for public recreation purposes.
2. The participant shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) prohibiting employment discrimination where (1) the primary purpose of a grant is to provide employment or (2) discriminatory employment practices will result in unequal treatment of persons who are or should be benefitting from the grant-aided activity.
3. The participant shall comply with the regulations and guidelines promulgated pursuant to the Civil Rights Act of 1964 by the Secretary of the Interior and the National Park Service.
4. The provisions of the first three paragraphs apply to any part of the recreation system within which the assisted facility or property exists.
5. The participant shall not discriminate against any person on the basis of residence, except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence as set forth in the Manual.

III. Project Assurances

A. Applicable Federal Circulars

The participant shall comply with applicable regulations, policies, guidelines and requirements including Office of Management and Budget Circulars No. A-95 (Evaluation, review, and coordination of federal assistance programs and projects) and A-102 (Uniform administrative requirements for grants-in-aid to state and local governments) and FMC 74-4 (Cost principles applicable to grants and contracts with state and local governments) as they relate to the application, acceptance and use of federal funds for this federally assisted project.

B. Project Proposal

1. The project proposal for State assistance bearing the same project number as the agreement and associated documents is by this reference made a part of the agreement.
2. The participant possesses legal authority to apply for the grant, and to finance and construct the proposed facilities. A resolution, motion or similar action has been duly adopted or passed authorizing the filing of the project proposal, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the participant to act in connection with the project proposal and to provide such additional information as may be required.
3. The participant has the ability and intention to finance the non-state share of the costs for the project. Sufficient funds will be available to assure effective operation and maintenance of the facilities acquired or developed by the project.

C. Project Execution

1. It is understood by the parties hereto that this agreement shall not obligate State of California funds for the project costs described herein. The participant hereby promises, in consideration of the promises made by the Liaison Officer herein, to execute the project stage described herein, in accordance with the terms of this agreement. Any disbursement hereunder shall not be made unless and until funds therefor are received by the Liaison Officer from the National Park Service. This item shall not apply when the participant is an agency of the State of California.
2. The Liaison Officer hereby promises, in consideration of the promises made by the participant herein, to accept appropriated federal funds for the purposes of the project and disburse the same to reimburse the participant up to 50 percent of the eligible project cost not to exceed 50 percent of the direct project cost shown in this agreement; except for a surcharge for administrative costs to be applied to twice the federal share of direct eligible project costs. The surcharge is to be deducted from the reimbursements received from the Federal Government applicable to this project and will be computed at the federally approved surcharge rate in effect at the time the billing is submitted to the Federal Government.
3. The project period shall begin with the date of approval of the project agreement or the effective date of a waiver of retroactivity and shall terminate at the end of the stated or amended project period unless the project is completed or terminated sooner in which event the project period shall end on the date of completion or termination. For project elements added to a consolidated project, the project period will begin on the date the project element is approved.
4. The participant will cause work on the project to be commenced within a reasonable time after receipt of notification that funds have been approved and assure that the project will be prosecuted to completion with reasonable diligence.
5. The participant will require the facility to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A117.1-161, as modified (41 CFR 101-17.703). The State will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
6. The participant shall secure completion of the work in accordance with approved construction plans and specifications, and shall secure compliance with all applicable federal, state, local laws and regulations.
7. In the event the project covered by the project agreement, including future stages of the project, cannot be completed in accordance with the plans and specifications for the project the participant shall bring the project to a point of recreational usefulness agreed upon by the participant and, the Director or his designee, and the Liaison Officer.

8. The participant will provide for and maintain competent and adequate architectural engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications; that it will furnish progress reports and such other information as the NPS may require.
 9. The participant will comply with the terms of Title II and Title III, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), 94 Stat. 1894 (1970), and the applicable regulations and procedures implementing such Act for all real property acquisitions and where applicable shall assure that the Act has been complied with for property to be developed with assistance under the project agreement.
 10. The participant will comply with the provisions of: Executive Order 11988, relating to evaluation of flood hazards; Executive Order 11288, relating to the prevention, control, and abatement of water pollution, and Executive Order 11990, relating to the protection of wetlands.
 11. The participant will comply with the flood insurance purchase requirements of Section 102 (a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1976. Section 102 (a) requires, on and after March 2, 1975, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect federal assistance.
 12. The participant will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities, pursuant to 40 CFR, Part 15.20 and that it will notify the State and NPS of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be utilized in the project is under consideration for listing by the EPA. The participant agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970. The participant further agrees to insert this clause into any contract or subcontract in excess of \$100,000.
 13. The participant will assist the State and NPS in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to effects (see CFR Part 800.8) by the activity, and notifying the federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by the federal grantor agency to avoid or mitigate adverse effects upon such properties.
- D. Construction Contracted for by the Participant Shall Meet the Following Requirements:
1. Contracts for construction in excess of \$10,000 shall be awarded through a process of competitive bidding involving formal advertising, with adequate purchase description, sealed bids, and public openings. Copies of all advertisements, bids, and a copy of the contract shall be retained for inspection by the Director and the State.
 2. The participant shall inform all bidders on contracts for construction that federal funds are being used to assist in construction.
 3. Written change orders shall be issued for all necessary changes in the facility being constructed under contracts of \$10,000 or more. Such change orders shall be made a part of the project file and should be kept available for audit.
 4. Contracts for construction shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented by Department of Labor regulations (29 CFR, Part 3).
 5. The participant will comply with other procurement standards of OMB Circular A-102, Attachment O, except for provisions related to compliance with Davis Bacon Act requirements (unless required by a program providing supplemental funding). Should supplemental funding be provided which requires compliance with Davis Bacon Act requirements, all construction contracts awarded by the grantee and subgrantee in excess of \$2,000 shall include a provision for compliance with such Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR, Part 5).
 6. The participant shall incorporate, or cause to be incorporated, into all construction contracts exceeding \$10,000 (ten-thousand), the following provisions:

"During the performance of this contract the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color or national origin. Such action shall include, but not be limited to, the following: Employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 as amended (3 CFR 169 (1974)), and shall post copies of notices in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 11246, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor.

"(5) The contractor will furnish all information and reports required by Executive Order No. 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency, the State, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 11246, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246, as amended, or by rules, regulations, or orders of the Secretary of Labor, or as otherwise provided by law.

"(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

7. The participant shall (1) comply with the above provisions in construction work carried out by itself, (2) assist and cooperate actively with the Secretary of the Interior and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the above contract provisions and with the rules, regulations, and relevant orders of the Secretary of Labor, (3) obtain and furnish to the Secretary of the Interior and to the Secretary of Labor such information as they may require for the supervision of such compliance, (4) enforce the obligation of contractors and subcontractors under such provisions, rules, regulations, and orders, (5) carry out sanctions and penalties for violation of such obligations imposed upon contractors and subcontractors by the State, or the Secretary of Labor, or the Secretary of the Interior pursuant to Part II, Subpart D, of Executive Order No. 11246, as amended, and (6) refrain from entering into any contract with a contractor debarred from government contracts under Part II, Subpart D, of Executive Order No. 11246, as amended. In addition, the participant agrees that if it fails or refuses to comply with these undertakings, the NPS may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant; refrain from extending any further assistance to the applicant under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

E. Conflict of Interests

1. No official or employee of the participant, State, or Federal Government who is authorized in his official capacity to negotiate, make, accept, or approve, or to take part in such decisions regarding a contract or subcontract in connection with this project shall have any financial or other personal interest in any such contract or subcontract.
2. No person performing services for the participant in connection with this project shall have a financial or other personal interest other than his employment or retention by the participant, in any contract or subcontract in connection with this project. No officer or employee of such person retained by the participant shall have any financial or other personal interest in any real property acquired for this project unless such interest is openly disclosed upon the public records of the participant, and such officer, employee or person has not participated in the acquisition for or on behalf of the participant.
3. No member of or delegate to Congress shall be admitted to any share or part of this agreement, or to any benefit to arise hereupon, unless such benefit shall be in the form of an agreement made with a corporation for its general benefit.
4. The participant, State, and the Director shall be responsible for enforcing the above conflict of interest provisions.

F. Hatch Act

The participant will comply with the provisions of the Hatch Act which provides that no officer or employee of the participant whose principal employment is in connection with any activity which is financed in whole or in part pursuant to this agreement shall take part in any of the political activity prescribed in the Hatch Political Activity Act, 5 U.S.C. Sec. 118k (1964), with the exceptions therein enumerated.

G. Project Costs

1. Project costs eligible for assistance shall be determined upon the basis of the criteria set forth in the Manual and FMC 74-4.
2. The agreement may include the use of the indirect cost rate currently approved, in accordance with FMC 74-4, for the participant that is a party to this agreement.

H. Project Administration

1. The participant shall promptly submit such reports and documentation as the Director or Liaison Officer may request.
2. Any moneys advanced to the participant are "public moneys" and shall be deposited in a bank with FDIC insurance coverage and the balances exceeding the FDIC coverage shall be collaterally secured as provided for in 12 U.S.C. 265.
3. The participant shall use any funds received by way of advance payment from the State under the terms of this agreement solely for the project or project stage described in the agreement.
4. Properties and facilities acquired or developed with Fund assistance shall be available for inspection by the State or the NPS at such intervals as the Liaison Officer or the Director shall require.

I. Retention and Custodial Requirements for Records

1. Financial records, supporting documents, statistical records, and all other records pertinent to this grant shall be retained for a period of three years; except the records shall be retained beyond the three-year period if audit findings have not been resolved.
2. The retention period starts from the date of the final expenditure report for the project or the consolidated project element.
3. State and local governments are authorized to substitute microfilm copies in lieu of original records.
4. The Liaison Officer, Secretary of the Interior, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the participant and their subgrantees which are pertinent to a specific project for the purpose

of making audit, examination, excerpts and transcripts.

J. Project Termination

1. The Liaison Officer of the Director may temporarily suspend State assistance under the project pending corrective action by the participant or pending a decision to terminate the grant by the NPS or the State.
2. The participant may unilaterally terminate the project or consolidated project element at any time prior to the first payment on the project or consolidated project element. After the initial payment, the project may be terminated, modified, or amended by the participant only by mutual agreement.
3. The Liaison Officer or the Director may terminate the project in whole, or in part, at any time before the date of completion, whenever it is determined that the grantee has failed to comply with the conditions of the grant. The Liaison Officer or Director will promptly notify the participant in writing of the determination and the reasons for the termination, together with the effective date. Payments made to the participant or recoveries by the State under projects terminated for cause shall be in accord with the legal rights and liabilities of the parties.
4. The Director, State, or participant, may terminate grants in whole, or in part at any time before the date of completion, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination conditions, including the effective date and, in the case of partial termination, the portion after the effective date, and shall cancel as many outstanding obligations as possible. The State may allow full credit to the participant for the state share of the noncancellable obligations, properly incurred by the grantee prior to termination.
5. Terminations either for cause or for convenience requires that the project in question be brought to a state of recreational usefulness agreed upon by the participant, the Liaison Officer, or the Director, or that all funds provided by the National Park Service be returned.

K. Fund Acknowledgment

The participant will permanently display in a conspicuous place a bronze plaque which acknowledges Land and Water Conservation Fund assistance. The plaque will be provided by the State Department of Parks and Recreation and its installation by the participant will be required upon initial development of the property.

L. Hold Harmless

The participant shall indemnify the State of California and its officers, agents and employees against and hold the same free and harmless from any and all claims, demands, damages, losses, costs, and/or expenses of liability due to, or arising out of, either in whole or in part, whether directly or indirectly, the organization, development, construction, operation, or maintenance of the project.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Public Works-18.

SUBJECT:

Enterprise Heating & Air - Contract Amendment

DEPARTMENT: Public Works

Supervisory District No. : All

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign an amendment, effective date of signing, to the agreement with Enterprise Heating & Air Conditioning, Inc. for cleaning and repairs of heating, ventilation, and air conditioning system ductwork, chillers and boilers to increase compensation by \$100,000 for a new total not to exceed \$150,000, and retain the term May 22, 2019 through May 21, 2020, with one automatic one-year renewal.

SUMMARY

An amendment is proposed to an HVAC maintenance and repair contract with Enterprise Heating & Air Conditioning, Inc.

DISCUSSION

On May 22, 2019, the County entered into an Aggregate Public Works Construction Contract with Enterprise Heating & Air Conditioning, Inc. The work encompasses general maintenance and repair of heating, ventilation and air conditioning systems (HVAC). Dispersed issues have arisen with ventilation in the Juvenile Rehabilitation Facility (JRF) and condensate line leakage at 300 Park Marina. Enterprise Heating & Air Conditioning is familiar with the equipment and well qualified to perform the work.

ALTERNATIVES

The Board may decline to approve the proposed amendment. The deficiencies impact JRF operations and may eventually lead to water damage. The Board may elect to solicit proposals for the work.

OTHER AGENCY INVOLVEMENT

County Counsel has reviewed and approved the amendment as to form. Risk Management has reviewed and approved the amendment. The County Administrative Office has reviewed this recommendation.

FINANCING

Adequate funds have been included in the Adopted Fiscal Year 2019/20 budget units for the various departments to cover the costs of the contract. There is no additional General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Enterprise Heating & Air Conditioning Amendment	8/2/2019	Enterprise Heating & Air Conditioning Amendment

**FIRST AMENDMENT TO THE
AGGREGATE PUBLIC WORKS CONSTRUCTION CONTRACT
BETWEEN THE
COUNTY OF SHASTA
AND
ENTERPRISE HEATING AND AIR, INC.**

This First Amendment is entered into between the County of Shasta, a political subdivision of the State of California through the Facilities Management Division of Public Works ("County") and Enterprise Heating and Air, Inc. ("Contractor") for the purpose of cleaning and repairs of heating, ventilation and air condition ("HVAC") system ductwork, chillers and boilers.

R E C I T A L S

WHEREAS, County and Contractor have previously entered into a Contract on May 22, 2019 for the purpose of cleaning and repairs of heating, ventilation and air condition ("HVAC") system ductwork, chillers and boilers. (Contract) and

WHEREAS, County and Contractor desire to amend the Contract to increase the amount compensation payable to Contractor by \$100,000.00 for a new maximum compensation of \$150,000.00 over the entire term of the Contract;

NOW, THEREFORE, the Contract is amended as follows:

- I.** Section 3. CONTRACT SUM of the Contract is amended as of the effective date of the Contract to read as follows:

Section 3. CONTRACT SUM.

3.2 In no event shall the maximum amount payable to Contractor pursuant to this Contract exceed \$150,000.00 unless otherwise modified in accordance with this Contract.

II. REAFFIRMATION

In all other respects, the Contract, as amended, and any attachments, remains in full force and effect.

III. ENTIRE CONTRACT

The Contract, as amended, and any attachments, constitutes the entire understanding between County and Contractor.

IV. EFFECTIVE DATE

Unless otherwise provided, this First Amendment shall be deemed effective as of the last date it is signed by both parties.

SIGNATURE PAGE FOLLOWS

ENTERPRISE HEATING AND AIR, INC.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Contract. By their signatures below, each signatory represents that he/she has the authority to execute this First Amendment and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

RUBIN E. CRUSE, JR.
County Counsel

RISK MANAGEMENT APPROVAL

By: David M. Yorton, Jr. 8/2/19
David M. Yorton, Jr.
Senior Deputy County Counsel

By: James Johnson 08/02/19
James Johnson
Risk Management Analyst III

ENTERPRISE HEATING AND AIR, INC.

By: Bret Franklin
Print Name: Bret Franklin

Title: President, Secretary

Date: 8/1/19

Tax I.D. #: 38-4061650

ENTERPRISE HEATING AND AIR, INC.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Public Works-19.

SUBJECT:

Gas Point Road at Park Drive – PG&E Extension Agreement

DEPARTMENT: Public Works

Supervisory District No. : 5

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign an agreement with Pacific Gas and Electric (PG&E) in an advance payment amount of \$3,383.60 to provide new electric service for the Intersection of Park Drive and Gas Point Road Project.

SUMMARY

Electric service is proposed for a new traffic signal at the Intersection of Park Drive at Gas Point Road.

DISCUSSION

The Park Drive at Gas Point Road (Project) is under construction. An electric service is needed for the traffic signal. PG&E requires execution of a Gas and Electric Extension Agreement prior to installation.

ALTERNATIVES

The Board may decline to approve the agreement. Electric Service is necessary for the new traffic signal.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the agreement as to form. Risk Management has reviewed and approved the agreement. The County Administrative Office has reviewed this recommendation.

FINANCING

Adequate funds to construct the Project were included in the Adopted FY 2019/20 Roads Budget. There is no General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Gas and Electric Extension Agreement	7/24/2019	Gas and Electric Extension Agreement



Customer Payment Coupon

SHASTA COUNTY PUBLIC WORKS, GOVERNMENT AGENCY

1855 PLACER ST
REDDING CA 96001

For Internal Use	
Notification#	117417573
Contract#	50013611 V1
E PM#	35111722
G PM#	
E-Prior MLX/PM #	1986
G-Prior MLX/PM #	
Customer#	2371673

Customer Payment Summary

INTERSECTION OF PARK DR & GAS POINT RD, COTTONWOOD, CA, 96022

Please pay the total amount due that corresponds to the option you select on page two of the enclosed extension agreement and enclose payment.

Payment Options		Total Due
10-Year Refundable Advance Option Gas and Electric	\$4,299.01	\$4,299.01
Non-Refundable 50 percent Discount Option for Gas and Electric	\$3,383.60	\$3,383.60
10-Year Refundable Advance Option for Gas and Non-Refundable 50 percent Discount Option for Electric	\$3,383.60	\$3,383.60
Non-Refundable 50 percent Discount Option for Gas and 10-Year Refundable Advance Option for Electric	\$4,299.01	\$4,299.01

Please pay the total amount due that corresponds to the option you select on page two of the enclosed extension agreement.

Important Payment Information

To complete your contract ONLINE

- Follow the instructions provided with your electronic contract
- Submit payment at **pge.com/contractpayments**

To complete your contract BY MAIL

- Please make check payable to: **PG&E** or **Pacific Gas and Electric**
- Complete, sign and return the enclosed agreement(s), the SACAC form and the customer payment coupon with your payment
- Remit payment and SACAC form to:**
PG&E CFM/PPC Department
PO BOX 997340
Sacramento, CA 95899-7340

IMPORTANT MESSAGE

Please review the enclosed information and total due. This document needs to be returned with the enclosed agreements.

If you complete your contract ONLINE, a copy will be saved to your Customer Connections Online (CCO) account at **pge.com/cco**.

To learn more about PG&E's gas and electric safety initiatives and resources please visit **pge.com/safety**.

Have Questions?
Please Call 1-800-422-0436



117417573E



Gas and Electric Extension Agreement*

July 19, 2019

SHASTA COUNTY PUBLIC WORKS, GOVERNMENT AGENCY

1855 PLACER ST, REDDING, CA, 96001

Re: INTERSECTION OF PARK DR & GAS POINT RD, COTTONWOOD

Dear LEONARD MOTY

We are writing to let you know Pacific Gas and Electric Company (PG&E) will extend its facilities to provide the requested gas and electric service to the project address listed above. PG&E's costs have been developed based on the choices and information provided in your application and may change if you make changes. This letter, including PG&E's tariffs, which are incorporated by reference below, will serve as our contract. As required by the California Public Utilities Commission (CPUC), special facilities will be handled in a separate contract. Please complete the following four steps to execute this contract.

1 Review the following work responsibilities and cost information.

Work To Be Done By	GAS MAIN		GAS SERVICE		ELECTRIC DISTRIBUTION			ELECTRIC SERVICE		
	Trench	Pipe	Trench	Pipe	Trench	Substr.	Facilities	Trench	Substr.	Facilities
PG&E										X
Customer										

GAS

ELECTRIC

Total non-refundable project costs	\$0.00	\$2,468.19
Refundable extension costs	\$0.00	\$2,847.21
Allowances (credit)	-	\$1,016.39
Net refundable amount	=	\$1,830.82

10 YEAR REFUNDABLE OPTION

Net refundable amount	\$0.00	\$1,830.82
Credit for value of design and/or facilities provided by applicant	-	\$0.00
Total non-refundable project costs	+	\$2,468.19
Total (if you select this option)	=	\$4,299.01

NON-REFUNDABLE 50% DISCOUNT OPTION

Net refundable amount	\$0.00	\$1,830.82
Discount: 50% of Net refundable amount	-	\$915.41
Credit for value of design and/or facilities provided by applicant	-	\$0.00
Total non-refundable project costs	+	\$2,468.19
Total (if you select this option)	=	\$3,383.60

Potential refund per residential lot/unit	\$0.00	\$0.00
Potential reimbursement per service completion		
Pressurized or energized system	\$0.00	\$0.00
Not pressurized or energized system	\$0.00	\$0.00
Reimbursement for other work performed	\$0.00	\$0.00

All amounts include the Income Tax Component of Contribution (ITCC) PG&E is required to charge customers, where applicable.

For Internal Use

Notification #	117417573
Contract #	50013611 V1
E-PM #	35111722
G-PM #	
E-Prior MLX/PM#	1986
G-Prior MLX/PM#	
Customer #	2371673

DEFINITIONS AND EXPLANATION OF TERMS

(For more detail see rules 15 and 16):

Total non-refundable project costs include costs for work such as electric trench and excavation, conduits, inspections, streetlights, conversion from overhead to underground and contract processing.

Refundable extension costs include costs for facilities such as electric conductor, transformers and poles; gas pipe, gas share of distribution trench and regulators; and meters.

Allowances are a credit against refundable extension costs. They are based upon the number of residential units expected to be connected within the first six months and the expected annual non-residential net (distribution) revenue from your project.

Allowances granted under either option are subject to **deficiency billing** if the number of residential units connected or the annual non-residential net revenue falls below the forecast used to calculate the allowances.

Net refundable amount is the portion of overall costs eligible for refund to you based upon additional residential meters being set or upon increases in non-residential annual net (distribution) revenue. A cost-of-ownership charge is assessed against the Net refundable amount (except for individual residential applicants) per Rule 15.

Potential refund per residential lot/unit is for those lots/units for which you did not already receive an allowance (i.e., units not expected to be connected in the first six months). Any refunds may be decreased or eliminated by cost-of-ownership charges assessed under the provisions of Rule 15.

Potential reimbursement per service completion is the amount to which a customer may be entitled for performing certain service connection work PG&E would otherwise perform when installing service extensions and are not to be confused with refunds.

Reimbursement for other work performed is the amount to which a customer may be entitled for performing certain work (other than service completions) that normally is PG&E's responsibility.

* Automated document,
Preliminary Statement, Part A

Form 79-1169
Advice 3579-G/4607-E
March 2015



117417573E



Gas and Electric Extension Agreement*

2 Select one of the following payment options.

- ☐ 10-Year Refundable Option for Gas and Electric
- ☒ Non-Refundable 50 Percent Discount Option for Gas and Electric
- ☐ 10-Year Refundable Option for Gas and Non-Refundable 50 Percent Discount Option for Electric
- ☐ Non-Refundable 50 Percent Discount Option for Gas and 10-Year Refundable Option for Electric

Gas	Electric	Advance	Total Due
\$0.00	\$4,299.01	\$0.00	\$4,299.01
\$0.00	\$3,383.60	\$0.00	\$3,383.60
\$0.00	\$3,383.60	\$0.00	\$3,383.60
\$0.00	\$4,299.01	\$0.00	\$4,299.01

3 Review these important terms and conditions.

This Gas and Electric Extension Agreement is controlled by, and incorporates by reference, PG&E's tariffs, including Gas and Electric rules 2, 15, and 16; the Distribution and Service Extension Agreement-Provisions (Form 62-0982) and the General Terms & Conditions for Gas and Electric Extension & Service Construction by Applicant (Form 79-716), all as approved and authorized by the CPUC. This agreement at all times shall be subject to such modifications as the CPUC may direct from time to time in the exercise of its jurisdiction.

You can view PG&E's tariffs online at pge.com/tariffs or contact the PG&E representative listed below. Additional details underlying the amounts shown in this agreement, as well as the calculation of allowances, refunds or deficiency bills can also be provided by your local PG&E representative.

4 After completing steps 1, 2 and 3 and having checked one, but only one, of the four payment options above, please complete and return the following items to PG&E.

- Sign and return this contract as indicated below.
- Submit the Payment Coupon with Total Due based on your option selected.
- Sign and return the enclosed Statement of Applicant's Contract Anticipated Costs (SACAC) [Form 79-1003] (explanation in box to the right).

Please provide your payment and required forms within 90 days from 19-Jul-19
PG&E is not bound by the costs set forth above if payment and the signed forms are not received by PG&E within 90 days.

If you have any questions, please contact Amado Perez
 at 530-246-6584 or by email at APPF@pge.com

ADDITIONAL INFORMATION

What is the SACAC form

Under PG&E's rules 15 and 16 you have a choice: you can perform the work yourself, hire a qualified contractor to perform the work or hire PG&E to do the work. We are required by the CPUC to provide you with PG&E's costs.

This form identifies our cost for the refundable service that is PG&E's responsibility to install. PG&E's costs were developed based on your choices within the application and may change if you change that choice.

How do I fill out the SACAC?

If you want to do this work yourself or have a qualified contractor do this work, please enter your estimated costs in the section of the SACAC form entitled "Applicant Costs" or check the box in the section entitled "Applicant's Election Not To Provide Costs," sign and return to PG&E. PG&E will send you a revised agreement by return mail only if you choose to provide your estimated costs.

If you want PG&E to do this work, please check the section "Applicant's Election Not to Provide Costs," sign and return the SACAC form along with a check for the Total Due based on the option you selected above.

You must return the completed SACAC form to PG&E regardless of who you choose to do the work.

**Please follow payment instructions
found on your Payment Coupon.**

Pacific Gas and Electric Company

This contract has been reviewed and approved by:

Natalie Fritze

Service Planning Supervisor

APPROVED AS TO FORM:

David M. Yorton, Jr.
 DAVID M. YORTON, JR.
 Senior Deputy County Counsel

Customer

Agreed and accepted by:

SHASTA COUNTY PUBLIC WORKS, GOVERNMENT
 AGENCY

Authorized Signatory LEONARD MOTY

Title CHAIRMAN

Signature _____

Date _____

RISK MANAGEMENT APPROVAL

BY:

James Johnson
 James Johnson
 Risk Management Analyst

* Automated document,
 Preliminary Statement, Part A

Form 79-1169
 Advice 3579-G/4607-E
 March 2015



117417573E



STATEMENT OF APPLICANT'S CONTRACT ANTICIPATED COSTS.*

Project Name: NEW SIGNAL CONTROL BOX

Project Location: INTERSECTION OF PARK DR & GAS POINT RD, COTTONWOOD, CA, 96022

Notification Number: 117417573

PM Number(s): (Gas) (Electric) 35111722

APPLICANT COSTS

The following statement must only include the contracted anticipated installed costs of facilities installed by the Applicant that are refundable and that are PG&E's responsibility under its tariffs.

The costs provided by the Applicant must be taken from the Applicant's contract with its contractor. If the Applicant will be performing the work itself, the Applicant must also complete and sign this form.

The Applicant's statement of costs will be compared with PG&E's estimated installed costs of the same facilities, the lower of which will be used to determine the amount subject to allowances and refunds in accordance with the provisions of PG&E's Gas and Electric Rules 15 and 16.

If the Applicant chooses not to provide its costs, it must complete the last section of this form. Until the Applicant either provides the refundable cost from its contract with its contractor (or its own cost, if applicable), or returns this form indicating that it will not do so, PG&E will not proceed with any work on the Applicant's project.

GAS

Residential Service Facilities:

Applicant: \$ _____

PG&E: \$0.00

Number of gas service: 0

Stubs: 0

ELECTRIC

Residential Service Facilities:

Applicant: \$ _____

PG&E: \$0.00

Number of Electric service: 0

Applicant's statement of costs include: overhead or underground service conductors, poles, service transformers, connection fittings, service pipe, valves, service connections, and other PG&E-owned service equipment, as detailed in Gas and Electric Rule 16.

Applicant's statement of costs DOES NOT include: inspection fees, nonresidential service costs, regulators, or PG&E-owned metering equipment.



117417573E

GAS

**Gas Distribution Facilities
and Non-Residential Service Services:**

Applicant: \$ _____

PG&E: \$0.00

ELECTRIC

**Electric Distribution Facilities
and Non-Residential Service Services:**

Applicant: \$ _____

PG&E: \$342.18

GAS DISTRIBUTION TRENCH

Applicant: \$ _____

PG&E: \$0.00

Applicant's statement of costs include: cables, switches, transformers, distribution main, valves, regulators, nonresidential service costs, and other distribution facilities required to complete the distribution line extension, as detailed in Gas and Electric Rule 15 as PG&E's responsibility.

Applicant's statement of costs DOES NOT include: inspection fees, tie-in of system by PG&E, distribution substructures, electric trench, conduits, feeder conduits, or protective structures, as detailed in Gas and Electric Rule 15.

I declare under penalty of perjury that the foregoing is true and correct.

☐ **APPLICANT'S ELECTION NOT TO PROVIDE COSTS:** (if this option selected, box must be checked)

I choose not to provide to the utility my refundable costs for this project as taken from my contract with my contractor, or as performed by myself, and acknowledge that PG&E will use its estimate of the refundable costs for this project in the contract between it and me.

Executed on _____ at _____
(Date) (City)

By:

Print Applicant Name: SHASTA COUNTY PUBLIC WORKS, GOVERNMENT AGENCY

Signed: _____

Title: CHAIRMAN



117417573E



Pacific Gas and Electric Company

**Detailed Cost Sheet- Electric Distribution and
Service Extension Costs**

REFERENCES

Notification# 117417573
 Contract# 50013611 V1
 PM# 35111722
 E-Prior MLX/PM # 1986

Applicant: **SHASTA COUNTY PUBLIC WORKS, GOVERNMENT AGENCY**Project Location/Name **INTERSECTION OF PARK DR & GAS POINT RD, COTTONWOOD, CA, 96022****Cost Breakdown**

Total number of residential lots/units for this project: 0
 Total number of non-residential lots/units for this project: 1
 Total number of combined meters: 1

Cost of Services:

Engineering & Administrative Costs				<u>\$0.00</u>
Value of Applicant Design Work	(+)			<u>\$0.00</u>
Service Tie-In Cost (Energized) by PG&E	(+)			<u>\$0.00</u>
Electric Metering	(+)			<u>\$0.00</u>
Others (N/A)	(+)			<u>\$0.00</u>
Inspection Fees	(+)			<u>\$0.00</u>
Service Cost - PG&E installed	# Services	0	(+)	<u>\$0.00</u>
Service Cost - Applicant installed	# Services	0	(+)	<u>\$0.00</u>
Total Estimated Cost of Service Subject to Allowance	(=)			<u>\$0.00</u>

Cost of Service Within Allowance:

less Total Residential Service Allowance				
\$2,154.00	X	0	=	(-) <u>\$0.00</u>
Excess Service Cost			(=)	<u>\$0.00</u>
Estimated Service Cost Within Allowance (Total less Excess)			(=)	<u>\$0.00</u>
Average Cost per Lot or Unit Within Allowance				
\$0.00	/	0	=	<u>\$0.00</u>

Excess Service Allowance Applied to Distribution Line Extension Refundable

Amount per Lot or Unit:

<u>\$0.00</u>	-	<u>\$0.00</u>	=	<u>\$0.00</u> **
Allowance		Ave. Cost / Unit		

Allowances

Residential:	<u>\$0.00</u>	X	<u>0</u>	=	<u>\$0.00</u>
	Allowance		Lots / Units		
plus ITCC @ 24%	Residential Allowances			(+)	<u>\$0.00</u>
SUB TOTAL Residential Allowances				(=)	<u>\$0.00</u>
Non-Residential:	<u>\$120.00</u>	/	<u>0.1464</u>	=	<u>\$819.67</u>
	Net Annual Revenue		Cost-of-Service-Factor		
plus ITCC @ 24%	Non-Residential Allowances			(+)	<u>\$196.72</u>
SUB TOTAL Non-Residential Allowances				(=)	<u>\$1,016.39</u>
less Residential Service Allowance:					
	(<u>0</u> X <u>\$0.00</u>) + 24%				<u>\$0.00</u>
	Lots/Units		Ave. Cost / Unit	ITCC	
Total Distribution Line Extension Allowance					(=) <u>\$1,016.39</u>

Amount Subject to Refund

Engineering & Administrative Costs		<u>\$328.47</u>
Value of Applicant Design Work	(+)	<u>\$0.00</u>
Tie-In of Distribution by PG&E	(+)	<u>\$1,439.94</u>
Electric Metering (Non-Residential Projects)	(+)	<u>\$185.55</u>
Other Taxable charges (N/A)	(+)	<u>\$0.00</u>
PG&E installed - Cost of Distribution Line and Non-Res Svcs.	(+)	<u>\$342.18</u>
Applicant installed - Cost of Distribution Line and Non-Res Svcs.	(+)	<u>\$0.00</u>
Value of Distribution Substructures	(+)	<u>\$0.00</u>
Inspection Fees	(+)	<u>\$0.00</u>
SUB TOTAL	(=)	<u>\$2,296.14</u>
plus ITCC @ 24%	(+)	<u>\$551.07</u>
Total Refundable Amount	(+)	<u>\$2,847.21</u>
Less Total Allowances (not to exceed Total Refundable Amount)	(-)	<u>\$1,016.39</u>
Balance: Net Refundable Amount		<u>\$1,830.82</u>

10 Year Refundable Advance Option

Balance: Net Refundable Amount	<u>\$1,830.82</u>
Less Credit for Value of Applicant Design Work	<u>\$0.00</u>
Less Cost of Dist. Line Ext. and Non-Res Svcs. installed by Applicant	<u>\$0.00</u>
Less Distribution Substructures by Applicant	<u>\$0.00</u>
Net 10 Year Refundable Advance Option Amount	<u>\$1,830.82</u>

Non-Refundable Discount Option

Balance: Net Refundable Amount	<u>\$1,830.82</u>
less Discount	<u>\$1,830.82</u> X <u>0.50</u> = (-) <u>\$915.41</u>
	Balance Discount Rate
Less Credit for Value of Applicant Design Work	<u>\$0.00</u>
Less Cost of Dist. Line Ext. and Non-Res Svcs. installed by Applicant	<u>\$0.00</u>
Less Distribution Substructures by Applicant	<u>\$0.00</u>
Net Non-Refundable Discount Option Amount	<u>\$915.41</u>

Non-Refundable Payments**Rule 16 Non-Refundable Payments**

Excess Service Costs		<u>\$0.00</u>
Service Costs Beyond Preferred Service Location	(+)	<u>\$0.00</u>
Service Riser	(+)	<u>\$873.94</u>
Value of Rule 16 Land Rights Costs	(+)	<u>\$0.00</u>
Value of Service Trench, Conduits & Substructures in the Franchise Area or on 3rd Party Property	(+)	<u>\$0.00</u>
Inspection Fees	(+)	<u>\$1,015.73</u>
Rule 16 Trench Permits Obtained by PG&E	(+)	<u>\$0.00</u>
Other Taxable Charges: N/A	(+)	<u>\$0.00</u>
Cost of Additional Rule 16 Applicant Design Plan Checks	(+)	<u>\$0.00</u>
SUB TOTAL	(=)	<u>\$1,889.67</u>
Plus ITCC @ 24%	(+)	<u>\$453.52</u>
Other Non-taxable Charges:	(+)	<u>\$0.00</u>
Residential Per Meter Charge = 0 unit(s)	(+)	<u>\$0.00</u>
Non-Residential Per Meter Charge 1 unit(s)	(+)	<u>\$125.00</u>
Inspection Fees (not subject to ITCC)	(+)	<u>\$0.00</u>
Plus Service Trench, Conduits, & Substructures installed by PG&E on Private Property	(+)	<u>\$0.00</u>
Less Excess Service Facilities Installed by Applicant	(-)	<u>\$0.00</u>
Less Service Costs Beyond Preferred Location by Applicant	(-)	<u>\$0.00</u>
Less Service Trench in the Franchise Area or on & 3rd Party Property installed by Applicant	(-)	<u>\$0.00</u>
Less Rule 16 Applicant Design Work Associated with Excess	(-)	<u>\$0.00</u>
Total Rule 16 Non-Refundable Amount	(=)	<u>\$2,468.19</u>

Rule 15 Non-Refundable Payments

Inspection Fees		<u>\$0.00</u>
Re-estimating/Composite Preparation	(+)	<u>\$0.00</u>
Cost of Additional Applicant Design Plan Checks	(+)	<u>\$0.00</u>
Value of Distribution Conduits	(+)	<u>\$0.00</u>
Distribution Risers Installed by PG&E	(+)	<u>\$0.00</u>
Value of Distribution Trench	(+)	<u>\$0.00</u>
PG&E Land Rights Costs	(+)	<u>\$0.00</u>
Rule 15 Trench Permits Obtained by PG&E	(+)	<u>\$0.00</u>
Other	(+)	<u>\$0.00</u>
SUB TOTAL	(=)	<u>\$0.00</u>
Plus ITCC @ 24%	(+)	<u>\$0.00</u>
Less Distribution Conduits Installed by Applicant	(-)	<u>\$0.00</u>
Less Distribution Trench Provided by Applicant	(-)	<u>\$0.00</u>
Total Non-Refundable Electric Rule 15 Amount	(=)	<u>\$0.00</u>

Relocation / Rearrangement of PG&E Facilities

Value of Relocation/Rearrangement Facilities		<u>\$0.00</u>
Value of Relocation/Rearrangement Conduits & Substructures	(+)	<u>\$0.00</u>
Value of Relocation/Rearrangement Trench & Excavation	(+)	<u>\$0.00</u>
Engineering & Administrative Costs	(+)	<u>\$0.00</u>

BOARD OF SUPERVISORS REGULAR MEETING - August 13, 2019

Value of Relocation Applicant Design Work	(+)	<u>\$0.00</u>
Cost of Additional Applicant Design Plan Checks	(+)	<u>\$0.00</u>
Tie-In of Relocation/Rearrangement by PG&E	(+)	<u>\$0.00</u>
Relocation/Rearrangement Trench Permits Obtained by PG&E	(+)	<u>\$0.00</u>
Relocation/Rearrangement Land Rights	(+)	<u>\$0.00</u>
Relocation/Rearrangement Inspection Fees	(+)	<u>\$0.00</u>
SUB TOTAL	(=)	<u>\$0.00</u>
Plus ITCC @ 24%	(+)	<u>\$0.00</u>
Plus Relocation/Rearrangement - Non Taxable	(+)	<u>\$0.00</u>
Less Relocation/Rearrangement Facilities Installed by Applicant	(-)	<u>\$0.00</u>
Less Conduits & Substructures Installed by Applicant	(-)	<u>\$0.00</u>
Less Trench & Excavation Provided by Applicant	(-)	<u>\$0.00</u>
Less Value of Relocation Applicant Design Work	(-)	<u>\$0.00</u>
Less Relocation/Rearrangement Salvage	(-)	<u>\$0.00</u>
Total Relocation / Rearrangement of PG&E Facilities Amount	(=)	<u>\$0.00</u>

(1) Total Service Allowance not to exceed the Cost of Service

(2) 10 Year Refundable and Discount Option credit amounts will be paid upon acceptance of facilities. Credit amounts are subject to future deficiency billing in accordance with the tariff.

(3) 10 Year Refundable and Discount Option credit amounts do not offset Other Non-Refundable or Relocation Fees. See Reimbursement Summary for a total of Reimbursements and Credits to be paid upon acceptance of facilities.

(4) Inspection Fees (Only Refundable if Applicant's Actual Cost is Used. Applicant's Actual Cost + Inspection Cannot Exceed PG&E's Estimate)

(5) The lower of PG&E's estimated costs or the Applicant's Contract Anticipated Costs (as documented on Form 79-1003 "Statement of Contract Anticipated Costs") will be used to establish the cost of Service and Distribution Line Extension subject to Allowance

Note: This supplemental detailed cost sheet is **for reference only** and is not intended for use in place of the actual contract for the project listed.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Public Works-20.

SUBJECT:

Northern Sacramento Valley IRWM – Change in Representation

DEPARTMENT: Public Works

Supervisory District No. : All

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Take the following actions regarding the Northern Sacramento Valley Integrated Regional Water Management (NSVIRWM) Board: (1) Approve and authorize the Chairman to sign a letter to the NSVIRWM Board to reduce the number of NSVIRWM Board representatives from three to two and retain the alternate; and (2) designate Supervisor Leonard Moty and City of Shasta Lake Council Member Larry Farr as NSVIRWM Board representatives and Centerville Community Services District General Manager Chris Muehlbacher as alternate representative.

SUMMARY

Modifications are proposed to the NSVIRWM Board.

DISCUSSION

In 2010, the NSVIRWM Board was formed to promote integrated water management in Butte, Colusa, Glenn, Shasta, Sutter and Tehama Counties. The 18-member governing board includes three representatives from each County. Members are appointed by their respective Boards of Supervisors.

The NSVIRWM Board is revisiting representation in conjunction with pending bylaw revisions. The initial organization benefitted from a large governing board during plan development. The Board has matured to consider plan updates and candidate projects for state funding programs. Tribal representation is under discussion. Current NSVIRWM Board appointees will remain seated in the interim.

ALTERNATIVES

The Board may elect to modify the proposed recommendation and/or appointments.

OTHER AGENCY INVOLVEMENT

The recommendation is being considered by each of the six counties that is a party to the NSVIRWM Board and interested tribes.

FINANCING

Adequate resources to participate in the NSVIRWM have been included in the Adopted 2019/20 Water Agency budget. There is no General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
NSVIRWM Governance Letter	7/30/2019	NSVIRWM Governance Letter

BOARD OF SUPERVISORS

1450 Court Street, Suite 308B
Redding, California 96001-1680
(530) 225-5557
(800) 479-8009
(530) 225-5189-FAX

JOE CHIMENTI, DISTRICT 1
LEONARD MOTY, DISTRICT 2
MARY RICKERT, DISTRICT 3
STEVE MORGAN, DISTRICT 4
LES BAUGH, DISTRICT 5

August 13, 2019

The Honorable Anne Schwab, Chair
Northern Sacramento Valley IRWM Board
308 Nelson Avenue
Oroville, CA 95965

Re: NSVIRWM Appointments

Dear Chair Schwab:

Shasta County supports changing the Northern Sacramento Valley Integrated Regional Water Management Board's structure to two appointed regular members and an alternate member representing each participating county and tribe.

Shasta County has appointed Leonard Moty, Shasta County Supervisor, and Larry Farr, City of Shasta Lake Council Member, as regular members and Chris Meuhlbacher, Centerville Community Services District General Manager, as alternate, effective after adoption of bylaws reflecting the Northern Sacramento Valley Integrated Regional Water Management group's Board structure.

Sincerely,

LEONARD MOTY, Chairman
Board of Supervisors
County of Shasta

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Public Works-21.

SUBJECT:

Peterson Power Systems – Contract Amendment

DEPARTMENT: Public Works

Supervisory District No. : All

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign an amendment, effective date of signing, to the agreement with Peterson Power Systems, Inc. for the maintenance, repair and short term rental of equipment, to increase compensation by \$45,000 for a new total not to exceed \$95,000, and retain the term October 26, 2018 through October 25, 2019, with one automatic one-year renewal.

SUMMARY

An amendment is proposed for Peterson Power Systems, Inc. to increase the contract amount.

DISCUSSION

Shasta County owns several standby generators and rents additional units as required. On October 26, 2018, the County entered into an Aggregate Public Works Construction Contract with Peterson Power Systems, Inc. for the maintenance, repair and rental of equipment. Last February, snowstorms knocked out power to several County water systems for several days. Peterson brought in generators under the contract. An amendment is proposed to restore capacity in the contract to respond to future emergencies and equipment failures.

ALTERNATIVES

The Board may decline to approve the proposed amendment at this time. County staff performs most routine maintenance on County generators. In the event of an actual emergency or equipment failure, a new contract could be executed. There may be some disruption, delay and additional expense.

OTHER AGENCY INVOLVEMENT

County Counsel has reviewed and approved the amendment as to form. Risk Management has reviewed and approved the amendment. The County Administrative Office has reviewed this recommendation.

FINANCING

Adequate funds have been included in the Adopted Fiscal Year 2019/20 budget units for the various departments to cover the costs of the contract. There is no additional General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Peterson Power Systems Amendment	8/2/2019	Peterson Power Systems Amendment

**FIRST AMENDMENT TO THE
AGGREGATE PUBLIC WORKS CONSTRUCTION CONTRACT
BETWEEN THE
COUNTY OF SHASTA
AND
PETERSON POWER SYSTEMS, INC.**

This First Amendment is entered into between the County of Shasta, a political subdivision of the State of California through the Facilities Management Division of Public Works ("County") and Peterson Power Systems, Inc. ("Contractor") for the purpose of providing maintenance service, repair and short-term rental of equipment incident to a repair or service.

R E C I T A L S

WHEREAS, County and Contractor have previously entered into a Contract on October 26, 2018 for the purpose of providing maintenance service, repair and short-term rental of equipment incident to a repair or service. (Contract) and

WHEREAS, County and Contractor desire to amend the Contract to increase the amount compensation payable to Contractor by \$45,000.00 for a new maximum compensation of \$95,000.00 over the entire term of the Contract;

NOW, THEREFORE, the Contract is amended as follows:

Section 3. COMPENSATION of the Contract is amended as of the effective date of the Contract to read as follows:

Section 3. COMPENSATION.

D. In no event shall the maximum amount payable to Contractor pursuant to this Contract exceed \$95,000.00.

REAFFIRMATION

In all other respects, the Contract, as amended, and any attachments, remains in full force and effect.

ENTIRE CONTRACT

The Contract, as amended, and any attachments, constitutes the entire understanding between County and Contractor.

EFFECTIVE DATE

Unless otherwise provided, this First Amendment shall be deemed effective as of the last date it is signed by both parties.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Contract. By their signatures below, each signatory represents that he/she has the authority to execute this First Amendment and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

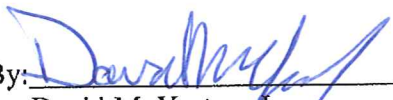
LAWRENCE G. LEES
Clerk of the Board of Supervisors

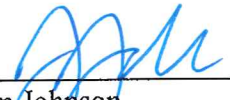
By: _____
Deputy

APPROVED AS TO FORM:


RUBIN E. CRUSE, JR.
County Counsel

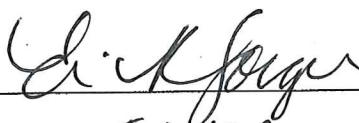
RISK MANAGEMENT APPROVAL

By: 
David M. Yorton, Jr.
Senior Deputy County Counsel

By:  08/01/19
Jim Johnson
Risk Management Analyst III

CONTRACTOR

By: 
Print Name: J.A. GOSSIN
Title: C.O.O.
Date: 7/29/19

By: 
Print Name: Erin K Sorel
Title: CTO
Date: 7/29/19

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Public Works-22.

SUBJECT:

Public Works Equipment – Award Purchases

DEPARTMENT: Public Works

Supervisory District No. : All

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Take the following actions regarding road maintenance equipment: (1) Award the purchase of: (a) one compact track loader and attachments to Bobcat of Redding, Redding, CA for a total price of \$90,335.04 (including tax and delivery); (b) one trailer to Central California Truck and Trailer, West Sacramento, CA for a total price of \$80,112.43 (including tax and delivery); (c) a pickup truck from Crown Motors, Redding, CA for a total price of \$65,961.04 (including tax and delivery); and (d) a self-propelled broom from Papé Machinery, Redding, CA for a total price of \$70,987.87 (including tax and delivery); (2) approve and authorize the purchase of the compact track loader, trailer, pickup truck and self-propelled broom; and (3) waive the requirement for competitive procurement for the purchase of the trailer, pickup truck, and self-propelled broom.

SUMMARY

Road maintenance equipment purchases are proposed.

DISCUSSION

The County uses heavy equipment for road maintenance. A backhoe, trailer, pickup truck and self-propelled broom are worn out. Three bids were received for a compact track loader to replace the backhoe and Bobcat of Redding provided the lowest quote. Central California Truck and Trailer, West Sacramento, CA provided a quote to furnish a trailer under Government Services Agreement (GSA) Contract #GS-30F-0016L. Crown Motors provided a quote to provide a pickup truck under California Multiple Award Schedules (CMAS) Contract #1-18-23-2A. Pape Machinery provided a quote to furnish a self-propelled broom under Houston Galveston Area Contract (HGAC) Contract #SM 10-18.

ALTERNATIVES

The Board may decline to complete the proposed purchases. The Board may elect to solicit new bids or continue to utilize the existing equipment. Additional labor costs are incurred to use and maintain old equipment.

OTHER AGENCY INVOLVEMENT

County Purchasing has reviewed and approved the purchases. The County Administrative Office have reviewed this recommendation.

FINANCING

Adequate funds for the proposed purchases are included in the Adopted Fiscal Year 2019/20 Roads budget. There is no General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Bobcat of Redding Quote (Track Loader)	8/1/2019	Bobcat of Redding Quote (Track Loader)
Pape Machinery Quote (Track Loader)	8/1/2019	Pape Machinery Quote (Track Loader)
Sonsray Machinery Quote (Track Loader)	8/1/2019	Sonsray Machinery Quote (Track Loader)
Central CA Truck and Trailer Quote (Trailer)	8/1/2019	Central CA Truck and Trailer Quote (Trailer)
Crown Motors Quote (Pickup)	8/1/2019	Crown Motors Quote (Pickup)
Pape Machinery Quote (Broom)	8/1/2019	Pape Machinery Quote (Broom)



Product Quotation

Quotation Number: 27852D028168

Date: 2019-07-10 11:32:53

Ship to	Bobcat Dealer	Bill To
Department of Public Works Attn: Jason Eilts	Bobcat of Redding, Redding, CA 4055 EASTSIDE ROAD REDDING CA 96001	Department of Public Works Attn: Jason Eilts
Redding, CA 96001 Phone: (530) 245-6798	Phone: (530) 243-4112 Fax: (530) 246-9126	Redding, CA 96001 Phone: (530) 245-6798

Contact: Tucker Zimmerman Phone: (530)243-4112 Fax: (530)246-9126 Cellular: (530)604-7994 E Mail: tuckerz@bobcatofchico.com		

Description	Part No	Qty	Price Ea.	Total
T650 T4 Bobcat Compact Track Loader	M0271	1	\$44,634.96	\$44,634.96
74 HP Tier 4 Turbo Diesel Engine	Lift Path: Vertical			
Auxiliary Hydraulics: Variable Flow	Lights, Front & Rear			
Backup Alarm	Operator Cab			
Bob-Tach	Includes: Adjustable Suspension Seat, Top & Rear			
Bobcat Interlock Control System (BICS)	Windows, Seat Bar, Seat Belt			
Controls: Bobcat Standard	Roll Over Protective Structure (ROPS) meets SAE-J1040			
Cylinder Cushioning - Lift, Tilt	& ISO 3471			
Engine/Hydraulic Systems Shutdown	Falling Object Protective Structure (FOPS) meets SAE-			
Glow Plugs (Automatically Activated)	J1043 & ISO 3449, Level I; (Level II is available through			
Horn	Bobcat Parts)			
Instrumentation: Engine Temp and Fuel Gauges, Hourmeter,	Parking Brake: Spring Applied, Pressure Released			
RPM and Warning Lights	(SAPR)			
Lift Arm Support	Solid Mounted Carriage with 4 Rollers			
	Spark Arrestor Exhaust System			
	Tracks: Rubber, 12.6" wide			
	Warranty: 2 years, or 2000 hours whichever occurs first			
P69 Performance Package	M0271-P06-P69	1	\$5,368.32	\$5,368.32
C37 Comfort Package	M0271-P07-C37	1	\$4,633.20	\$4,633.20
Selectable Joystick Controls (SJC)	M0271-R01-C04	1	\$680.40	\$680.40
17.7" C-Pattern Rubber Track	M0271-R09-C02	1	\$1,172.16	\$1,172.16
Roller Suspension Undercarriage	M0271-R21-C13	1	\$1,285.20	\$1,285.20
Telematics US	M0271-R51-C02	1	\$0.00	\$0.00
	Total for this Machine			\$57,774.24
Description	Part No	Qty	Price Ea.	Total
24" Planer, High Flow	M7017	1	\$12,112.56	\$12,112.56
--- Drum 24 Fastcut	M7017-R01-C04	1	\$3,216.24	\$3,216.24
	Total for these items			\$15,328.80
Description	Part No	Qty	Price Ea.	Total
80" C/I Heavy Duty Bucket	6726344	1	\$1,167.84	\$1,167.84
--- Bolt-On Cutting Edge, 80"	6718008	1	\$146.88	\$146.88
	Total for these items			\$1,314.72
Description	Part No	Qty	Price Ea.	Total
82" Root Grapple	7168338	1	\$2,886.48	\$2,886.48
	Total for these items			\$2,886.48
Description	Part No	Qty	Price Ea.	Total
SGX 60 Stump Grinder	7112201	1	\$6,924.24	\$6,924.24
	Total for these items			\$6,924.24
Total of Items Quoted				\$84,228.48

Sales total before Taxes	\$84,228.48
Taxes: All Sales No Freight or Labor	\$6,106.56
Quote Total - US dollars	\$90,335.04

Notes:

All prices subject to change without prior notice or obligation. This price quote supersedes all preceding price quotes.

Customer Acceptance:

Purchase Order: _____

Authorized Signature:

Print: _____ Sign: _____ Date: _____

**MACHINERY****Quote Summary****Prepared For:**

SHASTA COUNTY DPW
4363 Eastside Rd
Redding, CA 96001

Prepared By:

DALE MENDEZ
Pape Machinery, Inc.
5065 Caterpillar Road
Redding, CA 96003
Phone: 530-241-4555
dmendez@papemachinery.com

Quote Id: 20156057**Expiration Date:** 07 August 2019

Equipment Summary	Selling Price	Qty	Extended
JOHN DEERE 325G COMPACT TRACK LOADER	\$ 76,718.00 X	1 =	\$ 76,718.00
Sourcewell Discount 33%	\$ -25,316.94 X	1 =	\$ (25,316.94)
PDI and Installs	\$ 545.00 X	1 =	\$ 545.00
Freight	\$ 1,675.00 X	1 =	\$ 1,675.00
Sourcewell Fee 1%	\$ 990.00 X	1 =	\$ 990.00
JOHN DEERE RR84 ROOT RAKE	\$ 5,089.33 X	1 =	\$ 5,089.33
JOHN DEERE CP24D COLD PLANER	\$ 22,627.22 X	1 =	\$ 22,627.22
FECON F2/SH270	\$ 16,947.90 X	1 =	\$ 16,947.90
Equipment Total			\$ 99,275.51

Quote Summary

Equipment Total	\$ 99,275.51
Licensing Fee	\$ 0.00
CA Tire Recycling Fee	\$ 0.00
Doc Fee	\$ 0.00
Rental Services Fee	\$ 0.00
Federal Excise Tax	\$ 0.00
SubTotal	\$ 99,275.51
Sales Tax - (7.25%)	\$ 7,197.47
Total	* \$ 106,472.98
Down Payment	(0.00)
Rental Applied	(0.00)

**SONSRAY MACHINERY LLC**

2535 Ellis Street • Redding, CA 96001

800-892-7988 • Fax: 530-246-2978

www.sonsraymachinery.com

Ship To: SHASTA COUNTY
4363 EASTSIDE ROAD
REDDING CA 96001

Invoice To: SHASTA COUNTY
ACCOUNTS PAYABLE
1855 PLACER STREET
REDDING CA 96001

Branch 06		
06 - REDDING		
Date	Time	Page
07/31/2019	12:35:17 (O)	1
Account No	Phone No	Quote No
SHAST001	5302255661	Q00403-06
Ship Via	Purchase Order	
WC	TR310	
Tax ID No		
Salesperson		
GARY GEORGE		109

EQUIPMENT QUOTE / SALES ORDER

Description ** Q U O T E ** EXPIRY DATE: 09/30/2019 Amount

CASE SOURCEWELL MEMBER CONTRACT# 032515

NEW 2019 CASE TR310 T4FINAL COMPACT TRACK LOADER 96673.00

EQUIPPED AS FOLLOWS:

ENCLOSED CAB WITH HEATER-A/C, RADIO, HEATED AIR SEAT, 3" BELT

HD HYDRAULIC FRONT UNIVERSAL COUPLER

ENHANCED HIGH FLOW HYDRAULICS

HD LIGHTS, HD REAR DOOR, UNDERCARRIAGE HOSE COVERS

SECONDARY AUXILIARY FRONT HYDRAULIC KIT

LOADER LIFT LEVELING

2 SPEED TRAVEL

PATTERN CONTROL SELECTOR

RIDE CONTROL

78" LOW PROFILE BUCKET WITH BOLT ON EDGE

CASE EHF HP24 COLD PLANER WITH HYDRAULIC CONTROLS

WARRANTY: 2 YEARS, 2000 HOURS

***** PRICING IS AS FOLLOWS *****

CASE TR310 SOURCEWELL 60,529.00

INBOUND FREIGHT/DLR PREP 4,120.00

EHF HP24 PLANER 20,191.00

78" HD BRUSH GRAPPLE 3,715.00

HF STUMP GRINDER 8,118.00

Miscellaneous Charges/Credits

=====

PROCESSING FEES Qty: 1 Price: 375.00 375.00

Subtotal: 97048.00

CA STATE 7.25%: 7008.79

Quote Total: * 104056.79

Authorization: _____

NOTICE TO PURCHASER

1. Caution. Do not sign this contract before you thoroughly read both pages 1 and 2 of it or if it contains blank spaces, even if otherwise advised.
2. You are entitled to an exact and completely filled in copy of this Sales Order when you sign it. Keep it to protect your legal rights.
3. Store Manager signature required for final acceptance of Sales Order.

THIS AGREEMENT IS SUBJECT TO THE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE. CUSTOMER HAS HAD THE OPPORTUNITY TO READ THE TERMS OF THIS AGREEMENT PRIOR TO SIGNING.

Purchaser's Signature _____

Sales Consultant _____

Date

Page 293 of 580

Print Name _____

Date _____

Accepted By _____

Date



Steve Lujan
 Central California Truck & Trailer Sales, LLC
 2345 Evergreen Ave
 West Sacramento, CA
slujan@catrucksales.com



www.catrailer-sales.com

TRAILER #:		DATE: 6/20/2019	
SOLD TO: Shasta County DPW		SHIP TO:	
ADDRESS:		ADDRESS:	
CITY: Redding	State: CA	ZIP:	CITY:
CONTACT: Jason Eilts		CONTACT:	
PH: 530-245-6798	CELL: 530-941-2227	PH:	
E-MAIL: jeilts@co.shasta.ca.us		E-MAIL:	
MODEL YEAR: 2020	ENGINEERED BY:	DATE:	2019 II PRICING \$77,625.00 \$2,285.00 STD STD STD STD STD STD STD \$1,435.00 \$1,820.00
STD MODEL: 440B-48	LENGTH: 48'	PIN SETTING: 21"	
WINCH: 20,000 lb Braden Winch in lieu of Std	LOCATION: UPPER DECK		
DECK TYPE: 1 3/8" APITONG WOOD DECK			
WIDTH: 102" WIDTH			
SUSPENSION: AIR RIDE SUSPENSION NEWAY			
WHEEL RIMS: (8) STEEL INNER HUB PILOT WHEEL ASSEMBLY W/OUTBOARD DRUMS			
TIRES: 235/75R x 17.5 DOUBLE COIN TIRES			
FEATURES: ADD'L CROSSMEMBERS, TWO SPD LANDING GEAR, LED LIGHT PKG			
POWDER COAT PAINT, CENTRALIZED LUBE SYSTEM			
OPTIONS: Wireless Remote Control (6-Function: tilt, travel & winch)			
Tire Air System - Meritor Air Inflation System by PSI			
VIN #:			
PAINT COLOR: White in Color			
F.O.B.:	CUSTOMER #:	TOTAL PRICE: \$83,165.00	
TERMS: UPON RECEIPT	CUSTOMER P.O. #:	CUSTOMER DISCOUNT: (\$11,643.10)	
F.E.T. CALCULATION:	SALESMAN: Steve Lujan	Customer Special Price: \$71,521.90	
SALE PRICE:	ESTIMATED COMP.:	F.E.T.: Exempt (STD 802)	
X 12%:	ENG REQUEST:	Est. State Sales Tax (Shasta County 7.250%): \$5,415.53	
TIRE DEDUCT:		Freight from Factory: \$2,850.00	
F.E.T.:		DOC & DMV: \$325.00	
CUSTOMER SIGNATURE: _____		TOTAL: \$80,112.43	
NO CHANGES MADE PRIOR TO COMPLETION WITHOUT APPROVAL		PO is acceptable to order	
		BALANCE DUE: \$80,112.43	



555 W. Cypress Ave. Redding CA 96001

Cell Phone: 530-523-6011 Email: bill@crownworktrucks.com

www.crownworktrucks.com

Fleet Proposal

7/25/2019

To: Shasta County Roads
Attn: Craig Isberg

Prepared by: Bill Dawson

Re: Vehicle Quote New 2019 Ford F-250 Crew Cab 4WD Gas

Quantity	Description	Unit Price	Total
1	New 2019 Ford F-250 Crew Cab 4WD Gas State Contract 1-18-23-20A	\$27,445.00	\$27,445.00
1	3.73 Electronic Locking Rear Axle	\$372.00	\$372.00
1	Upgrade to XLT Trim	\$5,223.00	\$5,223.00
1	XLT Value Package	\$1,531.00	\$1,531.00
1	All Terrain Tires	\$253.00	\$253.00
1	Carpet Delete	-\$43.00	-\$43.00
1	Cloth Seating with Center Console	\$905.00	\$905.00
1	Extra Extra Heavy Duty Alternator	\$81.00	\$81.00
1	Black Hood Deflector	\$124.00	\$124.00
1	Medium Duty Battery	\$201.00	\$201.00
1	Off Road Package	\$382.00	\$382.00
1	Running Boards	\$426.00	\$426.00
1	Splash Guards Front and Rear	\$124.00	\$124.00
1	Upfitter Switches	\$157.00	\$157.00
1	Front Wheel Well Liner	\$171.00	\$171.00
1	Side Window Deflectors	\$89.00	\$89.00
1	Surveyor Body - Advanced TB #5149	\$24,525.00	\$24,525.00
1	Discount for Payment in 20 Days	-\$500.00	-\$500.00
Net Price			\$61,466.00
Sales Tax			\$4,456.29
License			\$0.00
MVSC fee			\$30.00
Tire Tax			\$8.75
Bid Amount			\$65,961.04

Exempt

Price For one F-250 Crew XLT
Quote good until 8/30/2019



SALES ORDER

Page 1 of 2 Init. _____

REFERENCE
NUMBER

BILL TO		SIC Code _____		SHIP TO		Name Shasta County Dept. of Plubic Works	
Buyer Shasta County Dept. of Public Works				Address 4363 Eastside Road			
Address 1855 Placer Sreet				City Redding State CA Zip 96003			
City Redding State Ca Zip 96001				County: Shasta			
County Shasta Customer No. _____				Delivery Date (Est.) 9/20/19 Customer No.			
Ph. No. 530 225 5601 Fax No. _____				P.O. NO. _____			
EQUIPMENT		MAKE		MODEL		EQUIP. #	
SUPERIOR BROOM				DT74J			
		SER. #					
						TRANSACTION	
						SALE RPO NEW USED RENT	
						<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Description: See attached specs for DT74J Broom						\$ 81,766.00	
HGAC DISCOUNT 24%						-19,623.84	
Delivery to Pape Machinery						3,500.00	
UNLOAD & PDI						540.00	
						0.00	
Attachments: Tire Tax NO SALES TAX ON THIS						7.50	
Del'y/F.O.B Pape Shop Redding Ca.						\$	
						AGREED PRICE \$ 66,189.66	
TRADE		YEAR		SERIAL #			
MAKE				MODEL			
						If Tax Exempt, Provide Certificate or enter Rate Below	
						Sales Tax (7.25%) 4,798.21	
Lienholder:						Total Price \$ 70,987.87	
Trade In Allowance ▶ Less (Est.) Payoff ▶						▶ Net Trade-In < 0.00 >	
BILL OF SALE: FOR TRADE-IN DESCRIBED HEREIN. WE CERTIFY THAT THERE IS NO LIEN, CLAIM, DEBT, MORTGAGE OR ENCUMBRANCE OF ANY KIND, NATURE OR DESCRIPTION AGAINST THIS PROPERTY NOW EXISTING, OF RECORD OR OTHERWISE AND THAT SAME IS FREE AND CLEAR AND IS MY/OUR SOLE AND ABSOLUTE PROPERTY EXCEPT AS NOTED ABOVE.						Sales Tax (WA Only) (%)	
						CA/NV Tire Fee \$	
						Balance Due \$ 70,987.87	
						Down Payment < >	
BUYER'S SIGNATURE: X							
FINANCE		<input type="checkbox"/> FINANCED <input type="checkbox"/> ON ACCOUNT <input checked="" type="checkbox"/> CASH/COD					
TERMS (SUBJECT TO APPROVAL):						Doc Fees	
						INSURANCE	
						Amount to Finance	
Insurance Agent:						Length of Term	
WARRANTY		<input checked="" type="checkbox"/> NEW BASIC (DESCRIBE) d				Est. PMT. W/Ins.	
		<input type="checkbox"/> NEW EXTENDED (DESCRIBE)				Est. PMT. W/O Ins.	
		<input type="checkbox"/> AS IS / NO WARRANTY		<input type="checkbox"/> USED (DESCRIBE) ...			
This Sales Order is subject to additional terms and conditions on the reverse side of this document. The undersigned Buyer agrees that it has read and understands the terms and conditions, warranty disclaimers, and limitations of liability set out in the additional terms and conditions on the reverse side of this document and that the same are included in and are part of this Sales Order as if set forth on the face hereof.							
PAPÉ MACHINERY, Inc.						BUYER	
(Store Address) 5065 Caterpillar Road.....						By _____ Title _____	
City Redding State Ca Zip 96003							
By _____						By _____ Title _____	
Title Territory Manager.. Date 7/30/19						Date _____	

TERMS AND CONDITIONS OF SALE

TERMS AND CONDITIONS OF SALE: Sales Orders are based on the terms and conditions stated herein. Unless otherwise provided on the face hereof, offers are good for acceptance for a period of 30 days from the date hereof. An order by the Buyer shall constitute an acceptance of the terms and conditions herein proposed. If, and only if, no offer of sale is issued by Seller, then the invoice shall be deemed: an acceptance of the Buyer's order; a written confirmation; and a final, complete, and exclusive written expression of the agreement between Seller and Buyer. Buyer is hereby notified that additional or different terms from those contained herein are objectionable.

1. Taxes. Buyer shall pay all local, state, and federal taxes arising from or related to any sale or lease to which this document relates, except for taxes upon or measured by net income of Seller.

2. Delivery. Stated or promised delivery dates are estimates only based upon Seller's best judgment and Seller shall not be responsible for deliveries later than promised regardless of the cause. Delivery periods are projected from the date of receipt of any order by Seller, but if equipment to be furnished by Seller is to be manufactured specifically to fill a particular order, delivery periods will be projected from the date of Seller's receipt of complete manufacturing information. If the furnishing of equipment on orders accepted by Seller is hindered or prevented by public authority or by the existence of war or other contingencies, including, but not limited to, shortage of materials, fires, labor difficulties, accidents, delays in manufacture or transportation, acts of God, embargoes, inability to ship, inability to insure against war risks or substantially increased prices or freight rates, or other causes beyond Seller's control, the obligation to fill or complete such orders shall be excused by Seller's option.

3. Transportation and Claims. Prices quoted are net F.O.B. point designated in writing by Seller. When no F.O.B. point is designated in writing by Seller, prices for new equipment shall be deemed to be net F.O.B. point of manufacture and prices for all other equipment shall be deemed to be F.O.B. Seller's place of business at which the order for the equipment is accepted. When transportation is allowed, the price charged will be adjusted to reflect the lowest transportation rates in effect at the time of shipment even though such rates may differ from those quoted by Seller. Seller's responsibility for the equipment shall cease and all risk of loss shall become the Buyer's upon delivery of the equipment to the first carrier for shipment to the Buyer or his consignee, even though such delivery shall be made prior to the arrival of the equipment at the F.O.B. point designated, and any and all claims for shortages, deliveries, damages or non-delivery must be made by the Buyer or his consignee to the carrier. Seller shall in no event be responsible for shortages in shipments unless notice of such shortage is given in writing to Seller within 15 days after receipt of shipment.

4. Payment and Security. Buyer agrees to pay in full for the equipment at time of delivery. Buyer agrees to pay the late charge on any past due balance at the rate of 18% per annum. The signator warrants that he/she has authority to execute this order on behalf of any party for whom he/she signs, and that such party has the power to enter into this agreement and perform its terms. As security for all of Buyer's obligations to Seller, Buyer grants to Seller a security interest in the equipment and authorizes Seller to file all documents necessary to perfect Seller's security interest. The security interest granted hereunder is in addition to any other rights available to Seller, and Seller shall have all of the rights and remedies available to a secured party under the Uniform Commercial Code, all of which are cumulative. Throughout the duration of Seller's security interest. Buyer shall keep the equipment fully insured against theft and loss or damage by fire and other casualty as Seller may from time to time require in accordance with such terms as Seller may require.

5. Buyer to Furnish. Performance by Seller is subject to the Buyer furnishing a satisfactory credit rating certificate, letter of credit, evidence of financing, or any other similar papers necessary for the satisfactory completion of such order.

6. Laws Governing. All orders will be governed by the laws of the State of Oregon.

7. Assignment. The right to any monies due or to become due hereunder may be assigned by Seller, and Buyer, upon receiving notice of such assignment, shall make payment as directed.

8. Limitations of Warranties. If "NEW" warranty is indicated on the reverse side or if new equipment is purchased hereunder, all warranties are strictly given only by the manufacturer. Copies of manufacturer's warranty can be obtained from Seller. If "USED" warranty is indicated on the reverse side. Seller hereby warrants to Buyer that the equipment or components thereof designated on the reverse side, shall be free under normal use and service from defects in material and workmanship for the period shown, commencing on the date of delivery. Buyer's exclusive remedy for breach of the limited warranty shall be the repair or replacement of the warranted equipment without charge to Buyer when returned at Buyer's expense to the Seller's facility where the equipment was purchased, with proof of purchase. Buyer must give notice of any warranty claim not later than 7 days after the expiration of the warranty period and must return the equipment to Seller for repair or replacement no later than 30 days after expiration of the warranty period. Any action against Seller for breach of the limited warranty must be commenced within one year after the date of delivery of the equipment. Seller's warranty does not extend to any defect, claim, or damage attributable to the failure to operate and/or maintain the equipment in accordance with the manufacturer's specifications, or due to the failure to operate or maintain the equipment in accordance with any recommendations of Seller. If "AS IS" is indicated on the reverse side, no warranty of any kind is being given and the equipment is being sold with all faults. THE WARRANTIES IN THIS PARAGRAPH AND ON THE REVERSE SIDE ARE THE EXCLUSIVE WARRANTIES GIVEN BY SELLER AND SUPERSEDE ANY PRIOR, CONTRARY, OR ADDITIONAL REPRESENTATIONS, WHETHER ORAL OR WRITTEN. SELLER HEREBY DISCLAIMS AND EXCLUDES ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED WARRANTIES OTHERWISE ARISING FROM COURSE OF DEALING OR USAGE OF TRADE. SELLER SHALL NOT BE LIABLE FOR ANY LOSS, INJURY, OR DAMAGE TO PERSONS OR PROPERTY RESULTING FROM THE FAILURE OR DEFECTIVE OPERATION OF THE EQUIPMENT; NOR WILL SELLER BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND SUSTAINED FROM ANY CAUSE. This exclusion applies regardless of whether such damages are sought for breach of warranty, breach of contract, negligence, or strict liability in tort or under any other legal theory.

9. Rental Purchase Option. If rental purchase option (RPO) is granted in any addendum, the purchase price shall be tendered to Seller coincidentally with the exercise of the purchase option provided that Buyer is not then in default in performing all of the terms and conditions of lease with Seller.

10. Notice. This paragraph shall serve as notice that The Papé Group, Inc. has assigned its rights to sell its rental equipment (as may be described in this sales order) and its rights to sales proceeds (including "trade-in assets" related thereto) to North Star Deferred Exchange as part of an IRC Sec. 1031 exchange.

11. Attorneys Fees. In the event suit or action is instituted against Buyer on account of or in connection with or based upon the terms hereof, the Buyer agrees to pay, in addition to the costs and disbursements provided by law, such sum as the court may adjudge reasonable attorney's fees in both the trial and appellate courts, or in connection with any bankruptcy proceeding.

12. Entire Agreement. The foregoing and any addendum shall constitute the complete and exclusive agreement between the parties, and it is expressly understood and agreed that no promises, provisions, terms, warranties, conditions, guarantees, or obligations whatsoever, either expressed or implied, other than as herein set forth or provided for shall be binding on either party. Each party may transmit its signature by facsimile to the other party and such facsimile signatures shall have the same force and effect as an original signature.

Shasta County Dept. of Public Works
 1855 Placer Street
 Redding, Ca. 96001
 July 30, 2019

Specifications for Superior Broom DT74J

Model DT74J Superior Broom w/ Tier 4 Final John Deere 74 hp Diesel Engine	\$61,900.00
Enclosed Cab w front wiper & 2 doors	6,000.00
Pressurized air conditioning – 35,000 BTU	3770.00
HEPA Cab filter	247.00
Heater & defroster fan	740.00
Rear window wiper	425.00
Window washer front	235.00
West Coast mirrors	155.00
Tilt & Telescoping steering column	750.00
Suspension Seat	695.00
Brush down pressure limit valve	566.00
8 Ft. ½ poly & ½ wire coreless tube brush	170.00
Extension air cleaner stack	150.00
Engine air pre-cleaner	222.00
Emergency brake safety system	475.00
Spare 15” tire and wheel	457.00
Vandalism locks	203.00
Tool box	125.00
License plate holder w/ light 84.00
LED Light Group – includes headlamps, turn signals, stop & tail lights	895.00
Rotation beacon – Amber	343.00
Dual LED reverse lights	390.00
Audible engine alarm w/light (low oil press- high water temp) 453.00
Hydraulic temperature gauge	170.00
Block heater John Deere	250.00
Pentel eye surge brake tow bar w/ safety chains & tow lights	1,896.00
Machine total	\$81766.00



MACHINERY

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Public Works-23.

SUBJECT:

Roads Budget Amendment

DEPARTMENT: Public Works

Supervisory District No. : All

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
4/5 Vote	No General Fund Impact

RECOMMENDATION

Approve a budget amendment increasing appropriations in the amount of \$1,079,000 offset by fund balance in the Roads budget for the purchase of capital assets.

SUMMARY

Some road maintenance equipment and vehicles budgeted for and ordered in Fiscal Year (FY) 2018/19 did not arrive prior to June 30, 2019.

DISCUSSION

The Adopted FY 2018/19 Roads budget included several replacement vehicles to comply with new California Air Resources Board (CARB) requirements. Actual purchases were stayed pending the outcome of Proposition 6. Purchases were initiated thereafter but were not completed prior to the end of the fiscal year. A budget amendment is proposed to complete the purchase of four pickup trucks, three dump trucks, two transfer trucks, a trailer and an overhead crane.

ALTERNATIVES

The Board may decline to approve the budget amendment. The Department would not be able to take delivery of the equipment and vehicles. The equipment will be needed to comply with CARB requirements.

OTHER AGENCY INVOLVEMENT

The Auditor-Controller will process the budget amendment upon Board approval. The County Administrative Office has reviewed this recommendation.

FINANCING

Roads fund balance contains sufficient resources to complete the purchase of the fixed assets. There is no General Fund Impact.

ATTACHMENTS:

Description	Upload Date	Description
Roads Budget Amendment Memo	7/19/2019	Roads Budget Amendment Memo

**COUNTY
OF
SHASTA**

DEPARTMENT OF PUBLIC WORKS

Pat Minturn, Director

MEMORANDUM

DATE July 16, 2019

FAF 020004

TO Brian Muir, Auditor-Controller

FROM Pat Minturn, Director



SUBJECT Budget Amendment for Roads

A budget amendment is requested in the Roads Budget Unit 30100. The purpose of this budget amendment is to increase appropriations by \$1,079,000 for the purchase of fixed assets.

After preparing the budget transfer document, would you please forward it to the CAO's office for approval. It is our intention to present this to the Board of Supervisors for approval on August 13, 2019. Thank you for your assistance in this matter.

PJM/kdc

Attachment

email: Ayla Tucker, CAO Administrative Analyst

County of Shasta

Budget AmendmentRoads

DEPARTMENT NAME

APPROPRIATIONS

INCREASE <DECREASE>

COST CENTER	ACCOUNT	ACCOUNT DESCRIPTION	BUDGET READS	BUDGET SHOULD READ	AMOUNT OF TRANSFER (+/-)
30100	065136	11 Vehicles W/Accessories	440,000	679,000	239,000
30100	065359	Overhead Shop Crane	0	45,000	45,000
30100	065360	3 Dump Trucks W/Accessories	0	600,000	600,000
30100	065361	2 Transfer Trucks	0	178,000	178,000
30100	065365	4 Trailers	180,000	197,000	17,000
					-
					-
					-
TOTAL					1,079,000

REVENUE

INCREASE <DECREASE>

COST CENTER	ACCOUNT	ACCOUNT DESCRIPTION	BUDGET READS	BUDGET SHOULD READ	AMOUNT OF TRANSFER (+/-)
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
TOTAL					-

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Public Works-24.

SUBJECT:

Shasta Control Company - Contract Amendment

DEPARTMENT: Public Works

Supervisory District No. : All

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign an amendment, effective date of signing, to the agreement with Shasta Control Company, Inc. for the repair, installation, programming and technical support of the Facilities Automated Control System, to increase compensation by \$105,000 for a new total not to exceed \$150,000, and retain the term October 9, 2017 through October 8, 2018, with two automatic one-year renewals.

SUMMARY

An amendment is proposed for Shasta Control Company, Inc. to upgrade County HVAC Controls to Windows 10.

DISCUSSION

County buildings are conditioned with heating, ventilation and air conditioning systems (HVAC). These systems are monitored with a Facilities Automated Control System (FACS). On October 9, 2017, the County entered into an Aggregate Public Works Construction Contract with Shasta Control Company to maintain the FACS. In November, the County computer network will migrate to Windows 10. It is proposed for Shasta Control Company, Inc. to implement the upgrade in the FACS.

ALTERNATIVES

The Board may decline to approve the proposed amendment. The existing FACS is incompatible with Windows 10. A Request for Proposals could be circulated to recruit another vendor to carry out the upgrade.

OTHER AGENCY INVOLVEMENT

The Information Technology Department has been consulted regarding the equipment upgrades. County Counsel has reviewed and approved the amendment as to form. Risk Management has reviewed and approved the amendment. The County Administrative Office has reviewed this recommendation.

FINANCING

Adequate funds have been included in the Adopted FY 2019/20 budget units for the various departments to cover the costs of the contract. There is no additional General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Shasta Control Company First Amendment	8/1/2019	Shasta Control Company First Amendment

**FIRST AMENDMENT TO THE
AGGREGATE PUBLIC WORKS CONSTRUCTION CONTRACT
BETWEEN THE
COUNTY OF SHASTA
AND
SHASTA CONTROL COMPANY, INC.**

This First Amendment is entered into between the County of Shasta, a political subdivision of the State of California through the Facilities Management Division of Public Works ("County") and Shasta Control Company, Inc. ("Contractor") for the purpose of providing repairs, installation, programming and technical support of the facilities automated control system.

R E C I T A L S

WHEREAS, County and Contractor have previously entered into a Contract on October 09, 2017 for the purpose of providing maintenance service, repair and short-term rental of equipment incident to a repair or service. (Contract) and

WHEREAS, County and Contractor desire to amend the Contract to increase the amount compensation payable to Contractor by \$105,000.00 for a new maximum compensation of \$150,000.00 over the entire term of the Contract;

NOW, THEREFORE, the Contract is amended as follows:

I. Section 3. CONTRACT SUM of the Contract is amended as of the effective date of the Contract to read as follows:

Section 3. CONTRACT SUM.

3.2 In no event shall the maximum amount payable to Contractor pursuant to this Contract exceed \$150,000.00.

II. REAFFIRMATION

In all other respects, the Contract, as amended, and any attachments, remains in full force and effect.

III. ENTIRE CONTRACT

The Contract, as amended, and any attachments, constitutes the entire understanding between County and Contractor.

IV. EFFECTIVE DATE

Unless otherwise provided, this First Amendment shall be deemed effective as of the last date it is signed by both parties.

SIGNATURE PAGE FOLLOWS

SHASTA CONTROL COMPANY, INC.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Contract. By their signatures below, each signatory represents that he/she has the authority to execute this First Amendment and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

RUBIN E. CRUSE, JR.
County Counsel

RISK MANAGEMENT APPROVAL

By: David M. Yorton, Jr. 7/31/19
David M. Yorton, Jr.
Senior Deputy County Counsel

By: James Johnson 07/31/19
James Johnson
Risk Management Analyst III

SHASTA CONTROL COMPANY, INC.

By: Kent Flowers

Print Name: Kent Flowers

Title: President

Date: 7-30-19

By: Charlotte Flowers

Print Name: Charlotte Flowers

Title: Secretary, Treasurer

Date: 7/30/19

SHASTA CONTROL COMPANY, INC.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Resource Management-25.

SUBJECT:

Retroactive agreement between Shasta County and SHN Consulting Engineers and Geologists, Inc. for providing planning support services for the preparation of the Fountain Wind Project Environmental Impact Report.

DEPARTMENT: Resource Management

Supervisory District No. : 3

DEPARTMENT CONTACT: Paul Hellman, Director of Resource Management (530) 225-5789

STAFF REPORT APPROVED BY: Paul Hellman, Director of Resource Management

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign a retroactive agreement with SHN Consulting Engineers and Geologists, Inc. for a fixed fee of \$65,000 to provide planning support services during the development and preparation of the Fountain Wind Project (Project) Environmental Impact Report for the period July 1, 2018 through the certification of the Project or May 31, 2021, whichever is earlier.

SUMMARY

The Department of Resource Management is currently under contract with Environmental Science Associates (EIR Consultant) to prepare an Environmental Impact Report (EIR) for the Fountain Wind Project (Project), a large scale wind power project proposed to be located near the community of Montgomery Creek. The proposed retroactive Personal Services Agreement (PSA) would allow SHN Consulting Engineers and Geologists, Inc. (Consultant) to provide planning support services to Department staff, including reviewing, revising, editing, and commenting on relevant data, documents and drafts prepared by the EIR Consultant. The agreement also allows payment of compensation for services rendered by the Consultant during the retroactive term of the PSA.

DISCUSSION

After the Project application was deemed complete, the former Director of Resource Management sought professional consulting services to provide support services to Planning Division staff during the EIR consultant selection process and the development and preparation of the EIR. These services were sought due to the complexity of the Project, projected demands on Planning Division resources, and the Pacific Wind Development. LLC's (Applicant) desire for an aggressive schedule for completion of the EIR. Upon selecting the Consultant, the Department authorized the Consultant to begin work on July 1, 2018. To date, the Consultant has provided 117.75 hours of service for a compensatory commitment totaling \$17,982.50.

The agreement could not be presented to the Board prior to its effective date because the Department had not reached final terms with the Consultant before work on the EIR consultant selection process and subsequent EIR were scheduled to begin and the Department felt it imperative that the Consultant be involved from the outset. The circumstances under which the Consultant was employed for the Project have not changed.

If the Board approves the PSA, the Consultant will be compensated for services rendered and will continue providing support services for the development and preparation of the EIR. All compensation for services rendered will be paid by the Applicant in accordance with the terms of the existing agreement between the Applicant for funding the preparation of environmental documents for the Project.

ALTERNATIVES

The following alternatives are available: (1) Choose not to approve the agreement and request staff bring back an agreement to compensate the Consultant for services rendered to date; (2) ask for more information or request changes to the agreement; or (3) take no action.

OTHER AGENCY INVOLVEMENT

County Counsel has reviewed and approved the agreement as to form. Risk Management has reviewed and approved the agreement. This recommendation has been reviewed by the County Administrative Office.

FINANCING

No additional impact to the General Fund is anticipated as a result of the entering into the agreement. Costs of the proposed PSA, including any associated County administrative costs, would be borne entirely by the Applicant in accordance with an existing funding agreement executed between the County and the Applicant on November 13, 2018. Any proposed increase in Consultant compensation would require an amendment to the proposed PSA. The County administrative costs of preparing an amendment and amended cost of the Consultant’s agreement would be the sole responsibility of the Applicant.

ATTACHMENTS:

Description	Upload Date	Description
Proposed Agreement	7/31/2019	Proposed Agreement
Exhibit A	7/31/2019	Exhibit A
Exhibit B	7/31/2019	Exhibit B

PERSONAL SERVICES AGREEMENT

RETROACTIVE PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF SHASTA AND SHN CONSULTING ENGINEERS AND GEOLOGISTS

This agreement is entered into between the County of Shasta, through its Department of Resource Management, Planning Division, a political subdivision of the State of California ("County") and SHN Consulting Engineers and Geologists, Inc., a California corporation ("Consultant") for the purpose of providing planning support services for the preparation of the Fountain Wind Project Environmental Impact Report (collectively, the "Parties" and individually a "Party").

Section 1. RESPONSIBILITIES OF CONSULTANT.

- A. Pursuant to the terms and conditions of this agreement, Consultant shall:
- (1) At the direction of the County, provide professional consulting services, including technical expertise, recommendations, work product deliverables and quality control in completing the following tasks:
 - (a) Provide ongoing assistance to County staff during the development and preparation of the Fountain Wind Project Environmental Impact Report ("Project"), including reviewing, revising, editing, and commenting on relevant data, documents and drafts pertaining to the Fountain Wind Project Environmental Impact Report, and consulting and coordinating with County staff and Environmental Science Associates, Inc. ("EIR Consultant") in preparing the Project.
 - (b) Consultant shall participate in bi-weekly agency-applicant coordination calls and other staff meetings or calls with Pacific Wind Development, LLC ("Applicant") and the EIR Consultant to assess progress, work products, timelines and milestones.
 - (c) Consultant shall recommend to County any adjustments to progress, work products, timelines and milestones that Consultant believes are appropriate.
 - (d) Consultant shall participate in public meetings as requested by the County. Consultant shall assist staff, as requested by the County, in preparing reports, presentations and supporting documents for Planning Commission and Board of Supervisor public hearings related to the Project.
- B. Consultant shall perform these services in a manner that allows County to meet all "County" deadlines described in that certain personal services agreement between the County and the EIR Consultant (therein referenced as "Consultant") executed

on November 13, 2018, for the purpose of preparing environmental documents for the Project attached hereto as **Exhibit A** and incorporated herein.

Section 2. RESPONSIBILITIES OF COUNTY.

- A. County shall compensate Consultant as prescribed in sections 3 and 4 of this agreement.
- B. Provide Consultant relevant data, documents and drafts pertaining to the Project in the County's possession that are requested by the Consultant.
- C. Monitor the outcomes achieved by Consultant.

Section 3. COMPENSATION.

- A. Consultant shall be paid a fixed fee \$65,000 for all services described in this agreement satisfactorily provided, at the rates and maximum amounts described in **Exhibit B** of this agreement.
- B. Consultant's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of agreement.

Section 4. BILLING AND PAYMENT.

- A. Consultant shall submit to Resource Management Department, Deputy Director – Administration, on or before the 10th or each month, a monthly itemized statement or invoice of services rendered and costs incurred, including identification of the project, Consultant staff by title, hours spent and the hourly rate for each. County shall make payment within 30 days of receipt of Consultant's correct and approved statement or invoice.
- B. Should County, or the state or federal government, disallow any amount claimed by Consultant, Consultant shall reimburse County, or the state or federal government, as directed by County, or the state or federal government, for such disallowed cost.

Section 5. TERM OF AGREEMENT.

This agreement shall commence on July 1, 2018 and shall end upon the earlier of: (1) certification of the Project or (2) May 31, 2021.

Section 6. TERMINATION OF AGREEMENT.

- A. If Consultant materially fails to perform Consultant's responsibilities under this agreement to the satisfaction of County, or if Consultant fails to fulfill in a timely and professional manner Consultant's responsibilities under this agreement, or if Consultant violates any of the terms or provisions of this agreement, then County shall have the right to terminate this agreement for cause effective immediately

upon the County giving written notice thereof to Consultant. If termination for cause is given by County to Consultant and it is later determined that Consultant was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this section.

- B. County may terminate this agreement without cause on 30 days written notice to Consultant.
- C. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- D. County's right to terminate this agreement may be exercised by the Shasta County Board of Supervisors, by the County's Administrative Officer or his or her designee, or by the Resource Management Department Director ("Director") or his or her designee.
- E. Should this agreement be terminated, Consultant shall promptly provide to County any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Consultant pursuant to this agreement.
- F. If this agreement is terminated, Consultant shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.
- G. Consultant may, at the Consultant's election, suspend services or terminate this agreement upon County's failure to pay undisputed invoices within sixty (60) days of the date of the invoice and County's failure to cure the default after thirty (30) days written notice.

Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS.

- A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Consultant shall be entitled to no other benefits other than those specified herein. Consultant specifically acknowledges that in entering into and executing this agreement, Consultant relies solely upon the provisions contained in this agreement and no others.
- B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. However, minor amendments, including retroactive, that do not result in a substantial or functional change to the original intent of this agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Consultant and Director, provided that the amendment is in substantially the same format as the County's standard format amendment contained in the *Shasta County Contracts Manual* (Administrative Policy 6-101).
- C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.

- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.

Inasmuch as this agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of County. The waiver by County of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

Section 9. EMPLOYMENT STATUS OF CONSULTANT.

Consultant shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Consultant performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by Consultant shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of County is to insure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Consultant shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if Consultant were a County employee. County shall not be liable for deductions for any amount for any purpose from Consultant's compensation. Consultant shall not be eligible for coverage under County's workers' compensation insurance plan nor shall Consultant be eligible for any other County benefit. Consultant must issue W-2 and 941 Forms for income and employment tax purposes, for all of Consultant's assigned personnel under the terms and conditions of this agreement.

Section 10. INDEMNIFICATION.

- A. To the fullest extent permitted by law, Consultant shall indemnify and hold harmless County, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or by any of Consultant's subcontractors, any person employed under Consultant, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of County. Consultant shall also, at Consultant's own expense, defend the County, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against County, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or any of

Consultant's subcontractors, any person employed under Consultant, or under any Subcontractor, or in any capacity. Consultant shall also defend and indemnify County for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless County with respect to Consultant's "independent contractor" status that would establish a liability on County for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this agreement.

- B. For professional services provided under this agreement [or contract], Consultant shall indemnify, defend, and hold harmless County, its elected officials, officers, employees, agents, and volunteers from and against any and all claims, demands, actions, losses, liabilities, damage, and costs, including reasonable attorneys' fees, arising out of or resulting from the negligent performance of the professional services provided under this agreement [or contract]. Consultant shall also, at Consultant's own expense, defend the County against any suit or action brought against County founded upon any claim, action or proceeding which is based upon the work or the provision of services undertaken pursuant to this agreement. Furthermore, the duty of Consultant includes the duty of defense, inclusive of that set forth in the California Civil Code Section 2778, and is subject to any limit provided for in Civil Code Section 2782.8(a) of the cost to defend charged to the Consultant. The words "professional services" shall be interpreted as defined in Civil Code section 2782.8, as it may be amended from time to time. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law.

Section 11. INSURANCE COVERAGE.

- A. Without limiting Consultant's duties of defense and indemnification, Consultant and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other coverage necessary to protect County and the public with limits of liability of not less than \$1 million per occurrence; such insurance shall be primary as to any other insurance maintained by County.
- B. Consultant and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover Consultant, subcontractor, Consultant's partner(s), subcontractor's partner(s), Consultant's employees, and subcontractor's(s') employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by Consultant or subcontractor. Each such policy shall be endorsed to state that the Workers' Compensation carrier

waives its right of subrogation against *County, its elected officials, officers, employees, agents, and volunteers* which might arise in connection with this agreement. Consultant hereby certifies that Consultant is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Consultant shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this agreement.

- C. Consultant shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than \$1 million per occurrence.
- D. Consultant shall require subcontractors to furnish satisfactory proof to County that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of Consultant pursuant to this agreement.
- E. With regard to all insurance coverage required by this agreement:
 - (1) Any deductible or self-insured retention exceeding \$25,000 for Consultant or subcontractor shall be disclosed to and be subject to approval by the County Risk Manager prior to the effective date of this agreement.
 - (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Consultant or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to the effective date of this agreement and continue coverage for a period of three years after the expiration of this agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, Consultant or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide the insurance coverage required hereunder for claims received and reported three years after the expiration date of this agreement.
 - (3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names *County, its elected officials, officers, employees, agents, and volunteers as additional insureds*. In the event that coverage is reduced or canceled, a notice of said reduction or cancellation shall be provided to County within 24 hours. Any available insurance proceeds in excess of the specified minimum limits and coverage pursuant to the terms of this agreement shall be applicable to the Additional Insured. The additional insureds coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.
 - (4) Each insurance policy (except for workers' compensation and professional liability policies), or an endorsement thereto, shall contain a "separation of insureds" clause which shall read:

“Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
 - b. Separately to each suit insured against whom a claim is made or suit is brought.”
- (5) Consultant shall provide County with an endorsement or amendment to Consultant’s policy of insurance as evidence of insurance protection before the effective date of this agreement.
 - (6) The insurance coverage required herein shall be in effect at all times during the term of this agreement. In the event any insurance coverage expires at any time during the term of this agreement, Consultant shall provide County, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this agreement or for a period of not less than one year. In the event Consultant fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this agreement, County may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.
 - (7) If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, Consultant shall provide County a certificate of insurance reflecting those limits.
 - (8) Any of Consultant’s Excess Insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of County.

Section 12. NOTICE OF CLAIM; APPLICABLE LAW; VENUE.

- A. If any claim for damages is filed with Consultant or if any lawsuit is instituted concerning Consultant’s performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, Consultant shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.

- B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

Section 13. COMPLIANCE WITH LAWS; NON-DISCRIMINATION.

- A. Consultant shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.
- B. Consultant shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. Consultant represents that Consultant is in compliance with and agrees that Consultant shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.
- D. No funds or compensation received by Consultant under this agreement shall be used by Consultant for sectarian worship, instruction, or proselytization. No funds or compensation received by Consultant under this agreement shall be used to provide direct, immediate, or substantial support to any religious activity.
- E. In addition to any other provisions of this agreement, Consultant shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of Consultant's noncompliance with the provisions of this section.

Section 14. ACCESS TO RECORDS; RECORDS RETENTION.

- A. County, federal, and state officials shall have access to any books, documents, papers, and records of Consultant that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Consultant or County. Except where longer retention is required by federal or state law, Consultant shall maintain all records for five years after County makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Consultant shall maintain appropriate records to insure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Consultant shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be

provided to County during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by County, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.

- C. Consultant agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or County audit directly related to the provisions of this agreement. Consultant agrees to repay County the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Consultant agrees that County may withhold any money due and recover through any appropriate method any money erroneously paid under this agreement if evidence exists of less than full compliance with this agreement including, but not limited to, exercising a right of set-off against any compensation payable to Consultant.

Section 15. COMPLIANCE WITH CHILD, FAMILY, AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.

Consultant's failure to comply with state and federal child, family, and spousal support reporting requirements regarding Consultant's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this agreement. Consultant's failure to cure such default within 90 days of notice by County shall be grounds for termination of this agreement.

Section 16. LICENSES AND PERMITS.

Consultant, and Consultant's officers, principals, partners, employees, subcontractors, and agents performing the work or services required by this agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by County. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by County.

Section 17. PERFORMANCE STANDARDS.

Consultant shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Consultant's work or services.

Section 18. CONFLICTS OF INTEREST.

Consultant and Consultant's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

Section 19. NOTICES.

- A. Except as provided in section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to County: Director of Resource Management
1855 Placer Street, Suite 200
Redding, CA 96001
(530) 225-5789

If to Consultant: Mark Chaney, Principal Scientist
SHN Consulting Engineers and Geologists, Inc.
350 Hartnell Avenue, Suite B
Redding, CA 96002
(530) 221-5424

- B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 19.A. and shall be deemed to be effective immediately.
- C. Unless otherwise stated in this agreement, any written or oral notices on behalf of the County as provided for in this agreement may be executed and/or exercised by the County Executive Officer.

Section 20. AGREEMENT PREPARATION.

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

Section 21. COMPLIANCE WITH POLITICAL REFORM ACT.

Consultant shall comply with the California Political Reform Act (Government Code, sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the County's Conflict of Interest Code, with regard to any obligation on the part of Consultant to disclose financial interests and to recuse from influencing any County decision which may affect Consultant's financial interests. If

required by the County's Conflict of Interest Code, Consultant shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

Section 22. PROPERTY TAXES.

Consultant represents and warrants that Consultant, on the date of execution of this agreement, (1) has paid all property taxes for which Consultant is obligated to pay, or (2) is current in payments due under any approved property tax payment arrangement. Consultant shall make timely payment of all property taxes at all times during the term of this agreement

Section 23. SEVERABILITY.

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

Section 24. COUNTY'S RIGHT OF SETOFF.

To the fullest extent permitted by law, County shall have the right but not the obligation, to setoff, in whole or in part, against any compensation owed to Consultant or any of its subsidiaries under any contract with the County, any amount of any Federal or State audit liability owed by or claimed or asserted against the County or any amounts owed to County by Consultant or its subsidiaries.

Section 25. CONFIDENTIALITY.

During the term of this agreement, both Parties may have access to information that is confidential or proprietary in nature. Both Parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other Party or as required by law. This provision shall survive the termination, expiration, or cancellation of this agreement.

Section 26. SCOPE AND OWNERSHIP OF WORK.

All research data, reports, and every other work product of any kind or character arising from or relating to this agreement shall become the property of the County and be delivered to the County upon completion of its authorized use pursuant to this agreement with the exception of informal communications such as emails and staff notes, whether those communications or notes are internal to Consultant's staff or between Consultant and any subconsultants. County may use Consultant's work products for any purpose whatsoever. County acknowledges that its alteration of documents without consent of Consultant, or use of the documents for any purpose other than the Project, is at the County's own risk and without liability to Consultant. All works produced under this agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto

shall vest in the County without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this agreement, Consultant shall retain all of Consultant's rights in Consultant's own proprietary information, including, without limitation, Consultant's methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by Consultant prior to, or acquired by Consultant during the performance of this agreement and Consultant shall not be restricted in any way with respect thereto.

Section 27. USE OF COUNTY PROPERTY.

Consultant shall not use County premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of Consultant's obligations under this agreement.

SIGNATURE PAGE FOLLOWS*

IN WITNESS WHEREOF, County and Consultant have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

Date: _____

By: _____
Deputy

Date: _____

Approved as to form:
RUBIN E. CRUSE, JR
County Counsel

By: _____
James R. Ross
Assistant County Counsel

Date: _____

RISK MANAGEMENT APPROVAL
By: _____ 02/23/19
James Johnson, Risk Management Analyst III

CONSULTANT

Date: _____

By: _____
MARK CHANEY, Principal Scientist
Tax I.D.#: 94-2571944

No Withholding

**PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF SHASTA
AND
ENVIRONMENTAL SCIENCE ASSOCIATES, A CALIFORNIA
CORPORATION FOR THE PURPOSE OF PREPARING ENVIRONMENTAL
DOCUMENTS FOR
THE FOUNTAIN WIND PROJECT**

RECITALS

Pacific Wind Development, LLC ("Applicant") has submitted an application to the County of Shasta ("County"), through its Department of Resource Management ("Resource Management"), for the permits necessary for the Applicant's commercial wind energy project known as the Fountain Wind Project (the "Project").

This agreement is entered into between the County, a political subdivision of the State of California, and Environmental Science Associates, a California Corporation ("Consultant"), for the purpose of preparing environmental review documents for the Project (collectively, the "Parties" and individually a "Party").

In conjunction with this agreement, Applicant has, or will, enter into a contract ("Applicant Contract") with County to fund the services to be provided by Consultant pursuant to this agreement.

Section 1. RESPONSIBILITIES OF CONSULTANT.

Pursuant to the terms and condition of this agreement, Consultant shall:

- A. Provide the services necessary for the preparation of an Administrative Draft Environmental Impact Report (EIR), a Draft EIR, a Final EIR, an Administrative Draft Mitigation Monitoring and Reporting Program (MMRP), a Draft MMRP, a Final MMRP, California Environmental Quality Act (CEQA) Findings of Fact, and Statement of Overriding Considerations, as may be necessary, for the Project in compliance with applicable federal, state, and local laws, regulations, and guidelines and with as set forth in ATTACHMENT A, Project Deliverables and Schedule which is attached hereto and incorporated herein.
- B. Consultant shall submit to Resource Management an electronic copy of all resource documents that are used in the preparation of, and/or referenced in, the Administrative Draft EIR, the Draft EIR, and the Final EIR, and in the Administrative Draft MMRP, the Draft MMRP, and the Final MMRP.
- C. As required by Government Code section 7550, each document or report prepared by Consultant for or under the direction of County pursuant to this agreement shall contain the numbers and dollar amount of the agreement and all subcontracts under the agreement relating to the preparation of the

No Withholding

document or written report. If multiple documents or written reports are the subject of the agreement or subcontracts, the disclosure section may also contain a statement indicating that the total agreement amount represents compensation for multiple documents or written reports. Consultant shall label the bottom of the last page of the document or report as follows: department name, agreement number, and dollar amount. If more than one document or report is produced under this agreement, Consultant shall add: "This [document or report] is one of [number] produced under this agreement."

Section 2. RESPONSIBILITIES OF COUNTY.

- A. County shall compensate Consultant as prescribed in Sections 3 and 4 of this agreement and in **ATTACHMENT B** attached hereto and incorporated herein and shall monitor Consultant's performance.
- B. Upon written request, Resource Management shall make available to Consultant (either by providing a copy or by making the material available in the office of Resource Management's Planning Division) technical data in its possession including, but not limited to, maps, studies, surveys, reports, and other information pertinent to the Project and requested by Consultant for execution of Consultant's responsibilities pursuant to this agreement.
- C. Resource Management shall arrange for, and conduct meetings with the Applicant, public hearings, and other public meetings, except as may otherwise be noted in the **ATTACHMENT A** attached hereto and incorporated herein.

Section 3. COMPENSATION.

Consultant shall be paid for the services prescribed in this agreement in accordance with the provisions of **ATTACHMENT B**. In no event shall compensation to Consultant exceed the amounts deposited with the County, or paid by, Applicant to the County pursuant to the Applicant Contract.

Section 4. BILLING AND PAYMENT.

Consultant shall submit to the Director of Resource Management ("Director"), or his or her designee, and in accordance with the provisions of **ATTACHMENT B**, monthly invoices for services rendered. County shall make payment within 30 days of receipt of each of Consultant's correct and approved invoices.

No Withholding

Section 5. TERM OF AGREEMENT.

This agreement shall commence as of the date it has been signed by both Parties, and shall end upon: (1) certification of the Final EIR and acceptance of the Final MMRP, or (2) May 31, 2020, which ever first occurs.

Section 6. TERMINATION OF AGREEMENT.

- A. If Consultant materially fails to perform Consultant's responsibilities under this agreement to the satisfaction of County, or if Consultant fails to fulfill in a timely and professional manner Consultant's responsibilities under this agreement, or if Consultant violates any of the terms or provisions of this agreement, then County shall have the right to terminate this agreement for cause effective immediately upon the County giving written notice thereof to Consultant. If termination for cause is given by County to Consultant and it is later determined that Consultant was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this section.
- B. County may terminate this agreement without cause on 30 days written notice to Consultant.
- C. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- D. County's right to terminate this agreement may be exercised by the Shasta County Board of Supervisors, by County's Administrative Officer or his or her designee, or by the Director or his or her designee.
- E. Should this agreement be terminated, Consultant shall promptly provide to County any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Consultant pursuant to this agreement.
- F. If this agreement is terminated, Consultant shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.
- G. Consultant may, at Consultant's election, suspend services or terminate this agreement upon County's failure to pay undisputed invoices within sixty (60) days of the date of the invoice and County's failure to cure the default after thirty (30) days written notice.

Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS.

No Withholding

- A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Consultant shall be entitled to no other benefits other than those specified herein. Consultant specifically acknowledges that in entering into and executing this agreement, Consultant relies solely upon the provisions contained in this agreement and no others.
- B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. However, minor amendments that do not result in a substantial or functional change to the original intent of this agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Consultant and the Director, provided that the amendment is in substantially the same format as the County's standard format amendment contained in the *Shasta County Contracts Manual* (Administrative Policy 6-101).
- C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.

Inasmuch as this agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of County. Consultant shall be responsible for the performance of all work and services to be completed pursuant to this agreement, including any interest herein assigned, transferred, delegated, or sublet with the prior written consent of County. The waiver by County of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

Section 9. EMPLOYMENT STATUS OF CONSULTANT.

Consultant shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Consultant performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by Consultant shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of County is to insure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Consultant shall be fully responsible for payment of all taxes

No Withholding

due to the State of California or the federal government that would be withheld from compensation if Consultant were a County employee. County shall not be liable for deductions for any amount for any purpose from Consultant's compensation. Consultant shall not be eligible for coverage under County's workers' compensation insurance plan nor shall Consultant be eligible for any other County benefit. Consultant must issue W-2 and 941 Forms for income and employment tax purposes, for all of Consultant's assigned personnel under the terms and conditions of this agreement.

Section 10. INDEMNIFICATION.

To the fullest extent permitted by law, Consultant shall indemnify and hold harmless County, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or by any of Consultant's subcontractors, any person employed under Consultant, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of County. Consultant shall also, at Consultant's own expense, defend the County, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against County, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or any of Consultant's subcontractors, any person employed under Consultant, or under any Subcontractor, or in any capacity. Consultant shall also defend and indemnify County for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless County with respect to Consultant's "independent contractor" status that would establish a liability on County for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this agreement.

Section 11. INSURANCE COVERAGE.

- A. Without limiting Consultant's duties of defense and indemnification, Consultant and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other coverage necessary to protect County and the public with limits of liability

No Withholding

of not less than \$1 million per occurrence; such insurance shall be primary as to any other insurance maintained by County.

- B. Consultant and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover Consultant, subcontractor, Consultant's partner(s), subcontractor's partner(s), Consultant's employees, and subcontractor's(s') employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by Consultant or subcontractor. Each such policy shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against *County, its elected officials, officers, employees, agents, and volunteers* which might arise in connection with this agreement. Consultant hereby certifies that Consultant is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Consultant shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this agreement.
- C. Consultant shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than \$1 million per occurrence.
- D. Consultant shall require subcontractors to furnish satisfactory proof to County that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of Consultant pursuant to this agreement.
- E. With regard to all insurance coverage required by this agreement:
 - (1) Any deductible or self-insured retention exceeding \$25,000 for Consultant or subcontractor shall be disclosed to and be subject to approval by the County Risk Manager prior to the effective date of this agreement.
 - (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Consultant or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to the effective date of this agreement and continue coverage for a period of three years after the expiration of this agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, Consultant or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide the insurance coverage required hereunder for

No Withholding

claims received and reported three years after the expiration date of this agreement.

- (3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names *County, its elected officials, officers, employees, agents, and volunteers as additional insureds*. In the event that coverage is reduced or canceled, a notice of said reduction or cancellation shall be provided to County within 24 hours. Any available insurance proceeds in excess of the specified minimum limits and coverage pursuant to the terms of this agreement shall be applicable to the Additional Insured. The additional insureds coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.
- (4) Each insurance policy (except for workers' compensation and professional liability policies), or endorsement thereto, shall contain a "separation of insureds" clause which shall read:

"Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
 - b. Separately to each suit insured against whom a claim is made or suit is brought."
- (5) Consultant shall provide the County with an endorsement or amendment to Consultant's policy of insurance as evidence of insurance protection before the effective date of this agreement.
 - (6) The insurance coverage required herein shall be in effect at all times during the term of this agreement. In the event any insurance coverage expires at any time during the term of this agreement, Consultant shall provide County, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this agreement or for a period of not less than one year. In the event Consultant fails to keep in effect at all times insurance coverage as herein provided and a renewal

No Withholding

endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this agreement, County may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.

- (7) If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, Consultant shall provide County a certificate of insurance reflecting those limits.
- (8) Any of Consultant's Excess Insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of County.

12. NOTICE OF CLAIM; APPLICABLE LAW; VENUE.

- A. If any claim for damages is filed with Consultant or if any lawsuit is instituted concerning Consultant's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, Consultant shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

13. COMPLIANCE WITH LAWS; NON-DISCRIMINATION.

- A. Consultant shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.
- B. Consultant shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS), physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. Consultant represents that Consultant is in compliance with and agrees that Consultant shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq.*), the Fair Employment and

No Withholding

Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.

14. ACCESS TO RECORDS; RETENTION.

County, federal, and state officials shall have access to any books, documents, papers, and records of Consultant that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Consultant or County. Except where longer retention is required by federal or state law, Consultant shall maintain all records for five years after County makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.

Consultant shall maintain appropriate records to insure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Consultant shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be provided to County during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by County, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.

Consultant agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or County audit directly related to the provisions of this agreement. Consultant agrees to repay County the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Consultant agrees that County may withhold any money due and recover through any appropriate method any money erroneously paid.

15. COMPLIANCE WITH CHILD, FAMILY, AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.

Consultant's failure to comply with state and federal child, family, and spousal support reporting requirements regarding Consultant's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this agreement. Consultant's failure to cure such default within 90 days of notice by County shall be grounds for termination of this agreement.

16. LICENSES AND PERMITS.

Consultant, and Consultant's principals, partners, officers, employees, subcontractors, and agents providing the services or work to be required by this agreement, shall possess and maintain all necessary licenses, permits, certificates,

No Withholding

and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by County. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by County.

17. PERFORMANCE STANDARDS.

Consultant shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Consultant's work or services.

18. CONFLICTS OF INTEREST.

Consultant and Consultant's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

19. NOTICES.

- A. Except as provided in section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to County: Director of Resource Management
1855 Placer Street, Suite 201
Redding, CA 96001
PHONE: (530) 225-5532
FAX: (530) 245-6468

If to Consultant: ESA
1425 North McDowell Boulevard
Suite 200
Petaluma, CA 94954
PHONE: (707) 795-0900

- B. Written notice shall be deemed to be effective two days after mailing. Personally delivered notice shall be deemed effective immediately upon receipt. Any oral notice authorized by this agreement shall be deemed to be effective immediately.

No Withholding

20. AGREEMENT PREPARATION.

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

21. COMPLIANCE WITH POLITICAL REFORM ACT.

Consultant shall comply with the California Political Reform Act (Government Code sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the County's Conflict of Interest Code, with regard to any obligation on the part of Consultant to disclose financial interests and to recuse from influencing any County decision which may affect Consultant's financial interests. If required by the County's Conflict of Interest Code, Consultant shall comply with the ethics training requirements of Government Code section 53234 *et seq.*

22. PROPERTY TAXES

Consultant represents and warrants that Consultant, on the date of execution of this agreement, (1) has paid all property taxes for which Consultant is obligated to pay, or (2) is current in payments due under any approved property tax arrangement. Consultant shall make timely payment of all property taxes at all times during the term of this agreement.

23. CONFIDENTIALITY.

During the term of this agreement, both Parties may have access to information that is confidential or proprietary in nature. Both Parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other Party or as required by law. This provision shall survive the termination, expiration, or cancellation of this agreement.

24. SCOPE AND OWNERSHIP OF WORK.

All research data, reports, and every other work product of any kind or character arising from or relating to this agreement shall become the property of the County and be delivered to the County upon completion of its authorized use pursuant to this agreement with the exception of informal communications such as emails and staff notes, whether those communications or notes are internal to Consultant's staff or between Consultant and any subconsultants. County may use Consultant's work products for any purpose whatsoever. County acknowledges that its alteration of documents without consent of Consultant, or use of the documents for any purpose

No Withholding

other than the Project, is at the County's own risk and without liability to Consultant. All works produced under this agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the County without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this agreement, Consultant shall retain all of Consultant's rights in Consultant's own proprietary information, including, without limitation, Consultant's methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by Consultant prior to, or acquired by Consultant during the performance of this agreement and Consultant shall not be restricted in any way with respect thereto.

25. USE OF COUNTY PROPERTY.

Consultant shall not use County premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of Consultant's obligations under this agreement.

26. SEVERABILITY.

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

27. COMPLIANCE WITH CEQA.

Pursuant to the California Environmental Quality Act (CEQA), the County retains absolute sole discretion over any actions necessary to comply with CEQA, and this Agreement imposes no duty or obligation on the County to approve any land use applications or make any particular findings pursuant to CEQA.


[SIGNATURE PAGE FOLLOWS]

No Withholding

IN WITNESS WHEREOF, County and Consultant have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

Date: NOV 13 2018

COUNTY OF SHASTA



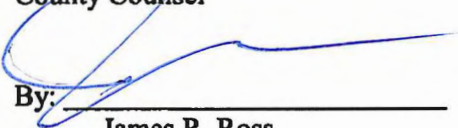
LES BAUGH, Chairman
Board of Supervisors,
County of Shasta
State of California

ATTEST
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: 

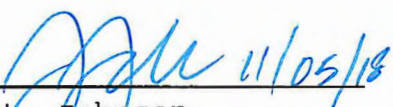
Deputy

County Counsel
RUBIN E. CRUSE, JR.
County Counsel

By: 

James R. Ross
Assistant County Counsel

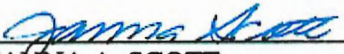
**RISK MANAGEMENT
APPROVAL**

By:  11/05/18

Jim Johnson
Risk Management Analyst III

**ENVIRONMENTAL SCIENCE
ASSOCIATES, INC. A California
Corporation
Federal Tax ID # 94-1698350**

Date: 11/01/18



JANINA A. SCOTT,
SF Office Leader

**ATTACHMENT A
PROJECT DELIVERABLES AND SCHEDULE**

Task 1: Project Initiation and Pre-scoping

- A. Consultant shall complete and submit to County a Kick-Off meeting agenda and discussion materials three (3) days prior to Kick-Off meeting.
- B. Consultant shall conduct a Kick-Off meeting within one (1) week of commencement of this agreement. County and Consultant may agree, in writing, to extend the date for the Kick-Off meeting to a date certain.
- C. Consultant shall complete and submit Kick-Off meeting notes within one (1) week following the meeting.
- D. Consultant shall contact the Native American Heritage Commission (NAHC) to request information on any known sacred sites in or in the vicinity of the project area and to request a list of contacts for Native American Tribes who may have interest in the proposed project after signing of the Contract by the Shasta County Board of Supervisors and prior to the Kick-Off meeting.
- E. Consultant shall provide non-AB52 tribal outreach letter within one (1) week following the receipt of a response from the NAHC.

Task 2: Scoping

- A. Consultant shall complete and submit to the County an administrative draft Notice of Preparation (NOP), including Applicant/County prepared initial study, and Notice of Completion (NOC) of the NOP within three (3) days of the Kick-Off meeting.
- B. Consultant shall submit NOP to State Clearinghouse within one (1) week of Consultant's submission of the administrative draft NOP to the County assuming return of County administrative draft comments within two (2) County business days of its submission to the County. Should County return County administrative draft comments after two (2) business days of its submission to the County, Consultant's deadline to submit NOP to State Clearinghouse shall be extended by the number of days County delays in returning County's administrative draft comments.
- C. Consultant shall conduct multi-agency co-ordination meeting with responsible, trustee and potentially affected Federal agencies to take place after at least two (2) weeks and within three (3) weeks from submittal of NOP. County and Consultant may agree, in writing, to extend the date for the multi-agency co-ordination meeting to a date certain.
- D. Consultant shall perform a site visit with the County, applicant team, Consultant's technical staff and team members to be coordinated with and to occur on or about the day of the multi-agency scoping meeting. An invitation to attend shall be extended to interested agencies. County and Consultant may agree, in writing, to extend the date for the multi-agency co-ordination meeting to a date certain.
- E. Consultant shall conduct a public scoping meeting to be coordinated with and to occur on or about the day of the multi-agency scoping meeting. County and Consultant may agree, in writing, to extend the date for the scoping meeting to a date certain.
- F. Consultant shall contract with a local transcription firm to transcribe comments received and the public scoping meeting.
- G. Consultant shall make available project specific business cards that identify contact information for the County project manager; a project specific website address where project where project information and CEQA project status and documents will be posted and where

people may sign up for a project list-serve if they wish to be contacted by e-mail about the project and easily submit written comments using Consultant's Tracker Tool; an e-mail address phone number, and message system to be monitored by and Consultant and team member.

- H. Consultant shall set up a computer station at the public comment meeting for the public to review project information and easily submit written comments using Consultant's Tracker Tool.
- I. County shall conclude the scoping period thirty (30) days from submittal of NOP, except as may be extended at the County's discretion in accordance with the CEQA Guidelines.
- J. Consultant shall complete and submit an administrative draft scoping report summarizing input received from agencies and other during the scoping period within fourteen (14) days of the close of the scoping period.
- K. Consultant shall provide a final scoping report for the County to post to the project website address within twenty-one (21) days of the close of the scoping period. Assumes two (2) days for County review and two (2) days for Consultant to revise the administrative draft scoping report in response to input received.

Task 3: Independent Review of Applicant Prepared Studies

- A. Consultant shall prepare and provide to County an independent review memorandum of Applicant prepared studies within two (2) weeks of receipt of each applicant prepared study.
- B. Consultant shall revise its review memorandum within one (1) week of receipt of Applicant's responses to Consultant's initial independent review memorandum.
- C. Should the Applicant fail to submit any Applicant-prepared studies on or before December 31, 2018, or any requested follow-up within two (2) weeks of a request for same, Consultant's deadline to submit Task 4 deliverables shall be extended by the number of days Applicant delays.

Task 4: Draft EIR

- A. Consultant shall complete and submit a Project Description within seven (7) weeks of commencement of this agreement.
- B. Consultant shall complete and submit development of cumulative scenario based on desktop research and agency outreach for each of the resource areas to be evaluated in detail, including making of appointments as appropriate to obtain agency information, within twenty-seven (27) weeks from the conclusion of the Scoping Period.
- C. Consultant shall complete and submit development of alternatives within nine (9) weeks of commencement of this agreement.
- D. Consultant shall complete and submit administrative draft EIR within seventeen (17) weeks of commencement of this agreement. County shall review the administrative draft EIR with seven (7) days of its receipt.
- E. Consultant shall complete and submit a revised draft administrative EIR based on County comments within nineteen (19) weeks of commencement of this agreement. Should County's review of the administrative draft EIR not be completed with seven (7) days of receipt, Consultant's deadline to submit a revised draft administrative EIR shall be extended by the number of days County delays in its review the administrative draft EIR.
- F. Consultant shall complete and submit a screen check draft EIR to County within twenty (20) weeks of commencement of this agreement. County shall have four (4) days for County to review the screen check draft EIR.

- G. Consultant shall complete and submit a draft Notice of Availability (NOA) and Notice of Completion (NOC) for County review together with submittal of Screencheck Draft.
- H. Consultant shall provide electronic copies of all Draft EIR References at the time of publication of the Draft EIR (i.e., within twenty-two (22) weeks of commencement of this agreement.
- I. Consultant shall issue a Draft EIR within twenty-two (22) weeks of commencement of this agreement. The Draft EIR shall be coded for compliance with Section 508 of the U.S. Workforce Rehabilitation Act. Consultant will submit Draft EIR and NOC to the State Clearinghouse, including fifteen (15) printed copies of the Executive Summary and fifteen (15) electronic copies of the Draft EIR. County to provide NOA to the distribution list, file the NOA with the County Clerk for posting, and arrange for publication of the NOA in a newspaper of general circulation in the area affected by the project. Consultant shall notify interested parties by email of the availability of the Draft EIR via the listserv created for the project.

Task 5: Final EIR

- A. Consultant shall co-ordinate and conduct a public comment meeting including a meeting location, provision of necessary equipment, a presentation, and related materials, on the Draft EIR within twenty-five (25) weeks of commencement of this agreement.
- B. Consultant shall complete 45-day public comment period within twenty-eight (28) weeks of commencement of this agreement.
- C. Consultant shall complete and submit Administrative Final EIR and Mitigation Monitoring and Reporting Plan within forty (40) weeks of commencement of this agreement, including a Response to Comments based on an assumption of up to 300 discrete comments. The Response to Comments may include "master" or "topical comments to address groups of comments that raise the same or similar issues and will clearly identify any proposed revisions to the text of the Draft EIR. The MMRP shall include required implementation activities and schedule, and the required monitoring and reporting activities and schedule.
- D. Consultant shall complete and submit a revised Administrative Final EIR based on County comments within forty-seven (47) weeks of commencement of this agreement.
- E. Consultant shall complete and submit a screen check Final EIR within fifty (50) weeks of commencement of this agreement.
- F. Complete and submit a Final EIR and Notice of Completion (NOC) within fifty-one (51) weeks of commencement of this agreement. Consultant shall notify interested parties by email of the availability of the Final EIR via the listserv created for the project.
- G. Consultant shall provide electronic copies of all Final EIR Reference Materials at the time the Final EIR is submitted (i.e., within fifty-one (51) weeks of commencement of this agreement).

Task 6 – Decision Support

- A. Consultant shall complete and provide a draft resolution and CEQA findings, including statement of overriding considerations if needed, within fifty-six (56) weeks of commencement of this agreement.
- B. Consultant shall complete and submit a revised draft resolution and CEQA findings, including statement of overriding considerations if needed, based on County comments within fifty-nine (59) weeks of commencement of this agreement.
- C. Consultant shall participate in four (4) public hearings (which could be before the Planning Commission, the Board of Supervisors, or a combination of the two) where County decision-makers will consider certification of the Fountain Wind Project EIR.

- D. Consultant shall participate in additional public hearings before the Planning Commission and/or Board of Supervisors, as requested by County, for additional cost at the rates shown in Attachment B.

Task 7 – Regular Coordination

- A. Consultant shall facilitate County-Applicant coordination calls every other week (up to 1 hour per call) for the duration of the environmental review process.

ATTACHMENT B
PAYMENT SCHEDULE

1. Compensation under the agreement is for a fixed fee \$474,156 (the "Fixed Fee").
2. The fixed fee includes all expenses of Consultant in performing the services proscribed under this agreement including, but not limited to, incidental expenditures, reproductions or copying, postage, and transportation.
3. Consultant shall submit monthly invoices to Resource Management itemizing the services provided pursuant to this agreement for the preceding month and shall be compensated at the following rates:

A.	Senior Director III	\$300.00
B.	Senior Director II	\$280.00
C.	Senior Director I	\$265.00
D.	Director III	\$240.00
E.	Director II	\$225.00
F.	Director I	\$215.00
G.	Managing Associate III	\$205.00
H.	Managing Associate II	\$190.00
I.	Managing Associate I	\$175.00
J.	Senior Associate III	\$170.00
K.	Senior Associate II	\$160.00
L.	Senior Associate I	\$150.00
M.	Associate III	\$135.00
N.	Associate II	\$125.00
O.	Associate I	\$105.00
P.	Project Technician III	\$120.00
Q.	Project Technician II	\$100.00
R.	Project Technician I	\$85.00
4. Payment to Consultant pursuant to section 3 above shall be limited to the maximum amount as follows:

- A. \$265,527.36 within ten (10) days of Consultant submission of the Administrative Draft Environmental Impact Report with invoices against the balance of \$66,381.84 payable upon County acceptance of the Administrative Draft Environmental Impact Report.
- B. \$33,190.92 within ten (10) days of Consultant submission of the Draft EIR with invoices against the balance of \$14,224.68 payable upon County acceptance of the Draft Environmental Impact Report.
- C. \$33,190.92 within ten (10) days of Consultant submission of the Administrative Final EIR and the Final Mitigation Monitoring and Reporting Program, including Response to Comments with invoices against the balance of \$14,224.68 payable upon County acceptance of the Administrative Final Environmental Impact Report and the Final Mitigation Monitoring and Reporting Program, including Response to Comments.
- D. \$33,190.92 within ten (10) days of Consultant submission of the Final Environmental Impact Report and the Final Mitigation Monitoring and Reporting Program, including Response to Comments, with invoices against the balance of \$14,224.68 payable upon County acceptance of the Final Environmental Impact Report and the Final Mitigation Monitoring and Reporting Program, including Response to Comments.

Consultant's invoices shall be paid based on the hourly rates up to the amounts set for the milestones in this section. Once a milestone has been met, Consultant's invoices shall be paid based on the hourly rates until the next milestone has been met. This process shall continue until all services and work has been satisfactorily provided up to the Fixed Fee amount.

Note: Should work be stopped or delayed, for reasons beyond Consultant's control, Consultant may request an amendment to this agreement and specifically to the payment schedule in this ATTACHMENT B. County's decision as to whether to amend the agreement shall be in the County's sole discretion and shall be final.

EXHIBIT B

PAYMENT SCHEDULE

1. Compensation under the agreement is for a fixed fee \$65,000 (the “Fixed Fee”).
2. The fixed fee includes all expenses of Consultant in performing the services proscribed under this agreement including, but not limited to, incidental expenditures, reproductions or copying, postage, and transportation.
3. Consultant shall submit monthly invoices to the Resource Management Department, Deputy Director – Administration itemizing the services provided pursuant to this agreement for the preceding month and shall be compensated at the following rates:

A.	Principal-in-Charge	\$160/hr
B.	Project Manager	\$150/hr
C.	Senior Environmental Planner	\$135/hr
D.	Planner/Engineer	\$125/hr
E.	Technical Support	\$85/hr
F.	Support Services	\$75/hr
4. Payment to Consultant pursuant to section 3 above shall be limited to the maximum amount as follows:
 - A. Up to \$36,400 for those billing cycles from the initiation of the contract through County acceptance of the Administrative Draft Environmental Impact Report.
 - B. \$9,533 upon County acceptance of the Draft Environmental Impact Report.
 - C. \$9,533 upon County acceptance of the Administrative Final Environmental Impact Report and the Final Mitigation Monitoring and Reporting Program, including Response to Comments.
 - D. \$9,534 within upon County acceptance of the Final Environmental Impact Report and the Final Mitigation Monitoring and Reporting Program, including Response to Comments.

Consultant’s invoices shall be paid based on the hourly rates up to the amounts set for the milestones in this section. Once a milestone has been met, Consultant’s invoices shall be paid based on the hourly rates until the next milestone has been met. This process shall continue until all services and work has been satisfactorily provided up to the Fixed Fee amount.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Other Departments-26.

SUBJECT:

Budget amendment for the purchase of a utility truck.

DEPARTMENT: County Service Area No. 1-County Fire

Supervisory District No. : All

DEPARTMENT CONTACT: Julia Hayen, Staff Services Analyst, (530) 225-2516

STAFF REPORT APPROVED BY: Bret Gouvea, Fire Warden, (530) 225-2418

Vote Required?	General Fund Impact?
4/5 Vote	No Additional General Fund Impact

RECOMMENDATION

Approve a budget amendment increasing appropriations in the amount of \$34,376 offset by fund balance in the County Fire budget for the purchase of a utility pickup truck in the County Fire budget.

SUMMARY

N/A

DISCUSSION

Shasta County Fire Department (SCFD) ordered a utility pickup truck and encumbered the appropriations in Fiscal Year (FY) 2018/2019. However, the vehicle was not delivered as anticipated prior to June 30, 2019. Supplemental appropriations are needed to complete the purchasing from the prior fiscal year. The increase in appropriations will be offset by County Fire fund balance created when the purchase was incomplete in the prior fiscal year.

SCFD requests a budget amendment to increase appropriations in the amount of \$34,376, offset with use of fund balance, to re-budget FY 2018/2019 appropriations to FY 2019/2020.

Appropriations to purchase an additional utility pickup truck were approved as part of the FY 2019/2020 budget. This budget amendment will increase appropriations to allow for the purchase of a total of two utility pickup trucks.

ALTERNATIVES

The Board could request additional information from staff. The Board may decline to approve the budget amendment. County Fire will use current appropriations for the current purchase, and will not be able to purchase the utility truck planned in FY 2019/2020.

OTHER AGENCY INVOLVEMENT

The County Administrative Office has reviewed this recommendation. The Auditor-Controller’s Office has reviewed this recommendation and received the request to amend the budget.

FINANCING

Appropriations for this purchase were encumbered in FY 2018/2019, but the purchase was not completed. This budget amendment increasing appropriations in the amount of \$34,376, offset by use of fund balance, will re-budget appropriations to complete funding for the utility pickup truck ordered in FY 2018/2019. There is no additional General Fund Impact associated with this request.

ATTACHMENTS:

Description	Upload Date	Description
Budget Amendment and Memo	8/1/2019	Budget Amendment and Memo

SHASTA COUNTY FIRE DEPARTMENT

Memorandum

To: Brian Muir
Auditor-Controller

Date: August 1, 2019

From: Bret Gouvea
Shasta County Fire Warden



Subject: Budget Amendment

Shasta County Fire Department requests a budget amendment to increase appropriations for payment of a utility pickup truck encumbered in Fiscal Year 2018-2019. The truck was not delivered prior to June 30, 2019 as anticipated, and fund were not re-budgeted during the annual budget process.

County Fire currently has appropriations for the purchase of a utility pickup truck in the Fiscal Year 2019-2020 budget. County Fire will increase appropriations in the account for 2 Trucks w/ Accessories, offset by use of Fund Balance and transfer of the current year appropriations.

It is anticipated this budget amendment will be presented to the Board of Supervisors at the August 13, 2019 meeting.

County Fire requests the following budget amendment:

065083 – 1 Truck w/ Accessories – Decrease appropriations \$45,000.

065175 – 2 Trucks w/ Accessories – Increase appropriations \$79,376.

If you have any questions, please feel free to contact Julia Hayen at 225-2516.

Attachment

cc: Ayla Tucker, Administrative Analyst

County of Shasta

Budget Amendment

CSA #1-County Fire

Department Name

Appropriations

Increase <Decrease>

Fund/Budget Unit Number	Account Number/ Description	Budget Reads	Budget Should Read	Amount of Transfer (+/-)
00391	065083/ 1 Truck w/ Accessories	45,000	0	(45,000)
00391	065175/ 2 Trucks w/ Accessories	0	79,376	79,376
Total				34,376

Revenue

Increase <Decrease>

Fund/Budget Unit Number	Account Number/ Description	Budget Reads	Budget Should Read	Amount of Transfer (+/-)
Total				0

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Consent - Other Departments-27.

SUBJECT:

Award the purchase of Self Contained Breathing Apparatus equipment.

DEPARTMENT: County Service Area No. 1-County Fire

Supervisory District No. : All

DEPARTMENT CONTACT: Julia Hayen, Staff Services Analyst, (530) 225-2516

STAFF REPORT APPROVED BY: Bret Gouvea, Fire Warden

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Award and authorize the purchase of new Self Contained Breathing Apparatus equipment to All Star Fire Equipment, Inc., under the California Department of General Services contract in the amount of \$84,612.

SUMMARY

Recent changes to fire industry guidelines published by the National Fire Protection Association have necessitated a complete replacement of Shasta County Fire Department SCBA equipment. Shasta County Fire Department (SCFD) has anticipated this change and reduced new purchasing and maintenance over the last few years. This is the final purchase in a three-year replacement plan. The funds for these purchases have come primarily from fund balance and cost savings from deferred purchasing and maintenance.

DISCUSSION

The National Fire Protection Association (NFPA) is a global non-profit organization that creates and updates safety standards and codes for usage and adoption by government agencies. NFPA codes for use and maintenance of fire safety equipment are considered the fire industry standard, and they are referenced by the California Division of Occupational Safety and Health, as well as federal Occupational Safety and Health Administration safety regulations.

The newest 2018 edition of NFPA 1981 Standard on Open-Circuit Self-Contained Breathing Apparatus (SCBA) for Emergency Services meets or exceeds OSHA requirements, and is considered the industry standard for SCBA. By purchasing new equipment that meets this standard, the equipment is expected to have a functional life of 20 years while still meeting these standards.

SCFD would like to use the All Star Fire Equipment, Inc. contract through California Department of General Services (DGS) for the purchase of Scott brand SCBA to allow for interoperability with other fire agencies in Shasta County that will also be converting to the Scott brand SCBA. This interoperability will provide greater safety by allowing exchange of air tanks between personnel from different agencies. Using one brand and model will also allow for consistency of training and maintenance between SCFD, CAL FIRE and other agency personnel using the Scott brand SCBA.

SCFD requests the Board award the purchase of 65 SCBA air cylinders and 11 Rapid Intervention Team air rescue packs to All Star Fire Equipment, Inc. for Fiscal Year (FY) 2019/20. All Star Fire Equipment successfully competed in a statewide DGS competitive procurement, and was awarded the statewide contract for SCBA meeting the needed specifications. This DGS contract is available for use by local government agencies.

SCFD has known for several years that updates were pending for NFPA 1981 standards, which would necessitate major overhaul or replacement of SCBA equipment. To that end, SCFD deferred replacement of any old equipment and conducted only required maintenance to create carryover funds for the current replacement of SCBA equipment.

ALTERNATIVES

The Board may choose not to award the purchase to All Star Fire Equipment, Inc. and direct County Purchasing to conduct competitive procurement.

OTHER AGENCY INVOLVEMENT

The recommendation has been reviewed by the County Administrative Office and County Purchasing Unit. This recommendation has also been reviewed by the CAL FIRE Shasta-Trinity Unit SCBA Program Coordinator.

FINANCING

The total cost for the new purchase is \$84,612 in FY 2019/20. The appropriations for the SCBA purchase have been included in the SCFD FY 2019/20 Adopted Budget. There is no additional General Fund Impact.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Regular - General Government-4.

SUBJECT:

N/A

DEPARTMENT: Administrative Office

Supervisory District No. : ALL

DEPARTMENT CONTACT: Larry Lees, County Executive Officer (530) 225-5550

STAFF REPORT APPROVED BY: Larry Lees, County Executive Officer

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

(1) Receive a legislative update and consider action on specific legislation related to Shasta County's legislative platform; (2) approve and authorize the Chairman to sign a letter regarding Carr Fire cleanup; and (3) receive Supervisors' reports on countywide issues.

SUMMARY

N/A

DISCUSSION

N/A

ALTERNATIVES

N/A

OTHER AGENCY INVOLVEMENT

N/A

FINANCING

N/A

ATTACHMENTS:

Description

Upload Date

Description

Carr Fire Clean Up (Letter)

8/5/2019

Carr Fire Clean Up
(Letter)

BOARD OF SUPERVISORS

1450 Court Street, Suite 308B
Redding, California 96001-1673
(530) 225-5557
(800) 479-8009
(530) 225-5189-FAX

JOE CHIMENTI, DISTRICT 1
LEONARD MOTY, DISTRICT 2
MARY RICKERT, DISTRICT 3
STEVE MORGAN, DISTRICT 4
LES BAUGH, DISTRICT 5

August 13, 2019

Director Mark Ghilarducci
California Governor's Office of Emergency Services
3650 Schriever Avenue
Mather, CA 95655-4203

Re: Carr Fire Cleanup

Dear Director Ghilarducci:

Last summer's Carr Fire caused extensive damage and loss of life. Our State and local communities have responded with strength and resilience. Debris has been removed, rebuild has begun and efforts are under way to mitigate future hazards. Shasta County has appreciated the State's assistance.

The Carr Fire destroyed over a thousand homes with ancillary impacts to utilities and infrastructure. The cleanup was carried out in four brief months between the fire itself and the onset of rain. Expectations were established early on in the process. With due allowances for the vagaries of demolition, excavation and testing, the vast majority of the sites were cleaned up to the highest standards and are ready for rebuild. We understand that paperwork remains with an accounting of work and allocation of cost for each site. These final reports will form the basis for recovery of any overlapping insurance proceeds. We look forward to completion of these final steps as another milestone in the recovery.

While things have generally progressed well and in accords with expectations, several purported exceptions have come to light. Each site is unique and the County is committed to ensuring a fair and professional product for our citizens. Shasta County is gathering information from the effected parties and will forward them to your agency. We understand that detailed engineering and accounting records were kept in the course of the work and those should provide a ready foundation for review. An expedited review and detailed response will be appreciated.

If you have any questions, please contact our Carr Fire Recovery Director Mr. Patrick Minturn at (530) 225-5661.

Sincerely,

LEONARD MOTY, Chairman
Board of Supervisors
County of Shasta

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Regular - General Government-5.

SUBJECT:

Introduce an ordinance to update Shasta County Code for creation of Defensible Space for Fire Protection.

DEPARTMENT: County Service Area No. 1-County Fire

Supervisory District No. : All

DEPARTMENT CONTACT: Bret Gouvea, Fire Warden, (530) 225-2418

STAFF REPORT APPROVED BY: Bret Gouvea, Fire Warden

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Take the following actions regarding Defensible Space for Fire Protection: (1) Introduce and waive the reading of an Ordinance of the Board of Supervisors of the County of Shasta Adding Chapter 8.10, Defensible Space for Fire Protection, to the Shasta County Code, and Amending Section 12.12.050 and Section 16.04.130 of the Shasta County Code; and (2) find the proposed ordinance is not subject to and exempt from the California Environmental Quality Act (CEQA) for the reasons stated in the ordinance.

SUMMARY

The proposed ordinance would help create defensible space for structures by requiring fire hazard reduction on property adjacent to structures and roadways. In the last two years, California has seen historically large and destructive wildfires. Providing for additional defensible space around structures can assist firefighters to slow the spread of fire and reduce damage to homes and property.

DISCUSSION

The proposed ordinance would add Chapter 8.10, Defensible Space for Fire Protection, to the Shasta County Code as well as make related amendments to Shasta County Code sections 12.12.050 and 16.04.130.

The restrictions in the proposed ordinance will apply to all unincorporated territory of the County, including the local responsibility areas, the state responsibility areas, and unincorporated areas within fire protection districts and other special districts that provide fire protection services.

The ordinance creates three categories of land with somewhat different obligations: (1) agricultural lands, (2) rural lands, and (3) urban lands.

Agricultural Lands are the lands zoned for Limited Agriculture, Exclusive Agriculture, and Unclassified when located within an agricultural general plan land use designation.

Urban Lands are those in either (1) a zoning district that permits the creation of parcels that are two acres or less in size, or (2) a Planned Development Zoning District.

Rural Lands are those that are not in either an Agricultural Lands or Urban Lands designation.

The Defensible Space Requirements are as follows:

1. Rural Lands (Parcels that Lie Entirely Within a Rural Lands Area)
 - a. No Defensible Space Requirements for parcels that are zoned for Timber Production and are subject to a Timber Management Plan as defined in the California Code of Regulations.
 - b. On all other Rural Lands Parcels:
 - i. Provide defensible space up to 100 feet from the exterior perimeter of an improvement on the parcel, or up to the property line.
 - ii. Provide defensible space up to 30 feet from the property line when the accumulation of fuel on the parcel endangers or encroaches on a defensible space of 100 feet from the exterior perimeter of an improvement on an adjacent property that lies wholly or partially within an Urban Lands Area. The Fire Warden may require a distance greater than 30 feet, but not to exceed 100 feet when it is determined that the greater distance is necessary.
2. Agricultural Lands (Parcels that Lie Entirely Within an Agricultural Lands Area or partially in an Agricultural Lands area and a Rural Lands Area, with no portion in an Urban Lands area)
 - a. No Defensible Space Requirements on pasture, crops, orchards, and vineyards, irrigated by either surface water or ground water.
 - b. On all other Agricultural Lands parcels:
 - i. Provide defensible space up to 100 feet from the exterior perimeter of an improvement on the parcel, or up to the property line.
 - ii. Provide defensible space up to 30 feet from the property line when the accumulation of fuel on the parcel endangers or encroaches on a defensible space of 100 feet from the exterior perimeter of an improvement on an adjacent property that lies wholly or partially within an Urban Lands Area. The Fire Warden may require a distance greater than 30 feet, but not to exceed 100 feet when it is determined that the greater distance is necessary.
3. Urban Lands (Parcels that lie entirely or partially within an Urban Lands Area)
 - a. Provide defensible space up to 100 feet from the exterior perimeter of an improvement on the parcel, or up to the property line.
 - b. Provide defensible space up to 30 feet from the property line when the accumulation of fuel on the parcel endanger or encroach on a defensible space of 100 feet from the exterior perimeter of an improvement on an adjacent property, regardless of whether the adjacent property lies in an Agricultural Lands Area, Rural Lands Area, or Urban Lands Area. The Fire Warden may require a distance greater than 30 feet, but not to exceed 100 feet when it is determined that the greater distance is necessary
 - c. Provide defensible space up to 10 feet on each side of a highway, private road, or driveway, that is on or adjacent to the parcel.

Removal of the flammable materials shall be done using methods that minimize surface disturbance and prevent erosion. Any violation shall be a fire hazard and public nuisance subject to abatement under Shasta County Code Chapters 1.12 and 8.28, as well as any other procedure permitted by law. Additionally, the ordinance provides for the County to recover any abatement costs incurred by the County pursuant to Government Code section 25845.

Section 12.12.050 of the Shasta County Code establishes certain exemptions to the requirements for obtaining a grading permit. The primary revisions to Section 12.12.050 are to extend the existing exemption for defensible space clearing to include clearing under the proposed Chapter 8.10.

The primary revisions to section 16.04.130 of the Shasta County Code are to require that, prior to issuance of a certificate of occupancy, the building official shall require that 100 feet of defensible space be provided, consistent with the proposed Chapter 8.10.

The ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to the following categorical exemptions: Sections 15304 (i) (fuel management activities), 15307 (actions taken as authorized by local ordinance to assure protection of natural resources), 15308 (actions taken as authorized by local ordinance to assure protection of the environment) and 15321 (action by agency for enforcement of a law, general rule, standard or objective administered or adopted by the agency, including by direct referral to the County Counsel as appropriate for judicial enforcement) of the CEQA Guidelines. There are no unusual circumstances under CEQA Guideline section 15300.2(c). Each exemption stands as a separate and independent basis for determining that this ordinance is not subject to CEQA.

ALTERNATIVES

The Board could choose not to approve the recommendation or could revise the proposed ordinance; could defer acting on the recommendation until a later date; or could seek additional information from staff.

OTHER AGENCY INVOLVEMENT

County Counsel has drafted the proposed ordinance. The County Administrative Office, County Fire Department, Resource Management Department, Public Works Department, and Agricultural Commissioner/Sealer of Weights and Measures have reviewed the recommendation.

FINANCING

There is no additional impact to the County General Fund associated with approval of the recommendation.

ATTACHMENTS:

Description	Upload Date	Description
Ordinance Defensible Space for Fire Protection	8/5/2019	Ordinance Defensible Space for Fire Protection

ORDINANCE NO. SCC 2019-_____
AN ORDINANCE OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF SHASTA
ADDING CHAPTER 8.10, “DEFENSIBLE SPACE FOR FIRE PROTECTION,”
TO THE SHASTA COUNTY CODE, AND AMENDING SECTION 12.12.050 AND
SECTION 16.04.130 OF THE SHASTA COUNTY CODE

The Board of Supervisors of the County of Shasta ordains as follows:

SECTION I.

Chapter 8.10 of the Shasta County Code is enacted to read in its entirety as follows:

Chapter 8.10

DEFENSIBLE SPACE FOR FIRE PROTECTION

Sections:

8.10.010	Findings
8.10.020	Definitions
8.10.030	Enforcement Responsibility/Applicability
8.10.040	Prohibitions/Defensible Space Requirements
8.10.050	Removal of Prohibited Materials
8.10.060	Enforcement

8.10.010 Findings

The Board of Supervisors makes the following findings and declarations:

- A. The accumulation of combustible vegetation, dead, dying or diseased trees, green waste, rubbish, and other flammable materials on private property is hereby found to create a condition that is a fire hazard and potentially injurious to the health, safety, and general welfare of the public.
- B. Therefore, the presence of such combustible vegetation, dead, dying or diseased trees, green waste, rubbish, and other flammable materials on parcels as hereinafter defined in violation of any regulatory or prohibitory provisions of this Chapter is hereby declared to constitute a public nuisance.
- C. Nothing in this chapter shall replace or conflict with the authority of the County Agricultural Commissioner to eradicate noxious weeds under applicable sections of the California Food and Agricultural Code.

Ordinance No.

Page 2 of 10

8.10.020 Definitions

For the purpose of this chapter, the following words and phrases shall have the meanings respectively ascribed to them in this section:

- A. "AGRICULTURAL LANDS" means those lands in the unincorporated area of the County of Shasta classified in the Shasta County Zoning Plan (Title 17 of the Shasta County Code) as Limited Agriculture (A-1), Exclusive Agricultural (EA), and Unclassified (U) when located within an agricultural general plan land use designation.
- B. "DEFENSIBLE SPACE" is an area either natural or man-made, where fuel has been treated, cleared or modified to slow the rate and intensity of an advancing wildfire, to create an area for fire suppression operations to occur, and to reduce the risk to improvements from wildfires. The amount of fuel modification necessary shall take into account the flammability of the structure as affected by building material, building standards, location, and type of vegetation. Fuels shall be maintained in a condition so that a wildfire burning under average weather conditions would be unlikely to ignite the structure. The intensity of fuels management may vary within the 100-foot perimeter of the structure, the most intense being within the first 30 feet around the structure.
- C. "ENFORCING OFFICER" means the persons or entities with enforcement responsibility of this chapter under Section 8.10.030 of this Code, as currently enacted and as may hereafter be amended.
- D. "FIRE WARDEN" means the Shasta County Fire Warden established pursuant to Chapter 2.32 of the Shasta County Code, as currently enacted and as may hereafter be amended, or his/her authorized representative.
- E. "FUEL" means any combustible material, including petroleum-based products and wildland fuels.
- F. "IMPROVEMENT" means any building or structure, permanent or temporary, erected for the support, shelter, or enclosure of persons, animals, chattels, or property of any kind located in the unincorporated area of the County of Shasta subject to this chapter and shall include agricultural crops. For purposes of this chapter, the term "improvement" shall not include decks, sheds, gazebos, freestanding open-sided shade structures and similar accessory structures less than 250 square feet and 30 feet or more from a dwelling, and fences more than 5 feet from a dwelling.
- G. "PARCEL" means any contiguous quantity of land in the possession of, or owned by, or recorded as the property of, the same person or entity and which is located

Ordinance No.

Page 3 of 10

in the unincorporated area of the County of Shasta subject to this Chapter.

- H. "RESPONSIBLE PARTY" means any private individual, organization, firm, partnership, limited liability company, or corporation owning, renting, leasing, or otherwise controlling any parcel located in the unincorporated area of the County of Shasta subject to this chapter.
- I. "RURAL LANDS" means those lands in the unincorporated area of the County of Shasta which are not "URBAN LANDS" or "AGRICULTURAL LANDS" as defined in this Chapter.
- J. "URBAN LANDS" means those lands in the unincorporated area of the County of Shasta located in either (a) a zoning district in which the Shasta County Zoning Plan (Title 17 of the Shasta County Code) permits the creation of parcels that are two acres or less in size or (b) a Planned Development zoning district.

8.10.030 Enforcement Responsibility/Applicability.

- A. This chapter shall be applicable in all unincorporated territory of the County of Shasta, including, but not limited to, (1) unincorporated areas classified as local responsibility, (2) unincorporated areas classified as state responsibility pursuant to section 4125 of the Public Resources Code, as currently enacted and as may hereafter be amended, and (3) unincorporated areas within fire protection districts and other special districts that provide fire protection services.
- B. The Fire Warden and his or her designees shall administer and enforce the provisions of this chapter. Fire protection districts and other special districts that provide fire protection services shall have concurrent authority with the Fire Warden to administer and enforce the provisions of this chapter within their respective districts to the fullest extent authorized by law, but no district shall exercise the powers expressly reserved to the Fire Warden in section 8.10.040 (A)(3), section 8.10.040 (B)(3), section 8.10.040(C)(2), section 8.10.040 (D), section 8.10.050 (A), and section 8.10.050 (B) of this Chapter, as currently enacted and as may hereafter be amended, without the agreement of the Fire Warden.
- C. This Chapter shall supplement and shall not supersede or limit any other statute, regulation, or ordinance affecting the subject matter hereof, including but not limited to, other fire prevention and protection statutes, regulations, and ordinances enacted by the state, the county, or any other governmental agency having jurisdiction.

8.10.040 Prohibitions/Defensible Space Requirements.

- A. Rural Lands Requirement. For any parcel that lies entirely in a Rural Lands area (with no portion of any such parcel in an Agricultural Lands area or an Urban

Ordinance No.

Page 4 of 10

Lands area), the following defensible space requirement shall apply to the entirety of the parcel.

1. No Defensible Space Requirement. On parcels in the unincorporated area of the County of Shasta that (a) are classified in the Shasta County Zoning Plan (Title 17 of the Shasta County Code) as Timber Production (TP) and (b) are subject to a "Plan" as defined in California Code of Regulations, title 14, section 895.1, as it now exists and may hereafter be amended, no defensible space requirements are imposed under this chapter.
 2. Defensible Space for Improvements. On all other parcels, a responsible party shall maintain defensible space of 100 feet from the exterior perimeter of any improvement on the responsible party's parcel. Where the distance from the improvement to the property line of the parcel on which the improvement is located is less than the required defensible space, the responsible party shall only be required to provide the required defensible space to the property line.
 3. Defensible Space along Property Lines. On all other parcels, a responsible party shall maintain defensible space of up to 30 feet from the property line of the responsible party's parcel when the accumulation of fuel on the parcel endangers or encroaches on a defensible space of 100 feet from the exterior perimeter of any improvement on an adjacent property that lies wholly or partially within an Urban Lands Area. The Fire Warden may require a distance greater than 30 feet but not to exceed 100 feet when it is determined that the greater distance is necessary to provide defensible space for improvements on an adjacent property.
- B. Agricultural Lands Requirement. For any parcel that lies entirely in an Agricultural Lands area or that lies partially in an Agricultural Lands area and a Rural Lands Area (with no portion of any such parcel in an Urban Lands area), the following defensible space requirements shall apply to the entirety of the parcel.
1. No Defensible Space Requirement. On pasture, crops, orchards and vineyards, irrigated by either surface water or ground water, no defensible space requirements are imposed under this chapter.
 2. Defensible Space for Improvements. On all other parcels, a responsible party shall maintain defensible space of 100 feet from the exterior perimeter of any improvement on the responsible party's parcel. Where the distance from the improvement to the property line of the parcel on which the improvement is located is less than the required defensible space, the responsible party shall only be required to provide the required defensible space to the property line.

Ordinance No.

Page 5 of 10

3. Defensible Space Along Property Lines. On all other parcels, a responsible party shall maintain defensible space of up to 30 feet from the property line of the responsible party's parcel when the accumulation of fuel on the parcel endangers or encroaches on a defensible space of 100 feet from the exterior perimeter of any improvement on an adjacent property that lies wholly or partially within an Urban Lands Area. The Fire Warden may require a distance greater than 30 feet but not to exceed 100 feet when it is determined that the greater distance is necessary to provide defensible space for improvements on an adjacent property.
- C. Urban Lands Requirements. For any parcel that lies entirely or partially within an Urban Lands area, the following defensible space requirements shall apply to the entirety of the parcel.
1. Defensible Space for Improvements. A responsible party shall maintain defensible space of 100 feet from the exterior perimeter of any improvement on the responsible party's parcel. Where the distance from the improvement to the property line of the parcel on which the improvement is located is less than the required defensible space, the responsible party shall only be required to provide the required defensible space to the property line.
 2. Defensible Space along Property Lines. A responsible party shall maintain defensible space of up to 30 feet from the property line of the responsible party's parcel when the accumulation of fuel on the parcel endangers or encroaches on a defensible space of 100 feet from the exterior perimeter of any improvement on an adjacent property, regardless of whether the adjacent property lies in an Agricultural Lands area, Rural Lands area, or Urban Lands area. The Fire Warden may require a distance greater than 30 feet but not to exceed 100 feet when it is determined that the greater distance is necessary to provide defensible space for improvements on an adjacent property.
 3. Defensible Space along Roads and Driveways. A responsible party shall maintain defensible space of up to 10 feet of each side of the pavement or, if unpaved, the traveled way, of highways, private roads and driveways that are on or adjacent to a responsible party's parcel.
- D. Fuel. For purposes of this section, fuel does not include single specimens of trees, fire-resistant ornamental shrubbery, other fire-resistant planting materials or cultivated ground covers which the Fire Warden determines are well-pruned and maintained so as to effectively manage fuels and not form a means of rapidly transmitting fire from other nearby vegetation to a structure or from a structure to other nearby vegetation.
- E. Grading. The provisions of this chapter shall not be construed to authorize

Ordinance No.

Page 6 of 10

grading which does not comply with the Shasta County regulations regarding grading, excavating, filling, clearing and watercourses found in Title 12 of the Shasta County Code, as currently enacted and as may hereafter be amended. In performing actions in compliance with this Chapter, steps shall be taken to prevent erosion.

8.10.050 Removal of Prohibited Materials.

The following are approved methods for the removal of prohibited materials:

- A. The removal of prohibited materials shall be done using methods such as mowing, cutting, grazing and trimming that minimize surface disturbance, leave the plant root structure intact, and otherwise stabilize the soil and prevent erosion. Removed trees shall have the stumps cut no higher than eight inches above the ground. The height of weeds and annual grasses shall not exceed a height of six inches. Any chipping of trees or vegetation that is done on-site may be allowed to remain so long as it is dispersed over an area not to exceed six inches in depth. If the Fire Warden determines that difficult terrain, danger of erosion, or other unusual circumstances make strict compliance with this section undesirable or impractical, enforcement thereof may be suspended and reasonable alternative measures shall be provided as determined by the Fire Warden.
- B. Areas where prohibited materials are removed may be re-planted with single specimens of trees, fire-resistant ornamental shrubbery, and other fire-resistant planting materials or cultivated ground covers which do not form a means of rapidly transmitting fire from native or landscape plants to any improvement or other vegetation, to the Fire Warden's satisfaction. Re-planting may be required for erosion control.
- C. The removal of prohibited materials shall be carried out in conformance with all applicable federal, state and local laws, ordinances, and regulations.

8.10.060 Enforcement

- A. Any violation of any regulatory or prohibitory provision of this Chapter shall be a fire hazard and a public nuisance subject to enforcement under Chapter 1.12 (Enforcement), as currently enacted and as may hereafter be amended, and Chapter 8.28 (Nuisances) of this Code, as currently enacted and as may hereafter be amended, and shall be subject to enforcement under any other procedure permitted by law. All remedies provided herein are cumulative and not exclusive, and are in addition to any other remedy or penalty provided by law.
- B. Any violation of any regulatory or prohibitory provision of this Chapter is

Ordinance No.

Page 7 of 10

subject to Chapter 1.08 of this Code. This chapter is a safety and regulatory provision necessary for the protection of the public health, welfare, and safety. Unless otherwise specifically provided in this chapter or by state law, in any criminal prosecution for a violation of this chapter it is not necessary to prove knowledge or criminal intent.

- C. The Board of Supervisors may order that the cost of abating nuisances pursuant to this Chapter be specially assessed against the respective parcels of land pursuant to section 25845 of the Government Code, as currently enacted and as may hereafter be amended. The Board of Supervisors may also cause notices of abatement lien to be recorded against the respective parcels of real property pursuant to section 25845 of the Government Code, as currently enacted and as may hereafter be amended. The Board of Supervisors may also cause notices of abatement lien for the cost of abating nuisances pursuant to this Chapter to be recorded against the respective parcels of land pursuant to section 14931 of the Health and Safety Code, as currently enacted and as may hereafter be amended, which shall have the force, effect, and priority of judgment liens.
- D. Nothing in this Chapter shall be construed as imposing any duty to abate a violation of this Chapter, nor to take any other action with regard to any violation of this Chapter, and neither the Fire Warden, nor any enforcing officer, nor the County of Shasta shall be held liable for failure to abate any violation of this Chapter, nor for failure to take any other action with regard to any violation of this Chapter.
- E. This chapter is intended to protect the interests of the community at large and is not intended to establish a duty of care for the benefit of any particular person or class of persons.

SECTION II.

Section 12.12.050 of the Shasta County Code is amended to read in its entirety as follows:

12.12.050 Exemptions

- A. The following activities are exempt from permit requirements of this chapter:
 - 1. Cultivation and production of agricultural products, including but not limited to gardening, forestry regulated by the California Department of Forestry and Fire Protection under an approved Timber Harvest Plan, and the rearing and management of livestock, except as provided in subsection B of this section;

Ordinance No.

Page 8 of 10

2. Brush clearing in accordance with the provisions of Public Resources Code Section 4291 et seq., as currently enacted and as may hereafter be amended, or pursuant to the provisions of Chapter 8.10 of the Shasta County Code, as currently enacted and as may hereafter be amended, or at the direction of the Fire Warden for fire prevention and safety purposes, except as provided in subsection B of this section;
3. Mining, quarrying, excavating, processing, or stockpiling of rock, sand, gravel, aggregate or clay, as authorized in the zone plan and for which a use permit and reclamation plan have been granted, except as provided in subsection B of this section;
4. Operation of refuse disposal sites for which a valid permit has been issued pursuant to Chapter 8.32, as currently enacted and as may hereafter be amended;
5. Temporary excavation for installation or abandonment of underground storage tanks and associated piping when no permanent change is made in the existing terrain, best management practices are established to minimize erosion and prevent off-site discharge of sediment, and the excavation is refilled and stabilized, except as provided in subsection B of this section;
6. Temporary trench or pit excavation for the purpose of installing underground or overhead utilities where best management practices are established to minimize erosion and prevent off-site discharge of sediment, except as provided in subsection B of this section;
7. Subsurface geologic exploration under the supervision of a licensed civil engineer, registered environmental health specialist, engineering geologist or archeologist, except as provided in subsection B of this section;
8. The construction of pits for the containment of drilling fluids, when well drilling is performed pursuant to Chapter 8.56, as currently enacted and as may hereafter be amended, and when best management practices are established to minimize erosion and prevent off-site discharge of sediment, except as provided in subsection B of this section;
9. Grading conducted during a civil or hazardous material emergency or natural disaster to relieve or correct conditions caused by such emergency or disaster or to make emergency firebreaks;
10. The removal and spreading of contaminated earth materials from underground tank excavations performed in compliance with Chapter 8.24, as currently enacted and as may hereafter be amended, and when best management practices are established to minimize erosion and prevent off-site discharge of sediment;

Ordinance No.

Page 9 of 10

11. Grading performed on public works projects by a governmental agency.
- B. No exemption provided in subdivisions 1, 2, 3, 5, 6, 7, or 8 of subsection A of this section shall apply to any grading (1) that will, or has the potential to, adversely affect any off-site drainage or aquatic habitat, or (2) that will, or has the potential to, adversely affect the lateral or subjacent support of any property not owned by the owner of the land upon which such grading is performed, or (3) that otherwise violates any regulatory or prohibitory provision of the Shasta County Code or any other law, or (4) that is undertaken to facilitate or otherwise assist any violation of any regulatory or prohibitory provision of the Shasta County Code or any other law.

SECTION III.

1. Subsection (A) of Section 16.04.130 of the Shasta County Code is amended in its entirety to read as follows:

16.04.130 Fire Standards and Equipment

- A. Prior to issuance of a certificate of occupancy for any building or mobile home, or any addition to a building or mobile home, the building official shall require that the building site provide defensible space for a distance of not less than 100 feet on each side of the structure or to the property line, as required by Section 4291 of the Public Resources Code, as currently enacted and as may hereafter be amended, and Sections 8.10.040 (A)(2), 8.10.040(B)(2) and 8.10.040(C)(1) of the Shasta County Code, as currently enacted and as may hereafter be amended.
2. All other provisions in Section 16.04.130 of the Shasta County Code not specifically amended by this ordinance remain in full force and effect.

SECTION IV.

The County finds that this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to the following categorical exemptions: Sections 15304 (i) (fuel management activities), 15307 (actions taken as authorized by local ordinance to assure protection of natural resources), 15308 (actions taken as authorized by local ordinance to assure protection of the environment) and 15321 (action by agency for enforcement of a law, general rule, standard or objective administered or adopted by the agency, including by direct referral to the County Counsel as appropriate for judicial enforcement) of the CEQA Guidelines. There are no unusual circumstances under CEQA Guideline section 15300.2(c). Each exemption stands as a separate and independent basis for determining that this ordinance is not subject to CEQA.

Ordinance No.

Page 10 of 10

SECTION V.

If any provision of this ordinance or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable.

SECTION VI.

All former ordinances and resolutions, or parts thereof, conflicting or inconsistent with the provisions of this ordinance are hereby repealed. The adoption of this ordinance shall not in any manner affect any action or prosecution for violation of ordinances, which violations were committed prior to the effective date hereof, be construed as a waiver of any license, fee, or penalty required by or resulting from any such ordinance, or affect the validity of any bond (or cash deposit in lieu thereof) required to be posted, filed, or deposited pursuant to such ordinance.

SECTION VII.

This ordinance shall take effect and be in full force and effect 30 days after its passage. The Clerk shall cause this ordinance to be published as required by law.

DULY PASSED AND ADOPTED _____, 2019, by the Board of Supervisors, County of Shasta, State of California, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES

Clerk of the Board of Supervisors

By: _____
Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Regular - General Government-6.

SUBJECT:

CAO – CGL Report Presentation

DEPARTMENT: Administrative Office

Supervisory District No. : All

DEPARTMENT CONTACT: Lawrence G. Lees, County Executive Officer (530) 225-5561

STAFF REPORT APPROVED BY: Lawrence G. Lees, County Executive Officer

Vote Required?	General Fund Impact?
No Vote	No General Fund Impact

RECOMMENDATION

Take the following actions: (1) Receive a presentation from CGL Companies, LLC on the “Shasta County Jail Operations Review” report; and (2) consider providing direction to staff.

SUMMARY

N/A

DISCUSSION

On November 13, 2018, the Board approved an agreement, effective December 3, 2018, with CGL Companies, LLC (CGL) to provide an independent review of Shasta County’s Main Jail operations. On December 4, 2018, the Board of Supervisors appointed Supervisor Leonard Moty as the liaison for the project. Since that time, CGL has worked on the independent review process. Numerous County staff and non-County stakeholders were interviewed by CGL; two Jail visits were conducted by CGL; and a variety of follow-up work was conducted by CGL to prepare a report.

ALTERNATIVES

The Board could choose not to receive a presentation of the report.

OTHER AGENCY INVOLVEMENT

A variety of stakeholders have been involved in the CGL Jail Operations Review process including, but not limited to, representatives from the Sheriff’s Office, District Attorney’s Office, Public Defender’s Office, Probation Department, County Administrative Office, Health and Human Services Agency, Shasta County Superior Court, Board of Supervisors, Redding Police Department, Anderson Police Department, and California Forensic Medical Group, Inc. (Wellpath).

FINANCING

There is no General Fund impact associated with receiving the presentation.

ATTACHMENTS:

Description	Upload Date	Description
CGL Report	8/8/2019	CGL Report



SHASTA COUNTY
JAIL OPERATIONS REVIEW

SHASTA COUNTY JAIL OPERATIONS REVIEW

August 8, 2019

Prepared by:

CGL
2260 Del Paso Road, Suite 100
Sacramento, CA 95834





TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
1. INTRODUCTION	5
2. JAIL PROFILE	7
3. STAFFING	10
4. JAIL OPERATIONS	30
5. HEALTH CARE	42
6. PROGRAM SERVICES	45
7. BENCHMARKING	47
APPENDIX A: INFORMATION SOURCES	54
APPENDIX B: INTERVIEWS	55



EXECUTIVE SUMMARY

CGL Companies (CGL) was contracted to conduct a detailed evaluation of the performance of the Shasta County Jail (SCJ) relative to current operational workload, recognized best practices, professional standards, and applicable local, State, and Federal policies and regulations. We note the last year has been a significant period of change for the SCJ. Most importantly, jail capacity has increased by 27 percent through the addition of 103 beds. This should reduce the number of early releases required. The SCJ has also increased offender access to programs and services through the introduction of tablet computers and has expanded visitation opportunities through video visitation. Additionally, a new automated jail management system is being implemented.

Major Finding/Recommendations:

The following represents the major findings and recommendations that result from our evaluation of the Shasta County Jail (SCJ):

- **Jail Capacity:**
 - **Finding:** The lack of available capacity at the SCJ adds cost for housing inmates outside the County, necessitates the need for the early release of a significant number of offenders, and makes holding lower level offenders or probationers accountable difficult. Future jail capacity needs will be dependent upon factors such as county population growth, changes in arrest and incarceration rates and the use of alternatives to incarceration.
 - **Recommendation:** The County should evaluate future capacity requirements and alternatives to meet justice system needs. A key part of this evaluation is a forecast of future jail population levels that identifies the factors driving the jail population and projects future jail capacity needs.
- **Early Release Process:**
 - **Finding:** Early releases from the jail are not based on an objective risk assessment. The current approach for screening offenders for release does not use validated risk factors.
 - **Recommendation:** In compliance with best practices, SCJ should use an objective validated risk assessment tool in its early release decision process.
- **Offender Classification:**
 - **Finding:** The existing offender classification system, which determines inmate management and housing placement, is subjective and does not provide an objective, evidence-based assessment of inmate risk and security needs.



SHASTA COUNTY JAIL OPERATIONS REVIEW

- **Recommendation:** SCJ should obtain and implement an objective, validated classification system.
- **Security Staffing:**
 - **Finding:** Security staffing levels in the facility strain to meet current workload demands. The lack of adequate staff results in an elevated use of overtime. CGL developed a shift relief factor that identifies the number of full-time employees it takes to fill a single post. The calculated relief factor takes into account the actual leave time of SCJ employees as well as other time (training) where they are unable to fill a post assignment. Based on our calculations, it takes 2.38 full-time employees to fill a single 12-hour, 7-day per week security post.
 - **Recommendation:** Security staffing levels in the jail should be increased by 15 positions (Table 1). This increase results from both the application of the calculated relief factor and from the addition of two new posts:
 - Booking Sergeant (all shifts). Most jails assign a dedicated supervisory position to manage the critical booking and release process in the jail. This need is amplified in SCJ given the number of early releases that are processed.
 - Utility Officer (all shifts). A Utility Officer post is needed that can be used to expedite intake processing as well as cover other critical areas of the jail.

Table 1: Recommended vs. Funded Security Staffing Levels

Position	Recommended Staff Needed	Current Funded	Difference
Captain	1	1	-
Lieutenant	1	1	-
Sergeant	11	5	+6
Deputies	75	66	+9
Total	88	73	+15

- **Offender Programs:**
 - **Finding:** Limited physical space in the facility has impacted SCJ's ability to provide adequate programs in the past. However, the recent addition of tablet computers for inmate use should provide increased access to evidence based programs and services. Additionally, the development of a medication assisted treatment program (MAT) and jail based competency program should be of benefit to the jail population and the County as a whole.



SHASTA COUNTY JAIL OPERATIONS REVIEW

- **Recommendation:** Efforts should continue to expand access through the implementation of evidence-based programs and services.
- **Health Care Services Contracts:**
 - **Finding:** Health care contract terms could be improved to ensure accountability of the vendor.
 - **Recommendations:** Health care contracts and future Requests for Proposal (RFPs) should be modified in the following manner:
 - The jail medical contract should be amended to provide increased specificity regarding performance and reporting standards.
 - The jail medical contract should be amended to establish a goal of NCCHC accreditation, a widely accepted service quality standard.
 - Future health care RFPs/contract should be modified to ensure the county is receiving the services and staff required and should include a means to assess penalties for non-performance and incentivize cost reduction.
- **Food Services:**
 - **Finding:** SCJ's per meal cost (including labor) of \$2.94 is extremely high compared to most jail food service programs.
 - **Recommendation:** SCJ should study the potential for converting food services operations to a private vendor to reduce costs.
- **Facility Physical Plant:**
 - **Finding:** The aging physical plant has a housing unit layout that can make effective supervision of the inmate population difficult. While jail staff manage daily operations, the design and condition of the facility create significant challenges.
 - **Recommendation:** Facility design has a direct impact on security staffing needs. Increasing the security staffing levels to CGL's Best Practice recommended level should mitigate many of the supervision issues that result from the current jail design.

In terms of priorities, the most significant step the SCJ can take to reduce risk in the jail system is to use evidence-based, validated risk assessment instruments in the selection of inmates for early release, as well as for classification decisions and housing placement. Over the past two years, the SCJ has released approximately 3,000 offenders early each year. While the 103 beds added to SCJ capacity in January has alleviated some of the overall capacity shortfall that necessitated the early release and the contract bed programs, the County continues to face an overall jail capacity shortfall. Discretionary decisions on early release need to be based on the best research and analytical tools available.

SHASTA COUNTY
JAIL OPERATIONS REVIEW

The primary challenge of jail capacity management is to align the housing of the inmate population with available capacity based on risk profile, while maximizing the efficiency and the effectiveness of inmate supervision. This task requires an effective classification system tied to a facility capacity utilization plan. The SCJ inmate classification process, while using some basic arrest, charge and conviction data, is subjective at best. Consistent placement of offenders in an appropriate level of security and corresponding housing unit requires a structured, objective, empirically based risk assessment process, along with a physical plant that facilitates appropriate separation of inmates. Use of an objective scoring instrument to determine classification status is a recognized professional standard in jail systems across the United States. This is a prerequisite for managing the SCJ in a way that makes the most effective use of available capacity.

The next step needed to improve operational performance within the SCJ is to provide the staffing required to operate the facility without the need to resort to heavy reliance on overtime. The current command structure and deployment of officer posts at the SCJ represents the minimal level required to maintain acceptable professional standards for inmate supervision and facility security. However, even with the current staffing deployment plan, the funded staffing level does not provide enough positions to fill these posts based on the amount of time staff are available to work. Our analysis indicates that based on national best practices, 15 additional custody staff are required to provide needed coverage without undue reliance upon overtime. In fact, appropriate funding this level of staffing will substantially reduce current overtime spending.

Finally, the SCJ can achieve operational efficiencies in health care and food services. The health care contract should be modified to improve accountability and standards for vendor performance. A formalized process for reconciliation of the cost of actual staff provided relative to the contract requirements should be implemented. Additional performance standards and reporting requirements will further enhance vendor accountability. Establishment of National Commission on Correctional Health Care (NCCHC) accreditation as a goal under the contract will elevate performance. Additionally, the very high cost of food service at the SCJ can possibly be reduced through privatization and development of a Request for Proposal (RFP) for contracted food service, a proven strategy for reducing food service costs in other county jails.



1. INTRODUCTION

The purpose of this study is a detailed evaluation of the performance of the operations of the Shasta County Jail (SCJ) relative to current operational workload, recognized best practices, professional standards, and applicable local, State, and Federal policies and regulations. Project activities included a review and analysis of current operational policies and practices; jail program and service delivery; risk management; and the overall performance and efficiency of current jail operations.

Methodology.

The project team used a comprehensive information-gathering and data review process that utilized four primary approaches: document review, staff interviews, facility review, and post inspections.

Document review: We reviewed available documentation of both current and past staffing patterns. We also reviewed a wide range of data describing jail operations and resource utilization, including overtime records, leave utilization, and assignment practices. Other documentation of jail issues were assessed, as well as facility policies and procedures.

Stakeholder interviews: In order to gain background and context for the review, we conducted interviews with key justice system stakeholders and program administrators. These interviews centered on internal perspectives of the key issues facing the jail, strengths of the current operations, and opportunities for improved performance. Interview subjects provided invaluable insight into the unique challenges facing the justice system in Shasta County.

Staff interviews: For a better understanding of the data collected, we interviewed Sheriff's Office staff assigned to the jail system. Our purpose in the interviews was to develop an understanding of staff duties, functions, and workload demands. We interviewed line staff, facility first line supervisors, and mid-level managers, as well as senior administrators.

Facility review: The project team conducted a thorough tour of the jail itself. This provided firsthand exposure to the layout of the facility and management's approach to operations and the delivery of programs and services. The project team also reviewed ancillary functions for the jail that directly support the detention function to determine the adequacy of services in those areas.

Post inspections: The project team reviewed each correctional officer post in terms of the function served, amount of coverage required, contribution of the post to facility security, and whether post duties required the assignment of a corrections deputy.

In conducting the review, we used the following criteria:

- Post assignments should be established in accordance with the goals of maintaining effective security.



SHASTA COUNTY
JAIL OPERATIONS REVIEW

- Officer assignment practices should be flexible enough to deploy staff as required to respond to changing needs of the activity and work schedule while maintaining post assignment security.
- Overtime utilization should be held to the minimal level required to perform critical operational functions.
- Jail command structures should provide appropriate supervisory coverage.
- Staff deployment should be consistent with detainee classification and placement practices.
- Post responsibilities should be regular, documented, and well defined.

The approach for analysis of staffing needs follows the national standards detailed in the *Staffing Analysis Workbook for Jails, 2nd edition* published in 2003 by the National Institute of Corrections¹

Appendix A identifies sources of data used in this analysis. Appendix B identifies individuals interviewed for the project.

¹ Liebert, D. and Miller, R., *Staffing Analysis Workbook for Jails*, National Institute of Corrections, 2001.



2. JAIL PROFILE

The Sheriff's Office operates the Shasta County Jail (SCJ), located at 1655 West Street in Redding. The Jail, built in 1984, has three main detention areas located on the upper floors of the facility. Each floor supports four podular housing areas. The current Board of State and Community Corrections (BSCC)-rated capacity is 381 beds. In early 2019 the County completed a remodeling project, adding showers that enabled double-celling of each unit (except for Unit 1D which houses inmates with mental health issues). This project added 103 beds to the jail's capacity. Including the 12 beds allocated for special housing near the medical unit, the current operational capacity of the SCJ is 484 beds.

The main floor of the facility contains the public access and visiting area, as well as the booking area, medical unit, and administrative areas. The lower level of the building supports the kitchen, laundry, staff dining, and mechanical systems.

Population Characteristics

The SCJ housed an average daily population (ADP) of 352.8 inmates in 2018. The highest ADP of 358 occurred in August of 2018 with the lowest ADP of 342 reached in March 2018. The jail population level is largely a function of a 1993 court order establishing a capacity ceiling of 381 beds at the SCJ, based on the living conditions at the facility at the time. The order was recently updated and authorizes the Sheriff *"to release or refuse to accept newly-committed inmates from the Jail when the Jail, or any specific housing unit therein, is within 10 percent (10%) of being filled."*² In 2017 this necessitated the early release of 3,195 inmates. This fell slightly in 2018 to 2,817 early releases.

The County also manages the jail population by contracting for housing for sentenced inmates with nearby counties. The contract population generally ranges from 20-25 inmates. Qualification for out-of-county housing is based on sentencing, length of custody, medical needs and other factors. Over the last eight months, expenditures for contract housing averaged approximately \$51,000 per month.

Finding: The SCJ has consistently run as close to capacity as it can while providing safety and separation for the in-custody population. Because of the population cap, new admissions must in effect be balanced out by early releases to make jail beds available. The volume of releases required makes the screening and selection process of inmates for release of critical importance and has significant implications for public safety.

In 2018 the SCJ booked over 10,000 admissions into the jail system, an average of approximately 29 per day. Female offenders typically comprise approximately 15 percent of the average daily population. Approximately 70 percent of the jail population is in pre-trial status. Over 92 percent of the jail population have been admitted for felony offenses.

² Superior Court of Shasta County, Order #11528, January 11, 2019,



SHASTA COUNTY JAIL OPERATIONS REVIEW

While the 103 beds added to SCJ capacity in January has alleviated some of the overall capacity shortfall that necessitated the early release and the contract bed programs, the County continues to face an overall jail capacity shortage. At the time of this analysis the County was still housing 24 inmates in other counties and still using the early release process to manage population levels. The lack of adequate jail capacity has significant implications for the local justice system. Because of a lack of available jail capacity, probation officers cannot sanction offenders with short-term incarceration for violations of the terms of their probation. This severely impairs efforts to hold probationers accountable. Similarly, lack of jail capacity makes it difficult to enforce meaningful sanctions for failure to comply with court-ordered appearances. The very limited amount of jail beds available to law enforcement, probation, and the court seriously diminishes the justice system's capacity to impose needed discipline for offenses that may be relatively minor, but that are indicative of flagrant disregard for the justice system.

Finding: The lack of available capacity at the SCJ adds cost for housing inmates outside the County, necessitates the early release of a substantial number of offenders, and makes it difficult to hold lower level offenders or probationers accountable. Future jail capacity needs will be dependent upon factors such as county population growth, changes in arrest and incarceration rates and the use of alternatives to incarceration.

The only potential source of additional jail capacity in the next five years is the conversion the existing Shasta County Courthouse, attached to the SCJ. This conversion could add between 60 - 128 inmate beds in that space once it is vacated, upon completion of the new Shasta County Courthouse. That renovation cost is estimated at between \$7 and \$9 million.

Recommendation: The County should evaluate future capacity needs and alternatives to meet justice system needs. A key part of this evaluation is a forecast of future jail population levels that identifies the factors driving the jail population and projects future jail capacity needs.

Budget

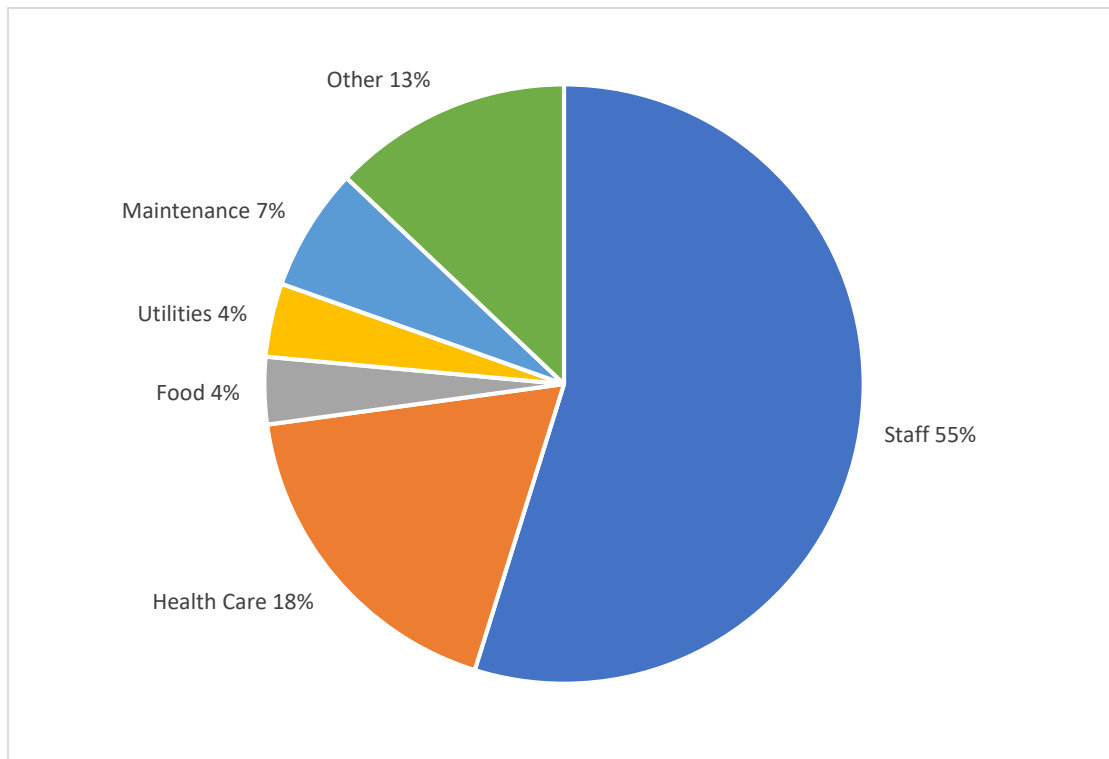
The total fiscal year 2019 budget for the SCJ is \$17,794,848. Approximately 75% of spending goes to staff supervision of inmates, food service, and basic medical and mental health treatment. This breakdown is consistent with the typical spending allocations of most jails. In virtually all systems, the cost of staff, medical care, and food are the predominant factors driving jail spending.

Roughly 55 percent of the SCJ's total budget goes to support a funded staffing level of 83 full-time equivalent positions (FTEs). Custody staff (corrections officers, public safety service officers, senior, sergeants, a lieutenant, and a captain) make up 73, or 88 percent, of these positions. Health care costs account for 18 percent of the budget. Food, utilities, maintenance, and contract beds make up most of the remainder of the budget. Figure 1 summarizes the component shares of the SCJ budget.



SHASTA COUNTY
JAIL OPERATIONS REVIEW

Figure 1: Shasta County Jail Budget Components



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3. Staffing

Determining the staffing needs in a detention setting is a detailed undertaking. While all correctional facilities must perform the same type of tasks (housing offenders, providing them access to programs and services, accommodating visitation, etc.), often how they accomplish these tasks and the setting in which they are performed can differ significantly. As a result, an ideal ratio of inmates to staff that guides jail operational planning does not exist. Staffing requirements must instead be determined on a facility-by-facility basis. The following factors are key in determining jail staffing needs.

- **Facility Mission.** The overall mission of the detention facility plays a significant role in determining the number of staff needed. At the local level some jails only house pre-trial offenders, while others house both pre-trial and sentenced inmates. Additionally, some may offer more intensive inmate programs or off-grounds work crews and work release programs that increase the staffing needs of the facility.
- **Facility Layout.** The physical design of the facility will greatly determine the minimum number of posts required to provide adequate supervision of the population. Those facilities that are efficiently designed to provide a clear line of sight and reduce need for offender movement can significantly reduce staffing needs.
- **Offender Classification.** The type of offenders housed and assigned to an area will have a large bearing on the need for supervision and the potential risk level present. The standard classification system (maximum, medium, and minimum security) has a direct bearing on the staffing required. Offenders who are more aggressive and have higher needs (mental health, protective custody, etc.) require more staff supervision than lower custody inmates.
- **Offender Movement Patterns.** The degree of offender movement and the nature of that movement (escorted or unescorted) relate directly to the degree of control exercised over offender behavior and the staffing required to enforce the desired level of control. Many modern correctional facilities provide access to recreation and programming activities near the housing units that reduce offender movement.
- **Surveillance Technology.** Technology, which can be deployed to provide ongoing surveillance of offender activity, can increase the efficiency of staff used to monitor multiple locations or blind spots in a facility.
- **Court Orders/Consent Decrees.** In many cases, the facility history can include past court orders, consent decrees, or agreements that have an impact on staffing needs. The facility's desire to maintain compliance with these past agreements can influence the number of staff needed.



SHASTA COUNTY JAIL OPERATIONS REVIEW

- **Operating Procedures/Standards.** A jail's operating procedures and standards set out a blueprint for staffing by outlining the duties required of staff in the conduct of their respective jobs.
- **Collective Bargaining Unit Agreements.** Collective bargaining unit agreements can play a major role in the staff needed to manage a detention facility. Agreed upon shift schedules, post assignments, and other factors may influence the number of staff needed.
- **Intensity and Access to Programs.** The intensity of programming in local jails has increased in the past decade due to the research that supports the benefits of in-custody programming in reducing offender recidivism and improving their success upon release. But this additional programming has costs, both in the professional staff needed to administer the programs and security staff required to escort and supervise areas where programming occurs.

Current Staffing

The SCJ has a funded staffing level of 83 positions, which includes 73 custody positions. As shown in Table 1, the actual number of filled positions as of January 1, 2019 was 74.

Table 1: Current Jail Staff

Position	Allocated	Funded	Filled
Captain	1	1	1
Lieutenant	1	1	1
Sergeants	5	5	5
Correctional Deputies	64	61	54
Service Officers	5	5	4
Analyst	1	1	1
Plant Manager	1	1	1
Cooks	8	8	7
Total	86	83	74

Source: Shasta County Jail

A captain serves as the jail administrator responsible for all jail operations. A staff service analyst provides administrative support. The single lieutenant on the roster works as the facility operations manager and supervises the 5 sergeants. Sergeants essentially work as watch commanders, managing the security operations of each of the two operational shifts, 1st Shift (7:00 a.m. – 7:00 p.m.) and 2nd Shift (7:00 p.m. – 7:00 a.m.).

Finding: The overall command and administrative organization of the SCJ is streamlined and very lean. The command structure contains the minimum number of posts required to provide adequate oversight and supervision of jail operations.

The SCJ uses Public Safety Service Officer (SSO) civilian positions that can fill custody posts that do not require offender contact. These posts provide remote monitoring of housing unit control rooms, booking, reception and central control. Because the position does not have contact with offenders,



the salary for the position is lower than that of a correctional deputy. SCJ staff indicated that the Public Safety Service Officer position is being phased out due to an inability to find eligible candidates interested in this position. This analysis therefore assumes that all line custody posts in our staffing analysis are filled with correctional deputies.

Identifying Staffing Needs

The basis for any security staffing analysis begins with the “security post.” A security post is a station or specific assignment in a correctional facility. For example, each housing unit in the SCJ has at least one correctional officer post on the day shift. This post is responsible for supervising offenders housed in the unit and controlling movement in and out of the unit. An analysis of post requirements must address the following factors:

- The need to fill select security posts 24-hours a day, seven-days per week.
- The extent to which post assignments are considered “mandatory” and cannot be left vacant for any period.
- The need to separate and house offenders by a variety of special criteria, including their custody level, special needs, gender, and age.
- The need to provide flexibility to address occasional, unexpected, or unplanned events.

Counties must also be aware of evolving national legal requirements that have an overarching impact on correctional operations. One example of this is the enactment of the Prison Rape Elimination Act (PREA), which has resulted in the dissemination of national standards and requirements designed to reduce risk of sexual assaults. The Act establishes specific supervision, observation, and gender-specific standards that impact staffing needs. The housing unit design noted earlier will make compliance with the requirements of the federal Prison Rape Elimination Act (PREA) more difficult. Additionally, many jurisdictions have made significant changes in restrictive housing practices to allow more out-of-cell time for offenders in this status.

The adequacy of jail staffing coverage is critical to ensuring the safety and security of the facility and the provision of appropriate programs and services. In our work in jails across the country, we have found the most common outcomes of insufficient staff are:

- Ongoing reliance on and elevated levels of use of overtime.
- Temporary curtailment of select jail activities in order to stay within the budget.
- Failure to staff key post assignments, which may impact safety.

It is clear that SCJ relies on the use of overtime to offset its low staffing levels.



SHASTA COUNTY JAIL OPERATIONS REVIEW

Shift Schedule

Custody staff are generally assigned to two primary 12-hour shifts:

- 1st Shift: 7:00 a.m. – 7:00 p.m.
- 2nd Shift: 7:00 p.m. – 7:00 a.m.

Each of these shifts is staffed with two separate squads (A Squad and B Squad) with different schedules. The following table provides the separate schedules for each squad on the day and night shift:

Table 2: Security Staff Work Schedules

	Sun.	Mon.	Tues.	Weds.	Thurs.	Fri.	Sat.
<i>Day Shift</i>							
A Squad	X	X	X	X (alternating)			
B Squad				X (alternating)	X	X	X
<i>Night Shift</i>							
A Squad	X	X	X				X (alternating)
B Squad				X	X	X	X (alternating)

The A Squad on the Day Shift works every Sunday, Monday and Tuesday and every other Wednesday. The B Squad works every Thursday, Friday and Saturday as well as every other Wednesday. Given this schedule, staff are assigned 84 hours every 2 weeks. The first 80 hours of coverage is paid at straight time while the 4 additional hours are paid as overtime. As a result, the existing schedule annually has 104 hours of overtime built into it per officer (4 hours x 26 pay periods).

Assuming all SSO positions are converted to deputies, this will result in the county incurring 6,864 hours (104 hours per employee x 66 funded positions) of overtime per year as a result of the existing shift structure. The hourly salary of a Correctional Deputy I or II position ranges from \$20.314 to \$27.225³. Assuming the average correctional deputy is paid at the midpoint of this range (\$23.7695) then overtime is paid at an hourly rate of \$35.65. Considering compensation implications only (and not factoring in any additional fringe expenses to overtime such as FICA, unemployment insurance, etc.) this shift structure has \$244,701.60 (6,864 hours x \$35.65 hourly rate) of built in overtime costs. A 15-minute pre-shift briefing on both Monday shifts is paid as overtime as well, at a projected cost of \$30,588.

³ Shasta County Website: County of Shasta, Personnel Division, Salary Schedule



SHASTA COUNTY
JAIL OPERATIONS REVIEW

Finding: The current 12-hour shift schedule and funded staffing level with roll call requires \$275,289 in mandatory, annual overtime.

Current Staffing Practices. Working with jail administration, a post assignment table was developed to identify current posts deployment in the SCJ. Table 2 provides the following information for each current post:

- Post Title.
- Shift: Shift or Shifts when post is filled.
- Days/Week: Number of days per week the post is filled.
- Relief Yes/No: Whether the post must be relieved (Y) or can be left vacant if staff is not present (N).
- Comment: General description of post responsibilities.

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Table 2: Shasta County Jail – Current Security Post Chart

Post/Position	Capacity	1st Shift 7:00 am - 7:00 pm	2nd Shift 7:00 pm - 7:00 am	Alternate Shift	Days/ Week	Relief	Comments
Administration							
Captain				1.0		N	Jail Superintendent/Division Commander
total Jail Administration Posts:		0.0	0.0	1.0			
Custody Staff							
Lieutenants							
Shift Commander - Lieutenant				1.0		N	Facility Manager
Subtotal Lieutenant Posts:		0.0	0.0	1.0			
Sergeants							
Watch Commander		1.0	1.0		7	Y	Minimum of (1) Jail Sergeant per shift
Administrative Sergeant				1.0	5	N	Supervises staffing, commissary, transportation, statistics, jail training public records.
Subtotal Sergeant Posts:		1.0	1.0	1.0			
Deputies							
Classification		1.0	1.0		7	Y	Initial Classification, Housing Placement, Court support, KSF Updates
Processor		2.0	2.0		7	Y	Processing Intake and Release, Welfare Checks in Intake, Professional Visit Escort (Minimum of 3 M-F, and 2 on weekends)
Processor		1.0	1.0		5	Y	Processing Intake and Release, Welfare Checks in Intake, Professional Visit Escort (Minimum of 3 M-F, and 2 on weekends)
Booking		1.0	1.0		7	Y	Responsible for assisting in Booking Process - Can be an SSO
Level 1 Housing Control		1.0	-		7	Y	Operate housing unit control panel. Can be an SSO. Vacant on Night Shift
Level 2 Housing Control		1.0	1.0		7	Y	Operate housing unit control panel. Can be an SSO
Level 3 Housing Control		1.0	1.0		7	Y	Operate housing unit control panel. Can be an SSO
Level 1 AD Floor Officer	71	1.0	1.0		7	Y	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 1 BC Floor Officer	80	1.0			7	Y	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 2 AD Floor Officer	80	1.0	1.0		7	Y	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 2 BC Floor Officer	80	1.0			7	Y	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 3 AD Floor Officer	80	1.0	1.0		7	Y	Housing Unit Officer
Level 3 BC Floor Officer	80	1.0	1.0		7	Y	2nd Floor Officer Post on Night Shift roves between Units to provide for two person access to 3C lockdown unit
Medical Officer	12	1.0	1.0		7	Y	Supervises medical and medical housing area
Reception				1.0	7	Y	Reception window staffed 8 am - 8:30 pm 7 days per week, Night shift Booking officer covers from 7:pm - 8:30 pm. Can be SSO
Central Control		1.0	1.0		7	Y	Monitors Gates, Controls Electronic Doors in Booking, Switchboard for facility, Monitors Radio traffic. Can be SSO
Subtotal Deputy Posts		16.0	13.0	1.0			



SHASTA COUNTY JAIL OPERATIONS REVIEW

In total there are 35 posts covering security duties in the facility on both shifts. Typical housing unit supervision requires 2 officers per floor on the day shift. Each of these posts are responsible for two housing pods (A & D or B & C). With the jail's recent capacity expansion, the officer on each of these posts supervises up to 80 inmates. For housing level 1 and 2, the 2nd shift is staffed with only one officer per floor. Due to the higher custody level of the inmates in Level 3, 2 officers are assigned to 2nd shift.

There is a single housing unit control post on each level that can be filled with civilian Public Safety Security Officers. On day shift all three control posts are filled. However, on the 2nd shift only Levels 2 and 3 control post are filled with the Level 1 control post left vacant. During the 2nd shift the main control room assumes responsibility of Level 1 controls. This is a recent change as prior to the increase in facility capacity, all control posts were left vacant on the 2nd shift. There are 10 posts assigned to the intake and classification functions of the jail over both shifts.

The ability to maintain sight and sound supervision of housing unit activity is complicated in SCJ by the layout of the housing unit pods and the placement of the remote housing unit control posts. Each unit is asymmetrical in design with unusual angles that complicate unit supervision. The control room post for each housing unit is in a secure space on the mezzanine level and does not directly face into the dayroom or cell area, rather, it looks down on an open foyer where the elevator banks are located. Visual observation from control rooms into housing pods requires staff to leave the control board to walk to either end of the long control rooms to be able to see into a housing pod. The design of the control room in conjunction with the layout of the housing units creates blind spots that can produce difficult conditions for monitoring inmates in the housing units.

The roster contains no flexibility built to address emergent operational needs. The current practice is to pull the Booking Officer and close that post in the event of a need for officer assistance throughout the facility.

Finding: The SCJ has a current funded staffing level of 83 positions, which includes 73 custody positions. This level is insufficient to adequately manage the complex operations of the jail and results in high levels of overtime.

Relief Factor

One the critical elements required in determining facility staffing needs is the development and application of a relief factor. A relief factor identifies the total number of full-time equivalent positions (FTEs) required to fill a single post.

Jails operate 24 hours a day, 365 days a year. Mandatory posts must be filled by staff to ensure the security and operation of the facilities. Examples of mandatory posts include housing unit posts that supervise inmates and intake posts that are responsible for receiving arrestees into the jail. In many cases these posts must be filled continually and cannot be left vacant. Given work schedules and normal time off, these posts require more than one full-time equivalent position (FTE). An accurate relief factor determines the number of FTEs it takes to fill a post considering that employees have



SHASTA COUNTY JAIL OPERATIONS REVIEW

regularly scheduled days off, can utilize leave such as vacation and sick leave, and may be unable to fill a post due to pre-service or annual training requirements.

There are some posts that may not need a relief factor. For example, if a post does not require an on-site staff member to be present during the shift or during frequent short-term absences, then a relief factor is not necessary, and the post is referred to as a non-relief post. As noted above, it is critical to not only identify a relief factor based on internal factors, but to also identify what posts are required to be filled, whether the posts are relief or non-relief posts, and the frequency in which the post is to be filled.

Relief factor calculations are based on the total number of hours employees in a specific rank or job category are available for work (total annual hours contracted for work). Next, the total number of hours that those employees are not available for work throughout the year is calculated (total hours off duty). Subtracting the number of hours all employees are off duty from the total number of hours available for work produces the actual number of hours (net annual work hours) those same employees were available to fill their posts.

By dividing the total net annual work hours by the total number of employees in that specific rank or job category, the shift relief factor is determined. However, since posts are generally filled either five days or seven days per week and may be filled by staff working a variety of shifts, shift relief factors must be calculated for each type of post/shift assignment. The resulting shift relief factors indicate how many employees it takes to fill those posts on an annual basis.

The County provided a file⁴ containing raw data regarding leave usage for badge employees for the time period June 11, 2017 – June 9, 2018. Additionally, the jail identified the average number of Correctional Officers and Sergeants employed during this period that generated this leave utilization (69). Table 3 summarizes average staff leave usage by category of leave:

⁴ A-10 Supplemental 042919 – HOURS OF ABSENCE – ALL CORRECTIONAL OFFICERS BY CATEGORY 11JUN17-09JUNE18, Provided April 29, 2019



SHASTA COUNTY
JAIL OPERATIONS REVIEW

Table 3: FY 2018 Leave Usage

Leave Type	Total Hours Used	Per Staff Usage
Personal Sick Leave	1,284.80	18.62
Personal Sick Leave - OJI	746.94	10.83
CFRA PSA OJI	2.00	0.03
FSL	286.20	4.15
Bereavement Leave	62.00	0.90
FMLA PDI PSL	32.00	0.46
Comp Time	1,325.91	19.22
Credit Holiday Used	959.04	13.90
Military Leave	420.00	6.09
Safety 4850	936.00	13.57
PSL FMLA CFRA	179.79	2.61
FSL FMLA CFRA	210.92	3.06
VAC FMLA CFRA	52.11	0.76
Vacation Leave	5,339	77.38
CTO FMLA CFRA	96	1.38
CHU FMLA CFRA	105	1.53
Total	12,037.67	174.46

Based on the information provided, the average correctional deputy and sergeant annually uses 174.46 hours of leave time per year. Projected hours of off-post training, including annual, specialty, on-the-job training and pre-service average 174 hours per security. This results in a Net Annual Work Hours per officer of 1,843.63 hours, as shown in Table 4. This level of staff availability requires a shift relief factor of 2.38 for a 12 hour post and 4.75 for a 24 hour/7 day post.

Finding: The average employee is available to fill a post 1,843.63 hours per year. The shift relief factor for the 12-hour shift structure is 2.38, which means it takes 2.38 FTEs to fill a single post, 7 days per week on one shift. The corresponding relief factor for 24 hour/7 day per week post coverage in 4.75.



SHASTA COUNTY
JAIL OPERATIONS REVIEW

Table 4: Shift Relief Factor Calculation

	12-Hour Shift
Post Hour Coverage	4,383
Hours Employee Assigned	2,192
<i>Hours Away From Post</i>	
Leave Usage	174.46
Training	173.91
<i>Total Hours Away From Post</i>	<i>348.37</i>
Net Annual Work Hours (NAWH)	1,843.63
Shift Relief Factor – 7-day post with relief	2.38
Relief Factor – 24/7 coverage	4.75

Staffing Needs

CGL developed two staffing scenarios for the jail:

- **Staffing Needs for Current Deployment Practices:** This scenario assumes an accurate relief factor is applied to current SCJ staff deployment practices.
- **Recommended Staffing Needs:** This scenario represents CGL's recommended staffing level and is consistent with national best practices. It assumes additional staff posts with the relief factor applied.

Staffing Needs for Current Deployment Practices: Applying this relief factor to the current post plan for jail operations results in a need for 78 custody staff, an increase of 5 staff above current funded levels. The current operation of the facility requires this level of custody staffing to cover all mandatory posts. Current funded staffing levels cannot provide consistent coverage of all required posts given staff availability levels without relying upon overtime. Tables 5 and 6 show the number of FTEs needed to staff the existing post plan with the relief factor applied.

Finding: The current roster with appropriate relief requires 78 custody staff to provide consistent coverage of all posts without significant reliance on overtime. This is an increase of 5 officers over current funded staffing levels.



Table 5: Current Jail Staffing with Relief Factor

Post/Position	Capacity	Population Type	1st Shift	2nd Shift	Alternate Shift	Days/ Week	Days per week	Total Shifts	Relief	Shift Relief Factor	Total FTEs	Comments
Administration												
Captain					1.0			1.0	N	1.00	1.00	Jail Superintendent/Division Commander
Subtotal Jail Administration Posts:			0.0	0.0	1.0						1.00	
Custody Staff												
Lieutenants												
Shift Commander - Lieutenant					1.0			1.0	N	1.00	1.00	Facility Manager
Subtotal Lieutenant Posts:			0.0	0.0	1.0						1.00	
Sergeants												
Watch Commander			1.0	1.0		7	5	2.0	Y	2.38	4.76	Minimum of (1) Jail Sergeant per shift
Administrative Sergeant					1.0	5	5	1.0	N	1.00	1.00	Supervises staffing, commissary, transportation, statistics, jail training public records.
Subtotal Sergeant Posts:			1.0	1.0	1.0						5.76	
Deputies												
Classification			1.0	1.0		7		2.0	Y	2.38	4.76	Initial Classification, Housing Placement, Court support, KSF Updates
Processor			2.0	2.0		7		4.0	Y	2.38	9.52	Processing Intake and Release, Welfare Checks in Intake, Professional Visit Escort (Minimum of 3 M-F, and 2 on weekends)
Processor			1.0	1.0		5		2.0	Y	1.70	3.40	Processing Intake and Release, Welfare Checks in Intake, Professional Visit



Post/Position	Capacity	Population Type	1st Shift	2nd Shift	Alternate Shift	Days/ Week	Days per week	Total Shifts	Relief	Shift Relief Factor	Total FTEs	Comments
												Escort (Minimum of 3 M-F, and 2 on weekends)
Booking			1.0	1.0		7		2.0	Y	2.38	4.76	Responsible for assisting in Booking Process - Can be an SSO
Level 1 Housing Control			1.0	-		7		1.0	Y	2.38	2.38	Operate housing unit control panel. Can be an SSO. Vacant on Night Shift
Level 2 Housing Control			1.0	1.0		7		2.0	Y	2.38	4.76	Operate housing unit control panel. Can be an SSO
Level 3 Housing Control			1.0	1.0		7		2.0	Y	2.38	4.76	Operate housing unit control panel. Can be an SSO
Level 1 AD Floor Officer	71	A: Male Worker GP D: Male Mental Health	1.0	1.0		7		2.0	Y	2.38	4.76	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 1 BC Floor Officer	80	B: Protective Custody C: Protective Custody	1.0			7		1.0	Y	2.38	2.38	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 2 AD Floor Officer	80	A: Female GP D: Female GP & Workers	1.0	1.0		7		2.0	Y	2.38	4.76	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 2 BC Floor Officer	80	B: GP High Class C: Disc/Ad Seg	1.0			7		1.0	Y	2.38	2.38	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift



Post/Position	Capacity	Population Type	1st Shift	2nd Shift	Alternate Shift	Days/ Week	Days per week	Total Shifts	Relief	Shift Relief Factor	Total FTEs	Comments
Level 3 AD Floor Officer	80	A: GP High Class D: GP High Class - Prior Prison	1.0	1.0		7		2.0	Y	2.38	4.76	Housing Unit Officer
Level 3 BC Floor Officer	80	B: GP High Class - Prior Prison C: Max/Disc/Ad Seg	1.0	1.0		7		2.0	Y	2.38	4.76	2nd Floor Officer Post on Night Shift roves between Units to provide for two person access to 3C lockdown unit
Medical Officer	12		1.0	1.0		7		2.0	Y	2.38	4.76	Supervises medical and medical housing area
Reception					1.0	7		1.0	Y	2.38	2.38	Reception window staffed 8 am - 8:30 pm 7 days per week, Night shift Booking officer covers from 7:pm - 8:30 pm. Can be SSO
Central Control			1.0	1.0		7		2.0	Y	2.38	4.76	Monitors Gates, Controls Electronic Doors in Booking, Switchboard for facility, Monitors Radio traffic. Can be SSO
Subtotal Deputy Posts			16.0	13.0	1.0						70.0	
												0
Total			17.0	14.0	4.0	35					77.8	



SHASTA COUNTY JAIL OPERATIONS REVIEW

Table 6: Staff Needed for Current Deployment Practices

Position	Staff Needed	Funded	Difference
Captain	1	1	-
Lieutenant	1	1	-
Sergeant	6	5	+1
Deputies	70	66	+4
Total	78	73	+5

Recommended Staffing Needs

Our review of facility operations and current post deployment compared to best practices employed by jail nationally did not find an excess of posts within the jail. Instead, we found two key areas of need:

- Supervision of the intake and release process:** The jail averages over 32 bookings per day (2017 data) and releases an average of 266 per month under the court capacity order. Jails of this size typically dedicate a sergeant position to supervise the intake and release function. This need is heightened for the SCJ given the number of releases that occur as a result of its court-ordered capacity limit, which should require some level of management review. An additional sergeant post is needed to supervise the normal intake and release process, as well as manage the court capacity release program in an effective manner. This post is required on both shifts, seven days per week.
- Utility positions:** It is standard practice for correctional facilities to have designated “utility” posts which provide multiple duties within the jail, based on operational need. These posts are often responsible for escorting offenders within the jail to appointments, visits, educational programs or medical/mental health treatment, and responding to issues or incidents in the facility. In the SCJ, this post could also be deployed during peak intake times to help expedite the intake process. Currently the facility has no assigned utility post, which results in the need to pull staff from other vital posts to provide this coverage, which impairs operational security. One utility post should be established on each shift, seven days per week to address these operational needs.

Adding these posts would make SCJ operations more consistent with normal practices and best practices in jail security operations. With relief, these additional posts would increase the number of custody needed to operate the jail to a total of 88 positions. Tables 7 and 8 provide summaries of the recommended post plan.



Table 7: Recommended Post Plan

Post/Position	1st Shift	2nd Shift	Alternate Shift	Days/ Week	Total Shifts	Relief	Shift Relief Factor	Total FTEs	Comments
Administration									
Captain			1.0		1.0	N	1.00	1.00	Jail Superintendent/Division Commander
Subtotal Jail Administration Posts:	0.0	0.0	1.0					1.00	
Custody Staff									
Lieutenants									
Shift Commander - Lieutenant			1.0		1.0	N	1.00	1.00	Facility Manager
Subtotal Lieutenant Posts:	0.0	0.0	1.0					1.00	
Sergeants									
Watch Commander	1.0	1.0		7	2.0	Y	2.38	4.76	Minimum of (1) Jail Sergeant per shift
Booking/Release Sergeant	1.0	1.0		7	2.0	Y	2.38	4.76	Manage all Intake, processing and releases from jail
Administrative Sergeant			1.0	5	1.0	N	1.00	1.00	Supervises staffing, commissary, transportation, statistics, jail training public records.
Subtotal Sergeant Posts:	2.0	2.0	1.0					10.52	
Officers/Deputies									
Jail Security									
Classification	1.0	1.0		7	2.0	Y	2.38	4.76	Initial Classification, Housing Placement, Court support, KSF Updates
Processor	2.0	2.0		7	4.0	Y	2.38	9.52	Processing Intake and Release, Welfare Checks in Intake, Professional Visit Escort (Minimum of 3 M-F, and 2 on weekends)



Post/Position	1st Shift	2nd Shift	Alternate Shift	Days/Week	Total Shifts	Relief	Shift Relief Factor	Total FTEs	Comments
Processor	1.0	1.0		5	2.0	Y	1.70	3.40	Processing Intake and Release, Welfare Checks in Intake, Professional Visit Escort (Minimum of 3 M-F, and 2 on weekends)
Booking	1.0	1.0		7	2.0	Y	2.38	4.76	Responsible for assisting in Booking Process - Can be an SSO
Level 1 Housing Control	1.0	-		7	1.0	Y	2.38	2.38	Operate housing unit control panel. Can be an SSO. Vacant on Night Shift
Level 2 Housing Control	1.0	1.0		7	2.0	Y	2.38	4.76	Operate housing unit control panel. Can be an SSO
Level 3 Housing Control	1.0	1.0		7	2.0	Y	2.38	4.76	Operate housing unit control panel. Can be an SSO
Level 1 AD Floor Officer	1.0	1.0		7	2.0	Y	2.38	4.76	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 1 BC Floor Officer	1.0			7	1.0	Y	2.38	2.38	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 2 AD Floor Officer	1.0	1.0		7	2.0	Y	2.38	4.76	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 2 BC Floor Officer	1.0			7	1.0	Y	2.38	2.38	Housing Unit Officer 1 post covers A, B, C and D Pods on Night Shift
Level 3 AD Floor Officer	1.0	1.0		7	2.0	Y	2.38	4.76	Housing Unit Officer



Post/Position	1st Shift	2nd Shift	Alternate Shift	Days/Week	Total Shifts	Relief	Shift Relief Factor	Total FTEs	Comments
Level 3 BC Floor Officer	1.0	1.0		7	2.0	Y	2.38	4.76	2nd Floor Officer Post on Night Shift roves between Units to provide for two person access to 3C lockdown unit
Medical Officer	1.0	1.0		7	2.0	Y	2.38	4.76	Supervises medical and medical housing area
Reception			1.0	7	1.0	Y	2.38	2.38	Reception window staffed 8 am - 8:30 pm 7 days per week, Night shift Booking officer covers from 7:pm - 8:30 pm. Can be SSO
Central Control	1.0	1.0		7	2.0	Y	2.38	4.76	Monitors Gates, Controls Electronic Doors in Booking, Switchboard for facility, Monitors Radio traffic
Utility	1.0	1.0		7	2.0	Y	2.38	4.76	Provides escorts, relieves staff, assist in booking and release.
Subtotal Jail Operations Officer/Deputy Posts	17.0	14.0	1.0					74.8	
Total	19.0	16.0	4.0					87.3	



SHASTA COUNTY
JAIL OPERATIONS REVIEW

Table 8: Staff Needed for Best Practices Post Plan

Position	Recommended Staff Needed	Current Funded	Difference
Captain	1	1	-
Lieutenant	1	1	-
Sergeant	11	5	+6
Deputies	75	66	+9
Total	88	73	+15

The recommended post plan represents an increase of 15 FTEs above current funded levels.

Recommendation: Applying “best practice” principles to SCJ operational staffing requires establishing an additional sergeant post to supervise the important intake and release process, and a utility officer post to cover additional, unassigned duties and emergent operational needs. These additional posts, with relief, would require a total of 88 custody staff, which represents an increase of 15 over current, funded levels. Additionally, these posts should assist in streamlining and expediting the intake process.

Eight Hour Shift Structure

As identified earlier in the report, the existing 12-hour shift structure with 66 funded deputy positions has \$244,701 of built-in annual overtime because correctional deputies work 84 hours every two weeks, of which 4 hours are paid at an overtime rate. Converting to an 8-hour shift structure would eliminate this built-in overtime.

However, CGL found that the overtime savings from converting to an 8-hour shift structure would be offset by the fact that the 8-hour shift requires more staff. Using the leave data provided by the county, CGL determined the relief factor for an 8-hour, 7-day per week post is 1.68. This means the SCJ needs 1.68 FTEs to fill a single 8-hour, 7-day per week post. The following table compares staffing needs given current deployment practices for the 12-hour versus an 8-hour shift schedule:

Position	Staff Needed- 12-Hour Shift Schedule	Staff Needed- 8-Hour Shift Schedule	Difference
Captain	1	1	-
Lieutenant	1	1	-
Sergeant	6	6	-
Deputies	70	76	+6
Total	78	84	+6

The 8 hour shift roster, based on the current deployment plan with the shift relief factor applied requires 84 staff, an increase of 11 over current funded levels and an increase of 6 positions over our assessment of current deployment practices. This increase in staffing needs over a 12-hour shift structure is driven by 2 factors:



- **Assigned Hours:** Staff working the 12-hour shift are assigned 5 percent more hours per year (2,192) than those working an 8-hour shift would be (2,088). This is due to staff on the 12-hour shift being assigned 84 hours every two weeks versus 8-hour staff assigned 80 hours every 2 weeks. This 5 percent increase in assigned hours reduces the 12-hour shift staffing needs by a nearly proportional amount.
- **Posts that are closed on a single shift:** Several posts are closed on a single shift in both the 12-hour and 8-hour shift schedules. These include Level 1 Housing Control, Level 1, and 2 Floor Officers. For the 12-hour shift this means the posts are closed for 12 hours, while on the 8-hour shifts the posts are only closed for 8 hours. Closing a post for 12 hours results in the need for fewer staff than closing a post for 8 hours.

12-hour vs. 8-hour Shift Schedule Cost Comparison

CGL compared the total staff cost of the 12-hour shift (with overtime included) versus the cost of an 8-hour shift schedule. In order to ensure a fair comparison of the different shift structures, CGL compared the staffing needs assuming the facility is staffed to its relief factor given its current deployment practices. We previously identified the facility needs 78 staff given current practices for a 12-hour shift and 84 staff for an 8-hour shift schedule. The following represents our cost analysis:

- Data provided by the county estimated the fringe benefit expenses for each correctional deputy position. Fringe costs (including FICA, health and life insurance, other post employee benefits, unemployment insurance, workers compensation, uniform expenses, and liability insurance) add a 79.4% premium on top of an employee's salary. Based on this information, CGL determined that the fully loaded cost of an average correctional deputy was \$88,310.
- The 8-hour shift structure requires 6 additional deputies more than the 12-hour shift schedule. The cost of these 6 additional staff including benefits = **\$529,860** (6 deputy positions x fully loaded deputy cost of \$88,310).
- The 12-hour shift has 4 hours of overtime built into the schedule for every deputy position (104 hours per year x 70 positions = 7,280 hours per year). This shift structure results in built-in annual overtime costs of **\$259,532** (7,280 hours x \$35.65 average hourly overtime rate.)

From strictly a financial standpoint, the 12-hour shift is less expensive to operate than an 8-hour shift. Even though the 12-hour shift would have over \$259,532 in built in overtime costs, the 8-hour shift results in the need for \$529,860 in increased personnel expenses through the addition of 6 FTEs.

Finding: Implementation of an 8-hour shift schedule would eliminate current schedule-driven overtime in the 12-hour shift system but would require 6 additional FTEs, resulting in a net additional cost to the county of \$270,328.

Both 12-hour and 8-hour shift schedules are common in local detention facilities across the country, and determining which shift to use in SCJ should not be based on financial consideration alone. Other factors, such as the attractiveness of each shift schedule in recruitment and retention efforts, and the impact of longer shifts on staff attentiveness should also be considered.



Overtime Management

Finding: Current high levels of overtime spending are a function of inadequate relief staffing. Full staffing of a relief factor for the current roster requires 5 additional positions but would reduce the need for most overtime. However, on an hourly cost basis, hiring new staff is more expensive than use of overtime.

The primary causes of ongoing, regular use of overtime in a jail are typically heavy demand for services above and beyond normal operations (such as extra details to provide security for inmates receiving hospital care), or an imbalance between the number of posts required to operate a facility and the number of staff available for assignment to these posts. Use of overtime however is an efficient and appropriate measure to respond to short-term vacancies, fill posts with variable workloads, or staff work functions that do not consistently require a full-time deputy. For these types of job assignments, hiring full-time staff can result in more staff hours than required by the job assignment.

The SCJ's FY 2018/19 projected overtime budget is \$826,909. Actual spending in FY 2017/18 was \$1,333,778. Officers average between 600-800 hours of overtime annually. County data indicates that approximately \$31,000 of overtime goes for transportation and special assignment-related activity. The overwhelming majority of overtime goes to cover absent staff and vacant positions. Full funding of a relief factor and filling vacancies should reduce the need to rely on overtime.

Overtime is paid at a 50 percent premium over regular salary, plus employer FICA, unemployment insurance, and workers comp contributions, resulting a total per FTE-equivalent cost of a 52.4 percent premium over regular salary. The average hourly cost of officer overtime is \$35.93 versus a fully loaded, regular hourly salary cost of \$42.29 for an officer. Because of the high benefit costs for a full-time officer, the fiscal cost of using overtime to fill a vacancy or cover for an absent officer will always be less than the cost of hiring a new officer to cover these same hours.

Although this analysis shows that use of overtime can be a more cost-effective approach to filling a post, the savings must be balanced out against the productivity and human costs associated with excessive reliance on overtime. Particularly in a job as stressful and demanding as that of a corrections deputy, routine reliance on staff to work substantial hours beyond their normal duty can be detrimental to morale and security. As a result, generally recognized best practices in correctional agencies dictate that permanent fixed posts requiring 24/7 coverage should be filled with full-time staff, rather than with overtime. The detrimental impact to operations of the amount of overtime required to permanently staff a full-time position far outweighs the incremental savings that may be achieved by using overtime to cover post requirements.



4. Jail Operations

Booking/Discharge

Finding: The duration of intake case processing of new arrestees is variable based on a number of factors including the number of intakes awaiting processing, existing staffing levels, and prevalence of other activities in the jail. During peak times when intake is heavy the process can take as long as 90 minutes. However, during normal operations the process can take as little as 20 minutes.

Recommendation: The addition of a Booking Sergeant and Utility posts noted earlier in the recommended staffing levels would assist in better managing and expediting the intake process.

Arrestees are brought into the SCJ vehicle sallyport in individual vehicles. The vehicle sallyport is located on the lowest level of the facility with direct access from the alley behind the SCJ. Typically, officers will park and continue to fill out the additional information required for booking. Once the paperwork is complete booking can begin. This function starts in an open area next to the vehicle sallyport. Given the location of the sallyport, this area can be easily accessed by the public and is a security vulnerability.

The SCJ booking policy (501.1) is very thorough and covers all aspects of the intake process including:

- Pre-booking screenings to ensure arrestee is acceptable to admission to the jail
- Initial searches
- Property limitations
- Intake health screening
- Roles of intake posts including Processing, Classification and Release Deputies
- Managing mentally ill arrestees
- Probable cause determination completed by arresting officer
- Property
- Housing placement
- Orientation checklist



A statute enacted in 2018 required that effective October 1, 2019 all California counties would be need to conduct pretrial assessments of felony bookings at intake, using a validated risk assessment instrument, indicating a risk level of “low,” “medium” or “high” risk. Low risk offenders will be released on their own recognizance. However, implementation of this bill has been delayed to allow for a November 2020 referendum vote on the issue.

Policy 902, Medical Screening delineates the intake medical screening process. The intake medical screening is conducted by a deputy during the intake process. A completed form is then sent to the medical unit for further evaluation. If arrestees have acute medical needs, facility medical staff will be contacted and determine whether the individual is in a condition that is unsuitable for acceptance into the jail. If unsuitability is determined, the arresting officer will be directed to take the arrestee to an outside medical facility for treatment.

Recent implementation of the Spillman Flex jail data management system has contributed to reported delays in intake due to changes in the process. Police officers interviewed claim that it can take up to 90 minutes to process an inmate into the SCJ.

The new system requires more active involvement on the part of the arresting officer in the intake process. This has created some delays as law enforcement officers learn to navigate the new system. However, our observations found jail administration is placing an emphasis on improving the processing of offenders into the jail so that law enforcement can reduce their time in intake. Additionally, the jail management system is integrated with the Spillman’s RMS system used by law enforcement to help streamline the process and reduce double entry of key arrestee information. Delays in processing appear to be more a function of spikes in volume of arrestees being processed. The booking area in the SCJ is generally adequate but at times a high number awaiting booking can create issues for staff as the current space was not designed to accommodate this volume.

Population Management

Recommendation: While SCJ has developed a somewhat standardized internal approach to identifying inmates for early release, the process has not been statistically validated and does not meet professional standards for risk management. The SCJ should use an evidence-based, validated risk assessment instrument, such as the Virginia Pretrial Risk Assessment Instrument to provide an objective basis for early release decisions.

The SCJ manages a diverse and varied inmate population comprised of general population, mentally-ill, gang-affiliated, female, protective custody, and segregation inmates. The facility was designed as a single-celled general population facility that primarily housed pretrial and short-terms sentenced inmates. This design did not envision the growth of special needs populations and associated separation requirements that exist today.

The one housing unit (1-D) designated for offenders with mental health issues has 32 beds which is often not adequate to house the number of inmates with diagnosed mental illnesses. Over 45 percent of the SCJ jail population has a prescription for a psychotropic medication to address mental health



issues. Moreover, the unit was designed for general population inmates. The recommended design of contemporary special housing for mentally ill inmates typically allows for small group congregate activity or individual recreation separated by security barriers and provides for the observation of inmates while they are in their cells through camera views or large vision panels in the cell doors. Counseling offices and nursing stations are located on the units.

The prevalence of gangs is a much more significant issue today in jails across the country, and results in designating certain general population housing units for housing members of different gangs. This avoids the mixing of rival gang members in the same housing unit, which can present a security risk to inmates and staff. Gang issues also complicate providing access to congregate programming in central locations. SCJ administration noted they do not have significant gang-related issues.

Finally, the prevalence of inmate conflict issues, growing numbers of weak or vulnerable inmates, and increasing numbers of “gang dropouts” has resulted in a growth in the protective custody population at the jail. This again creates issues of separation to maintain secure operating conditions.

As noted earlier in this report, the SCJ has an early release program to enable compliance with court-ordered limits on jail population levels. Policy 506 has a section dedicated to this specific release process: *506.4.7 COURT CAPACITY RELEASE PURSUANT TO SUPERIOR COURT ORDER#115258, 1993*. We note this court order was updated in January 2019. Policy 506 sets population ceilings for the jail and several subpopulations and requires releases occur should those ceiling levels be met. The selection of offenders for release due to overcrowding issues can create safety issues for the community and significant concerns for the County if a released individual commits a subsequent offense. As a result, it is both a common practice and a best practice to use an evidence-based, objective process to determine suitability for release to minimize community public safety risks.

The current early release policy and practice consists of a subjective review of offender characteristics that does not provide statistically valid or methodologically reliable means for identifying risk. In the current system the Classification Officer and Watch Commander work together to determine those inmates best suited for release based on an internal review of factors such as special orders, nature of offense, subjective assessment of likelihood of re-offense, and whether the inmate is sentenced or unsentenced. In the end, the release decision is based on a non-validated subjective review of available inmate information.

The Shasta County Probation Department administers the Virginia Pretrial Risk Assessment Instrument (VPRAI) to most individuals housed in the jail. The VPRAI typically is part of a court’s pretrial investigation report and is designed to provide standardized assessments of the risk of failure a defendant poses if released before the disposition of their case. Failure is defined as a failure to appear for a court date, or a re-arrest for additional crimes. This tool is typically completed before an arrestee’s arraignment and is a validated, objective, evidence-based instrument, successfully used across the United States, as well as by several California counties. The VPRAI instrument considers factors that have been statistically found to be correlated to risk of failure and it forecasts success outcomes based on historical data. As such it accounts for the following factors:



SHASTA COUNTY JAIL OPERATIONS REVIEW

- an arrestee's type of charges,
- outstanding warrants,
- criminal history,
- failure to appear history,
- convictions for violence,
- length at current residence
- Employment history
- History of drug abuse

The instrument also allows for conditions to be placed on the release including submission to drug testing, maintaining or seeking employment, etc.

Inmate Property

Finding: The new Spillman system has helped improve the accountability of the property process as it allows for photo documentation of inmate property during the booking process.

Property storage area in the SCJ is very limited, resulting in offender property being stored in multiple areas. Facility policy provides appropriate control and security for the processing and storage of offender property:

- Policy 301.4.1 Processing, indicates:
 - "The processing deputy is responsible for the storage of all inmate property brought into the facility."
 - "All small property will be placed into a clear small property bag identified with a Prisoner's Property Identification Tag." The property and identification tag will be sealed inside the bag."

One of the critical factors in controlling and securing arrestee property occurs at booking. In the booking process, each piece of property should be inventoried and documented. The jail does not accept bulk property items in most cases but does require staff inventory and document the bulk property. Small property and valuables (watches, coins, necklaces, etc.) will be accepted. The proper inventorying and documenting of all property at intake ensure that offenders receive all these items back upon release. The new Spillman offender information system allows a photo of the property is attached to each offender's electronic record and provides visual evidence of property brought in at intake. This represents a substantial improvement in control and tracking of inmate property.



Inmate Discipline

Finding: SCJ inmate grievance and disciplinary systems are consistent with nationally recognized standards in jail management.

Chapter 7, Inmate Due Process, of the Shasta County Sheriff's Office Custody Manual provides a detailed guideline of offender rights and establishes policies and procedures for ensuring those rights. Specifically, it includes sections regarding:

- Recognized Rights
- Inmate Discipline
- Prison Rape Elimination Act
- Clothing and Linen
- Inmate Hygiene
- Inmate Grievances
- Inmate Voting
- Pro Per Inmate (policies regarding inmates certified to represent themselves in a criminal proceeding)
- Inmate Law Library
- Subpoenas and Civil Papers for Inmates
- Religious Diet Policy

Policy 701, Inmate Discipline is comprehensive and addresses the entitlement of due process in disciplinary hearings, the listing and handling of minor and major rule violations, pre-hearing detention, and investigation.

The Inmate Orientation Manual serves to inform admitted offenders of their rights and privileges and expected behavior. It provides information regarding the disciplinary process as well as offender rules of conduct. The orientation manual specifies acts prohibited by the facility, identifies major and minor rule violations and denotes the potential actions the facility can take in response to criminal violations. This orientation is provided to the offender upon booking into the jail and the Inmate Orientation Manual is available for review electronically at the kiosks in each housing unit dayroom.

Our review found the disciplinary policies comply with the American Correctional Association (ACA) standards regarding rules and discipline.



The inmate grievance process is outlined in policy 705, Inmate Grievances. This policy describes the process for handling grievances and the staff responsible for investigating and ruling on a grievance. The Inmate Orientation Manual allows offender to “grieve any condition of confinement,” but identifies that an offender should first try to resolve the concern informally by directing it to a housing unit deputy. If it is not resolved informally, a standard inmate request form can be submitted with the check box indicating “Grievance” marked. Offenders are also allowed to appeal a grievance outcome by submitting an Inmate Grievance Form to the facility manager. The jail provided a handwritten grievance log noting 418 grievances filed in 2018.

Classification.

Finding: The current SCJ classification system is subjective and is not consistent with best practices in risk management.

Recommendation: Best practices dictate the SCJ should replace the current classification approach with a validated, reliable system for offender risk assessment and management.

Classification is essential to the operation of an orderly and safe jail, allowing the institution to determine the proper custody level of an inmate, identify their specific needs, and separate vulnerable inmates from predatory offenders. Appropriate classification supports staff and inmate safety by establishing a means for objective assessment of inmate risk levels and promotes public safety by informing decisions on early release or placement in community programs. By identifying the least restrictive housing and supervision level for an offender, a good classification system protects offender rights and reduces the costs of incarceration.

ACA standards identify the following classification requirements:

- A facility will establish a formal classification process that:
 - Starts at admission,
 - Is used to manage and separate offenders,
 - Uses verifiable and documented data about inmates, and
 - Evaluates offender emotional and mental stability, escape history, history of assaultive behavior, medical status, age and need to keep separate.

The classification policy (Policy 600 – Inmate Classification, Workers, time cuts and Housing) provides only a limited description of the classification process, indicating the classification officer will classify and assign offenders to housing based on:

- Sex
- Age



SHASTA COUNTY JAIL OPERATIONS REVIEW

- Escape Risk
- Gang Affiliation
- Criminal sophistication
- Protection of inmates/self
- Seriousness of crime charges
- Assaultive/non-assaultive behavior
- Medical determination/needs, including mental or psychological
- Other related and identifiable information (information from outside agencies, officers, etc.)

The jail begins the classification process upon an individual's admission and is generally completed within a single day by a classification officer. SCJ classification staff develop housing placement recommendations using available data from the arrestee file, and by conducting an interview using a standardized questionnaire form. The questionnaire appears to have originally been used as a scoring instrument where points were collected for each question and when totaled would determine an individual's classification level. However, the form is now used only to guide questions asked to arrestees and no points are identified, nor is a total score or classification level determined.

Jail staff verified the questionnaire collects the following information for all those who have been selected to remain in custody:

- Severity of current offense: staff review probable cause declaration and, denotes the criminal offense codes on the form
- Pending court actions: staff identify court location and whether individual has pending court action
- Prior convictions: deputy reviews individual's criminal history and records information on form.
- Escape history: deputy reviews criminal history for any past escape charges and verbally asks individual about any past escape attempts.
- Marital status: Individual in questions concerning current marital status.

In addition to these questions the deputy attempts to verify arrests in other counties or states. Additionally, the deputy will question the individual concerning past placement in state or federal prison. While there is a standardized questionnaire used for classification purposes, it is designed mainly to determine separation and housing placement needs. Housing units are separated into the following groups:



SHASTA COUNTY JAIL OPERATIONS REVIEW

- Housing Unit Level 1:
 - Pod 1A: Male Workers (General Population)
 - Pod 1B: Protective Custody (Sex Crimes)
 - Pod 1C: Protective Custody (Non-Sex Crimes and Enemies)
 - Pod 1D: Males (Mental Health)
- Housing Unit Level 2:
 - Pod 2A: Female (General Population)
 - Pod 2B: General Population with High Classification. Includes Norteño and Blood security threat groups.
 - Pod 2C: Maximum Security (Disciplinary and Administrative Segregation)
 - Pod 2D: Female Workers (General Population)
- Housing Unit Level 3:
 - Pod 3A: General Population with High Classification. Includes Sureño and Crip security threat groups.
 - Pod 3B: General Population with High Classification. Includes those with prior stays in prison ("prior prison") as well as Sureño and Crip security threat groups.
 - Pod 3C: Maximum Security (Disciplinary and Administrative Segregation)
 - Pod 3D: General Population with High Classification. Includes those with prior stays in prison ("prior prison") as well as Norteño and Blood security threat groups.

This classification process, while collecting some basic arrest, charge and conviction data, is subjective at best and does not support a consistent, evidence-based approach to offender risk assessment. Consistent placement of offenders in an appropriate housing unit requires a structured, objective, empirically based risk assessment process, along with a physical plant that facilitates appropriate separation of inmates. Use of an objective scoring instrument to determine classification status is a recognized professional standard in jail systems across the United States. To support this practice, the National Institute of Corrections has issued a publication entitled "*Objective Jail Classification Systems: A Guide for Jail Administrators*," which outlines the process and includes a sample classification manual and forms⁵. This publication outlines the components of a structured classification review process for the classification of jail offenders.

⁵ National Institute of Corrections, Washington, DC, 1998.



SHASTA COUNTY JAIL OPERATIONS REVIEW

This recommended process requires the following elements:

- *Validity* – The system must be capable of assigning a custody level that reflects the offender's true risk for disruptive and violent behavior within the facility.
- *Reliability* – The system must promote similar classification decisions for comparable offenders.
- *Equity* – The system must use decision-making items that are non-discriminatory and are consistent with commonly accepted values.
- *Utility* – The system must be efficient, simple to use, and easy to understand.

The current classification system used by the jail does not formally score risk and has not been validated for use on Shasta County inmates. There is no data to suggest that it provides an accurate or reliable assessment of offender risk. Implementation of a modern classification system would improve the safety and security of the jail along with its daily operations.

The SCJ should begin the process of acquiring and implementing a modern jail classification system, consistent with contemporary professional standards. Several companies have developed such systems and will providing training and support for their implementation. Alternatively, the SCJ could contract for development of a customized system. Such a project would include a validation study of the offender population that identifies key classification factors, weights, and elements that accurately identify offender risk, and a reliability study of the classification process to confirm that the factors can be scored consistently for like offenders. The development of a scoring manual that would govern this process will also greatly enhance the reliability of the risk tools.

Visitation

Finding: The SCJ provides multiple options for visitation including video visitation, however, the physical plant and understaffing does create some limitations for on-site visitation.

The public entry to the SCJ is in an area next to central control with a small waiting area. Adjacent to this area is space used for public visiting, attorneys visiting their clients, as well as civilians coming into the facility to perform programs or classes. Recently video visiting kiosks were installed at the facility in the public lobby that allow for visitors to come to the jail and have a free video visit. The area has become inadequate due to its location, dual use, and size.

The SCJ has a six private attorney/interview rooms. Five of these rooms have security glass walls that allow security staff visibility from outside the room. The sixth interview room has solid walls to be used for more private medical interactions. It was reported that due to limited staffing levels there is often a delay for staff to release the visitor or attorney from the interview room.



Food Service

Finding: The cost per meal at the SCJ is very high, due to the use of county employees and the number of cooks employed.

Recommendation: SCJ should study the potential for converting food services to a private vendor to reduce costs.

The facility provides meals in the housing units prepared by the jail food services custody cook staff. Food is prepared and delivered to units according to a 35 day menu cycle and are provided 3 times per day, with at least one meal being hot. Special/therapeutic diets are can be prescribed by a physician or dentist. Jail policy (701.10.1) allows for disciplinary diet for major violations of facility rules. The existing kitchen at SCJ can cause a lack of visual supervision on the entire area, cameras have been added to cover blocked sight lines to observe inmate workers. The kitchen is staffed with inmate workers, and kitchen staff that prepare and cook the meals for the jail. The food is then delivered by inmates supervised by staff. The kitchen storage area does not provide enough space for back-up food supplies. Many of the kitchen components are getting older and will need to be replaced at significant expense and will create some major operational hurdles when they need to be replaced.

Taking into account both the cost of food and staff, the cost per meal at the SCJ is \$2.94. This cost is extremely high, particularly considering the fact that only one hot meal per day is required. In our experience, it is more typical for per meal costs that include both raw materials and labor to fall into the \$1.25 - \$1.75 range. The SCJ's use of County employees with substantial benefit packages and the number of cooks employed appear to account for the high per meal cost. Many counties have found contracting with private vendors that specialize in correctional food service to be an efficient approach to delivering adequate food service. The economies of scale in food purchasing for large companies produces lower food costs, and the labor costs for private food services companies are often far lower.

Local officials should explore the degree to which local statutes and governing authority allow the use of private contractors to achieve greater efficiency in the delivery of jail food services.

Laundry

The current laundry area is adequately sized to support the facility and is staffed with inmate workers to sort and clean the laundry. The equipment is starting to show some wear and tear and will need to be replaced over the next 5-10 years. Sightline are fairly adequate in this area and camera coverage is provided to enhance security supervision.



Warehouse

The SCJ lacks designated warehouse space on site. Jail staff generally dedicate any unused, available space for storage of necessary office and inmate supplies. Space for storage of inmate property, particularly for the offenders with longer lengths of stay, is a critical need.

Technology

In the last ten years, jails have seen significant growth in the use of technology to improve facility safety as well as access to programs and services. Examples include the use of body cameras to record critical incidents, the use of body scanners to reduce the introduction of contraband into the facility, and the distribution of video tablets to offenders to improve access to programs and services. The SCJ has expanded the use of technology through introduction of tablets for inmates. These tablets are used to provide educational programs, access to facility orientation, and the grievance process as well as access to music, games and videos. Additionally, SCJ has recently implemented video visitation as noted earlier in this report. However, many of the security systems throughout the facility, including video surveillance and door controls, appear to be aging and in need of replacement.

Similarly, the central control room was not originally designed for the security electronics used in modern jails and has inadequate space to support its effective use. This creates additional stress on the expensive, critical electronic equipment, which can shorten its life span.

PREA

The passage of the Prison Rape Elimination Act in 2003 resulted in the development of facility physical plant and operational standards designed to eliminate sexual assault in correctional facilities. The U.S. Department of Justice issued facility PREA standards in 2012.

Jail policy 702, Prison Rape Elimination Act, establishes the purpose of PREA in the facility, and identifies that the Sheriff's Office is "committed to providing a safe, humane, secure environment free from sexual misconduct." This policy states that the jail will maintain zero tolerance for any sexual misconduct. The policy also identifies required practices for:

- Inmate reporting of abuse or misconduct. This information is also provided in the Inmate Orientation Manual
- Reporting procedures for all employees, volunteers, contractors, interns or visitors.
- Access to medical treatment of victims of abuse or sexual misconduct
- Training on PREA requirements for all staff of 4 hours annually



SHASTA COUNTY
JAIL OPERATIONS REVIEW

The unusual shape and design of the housing pods results in poor sight lines and blind spots, making PREA compliance more complicated. The facility has not yet been subject to a PREA inspection audit; however, they have requested an inspection and are on a waiting list for it to occur.

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5. Health Care

Finding: Health care contract terms are not adequate to ensure for accountability of the vendor.

Recommendations:

- The jail medical contract should be amended to provide an adequate level of specificity regarding performance and reporting standards.
- The jail medical contract should be amended to establish a goal of NCCHC accreditation.
- Future health care RFPs/contract should be modified to ensure the county is receiving the services and staff required and should include a means to assess penalties for non-performance, and incentivizing cost reduction.

Health care services at the SCJ are provided through contract with Wellpath (formerly known as CFMG). The contract calls for at least one Registered Nurse and one Licensed Vocational Nurse on each of three 8-hour shifts, 7 days per week. The contract also provides for a Nurse Manager, Physician's Assistant/Nurse Practitioner, Licensed Clinical Social Worker, Dentist, Dental Assistant, Psychiatrist and Physician coverage. Total staffing under the contract is the equivalent of 12.225 FTEs.

Each morning, the medical staff triage inmate health requests by urgency and type of medical issue. The medical team either responds back to the inmate in writing or the inmate comes to the clinic to be seen.

Medical and behavioral health screenings begin in the intake/booking area. The nurse in booking completes a written and visual assessment to assist the booking officer in the acceptance of the arrestee. Interviews are conducted in the open booking area with limited area for inmate privacy if multiple bookings are going on. Inmates with acute medical issues are usually turned away by the booking officer, and the arresting officer will take the inmate to the local hospital to be cleared medically before returning to book the inmate into the facility.

Behavioral health services are offered five days a week by a licensed clinical social worker, supplemented by tele-psychiatry sessions offered twice weekly. Future plans for expanded services include a 6-bed competency restoration program, which will provide services for those who have been judged incompetent to stand trial since they do not understand the nature of the charges against them due to a mental disorder. Program treatment is designed to address mental health issues and resort competency so that cases may proceed through the justice system.

Inmate health care receives significant attention both nationally and more specifically in California county jails. The SCJ was never intended or designed to house long-term inmates, inmates with major medical or mental health needs, or have areas where mental health and medical staff can meet safely and securely with the incarcerated. Despite its change in mission over the years, the SCJ appears to

SHASTA COUNTY
JAIL OPERATIONS REVIEW

provide adequate medical and mental health services. A recent Grand Jury inspection of medical services at the jail found that inmates receive unbiased, timely care within budgeted costs, consistent with state regulations. The report also cited effective cooperation between jail and medical vendor staff. However, the County needs to be proactive to ensure adequate services.

To this end, the current medical contract can be modified to better assure service delivery quality and provide effective risk management for the County. The contract should explicitly state medical care and behavioral health service requirements, metrics required to measure vendor performance on these requirements, and a process to hold vendors accountable for performance issues. The County's current contract with Wellpath is silent on all but the most basic required vendor performance standards, and instead indicates that the vendor has the responsibility to develop jail health care policies and monitoring systems.

Best practices indicate that the County should instead take the lead in specifying in detail the services required under the contract as well as the performance standards to which the vendor will be held. For example, the contract should specify the timeframe benchmark for critical assessment functions such as required nurse assessment of urgent medical concerns within 24 hours, and physician/advanced practitioner assessment of non-emergent triaged medical concerns within 7 days.

The contract should also specify vendor reporting requirements for data such as mental health, chronic care, and special needs caseloads, diagnoses of communicable or infectious diseases, external referrals, inmate complaints relating to health care, continuous quality improvement (CQI) status reports, and other data normally produced in the course of operation of a modern correctional medical program. The lack of standards and requirements in the contract is a major vulnerability for the county.

While the contract does indicate that the vendor should meet the Institute for Medical Quality (IMQ) accreditation standards, these standards, which are oriented to meeting state Title 15 inspection requirements, do not on their own, provide an optimum level of service quality. In fact, several counties in California that have IMQ accreditation are facing scrutiny on jail health care conditions. In most cases, the plaintiffs have indicated that the National Commission on Correctional Health Care (NCCHC) accreditation is a preferable standard that better assures adequate health care delivery. Consequently, we recommend that the County require NCCHC accreditation as a goal for its health care vendor.

The health care contract also lacks common elements used to lower service cost and improve vendor accountability. The contract is structured as a fixed fee for service arrangement, with a per diem adjustment to reflect fluctuations in population. A required program staffing plan is included in the contract.

Under this type of contract, the vendor is paid at a specific rate, which covers the vendor's projected costs for staff and services provided, plus an amount to cover vendor overhead and profit. The



SHASTA COUNTY JAIL OPERATIONS REVIEW

contract includes a per incident stop-loss cap of \$25,000 for off-site costs per case. From the standpoint of controlling costs, there are three problems with this approach:

1. While the contract specified minimum staffing requirements, there is no provision for reconciliation of payments to reflect actual staffing provided. Most jurisdictions will only pay for staff hours actually provided by the vendor, reducing payments per an agreed salary schedule for unfilled positions.
2. There are no provisions to penalize the vendor for non-performance. Most jurisdictions will impose penalties or liquidated damages for failure to fill vacancies or achieve agreed service standards.
3. Fixed stop loss caps disincentivize vendors from managing utilization and cost. A more common approach is risk-sharing of hospitalization cost above a certain threshold to ensure that the interests of the vendor and the client are aligned in managing cases.

The decision to contract for correctional healthcare is fundamentally a search for contractual accountability to consistently deliver an acceptable standard of healthcare at an acceptable price over a defined time period. The contracting solutions that provide the best value to clients are those that demonstrate long-term viability by balancing cost containment and risk/liability provisions with adequate provider payments. Counties can achieve healthcare cost containment through use of contract terms that place the vendor at risk of losing money if costs exceed a certain level, or conversely provide an opportunity to increase profits if expenditures are reduced. Such terms are more likely to encourage cost-effective management of correctional health care services.

Counties can also achieve savings by allowing vendors to leverage their knowledge and expertise in the delivery of correctional healthcare services through the design of alternative, cost-effective staffing patterns and service delivery models. In a competitive bidding environment, the ability to achieve cost savings will result in lower bids to the county for services. In the next bidding cycle, the County would be well-served by carefully evaluating its RFP to ensure that it is maximizing opportunities for vendor creativity in lowering costs, while assuring adequate performance standards and contract accountability terms



6. PROGRAM SERVICES

Finding: Inmates at the SCJ have limited access to programs and existing programs are not evidence-based. The lack of available staff and limited program space in the existing facility contribute to the constrained offerings. The recent addition of computer tablets for offender use has allowed the jail to begin expanded access to programs.

Recommendations: The jail should continue efforts to expand offender access to meaningful programs.

The SCJ offers a limited set of programs to both the sentenced and un-sentenced inmate populations. Current programs include a computer skills class, GED prep, religious services, Alcoholics Anonymous (male), Narcotics Anonymous, and Celebrate Recovery (female). None of the programs offered are evidence-based in terms of effect on recidivism.

Unfortunately, program service delivery space within the SCJ is severely limited. The facility currently has one small programming room per floor for a total of 3 program rooms. One of these room is used for the computer skills class. The other two are primarily used for religious services. Classes offered are split by housing unit and classification level in order to maintain appropriate separation of inmates by classification. The program rooms can accommodate a correctional officer, a civilian instructor, and up to 10 inmates at a time. Given this limited space, the current facility has virtually no physical ability to expands program offerings beyond current levels.

The Washington State Institute for Public Policy (WSIPP) has conducted a meta-analysis of current research on what correctional rehabilitative programs work and what does not work and calculated the return on investment provided by different program strategies. According to WSIPP research the following jail-based programs are evidence-based and as such offer the best opportunity for reducing future criminality⁶:

- Cognitive Behavioral Therapy
- Employment Counseling and job training (transitional reentry from incarceration into the community)
- Inpatient drug treatment
- Outpatient drug treatment
- Parenting
- Offender Reentry Community Safety Program (for individuals with serious mental illness)
- Work Release

Other counties have opted to allocate Community Corrections Planning grant funds to implement these programs and measure their local impact. SCJ administrators should, at a minimum, consider replacing the computer class with one of the evidence-based programs identified above. Given the

⁶ Washington State Institute for Public Policy, Inventory of Evidence-Based, Research-Based, and Promising Programs for Adult Corrections, 2018.



SHASTA COUNTY
JAIL OPERATIONS REVIEW

current configuration of the facility, technology-based solutions, such the recent deployment of tablets with dedicated program modules may be the only alternative to provide wider access to programs.

We do note that the County and SCJ are continuing to make efforts to expand programming. The jail will implement a Medication Assisted Treatment program (MAT) for those offenders attempting to detox and plans a jail-based competency treatment program to help offenders regain the ability to stand trial.

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7. BENCHMARKING

In order to provide a benchmark analysis of the SCJ, CGL surveyed four counties similar in size and demographic characteristics to Shasta County. The subjects of the survey were Humboldt County, Kings County, Madera County, and Imperial County. In terms of demographics, as Table 9 shows, the counties generally range in population from 136,754 to 182,830. The median household incomes and poverty rates are very comparable. as are the racial demographics.

Table 9: Benchmark Counties

	Humboldt County	Kings County	Madera County	Imperial County	Shasta County
Population estimates, July 1, 2017	136,754	150,101	156,890	182,830	179,921
Persons under 18 years	19.20%	27.30%	27.40%	28.60%	21.50%
Persons 65 years and over	17.20%	10.00%	13.70%	12.60%	20.30%
Female persons	50.20%	45.10%	51.70%	48.70%	50.90%
White alone	83.50%	81.30%	86.00%	90.00%	88.00%
Black or African American alone	1.40%	7.10%	4.20%	3.40%	1.10%
American Indian and Alaska Native alone	6.30%	3.10%	4.40%	2.50%	3.10%
Asian alone	2.90%	4.50%	2.50%	2.20%	3.10%
Hispanic or Latino	11.70%	54.80%	58.00%	84.30%	10.10%
Median household income	\$43,718	\$49,742	\$48,210	\$44,779	\$47,258
Per capita income in past 12 months	\$25,208	\$19,835	\$19,975	\$17,303	\$26,455
Persons in poverty	19.70%	18.40%	21.20%	20.70%	17.00%

As shown in Table 10, the Average Daily Jail Populations of the counties are quite close except for Imperial County which is substantially lower.

Table 10: County Average Daily Jail Population

	ADP	BSCC Rated Capacity
Humboldt County	388	417
Imperial County	237	590
Kings County	370	576
Madera County	392	563
Shasta County	353	381*

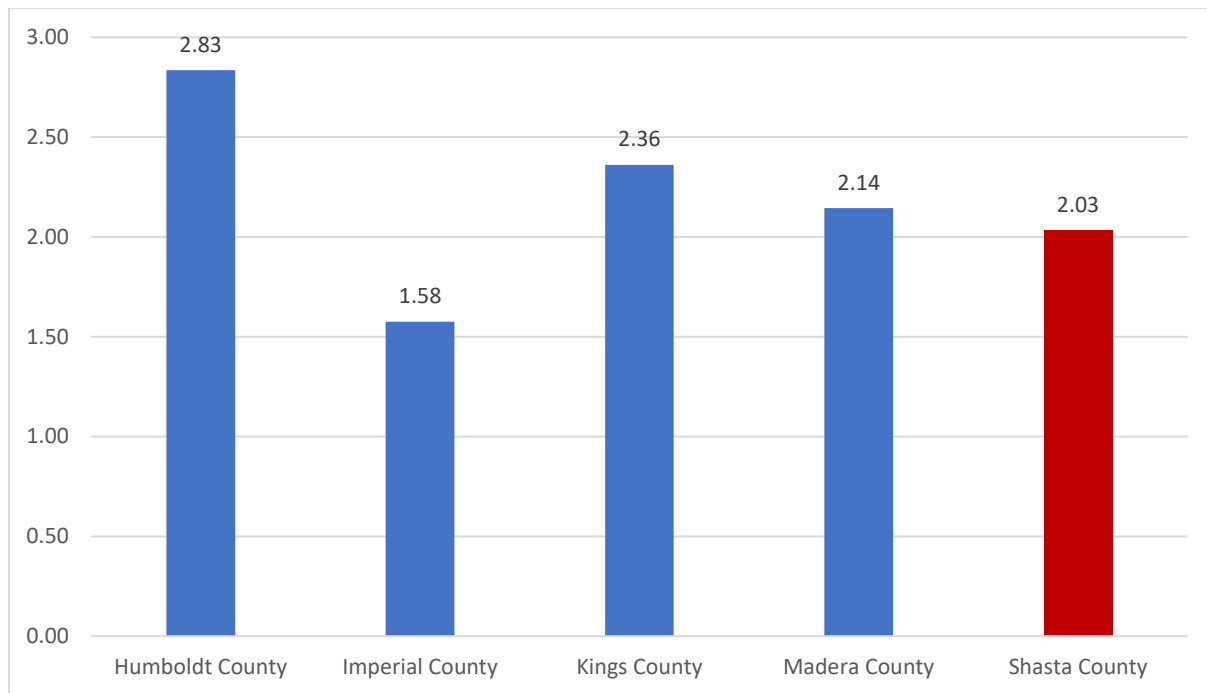
*Actual rated capacity is now 484



SHASTA COUNTY JAIL OPERATIONS REVIEW

Incarceration rates presented in Figure 2 show Shasta County with a somewhat lower rate, with the exception again of Imperial County. The court-ordered capacity cap and resulting early release program reduces the Shasta incarceration rate relative to the benchmark counties.

Figure 2: County Incarceration Rates per 1,000 Population

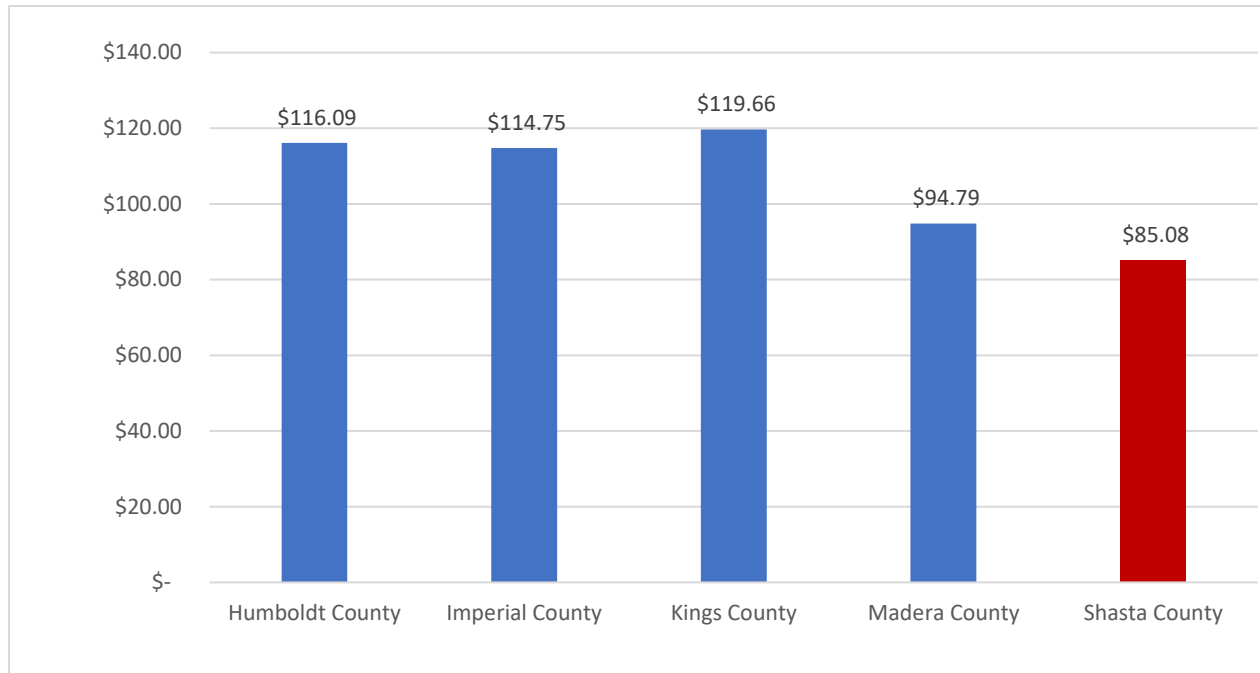


Based on 2017 spending, Shasta County had by far the lowest rate of jail spending per county resident.



SHASTA COUNTY
JAIL OPERATIONS REVIEW

Figure 3: Jail Spending per County Resident



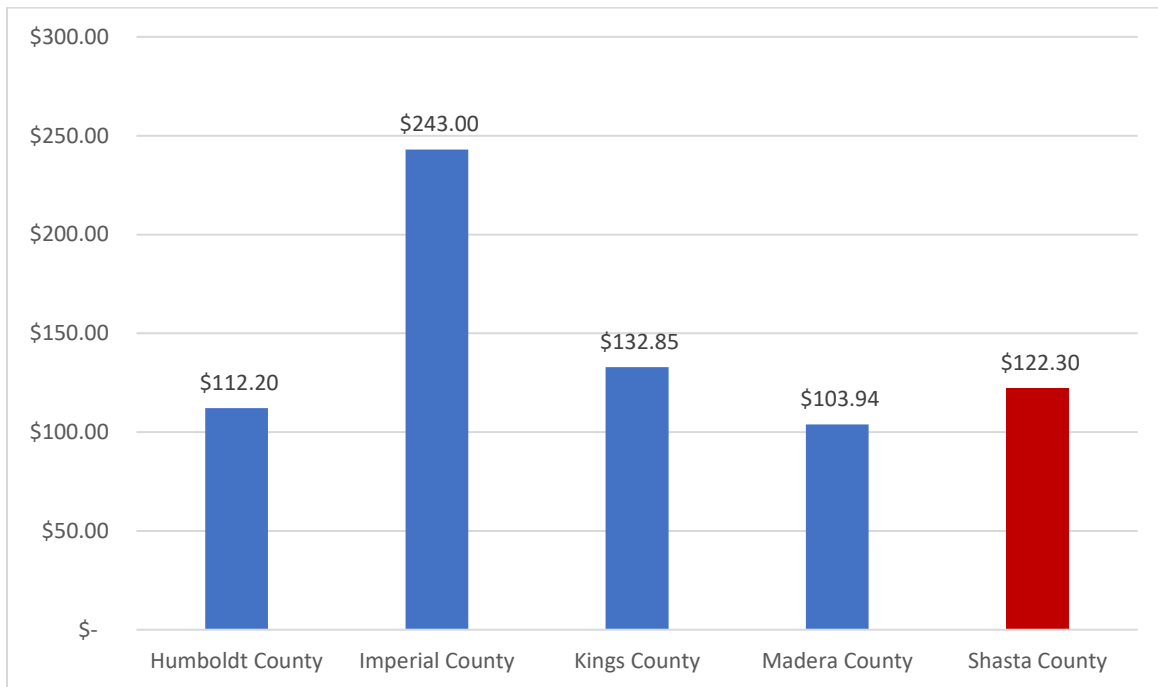
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SHASTA COUNTY JAIL OPERATIONS REVIEW

In terms of actual spending relative to the size of the inmate population, Shasta ranks third out of the five counties in per capita costs, far behind Imperial County which has a very high daily cost.

Figure 4: Jail Daily Costs per Inmate

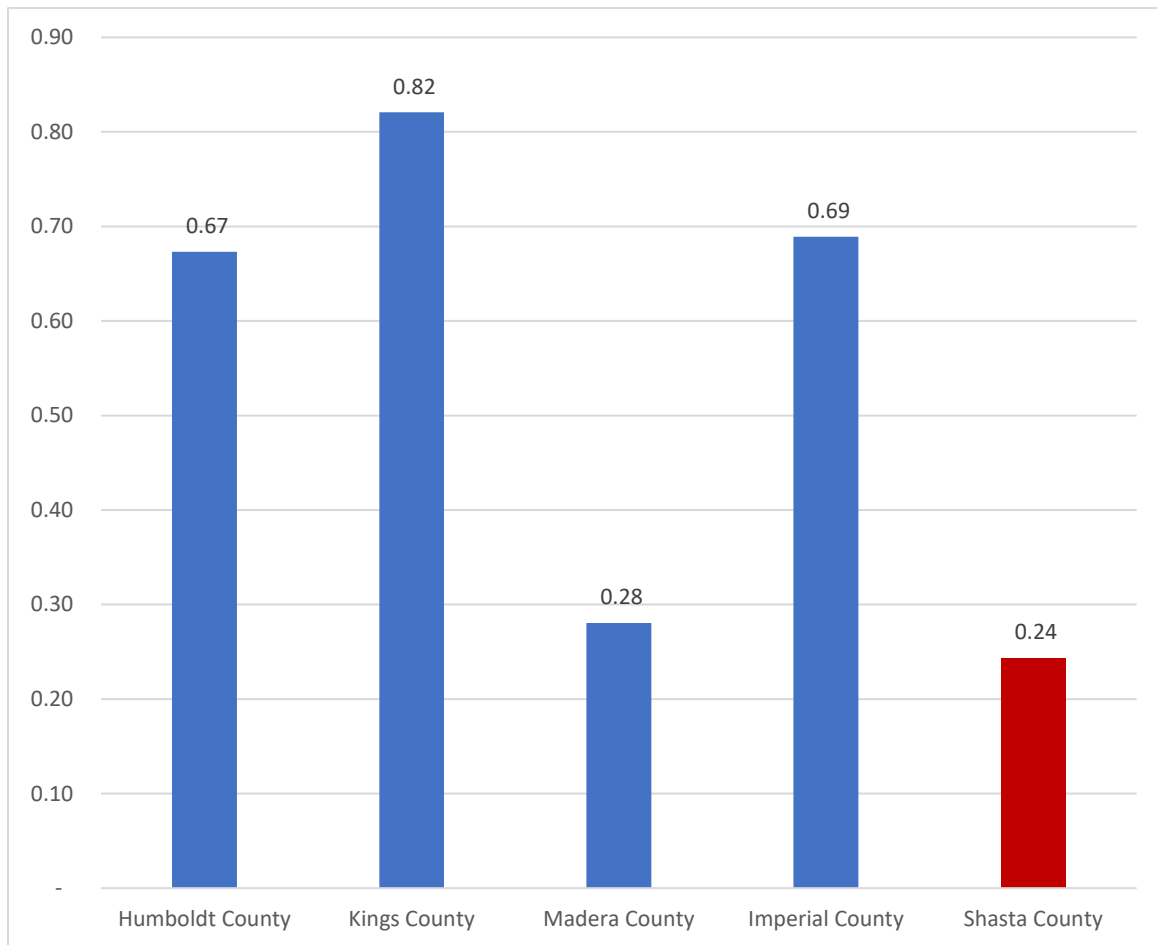


Staffing is the primary driver of operational costs. One measure of efficiency is the staff to inmate ratio. By this metric, Shasta has the lowest number of staff relative to the inmate population in the comparison group. Although Madera County is at a similar level as Shasta, the other jurisdictions have staffing ratios that are over 50 percent higher.



SHASTA COUNTY
JAIL OPERATIONS REVIEW

Figure 5: Ratio of Staff to Inmates

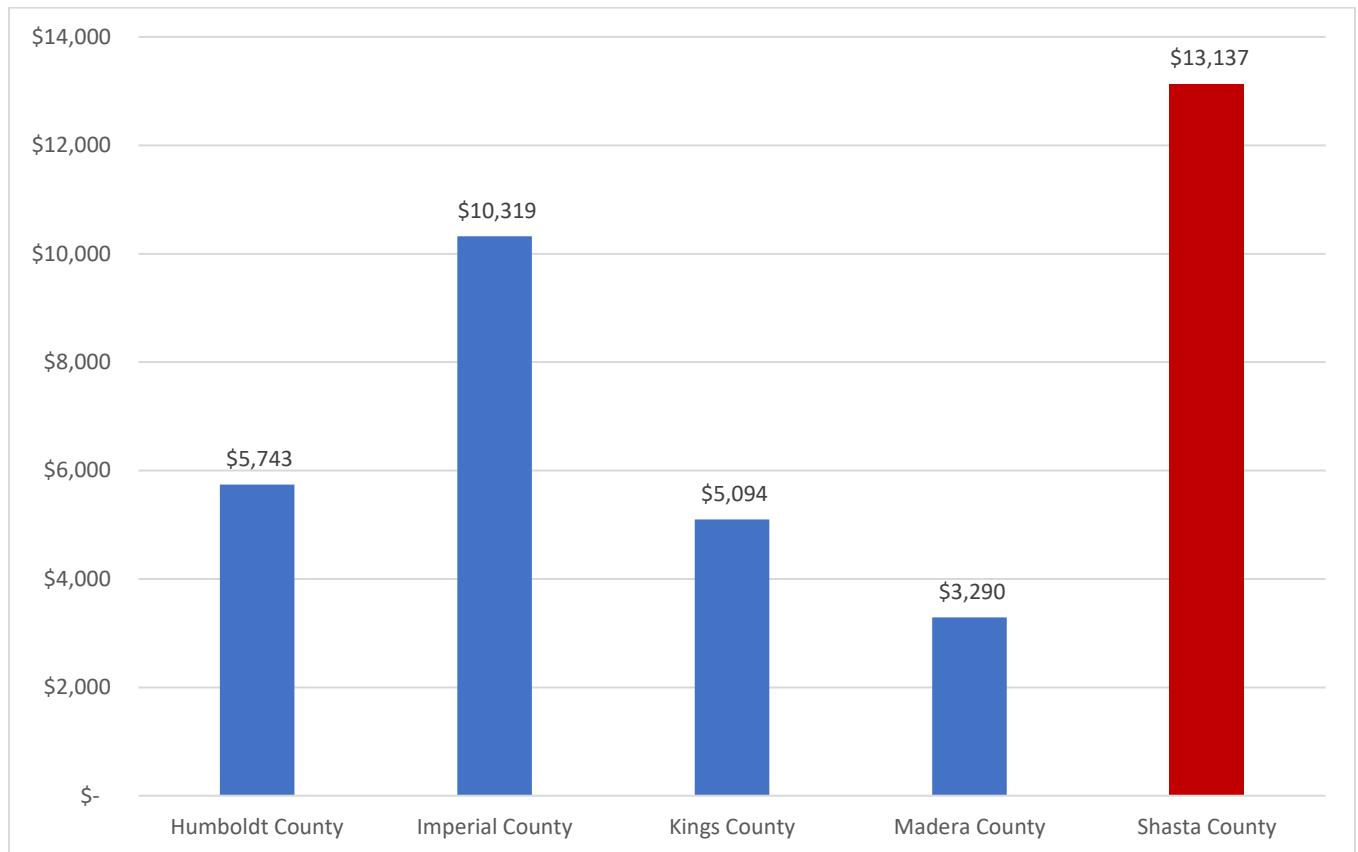




SHASTA COUNTY JAIL OPERATIONS REVIEW

The amount of overtime spending per staff person Shasta and Imperial counties experience is substantially higher than the other counties.

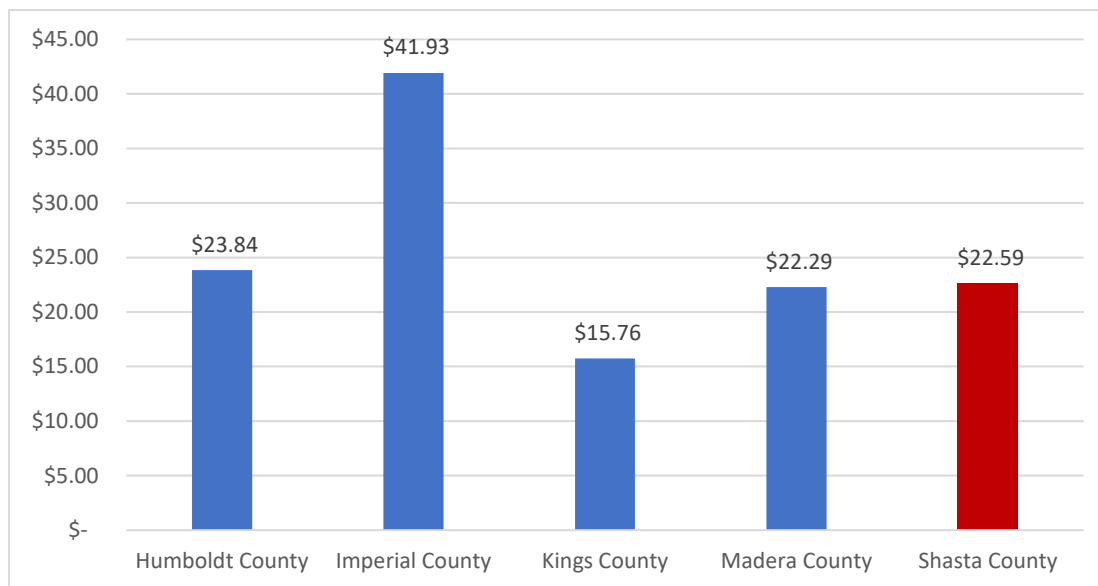
Figure 6: Overtime Spending per staff



With regard to medical costs, Shasta County is on the low end of the comparison group, with per inmate costs very similar to Humboldt and Madera. All of these counties contract with Wellpath for medical and mental health services with the exception of Kings County, which contracts with NAPH care and has the lowest per capita cost level.

SHASTA COUNTY
JAIL OPERATIONS REVIEW

Figure 7: Per Capita Medical cost



In summary, Shasta has a low ratio staff to inmates and high use of overtime. Daily spending per inmate is in the mid-range of the group, although jail spending per county resident is low. The Shasta County incarceration rate is relatively low. Jail medical costs appear in the mid-range.



Appendix A: Data Sources

BSCC 2016-2018 Biennial Inspection of Shasta County Main Jail

Wellpath Contract

Jewett Class Action Settlement Agreement

Staff Training Hour Report, 2015-2016

Sheriff's Office Table of Organization

Jail FTE Listing

Jail Staff Separations

Correctional Officer Pay Schedule

Jail Housing Unit Classification Report

Shasta County Main Jail Policy Manual

Grand Jury 2017-2018 Report

Shasta County Jail Budget, 2014-2019

FY 18/19 Salary Projections

Facility Activity Schedule, October 2018



Appendix B: Interviews

Kathryn Barton, Assistant Public Defender

William Bateman, Public Defender

Judge Cara Beatty, Shasta County Superior Court

Steve Blunk, Lieutenant, Anderson Police Department

Tom Bosenko, Sheriff

Stephanie Bridgett, District Attorney

Chelsey Chappelle, Assistant Chief Probation Officer

Joe Chimenti, District 1, Board of Supervisors

Joe Danis, Sergeant, Shasta County Jail

Daniel Dellwo, Wellpath (CFMG)

Donnell Ewert, Health and Human Services Agency Director

Judge Daniel Flynn, Shasta County Superior Court

Melissa Fowler-Bradley, Shasta County Superior Court Administrator

Ben Hanna, Chief Deputy District Attorney

Joe Hendrix, Chief District Attorney Investigator

Mike Johnson, Chief, Anderson Police Department

Dave Kent, Captain, Shasta County Jail

Larry Lees, County Executive Officer

Traci Lewis, Wellpath (CFMG)

Leonard Moty, District 2, Board of Supervisors

Roger Moore, Chief, Redding Police Department

Tracie Neal, Chief Probation Officer

Jon Poletski, Lieutenant, Redding Police Department

Mary Rickert, District 3, Board of Supervisors



SHASTA COUNTY
JAIL OPERATIONS REVIEW

James Ross, Assistant County Counsel

Kerri Rubalcava, Wellpath (CFMG), Medical Program Manager

Carla Stevens, Probation Adult Division Supervisor

Bill Schueller, Captain, Redding Police Department

Dean True, Health and Human Services Agency Adult Services Branch Director

DRAFT

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Regular - General Government-7.

SUBJECT:

Public Safety Special Tax

DEPARTMENT: County Counsel

Supervisory District No. : All

DEPARTMENT CONTACT: Rubin E. Cruse, Jr., County Counsel (530) 225-5711

STAFF REPORT APPROVED BY: Rubin E. Cruse, Jr., County Counsel

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Take the following actions: (1) Receive an update from County Counsel regarding a special tax to support public safety purposes; (2) review the text of a proposed ordinance to adopt a special transactions and use (sales) tax in an amount not to exceed one percent (1%) to be used for funding public safety purposes in the unincorporated and incorporated areas of the County of Shasta; and (3) consider providing direction to staff.

SUMMARY

N/A

DISCUSSION

On July 16, 2019, the Board of Supervisors requested that the County Counsel prepare a "skeleton" ordinance for discussion purposes that, if adopted by a 4/5 vote of the Board and a 2/3 vote of the electorate, would establish a special transactions and use tax for public safety purposes.

Based on input from Supervisors Chimenti and Morgan, the members of the ad hoc advisory committee concerning the proposed special transactions and use tax, attached is a draft ordinance for the Board's consideration.

By law, the Board of Supervisors cannot adopt the ordinance at today's Board meeting. It can only be adopted after notice and a public hearing, under Government Code section 50077. The purpose of today's meeting is to receive input from the Board concerning the proposed ordinance, incorporate any proposed revisions, and bring a complete ordinance back to the Board of Supervisors at a future Board meeting.

The following are some of the pertinent provisions in the ordinance for the Board's consideration:

A. The vast majority of the provisions in the ordinance are requirements from the State Department of Tax and Fee Administration. The provisions required by the State are not subject to modification. The State has reviewed those provisions and has indicated they agree with those provisions. The three provisions in which the Board has the greatest

discretion to modify are Section 3.14.150 (the Expenditure Plan), Section 3.14.160 (the Oversight Committee), and Section 3.14.190 (Reduction of Tax; Termination of Tax).

B. Section 3.14.150 identifies a proposed Expenditure Plan. This section outlines the specific purposes of the special tax. The Board of Supervisors may change any of the substantive components of the proposed Expenditure Plan. The proposed Expenditure Plan can be summarized as follows:

1. Prior to allocations being made under the Expenditure Plan, the proceeds from the special tax shall be used to pay the administrative costs for the Oversight Committee, the Auditor-Controller, the Treasurer-Tax Collector, and the State Department of Tax and Fee Administration.

2. The Expenditure Plan provides for one special fund identified as the Special Public Safety Tax Fund. The fund has four designated programs. Each program has designated program categories. Each program category may also have designated program subcategories. The Expenditure Plan calls for a specific percentage of revenue to be allocated to each of the programs, program categories and subcategories.

3. Certain program categories are specifically designated for the City of Redding, the City of Anderson, and the City of Shasta Lake.

4. The Board of Supervisors may, by resolution and a unanimous vote of all members of the Board, modify any of the percentage allocations assigned among the programs, and the program categories.

5. The Board of Supervisors may, by resolution and a majority vote of the Board, modify any of the percentage allocations assigned among the program subcategories within the Board's purview.

6. The City Councils for Redding, Anderson, and Shasta Lake may, by resolution, and a majority vote of their respective councils, modify any of the percentage allocations assigned among the program subcategories under the respective city's program category.

7. **The Basic Outline of the Expenditure Plan:**

a. Correctional Program - 54.91% of Revenue Received

i. Jail Construction Program Category, which includes the issuance of bonds for such construction - 50% of the Correctional Program

ii. Jail Operations Program Category - 40% of the Correctional Program

iii. Jail Inmate Programs & Health Care Program Category - 7.25% of the Correctional Program

iv. Alternatives to County Incarceration Program Category - 2.75% of the Correctional Program

b. Public Safety Program (Law Enforcement & Emergency Services) - 32.01% of Revenue Received

i. Unincorporated County Program Category - 12.34% of Revenue Received

I. Hiring of Law Enforcement Staff Program Subcategory - 80% of the Unincorporated Program Category

II. Obtaining Equipment for Law Enforcement Program Subcategory - 10% of the Unincorporated County Program Category

III. Emergency Services (Including Fire Protection) - 10% of the Unincorporated County Program Category

ii. City of Redding Program Category - 16.09% of Revenue Received

I. Hiring of Law Enforcement Staff Program Subcategory - 80% of the City of Redding Program Category

II. Obtaining Equipment for Law Enforcement Program Subcategory - 10% of the City of Redding County Program Category

III. Emergency Services (Including Fire Protection) Program Subcategory - 10% of the City of Redding Program Category

IV. The Redding City Council may modify the percentage allocations among the program subcategories. But the Redding City Council would not be authorized to alter the percentage allocation for the program category.

iii. City of Anderson Program Category - 1.79% of Revenue Received

I. Hiring of Law Enforcement Staff Program Subcategory - 80% of the City of Anderson Program Category

II. Obtaining Equipment for Law Enforcement Program Subcategory - 10% of the City of Anderson County Program Category

III. Emergency Services (Including Fire Protection) Program Subcategory - 10% of the City of Anderson Program Category

IV. The Anderson City Council may modify the percentage allocations among the program subcategories. But the Anderson City Council would not be authorized to alter the percentage allocation for the program category.

iv. City of Shasta Lake Program Category - 1.79% of Revenue Received

I. Hiring of Law Enforcement Staff Program Subcategory - 80% of the City of Shasta Lake Program Category

II. Obtaining Equipment for Law Enforcement Program Subcategory - 10% of the City of Shasta Lake County Program Category

III. Emergency Services (Including Fire Protection) Program Subcategory - 10% of the City of Shasta Lake Program Category

IV. The Shasta Lake City Council may modify the percentage allocations among the program subcategories. But the Shasta Lake City Council would not be authorized to alter the percentage allocation for the program category.

c. Criminal Justice Program - 12.48% of Revenue Received

i. District Attorney Program Category - 6.26% of Revenue Received

I. Program Subcategory: Hiring and training of staff - 90% of the District Attorney Program Category

II. Program Subcategory: Obtaining equipment and supplies - 10% of the District Attorney

Program Category

ii. Public Defender Program Category - 4.25% of Revenue Received

Category

I. Program Subcategory: Hiring and training of staff - 90% of the Public Defender Program

Category

II. Program Subcategory: Obtaining equipment and supplies - 10% of the Public Defender Program

iii. Probation Program Category - 1.97% of Revenue Received

Category

I. Program Subcategory: Hiring and training of staff - 90% of the Probation Program Category

II. Program Subcategory: Obtaining equipment and supplies - 10% of the Probation Program

d. Audit Program - 0.6% of Revenue Received

i. Audit Program Category

8. The proceeds from the special tax shall not be used to supplant other funding for the programs, program categories and subcategories identified in the Expenditure Plan.

C. Section 3.14.160 establishes the Oversight Committee. The Oversight Committee's purpose is to advise the Board of Supervisors and the public regarding the expenditure of the special tax proceeds.

1. The members of the Oversight Committee will be appointed by the Board of Supervisors from recommendations made by public agencies and non-government organizations as identified by resolution of the Board of Supervisors.

2. At minimum, the Oversight Committee will be appointed by the Board of Supervisors from the following recommendations:

a. One representative recommended by the Anderson City Council.

b. Two representatives recommended by the Redding City Council.

c. One representative recommended by the Shasta Lake City Council.

d. Two representatives recommended by the Board of Supervisors.

e. One representative recommended by a non-government organization as identified by resolution of the Board of Supervisors.

3. Additional members may be appointed by the Board based on recommendations from any of the above entities and from any other entities as identified by resolution of the Board of Supervisors.

4. No member of the Oversight Committee shall receive any salary or compensation for serving on the Oversight Committee.

5. All members of the Oversight Committee shall be individuals who live in Shasta County.

6. Members of the Oversight Committee will serve terms of office as established by resolution of the Board of Supervisors.

D. The proposed transactions and use tax does not have an expiration date. The transactions and use tax may be reduced or rescinded by a 4/5 vote of the Board of Supervisors after notice and a public hearing. Such reduction or rescission shall not occur if to do so would violate any law or if prohibited by any covenant made with the holders of any bonds or obligations payable from the transactions and use tax.

ALTERNATIVES

The Board may decline to proceed with the proposed transactions and use tax ordinance. The Board may also modify provisions of the proposed ordinance as indicated.

OTHER AGENCY INVOLVEMENT

The State Department of Tax and Fee Administration provided input on the ordinance. Input was also provided by the ad hoc advisory committee for the proposed special transactions and use tax, the Auditor-Controller, and the County Executive Officer.

FINANCING

Costs to provide this update are included in the Fiscal Year 2019-2020 Adopted Budget. There is no additional General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Ordinance Public Safety Special Tax	8/6/2019	Ordinance Public Safety Special Tax

ORDINANCE NO. SCC 2019 - _____

**AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
SHASTA ENACTING CHAPTER 3.14 OF THE SHASTA COUNTY CODE
IMPOSING A ONE PERCENT TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE
ADMINISTRATION FOR CERTAIN PUBLIC SAFETY PURPOSES**

The Board of Supervisors of the County of Shasta ordains as follows:

SECTION I.

Chapter 3.14 is added to the Shasta County Code as follows:

Chapter 3.14

TRANSACTIONS AND USE TAX FOR PUBLIC SAFETY

Sections:

3.14.010	Title
3.14.020	Operative Date
3.14.030	Purpose
3.14.040	Contract with State
3.14.050	Transactions Tax Rate
3.14.060	Place of Sale
3.14.070	Use Tax Rate
3.14.080	Adoption of Provisions of State Law
3.14.090	Limitations on Adoption of State Law and Collection of Use Taxes
3.14.100	Permit Not Required
3.14.110	Exemptions and Exclusions
3.14.120	Amendments to State Law
3.14.130	Enjoining Collection Forbidden
3.14.140	Severability
3.14.150	Special Tax; Expenditure Plan
3.14.160	Oversight Committee
3.14.170	Special Tax; Annual Report
3.14.180	Effective Date
3.14.190	Reduction of Tax; Termination of Tax
3.14.200	Relationship to Existing Tax
3.14.210	Increase of the Appropriations Limit
3.14.220	Compliance with the California Environmental Quality Act

3.14.010 Title

This ordinance shall be known as the Shasta County Public Safety Transactions and Use Tax Ordinance. The County of Shasta hereinafter shall be called "County." This ordinance shall be applicable in the incorporated and unincorporated territory of the County.

3.14.020 Operative Date

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after March 3, 2020.

3.14.030. Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a special retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.5 of Part 1.7 of Division 2 which authorizes the County to adopt this tax ordinance which shall be operative if a two-thirds (2/3) majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose. The election shall be held on March 3, 2020.
- B. To adopt a special retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt a special retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a special retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3.14.040 Contract with State.

- A. Prior to the operative date, the County shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the County shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.
- B. Payment for the costs of contracting with the California Department of Tax and Fee Administration for administration of the tax shall be the responsibility of the County. If the election is successful, the County shall be reimbursed for any fee charged by the California Department of Tax and Fee Administration from the proceeds of the special tax.

3.14.050 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of one percent (1%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3.14.060 Place of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.14.070 Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the County of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one percent (1%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.14.080 Adoption of Provisions of State Law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

3.14.090 Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this County shall be substituted therefor. However, the substitution shall not be made when:
1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;
 2. The result of that substitution would require action to be taken by or against this County or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.
 3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
 4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.
- B. The word "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203. A "retailer engaged in business in this County" shall also include any retailer that in the preceding calendar year or the current calendar

year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.14.100 Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3.14.110. Exemptions and Exclusions.

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
 - 1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
 - 2. Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the County shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this County of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
 2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
 3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
 4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in this County shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.
 7. "A retailer engaged in business in this County" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.
- D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to the County imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.14.120 Amendments to State Law.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

3.14.130 Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the County, or against any officer of the State or the County, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.14.140 Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

3.14.150 Special Tax; Expenditure Plan.

- A. The transactions and use tax imposed by this ordinance is a special tax for specific public safety purposes which are of interest and benefit to all persons in the County. The proceeds from the special tax shall be deposited into the County Treasury in a separate special fund entitled Special Public Safety Tax Fund, to be used for those public programs as described in Subsection C below (the "Expenditure Plan").
- B. The proceeds from the special tax shall be used to pay the following actual administrative costs prior to allocations being made under the Expenditure Plan.
 1. Actual costs incurred in the administration of the Oversight Committee established in Section 3.14.160 of this chapter.
 2. Actual costs incurred by the Shasta County Auditor-Controller and the Shasta County Treasurer-Tax Collector for administration of the special tax.
 3. Payments as provided in Section 3.14.040 of this chapter and state law relating to the contract with and costs of the California Department of Tax and Fee Administration for administration of the special tax.
- C. The Expenditure Plan.
 1. The Expenditure Plan has one fund. The fund has four identified programs. Each program also has identified program categories. Each program category may also have identified program subcategories. The Expenditure Plan calls for a specific percentage of revenue to be allocated to each of the programs, the program categories and subcategories as provided in this subsection C.
 2. The percentage allocations assigned among the programs, the program categories, and the program subcategories may be modified by the Shasta County Board of Supervisors as follows:
 - a. The Shasta County Board of Supervisors, after notice and public hearing, may, by resolution and a unanimous vote of all members of the Board, modify any of the percentage allocations assigned among the programs and the program categories. This authority includes, but is not limited to, the ability to modify the percentage allocations for the City of Redding Program Category, the City of Anderson Program Category, and the City of Shasta Lake Program Category in the Public Safety Program.
 - b. The Shasta County Board of Supervisors, after notice and public hearing, may, by resolution and a majority vote of the Board, modify any of the percentage allocations assigned among the program

subcategories. However, the Shasta County Board of Supervisors shall not have the authority to modify percentage allocations among the program subcategories identified in the City of Redding Program Category, the City of Anderson Program Category, and the City of Shasta Lake Program Category.

3. Any modification to the percentage allocations by any entity shall not occur if to do so would violate any law, including but not limited to Article I, §10 of the United States Constitution and Article I, §9 of the California Constitution or if prohibited by any covenant made with the holders of any bonds or obligations payable from this transactions and use tax. Such action shall be subject to California law pertaining to the cancellation of prior contractual obligations.
4. The Expenditure Plan
 - a. Correctional Program – 54.91% of Revenue Received
 - i. Jail Construction Program Category: Construction, repair, renovation and maintenance of existing County jail and adult detention facilities as well as future County jail and adult detention facilities. This program category includes, but is not limited to, capital outlay expenditures pursuant to Chapter 1 (commencing with Section 55800) of Part 3 of Division 2 of Title 5 of the Government Code – 50% of the Correctional Program
 - ii. Jail Operations Program Category: Operation of existing County jail and adult detention facilities as well as future County jail and adult detention facilities, including, but not limited to, the hiring and training of staff – 40% of the Correctional Program
 - iii. Jail Inmate Programs and Health Care Program Category: The associated operation of programs and health care for persons detained or confined in County jail and adult detention facilities – 7.25% of the Correctional Program
 - iv. Alternatives to County Incarceration Program Category: Operation and maintenance of Shasta County Sheriff programs in accordance with law that serve as alternatives to detention or confinement in County jail and adult detention facilities, including, but not limited to, home detention with electronic monitoring or GPS monitoring, work furlough programs, work release programs, and contracts to commit persons to other adult detention facilities as may be authorized by law – 2.75% of the Correctional Program

b Public Safety Program – 32.01% of Revenue Received

- i. Unincorporated County Program Category: Law enforcement, police protection, and emergency services (including, but not limited to, fire protection) provided by the County of Shasta for the unincorporated area of the County – 12.34 % of Revenue Received

I. Program Subcategory: Hiring and training of staff by the Shasta County Sheriff's Office for law enforcement and police protection – 80% of the Unincorporated County Program Category

II. Program Subcategory: Obtaining equipment by the Shasta County Sheriff's Office for law enforcement and police protection – 10% of the Unincorporated County Program Category

III. Program Subcategory: Providing emergency services (including, but not limited to, fire protection) – 10% of the Unincorporated County Program Category

- ii. City of Redding Program Category: Law enforcement, police protection, and emergency services (including, but not limited to, fire protection) provided by the City of Redding for the City of Redding – 16.09% of Revenue Received

I. Program Subcategory: Hiring and training of staff for law enforcement and police protection – 80% of the City of Redding Program Category

II. Program Subcategory: Obtaining equipment for law enforcement and police protection – 10% of the City of Redding Program Category

III. Program Subcategory: Providing emergency services (including, but not limited to, fire protection) – 10% of the City of Redding Program Category

IV. The City of Redding, after notice and public hearing, may, by resolution and majority vote of the Redding City Council, modify any of the percentage allocations for the program subcategories in this program category. The City of Redding is not authorized to alter the percentage allocation for the program category

iii. City of Anderson Program Category: Law enforcement, police protection, and emergency services (including, but not limited to, fire protection) provided by the City of Anderson for the City of Anderson – 1.79 % of Revenue Received

I. Program Subcategory: Hiring and training of staff for law enforcement and police protection – 80% of the City of Anderson Program Category

II. Program Subcategory: Obtaining equipment for law enforcement and police protection – 10% of the City of Anderson Program Category

III. Program Subcategory: Providing emergency services (including, but not limited to, fire protection) – 10% of the City of Anderson Program Category

IV. The City of Anderson, after notice and public hearing, may, by resolution and majority vote of the Anderson City Council, modify any of the percentage allocations for the program subcategories in this program category. The City of Anderson is not authorized to alter the percentage allocation for the program category

iv. City of Shasta Lake Program Category: Law enforcement, police protection, and emergency services (including, but not limited to, fire protection) provided by the City of Shasta Lake for the City of Shasta Lake – 1.79% of Revenue Received

I. Program Subcategory: Hiring and training of staff for law enforcement and police protection – 80% of the City of Shasta Lake Program Category

II. Program Subcategory: Obtaining equipment for law enforcement and police protection – 10% of the City of Shasta Lake Program Category

III. Program Subcategory: Providing emergency services (including, but not limited to, fire protection) – 10% of the City of Shasta Lake Program Category

IV. The City of Shasta Lake, after notice and public hearing, may, by resolution and majority vote of the Shasta Lake City Council, modify any of the percentage allocations for the program subcategories in this program category. The City of Shasta Lake is not authorized to alter the percentage allocation for the program category

c. Criminal Justice Program – 12.48% of Revenue Received

- i. District Attorney Program Category: Law enforcement, police protection, and public prosecutorial functions of the Shasta County District Attorney – 6.26% of Revenue Received

I. Program Subcategory: Hiring and training of staff – 90% of the District Attorney Program Category.

II. Program Subcategory: Obtaining equipment and supplies – 10% of the District Attorney Program Category

- ii. Public Defender Program Category: Defense of persons by the Shasta County Public Defender and the Shasta County Conflict Public Defender under Government Code section 27706, subdivision (a) – 4.25% of Revenue Received

I. Program Subcategory: Hiring and training of staff – 90% of the Public Defender Program Category

II. Program Subcategory: Obtaining equipment and supplies – 10% of the Public Defender Program Category

- iii. Probation Program Category: The duties of the Chief Probation Officer as they relate to adult offenders – 1.97% of Revenue Received

I. Program Subcategory: Hiring and training of staff – 90% of the Probation Program Category

II. Program Subcategory: Obtaining equipment and supplies – 10% of the Probation Program Category

4. Audit Program – 0.6% of Revenue Received

- a. Audit Program Category: An annual audit by an independent certified public accountant, who is contracted with the County of Shasta through the Shasta County Administrative Office, that outlines the amount of funds collected and expended from the special tax and the purposes for which such funds were expended. The independent certified public accountant will be selected by the Board of Supervisors, after consideration of recommendations from the Oversight Committee – 100% of the Audit Program

- D. Pursuant to Chapter 1 (commencing with Section 55800) of Part 3 of Division 2 of Title 5 of the Government Code, the County is authorized to issue bonds

payable from the proceeds of the special tax to finance capital outlay expenditures as provided for in the Expenditure Plan in the manner prescribed by law.

- E. The proceeds from the special tax, and any interest accruing thereon, shall be used only for the following purposes:
 - a. To fund the public purposes identified in the Expenditure Plan.
 - b. To fund the payment of bonds issued under Subsection D of Section 3.14.150 of this chapter.
 - c. To pay the administrative costs as stated in subsection B of Section 3.14.150 of this chapter.
- F. The proceeds from the special tax, and any interest accruing thereon, shall not be used to supplant other funding for the programs, program categories, and subcategories identified in the Expenditure Plan.

3.14.160 Oversight Committee.

- A. Establishment: An Oversight Committee is hereby established and shall remain in existence for as long as the transactions and use tax established by this chapter is in effect. The Oversight Committee's purpose and charge is to advise the Board of Supervisors and the public regarding the expenditure of the transactions and use tax proceeds that will be generated as a result of the approval of this chapter by the Board of Supervisors and the electorate.
- B. Responsibilities:
 - 1. The Oversight Committee shall be responsible for:
 - a. Providing the Board of Supervisors and the public with information regarding the manner in which the expenditure of the transactions and use tax proceeds that will be generated as a result of the approval of this chapter has occurred.
 - b. Reviewing the expenditure of the transactions and use tax proceeds that will be generated as a result of the approval of this chapter, and the proceeds received as a result of the issuance of any bonds or other obligations payable from the transactions and use tax proceeds.
 - c. Reviewing the annual audit by an independent certified public accountant that outlines the amount of funds collected and expended from the transactions and use tax and the purposes for which such funds were expended.

- d. Making recommendations to the Board of Supervisors for the Board's selection of an independent certified public accountant to perform the annual audit.
 - e. Reviewing the financial impact of all projects, planned and approved, utilizing the transactions and use tax proceeds that will be generated as a result of the approval of this chapter, and advising the Board of Supervisors and the public whether such projects are consistent with the purpose, spirit, intent and language of this chapter.
 - f. Informing the public and advising the Board of Supervisors if there is an expenditure of the transactions and use tax that will be generated as a result of the approval of this chapter, which is inconsistent with the purpose and intent of this chapter.
 - g. Meeting not less than twice each calendar year, pursuant to the Ralph M. Brown Open Meeting Act, and inviting public participation and comment with respect to any expenditure or the implementation of any project envisioned by this chapter.
2. The Board of Supervisors may adopt a resolution providing additional responsibilities to the Oversight Committee.
 3. The Oversight Committee serves in an advisory capacity to the Board of Supervisors and the public and has no authority to direct, nor shall it direct, County officers, agents, employees, and elected officials.
- C. Membership:
1. All members of the Oversight Committee shall be appointed by the Board of Supervisors from recommendations made by public agencies and non-government organizations as identified by resolution of the Board of Supervisors.
 2. At minimum, the members of the Oversight Committee shall be appointed by the Board of Supervisors from the following recommendations:
 - a. One representative recommended by the City of Anderson City Council. The representative shall not be an officer, agent, employee, or elected official of the City of Anderson.
 - b. Two representatives recommended by the City of Redding City Council. The representative shall not be an officer, agent, employee, or elected official of the City of Redding.

- c. One representative recommended by the City of Shasta Lake City Council. The representative shall not be an officer, agent, employee, or elected official of the City of Shasta Lake.
 - d. Two representatives recommended by the Shasta County Board of Supervisors. The representative shall not be an officer, agent, employee or elected official of the County of Shasta.
 - e. One representative recommended by a non-government organization as identified by resolution of the Board of Supervisors.
3. Additional members may be appointed by the Board of Supervisors based on recommendations from any of the above entities and from any other entities as identified by resolution of the Board of Supervisors.
 4. No member of the Oversight Committee shall receive any salary or compensation for serving on the Oversight Committee.
 5. All members of the Oversight Committee shall be individuals who live in the incorporated or unincorporated areas of Shasta County.
 6. Members of the Oversight Committee will serve terms of office as established by resolution of the Board of Supervisors.

3.14.170 Special Tax; Annual Report.

The Shasta County Auditor-Controller shall, within one year after the operative date of this Ordinance, and at least once a year thereafter, submit a report to the Board of Supervisors that shall contain the following information: (1) the amount of funds collected and expended; and (2) the status of any project required or authorized to be funded under this Ordinance. This report from the Auditor-Controller shall be in addition to the annual audit prepared by an independent certified public accountant.

3.14.180 Effective Date.

This chapter relates to the levying and collecting of a County transactions and use tax and shall take effect on March 3, 2020 after certification of the vote, if the measure is approved by two-thirds of the electors voting on the measure at the election held that day.

3.14.190 Reduction of Tax; Termination of Tax.

The transactions and use tax imposed under this chapter may be reduced or rescinded, after notice and a public hearing, by an ordinance adopted by a four-fifths (4/5) vote of the Board of Supervisors; provided, however that such reduction or rescission shall not occur if to do so would violate any law, including but not limited to Article I, §10 of the United States Constitution and Article I, §9 of the California Constitution or if prohibited by any covenant made with the holders of any bonds or obligations payable from this transactions and use tax.

Such action shall be subject to California law pertaining to the cancellation of prior contractual obligations and the rules and regulations of the State Board of Equalization and the California Department of Tax and Fee Administration.

3.14.200 Relationship to Existing Tax.

The transactions and use tax imposed by this ordinance is separate from, and in addition to, any other taxes currently imposed by the County. Nothing in this ordinance shall be interpreted to affect the rate or administration of any tax other than the transactions and use imposed by this ordinance.

3.14.210 Increase of the Appropriations Limit.

The appropriations limit of the County shall be increased by the amount of revenue anticipated to be collected by the County from the transactions and use tax to allow spending of the tax for the period allowed by law.

3.14.220 Compliance with the California Environmental Quality Act.

Pursuant to California Environmental Quality Act (CEQA) Guidelines sections 15060(c)(2) and 15378(b)(2) and (4), adoption of this Ordinance and Expenditure Plan will not result in a direct or reasonably foreseeable indirect physical change in the environment and is not a "project" subject to the requirements of CEQA. Prior to the commencement of any project included in the Expenditure Plan, any necessary environmental review required by CEQA shall be completed. Estimated costs in the Expenditure Plan include the cost of such environmental review.

SECTION II.

All former ordinances and resolutions, or parts thereof, conflicting or inconsistent with the provisions of this ordinance are hereby repealed. The Clerk of the Board shall cause this ordinance to be published as required by law.

DULY PASSED AND ADOPTED this ____ day of _____ 2019, by the Board of Supervisors, County of Shasta, State of California, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

DRAFT

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Regular - General Government-8.

SUBJECT:

BOARD OF SUPERVISORS' RESPONSE TO THE "911 WHAT'S YOUR EMERGENCY," FISCAL YEAR 2018-19 GRAND JURY REPORT

DEPARTMENT: Administrative Office

Supervisory District No. : All

DEPARTMENT CONTACT: Lawrence G. Lees, County Executive Officer (530) 225-5561

STAFF REPORT APPROVED BY: Lawrence G. Lees, County Executive Officer

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Approve and authorize the Chairman to sign the Fiscal Year 2018-19 Shasta County Grand Jury Report "911 What's Your Emergency."

SUMMARY

N/A

DISCUSSION

On June 27, 2019, the FY 2018-19 Shasta County Grand Jury released the report entitled "911 What's Your Emergency." A copy of the report and the proposed response is attached.

ALTERNATIVES

The Board may determine to revise the proposed response.

OTHER AGENCY INVOLVEMENT

The proposed response was drafted by County Counsel and the County Executive Officer for the Board's consideration and signature.

FINANCING

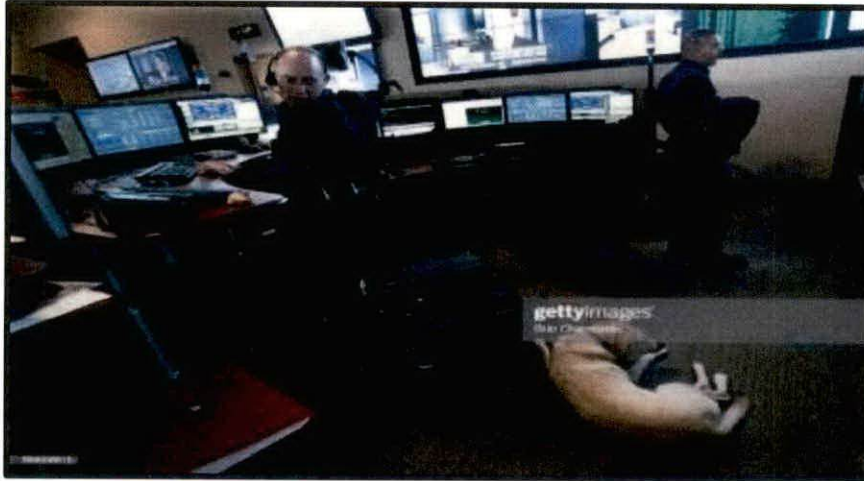
There is no direct financial impact in adopting the proposed response.

ATTACHMENTS:

Description	Upload Date	Description
FY18-19 Grand Jury 911 What's Your Emergency	7/22/2019	FY18-19 Grand Jury 911 What's Your Emergency
FY 18/19 GJ Report Response	7/22/2019	FY 18/19 GJ Report Response

SHASCOM 911 SERVICES

“911, WHAT’S YOUR EMERGENCY?”



SUMMARY

Over the past 23 years, Shasta County Grand Juries have produced six reports on the Shasta Area Safety Communications Agency (SHASCOM): 1995/96, 2000/01, 2003/04, 2005/06, 2007/08, 2009/10. This year’s report brings the total to seven. As the County’s emergency communication provider, SHASCOM is responsible for a vital public service. Similarly, the Grand Jury provides an important public service by periodically assessing SHASCOM. After nine years, a thorough, fresh assessment with recommendations of SHASCOM’s operations was overdue.

The 2018/19 Shasta County Grand Jury found that many concerns highlighted in past reports are still significant today. In particular, vacant dispatcher positions continue to be a chronic and debilitating issue. Unfilled dispatcher positions lead to excessive overtime and low employee morale. Inadequate recruitment efforts fail to meet staffing needs.

Dispatching is a difficult job. Excessive overtime is an added burden that increases stress. Overtime and related personnel management issues need to be resolved for the good of the employees and for the good of SHASCOM. SHASCOM has adopted the standards for training from the California’s Commission on Peace Officer Standards and Training (POST). However, not all training required by POST gets completed, in part because dispatchers have insufficient time to complete their training. We recommend that an outside consultant be hired to analyze SHASCOM’s operational needs and propose fixes for staffing and related personnel management issues.

The Grand Jury also identified issues related to SHASCOM's technical support systems. The Agency has a new Computer-Aided Dispatch (CAD) system that became operational in October 2018 and is still undergoing modification and fine tuning. Because the new CAD does not yet meet the complex, multi-agency dispatching needs of SHASCOM, it is imperative that member agencies and SHASCOM's Board receive regular updates on CAD performance and system integration. This information will aid the Board in determining if the CAD system is adequate. CodeRED is the County's emergency alert system. It warns the public of emergencies and advises on how to respond. The system communicates information that is critical to everyone's safety. Citizens of the County increase their options for receiving emergency alerts by registering for CodeRED. Our primary concern is that CodeRED is underutilized because it is poorly advertised to the public and is minimally user-friendly. We are especially concerned about citizens with disabilities or other conditions that limit their ability to receive and respond to emergency alerts. SHASCOM needs to promote CodeRED to the public. Read further to learn more about this important public service.

The SHASCOM Board is ultimately responsible for how well the Agency functions. Ongoing issues suggest the Board needs to be more proactive in its oversight of SHASCOM. To be more effective, the Board needs regular updates on performance-related issues, data to analyze the issues, and options on how the issues can be resolved. We found no clear process of how the Board makes recommendations for improvement. An outside consultant could recommend how best to optimize the communication of performance data and other important issues between the Board and the Director. We recommend a stepwise process to advance Board oversight:

- Hire a management consultant to analyze SHASCOM / Board operations.
- Schedule a workshop including the Board, Director, and consultant to address important issues, and review and clarify the roles and expectations of the Director and Board Members.
- Establish a standing Advisory Board composed of community volunteers to assist the Board.

The Grand Jury believes outside eyes can help the Board and management of SHASCOM find new ways of addressing important issues and improve transparency.

BACKGROUND

With the Carr Fire fresh in Grand Jurors' minds, the 2018/19 Shasta County Grand Jury decided to look more closely at the County's emergency response services and infrastructure. This devastating fire presented emergency response challenges never before experienced within Shasta County. The Grand Jury recognizes that first responders did their best to manage the challenges through tireless and professional work. Still, responders and the public were at times overwhelmed, particularly by the explosive fire behavior of July 26th when an unprecedented number of lives and structures were lost in Shasta County. All Grand Jury members know people who lost their homes, and some knew people who lost their lives. The Grand Jury started its research by looking at various aspects of emergency response. We ultimately focused on SHASCOM (911 service).

When 911 is called, most of us know and expect that the call will be answered, our emergency issue addressed, and appropriate responders dispatched. All this is done with speed and professionalism. Similarly, if an area-wide emergency threatens us, our expectation is that we will be alerted to the threat in a timely and effective manner. SHASCOM is the conduit for communications between first responders and the public – communications that are critical to our safety. Most of us take this service for granted, but how many of us know how the service works and how best to use it? In an emergency, you might wish you knew more.

SHASCOM was created in 1990 through a Joint Powers Agreement (JPA) between the County of Shasta and the cities of Anderson and Redding. SHASCOM answers 911 calls, issues emergency alerts to the public, and provides emergency dispatch and communication for the Shasta County Sheriff's Office, City of Redding Police Department, City of Redding Fire Department, City of Anderson Police Department, and two emergency medical service / ambulance companies (EMS) in the County. The California Department of Forestry and Fire Protection (CAL FIRE) and the California Highway Patrol provide separate emergency dispatch, but interface directly with SHASCOM. Redding Fire is the only *City* fire department in the County. The County contracts with CAL FIRE to serve as the County's fire department. Fire Districts within the County are dispatched by CAL FIRE.

Full-time staff at SHASCOM include (as of March 2019):

- Director
- Support Manager
- Operations Manager
- Systems Analyst
- Administrative Assistant
- Five Dispatch Supervisors, including an Administrative Supervisor
- Thirty-one Dispatchers / Call Takers

SHASCOM is overseen by a five-member Board composed of the City Managers of Redding and Anderson, the Shasta County Administrative Officer, the Shasta County Sheriff, and a fifth member that alternates between the Police and Fire Chiefs of Redding. Board meetings are scheduled bimonthly and are open to the public.

This Grand Jury's first contact with SHASCOM was during a site visit to the Agency's headquarters and dispatch center in August 2018. Shasta County Grand Juries have often taken a tour of the SHASCOM facility as a standard part of the Jury's orientation to local government services. There are reports of these prior tours, as well as more in-depth investigations that were undertaken. These Grand Jury reports provide a track record of the issues that were interpreted as significant in the past. With the Carr Fire fresh in everyone's mind, this Grand Jury's tour was especially poignant and thought-provoking. The Grand Jury felt that it was necessary to once again to take a closer look at SHASCOM's operations.

METHOD OF INVESTIGATION

Refer to **Sources Consulted** section for documents and reports reviewed.

Interviewed:

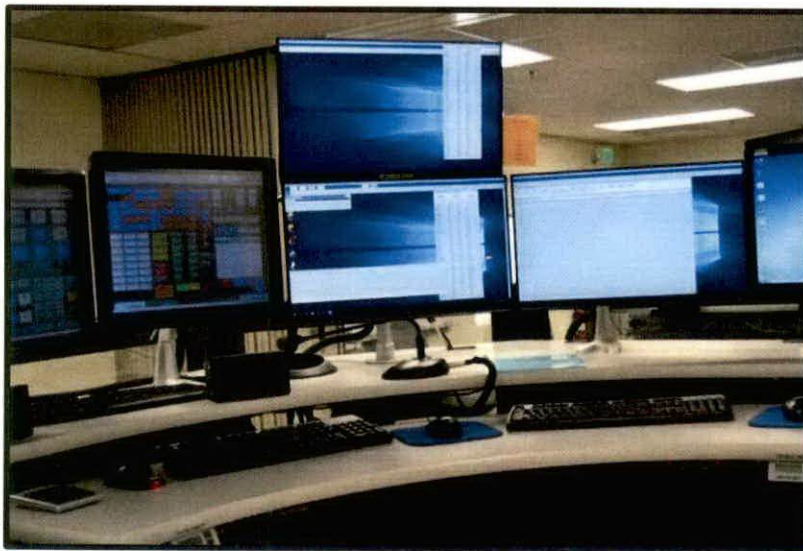
Shasta County Sheriff's Office personnel
Redding Fire Department personnel
Redding Police Department personnel
Anderson Police Department personnel
Anderson Fire Protection District personnel
Community Notification / Alert System vendor OnSolve (CodeRED)
SHASCOM personnel
Members of the SHASCOM Board of Directors
EMS (Emergency Medical Services) personnel
Shasta County Health and Human Services Agency (HHSA) personnel

Site visit:

SHASCOM offices

DISCUSSION

In the course of the investigation, the Grand Jury was impressed by the hard work and dedication of staff at SHASCOM. Dispatchers work behind the scenes performing a service that few of us have the ability or fortitude to do. The job includes long shifts, overtime, focus, skill at



multitasking, and a demeanor that remains calm and professional during periods of intense activity.

Dispatchers are among the many unsung public servants that help to keep us safe.

Dispatchers often enjoy the challenges and diversity of their work.

Dispatching is a unique and demanding job. The task of running a dispatch center is also quite demanding. This

task falls on many shoulders, including managers, the Director, participating agencies, and the SHASCOM Board. It is a complex task involving sophisticated technology, people management, and accountability to different agencies and ultimately the public.

Some of the significant issues identified during the investigation were also identified by previous Grand Juries. The issues involve: personnel management, technical support systems, and Board oversight and administration. Are these unresolved issues destined to continue, or are there ways to effectively resolve them?

PERSONNEL MANAGEMENT

Maintaining full staffing is one of the ongoing and challenging personnel issues faced by SHASCOM managers. Previous Grand Jury reports have identified unfilled dispatcher positions as a chronic issue. While a college degree is not required, interviews revealed that only a small percent of the population is capable of performing the demanding job of a dispatcher. Recruitment efforts have not met the staffing needs of SHASCOM. Furthermore, extensive ongoing training is a requirement of the job and places additional strain or shortages on the pool of experienced dispatchers available to work. Overtime, both mandatory and otherwise, is necessary to meet SHASCOM's dispatch needs and to ensure that an essential public service is fulfilled. Management utilizes overtime as a response to unfilled positions and this impinges upon a critical element of morale - the work / life balance of employees. Excessive overtime is a reason for employee dissatisfaction and stress. Recruitment, training, and overtime are intertwined elements of the staffing issue.

Dispatcher Staffing at SHASCOM, 2016-2019

Fiscal Year	Public Safety Dispatcher I			Public Safety Dispatcher II			PSD I and II
	Budgeted	Filled	Vacancy	Budgeted	Filled	Vacancy	Total Vacancies per FY
2016-2017	13	7	6	22	19	3	9
2017-2018	13	12	1	22	19	3	4
2018-2019*	13	10	3	22	21	1	4

* as of 3/26/19

Recruitment

Advertising for SHASCOM dispatcher positions is handled through various media, with Craigslist being consistently mentioned by interviewees. The Grand Jury did not find an effective recruitment plan. Some applicants knew little about public safety dispatching as a career when they applied and their application was more or less a chance decision.

Job applications are accepted by SHASCOM on an ongoing basis, however to hire a permanent, full-time dispatcher is a lengthy process. Four applicants are hired to start a training and probationary period of up to 18 months. Because in-house training is time consuming and removes personnel from their normal dispatcher duties to do the training, typically only one group of four is trained at a time. Ideally, all four are hired permanently. However, not all trainees successfully complete probation. As few as one dispatcher may complete probation and be hired during a recruitment cycle from a pool of 20-25 qualified applicants. Due to the lengthy

recruitment, training, and hiring process, many qualified applicants may withdraw from the process to seek employment elsewhere.

Recruitment efforts fail to meet staffing needs and contribute to excessive overtime. The process deserves a closer look to determine how it can be improved.

Training

No one can step into a dispatcher position without a significant amount of training. In-house training is essential as each dispatch center has its own set of employee expectations, procedures, and technical support systems to be learned. In-house training of new dispatchers involves a standard set of milestones. Employees transferring from another dispatch center also require in-house training. Multi-agency dispatch centers, like SHASCOM, require that dispatchers learn the jargon and idiosyncrasies of separate agencies. SHASCOM dispatches for three law enforcement departments, two EMS (ambulance) companies, and one fire department. The dispatch world is ever changing. Initial and on-going training is required to build and maintain competency.

SHASCOM uses experienced dispatchers to train new employees. A defined course of milestones must be attained before the trainee is hired permanently. While the training has defined goals, trainers receive little instruction on how to conduct the training they are expected to provide. Since milestones must be attained in a given amount of time, failure to meet goals could be due to a lack of consistency among trainers. A better defined and standardized approach to "training the trainer" would ensure that all new hires get the same quality instruction.

SHASCOM utilizes California's Commission on Peace Officer Standards and Training (POST) program for additional training and certification of its dispatchers. The program requires a Basic Course for Public Safety Dispatchers of 120 hours. In addition, Continuing Professional Training (CPT) of 24 or more hours is required every two years. All dispatchers at SHASCOM complete the Basic POST Course. SHASCOM is out of compliance with the CPT requirement.

POST certification is geared toward law enforcement. SHASCOM has two Public Safety Dispatcher (PSD) classifications, PSDI and PSDII. Only PSDIIs handle law enforcement dispatch. There are other available public safety dispatcher certification programs. The SHASCOM Board is currently reviewing whether to continue with POST and/or to use, in whole or in part, another certification program that provides more flexibility.

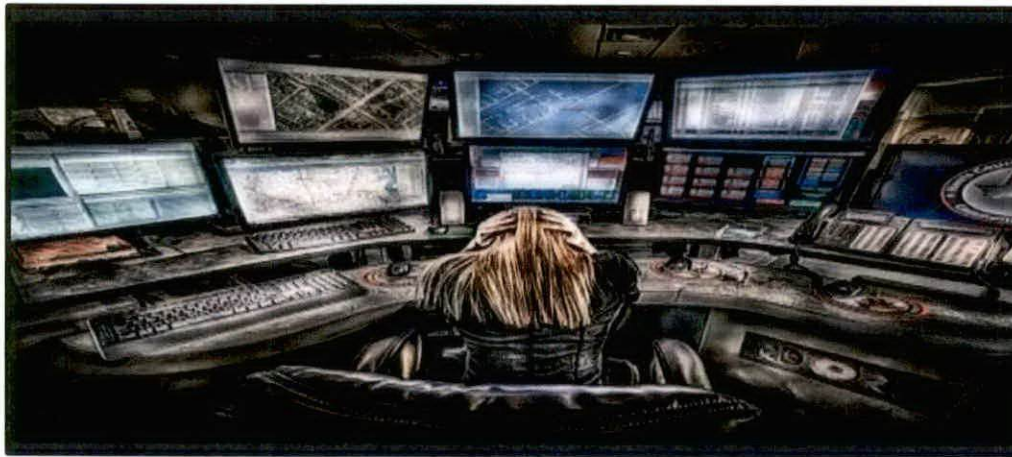
Overtime

Training, whether in-house or POST, reduces the number of staff available to work. This in turn compounds overtime and staffing issues. Unfilled positions exacerbate the need for overtime. A typical shift is 12 hours with eight dispatchers and a supervisor. Even with overtime, it's not unusual for either night or day shifts to be understaffed. When positions are not filled, supervisors are required to perform dispatcher duties as well as provide break relief.

Overtime rules are governed by SHASCOM's Memorandum of Understanding (MOU) with the dispatchers' union. There is no cap on overtime stated in the MOU. The overtime burden falls disproportionately on the most qualified dispatchers (PSDIIs). PSDIIs are required to have the

skills to perform all dispatch functions, notably law enforcement dispatch, which PSDIs are not qualified to do. The vast majority of calls at SHASCOM are for law enforcement. If a PSDII calls in ill, another PSDII must be available to fill the vacancy. Thus, the majority of overtime goes to PSDIIs. Overtime for PSDIIs commonly exceeds 40 hours per month or the equivalent of an entire week or more of extra work. Added to this burden is the uncertainty of not knowing when overtime might be required. The overtime expectation is a disincentive for advancing from PSDI to PSDII. SHASCOM's overtime totals are currently running in excess of 1,000 hours per month and have exceeded 2,000 hours.

During a two-week work schedule, SHASCOM dispatchers work six 12-hour shifts and one 8-hour shift. The benefit of this schedule is that there are more days off in a two-week work schedule. This benefit, however, can be negated by having to work overtime on days off. Days off are essential for work / life balance.



Overtime is an expectation of any job that involves public safety / emergency response. Dispatchers expect and accept this. However, chronic, excessive overtime with no end in sight should not be the norm. It creates a sense that employees have no control over their lives and lowers morale.

TECHNICAL SUPPORT SYSTEMS

Computer-Aided Dispatch (CAD)

CAD is an acronym for the computer software that stores, manages, and retrieves information essential to the dispatcher's job. The current CAD system from Spillman Technologies (Motorola Solutions) became operational in Shasta County in October 2018 and is still undergoing modification to meet local needs. The previous CAD was outdated and did not meet contemporary needs.

An important attribute of the Spillman CAD is that it integrates a variety of functions that previously were handled separately. Thus, a greater amount of information is available to dispatchers and agencies in real time, and information can be shared more readily among different levels within an organization. Other useful features are:

- An increased capacity for mapping incident locations.
- Automated Vehicle Locator (AVL) which automatically tracks and routes emergency vehicles.
- The ability to capture information (flag) that alerts first responders to potential hazards, persons with specific needs, or individuals requiring a cautious approach.

Spillman is working with SHASCOM and its participating agencies to resolve issues and fine tune the new CAD. This is a necessary, critical, and time-consuming aspect of bringing any complex software system up to the client's specifications. This process has been productive.

Our investigation into CAD covered all sectors that utilize or oversee the system – law enforcement, fire, EMS, supervisors, managers, and SHASCOM Board members. Law enforcement had the greatest input into the selection of the Spillman CAD system and has the greatest satisfaction with its performance. Redding Fire Department (RFD) has the greatest dissatisfaction. There is concern that the new CAD was inadequate for fire or multi-agency dispatching.

A significant issue for RFD is that the AVL feature does not consistently identify the closest available or correct type of fire engine and crew to dispatch to an incident. The AVL routing function is not accurately calculating fire unit response times. This dispatching /response issue is further compounded by the fact that many RFD engines are currently staffed with only two-person crews. Engine staffing may require that a second engine be dispatched, adding to response time and reducing the number of resources available for other incidents.

RFD is dispatched by SHASCOM, while all other fire departments in the County are dispatched by Shasta County Fire (CAL FIRE) which uses fire-trained personnel in its dispatch center. In addition to CAD-specific issues, firefighters have reservations with the dispatchers' understanding of the wide range of incident types and scenarios to which RFD responds. Fire-related training for dispatchers could be improved. Suggestions include dispatcher ride-a-longs with firefighters and having a firefighter at the dispatch center to interact directly with dispatchers.

The Spillman CAD can create flags by location, but it cannot automatically retrieve such data from the old CAD. Information transfer must be done manually. To transfer all the old flagged data would be prohibitively time consuming. Not all the old information is useful or valid. High priority information is being identified and transferred.

The Spillman CAD is undergoing operational review and modification, but has yet to meet the needs of SHASCOM's member agencies. The new system experiences downtimes (crashes). Written performance data from SHASCOM on the new CAD was not available. The problems with fire / multi-agency dispatch still require revisions.

CodeRED (Public Alert System)

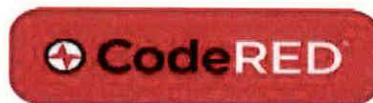
CodeRED is an OnSolve business product used by numerous counties in the State. SHASCOM operates the County's 911 system and utilizes CodeRED software to send out public safety alerts that warn of hazardous situations and advise the public of appropriate responses, such as mandatory evacuations. The Shasta County Emergency Operations Plan (EOP) designates SHASCOM as the emergency communications provider in Shasta County.

It is critical that citizens understand that they bear a large measure of responsibility for making the CodeRED alert system successful. Shasta County residents may register for the service by visiting any of the following websites to access the link to CodeRED registration:

- SHASCOM
- Shasta County Sheriff
- Redding Police Department
- Redding Fire Department
- Anderson Police Department

Once at the CodeRED website, residents may create an account for two geographical locations associated with their landline and/or cell phone numbers. Residents may also register a TTY address (telecommunications device for the deaf). Residents who have already registered should revisit the website periodically to make sure their information is complete and up to date. Some public alerts can be received by residents who have not registered for CodeRED, but being registered is the best way to ensure that you will receive all possible alerts.

Stay safe and informed during an emergency – **register for CodeRED!** Click on the red button.



Data provided by OnSolve indicate that less than half the households in Shasta County are registered with CodeRED. The CodeRED registry links phone numbers to addresses. OnSolve data (provided 2/18/19) show 29,978 household addresses in the County's registry. Census data (7/1/17) estimates the County households at 78,847.

CodeRED has the capacity to tailor the message and geographic area of an alert broadcast. During the Carr Fire, dispatchers were able to map the identity and location of at-risk people who required direct assistance in evacuating, based upon 911 calls and radio traffic from first responders in the field. This mapping was in real time and was the only method to identify vulnerable people who needed assistance.

CodeRED information on the SHASCOM website is minimal. It should be expanded to inform residents how to change or update information and offer guidance to those who have problems accessing the CodeRED registry.

Informational bulletins, posted on the OnSolve public website, recommend a thorough review and testing of operational CodeRED systems. The Grand Jury was unable to obtain CodeRED performance data from SHASCOM. There should be a performance review of the County's CodeRED system and alert procedures to verify that they meet requirements.

Power disruptions and downed phone lines are common during fires or severe weather and may compromise or prevent emergency messaging via landlines. Residents dependent on landline phones should verify the capabilities of their service and consider alternate methods for receiving emergency alerts.

SHASCOM does not have a process for educating the public about CodeRED and the importance of registering. Dedicated staff time is needed to manage the CodeRED registration process, improve the registry web page, and conduct an ongoing education campaign to raise public awareness and registration. According to OnSolve, the CodeRED registry can be modified to include additional clarifying information. Marketing assistance is also available from OnSolve for increasing public awareness and registration. An emergency alert system should reach as many people as possible, in as many ways as possible, and as quickly as possible.

Identifying and Alerting those with Special Needs

According to the Federal Emergency Management Agency (FEMA), FEMA News Release 4086-212 (Aug 2013), a new category for targeted assistance during emergencies was designated as Individuals with Access and Functional Needs. Examples in the News Release include:

- Those who are deaf or hard of hearing and need to make special arrangements to receive emergency warnings.
- People without vehicles who may need to make arrangements for transportation.
- Those with physical limitations that may affect their ability to care for themselves in an emergency.

Some residents of Shasta County face hurdles registering for, receiving, and reacting to emergency alerts due to a variety of reasons, some of which are listed above. The County's EOP states, "County emergency communications services will be provided in such a way that populations with access and functional needs receive adequate timely warning and emergency information." According to CAL FIRE's 2019 Community Wildfire Prevention & Mitigation Report, citizens who are at increased risk during a wildfire include:

- Families in poverty
- People with disabilities
- People with limited English skills
- People over age 65
- Children under age five
- Households without transportation

Identifying citizens with special needs is the first step in providing adequate emergency services to this group. SHASCOM is able to flag individuals, their residence location, and special needs

within the CAD system. Fire, law enforcement, and SHASCOM personnel have a significant dependence on flagged information to help prioritize responses. This information might be added as the result of a 911 call, but it is not added systematically. A standard process is needed to meet the County's EOP goal. Such a system will enhance, but not guarantee, that first responders can safely reach specific people in the midst of a disaster.

A voluntary registry for citizens with special needs is a possible solution. The registry would:

- Be advertised to target citizens with special needs.
- Have the capacity to keep information current.
- Have enhanced registration and alert options to accommodate special needs.

The success of such a registry would be dependent on public participation.

OnSolve is developing plans to address the issues of people with disabilities. This could provide an avenue for SHASCOM and OnSolve to partner in assessing the feasibility, scope and design of a special needs registry. The intent would be to improve emergency alerts for citizens that might be underserved by the existing system.

BOARD OVERSIGHT AND ADMINISTRATION

According to the Joint Powers Agreement, the principal function of the Board is "to set policy for the operation of SHASCOM," including "functions of program development, policy formulation and program management." The Board meets bi-monthly and receives information primarily from the SHASCOM Director and Board members who represent their respective Agencies. Procedural and technical issues related to dispatching are dealt with informally or through regularly scheduled Operational Meetings between staff of the various Agencies and SHASCOM. Such issues may or may not be brought to the attention of the Board. While the Board does not need to be apprised of day-to-day issues, Board members need to be aware of some of the broader SHASCOM performance issues. There is no standard protocol or written report of issues that may be relevant, ongoing or unresolved.

The Board is required to comply with the Brown Act. The Brown Act (see Sources Consulted) requires public agencies post agendas 72 hours prior to their meetings and the public be notified. This Grand Jury and previous Grand Juries have noted apparent Brown Act violations.

Former Grand Juries have recommended broader representation than the existing five voting Board members. There is no formal public representation on the Board. With respect to the functioning of SHASCOM, previous Grand Jury Reports have identified these additional issues:

- Understaffing (four Reports)
- Excessive overtime (three Reports)
- Failure to meet training requirements for certification (two Reports)
- Failure to maintain and update the website (one Report)

As noted in this Report's Discussion, all these issues are still of concern to this Grand Jury and have yet to be effectively resolved.

The Board's ability to make informed decisions is impaired when the Board does not have essential information. This Grand Jury found no evidence of a consistent flow of information to the Board and whether its decisions are based on performance data and analysis.

The Board's oversight role is more important now than it has ever been. The County's population continues to grow and increases demands for service from SHASCOM. Wildfires are becoming larger and more damaging, and the potential impact of other disasters increases along with development. Now is an appropriate time for the Board and management of SHASCOM to consider new ways of addressing important issues:

- Hire a management consultant to analyze SHASCOM / Board operations.
- Schedule a workshop including the Board, Director, and consultant to discuss important issues and clarify the roles and expectations of the Director, Board members, and Advisory Board.
- Release the Consultant's report to stakeholder agencies and the public.
- Establish a standing Advisory Board, composed of community volunteers, to assist the Board. Volunteers should have a strong working knowledge of and interest in emergency communications or be able and motivated to become so informed. They could assist with demanding and time-consuming issues, such as investigating the options for a special needs registry, promoting CodeRED, and expanding recruitment efforts.

FINDINGS

- F1. Chronic understaffing necessitates excessive overtime, creating stress and negative morale.
- F2. Public Safety Dispatchers II (PSDII) have a disproportionate overtime burden because they are qualified for all dispatcher functions.
- F3. The amount of overtime required of PSDIIs is a disincentive for Public Safety Dispatchers I (PSDI) to advance.
- F4. Current recruitment efforts are inconsistent and limited, thus contributing to unfilled dispatcher positions and excessive overtime.
- F5. The limit of four training slots restricts the number of vacancies that can be filled in a training cycle.
- F6. Training efforts are not standardized among the trainers resulting in an inconsistent training program.
- F7. The SHASCOM Board has not effectively dealt with the overtime and recruitment issues which have caused chronic staffing problems.
- F8. Overtime and staffing issues limit SHASCOM's ability to timely comply with all Peace Officer Standards and Training (POST) accreditation requirements.

- F9. The Computer- Aided Dispatch (CAD) system does not satisfactorily meet the needs of Redding Fire Department and Emergency Medical Services (ambulances) which causes dispatch and first responder complications.
- F10. SHASCOM has no systematic process for utilizing CAD system's capability for flagging specific information on populations with access and functional needs, leaving this group vulnerable in emergency situations.
- F11. CodeRED is underutilized due, at least in part, to a lack of systematic effort to increase registrations.
- F12. SHASCOM and participating agencies' websites lack adequate information about the function of CodeRED alerts and the registration process, leaving the public with insufficient information as to why or how to register.
- F13. The current CodeRED registration process is not sufficiently effective at enabling or achieving registration of people with access and functional needs. This may leave this population vulnerable to future emergencies for lack of receiving a CodeRED alert.
- F14. There has been no available comprehensive testing or analysis by SHASCOM to determine if CodeRED meets the County's needs for an emergency alert system.
- F15. The Board does not receive standardized, system-wide reporting or documentation from the various Operational meetings between participating Agencies and SHASCOM, impacting their ability to make informed decisions.
- F16. There is not a shared understanding of roles and responsibilities among Board members and the Director, which results in less than effective governance. This lack of consistent and comprehensive oversight of SHASCOM allows chronic issues, as outlined in the report, to persist.

COMMENDATION

Thank you to Agencies that put links to CodeRED on their websites.

RECOMMENDATIONS

- R1. By September 30, 2019, the SHASCOM Board will begin the process of hiring a subject matter expert (management consultant) to review and analyze personnel management issues related to overtime, staffing levels, and dispatcher responsibilities and classifications (PSDI and PSDII). Funding could come from current-year budget savings or be allocated to the following year's budget.
- R2. By October 31, 2019, the SHASCOM Board will instruct the SHASCOM Director to prepare a comprehensive recruitment plan that analyzes appropriate targets and details the timing and methods of recruitment.

- R3. Beginning January 31, 2020, the SHASCOM Board will require the SHASCOM Director to provide quarterly reports on recruitment efforts and outcomes, based on the comprehensive recruitment plan.
- R4. By January 31, 2020, the SHASCOM Board will require the SHASCOM Director to have prepared and initiated the Request For Proposals (RFP) process for hiring the management consultant.
- R5. By November 30, 2019, the SHASCOM Board will require the SHASCOM Director to present a timeline for achieving compliance with accreditation certification of the dispatch center, either through POST or an alternate accreditation organization.
- R6. By November 30, 2019, the SHASCOM Board will require that each employee's annual evaluation include continuing education requirements and provide a reasonable timeframe to complete the training.
- R7. By November 30, 2019, the SHASCOM Board will instruct the SHASCOM Director to conduct an in-house audit on the effectiveness of the training program and report the results to the Board by January 31, 2020.
- R8. Beginning at the September 2019 SHASCOM Board meeting, and at each bi-monthly meeting thereafter, the Board will require written updates on the performance of CAD until all issues are resolved to the satisfaction of participating Agencies.
- R9. By January 31, 2020, the SHASCOM Board will instruct the SHASCOM Director to present a project plan for incorporating information on people with access and functional needs into the CAD database.
- R10. By January 31, 2020, the SHASCOM Board will instruct the SHASCOM Director to plan the implementation of an annual performance test of CodeRED with a subsequent report to the Board on the system's effectiveness within 60 days of the test.
- R11. By January 31, 2020, the SHASCOM Board will instruct the SHASCOM Director to appoint a staff member of SHASCOM to improve the CodeRED registry website and expand public registration, including persons with special access and functional needs.
- R12. By May 31, 2020, the SHASCOM Board will establish an operational, standing Advisory Board, composed of community volunteers as outlined in this report.

REQUEST FOR RESPONSES

Pursuant to Penal Code § 933.05, the following response/s is/are required:

From the following governing bodies (within 90 days):

- Shasta County Board of Supervisors, Redding City Council, and Anderson City Council: **F1, F4, F7, F8, F9, F10, F11, F12, F13, F14, F15, F16, and R1, R2, R3, R4, R5, R6, R7, R8, R9, R10, R11, and R12.**

From the following elected county officer and governing board (within 60 days):

- Shasta County Sheriff: **All Findings and Recommendations**
- SHASCOM Board of Directors: **All Findings and Recommendations.**

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

INVITED RESPONSES

NONE

SOURCES CONSULTED

Shasta Area Safety Communications Agency (SHASCOM)

- SHASCOM (<http://www.shascom911.com/>)
- Shasta Area Safety Communications Agency. *Amended and Restated Joint Powers Agreement*, Sept. 30, 1996.
- First Amendment to Shasta Area Safety Communications Agency. *Amended and Restated Joint Powers Agreement*, Aug. 1, 2000.
- Shasta Area Safety Communications Agency. *Second Amended and Restated Joint Powers Agreement*, Feb. 28, 2012.
- Shasta Area Safety Communications Agency. *Resolution No. 2012.07: Resolution for Third Amendment to the SHASCOM Joint Powers Agreement*, Nov. 13, 2012.
- Shasta Area Safety Communications Agency. *Third Amended and Restated Joint Powers Agreement*, Dec. 11, 2012.
- *Bylaws of the Shasta Area Safety Communications Agency*, [n.d.]
- *Memorandum of Understanding (MOU) Between SHASCOM and General Teamsters Local 137*, July 1, 2018 – June 30, 2021.
- *SHASCOM Standard Operating Procedure*, Jan. 30, 2018.
- California Attorney General's Office. *The Brown Act*. [Code 54950-54960.5.] 2003.
- "Service Inquiry Log:" APD, EMS, Incident, Misc., RFD, RPD, S/O. For the year 2018. [APD: Anderson Police Department; EMS: Emergency Medical Service; RFD: Redding Fire Department; RPD: Redding Police Department; S/O: Sheriff's Office.]
- SHASCOM Director [job description] [n.d.]
- SHASCOM Seniority List [updated Mar. 26, 2019.]
- Handrick, Laura. *What is an EAP and How does it Work?* [Feb. 5, 2018]

CodeRED and CAD

- OnSolve (<https://www.onsolve.com/>)
- State of California. Senate Bill 833. Chapter 617. Office of Emergency Services. *Alert and Warning Systems*.
- Centers for Disease Control and Prevention. *Disability and Health Emergency Preparedness*, Aug. 9, 2018.
- Spillman Flex. Computer-Aided Dispatch (CAD). (<https://www.spillman.com/>)

Websites and Other Sources

- U. S. Census Bureau. Shasta County, California. Quickfacts.
- Shasta County Office of Emergency Services.
- Shasta County Emergency Operations Plan.
- Shasta County Health and Human Services Agency.
- Association of Public Safety Communications Officials (APCO).
- Peace Officer Standards and Training (POST).
- POST. Public Safety Dispatcher Basic Course.
- Westlaw. California Code of Regulations. 1018. *Public Safety Dispatcher Programs*. 11 CA ADC 1018. [2019].
- Westlaw. California Code of Regulations. 1005. *Minimum Standards for Training*. [2019].
- California Department of Forestry and Fire Protection. *Community Wildfire Prevention & Mitigation Report*, Feb. 22, 2019.
- "Help with disaster planning and recovery is available for those with access and functional needs," *FEMA News Release*, Number 4086-212, Aug. 26, 2013.

When there is a perception of a conflict of interest involving a member of the Grand Jury, that member has been required to recuse from any aspect of the investigation involving such a conflict and from voting on the acceptance of or rejection of that report. No member of the Grand Jury recused from this report.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code § 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

Released June 27, 2019



Shasta County

BOARD OF SUPERVISORS

1450 Court Street, Suite 308B
Redding, California 96001-1680
(530) 225-5557
(800) 479-8009
(530) 225-5189-FAX

JOE CHIMENTI, DISTRICT 1
LEONARD MOTY, DISTRICT 2
MARY RICKERT, DISTRICT 3
STEVE MORGAN, DISTRICT 4
LES BAUGH, DISTRICT 5

August 13, 2019

The Honorable Gary Gibson
Presiding Judge, Shasta County Superior Court
1500 Court St., Rm. 205
Redding, CA 96001

Dear Judge Gibson:

**Re: Response of Board of Supervisors to Fiscal Year 2018-2019 Grand Jury Report:
911: What's your Emergency?**

The Shasta County Board of Supervisors appreciates the time and dedication which the 2018-2019 Grand Jurors contributed to their charge.

In connection with the above-referenced Grand Jury Report, the Board of Supervisors respectfully disagrees with the Grand Jury's conclusion that the Board of Supervisors is required to provide a response to the Grand Jury's findings and recommendations. Pursuant to Penal Code § 933(c), the requirement to respond to the Grand Jury's findings and recommendations is with the governing body of the public agency at issue and only as to those matters under the control of that governing body.

The Shasta Area Safety Communications Agency (SHASCOM) is the public agency at issue. SHASCOM is a separate, legal entity created by a Joint Powers Agreement under Government Code sections 6500 et seq., and governed by its own Board of Directors. As such, the Board of Supervisors is not the governing body of SHASCOM and is not required to respond to the Grand Jury's findings. Furthermore, the findings and recommendations of the Grand Jury involve matters that are not within the control of the Board of Supervisors. The Board of Supervisors therefore declines to respond.

Sincerely,

LEONARD MOTY, Chairman
Board of Supervisors
County of Shasta

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Regular - Health and Human Services-9.

SUBJECT:

Loan for The Woodlands II

DEPARTMENT: Health and Human Services Agency-Office of the Director

Supervisory District No. : All

DEPARTMENT CONTACT: Donnell Ewert, Director, Health and Human Services Agency, (530) 245-6269

STAFF REPORT APPROVED BY: Donnell Ewert, Director, Health and Human Services Agency

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Take the following actions regarding a \$1,000,000 Loan (Loan) from the County's Mental Health Services Act (MHSA) funds to partially finance The Woodlands II housing project located at 2900 Polk Street, Redding, CA: (1) Approve and authorize the Chairman to sign: (a) two agreements with PC Redding Apartments II Limited Partnership (PCRAII): (i) Regulatory Agreement in an amount of \$1,000,000 for a minimum period of 20 years effective August 13, 2019 and until the later of either payment in full of the Loan, or 55 years, commencing on the date the Certificate of Occupancy is issued; and (ii) Services Agreement with no compensation to provide access to the Woodlands II for the Health and Human Services Agency (HHS) to provide social and support services to HHS's clients for a period of 20 years commencing on the date the Certificate of Occupancy is issued or the execution of this agreement, whichever occurs later; (b) Promissory Note in the amount of \$1,000,000; and (c) a subordination agreement with Banner Bank and PCRAII; and (2) adopt a resolution, pursuant to Government Code section 27281, which accepts the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing in the amount of \$1,000,000 from PCRAII.

SUMMARY

PC Redding Apartments II Limited Partnership (PCRAII) plans to provide permanent supportive housing by adding 20 more units to The Woodlands on Polk Street in the City of Redding. Five of these one-bedroom units will be reserved for persons with psychiatric disabilities, and five of the two-bedroom family units will be reserved for persons with psychiatric disabilities or families of children with serious emotional disturbance. In part because of an increase in construction costs due to last year's local wildfires, the cost estimate for this project has increased by \$1,000,000. Because the need for low-income housing in Shasta County is so dire, the HHS recommends bridging this gap with a 55-year, simple interest loan from MHSA funds.

DISCUSSION

In 2013, the Board of Supervisors approved an investment of \$1,337,336 in MHSA funding, with an additional \$668,668 in MHSA funding for Capitalized Operating Subsidy Reserves (rent subsidies) to help finance The Woodlands, a 55-unit low

income housing project in the City of Redding, in exchange for 19 one- and two-bedroom units to provide permanent supportive housing for adults with severe mental impairment (SMI), and for families with children with severe emotional disturbance. The Woodlands opened on June 1, 2017. Originally, The Woodlands was proposed as a 75-unit apartment complex, but had to be scaled back to 55 units to better compete for tax credit financing. The City of Redding still owns a piece of land adjacent to The Woodlands, and PCRAII plans to develop that land with 20 more apartment units as phase two of The Woodlands (Woodlands II).

On April 24, 2018, the Shasta County Board of Supervisors authorized the Health and Human Services Agency Director, acting in his capacity as Mental Health Director, to sign documents included in the application related to Shasta County’s participation in the Local Government Special Needs Housing Program (SNHP). Shasta County has \$601,608.13 on deposit with the California Housing Finance Agency (Cal HFA) for the purpose of building permanent supportive housing and providing rent subsidies for low-income people with severe mental illness (SMI).

As public financing is central to acquiring the tax credit financing needed for such projects since the demise of redevelopment funding, PCRAII approached HHSA about using the remaining SNHP funds for this project in exchange for reserving five units for people with SMI, which the Board of Supervisors approved in May 2018. Unfortunately, after the Carr and Camp fires, construction costs increased dramatically, leaving a \$1,200,000 shortfall in the project budget from original projections. PCRAII secured a \$200,000 grant from the McConnell Foundation for the project, and HHSA is seeking approval to provide a \$1,000,000 loan to PCRAII of MHSA funds for this project, in exchange for an additional five two-bedroom units for individuals with SMI or families with children with serious emotional disturbance.

More than 400 people are on The Woodlands’ waiting list. The demand for this type of housing far exceeds supply, and The Woodlands II would help create more capacity. The on-site case manager, peer support specialist, and resident manager have worked collaboratively and diligently to ensure that residents have the support that they need to maintain housing stability. The \$1,000,000 loan is secured by a deed of trust on PCRA II’s leasehold and improvements for the Woodlands II project. The leasehold and proposed improvements are appraised at a value of \$2,630,000. In addition to sufficient equity in the Woodlands II project, the County’s security interest will be subordinate to the security interest of the primary lender, Banner Bank.

In 2013, the City of Redding, as the lead agency, completed review of the Woodlands project under the California Environmental Quality Act, which included both Woodlands I and Woodlands II, with adoption of a Mitigated Negative Declaration.

ALTERNATIVES

An alternative is to not approve the loan, defer action to a later date, or request additional information from staff.

OTHER AGENCY INVOLVEMENT

The primary lender for this project is Banner Bank, and the McConnell Foundation is donating \$200,000. The Housing Department has provided consultation to Health and Human Services Agency, as well as assistance with loan documents. The Mental Health Alcohol and Drug Advisory Board voted to recommend that the Board of Supervisors approve the loan at their regular meeting on March 6, 2019. County Counsel has approved the agreements and resolution as to form. Risk Management has reviewed the agreements. The recommendation has been reviewed by the County Administrative Office.

FINANCING

MHSA-Community Services and Supports funds will be used for the \$1,000,000 loan. MHSA programs receive no General Fund support. There is no impact to the County General Fund with approval of the recommendation.

ATTACHMENTS:

Description	Upload Date	Description
Regulatory Agreement	8/5/2019	Regulatory Agreement

Promissory Note	8/5/2019	Promissory Note
Deed of Trust	8/5/2019	Deed of Trust
Resolution for Deed of Trust	8/5/2019	Resolution for Deed of Trust
Subordination Agreement	8/5/2019	Subordination Agreement
Services Agreement (Extract of Exh C)	8/5/2019	Services Agreement (Extract of Exh C)

FREE RECORDING REQUESTED)
PURSUANT TO GOVERNMENT CODE)
SECTION 27383)

Recording requested by and)
when recorded return to:)

County of Shasta)
Health & Human Services Agency)
1810 Market Street)
Redding, CA 96001)

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REGULATORY AGREEMENT
WOODLANDS II PROJECT

This Regulatory Agreement (the “**Regulatory Agreement**” or the “**Agreement**”), dated as of August 13, 2019 for informational purposes, is made and entered into by and between PC Redding Apartments II Limited Partnership, a California limited partnership (the “**Borrower**”), and the County of Shasta (the “**County**”), a political subdivision of the State of California.

RECITALS

A. The City of Redding, as the housing successor to the former Redevelopment Agency of the City of Redding pursuant to California Health and Safety Code Section 34176(a) (the “**Fee Owner**”), owns the fee interest in that certain real property located at 2900 Polk Street in the City of Redding, County of Shasta (the “**County**”), State of California and described in Exhibit A, attached hereto and incorporated herein by this reference (the “**Land**”). The Borrower is the owner of a leasehold interest in the Land (the “**Leasehold**”), pursuant to the terms of that certain Ground Lease Agreement dated as of _____ (the “**Ground Lease**”) executed by Borrower, as lessee, and Fee Owner, as lessor (as may be amended, modified, extended and assigned previously, currently or hereafter), as evidenced by that certain Memorandum of Ground Lease recorded in the Official Records of the County of Shasta (the “**Official Records**”) on _____, 2019 as Instrument No. 2019-_____, and a fee simple determinable interest in all improvements, constructed, or to be constructed on the Land, including without limitation, the development commonly known as The Woodlands II Apartments (the “**Improvements**”). The “**Development**” includes the Leasehold, the Improvements, and all funds or property, of whatsoever kind or nature, committed to the Development. Where used to refer to any right, title and interest in the Land, the term “Development” is meant to include only the Leasehold, and shall not be construed to include any right, title or interest in the fee interest in the Land owned by Fee Owner.

B. Borrower has applied to the County for a loan in the amount of One Million Dollars (\$1,000,000) to partially finance the cost of constructing and renovating the Improvements. The source of the loan are Mental Health Services Act (MHSA) funds through the Community Services and Supports (CSS) component of the MHSA. Pursuant to California Code of Regulations, title 9, section 3630, the loan is for constructing and renovating a Project-Based Housing Program.

C. The Borrower, in coordination with the Shasta County Health and Human Services Agency (“**HHS**”) has agreed to provide five (5) two-bedroom HHS Housing units in the Development.

D. As inducement for the County to make the Loan, the Borrower has agreed to enter into this Agreement and has consented to be and to have the Development regulated and restricted by the County as provided in this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Borrower shall comply with all requirements for a Project-Based Housing Program as outlined in California Code of Regulations, title 9, section 3630.10, as it now exists and may hereafter be amended and all other relevant provisions of law. The five (5) two-bedroom units identified shall be used for the purpose of providing MHSA Permanent Supportive Housing in accordance with the County’s approved Three-Year Program and Expenditure Plan and/or update, for a minimum of 20 years and shall be subject to all restrictions related to the use of MHSA funds.

2. Borrower shall use the Loan funds solely for constructing and renovating the Improvements. The Loan funds shall not be used for client-based housing expenditures, including, but not limited to, housing vouchers, rental subsidies, utility startup deposits, utility costs, and furniture rental. The County shall disburse the Loan in accordance with the terms of the Promissory Note.

3. Term of Agreement. This Agreement shall be effective as of the date of recordation of this Agreement in the County of Shasta (“**Loan Closing Date**”) and shall remain in full force and effect and shall apply to the Development for a minimum of twenty (20) years and until the later of: (i) payment in full of the Loan; or (ii) fifty-five (55) years, commencing upon the date of Certificate of Occupancy for the Development.

4. Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

(a) “**Certificate of Occupancy**” means a certificate, or equivalent, issued by a local building department to the Borrower that indicates that the Development has met all local code requirements and is ready for occupancy.

(b) “**County**” means the entity defined in the Recitals herein.

(c) “**Deed of Trust**” means that certain deed of trust entitled “Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing” which was executed by the Borrower, secures the Promissory Note and this Agreement. It is intended that this Agreement shall be recorded ahead of and have priority over the Deed of Trust.

(d) “**Development**” means the twenty (20) unit housing development consisting of four (4) family-style three bedroom units, ten (10) family-style two bedroom units, five (5) one bedroom units, and a manager’s unit located at 2900 Polk Street, Redding, CA 96001.

(e) “**Distribution**” means any withdrawal, taking or payment of any assets, subsidies, earnings or income of the Development excluding payments for current and budgeted

Operating Expenses of the Development. Distributions shall be payable only after payment of Operating Expenses and Non-Standard Operating Expenses.

(f) **“Fair Housing”** means all federal, state and local laws, as applicable, relating to prohibitions on discrimination in rental housing.

(g) **“Fiscal Year”** means the twelve (12) month accounting period ending on December 31.

(h) **“Gross Income”** means all rents, rental subsidies, operating subsidies, Supportive Services operating fees and any other income of the Development, and without limitation, such income derived from commercial facilities of the Development, if any.

(i) **“HHS Clients”** means those persons or households who are clients of the Shasta County Health and Human Services Agency and who qualify for MHSA Permanent Supportive Housing.

(j) **“HHS Housing Unit”** means those Units which are targeted to be occupied by an HHS Client.

(k) **“Loan”** means the loan to the Borrower by the County as evidenced by the Promissory Note.

(l) **“Loan Documents”** means this Agreement, the Promissory Note, Deed of Trust, and any other document evidencing or securing the Loan.

(m) **“Mixed Population Development”** means a development that has a specific number of HHS Housing Units dispersed within the development to house HHS Clients, with other Units open to occupancy by persons who are not HHS Clients.

(n) **“Non-Standard Operating Expenses”** means expenses as approved in writing by the County payable after all Operating Expenses and before Distributions. Non-Standard Operating Expenses shall be paid in the following priority and may include (if applicable) the following: (i) Cash Flow Operating Reserves; (ii) non-County required operating reserves funded from Development cash flow; (iii) deferred developer fee (only if the Development was funded with the proceeds from the sale of tax credits and the Development has a tax credit investor limited partner) payable as determined by Borrower, not to exceed the total approved deferred developer fee; and (iv) Partnership Asset Management Fees, as defined herein. See Exhibit B, Part B for amounts applicable to the Development.

(o) **“Operating Expenses”** means all reasonable and proper expenses, as approved by the County, of the operation of the Development including, but not limited to, loan payments payable before the calculation of allowable Distributions as specified on Exhibit B, fidelity bonds, annual bond issuance fees (only if the Development is funded with bond proceeds and the bond issuer charges an annual bond issuance fee), insurance, real estate taxes, ordinary maintenance and repair, costs of marketing, Development management, Supportive Services, servicing fee of the California Housing Finance Agency, fuel, utilities, garbage disposal, sewer charges, audit expenses, reasonable attorney fees incurred in operating the Development, and such other payments as the County may require or specifically approve in writing as Operating Expenses. In no event shall attorney fees or litigation costs other than as stated, be treated as Operating Expenses unless

specifically approved in writing by the County. Nonrecurring expenses in excess of Twenty-Five Thousand and No/100s Dollars (\$25,000.00) shall not be considered an approved Operating Expense unless specifically approved in writing by the County, which such approval shall not be unreasonably withheld.

(p) ***"Operating Expense Loan"*** means any loan by a General Partner of Borrower or affiliate of a General Partner of the Borrower for the purpose of paying Operating Expenses of the Development. The Borrower shall not permit any interest to be charged or to accrue on any advances to the Development from the Borrower or any affiliate of the Borrower, except upon the following conditions: (i) prior written notice of such advance and the terms thereof shall have been given to the County; (ii) interest shall be limited to no more than the lesser of three percent (3%) simple interest or the interest rate as specified in the Promissory Note; (iii) the amount of such advance shall be no greater than necessary to pay current expenses; and (iv) such advances shall be repaid after payment of, or the reservation of funds for payment of, all Operating Expenses of the Development and prior to any Distributions and Residual Receipts loan payments, if applicable, from the Development. Failure of any of these conditions shall render the party making the advance liable to refund and/or forfeit all interest paid or due and shall be an event of default pursuant to this Agreement.

(q) ***"Partnership Asset Management Fee," "Partnership Management Fee,"*** or ***"PAMF"*** means those annual asset management fees payable pursuant to the Borrower's organizational documents (which may define such fees differently), but subject to limitations as approved by the County or which may be imposed by other lenders or subsidy providers. Such fees shall be payable only if the Development was funded with the proceeds from the sale of tax credits and the Development has a limited partner investor, and only for the fifteen (15)-year tax credit compliance period. The PAMF may be adjusted for inflation as determined by the County.

(r) ***"Promissory Note"*** or ***"Note"*** means that certain promissory note entitled "Promissory Note" executed by the Borrower in favor of the County in the face amount of One Million Dollars (\$1,000,000).

(s) ***"Property Management Agreement"*** means a contract between the Borrower and the property management agency, which defines the roles and responsibilities of each party for the operation of the Development and includes a property management plan.

(t) ***"Residual Receipts"*** means the balance of Surplus Cash remaining after payment of Borrower's allowable Distribution.

(u) ***"Supportive Services"*** means assistance made available to tenants within the Development who may benefit from such services, to help them maintain stable housing and/or achieve improvements in health, wellness, recovery, employment, income, socialization and quality of life.

(v) ***"Surplus Cash"*** means the balance of Gross Income of the Development remaining at the end of each Fiscal Year after payment of: (i) Operating Expenses; (ii) reservation of cash required to meet current thirty (30) day obligations; (iii) County-approved Non-Standard Operating Expenses; and (iv) County-approved Operating Expense Loans. For the purpose of computing Surplus Cash, Gross Income of the Development shall include any rent insurance proceeds, but shall exclude fire or other insurance proceeds, condemnation proceeds, and any security deposit which shall not have become the property of the Borrower free of the claim of any person

claiming as or through the tenant having made such deposit. Priority of payments and application of Surplus Cash shall be in accordance with Exhibit B.

(n) **“Unit”** means one of the residential apartments in the Development.

5. Rental and Occupancy Requirements. Borrower agrees and covenants that:

(a) The Borrower will establish five (5) two-bedroom Units in the Development as HHS Housing Units. All HHS Housing Units shall be occupied or targeted for occupancy by at least one HHS Client. The Borrower will lease vacant HHS Housing Units to HHS Clients referred to Borrower by the County. In the event the County is unable to refer an eligible HHS Client to Borrower within thirty (30) days of a notice to County that a targeted HHS Housing Unit is vacant, Borrower may rent the vacant Unit to an eligible non-HHS Client household. In such an event, the next vacant two-bedroom Unit will be targeted as a HHS Housing Unit and the County will be given the opportunity for a thirty (30) day period to refer eligible HHS clients for the vacancy. This process will continue until five (5) two-bedroom Units in the Development are occupied by a household with an HHS Client. In Mixed Population Developments, specific Units shall not be permanently assigned to HHS Clients, and must be evenly disbursed within the Development. Development waiting lists shall ensure that HHS Clients shall be provided equal access to non-designated HHS Housing Units to the extent they qualify for occupancy of those Units.

(b) The HHS Housing Units shall be in addition to any units targeted to be occupied by Special Needs Housing Program eligible residents as may be provided for in documents from other lenders designed to finance the Development.

(c) The Borrower shall require each Unit to be subject to a rental agreement in a form which may be subject to approval by the County, and shall not lease any Unit for less than thirty (30) days or for more than one (1) year. The rental agreement, executed by all adult or emancipated youth household members, shall provide for the following:

- (i) Evictions shall be carried out in accordance with California and, if applicable, federal law governing month to month tenancies and reasonable accommodation consistent with not causing undue administrative or financial burden upon the Development.
- (ii) If the basis for eviction is abandonment or failure to occupy, the Borrower shall comply with California Civil Code Section 1952.3 and any other applicable laws unless the Borrower receives notification or has actual knowledge that the non-occupancy of the HHS Housing Unit is due to hospitalization or institutionalization (other than state prison) of the HHS Client. Under these conditions, the Borrower shall hold the Unit available for the HHS Client for three (3) months, provided the rent for the Unit is fully paid as agreed to in the rental agreement.
- (iii). If an HHS Client abandons or fails to occupy the HHS Housing Unit, but non-HHS Clients of the household remain in the Housing Unit and continue to pay the rent, the following applies:

- (1) In a Mixed Population Development, the other household members may continue to occupy the HHS Housing Unit provided a comparable non-HHS Housing Unit is available to lease and is leased to an HHS Client, and the existing household member's/members' occupancy is in compliance with the property management agreement and the rental agreement. Rents may be adjusted to maximum allowable rents according to the property management plan and in accordance with federal, state and local law.
- (2) If the Mixed Population Development has no vacant non-HHS Housing Unit available, and so long as the household member(s) otherwise meets the criteria or conditions for the occupancy for the Development, the other household member(s) may continue to occupy the HHS Housing Unit for the six (6)-month grace period while seeking alternative living accommodations, and Borrower shall make reasonable attempts to assist the other household member(s) in finding alternative living accommodations. If the HHS Housing Unit is not vacated at the end of the six (6)-month grace period, the rent amount shall be adjusted to the maximum allowable rent according to the property management plan and applicable law and Borrower shall commence eviction proceedings in accordance with state and federal law; provided, however, that if during the grace period or eviction proceedings, a comparable non-HHS Housing Unit becomes available and is leased to an HHS Client, Borrower may permit the other household member(s) to continue to occupy the former HHS Housing Unit.
- (3) For purposes of this section, the six (6)-month grace period shall begin on the first day of the next tenancy period following notification by the Borrower to other household member(s) that the HHS Client s no longer occupying the HHS Housing Unit.

(d) The Borrower shall not discriminate against tenants or applicants who are recipients of federal rent subsidies pursuant to Section 8 of the United States Housing Act of 1937 (42 USC Section 1437(f)) ("**Section 8**"), as amended, or any successor subsidy program. Borrower agrees to comply with terms of any existing subsidies and actively seek extensions to existing project-based subsidies and shall apply for new project- and/or tenant-based subsidies from all applicable and appropriate sources, including project –based Section 8 and Housing and Urban Development (HUD) McKinney programs.

(e) The Borrower agrees to make available any and all Units of the Development for the purposes of physical inspection by the County personnel upon prior notice and in accordance with the County's policies and procedures. Borrower shall require that its managing agent inspect each Unit at least on an annual basis.

(f) Borrower shall collect and maintain tenant security deposits in accordance with applicable laws.

(g) Borrower shall reasonably assist HHS Clients in applying for any and all benefits for which they may be eligible including but not limited tenant based rental subsidies and medical benefits.

6. Development Management.

(a) The Borrower shall provide for the management of the Development in a manner satisfactory to the County, shall employ a bonded and licensed management agent, develop a management plan, and use a management agreement, which may be subject to review by the County. A fidelity bond shall be maintained in an amount equal to one month's gross rent for the entire Development and shall insure the Borrower and the County against misapplication of Development funds. **All management agreements shall include a copy of this Agreement, which shall be incorporated therein, and made a part of the contract.** The management agreement shall be subject to termination with or without cause by the Borrower or the County, and without penalty, upon not less than thirty (30) days prior written notice to the management agent. Any liability associated with the termination of the management contract shall be the sole obligation of the Borrower. Upon notice of termination, the Borrower agrees to make immediate alternative arrangements, reasonably satisfactory to the County, for the continued management of the Development. In the event that the Borrower shall fail to make such alternative arrangements for a substitute managing agent within a reasonable time (which in no event shall exceed sixty (60) days from the date of the sending of the termination notice), the County shall have the unilateral right to make such alternative arrangements subject to the reasonable consent of the investor limited partner, if applicable. The amount of the management agent's compensation shall be subject to approval by the County, which shall not be unreasonably withheld.

(b) Borrower shall begin marketing of the Development at least ninety (90) days prior to the availability of the Units for occupancy. All marketing efforts shall be consistent with applicable laws associated with nondiscrimination, and referrals from the County (or other referring entities) shall not result in a disparate impact as it relates to equal housing opportunities.

(c) Borrower shall assure that all advertising (including letterheads, brochures and media advertising) shall include a "Fair Housing" logo. To the extent federal, state and/or local accessibility laws apply, Borrower shall also include an "Accessibility" logo.

(d) Where a significant number of persons in the community have limited fluency in the English language, Borrower shall comply with applicable state and local law regarding the need to provide publications, information, brochures and leases in the household's native language of such persons; "**significant number of persons**" is deemed to be at least twenty-five percent (25%).

(e) Borrower shall develop and maintain a policy and procedure for the selection and rejection of applicants and a grievance and eviction policy and procedure for tenants of the Development.

(f) Borrower shall assure compliance with all Fair Housing laws. Occupancy of the Development shall be open to all regardless of race, gender, gender orientation, marital status, familial status, age (except for senior citizen housing pursuant to state and federal law), color, religion, disability, source of income, national origin or ancestry. The Borrower shall require that its officers, agents, employees, management agent, contractors and subcontractors, and employees associated with the Development provide equal opportunity for employment and that they not engage in any unlawful

discriminatory conduct. In addition, the Borrower agrees to conduct its own affirmative marketing and outreach programs in conformance with County requirements and, if applicable, federal requirements associated with any federal funding applicable to the Development. Borrower further acknowledges the Fair Housing considerations set forth in the Application or acknowledgement letter provided to the County, as applicable.

(g) In addition to the foregoing Borrower shall comply with all applicable federal, state, and local laws and regulations including, but not limited to: (1) the Americans with Disabilities Act, (2) California Government Code section 11135, (3) zoning and building codes and requirements, (4) all applicable licensing requirements, (5) fire safety requirements, (6) environmental reporting and requirements, and (7) hazardous materials requirements.

(h) Borrower shall not use any of the loan funds from the County for sectarian worship, instruction, or proselytization. Borrower shall not require or condition the use of the Development on participation in religious activities.

(i) Borrower shall have appropriate fire, disaster, and liability insurance as determined by County.

7. Financial Covenants. In addition to, but not by way of limitation of, all other duties of the Borrower set forth herein, the Borrower shall comply with the following:

(a) Annual Operating Budget. The Borrower shall submit to the County a proposed operating budget ("Annual Operating Budget") for the Development not later than sixty (60) days prior to the beginning of each Fiscal Year following completion of construction of the Development. The proposed Annual Operating Budget shall set forth the anticipated Gross Income of the Development and a detailed estimate of all Operating Expenses thereof, which shall include an itemization of such expenses. The Annual Operating Budget shall be subject to approval by the County and shall otherwise be consistent with the requirements of this Agreement. The County may request further delineation of expenses as it deems necessary.

(b) Annual Audit. The Borrower shall provide the following reports to the County not later than ninety (90) days following the end of each Fiscal Year following completion of construction of the Development:

(i) A complete annual financial report for the Development based upon an examination of the books and records of the Development prepared in accordance with the requirements of the County ("***Annual Audit***"); and

(ii) Any other financial report as may be required by the County.

(c) Annual Reports. Within ninety (90) days following the end of each year following completion of construction of the Development, the Borrower shall provide the County with a complete annual financial report unless a shorter period is otherwise required by the County. The financial report must include a detailed accounting of, without limitation, all income and expenses, accounts receivable, accounts payable and disbursements received or made in the period reported.

(d) Audit Books and Records. The Borrower shall maintain the books and records of the Development in accordance with the requirements of the County. The Development and all

equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents, tenant payment records, leasing records, financial information, and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and shall be subject to examination, inspection and copying by the County or by its authorized representative or by the California State Department of Mental Health upon demand during normal business hours.

(e) Furnishing Information. Upon the County's request, Borrower shall furnish such reports, financial statements, projections and analyses as may be required by the County, including information as requested by the County related to any construction (if applicable) and shall provide information the County requests regarding the income, expenses, assets, liabilities, contracts, operations and conditions of the Borrower and the Development. Borrower understands and agrees that the content of such reports, statements, projections, analyses and any other information may be publicly disclosed.

(f) Single Asset Entity. Unless the County agrees otherwise in writing, Borrower shall maintain its status as a single asset entity.

(g) Property Tax Exemption. Until the end of the term of this Agreement, Borrower shall take any and all actions necessary to maintain the Development's property tax exemption pursuant to California Revenue & Taxation Code Section 214.

8. Distributions.

(a) Annual distribution of Surplus Cash to the Borrower shall be in accordance with Exhibit B. The County shall review the Annual Audit which shall be prepared in accordance with requirements of the County and determine whether a Distribution of Surplus Cash should be approved. All Distributions may be taken annually but only after the County's prior written approval. Approved Distributions shall be up to the proportionate amount of Surplus Cash specified in Exhibit B. There shall be no accrual of Distributions from year to year.

(b) The proceeds of any unapproved Distribution shall be held in trust for the Development and shall be immediately refunded to the Development upon the County's demand. The Borrower shall be obligated to pay interest thereon to the Development at the rate of ten percent (10%) until the unapproved Distribution is returned in full to the Development.

9. Residual Receipts. All remaining funds, after the County-approved Distribution, shall be payable in the proportion specified in Exhibit B, to Residual Receipts loans, including the Loan. Failure to make the required annual payments on the Residual Receipts loans on or before the earlier of thirty (30) days from the date of County approval of the Annual Audit or one hundred fifty (150) days after the end of each Fiscal Year shall constitute a default under the Loan Documents.

10. Certain Acts Prohibited and Events of Default. The Borrower shall not, without the prior written approval of the County, do any of the following. The granting of the County's approval shall be in its sole, unfettered discretion and may be conditioned upon the satisfaction of such terms and conditions as the County may prescribe.

(a) Make any sale, assignment, conveyance or transfer in any other form of the Development or any part thereof or of any of its interest therein, whether voluntarily or involuntarily, or by operation of law.

Notwithstanding the foregoing, (i) if the Borrower has a tax credit limited partner, County consent is not required for any transfer of tax credit limited partner's interest in Borrower provided that all investor pay-ins have been made to Borrower, or if all of the investor pay-ins have not been made, then County consent is not required for any transfer of tax credit limited partner's interest in Borrower provided that the transfer is to an Affiliated Entity. For this purpose, an "Affiliated Entity" is an entity that controls, is controlled by or is under common control with Borrower's tax credit limited partner. Any such transfer shall include the assumption of all of the tax credit limited partner's rights, obligations and liabilities under the Borrower's Partnership Agreement dated July 29, 2019, as may be further amended (the "Partnership Agreement"). Borrower shall provide any amendments to the Borrower's Partnership Agreement, along with any other pertinent information related to the transfer, and (ii) following the tax credit compliance period, Borrower may sell the Development to a General Partner of the Borrower, or its affiliate, pursuant to an option or right of first refusal granted to one or more general partners concurrently as reflected in Borrower's Partnership Agreement. The entity or entities to whom the Development may be transferred under this paragraph shall be deemed to have assumed all obligations of the Borrower under the Loan Documents.

(b) Make a change or a transfer of the interest of the general partner (if a limited partnership) or the managing member(s) (if a limited liability company) other than as provided as in Borrower's Partnership Agreement.

(c) Assign or transfer any right to manage the Development.

(d) Materially remodel, add to, reconstruct, demolish or damage any part of the Development.

(e) Require, as a condition of the occupancy or leasing of any HHS Housing Unit in the Development to an HHS Client, any consideration or deposit other than the prepayment of the first month's rent plus a security deposit in an amount not in excess of one (1) month's rent to guarantee the performance of the covenants of the lease.

(f) Invest any funds from the Development in any property, real, personal or mixed, except as authorized by this Agreement, or deposit any such funds in a depository not authorized by this Agreement.

(g) Make a loan of any funds from the Development to any person or entity.

(h) Fail to maintain County required insurance.

(i) Cause or permit the Development to be maintained in a condition, which the County deems, in its sole discretion, as an impairment of its security interest, or a violation of the Borrower's obligation to maintain the Development in a safe, sanitary and decent condition.

(j) If the Development receives project-based assistance or subsidy, cause or permit the loss of the subsidy or termination of the contract governing such subsidy, or failure to apply for or accept an extension thereof.

(k) Be in default under the terms of any senior lender's loan obligations, which has not been cured within the time period specified in the senior lender loan documents. If a senior lender has given a default notice to Borrower, Borrower shall deliver to County notice of said default. Borrower agrees that County shall have the opportunity, but not the obligation to cure any such default

within thirty (30) days following the date of such notice. County acknowledges that a senior lender shall be entitled during such period to continue to pursue its remedies under the senior loan documents. All amounts paid by County to a senior lender to cure any default under the senior loan documents shall be deemed to have been advanced by County to Borrower, which amounts shall be repaid by Borrower to County in accordance with the terms of the Promissory Note, and shall be secured by the Deed of Trust.

(l) Fail to comply with the terms of the Loan Documents.

(m) Fail to comply with the terms of the Services Agreement attached as Exhibit C, unless otherwise approved in writing by County. Such Services Agreement may be amended upon mutual agreement of County and Borrower. If any ambiguity, inconsistency, or conflict exists or arises between the terms of the Services Agreement and the terms of this Regulatory Agreement, this Regulatory Agreement shall govern.

(n) Fail to rent available HHS Housing Units to eligible HHS Clients.

9. Non Discrimination. Borrower shall not discriminate in providing equal access with respect to rental of Units within the Development in accordance with the mandates of state, federal and local law. Borrower shall seek such legal advice as necessary to assure such non-discrimination and equal access to housing.

10. Actions. The Borrower agrees to notify the County promptly in writing of any action or proceeding by or against the Development or by or against the Borrower with respect to the Development. No action or proceeding seeking the recovery of a sum in excess of Twenty-Five Thousand Dollars (\$25,000) or for specific performance or other equitable relief shall be instituted by the Borrower with respect to the Development, nor shall any action or proceeding seeking the recovery from the Development, or from the Borrower with respect of the Development, of a sum in excess of Twenty-Five Thousand Dollars (\$25,000) or for specific performance or other equitable relief against the Development, or against the Borrower in respect of the Development, be settled or compromised by the Borrower, without the prior approval of the County. Any such approval may be subject to such terms and conditions as the County may prescribe.

11. Assignment of Rents for Security. As security for the performance of the Borrower of all its obligations under this Agreement, subject to the rights of senior lenders, if any, the Borrower hereby assigns and pledges to the County all of the Borrower's right, title, and interest in and to the rents, profits, and income and charges of whatsoever kind or nature which it may receive or be entitled to receive from the operation of the Development, subject, however, to any assignment of rents or like provision contained in the Deed of Trust or in any of the other Loan Documents; provided, however, that unless and until a default under this Agreement is declared by the County or a defendant or event of default shall have occurred under any other Loan Documents, the Borrower shall be permitted to collect and retain such rents, profits, income and charges, subject the provisions of this Agreement.

12. Violation of Agreement by the Borrower. In the event of the violation of any of the provisions of this Agreement by the Borrower, which does not require immediate judicial relief due to waste or health and safety issues, the County shall give written notice thereof, by registered or certified mail, to the Borrower at the address stated in this Agreement, or to such other address as may have been designated by the Borrower in writing and if such violation is not corrected to the satisfaction of the County within thirty (30) days after the date such notice is mailed (or within such

further time as the County in its sole discretion may permit), the County may without further prior notice declare in writing a default under this Agreement effective on the date of such declaration of default, and upon any such declaration of default, or, irrespective of any such declaration of default, upon the occurrence of a default or event of default under any of the other Loan Documents, the County may:

(a) Declare the whole of the principal amount of the indebtedness evidenced by the Promissory Note immediately due and payable and proceed with the rights and remedies provided for in the Loan Documents.

(b) Collect all rents, rental subsidies, profits, income and charges in connection with the operation of the Development and use same or the proceeds thereof, in such order as the County may determine, toward satisfaction of the Borrower's obligations under this Agreement or any of the Loan Documents, and toward payment of the necessary expenses of preserving and operating the Development.

(c) Take possession of the Development, bring any action necessary to enforce any rights of the Borrower growing out of the operation of the Development, and operate the Development in accordance with the terms of this Agreement until such time as the County, in its sole discretion, shall determine that the Borrower is again in a position to operate the Development in accordance with the terms of this Agreement and in compliance with the requirements of any of the other Loan Documents.

(d) Apply to any court, state or federal, for specific performance of this Agreement; for an injunction against any violation by the Borrower of this Agreement; for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement; or for such other relief as may be appropriate, it being agreed by the Borrower that the injury to the County arising from the default under any of the terms of this Agreement would be irreparable, and that it would be extremely difficult to ascertain the amount of compensation to the County which would afford adequate relief.

Notwithstanding anything to the contrary herein, Borrower's limited partner shall have the opportunity, but not the obligation, to cure a Default by Borrower under the Loan Documents, including this Regulatory Agreement, and the County shall accept or reject such offer, as if tendered by the Borrower.

13. Interest Charges. In the event that the Borrower fails to make timely payment of any money provided for in this Agreement, then such payment obligation shall be increased to include interest at the rate of the lesser of ten percent (10%) simple interest per annum or the maximum rate permitted by law.

14. Action by the County. Except as may be otherwise specifically provided herein, whenever any approval, notice direction, consent, request or other action by the County is required or permitted under this Agreement, such approval, notice direction, consent, request or other action shall be in writing.

15. Integration and Amendments. The Loan Documents constitute the entire agreement of the parties with respect to the matters contemplated therein and supersede all prior negotiations or agreements, written or oral.

16. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.

17. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors and assigns; provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior approval of the County. Except as expressly provided herein, this Agreement shall be for the exclusive benefit of the parties hereto and shall not confer any rights upon any third party. In the event the Borrower transfers title, possession or control of the Development to a third party, the Borrower covenants to require as a condition of transfer that such third party agrees to be bound by and to operate the Development in accordance with this Agreement. The County is deemed to be the beneficiary of such conditions and agreements with the right to enforce them against any such third party.

18. Recordation. This Agreement shall be acknowledged by each of the parties and recorded against the Development in the Official Records of Shasta County.

19. Election of Remedies; Events of Default. The remedies of the County hereunder and under the other Loan Documents are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the County of any one or more of its other remedies.

20. Waiver by the County. No waiver by the County of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach thereof or default hereunder.

21. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

22. Compliance with Laws. The Borrower represents and warrants that at all times its acts in connection with the Development have complied with and shall continue to comply with all applicable provisions of federal, state and local laws, including Fair Housing laws, all applicable provisions of the MHSA Housing Program, the rules, regulations, policies and procedures of the County and all agreements with the County and any other public entities concerning the Development as amended from time to time. The Borrower represents to the County that professional advice is available to the Borrower for the purpose of enabling the Borrower to be aware of and to comply with said laws, policies, procedures and agreements.

23. Legal Notices. Written notices by and between the parties hereto shall be addressed as follows unless and until a party hereto has, in writing, communicated a different address to the other party hereto, provided, for notices other than to Borrower, the County shall use its best efforts, and provided further that no legal consequences shall arise by reason of the County's failure to give notice to any person other than Borrower:

Borrower:	PC Redding Apartments II Limited Partnership, a California limited partnership 100 Pacifica, Suite 203 Irvine, CA 92618
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County:

Shasta County Health and Human Services Agency
2640 Breslauer Way
Redding, California 96001

24. Attorney Fees, Costs. In any non-judicial foreclosure process, or action to enforce or relating to any provision of the Loan Documents, the prevailing party shall be entitled to recover from the other party its costs and expenses. The term “costs and expenses” as used herein shall include all costs and expenses actually and reasonably incurred including but not limited to attorney fees; filing, motion, and jury fees; juror food and lodging; taping, videotaping, and transcribing depositions and travel expenses to attend depositions; service of process by a public officer, registered process server, or other means; expenses of attachment including keeper's fees; premiums on surety bonds; ordinary witness fees pursuant to Section 68093 of the California Government Code; fees of expert witnesses whether or not ordered by the court; transcripts of court proceedings whether or not ordered by the court; court reporter's fees as established by statute; investigation expenses in preparing the case for trial; postage, telephone, and photocopying charges; costs in investigation of jurors or in preparation for voir dire; models, blowups and photocopies of exhibits, and any other item that is required to be awarded to the prevailing party pursuant to statute as an incident to prevailing in the action at trial or on appeal. Such costs and expenses shall be recoverable whether the services were rendered by a salaried employee of the party or by an independent contractor.

25. No Conflict With Other Documents. The Borrower warrants that it has not, and shall not, execute any other agreement with provisions contradictory to the provisions hereof, and that, in any event, the requirements of this Agreement shall be paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

26. Maintenance. The Borrower shall maintain the Development in a decent, safe and sanitary condition and in a good state of repair as determined by the County in its sole discretion.

27. Indemnification. The Borrower shall indemnify, defend (with counsel reasonably chosen by the County, at the County's option), and hold the County, and its employees, officers, agents, and board members harmless against all claims which arise out of or in connection with the ownership or occupancy of or construction on or in connection with the Development (including, without limitation, rehabilitation) by the Borrower or the Borrower's contractors, subcontractors, agents, employees, or tenants, including claims resulting from the Borrower's failure to comply with Article XXXIV of the California Constitution, federal, state and local Fair Housing laws regarding discrimination in rental housing, handicapped accessibility, prevailing wage (California Labor Code Section 1720 et seq.) and/or Davis Bacon (40 U.S.C. 276(a) et seq.) (as applicable). The Borrower agrees that the Borrower, and not the County, is responsible for assuring compliance with such laws. This section shall survive the termination of this Agreement.

28. Environmental Covenants. The Borrower represents and warrants that after reasonable investigation and inquiry, and except as indicated in the Phase I environmental report submitted to the County, as of the date of this Agreement, it has no knowledge of any hazardous substance or environmental condition on or within two thousand (2,000) feet of the Development which may adversely impact the security of the Loan, or which may render the Development financially infeasible, or which may affect the health and safety of the occupants, the Development, or which may present an undue risk of liability to the County. The Borrower agrees to comply with all laws and orders of any federal, state or local governmental agency relating to clean-up or

remediation, or other response action required by applicable law or order concerning a release or threatened release of hazardous substances in or on the Development. The term “***hazardous substance***” as used in this paragraph shall mean as defined at Code of Civil Procedure Section 736(f)(3).

The Borrower shall give any and all environmental notices to tenants and/or workers (both employee and independent contractor) which may be required by state or federal law. The Borrower hereby agrees to indemnify and hold the County harmless for any and all liability arising out of the presence of hazardous substances on the Development during the longer of the term of the Loan or the term of the Regulatory Agreement. Liability may be established by, among other forms of demands, a demand in the form of a judgment, a settlement, or an administrative order; and may include costs, fees, penalties, interest, attorney fees, and other costs related thereto. Whereas the purpose of this indemnity is to protect the County from harm, the rights to recover shall accrue as soon as the liability is incurred or costs are advanced. The term “any and all liability” shall include, but shall not be limited to, liability for: (a) the clean-up of hazardous substances; (b) claims for contribution or apportionment of remedies; and (c) claims for physical or other damages to persons, property, or natural resources. The duty of the Borrower to indemnify and hold the County harmless shall include the duty to defend as set forth in California Civil Code Section 2778.

29. Litigation. The Borrower represents and warrants that as of the date of this Agreement, there are no claims, actions, suits, or proceedings pending, or to Borrower's knowledge threatened, against Borrower or affecting the Property or Improvements, except as disclosed to County in writing.

30. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which constitute one and the same instrument.

[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BORROWER:


PC REDDING APARTMENTS II LIMITED PARTNERSHIP, a California limited partnership

By: **PC Redding Developers II LLC, a California Limited Liability Company**

Its: Administrative General Partner


By: **Palm Communities**, a California Corporation

Its: Managing Member

By:  8-2-19
Name: Danavon L. Horn Date
Its: President

By: **Northern Valley Catholic Social Service, Inc.**, a California nonprofit public benefit corporation

Its: Managing General Partner

By:  8.5.19
Name: Catherine E. Wyatt Date
Its: Executive Director

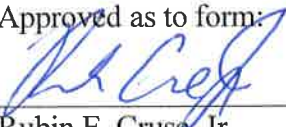
COUNTY:

SHASTA COUNTY, a political subdivision of the State of California


LEONARD MOTY, Chairman Date
Board of Supervisors
County of Shasta
State of California

ATTEST
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

Approved as to form:
 8/11/19
Rubin E. Cruse, Jr. Date
County Counsel

RISK MANAGEMENT APPROVAL

 08/01/19
James Johnson Date
Risk Management Analyst

ACKNOWLEDGMENT

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

State of California
County of Orange

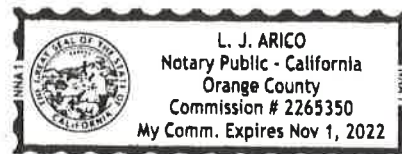
On August 2, 2019 before me, LJ Arico
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature LJ Arico (Seal)



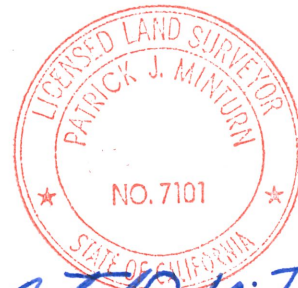
Legal Description – Woodlands II Project

EXHIBIT "A"

All that portion of the real property situated in Section 14 of the P.B. Reading Grant, in the incorporated area of City of Redding, County of Shasta, State of California, more particularly described as follows:

Parcel 2 as shown on that certain Parcel Map, filed June 21, 2019, in Book 39 of Parcel Maps at Page 71, Shasta County Records.

APN: portion of 108-350-063



Patrick J. McInturn
8/1/19

Exhibit B
Priority of Payments – MHSA Permanent Loan
After Approved Operating Expenses

Part A – County-Approved Operating Expenses including Servicing Fee and Amortizing Debt (if applicable):

Lender:	Banner Bank
Initial Principal Amount:	\$450,000
Payment Amount:	\$27,598
Term to Maturity:	17 (35-year amortization schedule)
Lien Position:	First
Interest Rate:	5.10%

Part B – Annual Non-Standard Operating Expenses¹ (which are subject to change as Approved by the County):

	Total Amount for all Units in the Development
Cash Flow Operating Reserves	\$46,028
Other Lender Required Reserves:	\$0
Estimated Deferred Developer Fees:	\$159,897
Partnership Management Fee: ¹	\$27,000.00 increasing annually by the percentage increase of CPI
Other:	N/A

Total deferred developer fee is \$159,897. Payable in amounts as determined by Borrower, not to exceed the total approved deferred developer fee, which may change based on the final cost certification.

¹ See definition of Partnership Asset Management Fee. Payable only if the Development was funded with the proceeds from the sale of tax credits and the project has a tax credit investor limited partner, and only for the fifteen (15)-year tax credit compliance period. If not funded with tax credits, or if insufficient cash flow, then zero.

Exhibit B (continued)**Part C – Borrower's Allowable Distribution**

50% of Surplus Cash

Part D – Residual Receipts (defined as the balance of Surplus Cash remaining after payment of Borrower's allowable Distribution) to be Payable to Residual Receipts Lenders as follows:

Lender:	Shasta County
Initial Principal Amount:	\$1,000,000
Percentage of Residual Receipts:	63.05%
Term to Maturity:	55 Years
Lien Position:	2 nd
Interest Rate:	3% simple

Lender:	CalHFA/ MHSA
Initial Principal Amount:	\$601,000
Percentage of Residual Receipts:	36.95%
Term to Maturity:	55 Years
Lien Position:	3 rd
Interest Rate:	3% simple

Lender:	NVCSS
Initial Principal Amount:	\$200,000
Percentage of Residual Receipts:	0%
Term to Maturity:	55 Years
Lien Position:	None
Interest Rate:	3% simple

**SERVICES AGREEMENT BETWEEN
THE COUNTY OF SHASTA
AND
PC REDDING APARTMENTS II LIMITED PARTNERSHIP**

THIS SERVICES AGREEMENT, herein after referred to as Agreement, is entered into by and between the County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency (“County”) and PC Redding Apartments II Limited Partnership (“PCRAII”), a California Limited Partnership (collectively, the “Parties” and individually a “Party”) for the management of 10 housing units of supportive housing within a 20-unit affordable housing project known as The Woodlands 2.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and conditions set forth in this Agreement, the Parties agree as follows:

Section 1. DEFINITIONS.

For the purposes of this Agreement the following definitions shall apply:

- A. Client(s) – A Client is someone who has met County’s screening criteria for MHSA Permanent Supportive Housing Project eligibility.
- B. County Unit(s) – County Unit(s) means 10 affordable units for the general population and Clients located throughout the Project, as follows:
 - (1) 5 one-bedroom units as specified in the California Housing Finance Authority Regulatory Agreement for Special Needs Housing Program requirements; and
 - (2) 5 two-bedroom floating units as specified in the County Regulatory Agreement for the Project.
- C. MHSA Permanent Supportive Housing Project – The MHSA Permanent Supportive Housing Project, also called “The Woodlands 2,” means the 10 County Units in the Project that are set aside for Clients. It includes supportive and social services that are designed to help Clients maintain housing stability.
- D. Project - The Project is located on 1.4 acres at 2900 Polk Street, Redding, California 96001 and consists of a total of 20 multi-family affordable housing units plus a manager’s unit. The 20 multi-family affordable housing include one-, two- and three-bedroom units.
- E. Social services – Means the services offered to Clients by PCRAII. They may include, but are not limited to: Finance/budgeting classes, personal income tax preparation, adult education classes, benefit/entitlement assistance, after-school activities, and health and wellness classes.

- F. Supportive services – means the services provided by County or County’s contractor(s) to Clients on an as-needed basis as determined by County. They may include, but are not limited to: Case management, clinical support, crisis management, medication support, connection to community-based resources, nursing support, co-occurring treatment, In-Home Support Services, Wellness & Recovery Action Planning (“WRAP”), life skills training, peer support, family support, benefits counseling, Public Guardian, employment readiness and resources, Adult Protective Services, Representative Payee Support, vocational services, and after-hours crisis support.
- G. Woodlands Common Areas – Means an on-site community center that includes a computer room, game room, activity room, laundry facilities, County staff office, and manager’s unit located at 2950 Polk Street, Redding, California 96001, owned and operated by PC Redding Apartments Limited Partnership, a California limited partnership (“PCRA”).

Section 2. RESPONSIBILITIES OF PCRAII.

- A. PCRAII shall provide to Clients the County Units.
- B. Each County Unit provided by PCRAII shall include:
 - (1) One full/double bed, one nightstand, one four-drawer dresser, and one lamp for each bedroom in a County Unit.
 - (2) One full-size couch, one coffee table, one lamp, one television stand for the living room.
 - (3) One dining room table and four chairs for the dining room.
- C. Notify County’s Mental Health Services Act coordinator in writing within seven calendar days of knowledge that a Client is vacating and/or terminating their tenancy in a County Unit, including notice to County to provide moving labor services for furnishings as described in Section 3.G below.
- D. Provide County with 120 days written advance notice prior to any change in property ownership or property management.
- E. PCRAII shall maintain and operate the Project.
- F. PCRAII shall maintain common areas and grounds.
- G. PCRAII shall develop Client selection criteria that defines how PCRAII will select Clients for tenancy of a County unit. Selection criteria shall be consistent with applicable Fair Employment and Housing Act (Government Code sections 12900, *et seq.*) provisions.
- H. PCRAII shall develop procedures to implement the selection criteria which includes, but is not limited to, a notification of any action taken, appeal rights and processes as defined in the Americans with Disabilities Act and Fair Employment and Housing Act (Government Code sections 12900, *et seq.*) for Clients denied tenancy.

- I. Using the Client selection criteria identified in Section 2. G. above, PCRAII shall screen and select Clients for tenancy of County Units. PCRAII shall ensure consistent application of Client selection criteria.
- J. PCRAII shall provide assistance to Clients who have been accepted for tenancy by PCRAII prior to moving in. Such assistance shall include, but is not limited to, arrival or first day orientation, and coordination with County's staff or County's contractors to facilitate the Client's occupancy in their County unit.
- K. PCRAII staff shall attend quarterly monitoring meetings with County staff to review whether services are provided in a manner consistent with the provisions of this Agreement. County shall set the date, time and place of these quarterly meetings.
- L. PCRAII shall allow County's staff or County's contract providers use of Project common areas and Woodlands Common Areas to provide services to Clients during the term of this Agreement.
- M. PCRAII shall comply with all California Housing Finance Agency ("Cal HFA") permanent supportive housing rules, regulations, and reporting requirements, as they may be amended from time to time, for the entire term of this Agreement.
- N. PCRAII shall ensure the availability of social services to Clients including, but not limited to, the following:
 - (1) Finance/Budgeting Classes: Financial literacy classes/workshops shall be provided for a minimum of fifty-two (52) hours per year.
 - (2) Personal Income Tax Preparation: Personal income tax preparation instruction shall be provided for a minimum of ten (10) hours per year.
- O. Adult Education Classes: Adult education instruction shall be provided for a minimum of eighty-eight (88) hours per year. Adult education classes shall include, but are not limited to, education regarding benefit/entitlement assistance, computer skills, job readiness, GED instruction, job retention, and networking with community resources to promote employment opportunities.
 - (1) After-school Activities: After-school activities shall be provided for a minimum of six (6) hours per week.
 - (2) Health and Wellness Classes: Health and wellness classes shall be provided for a minimum of eighty-eight (88) hours per year, and shall include, but not be limited to, relationship skills, communication, cooperation, personal responsibility, self-control, empathy, pre-crisis intervention, and emotional support.
- P. PCRAII shall provide Project performance outcome data to County within 30 days of the end of each quarter, using reporting worksheets provided by County.
- Q. PCRAII shall ensure that Client(s) residing at Project shall have reciprocal access to Woodlands Common Areas located at 2950 Polk Street, Redding, California 96001, or if for any reason access to the Woodlands Common Areas is not available, then at another site reasonably agreeable among the Parties hereto, for the purposes of Social services and Supportive services.

Section 3. RESPONSIBILITIES OF COUNTY.

County shall:

- A. Screen applicants for MHSA Permanent Supportive Housing Project eligibility and forward names of approved Clients to PCRAII for housing eligibility screening.
- B. Establish and maintain a waiting list of Clients who are eligible for participation in the MHSA Permanent Supportive Housing Project.
- C. Monitor PCRAII's compliance with the provisions of this Agreement.
- D. Coordinate quarterly monitoring meetings to review whether services are provided in a manner consistent with the provisions of this Agreement.
- E. Create quarterly reporting form to record, track, and report Project performance outcome data, provide the form to PCRAII within 30 days of this Agreement being finalized, and collect the form from PCRAII quarterly.
- F. Provide supportive services to MHSA Clients on an as needed basis as determined by County.
- G. Should (1) a Client vacate a floating County Unit, as defined in Section 1.B.2 of this Agreement, and (2) the County is unable to forward a name of an approved Client or Clients to PCRAII to occupy the unit within 10 working days of receipt of the notice identified in Section 2.C of this Agreement, and (3) PCRA II and the County Director of Health & Human Services (or his/her designee) agree to use a different housing unit in the Project as a County Unit, County shall reimburse PCRA II for its reasonable expenses, as determined by County, for transferring the furnishings identified in Section 2.B. of this Agreement from the previous County unit to a storage area, determined by County, and then for transferring the furnishings to the new County Unit when it becomes available.
- H. Comply with all Cal HFA permanent supportive housing rules, regulations, and reporting requirements, as they may be amended from time to time, for the entire term of this Agreement.

Section 4. COMPENSATION.

There will be no exchange and/or receipt of payment from either Party to the other Party pursuant to this Agreement. The consideration for performance of this Agreement is the performance of the rights, duties, and obligations set forth in this Agreement.

Section 5. TERM OF AGREEMENT.

The term of this Agreement shall be for a period of 20 years commencing upon the date of Certificate of Occupancy or the execution of this Agreement by County, whichever is later.

Section 6. TERMINATION OF AGREEMENT.

- A. Either Party may terminate this Agreement immediately upon breach of the Agreement by the other Party, provided written notice of such breach is given and the notified Party fails to cure such breach to the reasonable satisfaction of the

noticing Party within 30 days of delivery of the notice of breach, or such extended period as is necessary to cure the breach. Such termination by the noticing Party shall be effective at the end of the cure period if no cure has been affected.

- B. County shall have the right to terminate this Agreement immediately in the event any one or more of the following occurs:
 - (1) A petition for adjudication of PCRAII is filed for voluntary or involuntary bankruptcy, which is not dismissed within 60 days of filing.
 - (2) PCRAII makes a general assignment or PCRAII's interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.
 - (3) Abandonment of the Project by PCRAII.
- C. County may terminate this agreement without cause on 30 days written notice to PCRAII.
- D. County shall not be obligated to perform the services provided for in this Agreement for any future County fiscal year unless or until County's Board of Supervisors appropriates funds for this Agreement in County's budget for that County fiscal year. In the event that funds are not appropriated for this agreement, then this agreement shall end as of June 30 of the last County fiscal year for which funds for this agreement were appropriated. For the purposes of this agreement, the County fiscal year commences on July 1 and ends on June 30 of the following year. County shall notify PCRAII in writing of such non-appropriation at the earliest possible date.
- E. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- F. County's right to terminate this agreement may be exercised by the County's Administrative Officer, or County's HHSA Director or any HHSA Branch Director designated by the HHSA Director.

Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; EXHIBITS/APPENDICES.

- A. Except as otherwise provided in the Loan Documents (as that term is defined in the County Regulatory Agreement for the Project), this Agreement supersedes all previous agreements relating to the subject of this Agreement and constitutes the entire understanding of the Parties hereto. PCRAII shall be entitled to no other benefits other than those specified herein. PCRAII specifically acknowledges that in entering into and executing this Agreement, PCRAII relies solely upon the provisions contained in this Agreement and no others.
- B. No changes, amendments, or alterations to this Agreement shall be effective unless in writing and signed by both Parties. However, minor amendments that do not result in a substantial or functional change to the original intent of this Agreement may be agreed to in writing between PCRAII and the HHSA Director or any HHSA Branch Director designated by the HHSA Director, provided that the amendment is in substantially the same format as the County's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101).

- C. The headings that appear in this Agreement are for reference purposes only and shall not affect the meaning or construction of this Agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this Agreement and the provisions of any of this Agreement's exhibits or appendices, the provisions of this Agreement shall govern.

Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.

Inasmuch as this Agreement is intended to secure the specialized services of PCRAII, PCRAII may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of County. The waiver by County of any breach of any requirement of this Agreement shall not be deemed to be a waiver of any other breach.

Section 9. EMPLOYMENT STATUS OF PCRAII.

PCRAII shall, during the entire term of this Agreement, be construed to be an independent contractor, and nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which PCRAII performs the work or services that are the subject matter of this Agreement; provided, however, that the work or services to be provided by PCRAII shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of County is to ensure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. PCRAII shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if PCRAII were a County employee. County shall not be liable for deductions for any amount for any purpose from PCRAII's compensation. PCRAII shall not be eligible for coverage under County's workers' compensation insurance plan nor shall PCRAII be eligible for any other County benefit. PCRAII must issue W-2 and 941 Forms for income and employment tax purposes, for all of PCRAII's assigned personnel under the terms and conditions of this Agreement.

Section 10. INDEMNIFICATION.

To the fullest extent permitted by law, PCRAII shall indemnify and hold harmless County, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses, (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this Agreement by PCRAII, or by any of PCRAII's subcontractors, any person employed under PCRAII, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of County. PCRAII shall also, at PCRAII's own expense, defend the County, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against County, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this Agreement by PCRAII, or any of PCRAII's subcontractors, any person employed under PCRAII, or under any Subcontractor, or in any capacity. PCRAII shall also defend and

indemnify County for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless County with respect to PCRAII's "independent contractor" status that would establish a liability on County for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this Agreement.

Section 11. INSURANCE COVERAGE.

- A. Without limiting PCRAII's duties of defense and indemnification, PCRAII and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this Agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other coverage necessary to protect the County and the public with limits of liability of not less than \$3 million per occurrence; such insurance shall be primary as to any other insurance maintained by County.
- B. PCRAII and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover PCRAII, subcontractor, PCRAII's partner(s), subcontractor's partner(s), PCRAII's employees, and subcontractor's(s') employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by PCRAII or subcontractor. Each such policy shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against the County, its elected officials, officers, employees, agents, and volunteers which might arise in connection with this Agreement. PCRAII hereby certifies that PCRAII is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and PCRAII shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this Agreement.
- C. Consultant shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than \$1 million per occurrence.
- D. PCRAII shall require subcontractors to furnish satisfactory proof to County that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of PCRAII pursuant to this Agreement.
- E. With regard to all insurance coverage required by this Agreement:
 - (1) Any deductible or self-insured retention exceeding \$25,000 for PCRAII or subcontractor shall be disclosed to and be subject to approval by the County Risk Manager prior to the effective date of this Agreement.
 - (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, PCRAII or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to

the effective date of this Agreement and continue coverage for a period of three years after the expiration of this Agreement and any extensions thereof. In lieu of maintaining post-Agreement expiration coverage as specified above, PCRAII or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide the insurance coverage required hereunder for claims received and reported three years after the expiration date of this Agreement.

- (3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names *County, its elected officials, officers, employees, agents, and volunteers as additional insureds*. In the event that coverage is reduced or canceled, a notice of said reduction or cancellation shall be provided to County within 24 hours. The additional insureds coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.
- (4) Each insurance policy (except for workers' compensation and professional liability policies), or an endorsement thereto, shall contain a "separation of insureds" clause which shall read:

"Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
 - b. Separately to each suit insured against whom a claim is made or suit is brought."
- (5) PCRAII shall provide County with an endorsement or amendment to PCRAII's policy of insurance as evidence of insurance protection before the effective date of this Agreement.
 - (6) The insurance coverage required herein shall be in effect at all times during the term of this Agreement. In the event any insurance coverage expires at any time during the term of this Agreement, PCRAII shall provide County, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement or for a period of not less than one year. In the event PCRAII fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this Agreement, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

- (7) If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, PCRAII shall provide County a certificate of insurance reflecting those limits.
- (8) Any of PCRAII's Excess Insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the County.

Section 12. NOTICE OF CLAIM; APPLICABLE LAW; VENUE.

- A. If any claim for damages is filed with PCRAII or if any lawsuit is instituted concerning PCRAII's performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, PCRAII shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this Agreement.
- B. Any dispute between the Parties, and the interpretation of this Agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

Section 13. COMPLIANCE WITH LAWS; NON-DISCRIMINATION.

- A. PCRAII shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this Agreement.
- B. PCRAII shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. PCRAII represents that PCRAII is in compliance with and agrees that PCRAII shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.
- D. PCRAII shall not use the Project in any way for sectarian worship, instruction, or proselytization.
- E. In addition to any other provisions of this Agreement, PCRAII shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of PCRAII's noncompliance with the provisions of this section.

Section 14. ACCESS TO RECORDS; RECORDS RETENTION.

- A. PCRAII shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with State and Federal requirements. All records shall be open to inspection and may be audited by the authorized representatives of County, and any State and/or Federal governing agencies. This provision shall survive the termination, expiration, or cancellation of this Agreement.
- B. All financial records, supporting documents, statistical records, and all other records pertaining to the use of the funds provided under this Agreement shall be retained collectively PCRAII for a period of the lesser of (a) five years following termination or expiration of this Agreement, pursuant to the terms herein, or (b) 25 years from issuance of a certificate of occupancy to PCRAII (the "Retention Period"). Such records shall be made available for audit by County, State or Federal representatives as necessary. In the event of litigation, claim or audit, the records shall be retained until all litigation, claims and audit findings involving the records, have been fully resolved. In the event any County, State and/or Federal laws mandate a longer retention period, such longer retention shall apply. Access to these records shall be provided to County during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by County, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this Agreement.
- C. PCRAII shall be responsible for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or County audit directly related to the provisions of this Agreement.

Section 15. COMPLIANCE WITH CHILD, FAMILY, AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.

PCRAII's failure to comply with state and federal child, family, and spousal support reporting requirements regarding PCRAII's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this Agreement. PCRAII's failure to cure such default within 90 days of notice by County shall be grounds for termination of this Agreement.

Section 16. LICENSES AND PERMITS.

PCRAII, and PCRAII's officers, employees, agents, and contractors performing the work or services required by this Agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by County. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by County.

Section 17. PERFORMANCE STANDARDS.

PCRAII shall perform the work or services required by this Agreement in accordance with the industry and/or professional standards applicable to PCRAII's work or services.

Section 18. CONFLICTS OF INTEREST.

PCRAII and PCRAII's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this Agreement.

Section 19. NOTICES.

- A. Any notices required or permitted pursuant to the terms and provisions of this Agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to County: Branch Director
 HHSA Business & Support Services
 Attn: Contracts Unit
 P.O. Box 496005
 Redding, CA 96049-6005
 Phone: 530.245.6860
 Fax: 530.225.5555

If to PCRAII: PC Redding Apartments II Limited Partnership
 c/o Palm Communities
 100 Pacifica, Suite 205
 Irvine, CA 92618
 Phone: 949.878.9399
 Fax: 949.878-9387

If to PCRA: PC Redding Apartments Limited Partnership
 c/o Palm Communities
 100 Pacifica, Suite 205
 Irvine, CA 92618
 Phone: 949.878.9399
 Fax: 949.878-9387

- B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 19.A. and shall be deemed to be effective immediately.
- C. Unless otherwise stated in this agreement, any written or oral notices on behalf of the County as provided for in this agreement may be executed and/or exercised by the County Executive Officer.

Section 20. AGREEMENT PREPARATION

It is agreed and understood by the Parties that this Agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this Agreement within the meaning of section 1654 of the Civil Code.

Section 21. COMPLIANCE WITH POLITICAL REFORM ACT.

PCRAII shall comply with the California Political Reform Act (Government Code sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the County's Conflict of Interest Code, with regard to any obligation on the part of PCRAII to disclose financial interests and to recuse from influencing any County decision which may affect PCRAII's financial interests. If required by the County's Conflict of Interest Code, PCRAII shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

Section 22. PROPERTY TAXES.

PCRAII represents and warrants that PCRAII, on the date of execution of this Agreement, (1) has paid all property taxes for which PCRAII is obligated to pay, or (2) is current in payments due under any approved property tax payment arrangement. PCRAII shall make timely payment of all property taxes at all times during the term of this Agreement.

Section 23. SEVERABILITY.

If any portion of this Agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

Section 24. CONFIDENTIALITY OF CLIENT INFORMATION.

All information and records obtained in the course of providing services under this Agreement shall be confidential, and PCRAII and all of PCRAII's employees, volunteers, agents, and officers shall comply with state and federal requirements regarding confidentiality of Client/patient information (including, but not limited to, section 5328 of the Welfare and Institutions Code; Civil Code section 56.10; the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations adopted pursuant thereto; Title 42, Code of Federal Regulations, Part 2; and Title 45, Code of Federal Regulations, section 205.50). All applicable regulations and statutes relating to Client/patients' rights shall be adhered to. This provision shall survive the termination, expiration, or cancellation of this Agreement.

Section 25. SCOPE AND OWNERSHIP OF WORK.

All research data, reports, and every other work product of any kind or character arising from or relating to this Agreement shall become the property of the County and be delivered to the County upon completion of its authorized use pursuant to this Agreement. County may use such work products for any purpose whatsoever. All works produced under this Agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the County without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this Agreement, PCRAII shall retain all of PCRAII's rights in PCRAII's own proprietary information, including, without limitation, PCRAII's methodologies and methods of

analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by PCRAII prior to, or acquired by PCRAII during the performance of this Agreement and PCRAII shall not be restricted in any way with respect thereto.

Section 26. USE OF COUNTY PROPERTY.

PCRAII shall not use County premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of PCRAII's obligations under this Agreement.

Section 27. ADDITIONAL CONFIDENTIALITY REQUIREMENTS.

Should information regarding County's clients become known to PCRAII that is not otherwise known to PCRAII, PCRAII shall comply with, and require all of its contractors, employees, volunteers, agents, and officers to comply with, the provisions of section 5328 and section 10850 of the Welfare and Institutions Code, and of Division 19 of the State of California Department of Social Services Manual of Policies and Procedures. PCRAII shall ensure all of its employees, volunteers, agents, and officers comply with these provisions, and shall inform all of its employees, agents, and officers that any person knowingly and intentionally violating such provisions is guilty of a misdemeanor.

[SIGNATURE PAGE FOLLOWS]

Exhibit C

IN WITNESS WHEREOF, All Parties have executed this Agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this Agreement and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA


Date: _____

LEONARD MOTY, Chairman
Board of Supervisors
County of Shasta
State of California

ATTEST
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

Approved as to form:

 8/1/19

Rubin E. Cruse, Jr.
County Counsel

RISK MANAGEMENT APPROVAL

 08/01/19

James Johnson
Risk Management Analyst


**PC REDDING APARTMENTS II
LIMITED PARTNERSHIP**, a California
limited partnership

By: PC Redding Developers II LLC, a
California limited liability company,
its administrative general partner

Its: Administrative General Partner

By: **Palm Communities**, a California
Corporation

Its: Managing Member

By:  8-2-19
Name: Danavon L. Horn Date
Its: President

By: **Northern Valley Catholic Social
Service, Inc.**, a California nonprofit
public benefit corporation

Its: Managing General Partner

By:  8-5-19
Name: Catherine E. Watt Date
Its: Executive Director

**Section D: Supportive Services Plan
Instructions**

1. Submit the MHSA Supportive Services Information, Section D, Items D.1 through D.16, as listed on the Application Index & Checklist.
2. Enter required information into the yellow box marked "Response".
3. **Items D1 through D9 must be circulated for public comment and local review for 30 days prior to submission.**

Item D.1 Rental Housing Development Summary Form (Attachment B)

Instructions: Complete and submit the Rental Housing Development Summary Form (**Attachment B**)

Item D.2 Development Description

The Development Description should provide a narrative (approximately two pages) that includes:

1. Name and location of the proposed housing development;
2. Service goals of the development;
3. Characteristics of tenants to be served;
4. Type of housing to be provided;
5. How the building(s) in which housing and services will be provided will meet the housing and service needs of the MHSA tenants (location, building type, layout, features, etc.)
6. Name of primary service provider, property manager, and other development partners; and,
7. Summary of the development financing.

Response:**DEVELOPMENT DESCRIPTION**

1. The Woodlands 2 is located at 2900 Polk Street (assessor's parcel #108350063) in the City of Redding, California. The development is being proposed by PC Redding Apartments, a Limited Partnership between Palm Communities of Irvine, California and Northern Valley Catholic Social Service of Redding, California. The proposed new construction development will consist of 20 units on the same campus as The Woodlands, a 55-unit supportive housing complex. Like the original Woodlands, The Woodlands 2 will be two-story garden-style walk-up buildings, with a mix of 1-, 2- and 3-bedroom apartments. The proposed development will have the following ten (10) MHSA designated units: five (5) one-bedroom units and five (5) two-bedroom floating units. The Woodlands' on-site resident manager, case manager and peer support specialists will expand their scope of work to support these new units.
2. The Woodlands 2 will provide more capacity to achieve the over-arching service goal for The Woodlands, which is for people eligible for Full Service Partnership (FSP) services to acquire and maintain housing stability. Examples of strategies that the support team is using to achieve this goal will be consumer-driven goal setting, recovery-based case management and education, the use of Wellness and Recovery Action Planning, and connection to community-based programs such as the Olberg Wellness Center. These practices incorporate the principles of wellness and recovery that include affirmation and celebration of success, linkage to community-based support and social networks, development of life skills necessary for household/personal care management, and establishing a level of income that will sustain housing and assist residents to achieve other, more independent housing goals they may have.

Supports available include mental health services, intensive case management, medication support, 24/7 crisis services, access to In-Home Supportive Services (IHSS) and nursing staff, vocational services in collaboration with the State Department of Rehabilitation, benefit assistance, peer-to-peer support, and transportation assistance. The use of FSP flexible funding enables enrolled program participants to receive individualized support and "whatever it takes" services including social skill building activities, grocery shopping, and the purchase of ancillary necessities. The proposed project will provide a variety of units that can meet the housing needs of the majority of FSP program age groups, including transition-aged youth, adults, and older adults living independently.

The MHSA residents will be people eligible for FSP services. One full-time-equivalent Personal Services Coordinator is assigned to support the MHSA residents of The Woodlands. Additional support is provided by a full-time Peer Support Specialist, peer advocates, clinicians, nurses, and psychiatrists. The project's on-site support focuses on skills and issues related to successful adaptation to the project community, achieving long-term housing stability, and daily application of recovery principles to promote ongoing self-sufficiency. Off-site services focus on community integration and establishment

of a support network, educational and/or vocational advancements, some primary health care and mental health services, and overall wellness, recovery, and resiliency.

The creation of permanent supportive housing units at The Woodlands for adults with serious mental illness (SMI) is consistent with the Community Services and Supports Plan adopted by the Shasta County Health and Human Services Agency (SCHHSA) and seeks to expand the capacity of safe, affordable, and independent permanent housing.

3. MHSA units will be occupied by individuals who are eligible to MHSA services that have a serious mental illness; and are homeless or at-risk of homelessness, hospitalization, or incarceration; and are un-served or underserved individuals who are eligible to receive FSP intensive services and supports. The Woodlands 2, like the original project, is a multi-family project and all age groups eligible for FSP services may apply for residency.
4. The Woodlands 2 is a new construction project.
5. The Woodlands 2 is an addition to The Woodlands, the first MHSA permanent supportive housing project for Shasta County. Shasta County as a whole has an insufficient supply of supportive and affordable housing units. The development is centrally located near bus service, an elementary school, community-based services, and shopping including grocery stores, pharmacy, and other retail shopping. The proximity to these services has already proven beneficial to The Woodlands residents.

The Woodlands is a fenced and gated community which includes 24-hour on-site management, automobile entry gates, perimeter fencing and pedestrian gates. Common area security cameras are located throughout the community. The Woodlands also includes a multi-purpose community room for classes and for residents to reserve for parties and other events. The park-like grounds feature a fitness center, raised vegetable garden beds, a tot-lot playground, and a swimming pool with splash pad for young children.

As with The Woodlands, each unit in The Woodlands 2 will include Energy Star® rated appliances and equipment, including central heating/cooling, dishwashers, continuous cleaning gas range/oven and hood fan, garbage disposal, and a refrigerator/freezer. Units will also include private patios or balconies (depending on floor level), outdoor storage facilities, luxury vinyl plank and carpeting, blinds, and pantry cabinets. The MHSA units will come furnished.

To provide flexibility in meeting the needs of the MHSA residents and to reduce stigma, the 10 MHSA units will not carry any designation or identification as MHSA units and they will be scattered throughout the complex, as they are in The Woodlands. This arrangement fulfills an overall goal of integrating MHSA housing tenants among other residents of the complex to avoid creating a "project within a project" effect that could happen by concentrating MHSA residents in entirely segregated and identified buildings.

6. The primary service provider is SCHHSA which operates the FSP program in Redding, California.

Property Management will be provided by Northern Valley Catholic Social Service (NVCSS). NVCSS has a standing relationship with the developer and provides property management services to several of the developer's properties.

Social Services programs will also be provided NVCSS. NVCSS is a local community-based organization with many years of experience working with the MHSA population in Shasta County.

7. Financing for the development will come from MHSA, the City of Redding (land donation), the proceeds of the sale of tax credits authorized by the California Tax Credit Allocation Committee, and a permanent conventional loan.

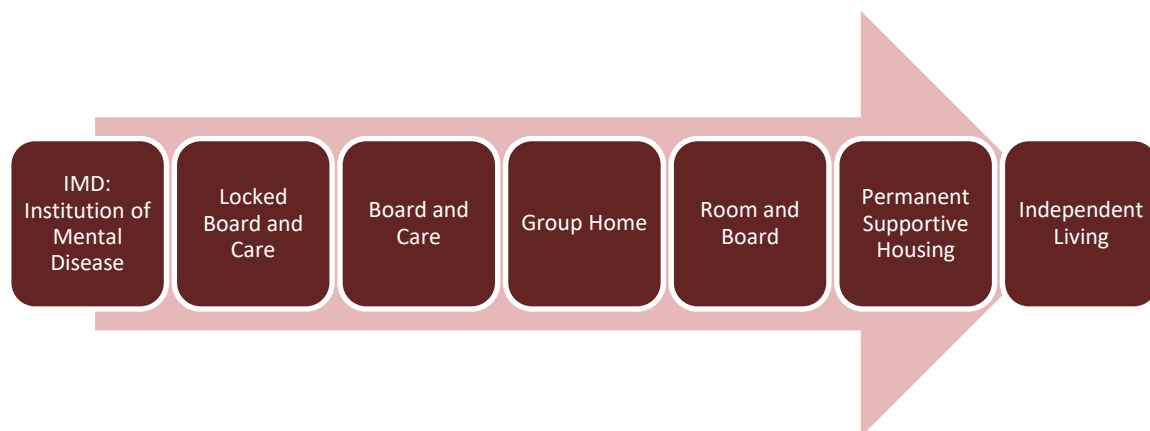
Item D.3 Consistency with the Three-Year Program and Expenditure Plan

Describe how the proposed housing development is consistent with the sponsoring county mental health department's approved Three-Year Program and Expenditure Plan. Provide specific information regarding how the development meets the priorities and goals identified in the Three-Year Program and Expenditure Plan.

Response:

Throughout the stakeholder process for MHSA, housing continually rises to the top as an unmet need for the MHSA population. The Housing Continuum is a Community Services and Supports (CSS) work plan put in place to help address the need for housing for those with a mental illness diagnosis. The primary goal of the Housing Continuum work plan is to assist individuals with a mental illness diagnosis who are homeless or at risk of homelessness by providing access to housing options, both transitional and permanent supportive, in the least restrictive setting as possible.

The Housing Continuum work plan was developed to assess and increase options available to the severely mentally ill in the community.

Housing Continuum

All MHSA planning committees and workgroups that contributed to Shasta County's approved CSS Plan and Annual Updates consistently identify the priorities of increasing housing capacity across the continuum of housing options and supports. These priorities include having geographic accessibility and integration in the community, as opposed to a segregated housing approach which promotes stigma, isolation, and community opposition to supportive housing developments.

The development strategy of SCHHSA is to leverage MHSA funds with other affordable housing funding resources to integrate supportive housing set-aside units within a general population affordable housing project in Redding. In addition, a tiered board and care facility opened in 2016 in the City of Shasta Lake with capacity for transitional and independent living options. Plans are also moving forward for a future MHSA permanent supportive housing development in the eastern area of Shasta County.

The Woodlands development is consistent with the SCHHSA's MHSA CSS Plan as it meets the following housing goals:

- adds much needed units of permanent supportive housing into a service region with a waiting list of more than 100 people for MHSA units,
- promotes self-reliance and independence for mental health consumers and provides immersion of mental health consumers into a multi-family housing community while also introducing them to a variety of community-based support services,
- provides accessible program supports and FSP services to MHSA residents, and
- serves multiple age groups.

Item D.4 Description of Target Population to be Served

Describe the MHSA Rental Housing Program target population to be served in the development. Include a description of the following:

1. Age group, i.e., adults, older adults, children, transition-aged youth;
2. The anticipated income level of the MHSA tenants; and,
3. A description of the anticipated special needs of the target population to be served, e.g., physical disabilities, chronic illness, substance abuse, prior housing status, etc.

Response:

1. The primary population that will be served in The Woodlands 2 consists of adults with serious mental illness who are homeless or at risk of homelessness and who are eligible to receive intensive supportive services from the FSP program. Age groups to be served include transitional age youth, adults, and older adults.
2. It is anticipated that MHSA tenants will have SSI income of approximately \$910 per month.
3. As is the case with MHSA units at the original Woodlands, it is anticipated that the majority of persons housed at The Woodlands 2 will be single adults. Support will be provided by the program that is most consistent with the needs of the consumer/resident. Since co-occurring disorders are common among FSPs, it is anticipated that there will be a focus on those with co-occurring substance use issues, as well as integration with primary care for chronic illness. Life skills training regarding housing maintenance, social skills, and money management are also special needs of formerly homeless residents adjusting to the responsibilities of self-sufficiency.

Item D.5 Tenant Eligibility Certification

The county mental health department is responsible for certifying the eligibility of individuals, applying for tenancy in an MHSA unit, for compliance with the target population criteria. Submit a narrative description of the following:

1. How an individual applies to the county to become certified as eligible for an MHSA unit;
2. How certification of eligibility will be documented, provided to the individual applicant, and maintained by the county; and,
3. How certification of eligibility will be provided to the property manager/development.

Response:

1. MHSA Housing Program staff will use the existing waiting list for The Woodlands to populate the MHSA units of The Woodlands 2. To apply to be added to this waiting list, a consumer, by themselves or through their mental health service provider, will complete the Letter of Interest form and submit it to the SCHHSA, MHSA Housing Program (see Attachment H, Letter of Interest).

2. MHSA Housing Program staff will work with the mental health service provider to complete the MHSA Housing Program Referral Form. The referral form will be used to determine eligibility to the MHSA Housing Program (see Attachment I, MHSA Housing Program Referral).

Mental health service providers will be required to assist in the verification that referred individuals are eligible to the MHSA FSP program and that access to on-site supportive services is recommended in order to maximize housing stability and success at self-sufficiency. Eligibility criteria for MHSA Housing are:

- i) Applicants must meet the low-income requirement; and
- ii) Applicants must be eligible for MHSA FSP services (an adult with serious mental illness or a child with severe emotional disturbance; and are homeless, or at-risk of homelessness, hospitalization, or incarceration; and are un-served or underserved individuals who are eligible to receive FSP intensive services and supports).

The MHSA Housing Program shall review each Letter of Interest, confirm eligibility, and certify the applicant to the centralized housing waiting list of persons that have been certified for MHSA housing eligibility. The MHSA Housing Program is responsible for maintaining the wait list for referral to The Woodlands.

During the review process, MHSA Housing Program staff shall meet together with the proposed tenant and the mental health service provider to discuss the consumer's housing needs and to outline the MHSA Housing Program. If there are no current vacancies available to meet the consumer's housing needs, they will be placed on the waiting list. MHSA Housing Program staff will notify the consumer, both verbally and in writing, of the placement on the waiting list. Should the prospective resident be on the waiting list for longer than 30 days, eligibility will be re-certified prior to referral to The Woodlands.

3. MHSA Housing Program staff will provide The Woodlands property management with the names of certified MHSA applicants from the waiting list. The Woodlands property management is responsible for leasing the MHSA units and for creating a general awareness in the community about the availability of

Exhibit D

affordable and supportive housing units. Upon notification from The Woodlands property management of an MHSA unit becoming available, the MHSA Housing Program staff will notify The Woodlands property management, in writing, of the prospective tenant's eligibility for MHSA housing. The Woodlands property management will review all applicants based on standard Fair Housing policies and provisions.

Item D.6 Tenant Selection Plan

Provide a tenant selection plan, specific to the proposed development, that describes the following:

1. How prospective tenants will be referred to and selected for MHSA units in the development;
2. The tenant application process;
3. The procedure for maintaining the wait list;
4. The process for screening and evaluating the eligibility of the prospective MHSA tenants;
5. The criteria that will be used to determine a prospective MHSA tenant's eligibility for occupancy in the development;
6. The appeals process for individuals who are denied tenancy in an MHSA unit; and,
7. The reasonable accommodations policies and protocols.

NOTE: The Department's approval of the MHSA Housing Application does not ensure that the Tenant Certification/Referral Process is compliant with state and federal fair housing laws. Please seek legal counsel to ensure that the Tenant Certification/Referral Process complies with state and federal fair housing laws.

Response:

1. Prospective tenants who may be eligible for MHSA will be referred by:
 - Self-referral,
 - SCHHSA program staff or other mental health service provider, or
 - The Woodlands property management, upon a determination that the applicant may meet MHSA supportive housing eligibility criteria.
2. To be considered for MHSA supportive housing units, prospective tenants must complete the Letter of Interest to the MHSA Housing Program (Page 2 of the Letter of Interest form outlines the eligibility criteria and application process). MHSA Housing Program staff will review all referrals and applicants for satisfaction of the requirements and eligibility to occupy an MHSA unit.

Upon completion of the review, MHSA Housing Program staff will confirm the applicant's eligibility for MHSA housing. MHSA Housing Program staff will then meet with the prospective tenant and the mental health service provider to discuss the consumer's needs and housing preferences. Selection for residency will be based upon the compatibility of the project with the consumer's choices, and preferences and ability to support the consumer's wellness, recovery, and resiliency goals. If a unit is unavailable for an applicant who is certified as eligible for MHSA housing, the applicant will be placed on the wait list.

Applicants for MHSA Housing units who meet the eligibility shall be encouraged, but not required, to enroll in the FSP program. As enrollees, prospective applicants would have the benefit of intensive supportive services that would assist them in being successful in their application to The Woodlands and their efforts to attain housing stability.

As the project nears completion, the MHSA Housing Program will be responsible for referring certified applicants to The Woodlands property management to continue the resident selection process. All prospective tenants will be provided with a standard application form by The Woodlands property

management, who will then process the application and will uniformly apply its procedures for conducting a consumer credit and/or investigative report on all applicants, including those referred by the MHSA Housing Program, in accordance with Fair Housing laws. MHSA Housing Program staff will provide any necessary assistance to the applicant during this process.

3. The names of applicants who are eligible for MHSA housing will be placed on the MHSA Housing Program's waiting list, which will include date of receipt of their Letter of Interest by the MHSA Housing Program, information about the consumer's needs and preferences, and whether the person is currently engaged in FSP services. MHSA Housing Program staff will notify the applicant, both verbally and in writing, of being placed on the waiting list. The waiting list for all applicants certified to be eligible for tenancy in the MHSA housing project will be maintained by the MHSA Housing Program. The waiting list will exist in hard copy and an electronic version and is available for inspection. It will be reviewed and revised to reflect housing placements, changes in a consumer's housing preferences, changes in consumer's eligibility for MHSA housing units, and other information.

During the review process, MHSA Housing Program staff shall meet with the proposed tenant and the mental health service provider to discuss the consumer's housing needs and to outline the MHSA Housing Program. If there are no current vacancies available to meet the consumer's housing needs, they will be placed on the waiting list. MHSA Housing Program staff will notify the consumer, both verbally and in writing, of the placement on the waiting list. Should the prospective resident be on the waiting list for longer than 30 days, eligibility will be re-certified prior to referral to The Woodlands.

4. Mental health providers must certify that a consumer satisfies the eligibility for supportive housing units. As noted above, the second page of the Letter of Interest outlines the MHSA Housing Program eligibility criteria and application process.

Additionally, as described above, MHSA Housing Program staff will evaluate the applicant's Letter of Interest and referral through consultation with both the applicant and the mental health provider. The goal of this consultation is to review/verify information provided, determine eligibility, and to ensure that the applicant clearly understands the program, the application, and the wait list processes.

To be eligible for an MHSA unit at The Woodlands, an applicant must:

- meet the low income requirement (at or below 30% of Area Median Income)
AND
 - be eligible for MHSA FSP services: an adult with serious mental illness or a child with severe emotional disturbance; who are homeless, or at-risk of homelessness, hospitalization, or incarceration; and are un-served or underserved. "At risk" may be supported by a history of more than one hospitalization or incarceration within the last 12 months and is related to symptoms of his/her mental health disorder.
5. To determine a prospective MHSA tenant's eligibility for occupancy at The Woodlands, MHSA Housing Program staff will ensure the person meets the criteria listed in item 4. Among those who meet this criteria, preference is given to people currently engaged in FSP services. If multiple people fit this criteria, preference is given to the person whose application was received first. This applicant, with the help of MHSA Housing Program staff, will complete The Woodlands' application for tenancy and submit it to The Woodlands property management. The prospective resident will be notified directly by The Woodlands' property management of the results of their application, in writing, within 72 hours of determination utilizing a Notice of Eligibility (NOE) sent to the applicant. Copy of the Notice of Eligibility will also be sent to the MHSA Housing Program at the same time. MHSA Housing Program staff shall notify the mental health service provider of application results.

6. If an application for tenancy is not accepted by The Woodlands property management, MHSA Housing Program staff and the mental health service provider will ensure that the consumer understands his or her right to appeal and provide assistance in preparing, submitting, and presenting an appeal to the property management company, particularly if it is believed that the provisions of reasonable accommodation apply. MHSA Housing Program staff have been trained in the Fair Housing tenant selection and appeals policies and procedures established by The Woodlands property management, and can assist prospective tenants in appealing a denial or requesting reasonable accommodation. Legal Services of Northern California and City of Redding Housing Authority will be utilized as resources to provide consultation and technical assistance to the MHSA Housing Program staff and residents to ensure equal and fair access to housing.
7. Some prospective MHSA tenants will likely come with a multitude of situations and backgrounds which might require reasonable accommodation. These include poor tenancy history, criminal convictions, substance use issues, and behavioral and physical health illnesses. The tenant selection process will focus on an applicant's current behavior and their ability to meet the terms of tenancy.

It is the developer/owner's policy to make every reasonable effort to accommodate individuals with special needs so that they are able to receive services adequately and comfortably. The accommodations may include, but are not limited to, requirements related to visual, audio, language, ergonomic, physical, psychiatric, and other medical needs. These accommodations may be offered to any individual who requires them and who would otherwise not be able to access services in this particular environment.

Upon initial screening by Shasta County Health and Human Services Agency Housing Program staff, any prospective tenant needs that might require accommodation will be identified and discussed with both the tenant and the property management. Prior to tenancy, a reasonable accommodation plan will be set and agreed upon by all parties involved.

It is the intent of this policy to create a service delivery environment which is respectful of all people's differences and special needs and to make all reasonable accommodations in order to welcome diverse perspectives. It is also our intent to make these accommodations in a timely and efficient manner so that minimal impact is felt by all parties involved.

Should an applicant be denied tenancy, they have a right to appeal (Reference Section D.6, Tenant Selection Plan - 6. Appeals process for individuals who are denied tenancy).

Item D.7 Supportive Services Plan

NOTE: A tenant's participation in supportive services may not be a condition of occupancy in MHSA units.

Describe the development's approach to providing supportive services to MHSA tenants. The following information should be provided:

1. A description of the anticipated needs of the MHSA tenants;
2. The supportive service provider's initial and ongoing process for assessing the supportive service needs of the MHSA tenants;
3. A description of each service to be made available to the MHSA tenants, to include where and how the service will be delivered, the frequency of the service delivery and identification of the service provider. A description of the available services and supports should include, but not be limited to:
 - a) Mental health services
 - b) Physical health services (including prevention programs)
 - c) Employment/vocational services
 - d) Educational opportunities and linkages
 - e) Substance abuse services
 - f) Budget and financial training
 - g) Assistance in obtaining and maintaining benefits/entitlements
 - h) Linkage to community-based services and resources
4. Indicate whether or not there will be an onsite service coordinator, and include the ratio of onsite staff to MHSA tenants. If there is no onsite service coordination, provide a description of service coordination for the development;
5. A description of how services will support wellness, recovery and resiliency. It is anticipated that the supportive services plan for the development will include services that are facilitated by peers and/or consumers. If this is not part of your service delivery approach, please provide an explanation;
6. A description of how the MHSA tenants will be engaged in supportive services and community life. Include strategies and specific methods for engaging tenants in supportive services and the frequency of contact between supportive services staff and MHSA tenants. This description should also include the identification of staff (the responsible service provider) and specific strategies for working with MHSA tenants to maintain housing stability and plans for handling crisis intervention;
7. If the Development is housing for homeless youth, provide a description of services to be provided to meet the unique needs of the population including engagement strategies and peer involvement. In addition, provide a description of how transition-aged youth MHSA tenants will be assisted in transitioning to other permanent housing once they reach 25 years of age;
8. Supportive services must be culturally and linguistically competent. Describe how services will meet this requirement including, when necessary, how services will be provided to MHSA tenants who do not speak English and how communication between the property manager and the non-English speaking MHSA tenants will be facilitated;
9. Describe the process to ensure effective communication between the service provider and the property manager regarding the status of MHSA tenants in the development and any other issues regarding the development, including but not limited to regularly scheduled meetings and

the identification of a single point of contact for communication and coordination of supportive services; and,

10. Describe the plan for developing "house rules" and **provide a copy of any rules** that may be in place at initial rent-up; (**Please label and attach as "House Rules"**).

Response:

1. MHSA residents may have common and unique needs. Common needs tend to be in the areas of developing the self-sufficiency skills that will assist them to maintain housing. Areas of historical difficulty include social skills that enable tenants to be respectful and responsible "good neighbors" to other tenants in the project; housekeeping skills to ensure that the tenant is able to maintain his or her unit in a safe and healthy manner; budgeting skills to manage very limited resources in order to fund both housing, household and personal needs; illness management skills so that the tenant can successfully respond to life emergencies and/or the re-emergence of psychiatric symptoms; and for those with co-occurring substance abuse disorders, sober living skills. Unique needs will depend on the individual's goal(s), such as vocational or educational aspirations. An individual's relationship with family members and an individual's unique cultural background may also impact needs.
2. All FSP enrollees receive at least an annual assessment of needs and semi-annual review of their recovery goals and plans. Since the needs of the FSP program participants seem to evolve quickly, the more common practice is continuous monitoring to address the individual's changing needs. FSP programs include consumer-driven treatment planning and goal setting, as well as Wellness Recovery and Action Planning (WRAP) which seeks to actively engage participants in developing their recovery goals and working their plan. In addition, celebrating success is a core value of recovery-based programs. As a result, program members closely monitor needs, progress, success, and goal setting on a continuous basis. The cornerstone of providing FSP services is a "whatever it takes" service mentality in facilitating the FSP's growth and maintaining their wellness and recovery.
3. A description of each service that have been made available to the MHSA tenants, including where and how the service is delivered, the frequency of the service delivery, and identification of the service provider, is presented below:
 - a. Mental Health Services: Mental health services are provided both on-site at The Woodlands and at the SCHHSA community mental health building, which is located approximately 1-1/2 mile from The Woodlands. Services include case management, clinical support, crisis management, medication support, co-occurring disorder treatment, and nursing support. PSCs provide case management services on-site and coordinate other mental health services as needed. A Peer Support Specialist is also on site every weekday for support. Crisis services are provided through the Crisis Residential and Recovery Center and are available 24/7. One of the primary case management services provided is linkage to those community-based services which assist MHSA tenants with reaching their recovery goals and maintaining their housing. Case management services include access to funding which provides ancillary purchases such as groceries, household items, social skill-building activities, etc.
 - b. Physical Health Services (including prevention programs): Physical health services are closely coordinated with each resident's primary care provider. SCHHSA has a contractual agreement with Shasta Community Health Center (SCHC), a Federally Qualified Health Center in Redding, which provides primary health care in the community. As FSPs have access to SCHC or other primary care providers in the community, the PSC helps ensure coordination of care for both behavioral and physical health care needs. On-site nursing services are provided to assist in the monitoring and coordination of care. Health and wellness classes help residents enhance their relationship skills as they relate to personal and public interaction, communication, cooperation, personal responsibility, self-control,

empathy, assertiveness vs. aggressiveness, pre-crisis intervention, emotional support, and cleanliness and hygiene assessments.

- c. Employment/Vocational Services: CalWORKs and the Opportunity Center are among the vocational programs offered by SCHHSA, and the Personal Service Coordinator and Peer Support Specialist have ready access to provide linkages to those and other appropriate employment and vocational resources as needed.
- d. Educational Opportunities and Linkages: Various life skills program are provided on-site by Northern Valley Catholic Social Service and are available to all residents of The Woodlands. The programs include many classes and activities focused on maintaining housing, stability, and wellness and recovery.
 - Adult education instruction includes computer skills workshops, GED instruction and tutoring, and job readiness skills such as resume building, job retention, and networking with community resources to promote employment opportunities.
 - After-school activities and classes tailored for youth include homework assistance, tutoring, and assistance that will provide study tools and enhance study skills. The Woodlands is walking distance from Juniper School, and the principal has already been an active participant in ensuring a strong connection between school and home for students who live at The Woodlands.
 - Triple P – Positive Parenting Program services are provided for parents wishing to enhance their parenting skills.
- e. Substance Abuse Services: Alcoholics Anonymous and Narcotics Anonymous meetings will be held on site, and the Personal Service Coordinator, Peer Support Specialist and onsite case manager provide linkages to other appropriate recovery programs and resources as needed.
- f. Budget and Financial Training: Financial literacy workshops teach what a budget is and why it's important to have and use one. Participants will learn how to open a bank account, complete an income/expense comparison, learn to reduce expenses, and budget for the week/month. Income tax preparation provides support and assistance in the completion and filing of tax returns.
- g. Assistance in Obtaining and Maintaining Benefits/Entitlements: In addition to mental health services, SCHHSA provides many social services. Where needed, PSCs will provide linkage and application assistance for services including In-Home Support Services (IHSS), Adult Protective Services, Public Guardian, and Representative Payee. Staff will also assist with assessment of government and insurance entitlements, including referrals to advocates for Social Security Income and other government entitlements when appropriate. Assistance will be provided in completing and submitting documentation necessary to obtain benefits.
- h. Linkage to Community-Based Services and Resources:
 - Wellness and Recovery Services: Wellness and recovery services are provided through the Olberg Center, a community-based MHSA wellness center. Personal Service Coordinators help facilitate a relationship between the MHSA tenant and the Olberg Center and assist the MHSA tenant in participation. The Olberg Center provides many services including life skills training, peer support, volunteer opportunities, employment readiness resources, connection to community-based resources, social engagement and interactive activities, alcohol/substance use support groups, WRAP classes, and many others.
 - Individual and Family Peer Support: Individual and family peer support is provided on-site by the SCHHSA Peer Support Specialist. Support for the families of those individuals who have a mental illness is provided by the National Alliance on Mental Illness (NAMI), Shasta County. NAMI provides services at the Olberg Center and is also available for in-home services and education.
 - Transportation: The Woodlands is approximately 1.5 miles from many Health and Human Service Agency branches, including the community mental health building. The Woodlands is located very near a bus stop for the Redding Area Bus Authority (RABA). In addition to

regular bus routes, RABA also provides on-demand door-to-door services for those who require transportation accommodations. For MHSA tenants to maintain independent living and thrive within the community, some tenants will require education on using the bus system, while others will require access to Bus Passes. When necessary, Case Management services will include transportation to and from physical and behavioral health appointments, as well as other required services within the community.

4. A SCHHSA Personal Services Coordinator is the case manager for all MHSA residents at The Woodlands. The PSC provides services on-site Monday through Friday, 8:00 a.m. to 5:00 p.m. and helps MHSA tenants in meeting their recovery goals. The PSC also works with MHSA tenants to resolve any landlord/tenant issues that may pose a threat to the tenant's ongoing residency. With the addition of the 5 additional MHSA units proposed in this plan, the staff-to-resident ratio would be 1 to 19, with the Peer Support Specialist providing additional support and SCHHSA's Access Team providing additional case management and crisis service as needed. MHSA residents of The Woodlands also have 24/7 support from HHS crisis staff to address any off-hour crisis needs.
5. While MHSA residents choose their level of participation, FSP program staff has found that activities that include involvement of peers are effective in creating a community where wellness, recovery, and resiliency can thrive. The Peer Support Specialist has demonstrated her effectiveness in engaging even the most cautious residents to participate in program and community activities. On-site activities are developed in partnership with needs and goals identified by residents individually and during community meetings. Incentives and celebrations have also been very effective in empowering residents to recognize their progress, skills, and strengths. As residents' growth toward self-sufficiency progresses, they seek to become further involved by volunteering, mentoring, and/or actively working on their own educational/vocational development.
6. The Personal Service Coordinator and Peer Support Specialist facilitate regular on-site resident-directed community meetings and celebrations of wellness to acknowledge individual residents' successes in their planned and unplanned goals and achievements. Residents are also encouraged to participate in educational and social activities available on-site through Northern Valley Catholic Social Service, as well as participating in activities that restore meaningful community participation through participation at the Olberg Center. Examples of these activities include the pursuit of educational and/or vocational goals and various types of volunteer activities.

SCHHSA has one full-time equivalent Personal Service Coordinator who supports the MHSA residents at The Woodlands, though case managers from the SCHHSA's Children's Services and Adult Services branches can be called into service when needed. HHS Program Coordinator supervisors, in partnership with MHSA Housing Program staff, have oversight responsibility to ensure that all MHSA residents receive the on-site support needed to maximize their potential for success.

When tenants move into The Woodlands, staff immediately begin working to engage them in establishing a resident community. Essential to engagement is peer-to-peer facilitation and resident-driven community building activities. MHSA resident meetings occur weekly and include some type of social event along with a topic related to wellness and recovery. The activities are facilitated by a PSC and a Peer Support Specialist or MHSA Volunteer. These employees work to foster individual supportive relationships with each tenant and to ensure that needed individual services are received from service providers. MHSA tenants have access to 24/7 crisis support.

7. The Woodlands is a multi-family project that is not limited to youth. Transitional age youth residents are able to continue residency beyond the age of 25.
8. Shasta County's population is 81% White Non-Hispanic, 9% Hispanic or Latino, 3% Asian, 2% Native American Indian, and 4% other, and the threshold language is English. For all services provided through SCHHSA, including those through the MHSA Housing Program, special consideration is given to accommodate the needs of cultural and ethnic minorities. SCHHSA provides interpreter services arranged through the PSC to all MHSA tenants and all prospective MHSA tenants throughout their relationship with the

MHSA Housing Program. The PSC is a resource for the property manager to effectively communicate any issues to MHSA tenants.

9. The PSC, with support from MHSA Housing Program staff, has primary responsibility for proactive collaboration with The Woodlands' property manager to address any building, landlord-tenant, or Fair Housing issues. HHSA crisis services staff provide property management personnel with 24/7 on-call support to assist in resolving any urgent landlord-tenant issues or problems. HHSA crisis services staff ensures the on-site PSC is aware of any issues that arise afterhours. The PSC is the main point of contact for the property manager in resolving landlord/tenant issues or concerns. Should any conflicting needs/desires of both the landlord and MHSA tenant arise that the PSC cannot resolve, MHSA Housing Program staff with assistance from the Program Coordinator supervisor will attempt to resolve the issue. The PSC and property manager have already established a strong and mutually supportive working relationship that relies upon open communication. There is also a strong working relationship between the leadership teams that govern the property manager and SCHHSA.
10. As with all tenants, there are obligations for tenancy. Because the first phase of The Woodlands opened to tenants in May 2017, house rules have already been established. Prior to move-in, each tenant is given a copy for review and signature of the Good Neighbor document (Attachment J) which outlines their obligations and what it means to be a "good neighbor." When a tenant violates a house rule, the property manager and/or PSC talks directly with that tenant to issue a reminder about the rule and expectations for remediation of the violation.

Item D.8 Supportive Services Chart (Attachment C)

Submit the Supportive Services Chart (**Attachment C**). The Chart must list all services that will be provided to MHSA tenants, including any in-kind services essential to the success of the Supportive Services Plan.

Item D.9 Design Considerations for Meeting the Needs of the MHSA Tenants

Describe the following:

- 1 Physical space, including common areas, outdoor areas, landscaping, physical access to the property, security;
- 2 Supportive services space (if any), including any quiet area on site for tenants to meet service staff;
- 3 How the MHSA units will be designed to provide appropriate accommodations for physically disabled MHSA tenants, if appropriate.

Response:

1. The Woodlands contains extensive open space, ample common area space, and attractive amenities. The 20 units (5 for MHSA residents) proposed herein will supplement the 55 units of housing in two-story garden-style walk-up buildings with approximately 8 units in each building. Units are a mix of one-, two-, and 3-bedroom apartments, including an on-site manager's unit. A portion of the site is currently a seasonal wetland. The development includes plenty of connectivity for those traveling on foot or by bicycle. The development has a multi-purpose community room with computers for classes, which is available for residents to reserve for activities, parties, and other events. The park-like grounds feature raised vegetable garden beds, a tot-lot playground, and a swimming pool with splash pad for young children.

Common area security cameras are located throughout the community. Access to the property is restricted by a perimeter fence and a gated site entry. The apartment community includes 24-hour on-site management, automobile entry gates, perimeter fencing and pedestrian gates.

2. The development provides a secure, confidential space for supportive services staff to meet with project residents who are participants in the MHSA Housing Program. There are numerous areas throughout the project that allow for outdoor meetings of small groups and quiet locations for rest and relaxation.
3. The Woodlands 2, like the original development, will comply with all applicable local, state and federal requirements to accommodate the needs of any MHSA residents who are also physically disabled. The Woodlands 2 will comply with Chapter 11A of the California Building code to provide for 5% of the ground floor units to be accessible with all of the ground floor units being adaptable. In accordance with regulations, 10% of the units at The Woodlands will meet ADA full accessibility requirements, including roll-in showers and ADA sinks. The project includes handicap parking and access ramps as required in order to ensure accessibility to persons with mobility impairments.

Item D.10 Summary and Analysis of Stakeholder Input

Submit documentation of the 30-day Local Review Process, including:

1. Dates of the 30-day public review and comment period;
2. A description of the methods used to circulate the Project Overview and Items D.1 through D.8 for the purpose of public comment; and,
3. A summary and analysis of any comments received, and a description of any changes made as a result of public comment.

Response:

1. A 30-Day Public Comment Period will be opened on April 16, 2018. On June 6, 2018, the Shasta County Mental Health, Alcohol and Drug Advisory Board (MHADAB) will close the public comment period and hold a Public Hearing. At the conclusion of the hearing, the Board will decide whether to recommend the Shasta County Board of Supervisors approve of the MHSA Permanent Supportive Housing plan during its June 19, 2018, meeting.
2. A Public Notice was posted in the Record Searchlight on April 15, 2018, and on the Shasta County, the Shasta County Health and Human Services Agency, and Shasta County Mental Health Services Act websites. The Public Notice provided information on the availability of the MHSA Permanent Supportive Housing plan. The plan was made available upon request, through the websites referenced above, and at several locations throughout Shasta County.
3. Several members of the public reported inconsistencies in Item D.2.2, which have been clarified. Additionally, it was pointed out that MHSA residents were also referred to as consumers, clients, members and participants, so for clarity, references were edited to "MHSA residents" throughout.

Item D.11 DMH Outcome Reporting Requirements (Attachment D)

This form must be completed by the County Mental Health Department, verifying the County's commitment to comply with outcome reporting requirements for the MHSA Rental Housing tenants.

**Item D.12 County Mental Health Sponsorship and Services Verification Form
(Attachment E)**

This form must be completed by the County Mental Health Department, verifying the County's commitment to provide supportive services to this development.

Item D.13 Primary Service Provider Experience Serving Target Population

The primary service provider must demonstrate that they have experience in successfully delivering services to tenants with serious mental illness. Describe general experience, and if applicable, identify and describe all developments in which the primary service provider has provided supportive services to tenants with serious mental illness. For each development, include the following:

1. Name of the development;
2. Number of units targeted to tenants with serious mental illness;
3. Services provided; and
4. Period of time during which the primary service provider delivered services to the developments' tenants.

NOTE: If the County Mental Health Department has not designated a primary service provider at the time of the initial application submittal, the County will be considered the primary service provider. An updated submission reflecting the final identification of a service provider along with the proposed provider's experience and qualifications must be submitted for approval not less than 45 days prior to initial rent-up.

Response:

1. The Woodlands was the first MHSA Permanent Supportive Housing project in Shasta County, and the primary service provider was the Shasta County Health and Human Services Agency (SCHHSA). For reference, the proposed development would be an addition to this one.
2. The Woodlands is a 55-unit project, of which 19 units are MHSA units. This proposal would add a 20-unit building, which would include 5 one-bedroom MHSA units.
3. The Woodlands provides (or provides linkages to) mental health services, physical health services, employment/vocational services, educational opportunities, substance abuse services, budget and financial training, benefits/entitlements, and other community based services and resources. These are described in more depth in Item D.7.
4. The primary service provider for MHSA tenants of The Woodlands is the Shasta County Health and Human Services Agency (SCHHSA), which has been providing supportive services to adults with serious mental illness and children with serious emotional disturbance since 2006 through its Full Service Partnership program. The Woodlands has been in operation since May 2017, so SCHSSA has already amassed nearly a year of experience with delivering permanent supportive services in a housing development.

Item D.14 County Fair Housing Certification (Attachment F)

This form must be completed by the County Mental Health Department, certifying the County's compliance with local, state, and federal fair housing laws.

Item D.15 Draft Memorandum of Understanding

If available at time of application, submit a draft of the Memorandum of Understanding (MOU) between the borrower, the primary service provider(s), the property management agent, and the County Mental Health Department. The MOU should document the following:

1. The roles and responsibilities of each partner;
2. Each partner's willingness to enter into a contract to carry out those roles and responsibilities (including provision of supportive services and property management services);
3. How all reporting requirements will be met;
4. How privacy and confidentiality requirements will be met; and,
5. Procedures for ongoing communication and decision-making between the property management agent and the primary service provider to assist MHSA tenants in maintaining housing stability.

NOTE: A fully executed MOU acceptable to CalHFA and DMH must be submitted not less than 45 days prior to initial rent-up.

The DRAFT MOU between Shasta County Health and Human Services Agency and PC Redding Apartments is attached. See Attachment K.

Item D.16 Supportive Services Budget Form and Budget Narrative (Attachment G)

Complete the Supportive Services Budget Form and Budget Narrative (**Attachment G**). The budget must depict both the expenses and sources of revenue for the costs associated with the delivery of supportive services to the development. Additionally provide a budget narrative that includes the staffing ratio for the Supportive Services Plan.

NOTE: Both of these items must be submitted for approval not less than 45 days prior to initial rent-up.

**THIS NOTE IS SECURED BY A DEED OF TRUST AND CONTAINS PROVISION
RESTRICTING TRANSFERS AND INCLUDES A BALLOON PAYMENT PROVISION.**

SHASTA COUNTY, CALIFORNIA

PROMISSORY NOTE

(Construction and Permanent Financing)

\$1,000,000.00

Redding, California

August 13, 2019

FOR VALUE RECEIVED, the undersigned, PC Redding Apartments II Limited Partnership, a California limited partnership, with its principal office at 100 Pacifica, Suite 203, Irvine, CA 92618 (the "**Borrower**"), hereby promises to pay to the order of County of Shasta, 1450 Court Street, Suite 1400, Redding, California 95814 (the "**County**"), or holder hereof, a principal amount equal to One Million Dollars (\$1,000,000.00), or so much of that amount that the County shall have advanced to or for the benefit of the Borrower. The obligation of the Borrower is subject to the terms of all the Loan Documents as such term is defined in that certain document entitled "Regulatory Agreement: Woodlands II Project" executed between the Borrower and the County and imposed upon the Development as defined below (the "**Regulatory Agreement**"), including but not limited to: (a) this promissory note ("**Promissory Note**"); and (b) that certain deed of trust entitled "Deed of Trust With Assignment of Rents, Security Agreement and Fixture Filing" of even date herewith and executed by the Borrower for the purpose of securing this Promissory Note ("**Deed of Trust**"). The Borrower also promises to pay to the order of the Holder interest at the rates, in the amounts and at the times hereinafter provided. All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds.

[Capitalized words and phrases used without definition in this Promissory Note and defined in the Regulatory Agreement shall have the meanings ascribed to them in the Regulatory Agreement.]

1. Borrower's Obligation. This Promissory Note evidences the obligation of the Borrower to the County for the repayment of funds loaned to the Borrower by the County (the "**Loan**") to finance the development of the real property described in the Loan Documents and operation thereon of a rental housing development (the "**Development**") pursuant to the Loan Documents.

2. Prohibition Against Transfer of Interest. Except as otherwise permitted under the terms of the Regulatory Agreement, the Borrower shall not make any sale, assignment, conveyance or transfer in any other form, nor any further pledge, encumbrance or mortgaging of the Development or any part thereof or of any of its interest therein, without the prior written consent of the County.

3. Repayment Terms. The Borrower agrees to pay the indebtedness evidenced by this Promissory Note. Interest shall accrue and payments shall be made by the Borrower to the County according to the following schedule:

(a) Commencing on the first day of the advance of funds by the County, simple interest shall accrue on the outstanding principal balance at the rate of three percent (3.0%) per annum.

(b) Annual payments of accrued interest and outstanding principal shall be made from sixty-two and sixty-five hundredths percent (63.05%) of the Development's Residual Receipts. (***“Residual Receipts Payment”***).

(c) Annual Residual Receipts Payments shall be due for accrued interest and principal pay-down on the earlier of thirty (30) days from the date of County approval of the Annual Audit, as defined in the Regulatory Agreement, or one hundred fifty (150) days after the end of each Fiscal Year commencing on the first full Fiscal Year following the Development's Certificate of Occupancy (***“Initial Payment Date”***).

(d) The Residual Receipts Payment shall be applied first to accrued interest and any remaining amounts shall be applied to pay down the principal, except that if the County shall have made additional advances under the terms of the Loan Documents and such advances shall have not been repaid, any monies received by the County pursuant to the provisions hereof, at the option of the County, may be applied first to the repayment of such advances and interest thereon and the balance, if any, shall be applied as aforesaid.

(e) If not sooner paid all amount due under this Promissory Note shall be due on August 12, 2074 (***“Maturity Date”***).

4. Disbursement. Subject to Borrower not being in default under the Loan Documents, the County shall disburse Loan proceeds as follows:

(a) Five Hundred Thousand Dollars (\$500,000) at the close of escrow for the conventional Construction Loan, as defined below;

(b) Four Hundred Thousand Dollars (\$400,000) at fifty percent (50%) completion of the Development as evidenced by a certificate from Borrower's architect submitted to the County certifying fifty percent (50%) completion; and

(c) One Hundred Thousand Dollars (\$100,000) following one hundred percent completion of construction of the Development and currently with Borrower's tax credit investor's first equity payment following the completion of the Development.

5. Late Charge. The Borrower agrees that it would be impracticable or extremely difficult to fix the actual damage to the County in the event the Borrower shall be late in the making of any payment due hereunder. Therefore, in the event the Borrower shall fail to make any such payment within ten (10) days after the due date thereof, the County, at its option and in addition to any other remedy hereunder, may impose upon the Borrower, and the Borrower shall pay, a "late charge" of two percent (2%) of the amount of such delinquent payment.

6. Project Costs Saving. The Borrower shall provide County with a final project cost certification no later than the time that a cost certification is submitted by Borrower to the California Tax Credit Advisory Committee for the purposes of obtaining a Form 8609. To the extent the actual development costs for the Development are less than the costs Borrower has projected in Borrower's pro-forma submitted to the County, subject to the requirements of Borrower's other lenders and investor, the Borrower shall pay to the County, as a prepayment of the Loan, the amount of fifty percent (50%) of the development savings. Borrower shall make the payment to the County within thirty (30) days following the County's approval of the Borrower's final cost certification.

7. Place and Manner of Payment. All amounts due and payable under this Promissory Note and the Loan Documents are payable at the principal office of the County set forth above, or at such other place or places as the County may designate to the Borrower in writing from time to time, in any coin or currency of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts and which on the respective dates on which such payments are due shall be immediately available funds.

8. Borrower's Waiver. The Borrower and every guarantor of this Promissory Note, if applicable, or of the obligation represented by this Promissory Note, hereby waives: (a) notice of default or delinquency; (b) notice of acceleration; (c) notice of non-payment; (d) notice of costs, expenses and losses and interest thereon; (e) notice of late charges; (f) diligence in taking any action to collect any sums owing under the Promissory Note or in proceeding against any of the rights and interests in and to properties securing payment of the Promissory Note; (g) presentment for payment, demand, protest, and notices of dishonor and of protest; and (h) all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Promissory Note, in whole or in part, whether before or after maturity and with or without notice.

9. Attorney Fees, Costs. In any nonjudicial foreclosure process or other action to enforce or relating to any provision of the Loan Documents, the prevailing party shall be entitled to recover from the other party, its costs and expenses including attorney fees. The term "**costs and expenses**" as used herein shall include all costs and expenses actually and reasonably incurred including but not limited to attorney fees and cost of suit; filing, motion, and jury fees; juror food and lodging; taping, videotaping, and transcribing depositions and travel expenses to attend depositions; service of process by a public officer, registered process server, or other means; expenses of attachment including keeper's fees; premiums on surety bonds; ordinary witness fees pursuant to Section 68093 of the Government Code; fees of expert witnesses whether or not ordered by the court; transcripts of court proceedings whether or not ordered by the court; court reporters fees as established by statute; investigation expenses in preparing the case for trial; postage, telephone, and photocopying charges; costs in investigation of jurors or in preparation for voir dire; models, blowups and photocopies of exhibits, and any other item that is required to be awarded to the prevailing party pursuant to statute as an incident to prevailing in the action at trial or on appeal. Such costs and expenses shall be recoverable whether the services were rendered by a salaried employee of the party or by an independent contractor. In addition, Borrower agrees to pay reasonable costs, expenses, and attorney fees paid or incurred in connection with representing the County or Holder in any bankruptcy, reorganization, receivership or other proceedings affecting creditors' rights and involving a claim under the Loan Documents.

10. Default Under Other Loan Documents and Acceleration. All covenants, conditions and agreements contained in the Deed of Trust and Regulatory Agreement are hereby made a part of this Promissory Note. Borrower agrees that the unpaid balance of the then outstanding principal amount of this Promissory Note, together with all accrued interest thereon and charges owing, shall, at the option of the County, automatically become immediately due and payable, and thereafter until paid bear interest at the rate of ten percent (10%) per annum or, if lesser, at the maximum rate permitted by law upon the failure of the Borrower to make any payment hereunder as and when due; upon the failure of the Borrower to perform or observe any other term or provision of this Promissory Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which under the terms of the Deed of Trust or Regulatory Agreement shall entitle the County to exercise rights or remedies thereunder, after any notice and cure period if provided for in the Deed of Trust or Regulatory Agreement.

11. Notices. Except as may be otherwise specifically provided herein, or in the other Loan Documents, any approval, notice, direction, consent, request or other action by the County shall be in writing and may be communicated to the Borrower at the principal office of the Borrower set forth above, or at such other place or places as the Borrower shall designate to the County in writing, from time to time, for the receipt of communications from the County. For notices other than to Borrower, the County shall use its best efforts, and no legal consequences shall arise by reason of the County's failure to give notice to any person other than Borrower.

12. Limitations on Recourse.

(a) While the loan of any construction lender for the Development (***“Construction Loan”***) is outstanding, the County shall have full recourse to the Borrower in addition to any real or personal property security for repayment of this Promissory Note.

(b) Upon payoff or conversion to permanent of all Construction Loans, the following limitations on recourse shall become effective: neither the Borrower nor any partner of the Borrower shall have any direct or indirect personal liability for payment of the principal of, or interest on, this Promissory Note. The sole recourse of the County with respect to the principal of, or interest on, this Promissory Note shall be to the property securing the indebtedness evidenced by the Promissory Note. No judgment, or execution thereon, entered in any action, legal or equitable, on this Promissory Note or the Deed of Trust securing this Promissory Note shall be enforced personally against the Borrower or, if the Borrower shall be a partnership, any partner of the Borrower, but shall be enforced only against the Development and such other or further security as, from time to time, may be hypothecated for this Promissory Note; provided, however, that nothing contained in the foregoing limitation of liability shall: (i) limit or impair the enforcement against all such security for this Promissory Note of all the rights and remedies of the County; or (ii) be deemed in any way to impair the right of the County to assert the unpaid principal amount of this Promissory Note as a demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on this Promissory Note; nothing contained therein is intended to relieve the Borrower and, if Borrower is a partnership, any general partner of Borrower of liability for: (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the real property described in the Loan Documents that are payable or applicable prior to any foreclosure under the Deed of Trust (to

the full extent of such taxes, assessments or other charges), except to the extent this provision would result in all or any portion of the indebtedness evidenced by this Promissory Note being treated as a recourse liability under Treasury Regulation 1.752-1(a)(1) and 1.752-2, as amended from time to time; (iii) the retention of any rental income or other income arising with respect to the Development collected by Borrower after the County has given any notice that Borrower is in default to the full extent of the rental income or other income retained and collected by Borrower after the giving of any such notice; (iv) the fair market value as of the time of the giving of any notice referred to in subparagraph (iii) above of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Loan Documents after the giving of any notice referred to above; (v) the misapplication of the Capitalized Operating Subsidy Reserve (if applicable) or of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Development; (vi) the breach of any environmental covenant or representation made by the Borrower relating to the Development; and (vii) the failure of Borrower to pay to the County, upon its demand, any amounts of the Capitalized Operating Subsidy Reserve (if applicable) outstanding.

13. Prepayment. The Borrower may prepay the indebtedness evidenced by this Promissory Note prior to the Maturity Date.

14. Governing Law. This Promissory Note shall be construed in accordance with and be governed by the laws of the State of California.

15. Severability. If any provision of this Promissory Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

16. Time. Time is of the essence in this Promissory Note.

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17. No Waiver by the County. No waiver of any breach, default or failure of condition under the terms of the Promissory Note or the Loan Documents or the obligations secured thereby shall be implied from any failure of the County to take, or any delay in taking, action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of the Promissory Note or the Loan Documents or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

Executed at Redding, California.

BORROWER:

PC REDDING APARTMENTS II LIMITED PARTNERSHIP, a California limited partnership

By: **PC Redding Developers II LLC, a California Limited Liability Company**

Its: Administrative General Partner

By: **Palm Communities**, a California Corporation

Its: Managing Member

By:  8-2-19
Name: Danavon L. Horn Date
Its: President

By: **Northern Valley Catholic Social Service, Inc.**, a California nonprofit public benefit corporation

Its: Managing General Partner

By:  8-5-19
Name: Catherine E. Wyatt Date
Its: Executive Director

COUNTY:

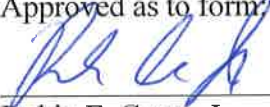
SHASTA COUNTY, a political subdivision of the State of California

LEONARD MOTY, Chairman Date
Board of Supervisors
County of Shasta
State of California

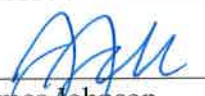
ATTEST
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

Approved as to form:

 8/1/19
Rubin E. Cruse, Jr. Date
County Counsel

RISK MANAGEMENT APPROVAL

 08/01/19
James Johnson Date
Risk Management Analyst

FREE RECORDING REQUESTED)
PURSUANT TO GOVERNMENT)
CODE SECTION 27383)
)
When Recorded Please Return to)
)
County of Shasta)
Health and Human Services Agency,
Business and Support Services
1810 Market St.)
Redding, CA 96001)

(Space Above this Line for Recorder's Use)

**DEED OF TRUST
WITH ASSIGNMENT OF RENTS, SECURITY
AGREEMENT AND FIXTURE FILING
(Construction/Permanent Financing)
(Leasehold Security)**

This Deed of Trust (the “**Deed of Trust**”) is made on August 13, 2019, for informational purposes, by PC Redding Apartments II Limited Partnership, a California limited partnership (the “**Borrower**”) whose business address is 100 Pacifica, Suite 203, Irvine, CA 92618 to First American Title Insurance Company, a Nebraska corporation, as trustee (the “**Trustee**”), whose business address is 1 First American Way, Santa Ana, California, 92707, California for the benefit of the County of Shasta, a political subdivision of the State of California (the “**County**”), whose principal office is at 1450 Court Street, Suite 308A, Redding, California 96001. The City of Redding, as the successor housing agency to the former Redevelopment Agency of the City of Redding pursuant to California Health and Safety Code Section 34176(a) (the “**Fee Owner**”), owns the fee simple interest in that certain real property located at 2900 Polk Street in the City of Redding, County of Shasta (the “**County**”), State of California and described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Land**”).

1. BORROWER HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, with power of sale and right of entry and possession, all of Borrower's right, title and interest now held or hereafter acquired in and to the following: (a) all of Borrower's fee simple determinable interest in the improvements located on the Land, including without limitation the development commonly known as The Woodlands II Apartments, and (as set forth in more detail in Section 5.23 of this Deed of Trust) Borrower's leasehold interest in the Land, pursuant to the terms of that certain Ground Lease Agreement dated as of _____, 2019 (the “**Ground Lease**”) executed by Borrower, as lessee, and Fee Owner, as lessor (as may be amended, modified, extended and assigned previously, currently or hereafter), as evidenced by that certain Memorandum of Ground Lease recorded in the Official Records of the County of Shasta on _____, 2019 as Instrument No. 2019-____; (b) subject to the rights and powers

of the County under Section 5.9 of this Deed of Trust, the rents, issues, profits, royalties, income and other benefits derived from use or occupancy of the Property (defined below); (c) all appurtenances, easements, rights of way and rights now owned or hereafter acquired by Borrower as they relate to the Property; (d) all rights, title and interest of Borrower now owned or hereinafter acquired, in and to any land lying within the right of way of any street, open or proposed, adjoining all or any portion of the land on which the Property is located, and any and all sidewalks, alleys and strips of land adjacent to or used in connection with the Property; and (e) all buildings, improvements and fixtures now or hereafter erected thereon, and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon or used in connection with such real property and owned by Borrower or in which Borrower has an interest, together with all additions to, substitutions for, changes in or replacements of the whole or any part of said articles of property (all of which real and personal property are sometimes referred to as the “**Property**”); all of which are hereby pledged and assigned, transferred, and set over unto Trustee, and for purposes of this Deed of Trust declared to be part of the realty; provided, however, that furniture and other personal property of tenants of dwelling units in the buildings now or hereafter situated on said real property are not intended to be included within this Deed of Trust except to the extent of Borrower’s interest therein. Where used to refer to any right, title and interest in the Land, the term “Property,” is meant to include only the leasehold right, title and interest in the Land that Borrower currently has or may later acquire, and shall not be construed to include any right, title or interest in the fee interest in the Land owned by Fee Owner.

2. BORROWER HEREBY ABSOLUTELY, UNCONDITIONALLY AND IRREVOCABLY ASSIGNS to the County all rents, royalties, issues, accounts and profits of or relating to the Property and all of its interest under all leases, subleases, rental agreements and other contracts and occupancy agreements relating to construction, use and possession for the purposes and upon the terms and conditions hereinafter set forth. This assignment is absolute, primary and direct and is not intended to be a separate or secondary pledge, or other form of additional security, and no further act or step is or shall be required of the County to perfect this assignment. Notwithstanding the foregoing, the County confers upon Borrower a license to collect and retain the rents, issues and profits of the Property as they become due and payable until an Event of Default (defined below in Section 5.7), upon the occurrence of which said license shall be automatically revoked. This assignment shall not impose upon the County any duty to cause the Property to produce rents nor shall the County be deemed to be a mortgagee in possession by reason thereof for any purpose.

3. THE ABOVE GRANT, TRANSFER, AND ASSIGNMENTS ARE FOR THE PURPOSE OF SECURING:

(a) Payment of the indebtedness evidenced by that certain promissory note (the “**Promissory Note**”) of Borrower in the face amount of One Million Dollars (\$1,000,000), together with interest on such indebtedness according to the terms of the Promissory Note, and any or all amendments, modifications, extensions or renewals of the Promissory Note and the indebtedness and all other sums becoming due and payable to the County, or Trustee, pursuant to the terms of this Deed of Trust.

(b) Payment of such additional indebtedness, when evidenced by a promissory note or notes reciting the same to be secured by this Deed of Trust, together with interest, as the County at its sole discretion may advance to Borrower, or its successor in interest, from time to

time and payment or performance of such other obligations as the then record owner of the Property may agree to pay or perform when evidenced by a promissory note or other instrument or agreement reciting that it is secured hereby.

(c) Performance and observance of all of the terms, covenants and conditions to be performed or observed by Borrower under this Deed of Trust or the Promissory Note, that certain document entitled Regulatory Agreement executed between the Borrower and the County and imposed upon the Property as defined below (the “**Regulatory Agreement**”); and all other loan documents as such term is defined in the Regulatory Agreement (all of which are referred to collectively herein as either the “**Loan Documents**” or “**Secured Obligations**”).

(d) Payment of all other obligations owed by Borrower to County that by their terms recite that they are secured by this Deed of Trust, including those incurred as primary obligor or as guarantor.

4. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, BORROWER AGREES:

4.1 Maintenance of the Property.

(a) To keep the Property in a decent, safe, sanitary, rentable and tenantable condition and repair and permit no waste thereof;

(b) Not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable;

(c) Not to construct any buildings or improvements on the Property, other than the buildings and improvements contemplated in the County’s approval of the Loan, or add to, remove, demolish or structurally alter any buildings and improvements now or hereinafter located on the Property;

(d) To repair, restore or rebuild promptly any buildings or improvements on the Property that may become damaged or be destroyed while subject to the lien of this Deed of Trust;

(e) To comply with all applicable laws, ordinances and governmental regulations affecting the Property or requiring any alteration or improvement thereof, and not to suffer or permit any violations of any such law, ordinance or governmental regulation, nor of any covenant, condition or restriction affecting the Property;

(f) Not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without the County's prior written consent; and

(g) Not to materially alter the use of all or any part of the Property without the prior written consent of the County.

4.2 Insurance.

(a) To keep the Property insured, with loss payable to the County, against loss or damage by fire and such other hazards, casualties and contingencies and by such companies, on such forms and in such amounts as the County may from time to time require, and upon request to deliver the original of all such policies to the County, together with receipts satisfactory to the County evidencing payment of the premiums. In addition, all such policies shall provide that the County shall be given thirty (30) days advance written notice of the cancellation, expiration or termination of any such policy or any material change in the coverage afforded by it. Renewal policies and any replacement policies, together with premium receipts satisfactory to the County, shall be delivered to the County at least thirty (30) days prior to the expiration of existing policies. Neither Trustee nor the County shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance, or solvency of any insurer for payment of losses. THE COUNTY HEREBY DISCLOSES TO BORROWER IN WRITING THAT UNDER SECTION 2955.5 OF THE CALIFORNIA CIVIL CODE:

“No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.”

(b) Effective on the occurrence of any Event of Default, all of Borrower's right, title and interest in all policies of property insurance and any unearned premiums paid are assigned to the County, who may assign them to any purchaser of the Property at any foreclosure.

4.3 Payment of Taxes and Utility Charges. To pay, at least ten (10) days prior to delinquency, all taxes and assessments, both general and special, fines, penalties, levies and charges of every type or nature levied upon or assessed against any part of the Property or upon Trustee's or the County's interest in the Property. The Borrower shall have the right to contest in good faith any such amounts but in no event shall Borrower allow penalties or such other charges accrue because of late payments.

4.4 Payment and Discharge of Liens. Borrower shall pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof and shall not at any time create or allow to exist any lien on the Property or any part thereof of any kind or nature other than this Deed of Trust; provided, however, that the following are excepted from this prohibition: (a) liens for taxes and assessments which are not delinquent although by law are given the status of a lien; (b) such of the above claims as are, and only during the time they are being contested by Borrower in good faith and by appropriate legal proceedings; and (c) those matters affecting title which appeared in the title insurance policy or binder delivered to the County at the time of recording of this Deed of Trust or which have at any time been consented to in writing by the County. Borrower shall post security for the payment of these contested claims as may be requested by the County.

4.5 Rights of County to Remedy Defaults. If Borrower defaults in payment of any tax, assessment, lien, encumbrance, claim, insurance premium, or any other proper charge, in whole or in part, or defaults in the performance of any of the Secured Obligations, the County at any time

and from time to time, with or without notice to or demand upon Borrower, may make such payments or perform any such acts required of Borrower, to such extent and in any form or manner deemed expedient by the County, and pay any other sums, expenses and charges, including attorney fees, necessary to protect the Property and the lien of this Deed of Trust, without incurring any obligation to do so or releasing Borrower from any obligations and without waiving or curing any default. The County shall be the sole judge of the validity, priority, and amount of any such tax, assessment, lien, premium, claim or charge so paid by it, and the necessity for the performance by the County of any such obligation which Borrower was required but failed to perform. The County, at its option, shall be subrogated to any tax, assessment, lien, premium, claim or charge which it has paid under these provisions and any such subrogation rights shall be additional and cumulative security to those set forth in the Secured Obligations. In the event that the Property is or becomes encumbered by liens or deed(s) of trust other than this Deed of Trust, then a default under such other lien or deed(s) of trust shall constitute a default under this Deed of Trust.

4.6 Repayment to the County. Upon the County's payment of any tax, assessment, lien, encumbrance, claim, insurance premium or other charge which Borrower fails to pay, or upon the County's performance of any obligation which Borrower fails to perform, all as set forth in paragraph 4.5 above, the amount so paid or the cost of performing any such obligation, together with other sums paid or incurred by the County, including charges, expenses and attorney fees relating to or growing out of such default, with interest thereon from date of payment at the rate of the lesser of: (a) the maximum rate permitted by law; or (b) ten percent (10%) per annum, shall be paid by Borrower to the County upon written demand. For the purposes of this paragraph 4.6, the term "charges, expenses and attorney fees relating to or growing out of such default ..." shall include but not necessarily be limited to the cost of obtaining, after the filing of a notice of default but prior to the foreclosure sale, a "Phase I" environmental site assessment of the Property by a qualified environmental professional and, if warranted in the opinion of such professional, a "Phase II" assessment. The aggregate of all such amounts, including interest, shall be secured by the lien of this Deed of Trust.

4.7 Defense of Actions and Payment of Costs. Borrower shall appear in and defend all actions and proceedings purporting to affect the Property or any right or power of the County or Trustee hereunder, provided that the County and Trustee, or either of them, may appear in and defend any such action or proceeding and the County is authorized to pay, purchase or compromise on behalf of Borrower any lien or claim which in its judgment appears to or purports to affect the security of or to be superior to this Deed of Trust. Borrower shall pay on demand all sums so expended and all charges, expenses and attorney fees incurred, with interest from the date of expenditure at the lesser amount of: (a) the maximum rate permitted by law; or (b) ten percent (10%) per annum. Borrower shall give the County prompt written notice in writing of: (i) the assertion of any claim; (ii) the filing of an action or proceeding; (iii) the occurrence of any damage to any of the Property; (iv) any condemnation proceeding; and (v) any other material nonmonetary default.

5. IT IS MUTUALLY AGREED THAT:

5.1 Awards and Damages. Subject to the rights of senior lienholders, all judgments, awards of damages, settlements and compensation and insurance proceeds made in connection with or in lieu of: (a) taking of all or any part of, or any interest in the Property by or under assertion of the power of eminent domain; (b) any damage to or destruction of the Property, or any part

thereof by insured casualty; and (c) any other injury or damage to all or any part of the Property, are hereby assigned to and shall be paid to the County. The County is authorized and empowered (but not required) to collect and receive any such sums, and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the County shall determine at its option. The County shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the County may be released to Borrower upon such conditions as the County may impose for its disposition. Application of all or any part of the amounts collected and received by the County or the release thereof shall not cure or waive any default under this Deed of Trust.

5.2 Sales and Encumbrances Prohibited. Except as provided in the Regulatory Agreement, Borrower shall not make any sale, assignment or conveyance, or transfer in any other form, nor any further pledge, encumbrance or mortgaging, of the Property, or any part thereof or of any of its interest therein, without the prior written consent of the County, which consent may be granted or withheld in the sole unfettered discretion of the County, and may be conditioned upon the satisfaction of such terms and conditions as the County may prescribe.

5.3 Sale or Forbearance. No sale of the Property, forbearances on the part of the County or extension of the time for payment of the indebtedness hereby secured shall operate to release, discharge, waive, modify, change or affect the liability of Borrower either in whole or in part.

5.4 Late Payment. The County's acceptance of late payment of any sum shall not constitute a waiver of its rights to require prompt payment when due of all other indebtedness, or to declare a default for any failure so to pay, or to proceed with foreclosure or sale for any other default then existing. The County's acceptance of partial payment of any sum after default shall not cure such default or affect any notice of default unless such notice of default is expressly revoked in writing by the County.

5.5 The County's Rights to Release. Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released pursuant hereto, at any time and from time to time without notice: (a) the County may, at its sole discretion; (i) release any person now or hereafter liable for payment of any or all such indebtedness; (ii) extend the time for or agree to alter the terms of payment of any or all of such indebtedness; and (iii) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and Trustee, acting pursuant to the written request of the County, may reconvey all or any part of the Property, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any such agreement of extension or subordination.

5.6 Reconveyance. Upon written request of the County stating that all sums and obligations secured hereby have been discharged, or otherwise as requested in writing by the County, and upon surrender of this Deed of Trust and the Promissory Note and any additional loan notes to Trustee for cancellation, and upon payment to Trustee of its fees and expenses, Trustee shall reconvey, without warranty, the Property or that part thereof then held hereunder. The recitals in any reconveyance shall be conclusive proof of their truthfulness and the grantee in any such

reconveyance may be described “as the person or persons legally entitled thereto.” When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all of the rents, royalties, issues, accounts and profits of the Property to the person or persons legally entitled thereto unless such reconveyance expressly provides to the contrary.

5.7 Events of Default. Any one or more of the following events shall constitute a default under this Deed of Trust, subject to any notice and/or cure period provided for in the Loan Documents: (a) failure of the Borrower to pay the indebtedness secured hereby or any installment thereof, whether principal, interest or otherwise, when and as the same become due and payable, whether at maturity or by acceleration or otherwise; or (b) failure of Borrower to observe or to perform any covenant, condition or agreement to be observed or performed by Borrower pursuant to the Secured Obligations; or (c) any representation or warranty made by Borrower proves to be false or misleading in any material respect; or (d) bankruptcy or insolvency of Borrower or any guarantor of the Borrower for the Secured Obligations; or (e) the occurrence of any event which, under the terms of the Secured Obligations, shall entitle the County to exercise the rights or remedies thereunder.

Notwithstanding anything to the contrary herein, Borrower’s limited partner shall have the opportunity, but not the obligation, to cure a Default by Borrower under the Loan Documents, including this Deed of Trust, and the County shall accept or reject such offer, as if tendered by the Borrower.

5.8 Acceleration and Sale.

(a) Acceleration. In the event of any default as set forth in paragraph 5.7 above, the County, without demand on Borrower, may declare all sums hereby secured immediately due and payable by notice thereof to Borrower or by executing and recording or by causing the Trustee to execute and record a notice of default and election to cause the Property, and any personal property secured hereby, either separately or together, to be sold to satisfy the obligations secured hereby or by the commencement of an appropriate action to foreclose this Deed of Trust or by any other appropriate manner;

(b) Sale. After delivery to Trustee of a notice of default and demand for sale and after the expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Borrower, Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Any person, including Borrower, Trustee or the County, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied.

The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee, and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall apply the proceeds of sale to the payment of the principal indebtedness hereby secured, whether evidenced by the Promissory Note or otherwise,

or representing advances made or costs or expenses paid or incurred by the County under this Deed of Trust, or the Secured Obligations or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured hereby, including interest as provided in this Deed of Trust, the Secured Obligations or any other such instrument, in such order as the County shall direct; and then the remainder, if any, shall be paid to the person or persons legally entitled thereto.

5.9 Entry Possession and Receivership. In the event of any default hereunder and irrespective of whether the County accelerates the maturity of all indebtedness secured hereby or files a notice of default hereunder, the County at any time, without notice of demand or regard to the adequacy of any security for the indebtedness and obligations hereby secured, in person, or by any agent or employee, or by receiver appointed by court, may enter upon and take the possession of the Property or any part thereof and Borrower agrees to surrender such possession to the County, and perform any acts, including the right to rent, lease, operate and maintain any part of all of the Property, which the County deems necessary or proper to conserve the Property, and may sue for or otherwise collect and receive all rents, royalties, issues, accounts and profits thereof, including those past due as well as those accruing thereafter. Borrower hereby presently assigns to the County, absolutely and regardless of possession of the Property, all rents and other monies now due or hereafter to become due under any lease or agreement or otherwise for the use or occupation of all or any part of the Property, now existing or hereafter made, reserving to Borrower only the right, prior to any such default, to collect and retain such rents as they become due, but not otherwise. Borrower shall on demand execute such further assignments to the County of any or all such leases, agreements, rents or monies as the County may require, and deliver to the County a fully executed original of any or all such leases or agreements. The County, in person, or by any agent, employee or receiver, may also take possession of, and for these purposes use, any and all of Borrower's personal property contained in or on the Property and used by Borrower in the operation, rental or leasing thereof or any part thereof. The expenses (including, but not limited to, receiver's fees, attorney fees and agent's compensation) incurred by the County pursuant to the power herein contained shall be secured hereby. The County may bring or defend any legal action in connection with the Property, as it may deem proper, and may, from time to time, make all necessary or proper repairs, replacements and alterations to the Property, as to it may seem judicious, and may insure and reinsure the same, and may lease the Property or any part or parts thereof in such parcels and for such periods and on such terms as to it may seem fit, including leases for terms expiring after the maturity of the indebtedness hereby secured, and may terminate any lease for any cause which would entitle Borrower to terminate it. After deducting the expenses of managing and operating the same and all maintenance, repairs, replacements and alterations and all payments which may be made for taxes, assessments, liens, claims, insurance premiums, or other proper charges of the Property or any part thereof, including fair and reasonable compensation for attorneys and for agents employed by the County to manage and operate the Property, the County may apply any and all remaining funds to the payment of the indebtedness hereby secured in such order and proportion as the County may determine. Neither application of said amounts to such indebtedness nor any other action taken by the County under this subparagraph shall cure or waive any default hereunder or nullify the effect of any such notice of default or invalidate any act done pursuant to such notice or any cause of action to foreclose this Deed of Trust. The right to enter and take possession of the Property, to manage and operate the same, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be in addition to any other right or remedy hereunder or afforded by law, and may be exercised

concurrently therewith or independently thereof. The County shall be liable to account only for such rents, royalties, issues, accounts and profits actually received by it.

5.10 Attorney Fees. If Trustee or the County shall be made parties to or shall intervene in any action or proceeding affecting the Property or the title thereto or the interest of Trustee or the County under this Deed of Trust, or if the County employs an attorney to collect any or all of the indebtedness hereby secured or to foreclose this Deed of Trust, or authorizes Trustee to conduct trustee's sale proceedings hereunder, then Trustee and the County shall be reimbursed by Borrower, immediately and without demand, for all reasonable costs, charges and attorney fees incurred by them or either of them in any such case whether or not suit be commenced, and the same, together with interest thereon from the date of payment at the rate of the lesser of: (a) the maximum rate permitted by law; or (b) ten percent (10%) per annum, shall be secured hereby as provided in paragraphs 4.5, 4.6, and 4.7.

5.11 Exercise of Remedies; Delay. No exercise of any right or remedy by the County or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by the County or Trustee in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

5.12 Trustee Substitution. The irrevocable power to appoint a substitute trustee or trustees hereunder is hereby expressly granted to the County, to be exercised at any time hereafter, without specifying any reason therefor by filing for record in the office where this Deed of Trust is recorded a deed of appointment, and said power of appointment of successor trustee or trustees may be exercised as often as and whenever the County deems advisable. The exercise of said power of appointment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, the trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of the predecessor in the trust hereunder, with the like effect as if originally named as trustee or as one of the trustees.

5.13 Uniform Commercial Code Security Agreement,
Financing Statement and Fixture Filing.

(a) This Deed of Trust is a security agreement and financing statement under the Uniform Commercial Code for the benefit of the County as secured party for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants the County a security interest in said items. This Deed of Trust is filed as a fixture filing and covers goods which are or are to become fixtures. The address of the County (secured party) from which information concerning the security interest may be obtained and the mailing address of Borrower (debtor) are set forth in this Deed of Trust. The types or items of collateral are described in paragraph 1 of this Deed of Trust. Borrower agrees that the County may file any appropriate document in the appropriate index as a financing statement for any of the items specified above as part of the Property. In addition, Borrower agrees to execute and deliver to the County, upon the County's request, and further authorizes the County to file, with or without Borrower's signature, any financing statements, as well as extensions, renewals and amendments thereof, and

reproductions of this instrument in such form as the County may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements, and releases thereof, as the County may reasonably require. Without the prior written consent of the County, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto, except as otherwise expressly permitted in the Loan Documents. Upon an acceleration as provided in paragraph 5.8, the County shall have the remedies of a secured party under the Uniform Commercial Code and, at the County's option, may also invoke the other remedies provided in this Deed of Trust and Loan Documents as to such items. In exercising any of said remedies, the County may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of the County's rights or remedies under the Uniform Commercial Code or of the other remedies provided in this Deed of Trust, in the Loan Documents, or by law.

Borrower agrees that the filing of any financing statement in the records normally having to do with personal property shall not be construed as anywise derogating from or impairing this Deed of Trust and the intention of the parties hereto that those portions of the Property herein declared part of the real estate are, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether any such item is physically attached to the improvements or any such item is referred to or reflected in any such financing statement so filed at any time.

(b) Similarly, the mention in any such financing statement of (i) compensation for damage to or destruction of the Property by insured casualty, or (ii) any judgment, award, or other compensation for a taking of the Property by eminent domain, or (iii) the rents, royalties, issues, accounts and profits of the Property under leases, shall never be construed as altering in any manner any of the County's rights as determined by this Deed of Trust or impugning the priority of the County's lien granted hereby or by any other recorded document, but such mention in the financing statement is declared to be for the protection of the County in the event that any court or judge shall at any time hold with respect to (i), (ii) or (iii) of this paragraph that notice of the County's priority of interest to be effective against a particular class of person, including without limitation the federal government or any subdivision or entity thereof, must be filed as provided for in the Uniform Commercial Code.

5.14 Remedies Cumulative. No remedy herein contained or conferred upon the County or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to the County or Trustee but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

5.15 Successors, Assigns, Gender, Number. The covenants and agreements herein contained shall bind, and the benefit and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

5.16 Headings. The headings are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.

5.17 Actions on Behalf of the County. Except as be otherwise specifically provided herein, whenever any approval, notice, direction, consent, request or other action by the County is required or permitted under this Deed of Trust, such action shall be in writing.

5.18 Terms. The words “the County” means the County of Shasta, or any future owner or holder, including pledgee, of the indebtedness secured hereby.

5.19 Obligations of Borrower. If more than one person has executed this Deed of Trust as “Borrower,” the obligations of all such persons hereunder shall be joint and several.

5.20 Three Year Tax Credit Period. In the event that the County were to take ownership of the Property, the County shall comply with the three (3) year extended use requirement if this Property was assisted by Federal Tax Credits and it has been determined that IRS Code Section 42(h)(6)(E)(ii) is applicable to the County.

5.21 Miscellaneous Provisions.

(a) Beneficiary Statement. The County shall charge a fee for furnishing the statement in accordance with California Civil Code Section 2943.

(b) Severability. If any provision of this Deed of Trust shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

(c) Indemnification. Borrower shall indemnify and hold the County, its officers and agents, harmless against any and all losses, claims, demands, penalties and liabilities which the County, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Deed of Trust and not assert any claim against the County, its officers or agents by reason of any action so taken or omitted. Borrower shall, at Borrower's expense, defend, indemnify, save and hold the County, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust. Borrower shall pay the County upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by the County as a result of any legal action arising out of this Deed of Trust. Notwithstanding the foregoing, the Borrower shall not be obligated to indemnify the County against loss resulting from the gross negligence or willful misconduct of the County.

(d) Estoppel Certificate. When requested by the County, from time to time, the Borrower shall execute an estoppel certificate in favor of the County, which certificate shall certify as to the absence of any default by the County in the performance of its obligations hereunder or, if any such defaults exist, their existence as of the date of the certificate.

(e) Set-off. Borrower shall not, under any circumstances, fail or delay to perform (or resist the enforcement of) any of its obligations to the County in connection with this Deed of Trust or any other contract, note or instrument executed by Borrower in favor of the County because of any alleged offsetting claim or cause of action against the County (or any indebtedness or obligation of the County) which has not been confirmed in a final judgment of a court of competent jurisdiction (sustained on appeal, if any) against the County. Borrower hereby waives any such rights of set-off (or offset) which it might otherwise have with respect to any such claims or causes of action against the County or any such obligations or indebtedness of the County, unless and until such right of set-off (or offset) is confirmed and liquidated by such final judgment. Borrower further waives any right which it might otherwise have (if any) to require a marshalling of any security of the County, or to direct the order in which the County pursues its rights or remedies with respect to any of its security.

5.22 Priority. This Deed of Trust, regardless of order of recordation, is junior and subordinate to that certain Regulatory Agreement recorded contemporaneously herewith.

5.23 Leasehold Deed of Trust Provisions.

(a) Borrower shall comply with the provisions of the Ground Lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless County agrees to the merger in writing. If all or a portion of the security of this Deed of Trust is a leasehold estate, this Deed of Trust shall be a lien upon all present or future right, title, estate, and interest of Borrower in the real property and improvements covered by the leasehold interest, and upon all property interests acquired by Borrower as a result of the exercise of any option contained in the leasehold or as amended, in the same manner and to the same extent as if the real property encompassed in the Ground Lease and option agreements had been held in fee by Borrower at the time of the execution of this Deed of Trust, and Borrower agrees not to terminate, amend, change, or modify its leasehold interest, or any of the terms of the leasehold interest, or to exercise any option to purchase, or agree to do so, without the prior written consent of County being had and obtained. In the event of a violation of this provision, County shall have the right, at its option, to declare all sums secured by this Deed of Trust immediately due and payable, subject to any applicable cure period. Consent to any amendment, change, modification, or a waiver of the right to require such consent in one instance shall not be a waiver of the right to require such consent at a subsequent time. The term "Property," as used in this Deed of Trust, shall be deemed to mean such leasehold estate or any other present or future interest of the Borrower in the Property whenever the context requires. If this Deed of Trust encumbers both a leasehold interest and a fee interest in the same real property, no provisions in this paragraph shall impair the lien on the fee interest.

(b) Borrower (i) shall comply with the provisions of the Ground Lease, (ii) shall give immediate written notice to County of any default by lessor under the Ground Lease or of any notice received by Borrower from such lessor of any default under the Ground Lease by Borrower, (iii) shall exercise any option to renew or extend the Ground Lease and give written confirmation thereof to County within thirty (30) days after such option becomes exercisable, (iv) shall give immediate written notice to County of the commencement of any remedial proceedings under the Ground Lease by any party thereto, and, if required by County, shall permit County as Borrower's attorney-in-fact to control and act for Borrower in any such remedial proceedings, and (v) shall within thirty (30) days after request by County obtain from the lessor under the Ground

Lease and deliver to County any required lessor's estoppel certificate. Borrower expressly transfers and assigns to County the benefit of all covenants contained in the Ground Lease, whether or not such covenants run with the land, but County shall have no liability with respect to such covenant or any other covenants contained in the Ground Lease.

(c) Borrower shall promptly after obtaining knowledge thereof notify County orally of any filing by or against lessor of a petition under the Bankruptcy Code. Borrower shall thereafter forthwith give written notice of such filing to County, setting forth any information available to Borrower as to the date of such filing, the court in which such petition was filed, and the relief sought therein. Borrower shall promptly deliver to County following receipt any and all notices, summonses, pleadings, applications and other documents received by Borrower in connection with any such petition and any proceedings relating thereto.

(d) The lien of this Deed of Trust attaches to all of Borrower's rights and remedies at any time arising under or pursuant to Section 365(h) of the Bankruptcy Code, including, without limitation, all of Borrower's rights to remain in possession of the mortgaged premises thereunder. Effective upon the entry of an order for relief in respect of the Borrower under Chapter 7 of the Bankruptcy Code, the Borrower hereby assigns and transfers to the County a non-exclusive right to apply to the Bankruptcy Court under Section 365(d)(1) of the Bankruptcy Code for an order extending the period during which the Ground Lease may be rejected or assumed. Borrower shall not, without County's prior written consent, elect to treat the Ground Lease as terminated under Section 365(h)(1) of the Bankruptcy Code. Any such election made without County's prior written consent shall be void.

(e) Borrower hereby unconditionally assigns, transfers and sets over to County all of Borrower's claims and rights to the payment of damages arising from any rejection by lessor of the Ground Lease under the Bankruptcy Code, 11 U.S.C. § 101 et seq. County shall have the right to proceed in its own name or in the name of Borrower in respect of any claim, suit, action or proceeding relating to the rejection of the Ground Lease, including without limitation, the right to file and prosecute to the exclusion of Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of lessor under the Bankruptcy Code. This assignment of the foregoing claims, rights and remedies shall continue in effect until all of the indebtedness and obligations secured by this Deed of Trust shall have been satisfied and discharged in full. Any amounts received by County as damages arising out of the rejection of the Ground Lease shall be applied first to all costs and expenses of County (including, without limitation, attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this paragraph and then in accordance with provisions of this Deed of Trust relating to proceeds.

(f) If pursuant to Section 365(h)(2) of the Bankruptcy Code, Borrower seeks to offset against the rent reserved in the Ground Lease the amount of any damages caused by the non-performance by the lessor of any of lessor's obligations under the Ground Lease after the rejection by lessor of the Ground Lease under the Bankruptcy Code, Borrower shall, prior to effecting such offset, notify the County of its intent so to do, setting forth the amounts proposed to be so offset and the basis thereof. County shall have the right to object to all or any part of such offset, and, in the event of such objection, Borrower shall not effect any offset of the amounts so objected by County. If County has failed to object within 10 days after notice from Borrower in accordance with the first sentence of this paragraph, Borrower may proceed to effect such offset

in the amounts set forth in Borrower's notice. Neither County's failure to object nor any objection or other communication between County and Borrower relating to such offset shall constitute an approval of any such offset by County. Borrower shall indemnify and save County harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever (including, without limitation, attorneys' fees) arising from or relating to any offset by Borrower against the rent reserved in the Ground Lease.

(g) If any action, proceeding, motion or notice shall be commenced or filed in respect of the Ground Lease or the mortgaged premises in connection with any case under the Bankruptcy Code which may have the effect of terminating or modifying the Ground Lease in a manner adverse to County's interests, County shall have the option, to the exclusion of Borrower, exercisable upon notice from County to Borrower, to conduct and control any such litigation with counsel of County's choice. County may proceed in its own name or in the name of Borrower in connection with any such litigation, and Borrower agrees to execute any and all powers, authorizations, consents and other documents required by the County in connection therewith. Borrower shall, upon demand, pay to County all costs and expenses (including attorney fees) paid or incurred by County in connection with the prosecution or conduct of any such proceedings. Any such costs or expense not paid by Borrower shall be secured by the lien of this Deed of Trust and shall be added to the principal amount of the indebtedness secured hereby. Borrower shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Ground Lease in any such case under the Bankruptcy Code without the prior written consent of County.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above. If a mailing address is set forth opposite its signature below, and not otherwise, Borrower shall be deemed to have requested that a copy of any notice of default and of any notice of sale hereunder be mailed to it at such address.

MAILING ADDRESS FOR NOTICES:

PC Redding Apartments II Limited Partnership, a
California limited partnership
100 Pacifica, Suite 203
Irvine, CA 92618

Provided, that for purposes of all statutory notice requirements under California law, notice to Borrower alone shall be sufficient.

[SIGNATURES TO FOLLOW]


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BORROWER:

**PC REDDING APARTMENTS II LIMITED
PARTNERSHIP**, a California limited partnership

By: **PC Redding Developers LLC, a
California Limited Liability
Company**
Its: Administrative General Partner

By: **Palm Communities**, a California
Corporation
Its: Managing Member

By:  8-2-19
Name: Danavon L. Horn Date
Its: President

By: **Northern Valley Catholic Social
Service, Inc.**, a California nonprofit
public benefit corporation
Its: Managing General Partner

By:  8.5.19
Name: Catherine E. Wyatt Date
Its: Executive Director

ACKNOWLEDGEMENTS

STATE OF CALIFORNIA

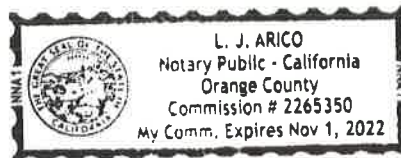
COUNTY OF Orange

On August 2, 2019 before me, LJ Arico, Notary Public
(insert the name and title of the officer), personally appeared
Danavon L. Horn (insert name of signer), who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/ their signature(s) on the instrument the person(s) or
the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

LJ Arico (Seal)
(Signature)



STATE OF CALIFORNIA

COUNTY OF _____

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

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

WITNESS my hand and official seal.

(Signature) (Seal)

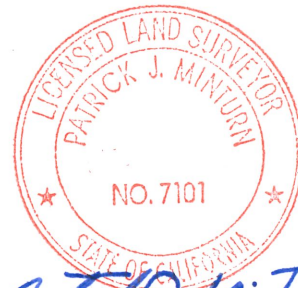
Legal Description – Woodlands II Project

EXHIBIT "A"

All that portion of the real property situated in Section 14 of the P.B. Reading Grant, in the incorporated area of City of Redding, County of Shasta, State of California, more particularly described as follows:

Parcel 2 as shown on that certain Parcel Map, filed June 21, 2019, in Book 39 of Parcel Maps at Page 71, Shasta County Records.

APN: portion of 108-350-063



Patrick J. McInturn
8/1/19

RESOLUTION NO. 2019-_____

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
SHASTA ACCEPTING AND CONSENTING TO RECORDATION OF A DEED
OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING**

WHEREAS, Government Code section 27281 provides that deeds or grants conveying any interest in or easement upon real estate to a governmental agency, such as the County of Shasta, for public purposes shall not be accepted for recordation without the consent of the governmental agency evidenced by a certificate or resolution of acceptance attached to or printed on the deed or grant;

WHEREAS, PC Redding Apartments II Limited Partnership, a California limited partnership ("Borrower"), has executed a deed of trust, with the County of Shasta as beneficiary, assigning all of Borrower's fee simple determinable interest in the improvements on certain real property identified in that deed of trust and the Borrower's leasehold interest in that certain real property, for the purpose of securing payment of a \$1,000,000 loan from the County to Borrower.

NOW THEREFORE, BE IT RESOLVED, that the Shasta County Board of Supervisors, pursuant to Government Code section 27281, hereby accepts the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing from PC Redding Apartments II Limited Partnership, a California partnership, which is attached to this resolution and incorporated herein, and hereby consents to recordation thereof.

DULY PASSED AND ADOPTED this ____ day of _____, 2019, by the Board of Supervisors of the County of Shasta by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

LEONARD MOTY, CHAIRMAN
Board of Supervisors, County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

When Recorded, Return to:

BANNER BANK
Loan Servicing Center
P.O. Box 1589
Bothell, WA 98041

**COUNTY OF SHASTA
SUBORDINATION AGREEMENT**



PROJECT NAME: Woodlands II

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN HELD BY BANNER BANK.

THIS SUBORDINATION AGREEMENT ("**Agreement**"), dated for reference purposes this 13th day of August, 2019, is made by and among PC REDDING APARTMENTS II LIMITED PARTNERSHIP, a California limited partnership, ("**Borrower**"), BANNER BANK, a Washington state chartered commercial bank ("**Senior Lender**"), and the County of Shasta, a political subdivision of the State of California ("**Junior Lender**").

RECITALS

A. Borrower holds a leasehold interest in real property located in Shasta County, California, legally described on EXHIBIT A attached hereto (the "**Property**") on which Borrower will construct a 20-unit multifamily residential project (together with the Property, the "**Project**").

B. Borrower obtained a loan from Senior Lender to finance the acquisition, construction, rehabilitation, development, and/or equipping of the Project (the "**Senior Loan**"), as set forth in the (ii) that certain Credit Agreement of even date herewith, by and between Borrower and Senior Lender (the "**Senior Credit Agreement**"), and (iii) that certain Construction Loan Agreement of even date herewith by and between Borrower and Senior Lender (the "**Senior Construction Loan Agreement**"), and collectively with the Credit Agreement, the "**Senior Loan Agreement**"). The Senior Loan is evidenced by that certain Promissory Note of even date herewith, in the maximum principal amount of \$5,941,617 made by Borrower and payable to the order of Senior Lender (the "**Senior Note**") and is secured by, among other security instruments, that certain Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing of even date herewith executed by Borrower for the benefit of Senior Lender (the "**Senior Security Instrument**") and recorded concurrently herewith against the Project in the official records of Shasta County, California. The Senior Note, the Senior Credit Agreement, the Senior Construction Loan Agreement, and all other documents executed in connection with the Senior Loan, including this Agreement, are referred to herein collectively as the "**Senior Loan Documents**," which term includes any and all extensions, consolidations, amendments, modifications and supplements to such documents.

C. The Senior Security Instrument, together with all other documents now or hereinafter securing the Senior Loan, are referred to herein collectively as the "**Senior Security Documents**," which term includes any and all extensions, consolidations, amendments, modifications and supplements to such documents.

D. Junior Lender has agreed to provide financing to Borrower in the amount of \$1,000,000 (the "**Junior Loan**"). To evidence the Junior Loan, Borrower has executed a promissory note in favor of Junior Lender (the "**Junior Note**"). To secure the Junior Loan, Borrower has provided Junior Lender with a Subordinated Deed of Trust against the Project to be recorded in the Official Records of Shasta County, California, (the "**Junior Security Instrument**"). The Junior Security Instrument, Junior Note, and all other documents now or hereafter securing the Junior Loan, are referred to herein collectively as the "**Junior Security Documents**," which term includes any and all extensions, consolidations, amendments, modifications and supplements to such documents. The Junior Security Documents together with any and all other documents executed in connection with the Junior Loan are referred to herein collectively as the "**Junior Loan Documents**," which term includes any and all extensions, consolidations, amendments, modifications and supplements to such documents.

E. As a condition precedent to closing the Senior Loan, Senior Lender requires that Borrower and Junior Lender execute and deliver this Agreement.

AGREEMENT

IN CONSIDERATION OF THE FOREGOING, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, and to induce Senior Lender to make the Senior Loan, Junior Lender, Borrower, and Senior Lender agree as follows:

1. Subordination of Junior Loan Documents.

1.1. The Junior Loan Documents and the liens created thereunder shall be and the same are hereby made and shall continue to be subject and subordinate to (i) the liens created by the Senior Security Documents, (ii) all of the terms, covenants and conditions contained in the Senior Loan Documents, (iii) any and all increases in the indebtedness secured by the Senior Security Documents (except as specifically set forth below), and (iv) all extensions, consolidations, amendments, modifications and supplements to the Senior Loan Documents. Without limiting the foregoing, the subordination contained in this paragraph shall automatically apply to the following additional advances, extensions, amendments, or other modifications of the Senior Loan Documents, without the need for any written reaffirmation of subordination or other written agreement by Junior Lender:

1.1.1 after an event of default under the Senior Loan, Senior Lender's election to advance funds sufficient to complete the construction of, and lease and operate, the Project, even though such additional advances may result in the aggregate amount advanced by Senior Lender exceeding the original principal amount of the Senior Loan;

1.1.2 regardless of whether a default has occurred under the Senior Loan Documents, Senior Lender's election to advance additional funds to preserve or protect the Project and its security in the Project, including but not limited to advances to prevent waste or destruction, to pay or prevent liens, to pay taxes, insurance premiums, or other assessments or charges against the Project, to defend Borrower's title or Senior Lender's lien priority, to pay collection costs or other expenses reimbursable by Borrower under the Senior Loan Documents, or to address any other risks reasonably perceived by Senior Lender as jeopardizing its security; and

1.1.3 any and all other additional advances, extensions, amendments, or other modifications of the Senior Loan Documents.

1.2. The Junior Loan Documents and the liens thereof shall be and the same hereby are expressly subject and subordinate to any and all advances under the Senior Loan Documents, in whatever amounts and whenever made, with interest thereon, and to any expenses, charges and fees incurred under the Senior Loan Documents, including, without limitation, any and all of such advances, interest, expenses, charges and fees that may increase the indebtedness secured by the Senior Loan Documents in accordance with the terms thereof.

2. Debt Subordination, Restriction on Repayment of Junior Indebtedness. Junior Lender agrees that its right to receive payments from Borrower or any guarantor of any amount then due under the Junior Loan Documents ("**Junior Indebtedness**") shall be subordinated to Senior Lender's right to receive payments from Borrower or any guarantor then due under the Senior Loan Documents, including, but not limited to, interest and any other amounts accruing after the commencement of any bankruptcy, insolvency, liquidation, reorganization or similar proceeding by or against Borrower or any guarantor of the Senior Loan, and any other interest or other amounts that would have accrued on the Senior Loan but for the commencement of such proceeding, whether or not such amounts are allowed as an enforceable claim in such proceeding and regardless of the value of any collateral securing the Senior Loan ("**Senior Indebtedness**"). Until such time as the Senior Loan and all sums now or hereafter secured by the Senior Security Documents have been paid in full (and Senior Lender has no further obligation to fund the Loan) and Borrower has otherwise complied in full with all of its obligations under the Senior Loan Documents and Senior Lender has released the Senior Security Documents (all of the foregoing being referred to herein collectively as "**Repayment in Full of the Senior Loan**"), neither Borrower nor any guarantor shall make any payments of principal, interest or any other amounts due on the Junior Loan; *provided, however*, that so long as no Event of Default exists under any of the Loan Documents, Borrower shall make annual payments of principal and interest in accordance with Section 3 of the Junior Note. Any payments received by Junior Lender in violation of the provisions of this Section shall be held by Junior Lender in trust for Senior Lender and shall be paid over to Senior Lender immediately.

3. Junior Loan Documents. Junior Lender and Borrower hereby certify to Senior Lender that, as of the date of this Agreement, there are no defaults existing under the Junior Loan Documents, and no event has occurred that, with the giving of notice or the passing of time, or both, would constitute a default under the Junior Loan Documents.

4. Insurance and Condemnation Provisions.

4.1. Junior Lender, or any other legal holder of the Junior Loan Documents, shall and hereby does agree to assign and release to the holder of the Senior Security Documents, to the extent authorized by law:

4.1.1 all of its right, title, interest or claim, if any, in and to the proceeds of all policies of insurance covering the Project for application against the indebtedness secured by the Senior Security Documents or for other disposition thereof in accordance with the provisions of the Senior Loan Documents; and

4.1.2 all of its right, title and interest or claim, if any, in and to all awards or other compensation made for any taking of all or any part of the Project, or any settlement in lieu of condemnation, for application against the indebtedness secured by the Senior Security Documents or other disposition in accordance with the provisions of the Senior Loan Documents.

4.2. If following any such application or disposition of the insurance proceeds or condemnation awards and other compensation, any balance remains, then such excess shall be made payable to the joint order of Borrower and Junior Lender as their interests may appear under the Junior Security Documents.

4.3. Junior Lender agrees at any time and from time to time to execute such documents as Senior Lender or the insurer may reasonably require to confirm that any rights that Junior Lender may have as a loss payee or additional insured are expressly subject and subordinate to the rights of Senior Lender as an additional insured or loss payee, to the extent authorized by law.

5. Standstill by Junior Lender/Stipulation to Receivership.

5.1. Until Repayment in Full of the Senior Loan, Junior Lender shall not exercise any of its rights or remedies with respect to the Junior Loan Documents (whether relating to a default in payment or performance or any other default or event of default thereunder) or exercise any remedy in connection with the Junior Security Documents (including, without limitation, the appointment of a receiver or the commencement of foreclosure proceedings) without the prior written consent of Senior Lender, which consent shall be given or withheld in Senior

Lender's sole discretion. Any exercise of any remedy in connection with the Junior Loan Documents without such consent of Senior Lender shall be void *ab initio* and of no effect whatsoever.

5.2. Junior Lender agrees that, after an event of default under the Senior Loan Documents, Junior Lender shall not oppose any request by Senior Lender for the appointment of a receiver for the Project and shall execute such stipulations to the appointment of a receiver as Senior Lender may reasonably request.

5.3 Nothing in this Agreement shall limit or otherwise impact the Junior Lender's exercise of its police powers, including enforcement of the Shasta County Code, and/or any and all rights and remedies associated therewith.

6. Notice and Cure Rights.

6.1. Upon the occurrence of a default under the Senior Loan, and prior to the commencement of foreclosure by Senior Lender under the Senior Security Documents, Senior Lender agrees to provide notice of such default to Junior Lender. Junior Lender shall have the right, within ten (10) days of receipt of such notice, to cure such default, *provided, however*, that notice may, at Senior Lender's option, be provided to Junior Lender at the same time that notice of default is provided to Borrower; and in such event Junior Lender's cure period shall be co-terminus with (and not in addition to) the cure period provided to Borrower.

6.2. Upon the occurrence of a default under the Junior Loan, Junior Lender agrees to provide to Senior Lender a copy of any notice of default provided to Borrower.

7. Event of Default. Any breach of the covenants or obligations of Borrower or Junior Lender under this Agreement or under any of the Junior Loan Documents shall constitute an Event of Default under the Senior Loan Documents. Moreover, any default under the Junior Loan Documents shall constitute an Event of Default under the Senior Loan Documents.

8. Further Assurances. So long as the Senior Security Documents remain a lien upon the Project, or any part thereof, Junior Lender or any other holder of the Junior Security Documents, shall execute, acknowledge and deliver, promptly after being requested to do so, any and all further instruments in recordable form reasonably requested by Senior Lender or another holder of the Senior Security Documents for the purpose of confirming and carrying out the purpose and intent of the foregoing covenants.

9. Modification of Senior Loan and Junior Loan. No renewal or extension of time for payment of the Senior Loan, no release or surrender of security for the payment thereof, no delay in the enforcement of payment thereof or in the enforcement of this Agreement, and no delay or omission in exercising any right or power under the Senior Security Documents or any other Senior Loan Document, or under this Agreement, shall in any manner impair or adversely affect the rights of Senior Lender under this Agreement. Junior Lender hereby waives any further notice of the creation, existence, extension or renewal of the Senior Loan or of any modification of the Senior Loan or of any other actions or matters of any nature whatsoever in connection with the Senior Loan. No modification or amendment of the Junior Loan Documents shall be binding unless Senior Lender has provided its written consent to such modification or amendment. In addition, Junior Lender may not sell, assign, transfer, pledge, encumber, hypothecate or enter into participations for all or any part of its interest in the Junior Loan Documents or the Junior Indebtedness without Senior Lender's written consent, and any such attempted sale, assignment, transfer, pledge, encumbrance, hypothecation or participation shall be void and of no force or effect.

10. Consent and Waiver of Junior Lender. Junior Lender consents to and approves all provisions of the Senior Loan Documents, including, but not limited to, all provisions relating to the disbursement of the proceeds of the Senior Loan. Senior Lender, in making disbursements pursuant to the Senior Loan Documents, is under no obligation or duty to, nor has Senior Lender represented that it will, see to the application of the Loan proceeds by the person or persons to whom Senior Lender disburses such proceeds, and any application or use of such proceeds for purposes

other than those provided for in the Senior Loan Documents shall not defeat the subordination herein made in whole or part.

11. Notices. Any notice from Senior Lender to Borrower, or Borrower to Senior Lender, shall be given in the manner set forth in the Senior Loan Documents. Any notice from Junior Lender to Senior Lender, or Senior Lender to Junior Lender, shall be in writing, shall be given by certified mail, return receipt requested, or by a nationally recognized overnight delivery service, or delivered by hand, addressed as follows:

11.1. If to Junior Lender:

SHASTA COUNTY
Attn: Director or his/her designee
Shasta County Health and Human Services Agency 2640 Breslauer Way, Redding,
California 96001

11.2. If to Senior Lender:

BANNER BANK
Loan Servicing Center
P.O. Box 1589
Bothell, WA 98041

Any party may change its address for the giving of notice by notice hereunder. Any notice given hereunder if given by certified mail will be deemed received when delivered, or if delivery is refused, when delivery is first attempted in the ordinary course. Any notice sent by hand delivery shall be deemed received when actually received. Any notice sent by a nationally recognized overnight courier service shall be deemed received one business day after having been deposited with such overnight courier service if designated for next-day delivery.

12. Actions in Bankruptcy. Until Repayment in Full of the Senior Loan, Junior Lender shall not initiate or join in the filing of an involuntary petition under Title 11 of the United States Code entitled "Bankruptcy" (as now or hereafter in effect, or any successor thereto, the "**Bankruptcy Code**") or the commencement of any other receivership, insolvency, liquidation, readjustment, reorganization, or similar proceeding against Borrower or any guarantor of the Senior Loan Documents. To the extent authorized by law, Junior Lender hereby agrees that it will not make any election, give any consent, file any motion, or take any other action with respect to the Junior Indebtedness or the Junior Loan Documents in any bankruptcy or insolvency proceedings without the prior written consent of Senior Lender.

13. Priority of Payments in Liquidation or Insolvency. In the event of any liquidation or dissolution of Borrower, or any receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or similar proceeding relating to Borrower or any portion of the collateral securing the Senior Loan, all amounts due under the Senior Loan Documents (including without limitation, post-petition interest accrued under the Senior Loan after Borrower's bankruptcy filing) shall first be paid in full before any payment is made upon or in respect of the obligations under the Junior Loan Documents. Any payment or distribution to Junior Lender in contravention of the terms of this Section shall be held in trust for the benefit of, and shall be paid over or delivered and transferred to, Senior Lender for application of the payment of the Senior Indebtedness.

14. Subrogation. Junior Lender hereby absolutely and irrevocably waives, to the fullest extent permitted by law, any rights it may have, by contract, law or in equity, to be subrogated to Senior Lender's rights against Borrower under the Senior Loan Documents or to Senior Lender's liens and security interests on any of the collateral securing the Senior Loan or any other asset of Borrower. If Junior Lender acquires by indemnification, subrogation, or otherwise any lien, estate, right or other interest in or with respect to the property or assets of Borrower or any guarantor of the Senior Loan, that lien, estate, right or other interest shall be subordinate to the Senior Loan Documents and shall be held in trust by Junior Lender for the benefit of, and assigned to, Senior Lender.

15. Enforceability of Senior Loan Documents. Junior Lender agrees that it will not in any manner challenge, oppose, object to, interfere with or delay (i) the validity or enforceability of this Agreement, including without limitation, any provisions regarding the relative priority of rights and duties of Senior Lender and Junior Lender, (ii) Senior Lender's security interest in, liens on and rights as to any property or assets of Borrower or any guarantor of the Senior Loan, or (iii) any enforcement actions by Senior Lender under the Senior Loan Documents, including, without limitation, any efforts by Senior Lender to obtain relief from the automatic stay under the Bankruptcy Code.

16. Waivers. Junior Lender waives (i) the benefit of suretyship claims and defenses generally, (ii) any right to require marshaling of assets or to require Senior Lender to proceed against any guarantors for the Senior Loan or to exhaust any specific security for the obligations secured by the Senior Security Documents, and (iii) any defense to any exercise of Senior Lender's rights hereunder or under the Senior Loan Documents arising out of loss or impairment of any right of subrogation to the Senior Security Documents or to any other Senior Loan Document.

17. No Consent to Additional Junior Financing. Senior Lender's consent to the Junior Loan is solely for the benefit of Junior Lender and only relates to the Junior Loan. It is not intended to constitute consent to any other encumbrances or liens on the Project or as a waiver of any rights that Senior Lender has under the Senior Loan Documents.

18. Conflicts. In the event of any conflict between the Junior Loan Documents and this Agreement, this Agreement shall control.

19. Miscellaneous.

19.1. This Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their successors and assigns.

19.2. This Agreement shall be construed and enforced in accordance with the laws of the state in which the Project is located, without regard to that state's choice of law rules.

19.3. This Agreement may be signed in any number of counterparts, all of which will constitute an original, and all of which when taken together shall constitute one instrument.

20. Lender Discretion. Nothing in this Agreement shall be construed as requiring Senior Lender to grant any financial assistance to Borrower or as limiting or precluding Senior Lender from the exercise of Senior Lender's independent judgment and discretion in connection with Senior Lender's financial arrangements with Borrower or Lender.

21. WAIVER OF JURY TRIAL. IF AND TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF THE PARTIES HERETO (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL. IF FOR ANY REASON THIS WAIVER IS DETERMINED TO BE UNENFORCEABLE, ALL DISPUTES WILL BE RESOLVED BY JUDICIAL REFERENCE AS DESCRIBED BELOW.

22. JUDICIAL REFERENCE. In the event the waiver of jury trial set forth above is not enforceable, the parties agree to proceed under this judicial reference provision as follows:

22.1. With the exception of items specified in Section 22.2 below, any controversy, dispute or claim (each, a "**Claim**") between the parties arising out of or relating to the Loan will be resolved by a reference proceeding in California in accordance with the provisions of Section 638 *et seq.* of the California Code of Civil Procedure, or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether

the Claim is subject to the reference proceeding. Venue for the reference proceeding will be in the state or federal court in any county or district in California where venue is appropriate under applicable law (the "**Court**").

22.2. The matters that shall not be subject to a reference are the following: (i) non-judicial foreclosure of any security interest in real or personal property, (ii) exercise of self-help remedies (including, without limitation, set-off), (iii) appointment of a receiver and (iv) temporary, provisional or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). This reference provision does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (i) and (ii) or to seek or oppose from a court of competent jurisdiction any of the items described in clauses (iii) and (iv). The exercise of, or opposition to, any of those items does not waive the right of any party to a reference pursuant to this Section 22 as provided herein.

22.3. The single referee shall be a retired judge or justice who served at least five (5) years on the California court selected by mutual written agreement of the parties. If the parties do not agree within ten (10) days of a written request to do so by any party then, upon request of any party, the referee shall be selected by the Court in accordance with Section 640(b) of the California Code of Civil Procedure. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to Section 170.6 of the California Code of Civil Procedure, each party shall have one peremptory challenge to the referee selected by the presiding judge of the Court (or his or her representative).

22.4. The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods within fifteen (15) days after the date of selection of the referee, (ii) if practicable, try all issues within one hundred twenty (120) days after the date of the conference and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

22.5. The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered based on good cause shown, no party shall be entitled to priority in conducting discovery, depositions may be taken by either party upon seven (7) days written notice, and all other discovery shall be responded to within fifteen (15) days after service. All disputes relating to discovery that cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

22.6. Except as expressly set forth herein, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so request, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award fees and costs (including, without limitation, attorneys' fees) to the prevailing party, the parties will share equally in the cost of the referee and the cost of the court reporter at trial.

22.7. The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceedings. The referee shall be empowered to enter equitable as well as legal relief, to enter equitable orders that will be binding on the parties, and to rule on any motion that would be authorized in a court proceeding, including, without limitation, motions for summary judgment or summary adjudication. The referee shall issue a decision at the close of the reference proceedings that disposes of all claims of the parties that are the subject of the reference. Pursuant to Section 644 of the California Code of Civil Procedure, such decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court, and any such decision will be final, binding and conclusive. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties reserve the right to findings of fact, conclusions

of law, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted is also to be a reference proceeding under this provision.

22.8. If the enabling legislation that provides for the appointment of the referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or justice, in accordance with the California Arbitration Act (consisting of Sections 1280-1294.2 of the California Code of Civil Procedure), as amended from time to time. The limitations with respect to discovery set forth in this Section shall apply to any such arbitration proceeding.

22.9. THE PARTIES RECOGNIZE AND AGREE THAT ALL CONTROVERSIES, DISPUTES AND CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT A JURY.

[Remainder of page intentionally left blank; signatures appear on the following page]

NOTE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE BORROWER OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

EXECUTED as of the date of this Agreement.

JUNIOR LENDER:

COUNTY OF SHASTA,
a political subdivision of the State of California


By: _____
Leonard Moty, Chairman
Board of Supervisors

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:


By:  8/1/19
Rubin E. Cruse, Jr.
County Counsel

BORROWER:

PC REDDING APARTMENTS II LIMITED
PARTNERSHIP,
a California limited partnership

By PC Redding Developers II LLC,
a California limited liability company,
its Administrative Partner

By Palm Communities,
a California corporation
its Sole Member/Manager

By:  8-2-19
Danavon L. Horn
President

By Northern Valley Catholic Social Service, Inc.,
a California nonprofit public benefit corporation,
its Managing Partner

By:  8.5.19
Catherine E. Wyatt
Executive Director

RISK MANAGEMENT APPROVAL

By:  08/01/19
James Johnson.
Risk Management Analyst

SENIOR LENDER:

BANNER BANK,
a Washington state chartered commercial bank

By: _____
Waheed Karim
Vice President

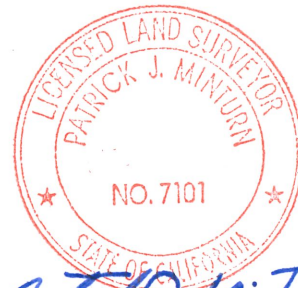
Legal Description – Woodlands II Project

EXHIBIT "A"

All that portion of the real property situated in Section 14 of the P.B. Reading Grant, in the incorporated area of City of Redding, County of Shasta, State of California, more particularly described as follows:

Parcel 2 as shown on that certain Parcel Map, filed June 21, 2019, in Book 39 of Parcel Maps at Page 71, Shasta County Records.

APN: portion of 108-350-063



Patrick J. McInturn
8/1/19

ACKNOWLEDGMENT

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

State of California
County of Orange)

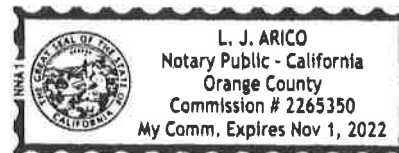
On August 2, 2019 before me, L J Arico
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature L J Arico (Seal)



**SERVICES AGREEMENT BETWEEN
THE COUNTY OF SHASTA
AND
PC REDDING APARTMENTS II LIMITED PARTNERSHIP**

THIS SERVICES AGREEMENT, herein after referred to as Agreement, is entered into by and between the County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency (“County”) and PC Redding Apartments II Limited Partnership (“PCRAII”), a California Limited Partnership (collectively, the “Parties” and individually a “Party”) for the management of 10 housing units of supportive housing within a 20-unit affordable housing project known as The Woodlands 2.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and conditions set forth in this Agreement, the Parties agree as follows:

Section 1. DEFINITIONS.

For the purposes of this Agreement the following definitions shall apply:

- A. Client(s) – A Client is someone who has met County’s screening criteria for MHSA Permanent Supportive Housing Project eligibility.
- B. County Unit(s) – County Unit(s) means 10 affordable units for the general population and Clients located throughout the Project, as follows:
 - (1) 5 one-bedroom units as specified in the California Housing Finance Authority Regulatory Agreement for Special Needs Housing Program requirements; and
 - (2) 5 two-bedroom floating units as specified in the County Regulatory Agreement for the Project.
- C. MHSA Permanent Supportive Housing Project – The MHSA Permanent Supportive Housing Project, also called “The Woodlands 2,” means the 10 County Units in the Project that are set aside for Clients. It includes supportive and social services that are designed to help Clients maintain housing stability.
- D. Project - The Project is located on 1.4 acres at 2900 Polk Street, Redding, California 96001 and consists of a total of 20 multi-family affordable housing units plus a manager’s unit. The 20 multi-family affordable housing include one-, two- and three-bedroom units.
- E. Social services – Means the services offered to Clients by PCRAII. They may include, but are not limited to: Finance/budgeting classes, personal income tax preparation, adult education classes, benefit/entitlement assistance, after-school activities, and health and wellness classes.

- F. Supportive services – means the services provided by County or County’s contractor(s) to Clients on an as-needed basis as determined by County. They may include, but are not limited to: Case management, clinical support, crisis management, medication support, connection to community-based resources, nursing support, co-occurring treatment, In-Home Support Services, Wellness & Recovery Action Planning (“WRAP”), life skills training, peer support, family support, benefits counseling, Public Guardian, employment readiness and resources, Adult Protective Services, Representative Payee Support, vocational services, and after-hours crisis support.
- G. Woodlands Common Areas – Means an on-site community center that includes a computer room, game room, activity room, laundry facilities, County staff office, and manager’s unit located at 2950 Polk Street, Redding, California 96001, owned and operated by PC Redding Apartments Limited Partnership, a California limited partnership (“PCRA”).

Section 2. RESPONSIBILITIES OF PCRAII.

- A. PCRAII shall provide to Clients the County Units.
- B. Each County Unit provided by PCRAII shall include:
 - (1) One full/double bed, one nightstand, one four-drawer dresser, and one lamp for each bedroom in a County Unit.
 - (2) One full-size couch, one coffee table, one lamp, one television stand for the living room.
 - (3) One dining room table and four chairs for the dining room.
- C. Notify County’s Mental Health Services Act coordinator in writing within seven calendar days of knowledge that a Client is vacating and/or terminating their tenancy in a County Unit, including notice to County to provide moving labor services for furnishings as described in Section 3.G below.
- D. Provide County with 120 days written advance notice prior to any change in property ownership or property management.
- E. PCRAII shall maintain and operate the Project.
- F. PCRAII shall maintain common areas and grounds.
- G. PCRAII shall develop Client selection criteria that defines how PCRAII will select Clients for tenancy of a County unit. Selection criteria shall be consistent with applicable Fair Employment and Housing Act (Government Code sections 12900, *et seq.*) provisions.
- H. PCRAII shall develop procedures to implement the selection criteria which includes, but is not limited to, a notification of any action taken, appeal rights and processes as defined in the Americans with Disabilities Act and Fair Employment and Housing Act (Government Code sections 12900, *et seq.*) for Clients denied tenancy.

- I. Using the Client selection criteria identified in Section 2. G. above, PCRAII shall screen and select Clients for tenancy of County Units. PCRAII shall ensure consistent application of Client selection criteria.
- J. PCRAII shall provide assistance to Clients who have been accepted for tenancy by PCRAII prior to moving in. Such assistance shall include, but is not limited to, arrival or first day orientation, and coordination with County's staff or County's contractors to facilitate the Client's occupancy in their County unit.
- K. PCRAII staff shall attend quarterly monitoring meetings with County staff to review whether services are provided in a manner consistent with the provisions of this Agreement. County shall set the date, time and place of these quarterly meetings.
- L. PCRAII shall allow County's staff or County's contract providers use of Project common areas and Woodlands Common Areas to provide services to Clients during the term of this Agreement.
- M. PCRAII shall comply with all California Housing Finance Agency ("Cal HFA") permanent supportive housing rules, regulations, and reporting requirements, as they may be amended from time to time, for the entire term of this Agreement.
- N. PCRAII shall ensure the availability of social services to Clients including, but not limited to, the following:
 - (1) Finance/Budgeting Classes: Financial literacy classes/workshops shall be provided for a minimum of fifty-two (52) hours per year.
 - (2) Personal Income Tax Preparation: Personal income tax preparation instruction shall be provided for a minimum of ten (10) hours per year.
- O. Adult Education Classes: Adult education instruction shall be provided for a minimum of eighty-eight (88) hours per year. Adult education classes shall include, but are not limited to, education regarding benefit/entitlement assistance, computer skills, job readiness, GED instruction, job retention, and networking with community resources to promote employment opportunities.
 - (1) After-school Activities: After-school activities shall be provided for a minimum of six (6) hours per week.
 - (2) Health and Wellness Classes: Health and wellness classes shall be provided for a minimum of eighty-eight (88) hours per year, and shall include, but not be limited to, relationship skills, communication, cooperation, personal responsibility, self-control, empathy, pre-crisis intervention, and emotional support.
- P. PCRAII shall provide Project performance outcome data to County within 30 days of the end of each quarter, using reporting worksheets provided by County.
- Q. PCRAII shall ensure that Client(s) residing at Project shall have reciprocal access to Woodlands Common Areas located at 2950 Polk Street, Redding, California 96001, or if for any reason access to the Woodlands Common Areas is not available, then at another site reasonably agreeable among the Parties hereto, for the purposes of Social services and Supportive services.

Section 3. RESPONSIBILITIES OF COUNTY.

County shall:

- A. Screen applicants for MHSA Permanent Supportive Housing Project eligibility and forward names of approved Clients to PCRAII for housing eligibility screening.
- B. Establish and maintain a waiting list of Clients who are eligible for participation in the MHSA Permanent Supportive Housing Project.
- C. Monitor PCRAII's compliance with the provisions of this Agreement.
- D. Coordinate quarterly monitoring meetings to review whether services are provided in a manner consistent with the provisions of this Agreement.
- E. Create quarterly reporting form to record, track, and report Project performance outcome data, provide the form to PCRAII within 30 days of this Agreement being finalized, and collect the form from PCRAII quarterly.
- F. Provide supportive services to MHSA Clients on an as needed basis as determined by County.
- G. Should (1) a Client vacate a floating County Unit, as defined in Section 1.B.2 of this Agreement, and (2) the County is unable to forward a name of an approved Client or Clients to PCRAII to occupy the unit within 10 working days of receipt of the notice identified in Section 2.C of this Agreement, and (3) PCRA II and the County Director of Health & Human Services (or his/her designee) agree to use a different housing unit in the Project as a County Unit, County shall reimburse PCRA II for its reasonable expenses, as determined by County, for transferring the furnishings identified in Section 2.B. of this Agreement from the previous County unit to a storage area, determined by County, and then for transferring the furnishings to the new County Unit when it becomes available.
- H. Comply with all Cal HFA permanent supportive housing rules, regulations, and reporting requirements, as they may be amended from time to time, for the entire term of this Agreement.

Section 4. COMPENSATION.

There will be no exchange and/or receipt of payment from either Party to the other Party pursuant to this Agreement. The consideration for performance of this Agreement is the performance of the rights, duties, and obligations set forth in this Agreement.

Section 5. TERM OF AGREEMENT.

The term of this Agreement shall be for a period of 20 years commencing upon the date of Certificate of Occupancy or the execution of this Agreement by County, whichever is later.

Section 6. TERMINATION OF AGREEMENT.

- A. Either Party may terminate this Agreement immediately upon breach of the Agreement by the other Party, provided written notice of such breach is given and the notified Party fails to cure such breach to the reasonable satisfaction of the

noticing Party within 30 days of delivery of the notice of breach, or such extended period as is necessary to cure the breach. Such termination by the noticing Party shall be effective at the end of the cure period if no cure has been affected.

- B. County shall have the right to terminate this Agreement immediately in the event any one or more of the following occurs:
 - (1) A petition for adjudication of PCRAII is filed for voluntary or involuntary bankruptcy, which is not dismissed within 60 days of filing.
 - (2) PCRAII makes a general assignment or PCRAII's interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.
 - (3) Abandonment of the Project by PCRAII.
- C. County may terminate this agreement without cause on 30 days written notice to PCRAII.
- D. County shall not be obligated to perform the services provided for in this Agreement for any future County fiscal year unless or until County's Board of Supervisors appropriates funds for this Agreement in County's budget for that County fiscal year. In the event that funds are not appropriated for this agreement, then this agreement shall end as of June 30 of the last County fiscal year for which funds for this agreement were appropriated. For the purposes of this agreement, the County fiscal year commences on July 1 and ends on June 30 of the following year. County shall notify PCRAII in writing of such non-appropriation at the earliest possible date.
- E. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- F. County's right to terminate this agreement may be exercised by the County's Administrative Officer, or County's HHSA Director or any HHSA Branch Director designated by the HHSA Director.

Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; EXHIBITS/APPENDICES.

- A. Except as otherwise provided in the Loan Documents (as that term is defined in the County Regulatory Agreement for the Project), this Agreement supersedes all previous agreements relating to the subject of this Agreement and constitutes the entire understanding of the Parties hereto. PCRAII shall be entitled to no other benefits other than those specified herein. PCRAII specifically acknowledges that in entering into and executing this Agreement, PCRAII relies solely upon the provisions contained in this Agreement and no others.
- B. No changes, amendments, or alterations to this Agreement shall be effective unless in writing and signed by both Parties. However, minor amendments that do not result in a substantial or functional change to the original intent of this Agreement may be agreed to in writing between PCRAII and the HHSA Director or any HHSA Branch Director designated by the HHSA Director, provided that the amendment is in substantially the same format as the County's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101).

- C. The headings that appear in this Agreement are for reference purposes only and shall not affect the meaning or construction of this Agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this Agreement and the provisions of any of this Agreement's exhibits or appendices, the provisions of this Agreement shall govern.

Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.

Inasmuch as this Agreement is intended to secure the specialized services of PCRAII, PCRAII may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of County. The waiver by County of any breach of any requirement of this Agreement shall not be deemed to be a waiver of any other breach.

Section 9. EMPLOYMENT STATUS OF PCRAII.

PCRAII shall, during the entire term of this Agreement, be construed to be an independent contractor, and nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which PCRAII performs the work or services that are the subject matter of this Agreement; provided, however, that the work or services to be provided by PCRAII shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of County is to ensure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. PCRAII shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if PCRAII were a County employee. County shall not be liable for deductions for any amount for any purpose from PCRAII's compensation. PCRAII shall not be eligible for coverage under County's workers' compensation insurance plan nor shall PCRAII be eligible for any other County benefit. PCRAII must issue W-2 and 941 Forms for income and employment tax purposes, for all of PCRAII's assigned personnel under the terms and conditions of this Agreement.

Section 10. INDEMNIFICATION.

To the fullest extent permitted by law, PCRAII shall indemnify and hold harmless County, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses, (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this Agreement by PCRAII, or by any of PCRAII's subcontractors, any person employed under PCRAII, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of County. PCRAII shall also, at PCRAII's own expense, defend the County, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against County, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this Agreement by PCRAII, or any of PCRAII's subcontractors, any person employed under PCRAII, or under any Subcontractor, or in any capacity. PCRAII shall also defend and

indemnify County for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless County with respect to PCRAII's "independent contractor" status that would establish a liability on County for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this Agreement.

Section 11. INSURANCE COVERAGE.

- A. Without limiting PCRAII's duties of defense and indemnification, PCRAII and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this Agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other coverage necessary to protect the County and the public with limits of liability of not less than \$3 million per occurrence; such insurance shall be primary as to any other insurance maintained by County.
- B. PCRAII and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover PCRAII, subcontractor, PCRAII's partner(s), subcontractor's partner(s), PCRAII's employees, and subcontractor's(s') employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by PCRAII or subcontractor. Each such policy shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against the County, its elected officials, officers, employees, agents, and volunteers which might arise in connection with this Agreement. PCRAII hereby certifies that PCRAII is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and PCRAII shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this Agreement.
- C. Consultant shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than \$1 million per occurrence.
- D. PCRAII shall require subcontractors to furnish satisfactory proof to County that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of PCRAII pursuant to this Agreement.
- E. With regard to all insurance coverage required by this Agreement:
 - (1) Any deductible or self-insured retention exceeding \$25,000 for PCRAII or subcontractor shall be disclosed to and be subject to approval by the County Risk Manager prior to the effective date of this Agreement.
 - (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, PCRAII or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to

the effective date of this Agreement and continue coverage for a period of three years after the expiration of this Agreement and any extensions thereof. In lieu of maintaining post-Agreement expiration coverage as specified above, PCRAII or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide the insurance coverage required hereunder for claims received and reported three years after the expiration date of this Agreement.

- (3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names *County, its elected officials, officers, employees, agents, and volunteers as additional insureds*. In the event that coverage is reduced or canceled, a notice of said reduction or cancellation shall be provided to County within 24 hours. The additional insureds coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.
- (4) Each insurance policy (except for workers' compensation and professional liability policies), or an endorsement thereto, shall contain a "separation of insureds" clause which shall read:

"Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
 - b. Separately to each suit insured against whom a claim is made or suit is brought."
- (5) PCRAII shall provide County with an endorsement or amendment to PCRAII's policy of insurance as evidence of insurance protection before the effective date of this Agreement.
 - (6) The insurance coverage required herein shall be in effect at all times during the term of this Agreement. In the event any insurance coverage expires at any time during the term of this Agreement, PCRAII shall provide County, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement or for a period of not less than one year. In the event PCRAII fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this Agreement, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

- (7) If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, PCRAII shall provide County a certificate of insurance reflecting those limits.
- (8) Any of PCRAII's Excess Insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the County.

Section 12. NOTICE OF CLAIM; APPLICABLE LAW; VENUE.

- A. If any claim for damages is filed with PCRAII or if any lawsuit is instituted concerning PCRAII's performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, PCRAII shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this Agreement.
- B. Any dispute between the Parties, and the interpretation of this Agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

Section 13. COMPLIANCE WITH LAWS; NON-DISCRIMINATION.

- A. PCRAII shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this Agreement.
- B. PCRAII shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. PCRAII represents that PCRAII is in compliance with and agrees that PCRAII shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.
- D. PCRAII shall not use the Project in any way for sectarian worship, instruction, or proselytization.
- E. In addition to any other provisions of this Agreement, PCRAII shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of PCRAII's noncompliance with the provisions of this section.

Section 14. ACCESS TO RECORDS; RECORDS RETENTION.

- A. PCRAII shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with State and Federal requirements. All records shall be open to inspection and may be audited by the authorized representatives of County, and any State and/or Federal governing agencies. This provision shall survive the termination, expiration, or cancellation of this Agreement.
- B. All financial records, supporting documents, statistical records, and all other records pertaining to the use of the funds provided under this Agreement shall be retained collectively PCRAII for a period of the lesser of (a) five years following termination or expiration of this Agreement, pursuant to the terms herein, or (b) 25 years from issuance of a certificate of occupancy to PCRAII (the "Retention Period"). Such records shall be made available for audit by County, State or Federal representatives as necessary. In the event of litigation, claim or audit, the records shall be retained until all litigation, claims and audit findings involving the records, have been fully resolved. In the event any County, State and/or Federal laws mandate a longer retention period, such longer retention shall apply. Access to these records shall be provided to County during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by County, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this Agreement.
- C. PCRAII shall be responsible for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or County audit directly related to the provisions of this Agreement.

Section 15. COMPLIANCE WITH CHILD, FAMILY, AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.

PCRAII's failure to comply with state and federal child, family, and spousal support reporting requirements regarding PCRAII's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this Agreement. PCRAII's failure to cure such default within 90 days of notice by County shall be grounds for termination of this Agreement.

Section 16. LICENSES AND PERMITS.

PCRAII, and PCRAII's officers, employees, agents, and contractors performing the work or services required by this Agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by County. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by County.

Section 17. PERFORMANCE STANDARDS.

PCRAII shall perform the work or services required by this Agreement in accordance with the industry and/or professional standards applicable to PCRAII's work or services.

Section 18. CONFLICTS OF INTEREST.

PCRAII and PCRAII's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this Agreement.

Section 19. NOTICES.

- A. Any notices required or permitted pursuant to the terms and provisions of this Agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to County: Branch Director
 HHSA Business & Support Services
 Attn: Contracts Unit
 P.O. Box 496005
 Redding, CA 96049-6005
 Phone: 530.245.6860
 Fax: 530.225.5555

If to PCRAII: PC Redding Apartments II Limited Partnership
 c/o Palm Communities
 100 Pacifica, Suite 205
 Irvine, CA 92618
 Phone: 949.878.9399
 Fax: 949.878-9387

If to PCRA: PC Redding Apartments Limited Partnership
 c/o Palm Communities
 100 Pacifica, Suite 205
 Irvine, CA 92618
 Phone: 949.878.9399
 Fax: 949.878-9387

- B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 19.A. and shall be deemed to be effective immediately.
- C. Unless otherwise stated in this agreement, any written or oral notices on behalf of the County as provided for in this agreement may be executed and/or exercised by the County Executive Officer.

Section 20. AGREEMENT PREPARATION

It is agreed and understood by the Parties that this Agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this Agreement within the meaning of section 1654 of the Civil Code.

Section 21. COMPLIANCE WITH POLITICAL REFORM ACT.

PCRAII shall comply with the California Political Reform Act (Government Code sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the County's Conflict of Interest Code, with regard to any obligation on the part of PCRAII to disclose financial interests and to recuse from influencing any County decision which may affect PCRAII's financial interests. If required by the County's Conflict of Interest Code, PCRAII shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

Section 22. PROPERTY TAXES.

PCRAII represents and warrants that PCRAII, on the date of execution of this Agreement, (1) has paid all property taxes for which PCRAII is obligated to pay, or (2) is current in payments due under any approved property tax payment arrangement. PCRAII shall make timely payment of all property taxes at all times during the term of this Agreement.

Section 23. SEVERABILITY.

If any portion of this Agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

Section 24. CONFIDENTIALITY OF CLIENT INFORMATION.

All information and records obtained in the course of providing services under this Agreement shall be confidential, and PCRAII and all of PCRAII's employees, volunteers, agents, and officers shall comply with state and federal requirements regarding confidentiality of Client/patient information (including, but not limited to, section 5328 of the Welfare and Institutions Code; Civil Code section 56.10; the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations adopted pursuant thereto; Title 42, Code of Federal Regulations, Part 2; and Title 45, Code of Federal Regulations, section 205.50). All applicable regulations and statutes relating to Client/patients' rights shall be adhered to. This provision shall survive the termination, expiration, or cancellation of this Agreement.

Section 25. SCOPE AND OWNERSHIP OF WORK.

All research data, reports, and every other work product of any kind or character arising from or relating to this Agreement shall become the property of the County and be delivered to the County upon completion of its authorized use pursuant to this Agreement. County may use such work products for any purpose whatsoever. All works produced under this Agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the County without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this Agreement, PCRAII shall retain all of PCRAII's rights in PCRAII's own proprietary information, including, without limitation, PCRAII's methodologies and methods of

analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by PCRAII prior to, or acquired by PCRAII during the performance of this Agreement and PCRAII shall not be restricted in any way with respect thereto.

Section 26. USE OF COUNTY PROPERTY.

PCRAII shall not use County premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of PCRAII's obligations under this Agreement.

Section 27. ADDITIONAL CONFIDENTIALITY REQUIREMENTS.

Should information regarding County's clients become known to PCRAII that is not otherwise known to PCRAII, PCRAII shall comply with, and require all of its contractors, employees, volunteers, agents, and officers to comply with, the provisions of section 5328 and section 10850 of the Welfare and Institutions Code, and of Division 19 of the State of California Department of Social Services Manual of Policies and Procedures. PCRAII shall ensure all of its employees, volunteers, agents, and officers comply with these provisions, and shall inform all of its employees, agents, and officers that any person knowingly and intentionally violating such provisions is guilty of a misdemeanor.

[SIGNATURE PAGE FOLLOWS]

Exhibit C

IN WITNESS WHEREOF, All Parties have executed this Agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this Agreement and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

LEONARD MOTY, Chairman
Board of Supervisors
County of Shasta
State of California

ATTEST
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

Approved as to form:

 8/1/19

Rubin E. Cruse, Jr.
County Counsel

RISK MANAGEMENT APPROVAL

 08/01/19

James Johnson
Risk Management Analyst

**PC REDDING APARTMENTS II
LIMITED PARTNERSHIP**, a California
limited partnership

By: PC Redding Developers II LLC, a
California limited liability company,
its administrative general partner

Its: Administrative General Partner

By: **Palm Communities**, a California
Corporation

Its: Managing Member

By:  8-2-19
Name: Danavon L. Horn Date
Its: President

By: **Northern Valley Catholic Social
Service, Inc.**, a California nonprofit
public benefit corporation

Its: Managing General Partner

By:  8-5-19
Name: Catherine E. Watt Date
Its: Executive Director

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

BOARD MEETING DATE: August 13, 2019

CATEGORY: Scheduled Hearings - Public Works-10.

SUBJECT:

Waste Management Bond Financing

DEPARTMENT: Public Works

Supervisory District No. : All

DEPARTMENT CONTACT: Pat Minturn, Public Works Director, (530) 225-5661

STAFF REPORT APPROVED BY: Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Take the following actions regarding the issuance of tax-exempt revenue bonds by Waste Management, Inc. or affiliates to finance their refuse collection and disposal facilities in an aggregate principal amount not to exceed \$300,000,000 of which an amount not expected to exceed \$72,000,000 may be used at the Anderson Landfill: (1) Conduct a public hearing; (2) close the public hearing; and (3) adopt a resolution which approves the issuance of the California Municipal Finance Authority Solid Waste Disposal Revenue Bonds (Waste Management, Inc. Project).

SUMMARY

Waste Management, Inc. seeks permission to issue tax-exempt bonds to improve their Anderson Landfill.

DISCUSSION

Waste Management, Inc. (WM) proposes to issue \$300 million in tax-exempt bonds through the California Municipal Finance Authority (CMFA). Up to \$72,000,000 of the proceeds may be spent at the Anderson Landfill in Shasta County. The Tax and Equity Fiscal Responsibility Act (TEFRA) places some conditions upon this financing mechanism. The elected body of the local government shall concur. A public hearing is required. WM shall be solely responsible for bond repayment. Shasta County shall have no obligation, liability or responsibility for the bonds and they will not affect the County's bond rating.

ALTERNATIVES

The Board may decline to adopt the resolution. WM would be precluded from using tax-exempt bonds to finance improvements in Shasta County. They may be able to obtain alternate funding albeit at a higher cost.

OTHER AGENCY INVOLVEMENT

CMFA is a joint powers agency with 300 members including Shasta County. County Counsel has reviewed and approved the resolution as to form. The recommendation has been reviewed by the County Administrative Office.

FINANCING

Adequate funds to prepare this staff report are included in the Adopted Fiscal Year 2019/20 Solid Waste budget. The General Fund will receive a minimal stipend for this action through CMFA. There is no other General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Waste Management CMFA TEFRA Resolution	7/31/2019	Waste Management CMFA TEFRA Resolution

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SHASTA
APPROVING A PLAN OF FINANCE FOR THE ISSUANCE OF THE CALIFORNIA
MUNICIPAL FINANCE AUTHORITY SOLID WASTE DISPOSAL REVENUE BONDS
(WASTE MANAGEMENT, INC. PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED \$300,000,000 FOR THE PURPOSE OF FINANCING THE
ACQUISITION, CONSTRUCTION, INSTALLATION, REHABILITATION,
IMPROVEMENT AND/OR EQUIPPING OF SOLID WASTE DISPOSAL FACILITIES
AND CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, Waste Management, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and/or affiliates thereof (collectively, the “Borrower”), has requested that the California Municipal Finance Authority (the “Authority”) participate in the issuance of one or more series of exempt facility bonds for qualified solid waste disposal facility projects pursuant to section 142(a)(6) of the Internal Revenue Code of 1986 (the “Code”) from time to time in an aggregate principal amount not to exceed \$300,000,000 (the “Bonds”) for the purpose of, among other things, financing, in an amount not expected to exceed \$72,000,000, the following projects (collectively, the “Project”) initially owned by the Borrower and located within the County of Shasta (the “County”): improvements to existing, permitted solid waste landfill facilities, including but not limited to (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas systems, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site and/or land improvements, including construction of building facilities, (vi) acquisition of equipment to be used at the landfill facilities, and (vii) acquisition of other equipment and assets necessary to support the foregoing additions and improvements and to place them into service; and

WHEREAS, the Project is located at Anderson Landfill, 18703 Cambridge Road, Anderson, California, 96007-9165 in the County; and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by the County because the Project is located within the territorial limits of the County; and

WHEREAS, the Board of Supervisors of the County (the “Board”) is the elected legislative body of the County and is one of the “applicable elected representatives” required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the Board approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “Agreement”), among certain local agencies, including the County; and

WHEREAS, the Authority has advised that the Bonds may be issued pursuant to a “plan of finance” and that, for purposes of this resolution, the “plan of finance” consists of a general plan of the Authority and the Borrower to monitor capital markets and the capital needs of the Borrower within the County and, if market conditions warrant, issue one or more additional series of Bonds in an aggregate principal amount not to exceed \$300,000,000 to finance the Project within the three-year period commencing on the date of the issuance of the first series of Bonds pursuant to this resolution; and

Resolution No. 2019-
August 13, 2019
Page 2 of 2

WHEREAS, pursuant to Section 147(f) of the Code and Section 6586.5 of the Government Code of the State of California, the Board has, following notice duly given, held a public hearing regarding the Project and the plan of finance for the issuance of the Bonds, and now desires to approve the Project and the plan of finance for the issuance of the Bonds by the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Shasta as follows:

Section 1. The foregoing resolutions are true and correct.

Section 2. The Board hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Board that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.

Section 3. The Board finds that the actions authorized hereby regarding the financing of the Project will result in demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs to produce significant public benefits.

Section 4. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 5. This resolution shall take effect immediately upon its adoption.

DULY PASSED AND ADOPTED this 13th day of August, 2019, by the Board of Supervisors of the County of Shasta, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

LEONARD MOTY, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By _____
Deputy